



VIRGIN GALACTIC

Q3 2023 EARNINGS UPDATE

11.08.2023



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, expected flight schedule, scaling of our future fleet, providing repeatable and reliable access to space, development of our Delta class spaceships, the timing of the opening of our spaceship factory in Phoenix, our objectives for future operations and the Company’s financial forecasts, including the expectation for positive cash flow and the timing thereof, 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 the factors, risks and uncertainties included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, 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, stock-based compensation, and certain other items the Company believes are not indicative of its core operating performance. 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.

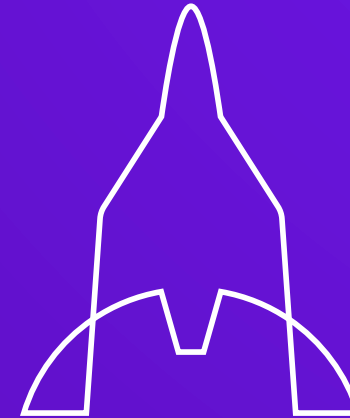
AGENDA

- Virgin Galactic Astronaut Experience & Customer Insights
- Delta Class - Progress and Unit Economics
- Adjustments to Near-term Operating Model
- Q3 Financial Results
- Q&A





“ This has been the best day of my life, the most sensational day of my life. And you can’t get any better than that. It exceeded my wildest dreams. ”



ASTRONAUT REACTIONS

“ Today is the result of a perfect harmony of hundreds of people working together to get this rocket into space, and I’m very grateful that I was a part of it. ”

“ (In flight) I’ve never dropped like that ... and then the rocket motor ignited. I was just thinking, ‘That doesn’t feel like a rocket motor,’ and then suddenly, WHOOOM! My god, yeah. ”

“ You know, we went up in a rocket and it comes back and lands on that runway. Unreal. Better than magic. Words can’t explain what it feels like. ”

“ I was shocked at the things that you feel. You are so much more connected to everything than you would expect to be. You felt like a part of the team, a part of the ship, a part of the universe, a part of Earth. It was incredible and I’m still starstruck. ”

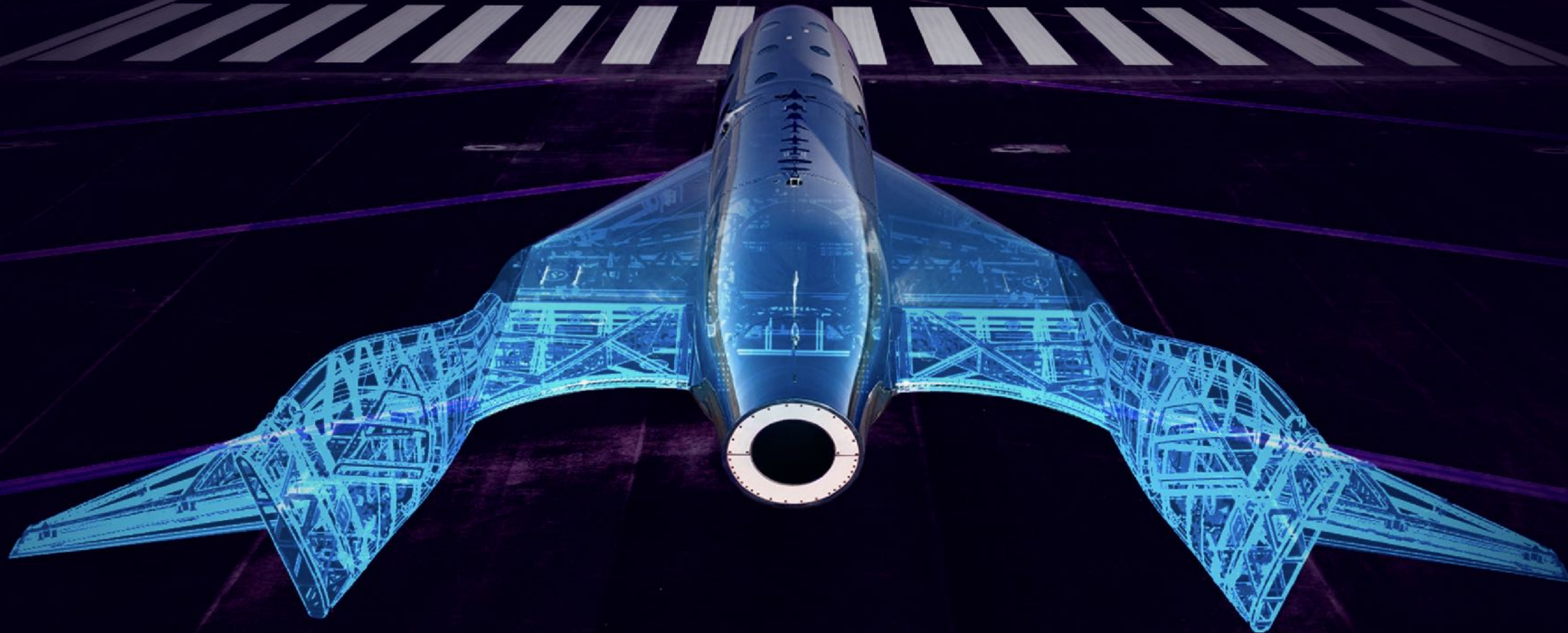
“ I always knew it was going to be most extraordinary experience of my life. I always knew that. And people kind of told me it was going to be. But then when it is... and it’s on *another level* to the experience you thought you were going to have... then it’s very difficult to explain. ”

“ A childhood dream has come true ”

ASTRONAUT JOURNEY AT SPACEPORT AMERICA, NEW MEXICO




SPACESHIP



DELTA CLASS - UNIT ECONOMICS

	2nd Generation (Unity - 4 seats)	Revenue Per Flight (RpF)	Flights Per Month [*] (FpM)	Revenue/Month per Ship
		\$1.8M/\$2.4M ^{**}	1x	\$1.8–2.4M
	4th Generation (Delta Class - 6 seats)	\$2.7M/\$3.6M ^{**}	8x	\$21.6–28.8M

 Revenue Improvement Over Unity = **12X**

 Est. life = 500+ flights

 Est. Cost/Ship = \$50-60M

* FpM estimate is represented as a ‘per ship’ metric

** at current pricing of \$450k/seat or \$600k/seat for research flights



Virgin Galactic SpaceShip Factory
(Phoenix, AZ)



“Copper Bird” Test Platform

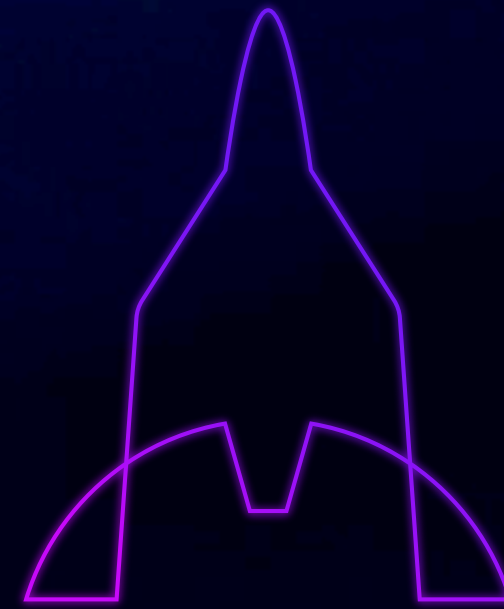
Virgin
GALACTIC



Delta Class Spaceship
Seat Design

CHANGES TO OPERATING MODEL AS FOCUS SHIFTS TO

1. Reducing net spending within Spaceline Operations
 - Unity's flight cadence moving to quarterly vs. monthly
 - Unity's Revenue per Flight (RpF) increasing substantially vs Q3/Q4
2. Spaceline Technical and Engineering Talent focusing on Delta
 - Pausing Unity spaceflights in mid-2024 to focus resources on final assembly of new Delta ships
 - Delta flight tests planned for mid-2025 from Spaceport America
3. New Mothership builds sequenced to follow Delta ramp
4. Mike Moses expands role as President of Virgin Galactic's Spaceline



FINANCIAL RESULTS

THIRD QUARTER 2023 RESULTS

Ended September 30, 2023

- Revenue of \$1.7 million compared to \$0.8 million in the prior year period, driven by commercial spaceflights and membership fees related to future astronauts.
- Total operating expenses were \$116 million, compared to \$146 million in the prior year period, primarily driven by lower R&D expenses.
 - Spaceline Operations expenses were \$26 million
 - R&D expenses were \$45 million
 - SG&A expenses were \$42 million
- Net loss of \$105 million, compared to \$146 million in the prior year period.
- Adjusted EBITDA of \$(87) million, compared to \$(129) million in the prior year period.
- Free cash flow of \$(105) million dollars, compared to \$(102) million dollars in prior year period.
- Raised \$211 million in gross proceeds through the issuance of 62 million shares of common stock as part of the at-the-market offering programs.



CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES



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

FINANCIAL OUTLOOK

Revenue Guidance

Q4 2023

\$3 million

Q4 2023

Cash Flow Guidance⁽¹⁾

Expected to each be in the range of

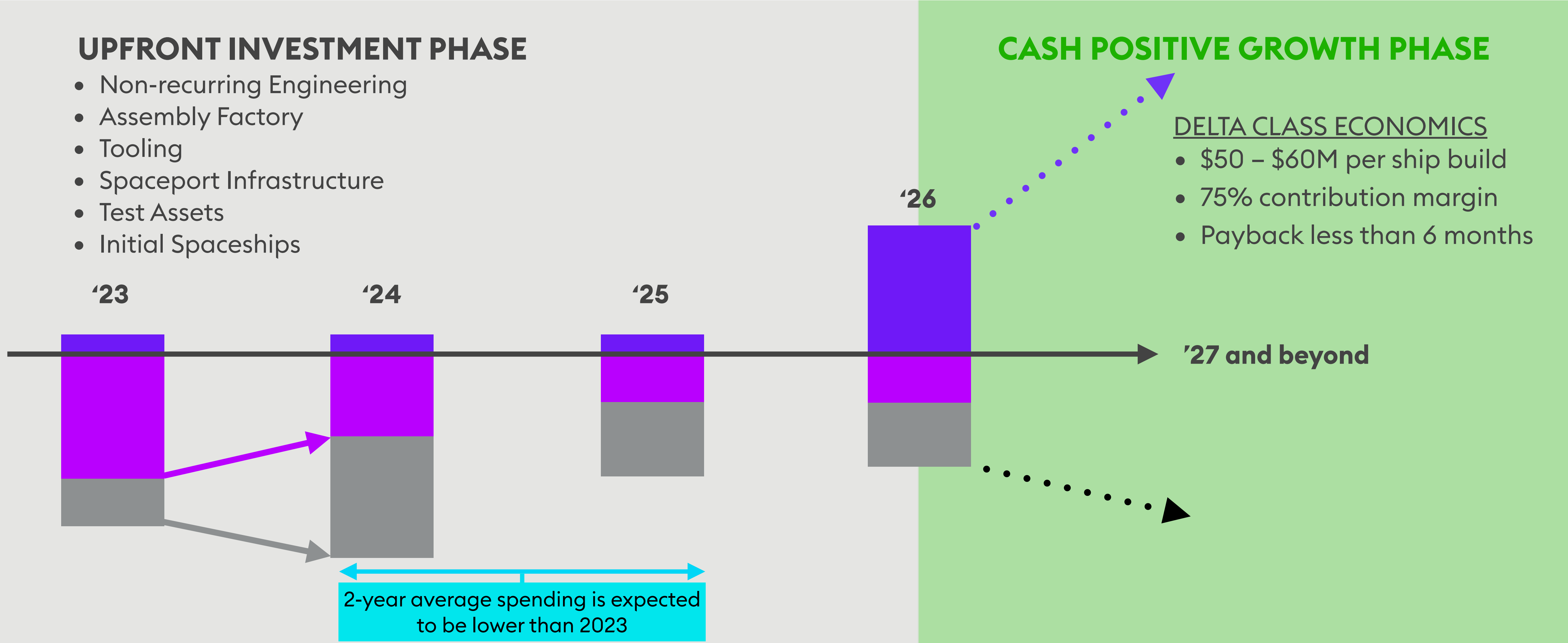
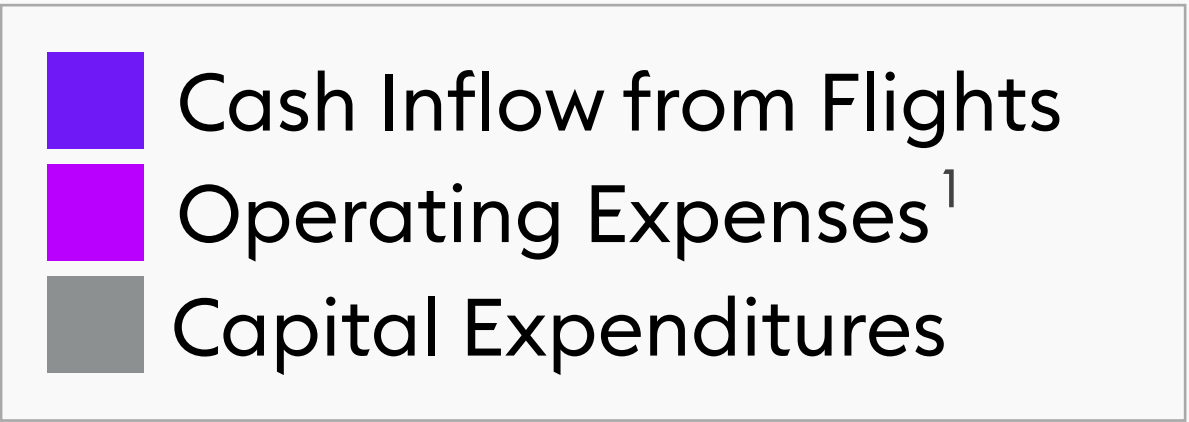
\$(125) million to \$(135) million

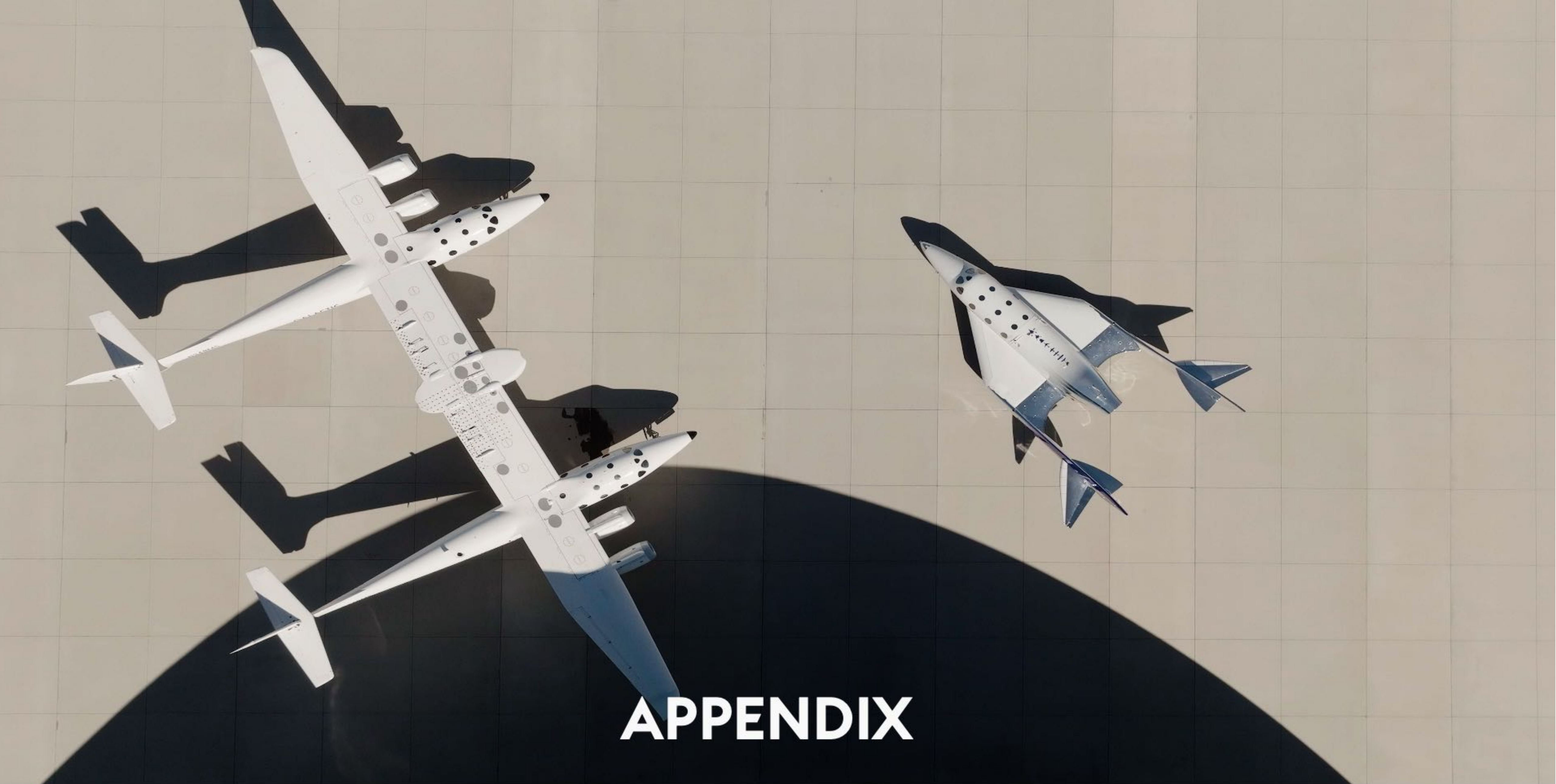
1. Virgin Galactic uses Free Cash Flow as a key measure of its performance. Free Cash Flow is defined as cash flows provided by operating activities less capital expenditures. Refer to the appendix of this presentation for a reconciliation to GAAP.



PATH TO POSITIVE CASH FLOW

For illustrative purposes only. Chart not to scale.





APPENDIX

RECONCILIATION OF NON-GAAP MEASURES

(In thousands)	THREE MONTHS ENDED	
	September 30, 2023	September 30, 2022
Net loss	\$ (104,604)	\$ (145, 554)
Interest expense	3,221	3,293
Income tax expense	53	21
Depreciation and amortization	3,286	2,214
Stock-based compensation	10,763	11,510
Adjusted EBITDA	\$ (87,281)	\$ (128,516)

RECONCILIATION OF NON-GAAP MEASURES

(In thousands)	THREE MONTHS ENDED	
	September 30, 2023	September 30, 2022
Total operating expenses	\$116,000	\$ 146,328
Stock-based compensation	10,763	11,510
Depreciation and Amortization	3,286	2,214
Total non-GAAP operating expenses	\$ 101,951	\$ 132,604

(In thousands)	THREE MONTHS ENDED	
	September 30, 2023	September 30, 2022
Net cash used in operating activities	\$ (91,497)	\$ (96,038)
Capital expenditures	(13,325)	(6,013)
Free cash flow	(104,822)	(102,051)

Q4 2023 GUIDANCE

(In thousands)	FORECAST
Revenue	~\$ 3,000

(In thousands)	FORECASTED RANGE
Net cash used in operating activities	\$ (100,000) – (105,000)
Capital expenditures	\$ (25,000) – (30,000)
Free cash flow	\$ (125,000) – (135,000)



GALACTIC