



Rocket Lab USA, Inc.

Q2 2023 INVESTOR UPDATE

Aug 8, 2023

rocketlabusa.com



FORWARD LOOKING STATEMENTS

Forward Looking Statements

This presentation may contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, contained in this presentation, including statements regarding our expectations of financial results for the third quarter of 2023, strategy, future operations, future financial position, projected costs, prospects, plans and objectives of management, are forward-looking statements. Words such as, but not limited to, “anticipate,” “aim,” “believe,” “contemplate,” “continue,” “could,” “design,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “suggest,” “strategy,” “target,” “will,” “would,” and similar expressions or phrases, or the negative of those expressions or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are based on Rocket Lab’s current expectations and beliefs concerning future developments and their potential effects. These forward-looking statements involve a number of risks, uncertainties (many of which are beyond Rocket Lab’s control), or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Many factors could cause actual future events to differ materially from the forward-looking statements in this presentation, including risks related to delays and disruptions in expansion efforts; our dependence on a limited number of customers; the harsh and unpredictable environment of space in which our products operate which could adversely affect our launch vehicle and spacecraft; increased congestion from the proliferation of low Earth orbit constellations which could materially increase the risk of potential collision with space debris or another spacecraft and limit or impair our launch flexibility and/or access to our own orbital slots; increased competition in our industry due in part to rapid technological development and decreasing costs; technological change in our industry which we may not be able to keep up with or which may render our services uncompetitive; average selling price trends; failure of our launch vehicles, spacecraft and components to operate as intended either due to our error in design in production or through no fault of our own; launch schedule disruptions; supply chain disruptions, product delays or failures; design and engineering flaws; launch failures; natural disasters and epidemics or pandemics; any inability to effectively integrate recently acquired assets; changes in governmental regulations including with respect to trade and export restrictions, or in the status of our regulatory approvals or applications; or other events that force us to cancel or reschedule launches, including customer contractual rescheduling and termination rights; risks that acquisitions may not be completed on the anticipated time frame or at all or do not achieve the anticipated benefits and results; and the other risks detailed from time to time in Rocket Lab’s filings with the Securities and Exchange Commission (the “SEC”), including under the heading “Risk Factors” in Rocket Lab’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which was filed with the SEC on March 7, 2023, and elsewhere. There can be no assurance that the future developments affecting Rocket Lab will be those that we have anticipated. Except as required by law, Rocket Lab is not undertaking any obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures

To supplement our unaudited consolidated financial statements presented on a basis consistent with GAAP, we disclose certain non-GAAP financial measures, including non-GAAP gross margin, operating expenses, research and development expenses, and non-GAAP net selling, general and administrative expenses. These supplemental measures exclude the effects of (i) stock-based compensation expense; (ii) amortization of purchased intangible assets; (iii) other non-recurring interest and other income (expenses), net attributable to acquisitions and (iv) non-cash income tax benefits and expenses. We also supplement our unaudited historical statements and forward-looking guidance with the measure of adjusted EBITDA, where adjustments to EBITDA include share-based compensation, warrant expense related to customers and partners, foreign exchange gains or losses, and other non-recurring gains or losses. These non-GAAP measures are not in accordance with and do not serve as an alternative for GAAP. We believe that these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our GAAP results of operations. These non-GAAP measures should only be viewed in conjunction with corresponding GAAP measures. We compensate for the limitations of non-GAAP financial measures by relying upon GAAP results to gain a complete picture of our performance. Non-GAAP financial measures are not in accordance with and do not serve as an alternative for the presentation of our GAAP financial results. We are providing this information to enable investors to perform more meaningful comparisons of our operating results in a manner similar to management’s analysis of our business. We believe that these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our GAAP results of operations. We encourage investors to review the detailed reconciliation of our GAAP and non-GAAP presentations in our Earnings Release dated August 8, 2023. We have not provided a reconciliation for the forward-looking non-GAAP financial measures because, without unreasonable efforts, we are unable to predict with reasonable certainty the amount and timing of adjustments that are used to calculate these non-GAAP financial measures, particularly related to stock-based compensation and its related tax effects.

TODAY'S PRESENTERS



Peter Beck
Founder, Chief Executive Officer, Chief Engineer



Adam Spice
Chief Financial Officer

AGENDA

- 1 Key Accomplishments Q2 2023
- 2 Additional Accomplishments Q3 2023
- 3 Financial Highlights and Outlook
- 4 Q&A and Upcoming Events





SECTION

01

KEY
ACCOMPLISHMENTS
Q2 2023

THREE SUCCESSFUL LAUNCHES IN Q2

Electron remains the only U.S. commercial small launch vehicle to successfully deliver satellites to orbit in 2023.



2 Satellites

Launch Complex 1,
New Zealand



2 Satellites

Launch Complex 1,
New Zealand



Suborbital

Launch Complex 2,
Virginia



100% SUCCESS

Mission success rates this year continuing to drive government and commercial customers towards proven capability



UNLOCKED ~\$1B HYPERSONIC DEVELOPMENT TAM₁

Unlocked a new critical national capability with HASTE launch from Wallops, VA., enabling rapid and cost-effective hypersonic system technology development



Inaugural launch of a successful mission for Leidos and MACH-TB project awarded by Naval Surface Warfare Center (NSWC) Crane on behalf of the U.S. Department of Defence.



Through a novel evolution of the existing Electron product, we've opened a whole new TAM that delivers critical capability to the market.



EXPANDED PROPULSION MANUFACTURING CAPABILITY

Acquired select assets in Virgin Orbit bankruptcy at favorable cost. \$16.1m purchase enables significant savings for Neutron and supports future scaling



Former Virgin Orbit Long Beach facility secures ~144k square feet primarily for planned Neutron and Electron production.



Key assets incl. 3D printers, CNC machines, vibration tables & clean rooms configured at near required specifications.



NEUTRON TESTING & ANALYSIS UNDERWAY

Testing, analysis, and customer demand driving rapid development iteration



Landing Legs: optimized for barge landing, enabling increase in launch availability.



Hungry Hippo Fairing: Four fairing sections reduced to two to allow for simpler mechanisms.



PRODUCTION AND TEST AT SCALE

Building and testing hardware and software now with pace and scale



Stage 2 Tank Complete:

Stage 2 carbon composite qualification tank complete. Qualification campaign commencing Q3 to simulate flight conditions.



Stage 2 Test Stand Complete:

Cryogenic tank test stand rig built – a key infrastructure element now complete.



LC-3 Pad Earthworks Commenced:

Grading underway for pad construction to commence. Construction can now accelerate as congestion clears from other launch competitors.



KEY ARCHIMEDES BUILD AND TEST MILESTONE MET



Thrust Chamber Development on Schedule:

First full-scale print of Archimedes Thrust Chamber Assembly completed using the Additive Manufacturing Customized Machine printer.



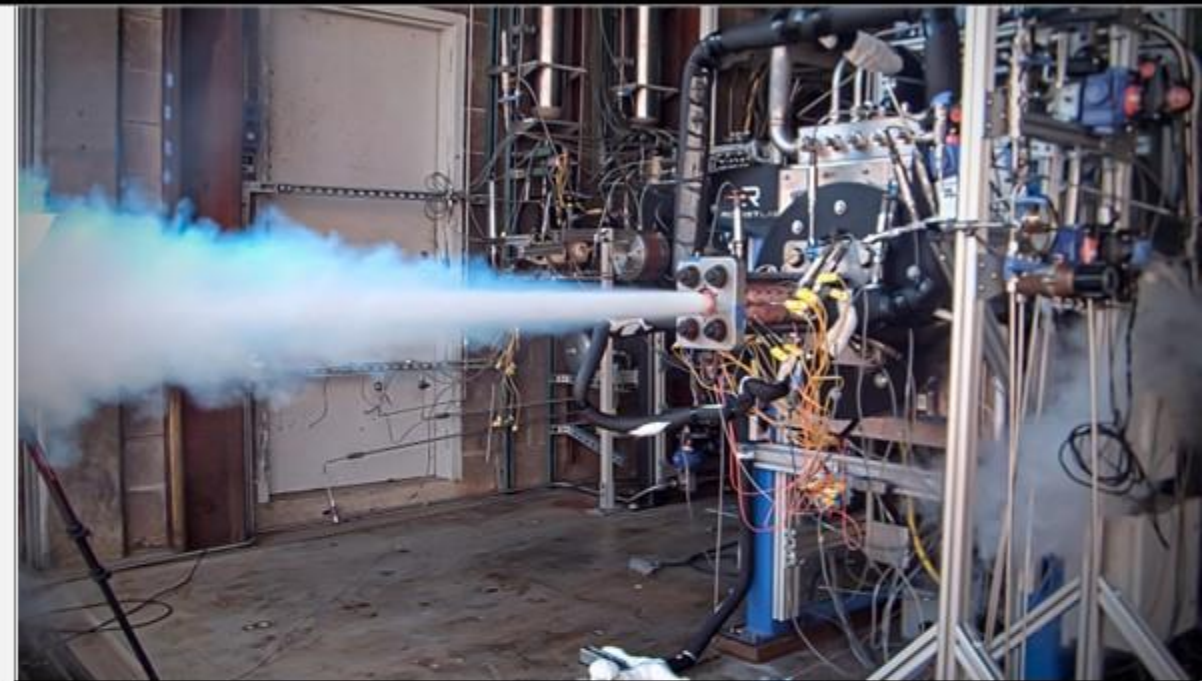
Injector Development Testing Underway:

Successful pre-burner element tests underway in collaboration with Purdue University.



Avionics Hardware Built and HITL Testing Underway:

Critical Hardware-In-The-Loop mission simulation and testing underway on avionics hardware.



UPCOMING 2023 NEUTRON MILESTONES



Stage 2 structural & cryogenic test campaign.



V 1.0 avionics and orbital flights complete in HITL environment.



Stage 1 qualification infrastructure completed.



First development Archimedes engine build completed and test campaign started.



ROCKET LAB SATELLITE ENABLING PHARMA MANUFACTURING IN ORBIT

The spacecraft, built and operated by Rocket Lab, enables a world-first method of in-space manufacturing



Primary mission completed successfully - growing ritonavir crystals, a drug commonly used to treat HIV, in zero gravity environment.

Capsule anticipated to return to Earth in coming weeks.



The spacecraft was the first of four developed for Varda. The next two spacecraft are already in production demonstrating rapid scale up of spacecraft manufacturing team and facilities.



QUALIFICATION TESTING UNDERWAY FOR NASA MARS SPACECRAFT

Rocket Lab building twin spacecraft for NASA ESCAPEDE mission to Mars



Qualification spacecraft build complete.



Completed end-to-end mission operations command functional testing ahead of 2024 launch.





SECTION

OR

ADDITIONAL ACCOMPLISHMENTS

After June 30, 2023

SUCCESSFUL LAUNCH FOR NASA, TELESAT, SPIRE



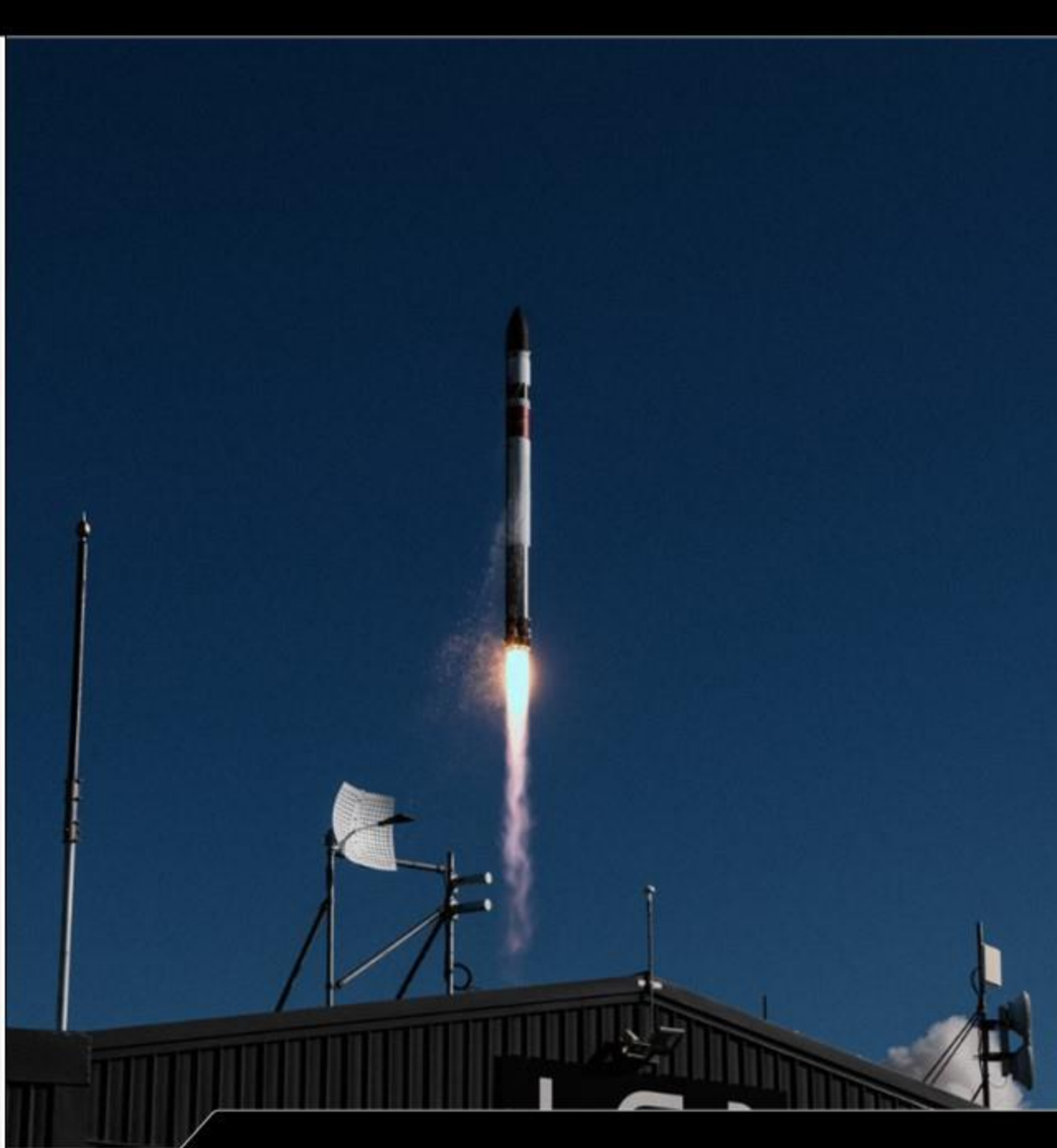
A successful mission from Launch Complex 1 deployed satellites for NASA, Spire, Telesat



At 36 successful launches, Electron has launched more than 5x the successful missions of all new small rocket entrants combined globally

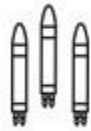


On track for 15 launches total in 2023



SUCCESSFUL MARINE RECOVERY

New key milestones reached in Electron reusability program as we close in on Electron profitability



Successful demonstration of new waterproofing systems and marine retrieval apparatus



Electron splashed down with 400 meters of predicted area and recovery vessel met with the floating stage within minutes of splashdown, a new record

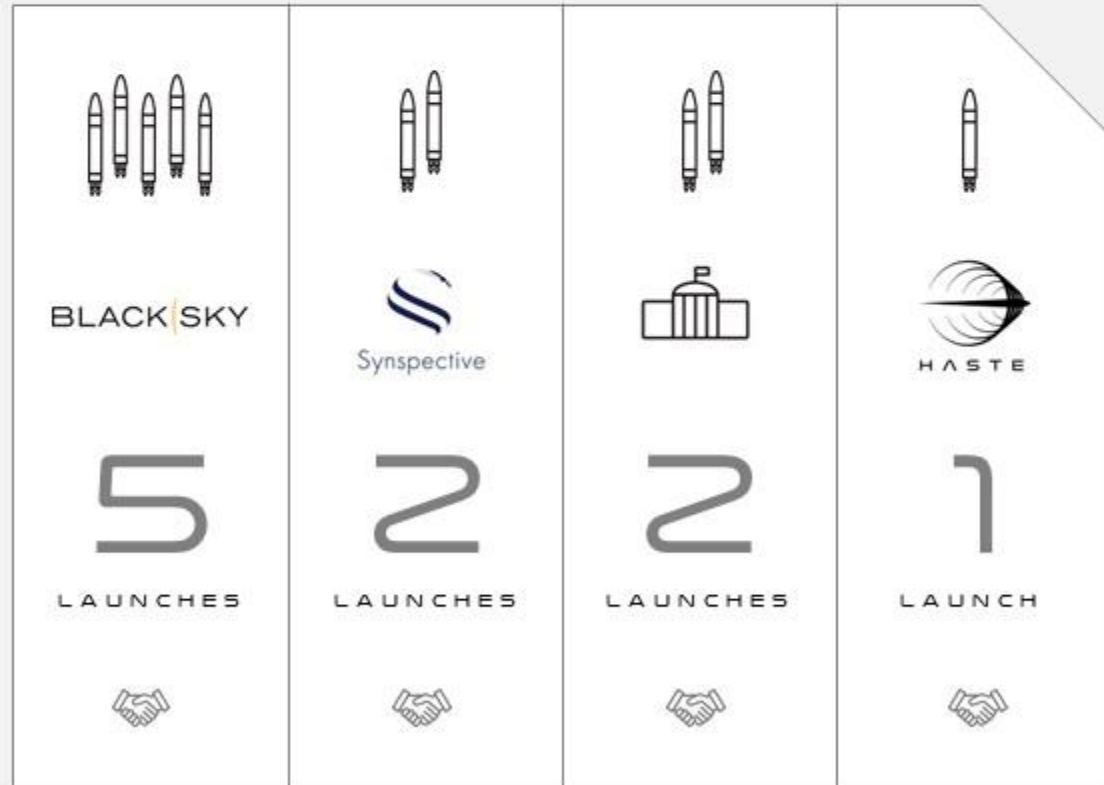


First re-flight of a recovered engine scheduled for Q4 2023, with full first stage expected to follow in 2024



SIGNED 10 NEW LAUNCHES

Block buy deals signed since Q1 2023 earnings with return commercial and government customers, cementing Rocket Lab's position as premier small launch provider





SECTION

03

FINANCIAL
HIGHLIGHTS
AND OUTLOOK

REVIEW OF REVENUE AND GROSS MARGIN

Quarter-on-Quarter

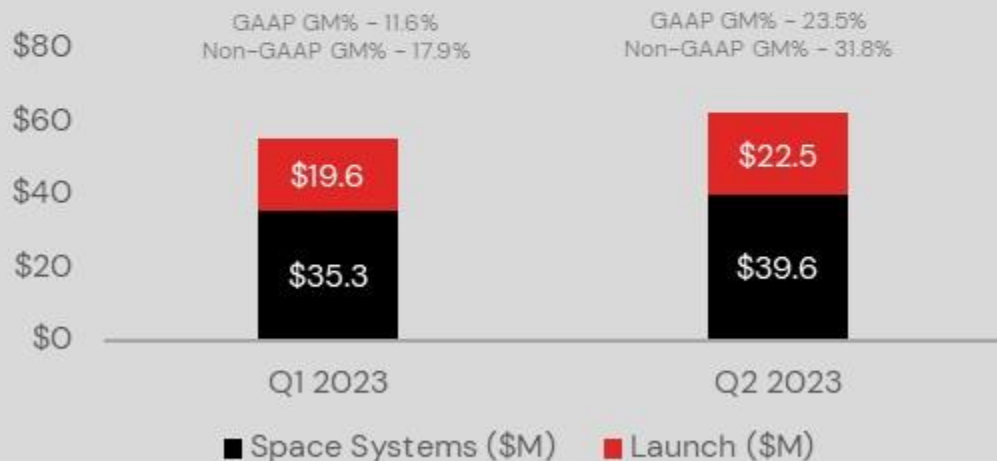
\$62M

Revenue in Q2 2023

13%

Quarter-on-Quarter revenue increase

Revenue and GAAP / Non-GAAP Gross Margin



Sequential revenue increase of 13%, or \$7.2M, driven by improvement in launch pricing to our target ASP of \$7.5m and growth in our satellite bus, solar and separation systems businesses

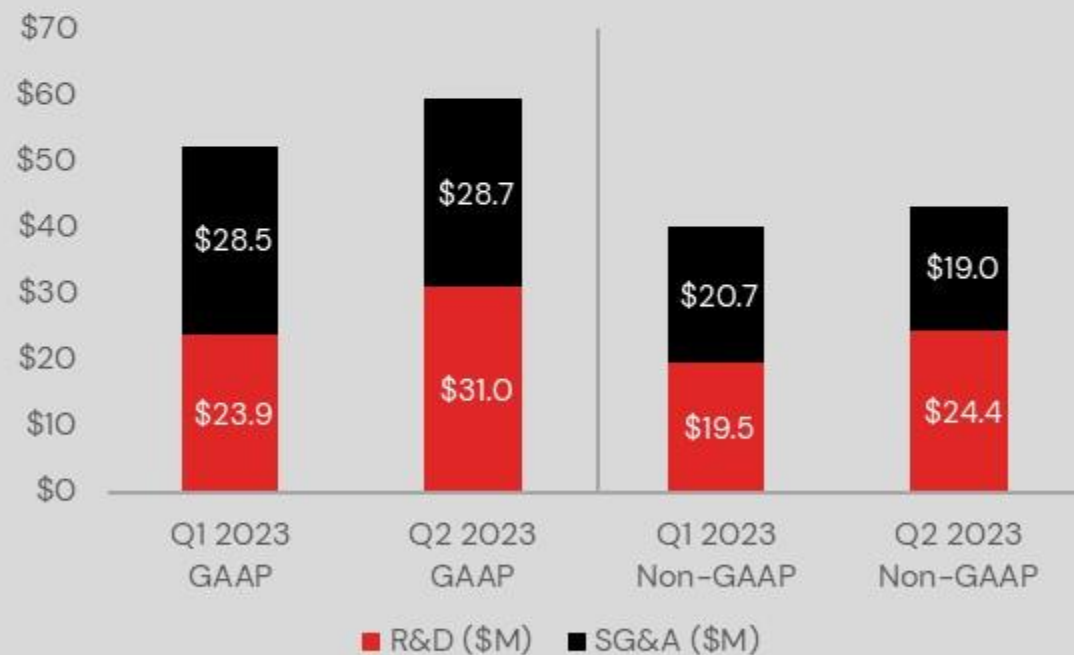
Gross margin increase was driven by a \$4.1 million loss-reserve release associated with expiration of legacy launch contract; improved launch pricing, and improved mix and efficiencies in our components business

Q2 2023 ending backlog of \$534.3M increased \$40.1M from the prior quarter, driven by remanifesting launches from other providers, multi-launch deals with returning Rocket Lab customers, HASTE mission, and an uptick in Space Systems bookings

REVIEW OF OPERATING EXPENSES

Quarter-on-Quarter

GAAP & Non-GAAP
R&D vs. SG&A Spending



GAAP SG&A expense increased slightly due to M&A costs associated with the Virgin Orbit facility acquisition, non-recurring ERC tax credits recorded in Q1, and an increase related to change in contingent consideration for Planetary Systems Corporation acquisition

Non-GAAP SG&A expense decreased due to reduction in year-end audit and related compliance expenses

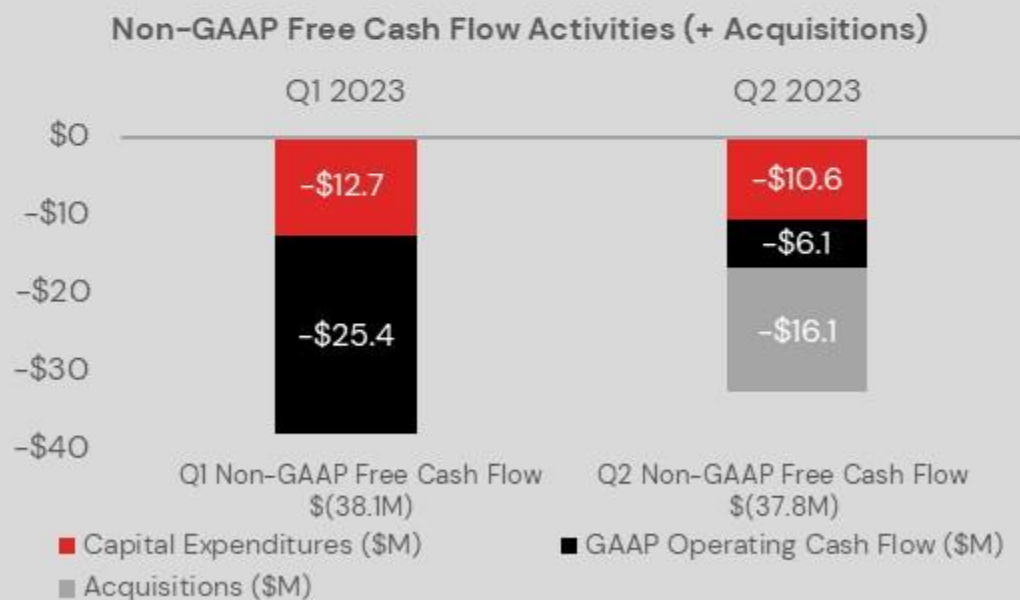
GAAP R&D expense increased due to additions to R&D headcount, and related materials and development projects, primarily in support of Neutron and Space Systems

Non-GAAP R&D expense increased due to above items, excluding stock-based compensation.

ENDING CASH AND NON-GAAP FREE CASH FLOW METRICS

Quarter-on-Quarter

\$419M in cash and cash equivalents, marketable securities and restricted cash, end of period in Q2 2023.



Note: Non-GAAP free cash flow is defined as GAAP operating cash flow reduced by purchases of property, equipment and software.

Cash consumed from Operations decreased \$19.3M sequentially, driven primarily by accounts receivables collections and decreases in contract liabilities associated with Q2 launches

Cash consumed from Capital Expenditures decreased \$2.1M sequentially, due to timing of receipt of capital purchases for Neutron and Space Systems programs

Cash consumed by asset acquisition and business combination increased \$16.1M as we closed on the purchase of select Virgin Orbit assets

FINANCIAL OUTLOOK

Q3 2023 Revenue Outlook

- Expect revenue to range between **\$73 million to \$77 million**
- Expect Space Systems revenue of **\$43 million to \$47 million**
- Currently planning for four launches and anticipate Launch Services revenue of approximately **\$30 million**

Q3 2023 GAAP and Non-GAAP Gross Margins

- Expect **GAAP gross margin to range between 21 - 23%**, driven by continued efficiency improvements, improved launch ASP, and a modest improvement in Space Systems mix
- Expect **Non-GAAP gross margin of 28 - 30%**

Q3 2023 GAAP and Non-GAAP Operating Expense

- Expect GAAP Operating Expenses of **\$51 million to \$53 million***
- Expect Non-GAAP Operating Expenses of **\$38 million to \$40 million**
- Net of \$14 million contra-R&D credits related to Neutron upper stage development agreement with Space Force

*Note: We do not include in the guidance any impacts from change in the fair value of contingent considerations related to recent acquisitions.

Q3 2023 Adjusted EBITDA

- Expect Interest Expense (Income), net: **\$0.5 million**
- Adjusted EBITDA loss of **\$10 million to \$14 million***
- Basic Weighted Average Shares Outstanding of **484 million**

*Note: consistent with past practice, we have defined adjusted EBITDA to reflect adjustments for stock-based compensation, transaction costs, depreciation and amortization, FX gains and losses, interest expense, warrant expense, taxes, acquisition related performance reserve escrow and other non-recurring items.

UPCOMING EVENTS



Bank of America

**Bank of America SMID
Cap Conference**

August 9, 2023

Colin Canfield
Investor Relations

Jefferies

**Jefferies Industrials
Conference**

September 7, 2023

Colin Canfield
Investor Relations



Citi Tech Conference

September 8, 2023

Colin Canfield
Investor Relations

Morgan Stanley

**Morgan Stanley
Laguna Conference**

September 15, 2023

Colin Canfield
Investor Relations

