



Rocket Lab USA, Inc.

Q4 & FULL YEAR 2023 INVESTOR UPDATE

February 27th, 2024

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 press release, including statements regarding our expectations of financial results for the first quarter of 2024, 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 release, including risks related to delays and disruptions in expansion efforts; delays in the development of our Neutron rocket; 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 competition in our industry due in part to rapid technological development; 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; general economic uncertainty and turbulence which could impact our customers’ ability to pay what we are owed; 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; a US government shutdown or delays in government funding; 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; (iv) non-cash income tax benefits and expenses (v) depreciation; (vi) transaction costs; (vii) change in fair value of liability classified warrants; (viii) change in fair value of contingent consideration; (ix) performance reserve escrow; (x) amortization of inventory step-up; (xi) provision for income taxes; (xii) loss on foreign exchange; (xiii) accretion of marketable securities purchased at a discount; (xiv) loss on disposal of assets; and (xv) employee retention credit. 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 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 February 27, 2024. 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



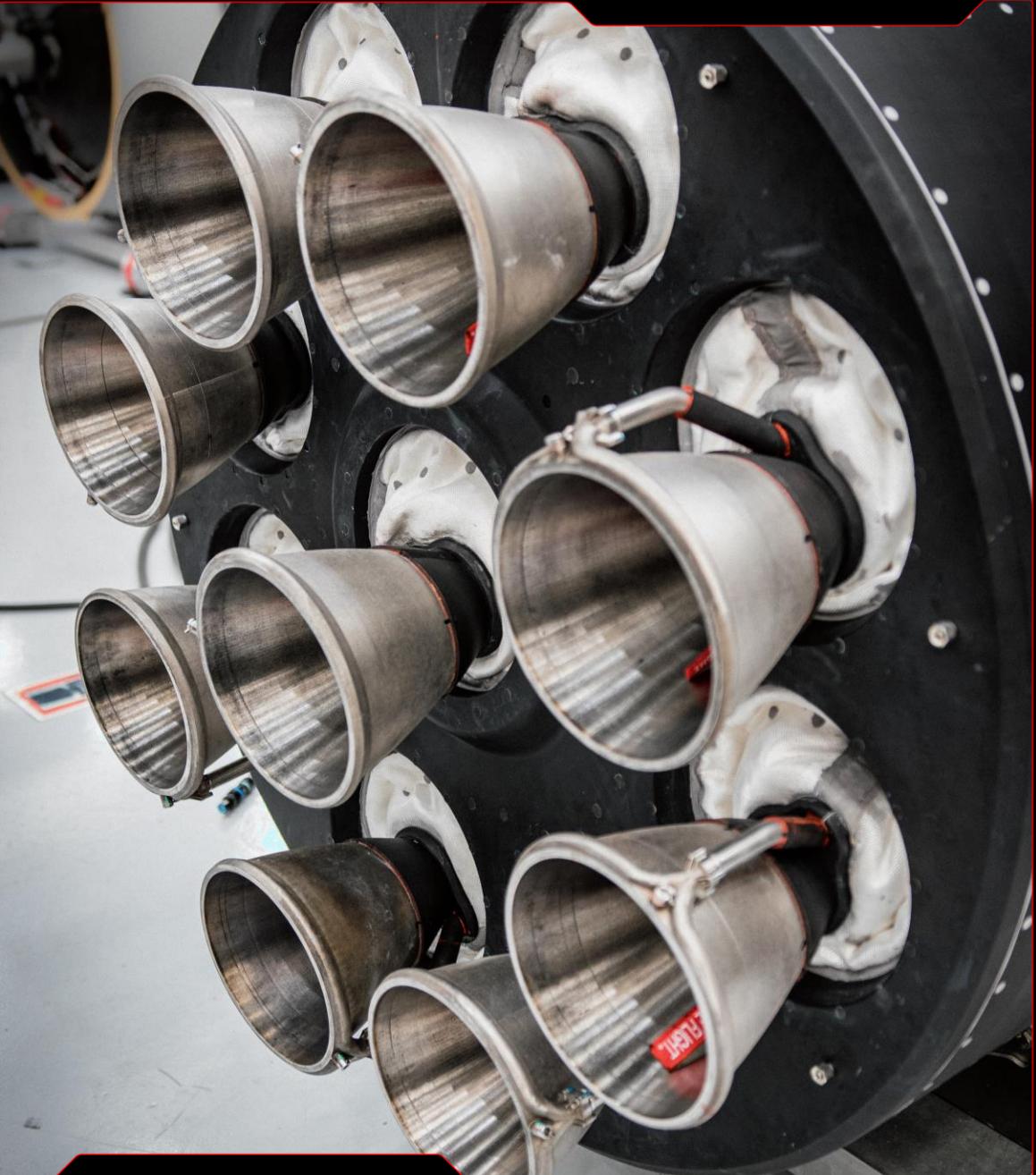
Peter Beck
Founder, Chief Executive Officer, Chief Engineer



Adam Spice
Chief Financial Officer

AGENDA

-
- 1 Key Accomplishments Q4 2023
 - 2 Interim Accomplishments Q1 2024
 - 3 Financial Highlights and Outlook
 - 4 Q&A and Upcoming Events
-





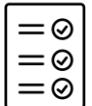
SECTION



KEY ACCOMPLISHMENTS
Q4 2023

LAUNCH

SUCCESSFUL RETURN TO FLIGHT IN Q4



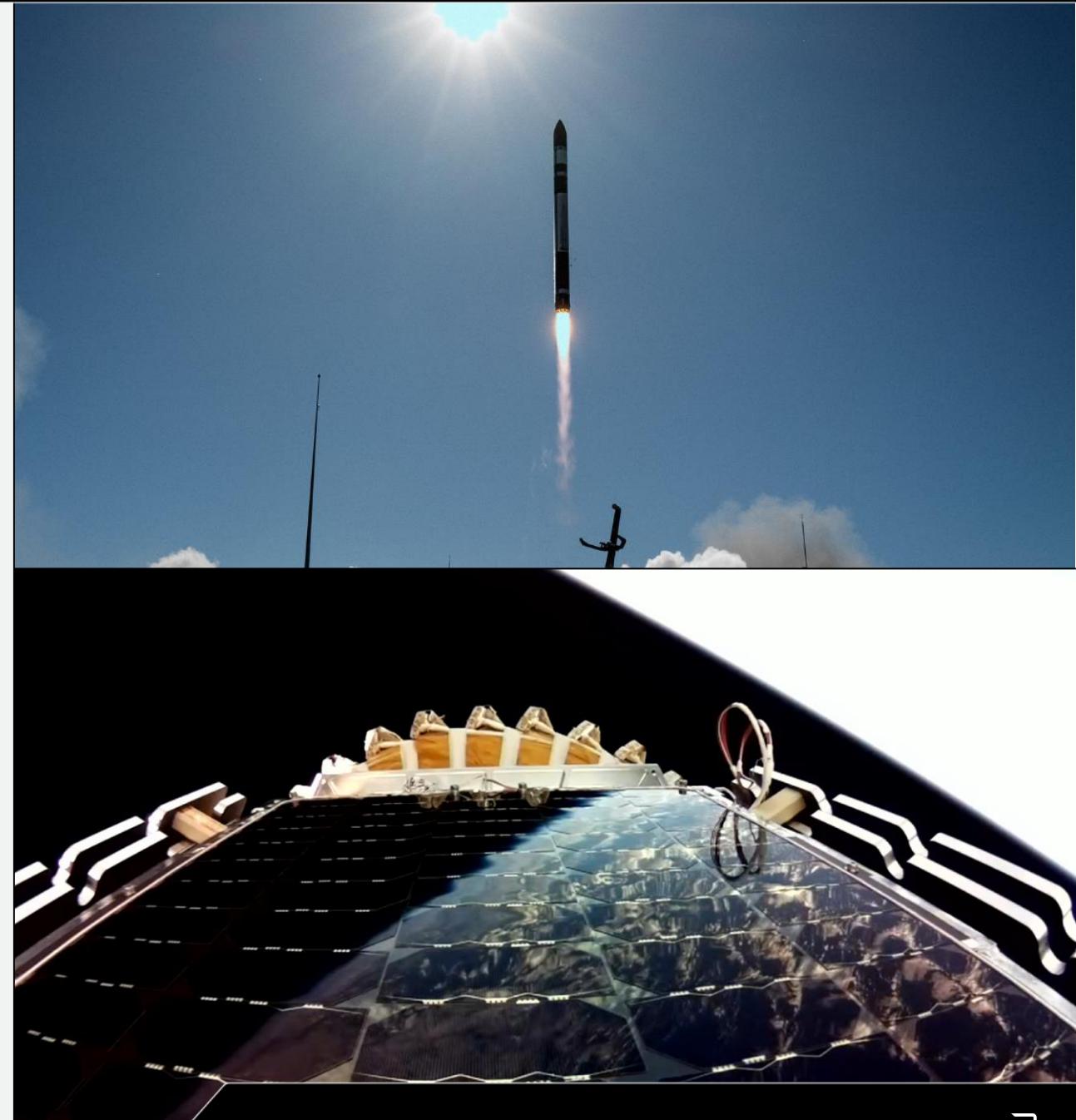
Completed detailed anomaly investigation,
quickly securing FAA approval to return to flight



Implemented new enhanced testing and robust
new mitigations to stage 2 to prevent similar
failures in future

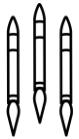


Successfully launched, deploying SAR satellite
to orbit for Japanese customer iQPS



NEW LAUNCH RECORD

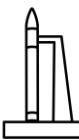
Second highest number of launches for a U.S. Launch provider annually, behind only SpaceX



10 launches in 2023, besting previous annual record of nine



Only small launch provider to launch more than one orbital mission in 2023



Three successful missions from new LC-2 pad



First HASTE launch, opening new hypersonic suborbital market

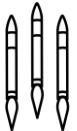


RECORD YEAR FOR NEW LAUNCH DEALS

25 new launch deals signed in 2023



18 Electron launch contracts
+
7 HASTE launch contracts



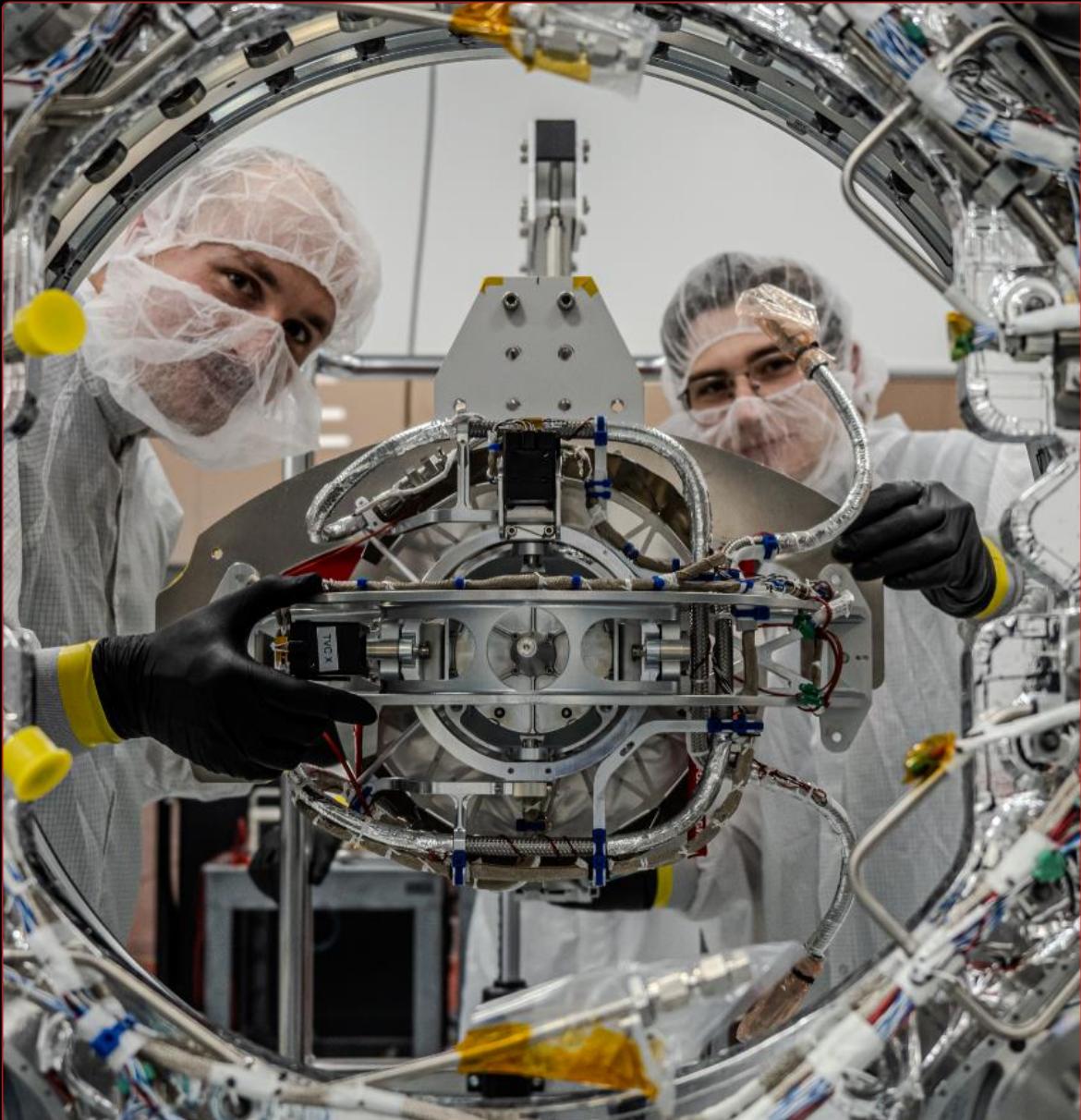
US and NZ launch sites now both operational,
enabling increased launch cadence



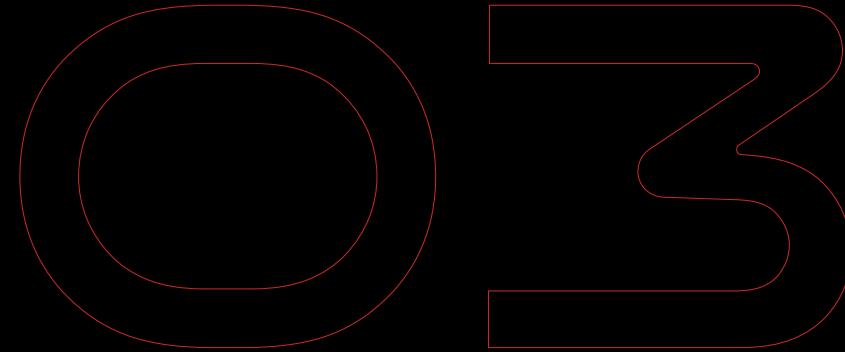
Contracts signed with diverse customer base including
civil, defense and national security government
customers, as well as commercial operators

ELECTRON

HASTE



SECTION

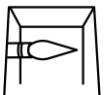


KEY ACCOMPLISHMENTS
Q4 2023

SPACE
SYSTEMS

AWARDED \$515M CONTRACT BY SDA

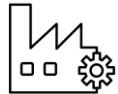
Establishes Rocket Lab's position as a leading satellite prime contractor, providing supply chain diversity to the Department of Defense



Rocket Lab will design, build, test, and operate 18 Tranche 2 Transport Layer-Beta satellites for the Space Development Agency's Proliferated Warfighter Space Architecture.

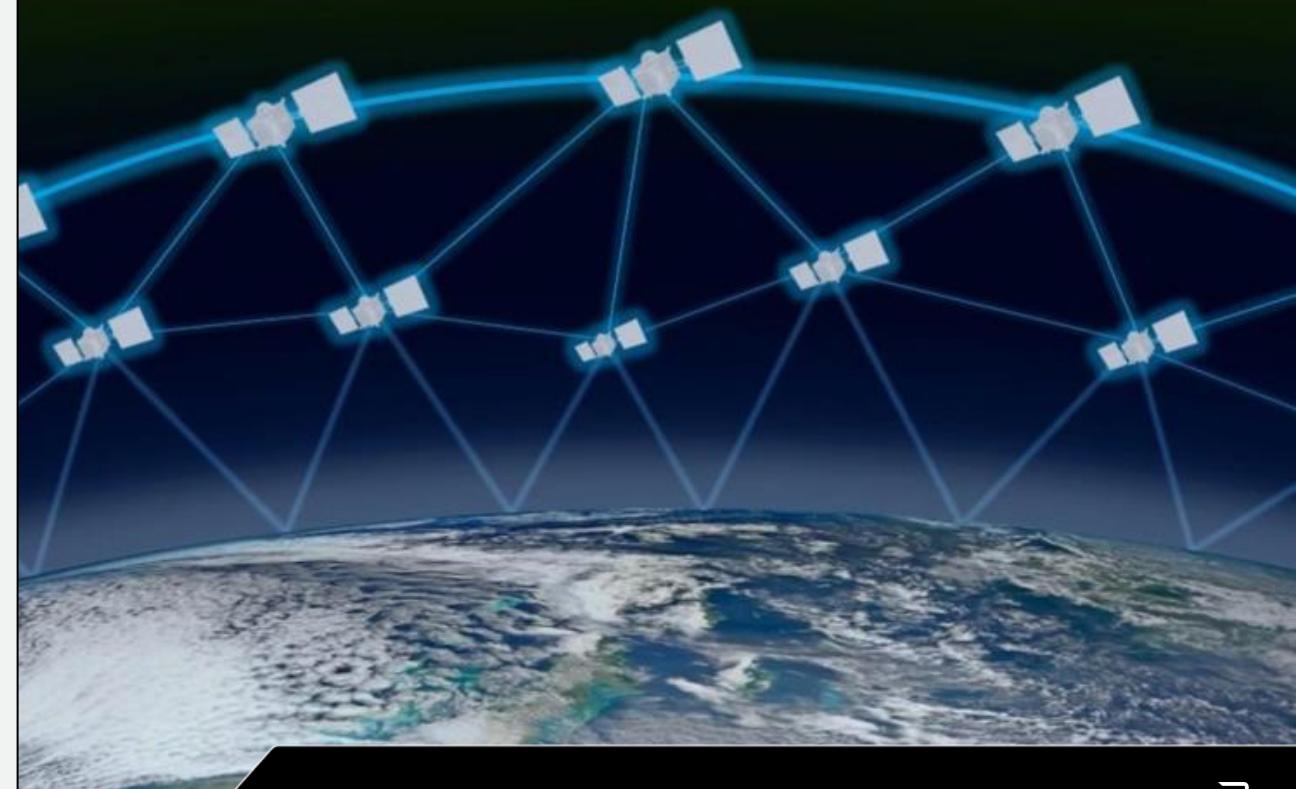


All 18 satellites will integrate subsystems and components built in-house by Rocket Lab, incl. solar panels, structures, star trackers, reaction wheels, radio, flight software, avionics, and launch dispenser.



Largest single contract in Rocket Lab history.
The contract comprises \$489 million base plus \$26 million of options and incentives.

Transport Layer

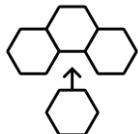


GLOBALSTAR CONSTELLATION IN PRODUCTION

Flight hardware coming off the production line



Structural build underway on the first flight frame for constellation of 17 spacecraft for Globalstar and MDA.



Up next: components & subsystems built Rocket Lab teams in Albuquerque, Littleton, Toronto & New Zealand will be integrated into the spacecraft, bringing this next generation comms constellation to life.



ESCAPEADE MISSION TO MARS

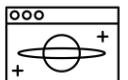
Twin Rocket Lab spacecraft preparing for launch in Q3



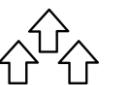
Both propulsion decks welded and complete



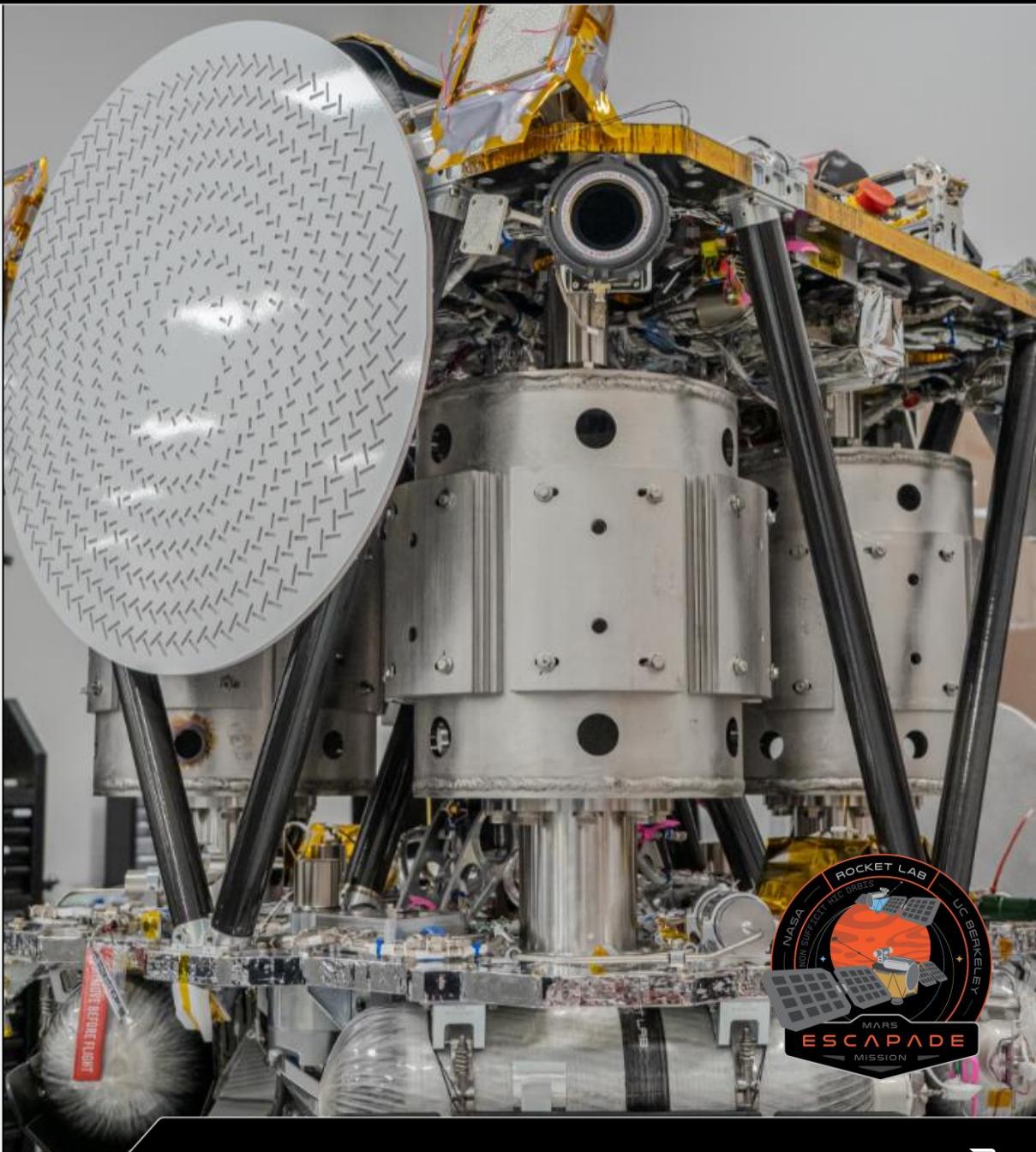
Pre-environmental review for both spacecraft complete.



First spacecraft ready for environmental testing with the second close behind



Next up: Launch site ground operations





SECTION

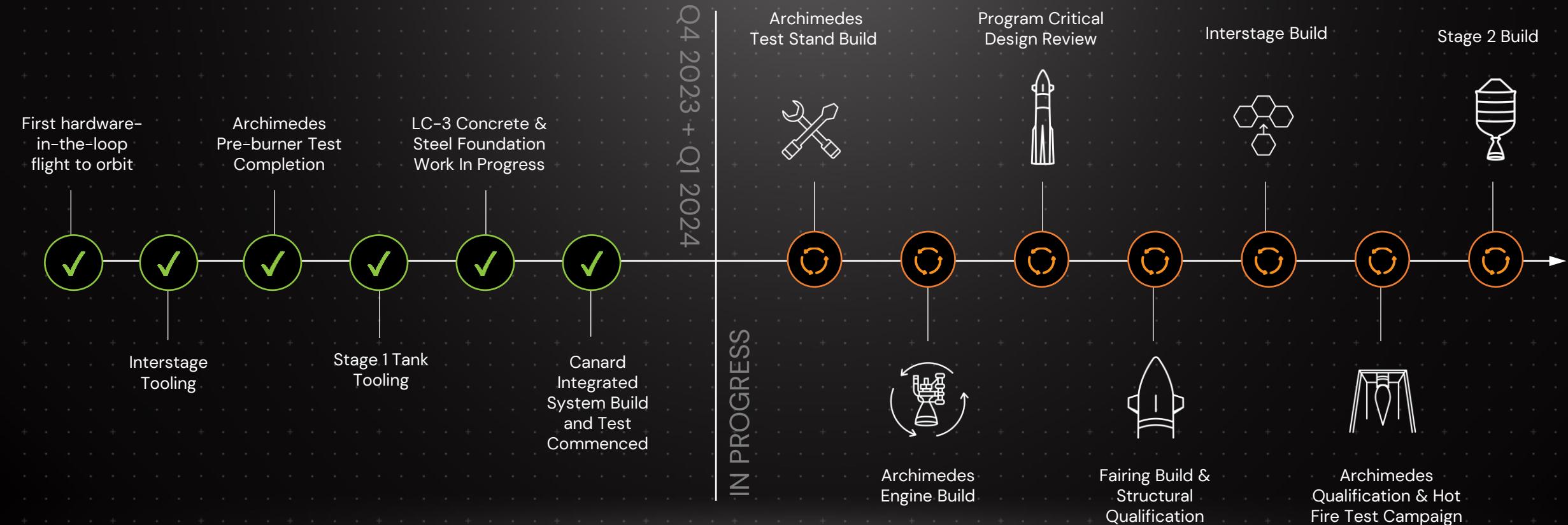


ADDITIONAL ACCOMPLISHMENTS

As of 27 February 2024

NEUTRON: PATH TO FIRST FLIGHT

Critical Neutron development milestones achieved in Q4 2023 + Q1 2024, plus anticipated Q2 & Q3 2024

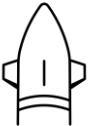


NEUTRON VEHICLE DEVELOPMENT



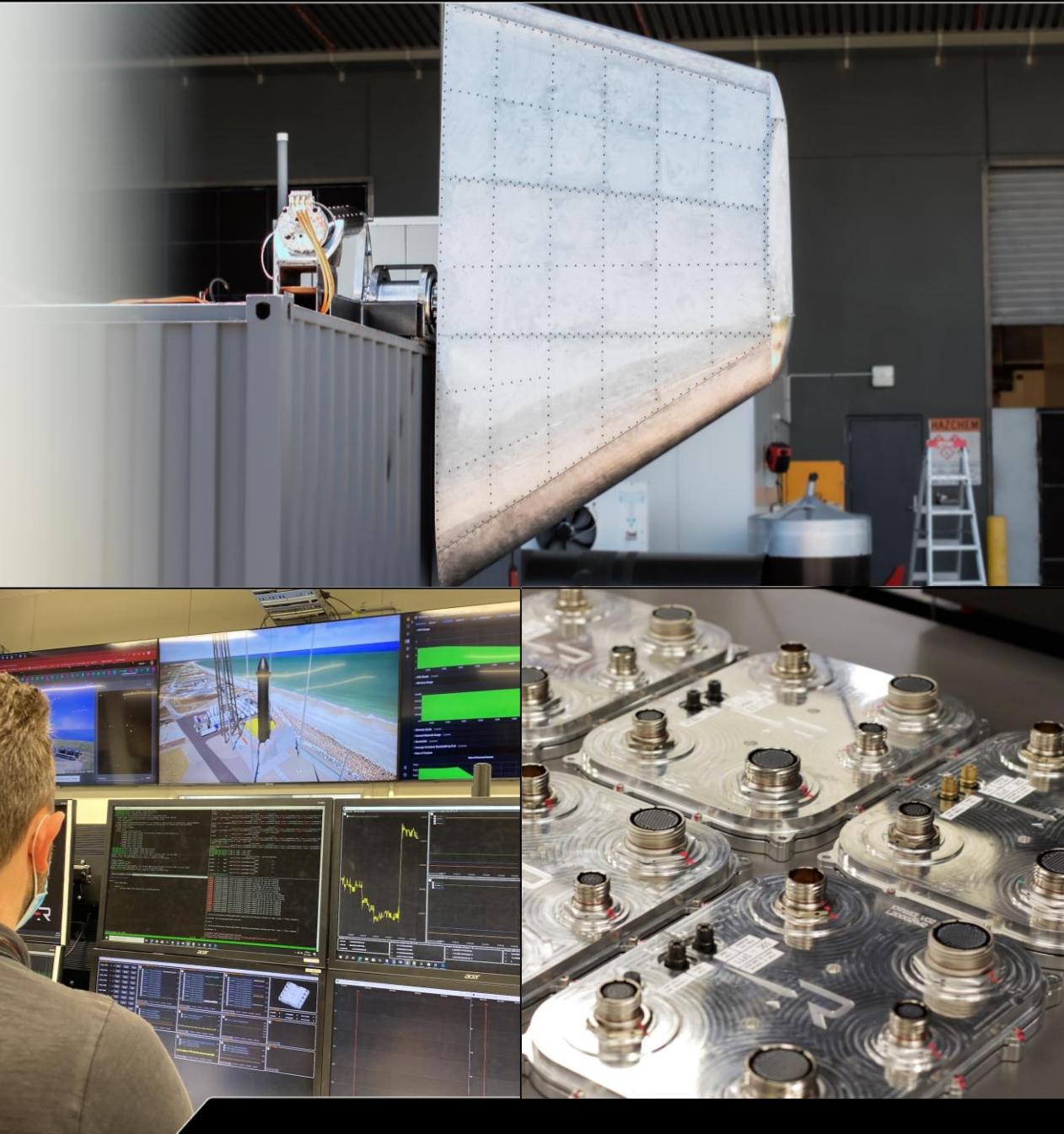
Key Avionics Milestones:

- Successful Hardware-in-the-Loop (HITL) simulated flight to orbit + landing
- Real flight software running on real Neutron hardware
- “Testing as we fly” from operator consoles through to fluids valves
- Flight 1 engine & stage controllers now in production

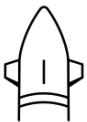


Canard Testing Underway:

- First canard aerostructure complete
- Complete, flight representative canard drivetrain assembled and tested, including motion controller and software, linear actuator, and canard mounting hardware
- GNC dynamic requirements and modelling validated through full system testing, including flight representative canard actuation profile, and high frequency actuation testing.



NEUTRON VEHICLE DEVELOPMENT



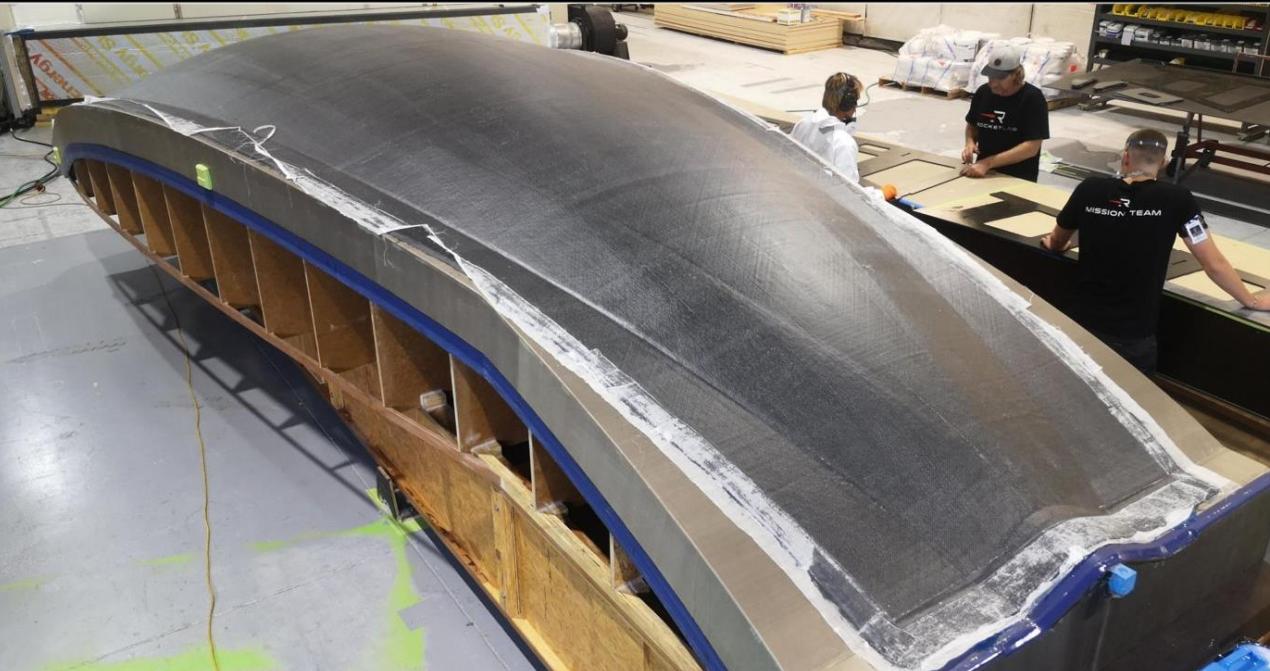
Stage 1 Upper Module Structures:

- Fairing tooling complete, part production is underway with first parts expected Q1/Q2 2024
- Interstage tooling in final preparation and first parts expected in Q2 2024

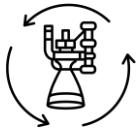


Stage 1 & Stage 2 composite tank structures:

- All long-lead Stage 1 tank tooling ready for part production
- First laminate laid down on Stage 1 tank components
- Next Stage 2 tank (flight version) components in production – this tank will be taken through an extensive qualification campaign incorporating improvements from the last test campaign

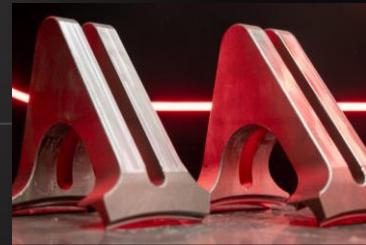
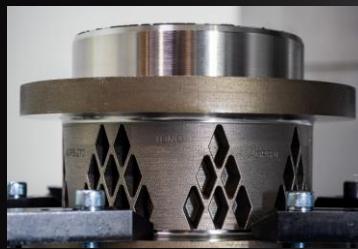


NEUTRON ARCHIMEDES DEVELOPMENT

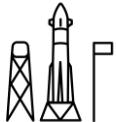


**First engine build nearing completion
in preparation for first hot fire**

- Single-element pre-burner test campaign complete. Test campaign has successfully proved out element design across the full throttle range which has been incorporated into the full-scale pre-burner.
- All engine components either complete or in final stages of production. Critical in-house components that have been completed include main valves, pre-valves, pre-burner valves, spin-start system, purge & bleed valves.
- All additive engine components printed, including turbopump housings, pre-burner and main chamber components, valve housings and engine structural components



NEUTRON: LAUNCH INFRASTRUCTURE



Key LC-3 Construction Milestones:

- Major concrete and civil works well underway across the launch site
- Construction activities running in parallel over the next quarter include:
 - Water tower
 - Propellant storage foundations
 - Gas storage foundations
- Long lead procurements in fabrication including LOx and LNG tanks, inert gas tanks, propellant transfer systems due to arrive on-site in Q3



NEUTRON: TEST INFRASTRUCTURE



Key Archimedes Test Stand Milestones:

- Test stand construction is substantially complete undergoing activation in preparation for engine arrival.
- Achieved significant capital and speed efficiencies by utilizing infrastructure from the NASA A3 test stand.



NEUTRON: PRODUCTION INFRASTRUCTURE



Key Production Infrastructure Milestones:

Space Structures Complex, Middle River MD

- Took over facility November 2023. Large scale production equipment being installed Q1/Q2 2024.
- AFP (Automated Fiber Placement machine) is nearing completion, enabling autonomous production of Neutron's composite structures at full-scale.



TWO SUCCESSFUL LAUNCHES IN Q1 SO FAR

Complex missions that required precision accuracy and responsive mission design

LAUNCHES COMPLETE



31 Jan 2024 | 4 Satellites

Dedicated launch for Spire Global & NorthStar
Launch Complex 1, New Zealand



19 Feb 2024 | 1 Satellite

Dedicated launch for Astroscale
Launch Complex 1, New Zealand

LAUNCHES SCHEDULED IN Q1



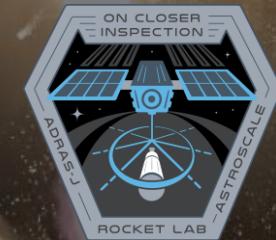
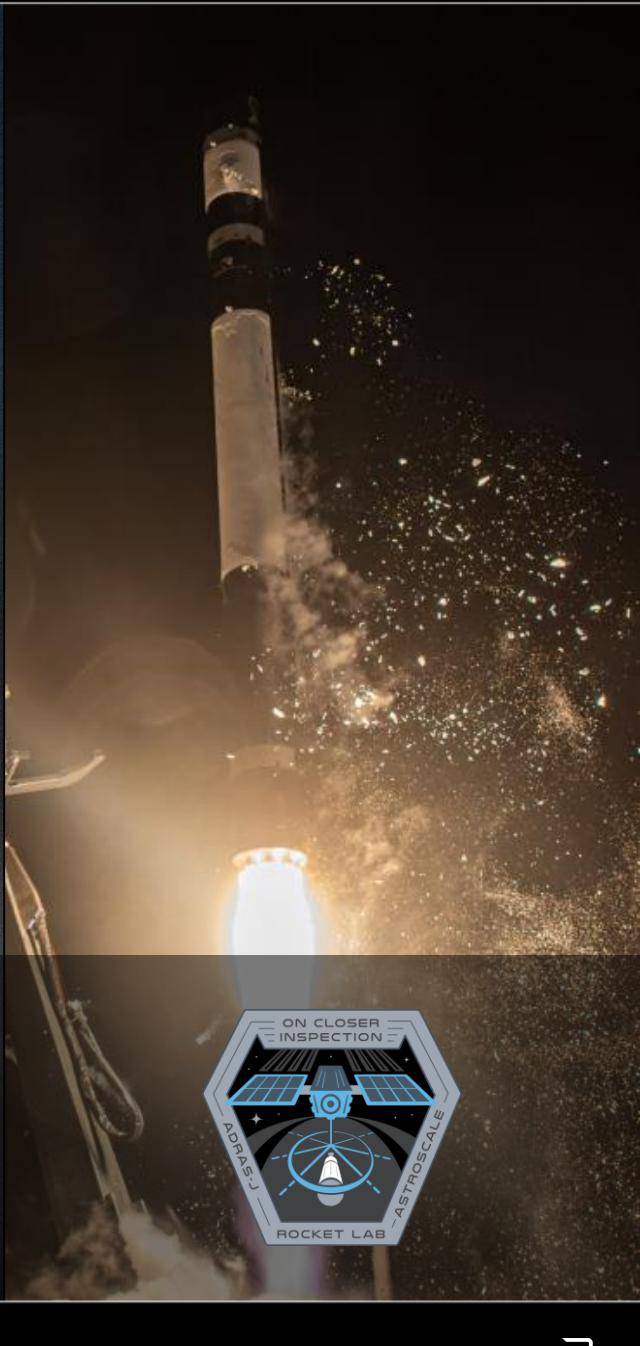
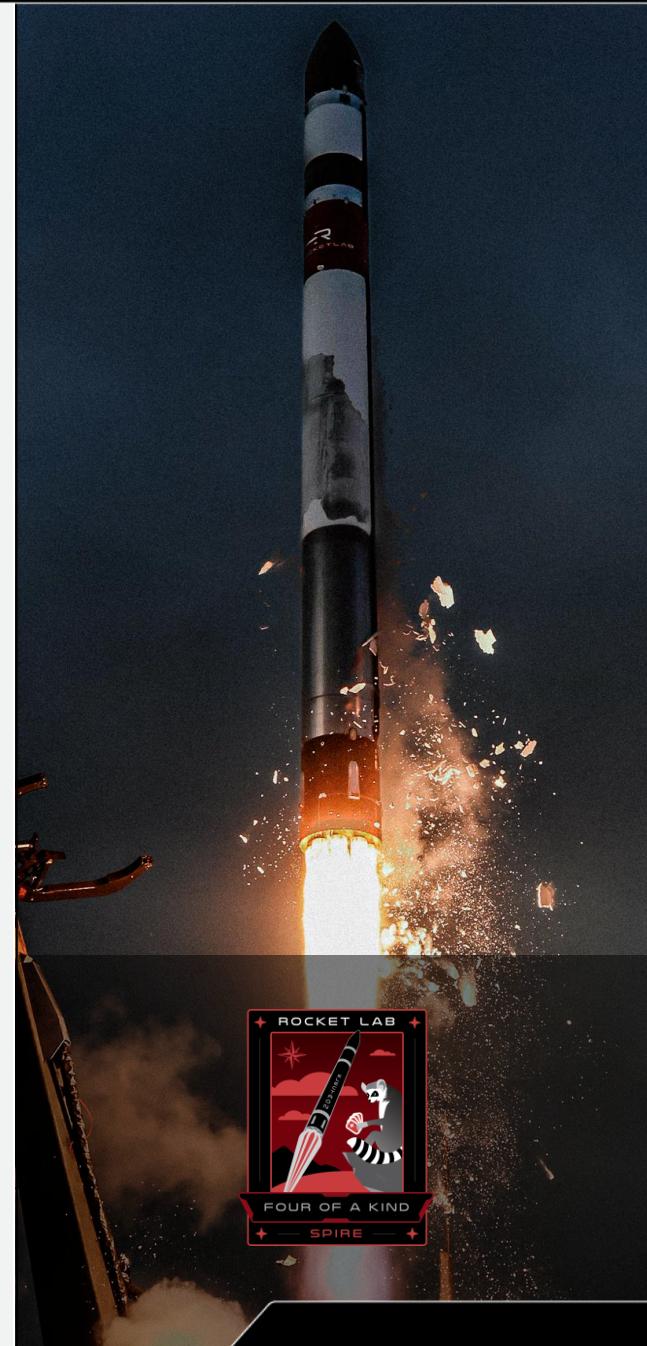
NET March 9 UTC

Dedicated launch for Synspective
Launch Complex 1, New Zealand



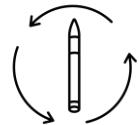
NET March 20 UTC

Dedicated launch for National Reconnaissance Office
Launch Complex 2, Wallops, Virginia, US

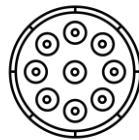


ELECTRON REUSABILITY PROGRESS

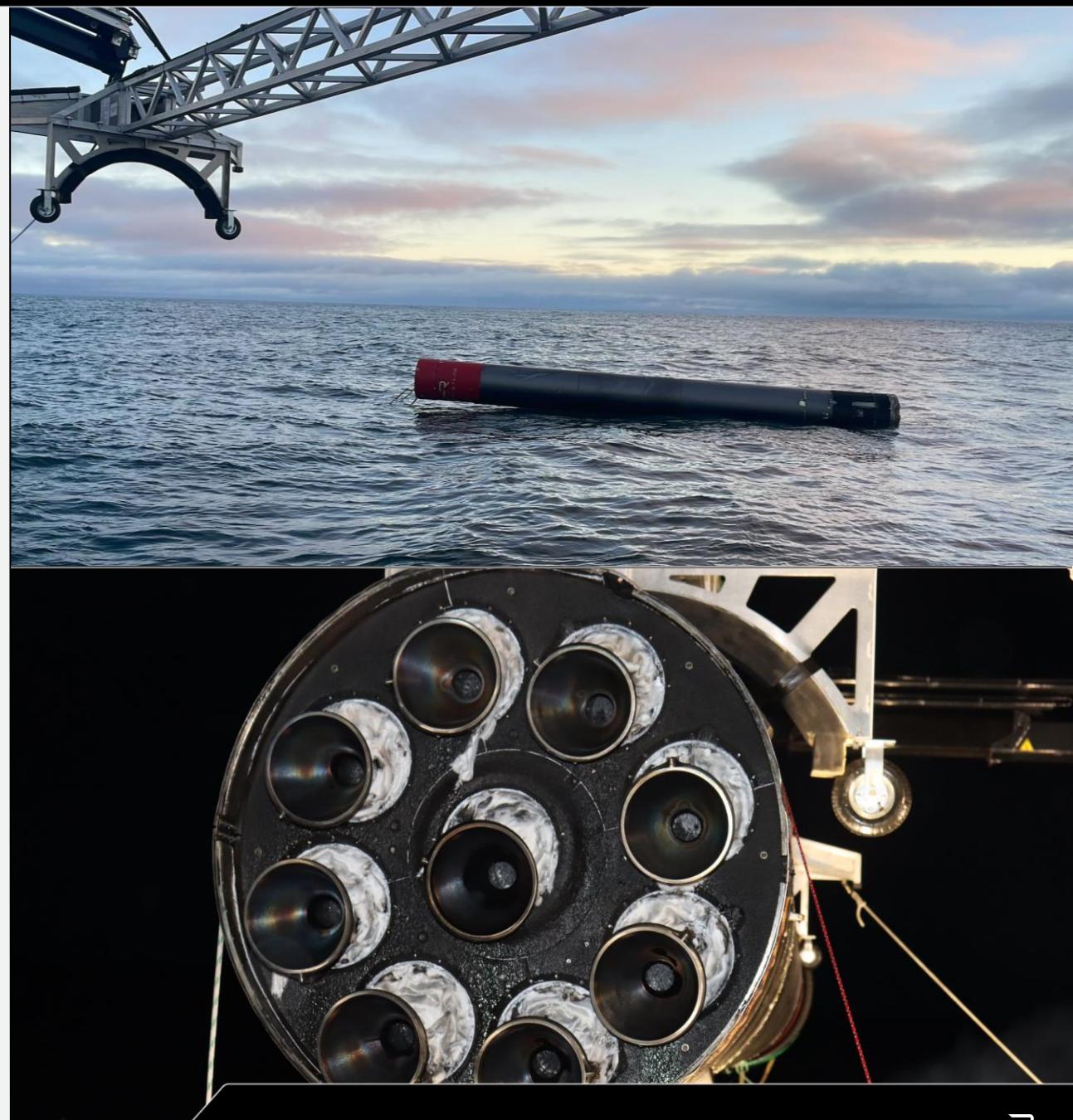
Electron first stage recovered in best condition yet



Electron recovered in record time and in best condition yet. Currently assessing suitability of reflying.



Next milestone: Launching a mission with a full set of nine pre-flown Rutherford engines.



FIRST ROCKET LAB SPACECRAFT RE-ENTRY MISSION

Successful re-entry of a capsule from orbit. Only SpaceX and Rocket Lab deliver this capability commercially.



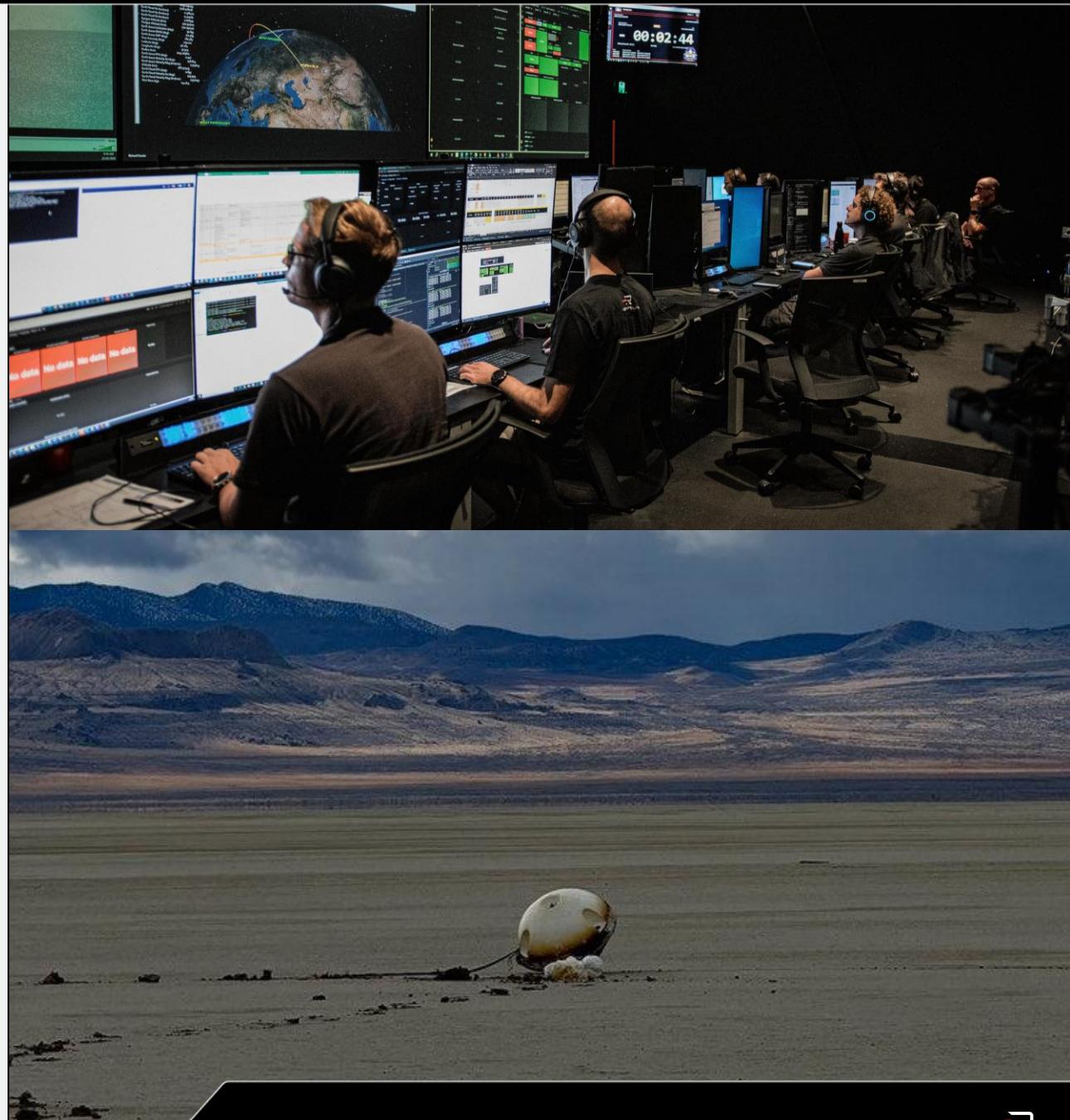
Rocket Lab designed and built the spacecraft, operated it on orbit for more than eight months, then successfully re-entered it to the Utah Test and Training Range, bringing home pharmaceutical products made in space.



Highly complex process: Multiple on-orbit trajectory optimization maneuvers to position spacecraft to hit tiny target landing zone with margin of error of less than 0.05%



The successful mission was the first of four Rocket Lab is operating and developing for Varda Space Industries. The next spacecraft is complete ahead of an expected launch in mid-2024.

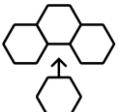


INTRODUCING THE ROCKET LAB SPACECRAFT FAMILY

Updated family of advanced spacecraft platforms deliver speed, affordability, performance, and configurability for a range of mission profiles and customers.



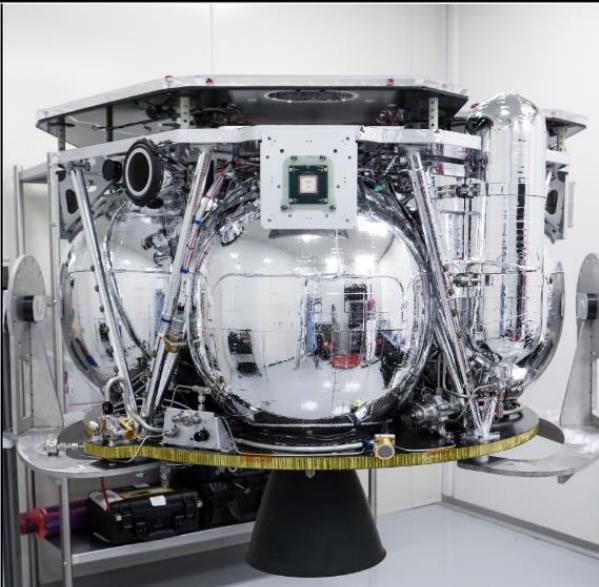
Expanding beyond Photon with full suite of standard spacecraft bus platforms.



By sharing many common components and subsystems designed and manufactured in-house by Rocket Lab, we're able to deliver spacecraft quickly, affordably and reliably using flight-proven components.



Paves the way for Rocket Lab's own constellation in future.



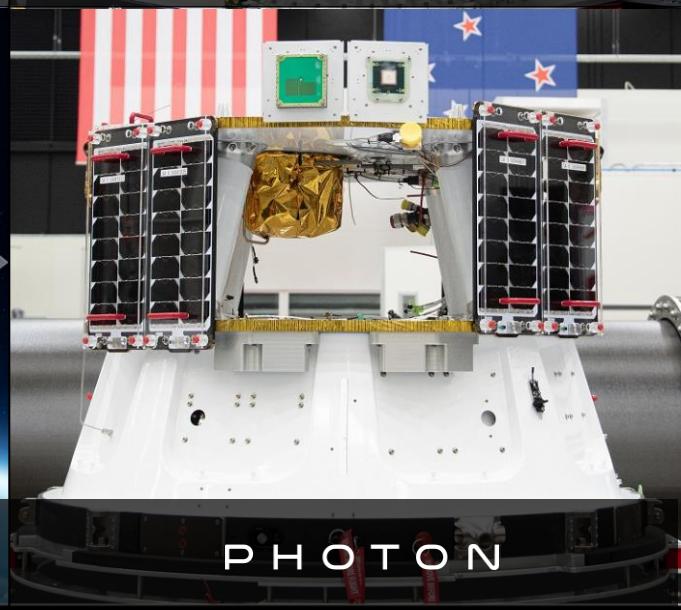
EXPLORER



LIGHTNING



PIONEER



PHOTON



SECTION



FINANCIAL HIGHLIGHTS AND OUTLOOK

REVIEW OF REVENUE AND GROSS MARGINS

\$244.6M

Revenue in FY 2023

15.9%

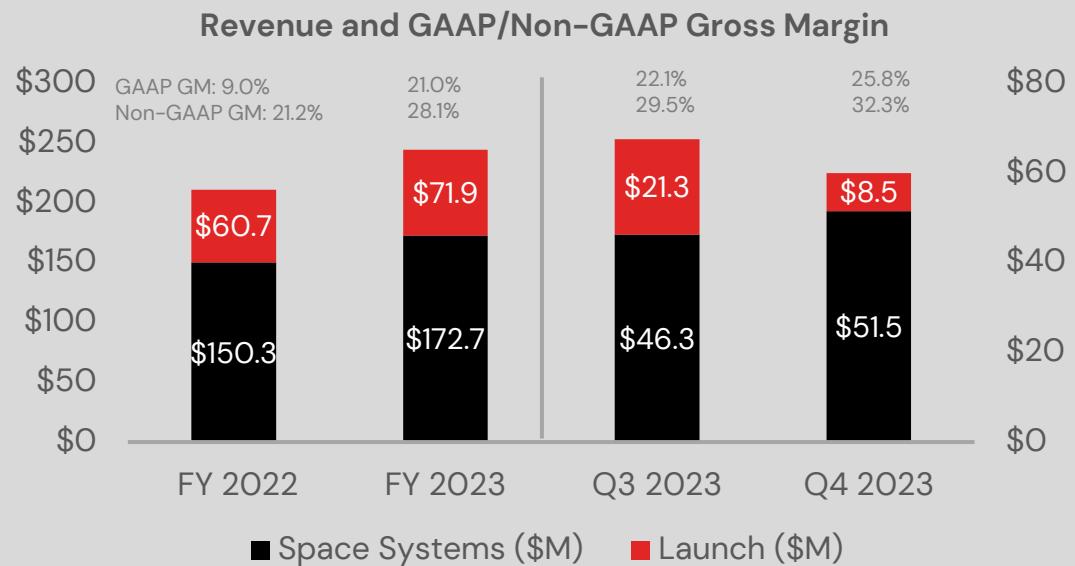
Year-on-Year revenue increase

\$60M

Revenue in Q4 2023

11.3%

Quarter-on-Quarter revenue decrease



Full year 2023 revenue increase of about 16%, or \$33.6M, driven by an increase of launches from nine to ten as well as growth in our Space Systems business, driven primarily by our component businesses and MDA contract revenue.

Q4 revenue decrease of 11% quarter-over-quarter, or \$7.7M, driven by a reduction of launches from three to one, partially offset by growth in our Space Systems business, driven primarily by the same factors as 2023 full year revenue.

Full year 2023 gross margin increases driven by improved mix between Launch and Space Systems, improved mix within our Space Systems businesses, and improvement in component business gross margin.

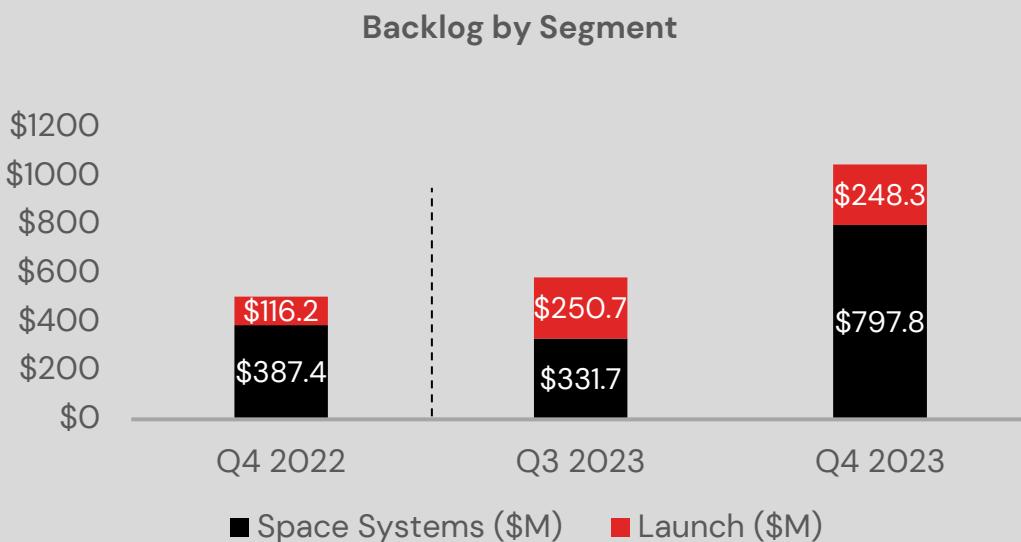
Q4 gross margin increase was driven by the same factors as those for full year 2023 gross margin.

REVIEW OF BACKLOG

Year-on-Year

\$1,046M
Backlog as of Q4 2023

107.7%
Year-on-Year backlog increase



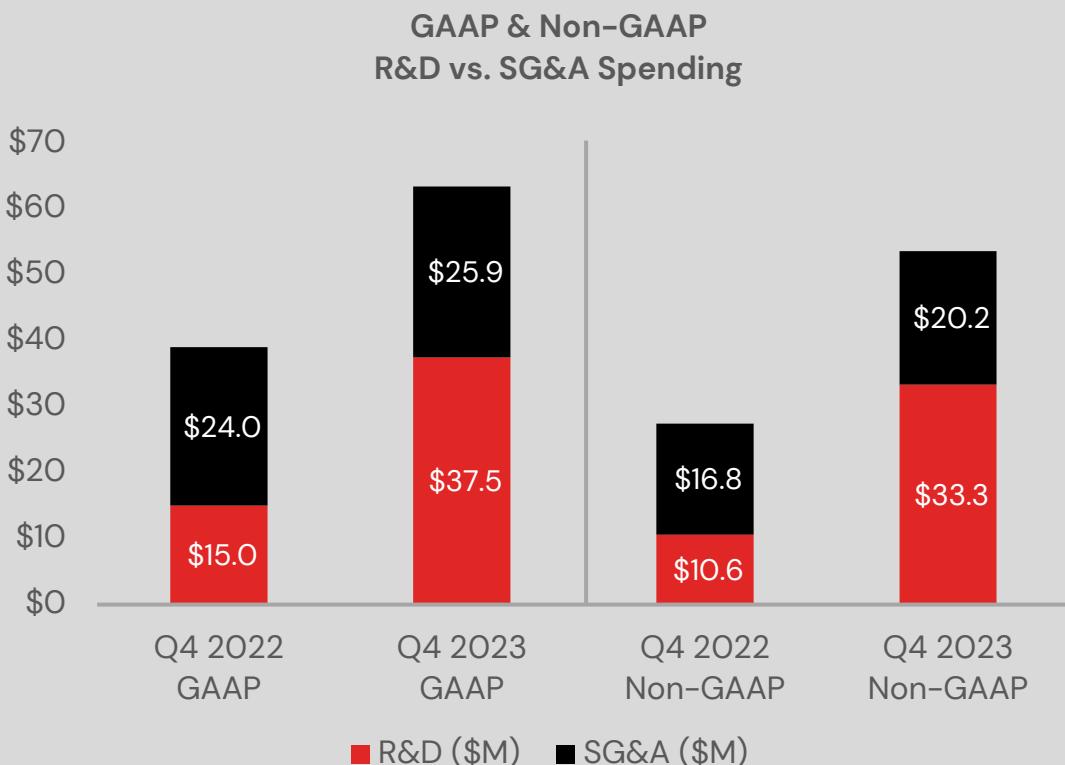
Year ending backlog increase of 108%, or \$542.5M, was partially driven by an over 2x increase in our launch services segment, driven by multi launch deals with commercial and government partners, along with strong HASTE bookings.

Sequential backlog increase quarter over quarter of 79.6%, or \$463.7M, driven primarily by the Space Development Agency (SDA) Beta contract award, recorded at \$489 million base, excluding \$26 million in incentives and options.

We expect approximately 41% of this backlog to be recognized within 12 months with the remaining 59% to be recognized beyond 12 months.

REVIEW OF OPERATING EXPENSES

Year-on-Year



GAAP SG&A expense increased primarily due to increases in facility costs related to the purchase of the Engine Development Center paired with modest increases in staff costs.

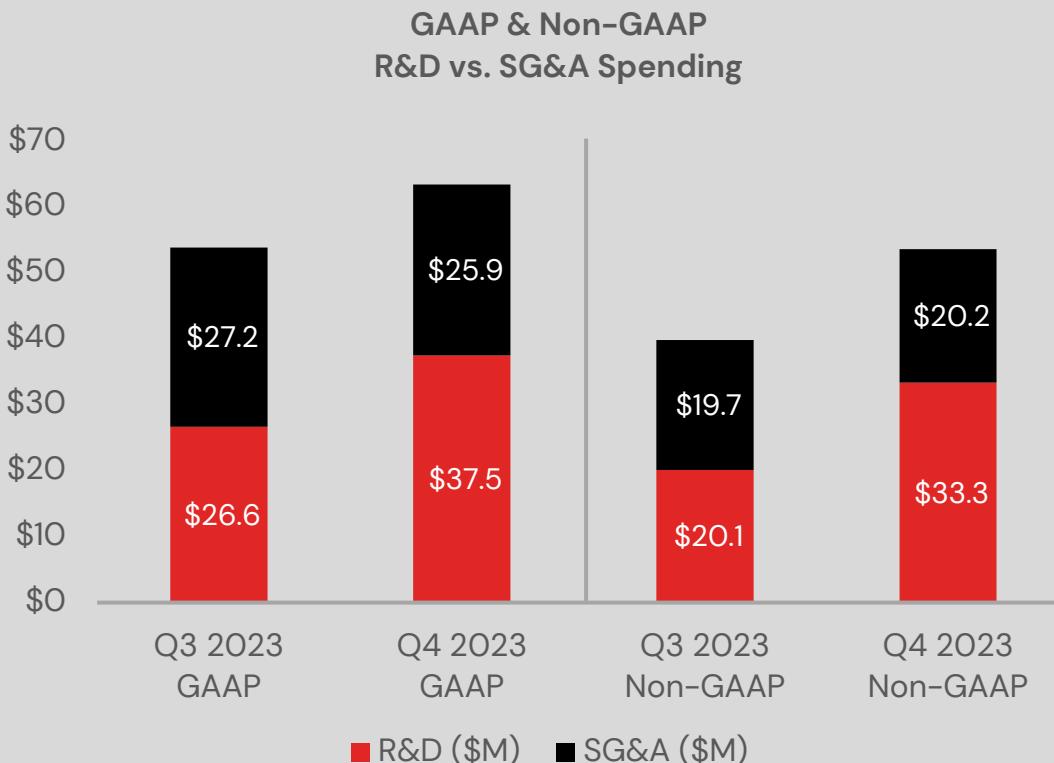
Non-GAAP SG&A expense increased due to above items minus stock-based compensation expense.

GAAP R&D expense increased primarily due to increases in staff costs and prototype related expenses in as we accelerate development of Neutron and Photon programs.

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

REVIEW OF OPERATING EXPENSES

Quarter-on-Quarter



GAAP SG&A expense decreased primarily due to reduction in performance escrow related to our ASI acquisition, partially offset by an increase in change in contingent consideration related to our Planetary Systems Corporation acquisition.

Non-GAAP SG&A expense increased modestly due to increases in staff costs and outside services.

GAAP R&D expense increased due to a decrease in contra R&D credits related to Neutron upper stage development agreement with the Space Force and increased R&D in our solar solutions business offset partially by a reduction in stock-based compensation expense.

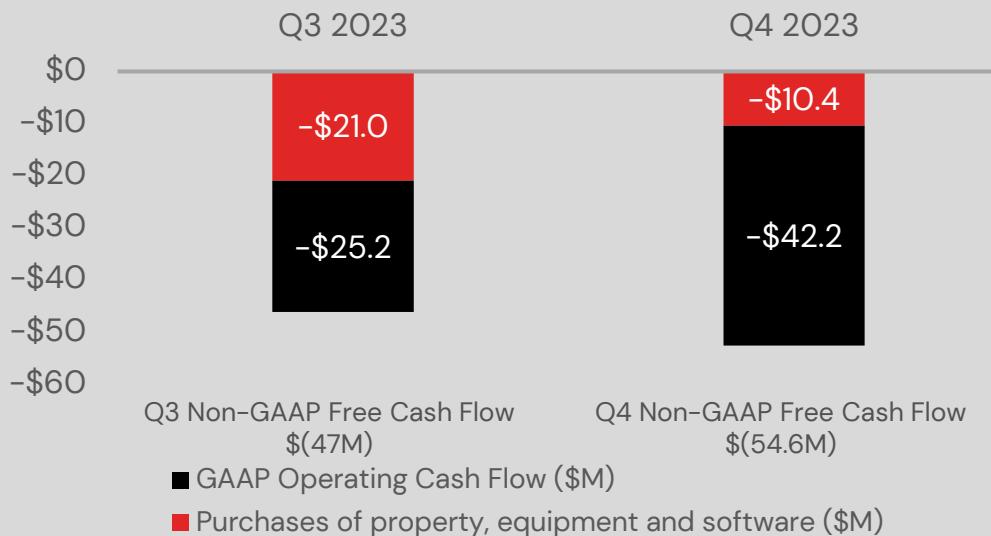
Non-GAAP R&D expense increased due to above items minus stock-based compensation expense.

ENDING CASH AND NON-GAAP FREE CASH FLOW METRICS

Quarter-on-Quarter

\$327.9M in cash and cash equivalents, marketable securities and restricted cash, end of period in Q4 2023.

Non-GAAP Free Cash Flow Activities



Cash consumed from purchases of property, equipment and software decreased \$10.6M sequentially, due to the timing of delivery of equipment associated with Neutron research, testing and production infrastructure.

Cash consumed from Operations increased \$17.0M sequentially, driven primarily by timing of receipts and payments related to our satellite manufacturing business, and in our launch business due to manifest adjustments post anomaly.

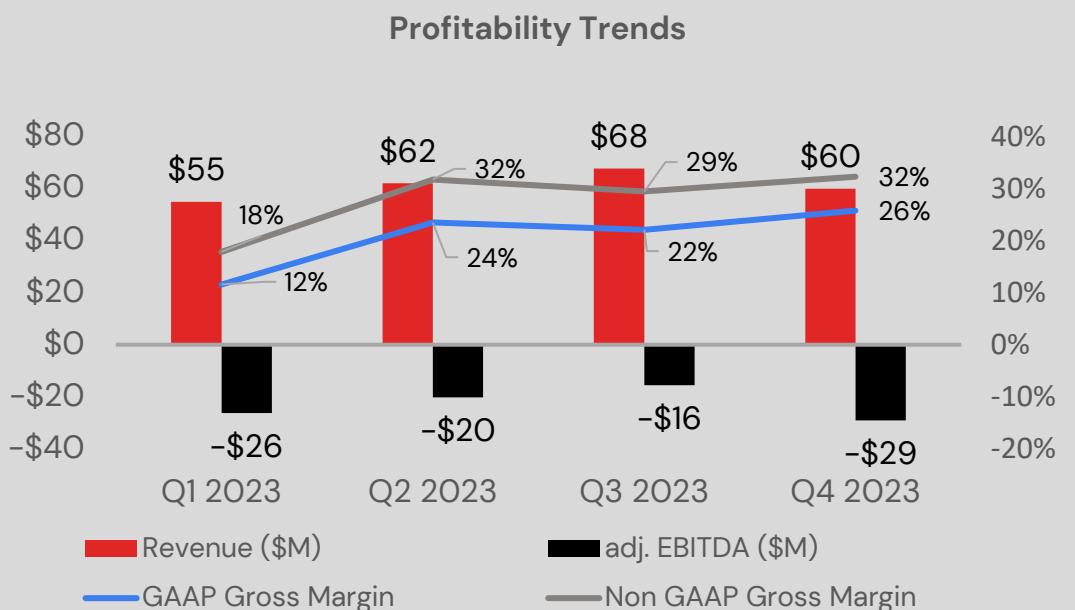
Note: Non-GAAP free cash flow is defined as GAAP operating cash flow reduced by purchases of property, equipment and software.



PROFITABILITY TRENDS

Trailing Four Quarter

Revenue growth and gross margin expansion are enabling meaningful improvements in the model.



Improving gross profit trends are helping to close the gap to adjusted EBITDA break-even.

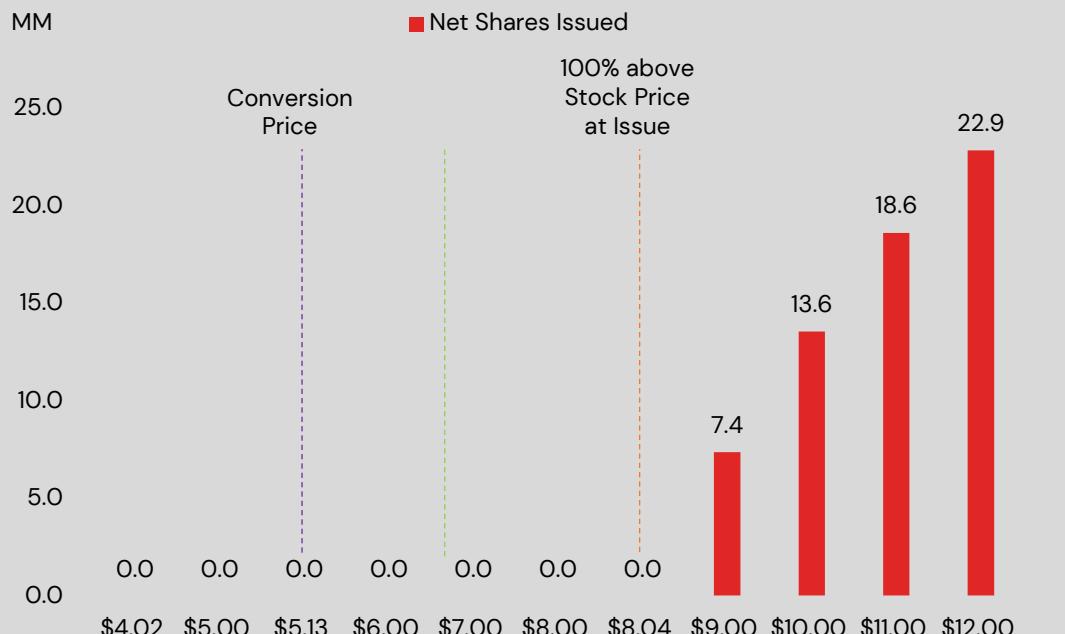
We expect gross margins to continue to improve over time due to increased scale, production efficiencies and product mix.

Attaining adjusted EBITDA breakeven is dependent on above factors, as well as the pace of Neutron-related investment.

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 recurring and non-recurring items. A reconciliation of our GAAP and non-GAAP presentations in our Earnings Release dated February 27, 2024

CLOSED UPSIZED OFFERING OF \$355 MILLION CONVERTIBLE SENIOR NOTES

NET SHARES ISSUED UPON CONVERSION¹



Provisional Call Trigger
130% above Conversion
Price after 3 Years

Stock Price (\$)

Strategic decision to add funding to the Rocket Lab balance sheet at what we view as cost-effective and shareholder-friendly capital.

Capital to be deployed for mix of opportunities including potential M&A and other strategic growth and scaling investment opportunities.

¹ Assumes that upon conversion, Rocket Lab will settle the principal amount of the notes in cash.



FINANCIAL OUTLOOK

Q1 2024 Revenue Outlook

- Expect revenue to range between **\$92 million to \$98 million**.
- Expect Space Systems revenue of **\$60 million to \$65 million**.
- Currently planning for four launches and anticipate Launch Services revenue of **\$32 million to \$33 million**

Q1 2024 GAAP and Non-GAAP Gross Margins

- Expect **GAAP gross margin to range between 24 – 26%**, driven by favorable mix between Launch and Space Systems and favorable mix within Space Systems.
- Expect **Non-GAAP gross margin of 29 – 31%**.

Q1 2024 GAAP and Non-GAAP Operating Expense

- Expect GAAP Operating Expenses of **\$73 million to \$75 million.***
- Expect Non-GAAP Operating Expenses of **\$62 million to \$64 million.**

Q1 2024 Adjusted EBITDA

- Expect Interest Expense (Income), net: **\$1.5 million**.
- Adjusted EBITDA loss of **\$28 million to \$30 million.****
- Basic Weighted Average Shares Outstanding of **490 million**.

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

**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 recurring and non-recurring items.



UPCOMING INVESTOR EVENTS



**Roth MKM Growth
Conference**

March 19, 2024

Adam Spice
CFO



**Bank of America
Industrials
Conference 2024**

May 15, 2024

Adam Spice
CFO



**2024 KeyBanc
Industrials
Conference**

May 29, 2024

Adam Spice
CFO



**Stifel Cross Sector
Insight Conference**

June 6, 2025

Adam Spice
CFO

