



GALACTIC

THIRD QUARTER

EARNINGS UPDATE

11.6.2024



ARTIST RENDERING OF FUTURE FLEET AT SPACEPORT AMERICA

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, our anticipated number of spaceflights and customers per year, providing repeatable and reliable access to space, development of our Delta Class spaceships and proposed timeline for testing and commercial service using such spaceships, the potential to develop additional Delta class spaceships in the future and the anticipated costs thereof, development of our next generation motherships and proposed timing of design, build, testing and commercial service thereof, the need for approximately \$300 million of additional growth capital to scale our future fleet and achieve our goals, our potential to raise such growth capital and the sources thereof, the timing of the design process, tooling development, parts fabrication and assembly of our Delta Class spaceships, expansion plans for a second spaceport and additional spaceports around the world, the timing of our peak quarterly burn, 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 and contribution margin, 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, non-GAAP total operating expenses, Adjusted EBITDA and free cash flow. The Company defines non-GAAP total 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.

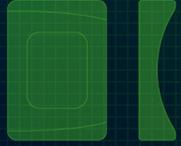
The Company also provides certain non-GAAP measures, including Adjusted EBITDA and free cash flow, on a forward-looking basis. The Company has not provided a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures because such a reconciliation 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.

AGENDA

- Spaceship Program Progress
- Business Model Highlights
- Fleet Expansion Plans
- Financial Overview
- Q&A

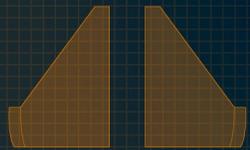
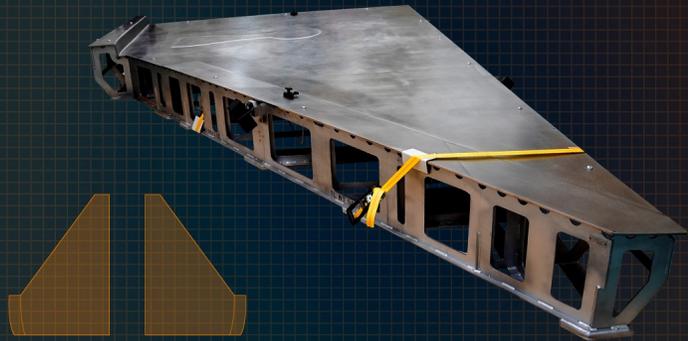


SPACESHIP TOOL EXAMPLES

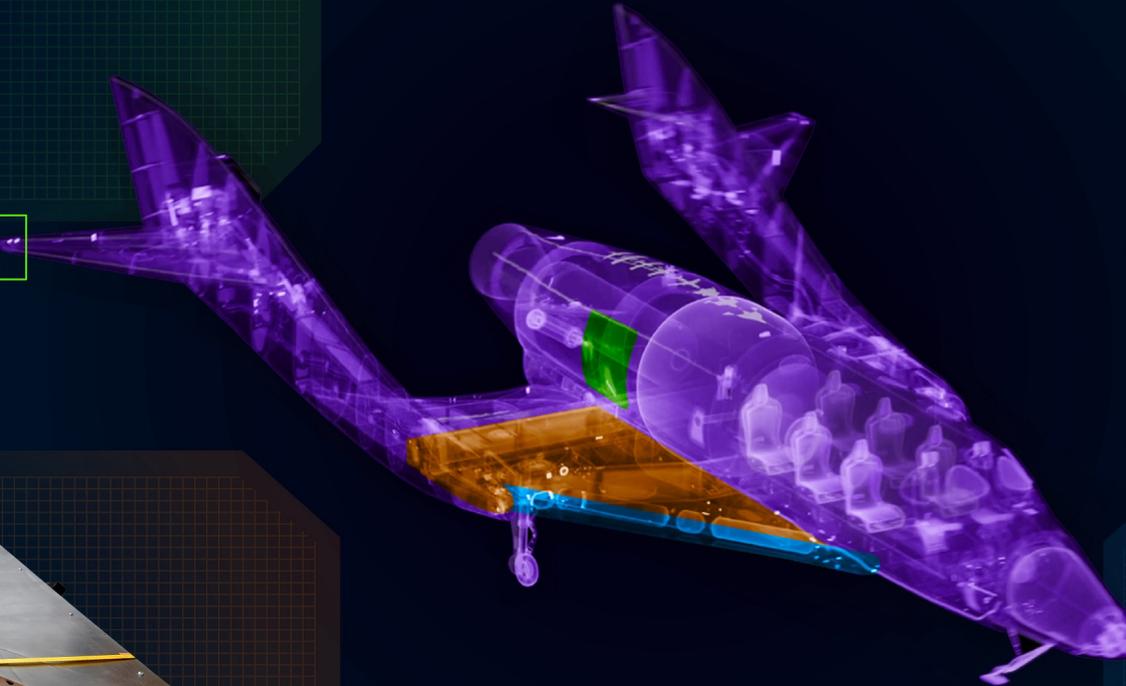
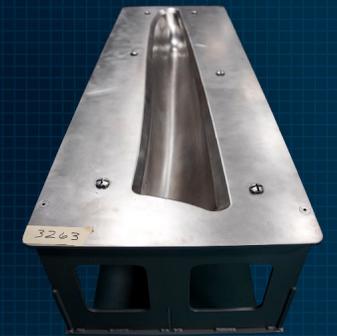
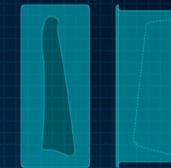


FUSELAGE ACCESS PANEL

WING SKIN TOOL



WING LEADING EDGE TOOL



TESTING: FLIGHT CONTROLS



SPACESHIP FACTORY: HIRING RAMP UP



TOOLS ARRIVE / PARTS FABRICATION RAMPS UP



[Click here to watch the video](#)

Economies of Scale Expected as Fleet Size Grows

(Illustrative Economics)

	SPACEPORT AMERICA		
	Initial Fleet	Expanded Fleet	Growth with Expanded Fleet
Annual Revenue ¹	\$450M	\$990M	→ Approx. 2x Revenue
- Variable Spaceflight Costs ²	(80M)	(165M)	
Contribution Margin	\$370M	\$825M	
- Spaceline Operation Costs	(105M - 120M)	(140M - 170M)	
- Sales, General, & Administrative	(95M - 100M)	(100M - 110M)	
- Business Development/R&D/Other	(55M - 60M)	(85M - 95M)	
Adjusted EBITDA³	\$90M - \$115M	\$450M - \$500M	→ Approx. 4x EBITDA
Adjusted EBITDA %	20% - 25%	45% - 50%	
Approximate Annual # of flights/astronauts	125 flights/ 750 passengers	275 flights/ 1,650 passengers	
# of Spaceships in Operation	2	4	Delta #3 and Delta #4
# of Motherships in Operation	1	2	Additional Mothership

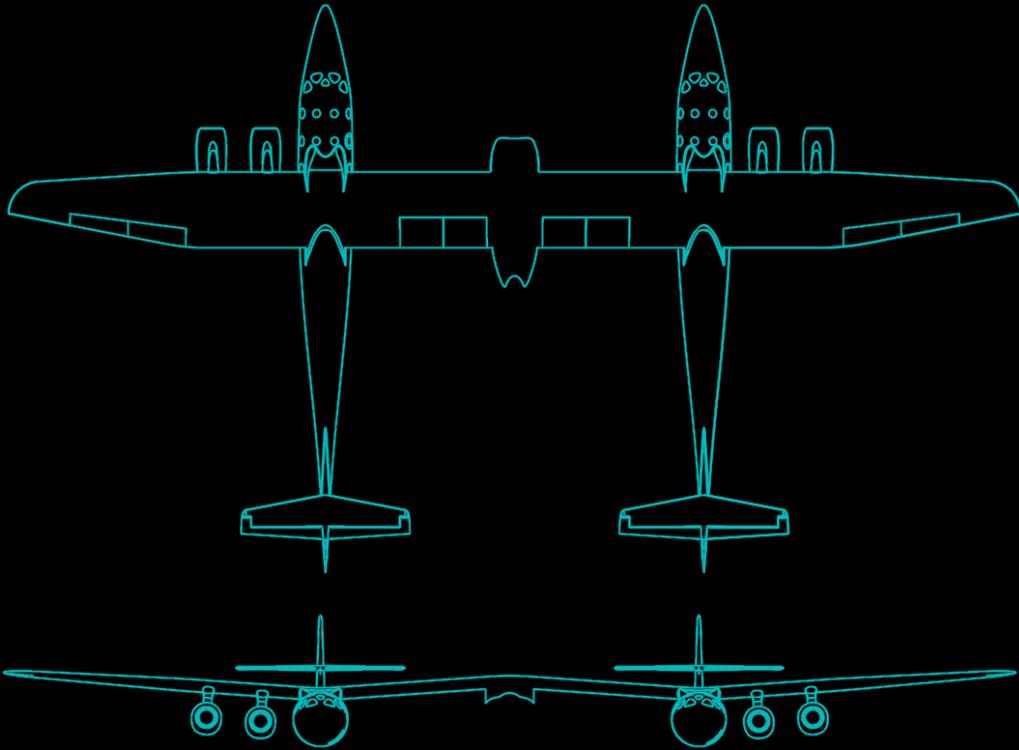
1. Reflects stabilized annual revenue with ticket price at \$600K/passenger

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.

SECOND GENERATION MOTHERSHIP PROGRAM

(Illustrative Timeline)



FINANCIAL RESULTS

THIRD QUARTER 2024

Ended September 30, 2024

- Revenue of \$0.4 million, compared to \$1.7 million in the prior year period, with the decrease driven by the pause in commercial spaceflights to focus efforts on the production of the Delta Class spaceships.
- Total operating expenses were \$82 million, compared to \$116 million in the prior year period.
 - Spaceline Operations expenses were \$20 million
 - R&D expenses were \$24 million
 - SG&A expenses were \$34 million
- Net loss of \$75 million, compared to \$105 million in the prior year period.
- Adjusted EBITDA of \$(59) million, compared to \$(87) million in the prior year period.
- Free cash flow of \$(118) million, compared to \$(105) million in the prior year period.
- Raised \$37 million in gross proceeds as part of the at-the-market equity offering program.

CASH FLOW AND BALANCE SHEET

FREE CASH FLOW ⁽¹⁾

Q3 2024

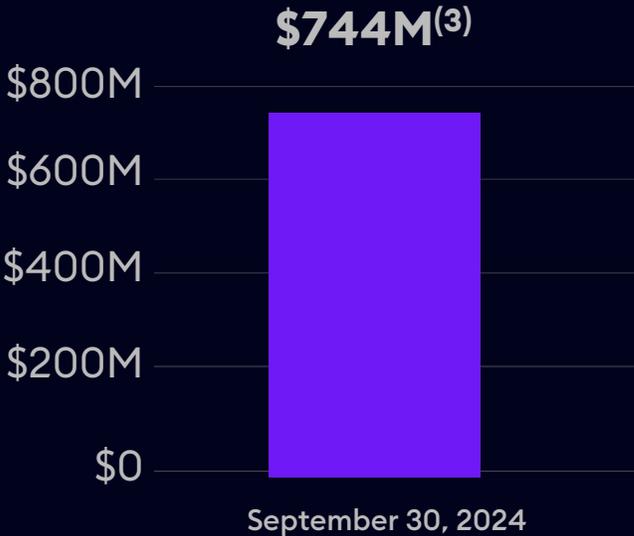
\$(118) million

Q4 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 \$32M of restricted cash.

APPENDIX



RECONCILIATION OF NON-GAAP MEASURES – Adjusted EBITDA

(In thousands)	THREE MONTHS ENDED	
	September 30, 2024	September 30, 2023
Net loss	\$ (74,540)	\$ (104,604)
Interest expense	3,233	3,221
Income tax expense	105	53
Depreciation and amortization	4,341	3,286
Stock-based compensation	7,560	10,763
Adjusted EBITDA	\$ (59,301)	\$ (87,281)

RECONCILIATION OF NON-GAAP MEASURES – Operating Expenses

(In thousands)	THREE MONTHS ENDED	
	September 30, 2024	September 30, 2023
Total operating expenses	\$ 82,130	\$ 116,000
Stock-based compensation	7,560	10,763
Depreciation and amortization	4,341	3,286
Non-GAAP total operating expenses	\$ 70,229	\$ 101,951

RECONCILIATION OF NON-GAAP MEASURES – Free Cash Flow

(In thousands)	THREE MONTHS ENDED	
	September 30, 2024	September 30, 2023
Net cash used in operating activities	\$ (79,307)	\$ (91,497)
Capital expenditures	(38,659)	(13,325)
Free cash flow	\$(117,966)	\$(104,822)



THIRD QUARTER 2024 | EARNINGS UPDATE | 11.6.24