



Q2 2024 Results

August 1, 2024

Safe Harbor

This presentation contains certain statements that are not historical facts and are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of the words such as “estimate,” “plan,” “shall,” “may,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “will,” “target,” “on track,” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding the price and market for rare earth materials, the continued demand for rare earth materials and the market for rare earth materials generally, future demand for electric vehicles and magnets, estimates and forecasts of the Company’s results of operations and other financial and performance metrics, including NdPr oxide production and shipments, expected NdPr oxide production and sales in the third quarter and throughout all of 2024, the Company’s share repurchase program, the expected cash flows of the early production of magnetic precursor products in Stage III and associated expected magnetic precursor products prepayments and timing thereof, the expected timing for receipt of the 48C tax credits, expected capital expenditures in Stage II and Stage III, the Company’s ability to control costs and expenses and to improve cost of goods, the Company’s Upstream 60K strategy, including statements regarding the timing, costs and ability to increase REO production, and the Company’s Stage II and Stage III projects, including the Company’s ability to achieve run rate production of separated rare earth materials and production of commercial metal and magnets. Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company’s future financial results and business.

Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. These forward-looking statements are subject to a number of risks and uncertainties, including fluctuations and uncertainties related to demand for and pricing of rare earth products; changes in domestic and foreign business, market, financial, political and legal conditions; changes in demand for NdFeB magnets; the effects of competition on the Company’s future business; risks related to the Company’s Upstream 60K strategy, including delays in completion, unexpected costs and expenses and timing for obtaining regulatory approvals; risks related to the rollout of the Company’s business strategy, including Stage II and Stage III, and the timing of achieving expected business milestones in Stage II and Stage III, including the Company’s ability to produce commercial metal in 2024; risks related to the Company’s Stage II operations and the Company’s ability to achieve run rate production of separated rare earth materials; risks related to the Company’s long-term agreement with General Motors, including the Company’s ability to produce and supply NdFeB magnets; risks related to expected sales of separated NdPr oxide due to various risks, including demand and pricing for separated NdPr oxide; risks related to the Company’s ability to develop magnetic precursor products in Stage III, including production delays; risks related to the Company entering into agreements with customers for prepayment of magnetic precursor products, including NdPr metal; risks associated with the terms of the new 3% convertible notes due 2030; risks related to the share repurchase program and whether it will be fully consummated or will enhance long-term stockholder value; the impact of the global COVID-19 pandemic, on any of the foregoing risks; risks related to current and future governmental and environmental laws, regulations, licenses or legal requirements; and those risk factors discussed in the Company’s filings with the Securities and Exchange Commission, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed by the Company with the Securities and Exchange Commission. If any of these risks materialize or the assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. The Company does not intend to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation may not occur.

Use of Non-GAAP Financial Measures

This presentation references certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income (Loss), Adjusted Diluted EPS, and Free Cash Flow, which have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

MP Materials defines Adjusted EBITDA as GAAP net income or loss before interest expense, net; income tax expense or benefit; and depreciation, depletion and amortization; further adjusted to eliminate the impact of stock-based compensation expense; initial start-up costs; transaction-related and other costs; accretion of asset retirement and environmental obligations; gain or loss on disposals of long-lived assets; gain or loss on early extinguishment of debt; and other income or loss. We define Adjusted EBITDA Margin as our Adjusted EBITDA divided by our total revenue. MP Materials defines Adjusted Net Income (Loss) as GAAP net income or loss excluding the impact of stock-based compensation expense; initial start-up costs; transaction-related and other costs; gain or loss on disposals of long-lived assets; gain or loss on early extinguishment of debt; and other items that management does not consider representative of our underlying operations; adjusted to give effect to the income tax impact of such adjustments. MP Materials defines Adjusted Diluted EPS as GAAP diluted earnings or loss per share excluding the per share impact, using adjusted diluted weighted-average shares outstanding, of stock-based compensation expense; initial start-up costs; transaction-related and other costs; gain or loss on disposals of long-lived assets; gain or loss on early extinguishment of debt; and other items that management does not consider representative of our underlying operations; adjusted to give effect to the income tax impact of such adjustments. In addition, when appropriate, we include an adjustment to reverse the impact of applying the if-converted method to our 2026 Notes if necessary to reconcile between GAAP diluted earnings or loss per share and Adjusted Diluted EPS. When applicable, adjusted diluted weighted-average shares outstanding reflect the anti-dilutive impact of our capped call options entered into in connection with the issuance of our 3.00% unsecured senior convertible notes due March 2030. We define Free Cash Flow as net cash provided by or used in operating activities less additions to property, plant and equipment, net of proceeds from government awards used for construction. You can find the reconciliation of these measures to the most directly comparable GAAP measures in the Appendix.

MP Materials' management uses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income (Loss), and Adjusted Diluted EPS to compare MP Materials' performance to that of prior periods for trend analyses and for budgeting and planning purposes. MP Materials believes Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income (Loss), and Adjusted Diluted EPS provide useful information to management and investors regarding certain financial and business trends relating to MP Materials' financial condition and results of operations. MP Materials' management believes that the use of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income (Loss), and Adjusted Diluted EPS provides an additional tool for investors to use in evaluating projected operating results and trends. We believe Free Cash Flow is useful for comparing our ability to generate cash with that of our peers. Free Cash Flow is not meant to be considered in isolation or as an alternative to cash flows from operating activities and does not necessarily indicate whether cash flows will be sufficient to fund cash needs.

MP Materials' method of determining these non-GAAP measures may be different from other companies' methods and, therefore, may not be comparable to those used by other companies and MP Materials does not recommend the sole use of these non-GAAP measures to assess its financial performance. Management does not consider non-GAAP measures in isolation or as an alternative or to be superior to financial measures determined in accordance with GAAP. The principal limitation of non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in MP Materials' financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures.

Highlights

Upstream

- Impacted by unplanned downtime
- Upstream 60K on track; continued improvements in productivity and recovery
- Strong production and productivity entering Q3

Midstream

- More than doubled NdPr production QoQ
 - Expect 50% QoQ growth in Q3
- Expect unit cost to materially improve as production ramps
- Signed NdPr supply agreement with global automaker for a substantial volume commitment
- Awarded DoD NdPr supply contract

Downstream

- Received initial \$50 million customer prepayment
- Commissioned prototype magnet production line
- Start of commercial metal production on track for later this year

Operations and Financial Overview

Operating Metrics

Production volumes impacted by higher unplanned downtime partially offset by higher productivity

Concentrate sales volumes impacted by lower upstream production and higher consumption into midstream circuits

Realized pricing decline in-line with prior guidance; expect low-single-digit sequential decline in Q3

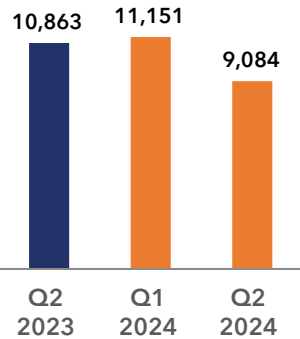
NdPr production volumes increased with further progress on process optimization and ramp

Sales volumes in-line with prior quarter production as sales and tolling channels ramp

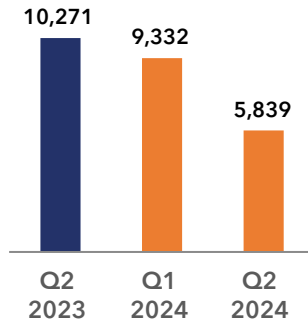
Realized pricing declined in-line with lagged market pricing; expect low-single-digit sequential decline in Q3

Comparable Operational Metrics – Sequential and Year-over-Year

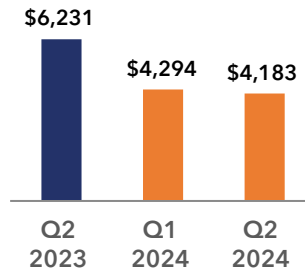
REO Production Volumes (MT)



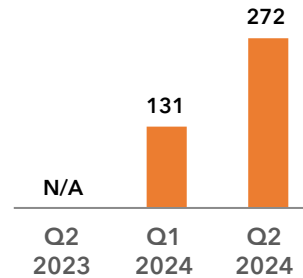
REO Sales Volumes (MT)



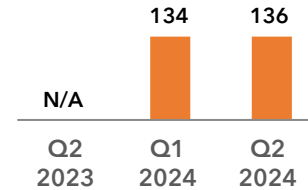
Realized Price⁽¹⁾ (\$/MT REO)



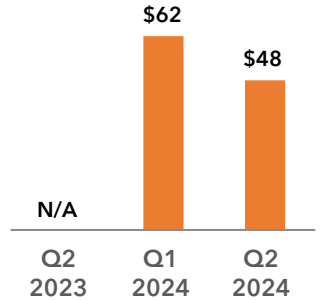
NdPr Production Volumes⁽²⁾⁽⁵⁾ (MT)



NdPr Sales Volumes⁽³⁾⁽⁵⁾ (MT)



NdPr Realized Price⁽⁴⁾⁽⁵⁾ (\$/Kg)



■ 2023 ■ 2024

1. Realized Price per REO MT is calculated as the quotient of: (i) our GAAP rare earth concentrate sales for a given period and (ii) our REO Sales Volume for the same period.
 2. Refers to the volume of finished and packaged NdPr oxide produced at Mountain Pass for a given period.
 3. Calculated on an NdPr oxide-equivalent basis. For NdPr metal sales, the MTs sold and included in NdPr Sales Volume are calculated on the basis of the volume of NdPr oxide used to produce such NdPr metal. We utilize an assumed material conversion ratio of 1.20, such that a sale of 100 MTs of NdPr metal would be included in this KPI as 120 MTs of NdPr oxide-equivalent.
 4. NdPr Realized Price per KG is calculated as the quotient of: (i) our GAAP NdPr oxide and metal sales for a given period and (ii) our NdPr Sales Volume for the same period.
 5. N/A = Not applicable as there was no NdPr production or sales during the second quarter of 2023.

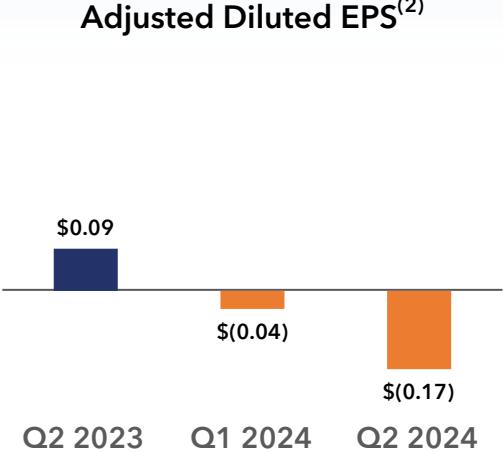
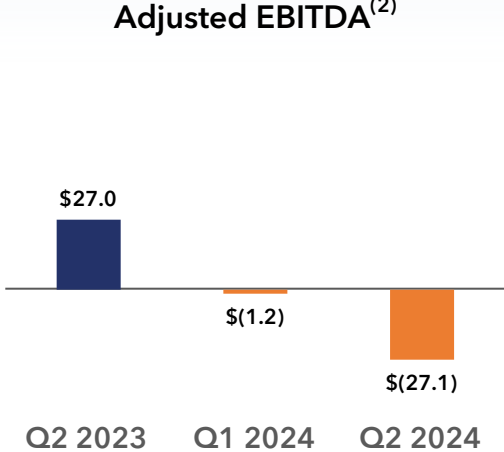
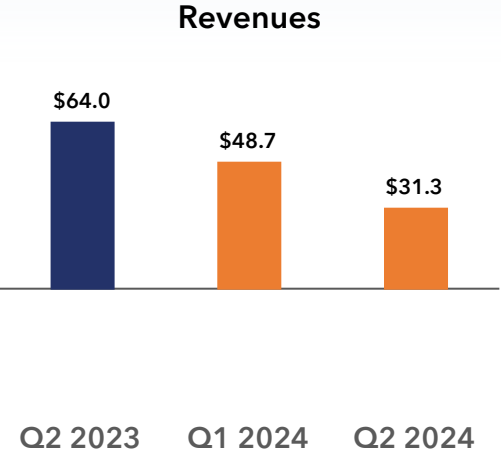
Financial Metrics

Revenue decline driven by lower concentrate sales volumes as well as lower realized prices for both REO in concentrate and NdPr

Adjusted EBITDA driven by initial subscale separated product production costs, including the impact of inventory reserve, lower prices, and higher unplanned upstream downtime and associated repair costs

Earnings comparisons impacted by change in Adjusted EBITDA and higher depreciation expense as midstream and certain downstream assets entered service over the last year

Comparable Financial Metrics – Sequential and Year-over-Year⁽¹⁾



■ 2023 ■ 2024

1. All figures in millions except for per share amounts.
 2. See Appendix for reconciliation of [Adjusted EBITDA](#) and [Adjusted Diluted EPS](#) to the most directly comparable financial measure prepared in accordance with U.S. GAAP.







MP MATERIALS

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FIRE LANE NO PARKING

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FIRE LANE

Appendix

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MP Materials Corp. and Subsidiaries Condensed Consolidated Statements of Operations

(in thousands, except share and per share data, unaudited)

	For the three months ended June 30,		For the three months ended March 31,	
	2024	2023	2024	
Revenue:				
Rare earth concentrate	\$ 24,426	\$ 64,001	\$	40,076
NdPr oxide and metal	6,531	–		8,327
Other rare earth products	301	23		281
Total revenue	31,258	64,024		48,684
Operating costs and expenses:				
Cost of sales (excluding depreciation, depletion and amortization)	41,463	22,704		35,594
Selling, general and administrative	21,434	18,865		21,267
Depreciation, depletion and amortization	18,210	12,203		18,385
Start-up costs	1,373	4,121		1,287
Advanced projects and development	1,886	3,101		4,206
Other operating costs and expenses	384	2,547		377
Total operating costs and expenses	84,750	63,541		81,116
Operating income (loss)	(53,492)	483		(32,432)
Interest expense, net	(6,745)	(1,392)		(2,857)
Gain on early extinguishment of debt	–	–		46,265
Other income, net	12,084	13,821		12,657
Income (loss) before income taxes	(48,153)	12,912		23,633
Income tax benefit (expense)	14,098	(5,517)		(7,144)
Net income (loss)	\$ (34,055)	\$ 7,395	\$	16,489
Earnings (loss) per share:				
Basic	\$ (0.21)	\$ 0.04	\$	0.09
Diluted	\$ (0.21)	\$ 0.04	\$	(0.08)
Weighted-average shares outstanding:				
Basic	165,344,511	176,984,917		174,556,850
Diluted	165,344,511	177,859,118		186,791,826

Reconciliation: Net Income (Loss) to Adjusted EBITDA

<i>(in thousands, unaudited)</i>	For the three months ended June 30,		For the three months ended March 31,	
	2024	2023	2024	
Net income (loss)	\$ (34,055)	\$ 7,395	\$	\$ 16,489
<i>Adjusted for:</i>				
Depreciation, depletion and amortization	18,210	12,203		18,385
Interest expense, net	6,745	1,392		2,857
Income tax expense (benefit)	(14,098)	5,517		7,144
Stock-based compensation expense ⁽¹⁾	5,703	5,730		7,467
Initial start-up costs ⁽²⁾	1,252	3,828		1,173
Transaction-related and other costs ⁽³⁾	883	2,160		3,797
Accretion of asset retirement and environmental obligations ⁽⁴⁾	230	227		231
Loss on disposals of long-lived assets, net ⁽⁴⁾⁽⁵⁾	154	2,320		146
Gain on early extinguishment of debt ⁽⁶⁾	—	—		(46,265)
Other income, net ⁽⁷⁾	(12,084)	(13,821)		(12,657)
Adjusted EBITDA	\$ (27,060)	\$ 26,951	\$	\$ (1,233)

1. Principally included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.

2. Included in "Start-up costs" within our unaudited Condensed Consolidated Statements of Operations and excludes any applicable stock-based compensation, which is included in the "Stock-based compensation expense" line above. Relates to certain costs incurred in connection with the commissioning and starting up of our initial separations capability at Mountain Pass and our initial magnet-making capabilities at Fort Worth prior to the achievement of commercial production. These costs include labor of incremental employees hired in advance to work directly on such commissioning activities, training costs, costs of testing and commissioning the new circuits and processes, and other related costs. Given the nature and scale of the related costs and activities, management does not view these as normal, recurring operating expenses, but rather as non-recurring investments to initially develop our separations and magnet-making capabilities. Therefore, we believe it is useful and necessary for investors to understand our core operating performance in current and future periods by excluding the impact of these start-up costs. To the extent additional start-up costs are incurred in the future to expand our separations and magnet-making capabilities after initial achievement of commercial production (e.g., significantly expanding production capacity at an existing facility or building a new separations or magnet manufacturing facility), such costs would not be considered an adjustment for this non-GAAP financial measure.

3. Principally included in "Advanced projects and development" within our unaudited Condensed Consolidated Statements of Operations, and pertains to legal, consulting, and advisory services, and other costs associated with specific transactions, including potential acquisitions, mergers, or other investments.

4. Included in "Other operating costs and expenses" within our unaudited Condensed Consolidated Statements of Operations.

5. For the three months ended June 30, 2023, principally relates to demolition costs incurred in connection with demolishing and removing certain out-of-use older facilities and infrastructure from the Mountain Pass site to accommodate future expansion in rare earth processing.

6. Pertains to the gain recognized on the repurchase of \$480.0 million aggregate principal amount of our 0.25% unsecured senior convertible notes due 2026 (the "2026 Notes") in March 2024.

7. Principally comprised of interest and investment income.

Reconciliation: Net Income (Loss) to Adjusted Net Income (Loss)

<i>(in thousands, unaudited)</i>	For the three months ended June 30,		For the three months ended March 31,	
	2024	2023	2024	
Net income (loss)	\$ (34,055)	\$ 7,395	\$	\$ 16,489
<i>Adjusted for:</i>				
Stock-based compensation expense ⁽¹⁾	5,703	5,730		7,467
Initial start-up costs ⁽²⁾	1,252	3,828		1,173
Transaction-related and other costs ⁽³⁾	883	2,160		3,797
Loss on disposals of long-lived assets, net ⁽⁴⁾	154	2,320		146
Gain on early extinguishment of debt ⁽⁵⁾	–	–		(46,265)
Other	–	(21)		–
Tax impact of adjustments above ⁽⁶⁾	(1,973)	(4,389)		9,701
Adjusted Net Income (Loss)	\$ (28,036)	\$ 17,023	\$	\$ (7,492)

1. Principally included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.

2. Included in "Start-up costs" within our unaudited Condensed Consolidated Statements of Operations and excludes any applicable stock-based compensation, which is included in the "Stock-based compensation expense" line above.

Relates to certain costs incurred in connection with the commissioning and starting up of our initial separations capability at Mountain Pass and our initial magnet-making capabilities at Fort Worth prior to the achievement of commercial production. These costs include labor of incremental employees hired in advance to work directly on such commissioning activities, training costs, costs of testing and commissioning the new circuits and processes, and other related costs. Given the nature and scale of the related costs and activities, management does not view these as normal, recurring operating expenses, but rather as non-recurring investments to initially develop our separations and magnet-making capabilities. Therefore, we believe it is useful and necessary for investors to understand our core operating performance in current and future periods by excluding the impact of these start-up costs. To the extent additional start-up costs are incurred in the future to expand our separations and magnet-making capabilities after initial achievement of commercial production (e.g., significantly expanding production capacity at an existing facility or building a new separations or magnet manufacturing facility), such costs would not be considered an adjustment for this non-GAAP financial measure.

3. Principally included in "Advanced projects and development" within our unaudited Condensed Consolidated Statements of Operations, and pertains to legal, consulting, and advisory services, and other costs associated with specific transactions, including potential acquisitions, mergers, or other investments.

4. Included in "Other operating costs and expenses" within our unaudited Condensed Consolidated Statements of Operations. For the three months ended June 30, 2023, principally relates to demolition costs incurred in connection with demolishing and removing certain out-of-use older facilities and infrastructure from the Mountain Pass site to accommodate future expansion in rare earth processing.

5. Pertains to the gain recognized on the repurchase of \$480.0 million aggregate principal amount of our 2026 Notes in March 2024.

6. Tax impact of adjustments is calculated using an adjusted effective tax rate, which excludes the impact of discrete tax costs and benefits, to each adjustment. The adjusted effective tax rates were 24.7%, 31.3% and 28.8% for the three months ended June 30, 2024 and 2023, and for the three months ended March 31, 2024, respectively.

Reconciliation: Diluted Earnings (Loss) per Share to Adjusted Diluted EPS

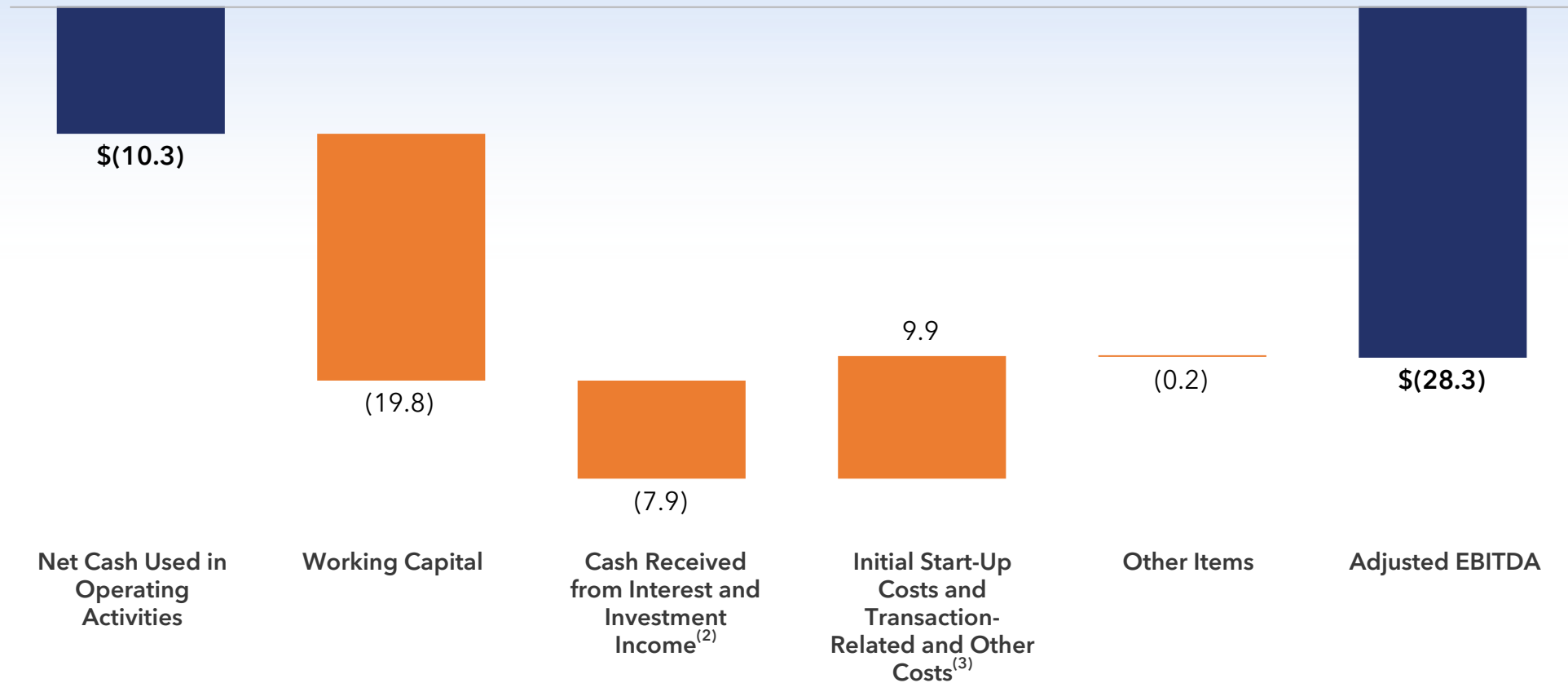
<i>(unaudited)</i>	For the three months ended June 30,		For the three months ended March 31,	
	2024	2023	2024	
Diluted earnings (loss) per share	\$ (0.21)	\$ 0.04	\$ (0.08)	
<i>Adjusted for:</i>				
Stock-based compensation expense	0.03	0.03	0.04	
Initial start-up costs	0.01	0.02	0.01	
Transaction-related and other costs	0.01	0.01	0.02	
Loss on disposals of long-lived assets, net	–	0.01	–	
Gain on early extinguishment of debt	–	–	(0.27)	
Tax impact of adjustments above ⁽¹⁾	(0.01)	(0.02)	0.06	
2026 Notes if-converted method ⁽²⁾	–	–	0.18	
Adjusted Diluted EPS	\$ (0.17)	\$ 0.09	\$ (0.04)	
Basic Weighted-Average Shares Outstanding	165,344,511	176,984,917	174,556,850	
Assumed conversion of 2026 Notes ⁽³⁾	–	–	12,234,976	
Assumed conversion of restricted stock	–	555,282	–	
Assumed conversion of restricted stock units	–	318,919	–	
Diluted Weighted-Average Shares Outstanding⁽³⁾	165,344,511	177,859,118	186,791,826	
Assumed conversion of 2026 Notes ⁽³⁾	–	15,584,409	(12,234,976)	
Adjusted Diluted Weighted-Average Shares Outstanding⁽³⁾	165,344,511	193,443,527	174,556,850	

1. Tax impact of adjustments is calculated using an adjusted effective tax rate, which excludes the impact of discrete tax costs and benefits, to each adjustment. The adjusted effective tax rates were 24.7%, 31.3% and 28.8% for the three months ended June 30, 2024 and 2023, and for the three months ended March 31, 2024, respectively.

2. For the three months ended March 31, 2024, since the 2026 Notes were dilutive for purposes of computing GAAP diluted earnings (loss) per share but antidilutive for purposes of computing Adjusted Diluted EPS, within this reconciliation, we have included this adjustment to reverse the impact of applying the if-converted method to the 2026 Notes in the computation of GAAP diluted earnings (loss) per share.

3. For the three months ended June 30, 2023, the 2026 Notes were antidilutive for GAAP purposes. For purposes of calculating Adjusted Diluted EPS, we have added back the assumed conversion of the 2026 Notes since they would not be antidilutive when using Adjusted Net Income as the numerator in the calculation of Adjusted Diluted EPS. For the three months ended March 31, 2024, since the 2026 Notes were dilutive for purposes of computing GAAP diluted earnings (loss) per share but antidilutive for purposes of computing Adjusted Diluted EPS, the adjusted diluted weighted-average shares outstanding exclude the potentially dilutive securities associated with the 2026 Notes.

Year-to-Date 2024 Cash Flow Bridge⁽¹⁾



Reconciliation: Net Cash Used in Operating Activities to Free Cash Flow

	For the six months ended June 30, 2024	
<i>(in thousands, unaudited)</i>		
Net cash used in operating activities	\$	(10,284)
Additions to property, plant and equipment ⁽¹⁾		(98,230)
Free Cash Flow	\$	(108,514)