



SECOND QUARTER 2022  
EARNINGS UPDATE  
08.04.2022

# DISCLOSURES

## FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements within the meaning of federal securities laws with respect to Virgin Galactic Holdings, Inc. (the "Company"), including statements regarding the Company's spaceflight systems, markets, expected flight schedule, timing of commercial launch, completion of new motherships and launch capacity, expected timing of completion and benefits from the Mesa manufacturing facility and the Company's financial forecast. These forward-looking statements generally are identified by words such as "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "can," "continue," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, 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, 2021, 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](http://www.sec.gov) and the Investor Relations section of our website at [www.virgingalactic.com](http://www.virgingalactic.com). These filings identify and address other important risks and uncertainties that could cause the Company's actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and, except as required by law, the Company assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

## USE OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

This presentation references certain financial measures that are not prepared in accordance with generally accepted accounting principles in the United States (GAAP), including Adjusted EBITDA, non-GAAP selling, general, and administrative expense, non-GAAP research and development expense and free cash flow. The Company defines Adjusted EBITDA as earnings before interest expense, taxes, depreciation and amortization, stock-based compensation, and certain other items the Company believes are not indicative of its core operating performance. It defines non-GAAP selling, general, and administrative expenses as selling, general, and administrative expenses other than stock-based compensation and non-GAAP research and development expenses as research and development expenses other than stock-based compensation. It defines free cash flow as net cash used 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

- Future Fleet Production
- Commercial Strategy Update
- Vehicle Enhancement Program & Flight Schedule
- Financials

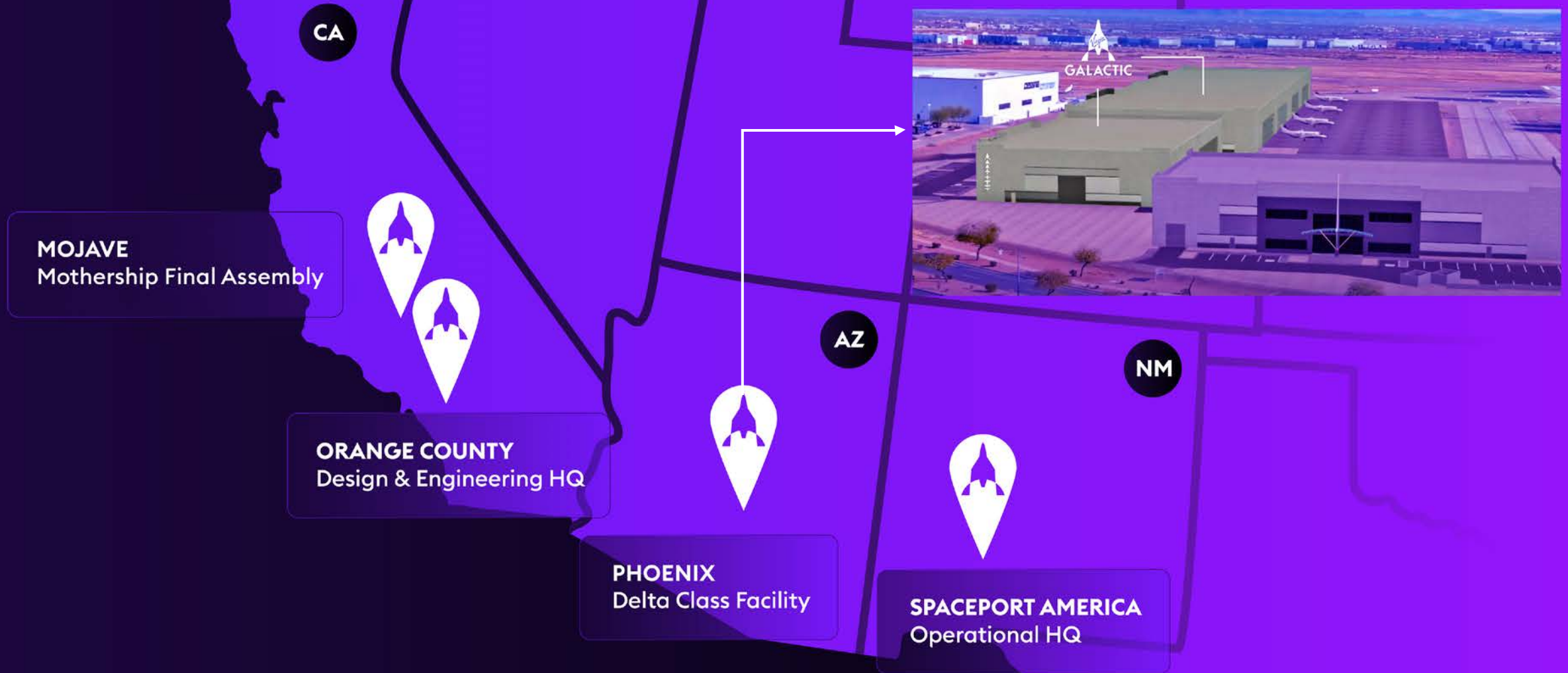


# FUTURE FLEET PRODUCTION - MOTHERSHIPS

- Announced partnership with Aurora Flight Sciences to build two motherships
- Each mothership designed to fly up to 200 launches per year



# FUTURE FLEET PRODUCTION – DELTA SPACESHIPS



# SPACELINE TECHNICAL OPERATIONS



**MIKE MOORE**

Executive Vice President,  
Spaceline Technical Operations



- Mike has 37 years of experience in aviation and operations
- Will lead the team of maintenance, ground services and support engineering and quality assurance personnel



# ASTRONAUT CAMPUS – SIERRA COUNTY, NEW MEXICO



# ASTRONAUT MEMBERSHIP EXPERIENCE

- Inaugural Space for the Curious event to be hosted in Wyoming, USA
- Event includes keynote speakers, outdoor activities, hospitality, and experiences designed to support our core three pillars:
  - Education & Enrichment
  - Astronaut Development & Training
  - Impact & Inspiration

# GROWTH MARKETS

## FUTURE MARKET OPPORTUNITIES

### Private and Government Research

- Distinct manifest
  - *10% of first 1,000 seats*

### Luxury and Adventure Travel

- Partnership with Virtuoso
  - *Network of more than 20,000 luxury travel advisors*

# CURRENT FLEET



# Q2 2022 RESULTS

## SECOND QUARTER

Ended June 30, 2022

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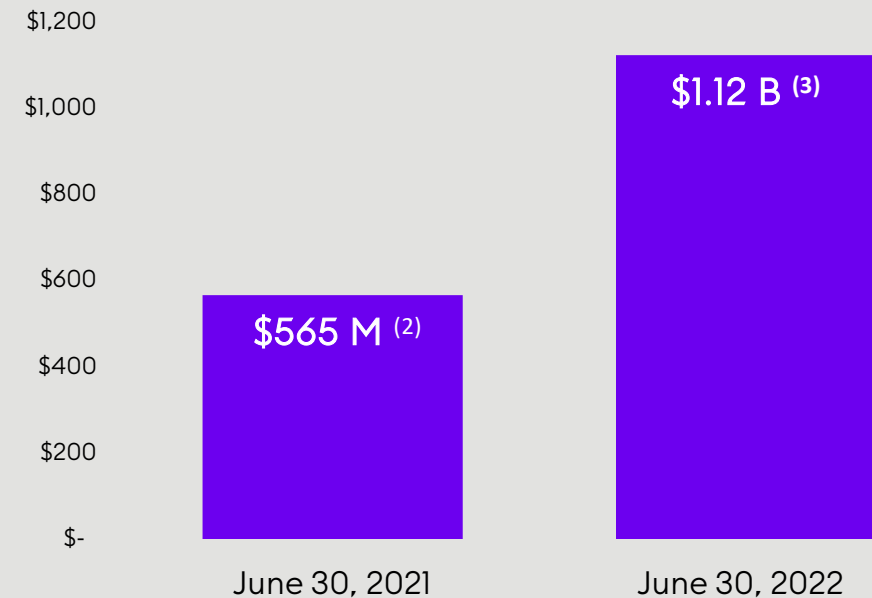
- Revenue of \$357,000, compared to \$571,000 in the prior year period
- Operating expenses were \$110 million, compared to \$74 million in the prior year period
- Net loss of \$111 million, compared to \$94 million in the prior year period
- Adjusted EBITDA of \$(93) million, compared to \$(56) million in the prior year period

# Q2 2022 RESULTS AND Q3 2022 GUIDANCE

## FREE CASH FLOW <sup>(1)</sup>

- Q2 2022: \$(91) million
- Q3 2022 Guidance: Expected to be in the range of \$(110) million to \$(120) 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 from operating activities less capital expenditures. Refer to the appendix of this presentation for a reconciliation to GAAP.  
2. Amount includes \$13M of restricted cash.  
3. Amount includes \$40M of restricted cash.

# CLOSING COMMENTS



# APPENDIX



# RECONCILIATION TO NON-GAAP MEASURES

(Amounts in thousands)	THREE MONTHS ENDED	
	June 30, 2022	June 30, 2021
Net Loss	\$ (110,020)	\$ (94,040)
Income tax expense	23	6
Interest expense	3,157	6
Depreciation & amortization	2,915	2,871
Stock-based compensation	12,084	14,423
Change in fair value of warrants	--	20,363
<b>Adjusted EBITDA</b>	<b>\$ (91,841)</b>	<b>\$ (56,371)</b>

# RECONCILIATION TO NON-GAAP MEASURES

(Amounts in thousands)	THREE MONTHS ENDED	
	June 30, 2022	June 30, 2021
Selling, general, and administrative expenses	\$ 44,375	\$ 36,916
Stock-based compensation	8,650	10,426
<b>Non-GAAP selling, general, administration expenses</b>	<b>\$ 35,725</b>	<b>\$ 26,490</b>

(Amounts in thousands)	THREE MONTHS ENDED	
	June 30, 2022	June 30, 2021
Research and development expenses	\$61,964	\$ 34,619
Stock-based compensation	3,433	3,997
<b>Non-GAAP research and development expenses</b>	<b>\$ 58,531</b>	<b>\$ 30,622</b>

# RECONCILIATION TO NON-GAAP MEASURES

(Amounts in thousands)	THREE MONTHS ENDED	
	June 30, 2022	June 30, 2021
Net cash used in operating activities	\$ (86,909)	\$ (64,703)
Capital expenditures	(4,520)	(828)
Free cash flow	(91,429)	(65,531)

# RECONCILIATION TO NON-GAAP MEASURES – Q3 2022 GUIDANCE

(Amounts in thousands)	FORECASTED RANGE
Net cash used in operating activities	\$ (107,000) – (115,000)
Capital expenditures	\$ (3,000) – (5,000)
Free cash flow	\$ (110,000) – (120,000)