



GALACTIC



SECOND QUARTER
EARNINGS UPDATE

8.7.2024

DISCLOSURES

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements contained in this presentation other than statements of historical fact, including, without limitation, statements regarding our spaceflight systems, our estimated target market and anticipated annual growth rate of such target market, scaling of our future fleet, increasing our flight rate, providing repeatable and reliable access to space, development of our Delta Class spaceships and proposed timeline for testing and commercial service using such spaceships, development of our next generation motherships and proposed timing of delivery thereof, the timing of the design process, tooling development, parts fabrication and assembly of our Delta Class spaceships, expansion plans for spaceports around the world, and our objectives for future operations, growth plans and profitability and the Company's financial forecasts, including expected free cash flow, potential annualized revenues and adjusted EBITDA, are forward-looking statements. The words "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "strategy," "future," "could," "would," "project," "plan," "target," and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including but not limited to any delay in future commercial flights of our spaceflight fleet, our ability to successfully develop and test our next generation vehicles, and the time and costs associated with doing so, our expected capital requirements and the availability of additional financing, and the other factors, risks and uncertainties included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as such factors may be updated from time to time in our other filings with the Securities and Exchange Commission (the "SEC"), accessible on the SEC's website at www.sec.gov and the Investor Relations section of our website at www.virgingalactic.com, which could cause our actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management's estimates as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

USE OF NON-GAAP FINANCIAL MEASURES

This presentation references certain financial measures that are not prepared in accordance with generally accepted accounting principles in the United States (GAAP), including, total non-GAAP operating expenses, Adjusted EBITDA and free cash flow. The Company defines total non-GAAP operating expenses as total operating expenses other than stock-based compensation and depreciation and amortization. The Company defines Adjusted EBITDA as earnings before interest expense, income taxes, depreciation and amortization and stock-based compensation. The Company defines free cash flow as net cash provided by operating activities less capital expenditures. None of these non-GAAP financial measures is a substitute for or superior to measures prepared in accordance with GAAP and should not be considered as an alternative to any other measures derived in accordance with GAAP.

The Company believes that presenting these non-GAAP financial measures provides useful supplemental information to investors about the Company in understanding and evaluating its operating results, enhancing the overall understanding of its past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by its management in financial and operational decision making. However, there are a number of limitations related to the use of non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore any non-GAAP measures the Company uses may not be directly comparable to similarly titled measures of other companies.

A reconciliation of these non-GAAP financial measures is included in the appendix to this presentation.

The Company also provides certain non-GAAP measures, including Adjusted EBITDA and free cash flow, on a forward-looking basis. The Company has not provided a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures because such a reconciliation is not available without unreasonable efforts, due to the variability of these items and the fact that there is substantial uncertainty associated with predicting any future adjustments that we may make to our GAAP financial measures in calculating our non-GAAP financial measures.

INVESTOR OVERVIEWS



Virgin GALACTIC

DELTA SPACESHIP DESIGN
OVERVIEW

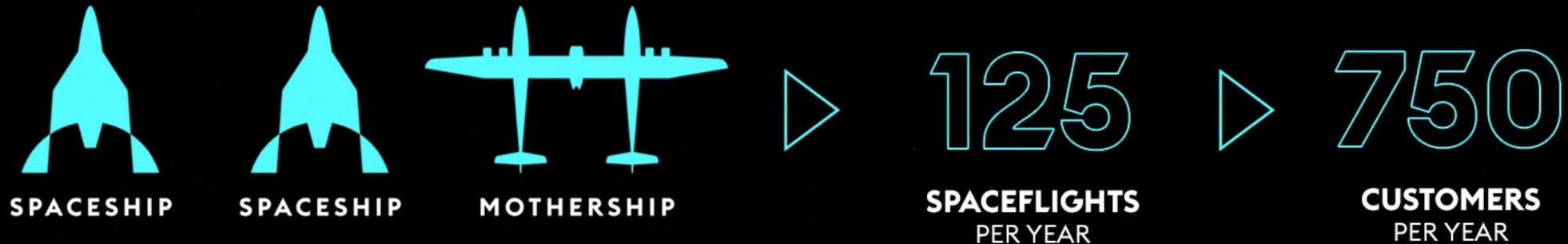
[https://www.youtube.com/
watch?v=DOa9QroTyIQ](https://www.youtube.com/watch?v=DOa9QroTyIQ)

Virgin GALACTIC

BUSINESS MODEL
OVERVIEW

<https://investors.virgingalactic.com>

VIRGIN GALACTIC'S GROWTH IN FLEET CAPACITY



$$750 \times \$600K = \$450M$$

CUSTOMERS **CURRENT PRICE** **ANNUALIZED**
PER YEAR PER SEAT REVENUE

VIRGIN GALACTIC'S GROWTH IN FLEET CAPACITY



$$1650 \text{ CUSTOMERS PER YEAR} \times 600\text{K PRICE PER SEAT} = \$1\text{B ANNUALIZED REVENUE}$$

Fixed Cost Leverage Enables Substantial EBITDA Expansion as Fleet Sizes Grows

(Illustrative Economics)

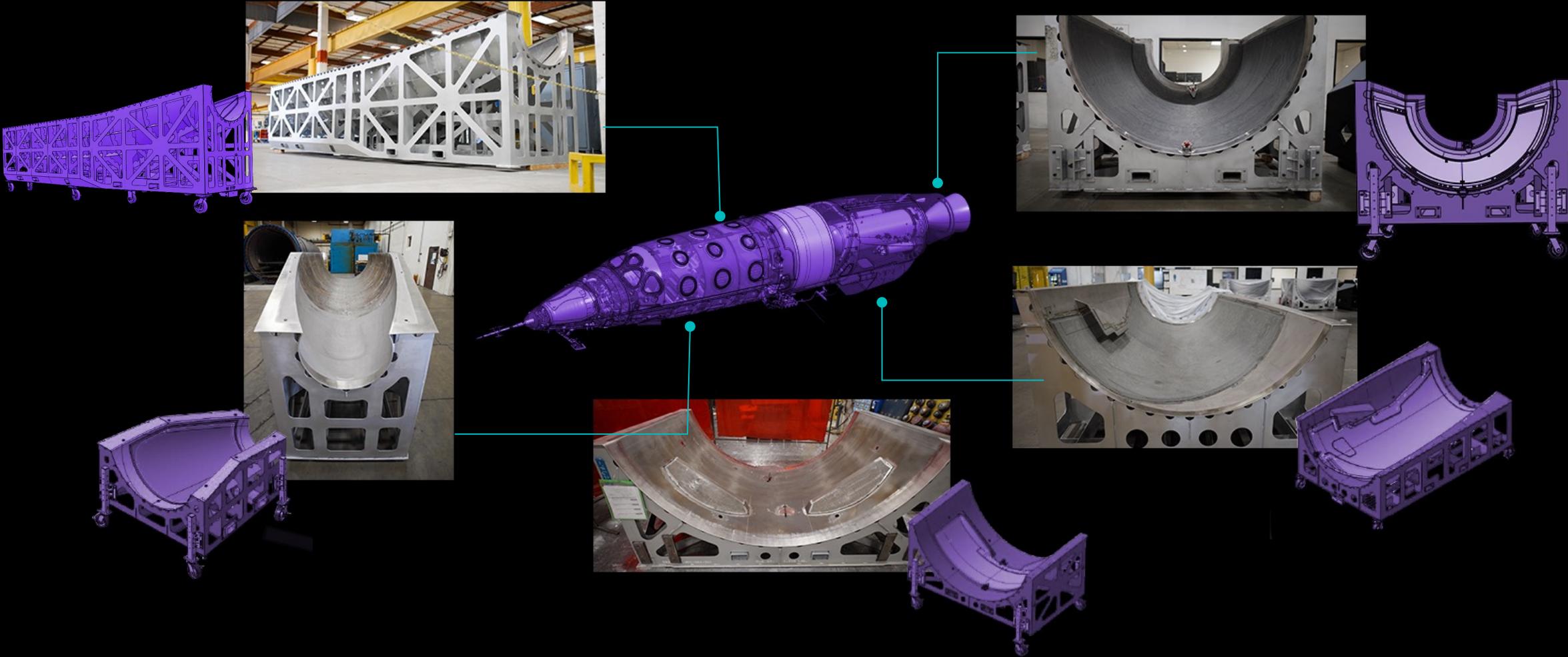
	ONE SPACEPORT		TWO SPACEPORTS
	Initial Fleet	Expanded Fleet	
Annual Revenue ¹	\$450M	\$990M	\$1,980M
- Variable Spaceflight Costs ²	(80M)	(165M)	(330M)
Contribution Margin	\$370M	\$825M	\$1,650M
- Spaceline Operation Costs	(105M - 120M)	(140M - 170M)	(250M - 300M)
- Sales, General, & Administrative	(95M - 100M)	(100M - 110M)	(125M - 150M)
- Business Development/R&D/Other	(55M - 60M)	(85M - 95M)	(175M - 200M)
Adjusted EBITDA³	\$90M - \$115M	\$450M - \$500M	\$1,000M - \$1,100M
Adjusted EBITDA %	20% - 25%	45% - 50%	50% - 55%
Approximate Annual # of flights/passengers	125 flights/ 750 passengers	275 flights/ 1,650 passengers	550 flights/ 3,300 passengers
# of Spaceships in Operation	2	4	8
# of Motherships in Operation	1	2	4

1. Reflects stabilized annual revenue with ticket price at \$600K/passenger

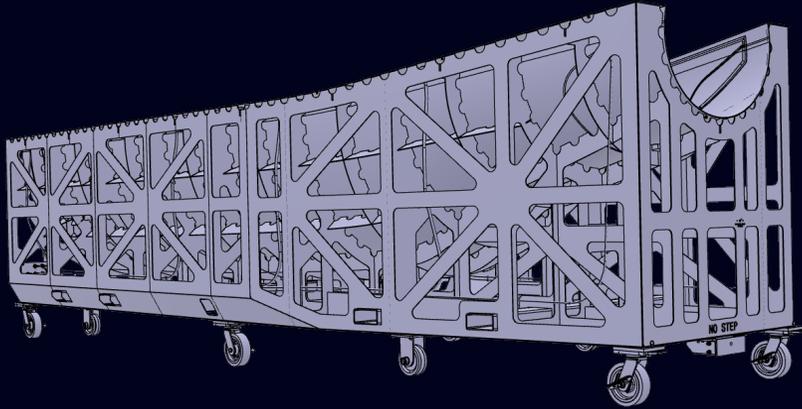
2. Rocket motor, Astronaut support, fuel, Spaceport landing fees, other

3. Adjusted EBITDA excludes stock based compensation. For the reasons discussed under the heading "Use of Non-GAAP Financial Measures" on slide 2, the Company has not provided a reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures because such a reconciliation is not available without unreasonable efforts.

FUSELAGE TOOLING EXAMPLES



FUSELAGE TOOLING EXAMPLE





Delta Final Assembly Facility

FINANCIAL RESULTS

SECOND QUARTER 2024

Ended June 30, 2024

- Revenue of \$4 million, compared to \$2 million in the prior year period, driven by commercial spaceflight and membership fees related to future astronauts.
- Total operating expenses were \$106 million, compared to \$141 million in the prior year period.
 - Spaceline Operations expenses were \$27 million
 - R&D expenses were \$42 million
 - SG&A expenses were \$34 million
- Net loss of \$94 million, compared to \$134 million in the prior year period.
- Adjusted EBITDA of \$(79) million, compared to \$(116) million in the prior year period.
- Free cash flow of \$(114) million, compared to \$(135) million in the prior year period.
- Raised \$64 million in gross proceeds as part of the at-the-market equity offering program.

CASH FLOW AND BALANCE SHEET

FREE CASH FLOW ⁽¹⁾

Q2 2024

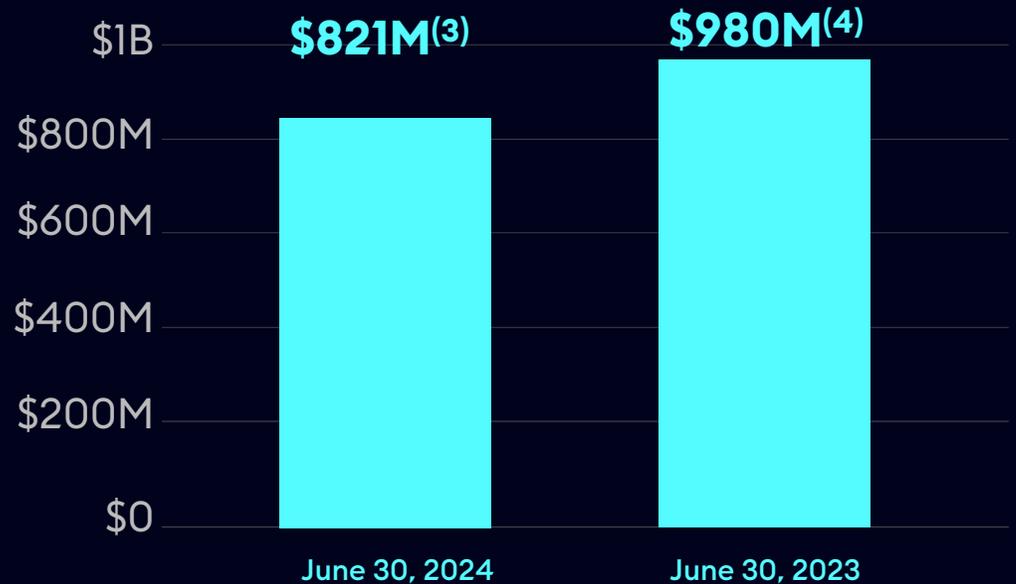
\$(114) million

Q3 2024 Guidance ⁽²⁾

Expected to be in the range of

\$(115) million to \$(125) million

CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES



1. Virgin Galactic uses Free Cash Flow as a key measure of its performance. Free Cash Flow is defined as cash flows provided by operating activities less capital expenditures. Refer to the appendix of this presentation for a reconciliation to GAAP.

2. For the reasons discussed under the heading "Use of Non-GAAP Financial Measures" on slide 2, the Company has not provided a reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures because such a reconciliation is not available without unreasonable efforts.

3. Amount includes \$33M of restricted cash.

4. Amount includes \$40M of restricted cash.



APPENDIX

RECONCILIATION OF NON-GAAP MEASURES – Adjusted EBITDA

(In thousands)	THREE MONTHS ENDED	
	June 30, 2024	June 30, 2023
Net loss	\$ (93,775)	\$ (134,364)
Interest expense	3,230	3,216
Income tax expense	34	34
Depreciation and amortization	3,256	3,192
Stock-based compensation	8,236	11,859
Adjusted EBITDA	\$ (79,019)	\$ (116,063)

RECONCILIATION OF NON-GAAP MEASURES – Operating Expenses

(In thousands)	THREE MONTHS ENDED	
	June 30, 2024	June 30, 2023
Total operating expenses	\$ 106,010	\$ 141,437
Stock-based compensation	8,236	11,859
Depreciation and amortization	3,256	3,192
Non-GAAP total operating expenses	\$ 94,518	\$ 126,386

RECONCILIATION OF NON-GAAP MEASURES – Free Cash Flow

(In thousands)	THREE MONTHS ENDED	
	June 30, 2024	June 30, 2023
Net cash used in operating activities	\$ (79,132)	\$ (125,318)
Capital expenditures	(34,415)	(9,849)
Free cash flow	\$(113,547)	\$(135,167)



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