



Rocket Lab USA, Inc

# 1H 2021 INVESTOR UPDATE

SEPTEMBER 8, 2021

[rocketlabusa.com](https://rocketlabusa.com)



# DISCLAIMER AND 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 and 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 and fourth quarter of 2021, 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 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 the forward-looking statements contained in this presentation, including risks related to the global COVID-19 pandemic, including risks related to government restrictions and lock-downs in New Zealand and other countries in which we operate that could delay or suspend our operations; 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 satellites 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; 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; and the other risks detailed under the heading “Risk Factors” contained in our final prospectus and definitive proxy statement filed with the Securities and Exchange Commission (the “SEC”) on July 21, 2021 and the information contained in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 31, 2021 (including the risk that the COVID-19 pandemic may

also exacerbate the risks described therein), as well as other reports and information we file with the SEC from time to time. These forward-looking statements are based on Rocket Lab’s current plans, expectations and beliefs concerning future developments and their potential effects. Although we believe that we have a reasonable basis for each forward-looking statement contained in this presentation, there can be no assurance that the future developments affecting Rocket Lab will be those that we have anticipated and we may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. You should read this presentation with the understanding that our actual results may be materially different from the plans, intentions and expectations disclosed in the forward-looking statements we make. All forward-looking statements are qualified in their entirety by this cautionary statement. The forward-looking statements contained in this presentation are made as of the date of this presentation, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

## 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, operating expenses as a percentage of revenue, income from operations as percentage of revenue, and diluted earnings per share. 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 sharebased 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. These non-GAAP measures should only be viewed in conjunction with corresponding GAAP measures. Reconciliations of non-GAAP measures for the historical periods disclosed are included in this presentation. We have not provided a reconciliation for 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, CEO, Chief Engineer



**Adam Spice**  
Chief Financial Officer

# AGENDA

- 1 Introduction
- 2 Key Accomplishments
- 3 Financial Highlights and Outlook
- 4 Sell-Side Q&A
- 5 Upcoming Conferences and Events



# ROCKET LAB AT A GLANCE

A vertically integrated provider of small launch services, satellites and spacecraft components

## DELIVERING END-TO-END SPACE SOLUTIONS

- ⊕ **Launch:** Proven rocket delivering dedicated access to orbit for 3+ years
- ⊕ **Space Systems:** Manufacturing satellites and best-in-class heritage spacecraft components
- ⊕ **Space Applications:** Uniquely positioned to leverage launch and satellite capabilities and infrastructure to build and operate our own constellations



21

Launches to space



105

Satellites deployed to orbit



3

Launch pads<sup>1</sup>



2<sup>ND</sup>

Most frequently launched U.S. rocket



2

Mission control centers



7

Successful missions for USG customers



1

Strategic acquisition



2

Factories built



2

of our own satellites on orbit (+ more to come)



2

Recovered rockets



3

Interplanetary missions scheduled (Moon, Mars, Venus)



1

Awarded contract for Photon demo of propellant depot in orbit

# KEY 1H 2021 ACCOMPLISHMENTS



# THREE LAUNCHES IN 1H

REACHED OUR 20TH ELECTRON LAUNCH





# DEPLOYED 100<sup>TH</sup> SATELLITE

TO ORBIT





# SUCCESSFULLY RECOVERED 2<sup>ND</sup> BOOSTER

Further advancing Electron recoverability program to enable increased launch cadence and reduce our cost per mission.



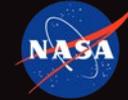


# BACKLOG GREW FROM \$59.9M TO \$141.4M

FROM JUNE 30, 2020  
TO JUNE 30, 2021

## BLACKSKY

+ 5 launch deal with  
Blacksky Global



+ NASA study contract for twin  
Mars spacecraft as part of  
ESCAPADE program



+ 3 Photon deal with Varda  
Space Industries to enable  
in-space manufacturing



+ Entered into contract to  
deploy GA-EMS developed  
Orbital Test Bed (OTB) satellite

### COMMERCIAL CUSTOMER

+ Entered into space systems  
contracts for undisclosed  
commercial customers

### GOVERNMENT CUSTOMER

+ Entered into dedicated  
launch contract for undisclosed  
government customer



# EXECUTED MERGER AGREEMENT

WITH VECTOR  
ACQUISITION CORP



# ADDED THREE BOARD MEMBERS



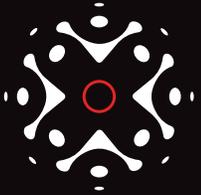
Merline Saintil



Jon Olson



Alex Slusky

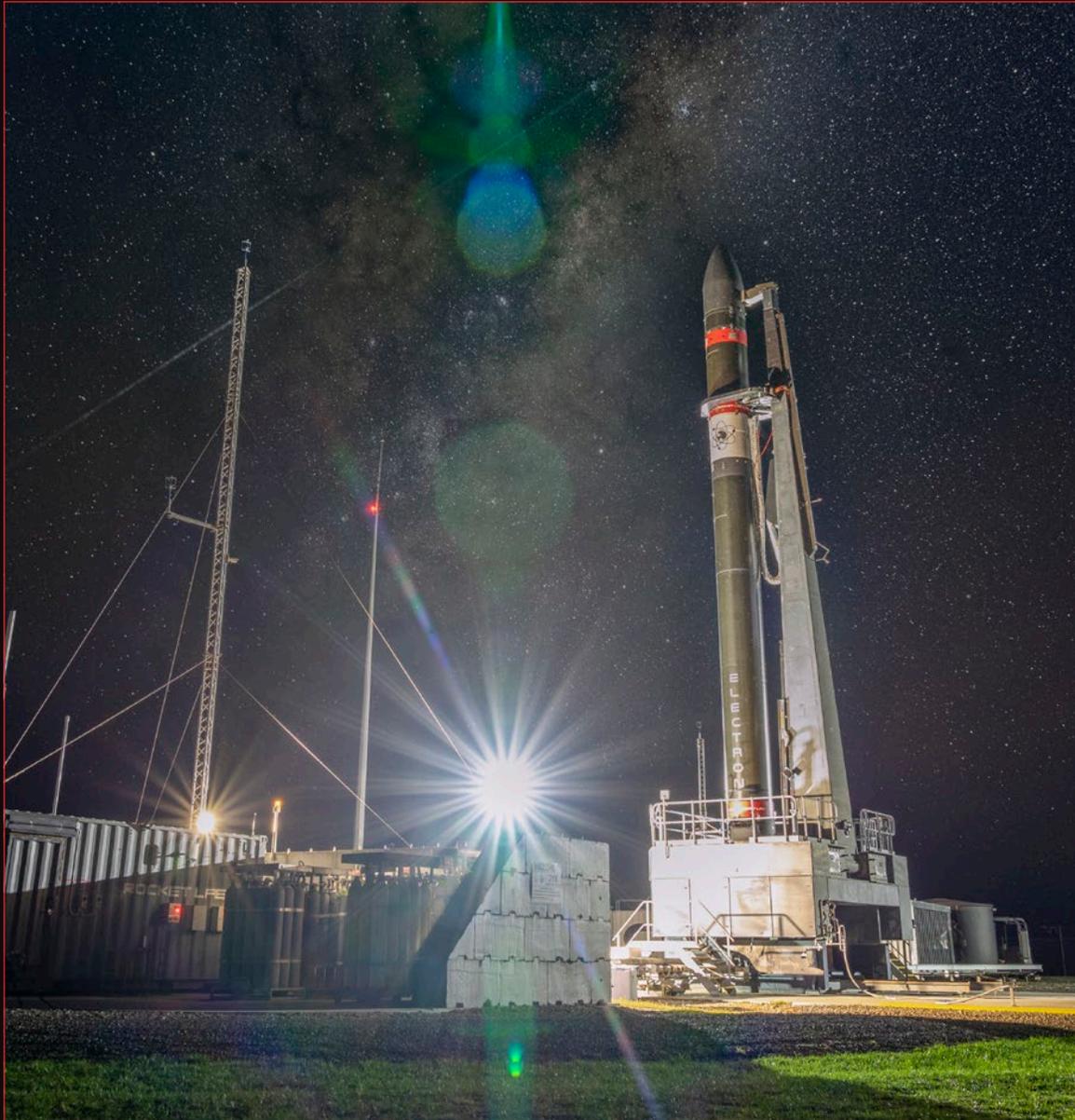


NEUTRON

# ANNOUNCED NEUTRON ROCKET

AN 8 TON MEDIUM CLASS  
LAUNCH VEHICLE  
DEVELOPMENT PROGRAM





# ADDITIONAL ACCOMPLISHMENTS

AFTER 30 JUNE 2021

ADDITIONAL ACCOMPLISHMENTS  
AFTER 6/30/2021



# US SPACE FORCE MISSION

SUCCESSFULLY LAUNCHED  
ON JULY 29TH, 2021



ADDITIONAL ACCOMPLISHMENTS  
AFTER 6/30/2021



FURTHER  
EXPANDED  
BACKLOG  
TO \$174M

AS OF AUGUST 31, 2021

COMMERCIAL &  
GOVERNMENT  
CUSTOMER

+ Undisclosed commercial and government launch contracts and satellite component sales



+ Aurora Propulsion Technologies contract to launch a satellite to test space junk removal technologies



+ Alba Orbital contract to launch a cluster of small satellites designed to demonstrate innovative radio and night-time Earth observation technologies

ADDITIONAL ACCOMPLISHMENTS  
AFTER 6/30/2021



# SIGNED FIVE LAUNCH DEAL WITH KINÉIS

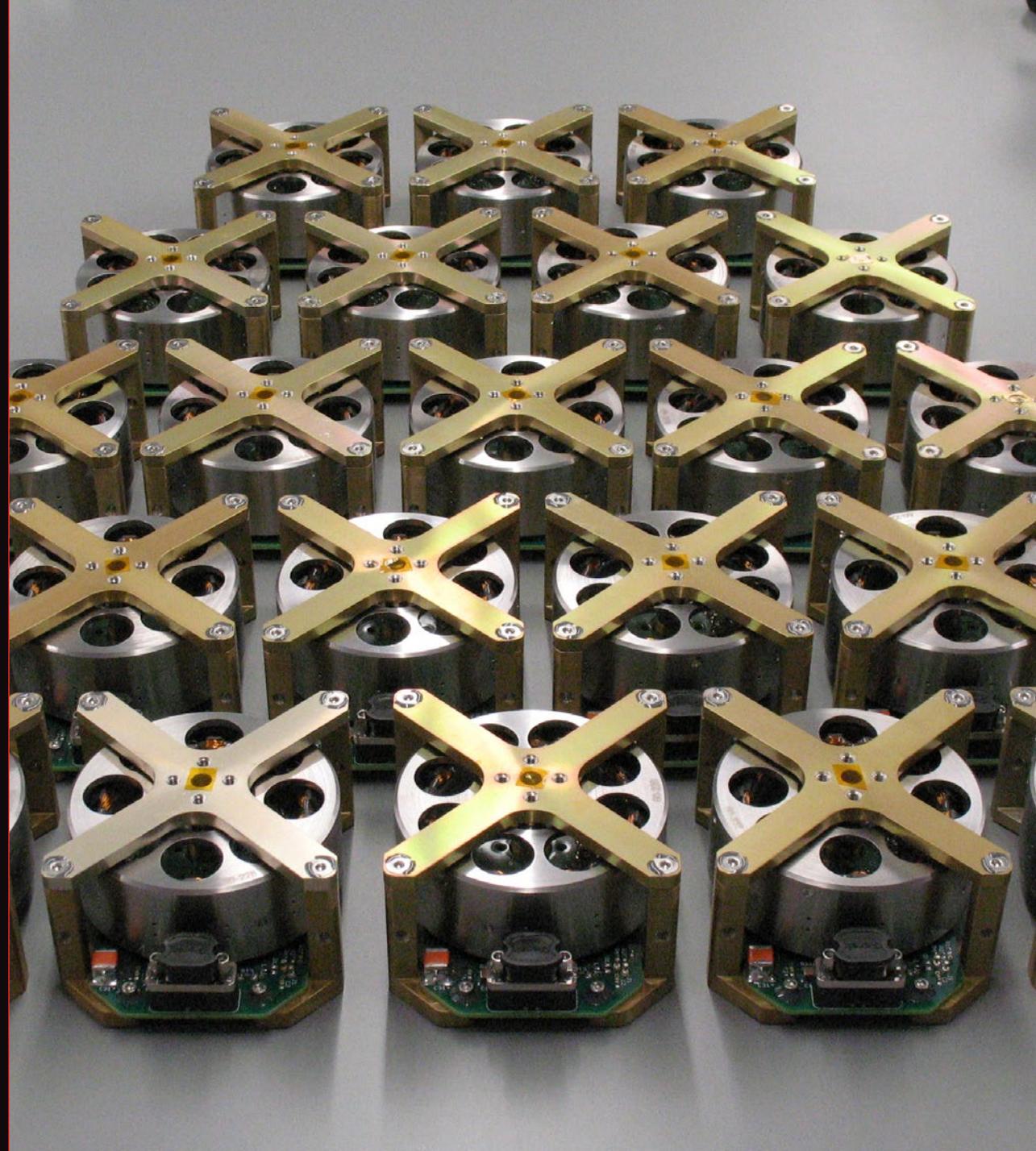
TO DEPLOY ENTIRE IOT  
CONSTELLATION WITH ELECTRON





# REACTION WHEEL PRODUCTION

Commenced construction of new production line capable of supplying up to 2,000 reaction wheels per year to fulfil growing demand from satellite constellation customers.



ADDITIONAL ACCOMPLISHMENTS  
AFTER 6/30/2021



# SUCCESSFULLY CLOSED DE-SPAC MERGER TRANSACTION

WITH VECTOR  
ACQUISITION CORPORATION

+ \$777M in gross proceeds from the PIPE  
and cash from Vector Trust.





# COVID-19 IMPACT

LAUNCH CADENCE IMPACTED  
BY NEW ZEALAND'S COVID-19  
RESTRICTIONS, SOME OF THE  
STRICTEST MEASURES IN  
THE WORLD.



# REVIEW OF FINANCIAL RESULTS

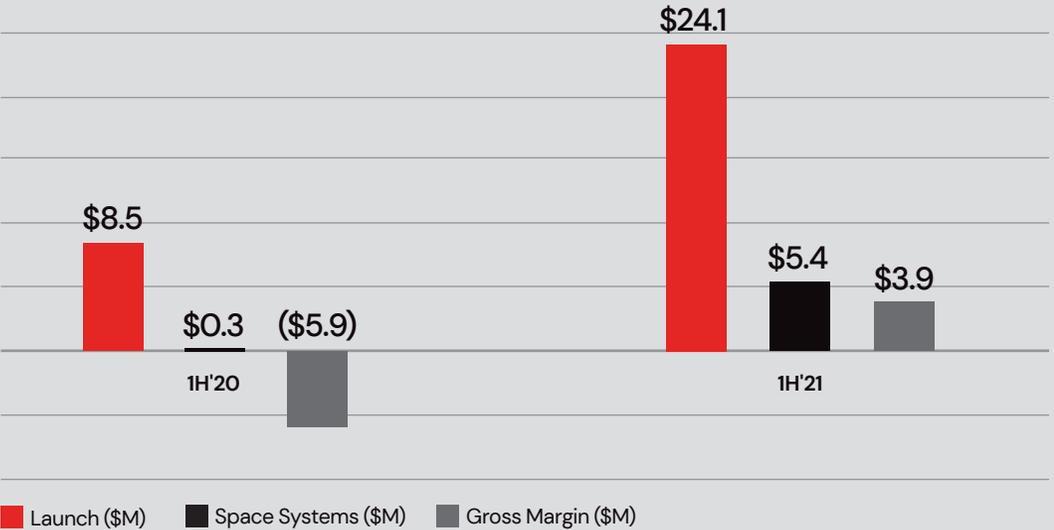
**\$29.5M**

REVENUE IN 1H

**237%**

YEAR-ON-YEAR REVENUE GROWTH

Year-On-Year Revenue Growth and Gross Margin



Increasing diversity in revenue, with Space Systems contributing **18% of total revenue in the period**, compared to 3% in the prior year.

Expansion in gross margins from negative 67% to a positive 13%, aided by Space Systems Gross Margins of 65%.

# REVIEW OF FINANCIAL RESULTS

R&D vs. SG&A Spending



Targeted and aggressive investments in TAM expanding technical capabilities with a **156% Year-on-Year increase in R&D spending**, compared with a 21% increase in SG&A.

## CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

	Six Months Ended	
	June 30, 2021	June 30, 2020
<b>REVENUES</b>	<b>29,472,311</b>	<b>8,753,013</b>
Cost of goods sold	24,001,754	6,264,592
Production costs	16,052,808	14,519,306
Launch costs	6,650,539	4,829,276
Recoveries	(21,106,756)	(10,981,536)
<b>COST OF GOODS SOLD</b>	<b>25,598,346</b>	<b>14,631,638</b>
<b>GROSS PROFIT</b>	<b>3,873,965</b>	<b>(5,878,626)</b>
	13%	-67%
OPERATING EXPENSES:		
Research and development	15,607,346	6,105,448
Selling, general and administrative	13,691,768	11,320,228
<b>Total operating expenses</b>	<b>29,299,113</b>	<b>17,425,675</b>
<b>OPERATING LOSS</b>	<b>(25,425,148)</b>	<b>(23,304,301)</b>
OTHER INCOME (EXPENSE):		
Research and development income		
Interest income, net	(401,742)	242,879
Gain (loss) on foreign exchange	(404,920)	(435,357)
Other income (expense), net	(5,611,345)	792,787
Total Other income (expense), net	(6,418,007)	600,310
<b>LOSS BEFORE INCOME TAXES</b>	<b>(31,843,155)</b>	<b>(22,703,992)</b>
PROVISION FOR INCOME TAXES	(704,206)	(748,551)
<b>NET LOSS</b>	<b>(32,547,361)</b>	<b>(23,452,542)</b>
OTHER COMPREHENSIVE LOSS		
Foreign currency translation adjustments	1,074,005	(367,644)
<b>COMPREHENSIVE LOSS</b>	<b>(31,473,356)</b>	<b>(23,820,187)</b>

## ADJUSTED EBITDA

	Six Months Ended	
	June 30, 2021	June 30, 2020
<b>NET LOSS</b>	<b>(32,547,361)</b>	<b>(23,452,542)</b>
Depreciation	3,554,780	2,824,546
Amortisation	1,292,389	665,289
Stock Based Comp	2,379,102	1,923,217
Acquisition costs		833,505
Loss on extinguishment of debt	794,992	-
Interest income (expense)	401,742	(242,879)
Other Income/Expense Warrants	4,884,424	(258,388)
Taxes	704,206	748,551
Foreign Exchange Currency	404,920	435,357
<b>ADJUSTED EBITDA</b>	<b>(18,130,805)</b>	<b>(16,523,344)</b>

## GAAP TO NON-GAAP RECONCILIATIONS

	Six Months Ended	
	June 30, 2021	June 30, 2020
GAAP Gross Margin	3,873,965	(5,878,626)
Stock-based compensation	603,549	715,139
Amortization of purchased intangible assets	112,464	12,664
<b>Non-GAAP Gross Margin</b>	<b>4,589,978</b>	<b>(5,150,823)</b>
	16%	-59%
GAAP Operating Expenses	29,299,113	17,425,675
Stock-based compensation	(1,775,553)	(1,208,078)
Amortization of purchased intangible assets	(786,902)	(88,426)
Acquisition costs	-	(833,505)
<b>Non-GAAP Operating expenses</b>	<b>26,736,659</b>	<b>15,295,667</b>
GAAP income (loss) from operations	(25,425,148)	(23,304,301)
Total non-GAAP adjustments	3,278,468	2,857,812
<b>Non-GAAP income (loss) from operations</b>	<b>(22,146,680)</b>	<b>(20,446,489)</b>
GAAP income (loss) from operations	(25,425,148)	(23,304,301)
Total non-GAAP adjustments	3,278,468	2,857,812
<b>Non-GAAP income (loss) from operations</b>	<b>(22,146,680)</b>	<b>(20,446,489)</b>
GAAP and non-GAAP interest and other income (expense), net	(6,418,007)	600,310
Non-recurring interest and other income (expense), net	6,084,337	176,969
<b>Non-GAAP interest and other income (expense), net</b>	<b>(333,670)</b>	<b>777,279</b>

# STATEMENT OF CASH FLOWS

	Six-Months Ended June 30	
	2021	2020
<b>Cash flows from operating activities:</b>		
Net loss	\$ (32,547)	\$ (23,453)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation and amortization	4,847	3,663
Amortization of deferred debt costs	149	-
Stock compensation expense	2,379	1,923
Loss on disposal of assets	55	3,451
Loss on extinguishment of long-term debt	496	-
Noncash lease expense	997	1,532
Noncash expense associated with preferred stock warrants	5,478	(137)
Deferred taxes	(612)	(459)
Changes in operating assets and liabilities:		
Accounts receivable	(19,580)	(5,794)
Contract assets	1,201	4,707
Inventories	(5,347)	(11,080)
Prepays and other current assets	2,796	(915)
Increase (decrease) in liabilities:		
Trade payables	(3,384)	598
Accrued expenses	2,849	152
Employee benefits payable	756	1,406
Contract liabilities	5,006	11,901
Other current liabilities	(930)	1,703
Non-current lease liabilities	(1,191)	(720)
Other non-current liabilities	-	(576)
Net cash used in operating activities	(36,582)	(12,098)
<b>Cash flows from investing activities:</b>		
Purchases of property, equipment and software	(5,699)	(15,618)
Cash paid for acquisition, net of acquired cash	-	(12,208)
Net cash used in investing activities	(5,699)	(27,826)
<b>Cash flows from financing activities:</b>		
Payment of deferred transaction costs associated with planned reverse recapitalization transaction	(2,298)	-
Proceeds from the exercise of stock options	772	22
Proceeds from long-term revolving line of credit	15,000	-
Repayments on long-term revolving line of credit	98,895	-
Net Proceeds from issuance of Series E-1 Preferred Stock	(15,000)	-
Net cash provided by financing activities	-	20,500
Effect of exchange rates on cash and cash equivalents	97,369	20,522
Net increase (decrease) in cash and cash equivalents and restricted cash	20	(113)
Cash and cash equivalents, and restricted cash, beginning of period	55,108	(19,515)
Cash and cash equivalents, and restricted cash, end of period	53,933	97,694
Supplemental disclosures of non-cash investing and financing activities:		
Unpaid purchases of property, equipment and software	\$ 1,231	\$ 1,062
Deferred transaction costs in accrued expenses	1,096	-



# FINANCIAL OUTLOOK

## Q3 2021, Q4 2021, and Full Year 2021 Revenue Outlook

- + Expect Q3 Revenue of approximately \$4 million to \$5 million, which has been impacted by the COVID-19 Level-4 Alert and lockdown in New Zealand after a Delta variant outbreak, resulting in no further launch activity planned in the quarter.
- + Despite our manifest supporting up to five launches and \$40 million in revenue, we are forecasting Q4 revenue to be \$17 million to \$20 million assuming New Zealand COVID-19 restrictions ease prior to the end of September.
- + Expect FY 2021 Revenue of \$50 million to \$54 million, with an estimated New Zealand COVID-19 shutdown impact of \$10 million to \$15 million.

## Q3 GAAP and Non-GAAP Gross Margins<sup>1</sup>

- + Expect GAAP gross margins of -221%, significantly impacted by unabsorbed production period costs related to COVID-19 production shutdown in New Zealand and return-to-flight remediations for the July 29, 2021 US Space Force Mission and by stock based compensation expenses related to a one-time catch-up in vesting of performance restricted stock units now deemed "probable" to be earned as a result of the August 25, 2021 deSPAC.
- + Expect Non-GAAP Gross Margins of -52%.

## Q3 Operating Expense, Interest Expense and Adjusted EBITDA<sup>1</sup>

- + Expect GAAP Operating Expenses of **\$41 million to \$43 million**
- + Expect Non-GAAP Operating Expenses of **\$18 million to \$20 million**
- + Expect Interest Expense: **\$3.4 million**
- + Q3 Adjusted EBITDA loss of **\$17 million to \$20 million**, which reflects adjustments for stock-based compensation, depreciation and amortization, FX gains or losses, Interest Expense, Warrant expense, Taxes and other non-recurring items.



# UPCOMING CONFERENCES



**Deutsche Bank  
Virtual Technology Conference**

September 10, 2021

**Peter Beck**  
Founder & Chief Executive

**Adam Spice**  
Chief Financial Officer



**TechCrunch  
Disrupt 2021**

September 22, 2021

**Peter Beck**  
Founder & Chief Executive



**UBS Disruptive Technology  
CEO Summit**

October 19, 2021

**Peter Beck**  
Founder & Chief Executive

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