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The SpaceX IPO

A deep dive

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An Upfront Takeaway:

In terms of U.S. macroeconomic weight, the current “AI” infrastructure build-out has actually surpassed the peak of the late-1990s internet boom as a share of the total U.S. economy.

Tech investment alone has been responsible for the vast majority of real U.S. GDP growth over the last several quarters, demonstrating a much deeper concentration of capital than we saw twenty-six years ago.

Is this “AI” Cap-ex boom bigger than the 1999 Internet boom? Macro data clearly says YES.

1. Current Levels (2026)

- Driven by the massive, relentless hyperscaler capex boom in artificial intelligence, data centers, and advanced computing infrastructure, total private non-residential tech and telecom investment is hovering around **5.5% to 6.0% of nominal U.S. GDP.**
- To put that into context:
- Total non-residential fixed investment (which includes heavy industrial equipment, commercial structures, warehouses, etc.) is roughly 14.1% of GDP.
- Information processing equipment and software alone make up a staggering **40% to 42% of all business capital expenditure.**

2. Was it Around 15% at the Dot-Com Height?

- No, it never approached 15% of total GDP—though it certainly *felt* like it given the market cap distortions of the era.
- At the absolute peak of the dot-com/TMT (Technology, Media, and Telecom) bubble in 2000:
- Tech and telecom investment peaked at roughly **4.0% to 4.2% of U.S. GDP (401.6 billion in nominal terms at the time).**
- **The 15% Confusion:** The 15% figure is closer to what **total aggregate business investment across all sectors** (including real estate structures, factories, aircraft, and heavy machinery) represents as a share of GDP. At the dot-com peak, total non-residential fixed investment hit an all-time high of roughly 13.5% to 14.0% of GDP.

The Space X IPO

A deep dive.

Looking for investing insights.



Pre-Merger Capital Structure Tables

For SpaceX, (Starlink AND X "AI") - Post Merger (i.e. after the June 12, 2026 IPO)

Pre - Merger Capital Structure Tables for SpaceX, xAI, Starlink AND SPACE X - Post Merger (i.e. after IPO)

SpaceX Capital Structure (Standalone Pre - Merger)			
Holder / Class	Shares	Ownership % (FD)	Type
Elon Musk (Founder Trust)	1648000000	74.9%	Class B super-voting common
Employee Stock Option Pool	100000000	4.6%	Unissued reserved equity
Vested Employees & Founders	50000000	2.3%	Common equity grants
Venture Capital Funds (combined)	320000000	14.6%	Preferred equity converted to common (FD view)
Institutional / Crossover Investors	70000000	3.2%	Fidelity / BlackRock-type late entrants
Sovereign Wealth / Strategic Investors	12000000	0.6%	Minor late-stage strategic stakes
Secondary Liquidity / Tender Holders	0	0.0%	Internal secondary transfers only

xAI Capital Structure (Standalone, Pre-Merger)					
Round	Date	Capital Raised	Pre - Money Valuation*	Post - Money Valuation*	Instrument Type
Series A	Nov-Dec 2023	~\$135M	~\$500M-\$600M (est.)	~\$650M-\$700M	Common + early preferred equity
Series B	May-24	\$6.0B	\$18B	\$24B	Preferred equity
Series C	Dec-24	\$6.0B	~\$44B	~\$50B	Preferred equity
Series D	~Jul 2025	~\$5.0-10.0B	~\$100B-\$140B	~\$130B-\$150B	Preferred + structured equity
Series E	Jan-26	\$20.0B	~\$200B-\$210B	~\$230B-\$250B	Mixed equity + structured financing

Starlink Capital Structure Pre - IPO (Standalone Implied Spin-off Structure)				
Instrument Type	Holder	Shares (Implied)	Ownership %	Notes
Common + early preferred equity	SpaceX (Elon Musk control block via SpaceX)	420,000,000,000	42.0%	Indirect via SpaceX equity
Preferred equity	Institutional investors (via SpaceX ownership)	300,000,000,000	30.0%	Fidelity, Google/Alphabet, Vanguard, etc.
Preferred equity	Venture capital funds (Founders Fund, Sequoia, etc.)	200,000,000,000	20.0%	Early-stage SpaceX investors exposure
Preferred + structured equity	Employees (equity via SpaceX ESOP allocation)	50,000,000,000	5.0%	Stock-based compensation exposure
Mixed equity + structured financing	Sovereign / strategic investors	30,000,000,000	3.0%	Gulf sovereign + strategic capita

SpaceX Capital Structure — Post - IPO / Post-Listing (~2026)			
Holder / Class	Shares	Ownership % (FD)	Type / Status
Elon Musk (Founder Trust)	1,648,000,000	~67.9%	Class B super-voting shares
Employee Stock Option & RSU Pool	100,000,000	~4.1%	Reserved + expanding
Vested Employees & Early Founders	50,000,000	~2.1%	Common equity holdings
Venture Capital Funds (combined)	320,000,000	~13.2%	Pre-IPO preferred
Institutional Investors (Fidelity, BlackRock, Vanguard, etc.)	150,000,000	~6.2%	Public-market crossover +
Sovereign Wealth & Strategic Investor	60,000,000	~2.5%	Long-term private stakes
Public Float (IPO investors)	100,000,000	~4.1%	Free-trading public shares

Source : <https://techcrunch.com/2024/05/26/elon-musks-xai-raises-6b-from-valor-a16z-and-sequoia/>
<https://www.businessinsider.com/spacex-ipo-live-updates-pricing-spcx-stock-2026/>

Several Important Financial Statement Tables -- for “SpaceX”

These are the putative corporate business fundamentals, supporting the newly-issued stock.

Eventually? Or never? Lots of loss-making businesses rolled in here...

Important Financial Statements Tables for Space X															
Balance Sheet				Income Statement						Cash Flow Statement					
Balance Sheet Multi - Period (\$M)				Income Statement Multi - Period (\$M)						Cash Flow Statement Multi - Period (\$M)					
Core Line Item	Q1 2026	FY 2025	FY 2024	Core Line Item	Q1 2026	Q1 2025	FY 2025	FY 2024	FY 2023	Core Line Item	Q1 2026	Q1 2025	FY 2025	FY 2024	FY 2023
Cash & Cash Equivalents	15852.0	24747.0	11385.0	Total Revenue	4694.0	4067.0	18674.0	14015.0	10387.0	Operating Cash Flow (OCF)	1047.0	727.0	6785.0	5776.0	4520.0
Total Current Assets	29732.0	30952.0	16108.0	Gross Profit	2306.0	2105.0	9424.0	9223.0	6019.0	Investing Cash Flow (ICF)	(16724.0)	(4170.0)	(19575.0)	(10796.0)	(4867.0)
Total Current Liabilities	24436.0	21400.0	11791.0	Operating Income	(1954.0)	55.0	(2064.0)	742.0	507.0	Financing Cash Flow (FCF)	7125.0	354.0	26350.0	11830.0	422.0
Working Capital	5296.0	9552.0	4317.0	Net Income	(4947.0)	(528.0)	(4937.0)	21.0	(4628.0)	Net Cash Change	(8516.0)	(3019.0)	13623.0	6811.0	73.0
Long-Term Debt	28727.0	21968.0	13421.0	Diluted Share Outstanding	3884.0	2875.0	2926.0	9956.0	2759.0						
Total Assets	102094.0	92079.0	57062.0	Diluted EPS	(1.3)	(0.2)	(1.7)	0.0	(1.7)						
Tangible Book Value	20146.0	(12410.0)	(10222.0)												
Retained Earnings	(41311.0)	(37035.0)	(32098.0)												
Growth Analysis of Balance Sheet			Growth Analysis of Income Statement			Growth Analysis of Cash Flow Statement									
Core Line Item	% Change 1Q 26 vs 4Q 25	% Change FY 25 vs FY 24	Core Line Item	% Change 1Q 26 vs 1Q 25	% Change FY 25 vs FY 24	% Change FY 24 vs FY 23	Core Line Item	% Change 1Q 26 vs 1Q 25	% Change FY 25 vs FY 24	% Change FY 24 vs FY 23					
Cash & Cash Equivalents	-35.9%	117.4%	Total Revenue	15.4%	33.2%	34.9%	Operating Cash Flow (OCF)	44.0%	17.5%	27.8%					
Total Current Assets	-3.9%	92.2%	Gross Profit	9.5%	2.2%	53.2%	Investing Cash Flow (ICF)	301.1%	81.3%	121.8%					
Total Current Liabilities	14.2%	81.5%	Operating Income	-3652.7%	-378.2%	46.4%	Financing Cash Flow (FCF)	1912.7%	122.7%	2703.3%					
Working Capital	-44.6%	121.3%	Net Income	836.9%	-23609.5%	-100.5%	Net Cash Change	182.1%	100.0%	9230.1%					
Long-Term Debt	30.8%	63.7%	Diluted Share Outstanding	35.1%	-70.6%	260.9%									
Total Assets	10.9%	61.4%													
Tangible Book Value	-262.3%	21.4%													
Retained Earnings	11.5%	15.4%													

Note 1 : \$M represents \$ in Million's

Source :

<https://www.sec.gov/Archives/edgar/data/1181412/000162828026036936/spaceexplorationtechnologi.htm>

Ratio Analysis Tables for "SpaceX"

Profitability, Liquidity, Efficiency, and Leverage Ratios

Ratio Analysis Tables for Space X													
Profitability Ratios							Liquidity Ratios						
Name of the Ratio	Q1 2026 3/31/2026	Q1 2025 3/31/2025	TTM 3/31/2026	FY 2025 12/31/2025	FY 2024 12/31/2024	FY 2023 12/31/2023	Name of the Ratio	Q1 2026 3/31/2026	Q1 2025 3/31/2025	TTM 3/31/2026	FY 2025 12/31/2025	FY 2024 12/31/2024	FY 2023 12/31/2023
Gross Margin	49.1%	51.8%	48.8%	49.4%	42.9%	41.2%	Current Ratio	1.22			1.45	1.37	
Operating Margin	-41.6%	1.4%	-21.1%	-11.1%	5.3%	4.9%	Quick Ratio	1.11			1.33	1.20	
Net Profit Margin	-93.4%	-13.0%	-45.5%	-26.4%	0.1%	-44.6%	Cash Ratio	0.65			1.16	0.97	
Pre tax Margin	-91.0%	-12.6%	-41.3%	-22.6%	1.7%	-48.1%	Operating Cash Flow Ratio	0.04			0.32	0.49	
Return on Equity (ROE)	-12.7%			-191.9%	0.4%		Cash Ratio	0.65			1.16	0.97	
Return on Assets (ROA)	-4.3%			-5.4%	0.0%		Days Payable Outstanding (DPO)				25.71		
Efficiency Ratios							Leverage Ratios						
Name of the Ratio	Q1 2026 3/31/2026	Q1 2025 3/31/2025	TTM 3/31/2026	FY 2025 12/31/2025	FY 2024 12/31/2024	FY 2023 12/31/2023	Name of the Ratio	Q1 2026 3/31/2026	Q1 2025 3/31/2025	TTM 3/31/2026	FY 2025 12/31/2025	FY 2024 12/31/2024	FY 2023 12/31/2023
Asset Turnover	0.01			0.06			Debt-to-Equity	0.89			9.06	2.91	
Inventory Turnover	0.24			1.07			Debt-to-Asset	0.30			0.25	0.25	
Receivable Turnover	0.69			3.55			Interest Coverage Ratio	(0.18)	(6.67)		(0.86)	0.87	
Working Capital Turnover				0.67			Debt-to-Capital Ratio	0.47			0.90	0.74	
Days' Sales in Inventory				85.33			Asset-to-Equity Ratio	2.96			35.79	11.73	
Days Sales Outstanding (DSO)				25.71			Debt-to-EBITDA Ratio	16.22			5.27	2.51	
Days Payable Outstanding (DPO)				312.92									
Cash Conversion Cycle (CCC)				(201.88)									

Note 1 : To calculate all this Ratio the Financial Statements are taken from SEC filing of FORM S-1 by SpaceX

Source :

<https://www.sec.gov/Archives/edgar/data/1181412/000162828026036936/spacexexplorationtechnology.htm>

For “SpaceX”, is a debt to EBITDA ratio of 16.22 excessive, worrisome?

Here is what came back from this analysis...

In traditional corporate finance, a debt-to-EBITDA ratio of 16.22x would be considered deeply into speculative or distressed territory.

- However, looking at SpaceX through a standard backward-looking lens misses the massive structural changes under the hood from its June 2026 IPO and capital restructuring.
- Credit markets and rating agencies do not view this leverage as a distress signal, primarily for these reasons:

1. The Post-IPO Cash Cushion (Net Debt vs. Gross Debt)

- While SpaceX carried roughly \$29.1 billion in gross debt leading up to its public debut (largely driven by absorbing a \$20 billion bridge loan used to roll over xAI and X liabilities), its capital structure completely shifted with the IPO.
- **SpaceX raised a historic \$85.7 billion in equity proceeds.**
- Because of this massive capital injection, SpaceX has a pro forma liquidity runway exceeding **\$90 billion**.
- On a **net debt** basis (Total Debt minus Cash), SpaceX is heavily net-cash positive. The gross leverage ratio of 16x is effectively neutralized by the sheer volume of cash sitting on the balance sheet.

2. Investment-Grade Backing from Rating Agencies

- If the 16.22x backward-looking leverage ratio were fundamentally worrisome, debt markets would price it as junk. Instead, the major rating agencies just assigned SpaceX investment-grade ratings:
- **Fitch:** Assigned a **BBB+** rating with a Stable Outlook.
- **Moody's:** Assigned a **Baa1** rating.
- The agencies are explicitly looking past trailing metrics because they expect forward leverage to rapidly sustain within management's target of **2x to 3x**.

Presentation of Segment Operating and Financial Metrics

For a SpaceX Growth Analysis

Presentation of Segment Operating and Financial Metrics for Space X with Growth Analysis											
Connectivity Segment & Capital Expenditures						Space & AI Segments Key Metrics					
Core Line Item / Capital Pillar	Q1 2026	Q1 2025	FY 2025	FY 2024	FY 2023	Segment / Key Line Item	Q1 2026	Q1 2025	FY 2025	FY 2024	FY 2023
Starlink Subscribers (#M)	10.3	5.0	8.9	4.4	2.3	Space: Mass to Orbit (Metric Tons)	556.0	450.0	2213.0	1699.0	1210.0
Starlink ARPU (Monthly)	66.0	86.0	81.0	91.0	99.0	Space: Launches (Count)	40.0	38.0	170.0	138.0	98.0
Connectivity Segment Revenue (\$M)	2087.0	1618.0	7168.0	3849.0	1602.0	Space: Income (Loss) from Operations (\$M)	(662.0)	(70.0)	(657.0)	21.0	(1.0)
Connectivity Income from Operations (\$M)	1188.0	1033.0	4423.0	2006.0	469.0	Space: Adjusted EBITDA (\$M)	(351.0)	224.0	653.0	1154.0	997.0
CapEx – Space Infrastructure (\$M)	1052.0	759.0	3832.0	2032.0	1497.0	AI: Nameplate Compute Draw (GW)	1.0	0.3	0.8	0.3	0.0
CapEx – Connectivity Infrastructure (\$M)	1332.0	814.0	4178.0	3498.0	2455.0	AI: Loss from Operations (\$M)	(2469.0)	(936.0)	(6355.0)	(1561.0)	(3973.0)
Total Capital Expenditures (\$M)	10107.0	4140.0	20737.0	11163.0	4415.0	AI: Adjusted EBITDA (\$M)	(609.0)	(112.0)	(1237.0)	347.0	1222.0
Growth Analysis				Growth Analysis				Growth Analysis			
Core Line Item / Capital Pillar	% Change 1Q 26 vs 1Q 25	% Change FY 25 vs FY 24	% Change FY 24 vs FY 23				% Change 1Q 26 vs 1Q 25	% Change FY 25 vs FY 24	% Change FY 24 vs FY 23		
Starlink Subscribers	106.0%	102.3%	91.3%				Space: Mass to Orbit	23.6%	30.3%	40.4%	
Starlink ARPU (Monthly)	-23.3%	-11.0%	-8.1%				Space: Launches	5.3%	23.2%	40.8%	
Connectivity Segment Revenue	29.0%	86.2%	140.3%				Space: Income (Loss) from Operations	845.7%	-3228.6%	-2200.0%	
Connectivity Income from Operations	15.0%	120.5%	327.7%				Space: Adjusted EBITDA	-256.7%	-43.4%	15.7%	
CapEx – Space Infrastructure	38.6%	88.6%	35.7%				AI: Nameplate Compute Draw	233.3%	166.7%		
CapEx – Connectivity Infrastructure	63.6%	19.4%	42.5%				AI: Loss from Operations	163.8%	307.1%	-60.7%	
Total Capital Expenditures	144.1%	85.8%	152.8%				AI: Adjusted EBITDA	443.8%	-456.5%	-71.6%	

Note 1 : \$M represents \$ in Million's

Note 2 : GW represents Gigawatts

Note 3 : #M represents Number of Million

Source :

<https://www.sec.gov/Archives/edgar/data/1181412/000162828026036936/spacexplorationtechnologi.htm>

Is a SpaceX ARPU of \$81 in 2025 a good number?

How do I think about this?

Here is the answer, that came back...

- The drop from \$99 to \$81 is not a sign of eroding pricing power in core markets.
- It is the footprint of a deliberate, aggressive global expansion.
- **The Math:** In 2025, Starlink's subscriber base exploded, nearly doubling from 4.6 million in 2024 to over 9 million.
- **The Strategy:** Growth is shifting rapidly into price-sensitive emerging markets (Latin America, Africa, Southeast Asia) where subscriptions are priced much lower (\$10 to \$40/month) to match local purchasing power.
- Because the marginal cost of beaming internet to a geography where a satellite is already flying is effectively zero, **monetizing excess satellite capacity at \$25/month is pure profit.**
- A lower blended ARPU is the cost of capturing global market share before competitors like Amazon's Project Kuiper can get off the ground

What is Amazon's Project Kuiper?

This is what came back from this analysis...

- **Project Kuiper** (officially rebranded as **Amazon Leo** in late 2025) is Amazon's \$10 billion massive infrastructure initiative to build a global low Earth orbit (LEO) satellite internet constellation.
- It is designed to compete directly with SpaceX's Starlink, aiming to beam high-speed, low-latency broadband internet to unserved and underserved communities, residential households, and enterprise customers globally.
- **1. The Technology & Constellation**
- Amazon's first-generation architecture consists of a planned **3,236 satellites** operating in three orbital shells between 590 km and 630 km above Earth.
- **The Mesh Network:** The satellites are equipped with optical inter-satellite links (OISLs), using high-speed lasers to talk directly to one another in space. This creates a floating mesh network that reduces the need to constantly connect to ground stations.
- **The Performance:** **Because LEO satellites sit close to Earth, Amazon Leo claims it will achieve round-trip latency between 30 and 50 milliseconds, supporting high-speed downloads up to 1 Gbps.**
- **2. Hardware: The "Leo" Customer Terminals**
- Amazon has engineered three different terminal antennas to match different user needs, engineered specifically to keep manufacturing costs lower than traditional phased-array hardware:
- **Leo Nano:** A ultra-compact, 7-inch square consumer model weighing 2.2 lbs, providing speeds up to 100 Mbps.
- **Leo Pro:** The standard residential and small business terminal (11 inches square), priced under \$400, capable of up to 400 Mbps.
- **Leo Ultra:** The enterprise flagship antenna (20-by-30 inches) built for commercial aviation, maritime, and large operations, offering speeds up to 1 Gbps.
- **3. Current Status & Launch Progress (2026)**
- Following successful prototype testing, Amazon began full-scale production deployments in April 2025.
- **Constellation Size:** Amazon has roughly **360+ active production satellites** in orbit, establishing it as the third-largest satellite constellation in space (trailing Starlink's 10,000+).
- **Launch Bottlenecks:** Under its original FCC license, Amazon was required to have 50% of its first-generation constellation (1,618 satellites) in orbit by July 30, 2026. Due to industry-wide rocket delivery delays (especially with Blue Origin's New Glenn and ULA's Vulcan), Amazon requested a deadline extension. The FCC waived the strict July cutoff but temporarily demoted Amazon's spectrum priority until they catch up.
- **The Launch Strategy:** Amazon has purchased over 100 total launches—the largest commercial launch procurement in history—spreading the load across ULA (Atlas V and Vulcan), Arianespace (Ariane 6), Blue Origin (New Glenn), and even rival SpaceX (Falcon 9).
- **4. Rollout and Strategy: How it Differs from Starlink**
- While Starlink heavily targeted rural consumer households first, Amazon is executing a distinct, corporate-first playbook:
- **Enterprise Integration:** **Amazon Leo features native, deep integration with Amazon Web Services (AWS). This allows enterprise clients, defense agencies, and cloud customers to move data directly from space into AWS servers without touching the public internet.**
- **Corporate Backing:** The service entered full **Enterprise Beta** in April 2026. Major commercial partners include AT&T, Verizon, Vodafone, NASA, and United Airlines/Delta for in-flight Wi-Fi.
- **Timeline:** An initial commercial rollout for enterprises is slated for mid-to-late 2026, with consumer availability in core countries (US, UK, Canada, Germany, France) expected to scale in 2027 once the constellation hits its initial service threshold of 578 satellites.

Peer Company Analysis

For “SpaceX” across its three putative business segments

Peer Company Analysis – Space X																					
		SEGMENT REVENUE (\$M)					REVENUE GROWTH					As % of TOTAL REVENUE					TOTAL OPERATING REVENUE OF ENTITIES (\$M)				
		2025	2024	2023	2022	2021	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Space	RKLB	601.80	436.22	244.59	211.00	62.24	37.96%	78.35%	15.92%	239.01%	77.02%	100.00%	100.00%	100.00%	100.00%	100.00%	601.8	436.2	244.6	211.0	62.2
	NOC	10771.00	11731.00	13946.00	12275.00	10608.00	-8.18%	-15.88%	13.61%	15.71%	21.32%	25.67%	28.59%	35.50%	33.54%	29.74%	41954.0	41033.0	39290.0	36602.0	35667.0
	BA	27234.00	23918.00	24933.00	23162.00	26540.00	13.86%	-4.07%	7.65%	-12.73%	1.08%	30.44%	35.96%	32.05%	34.88%	42.80%	89463.0	66517.0	77794.0	66409.0	62014.0
	LMT	13029.00	12479.00	12605.00	11532.00	11814.00	4.41%	-1.00%	9.30%	-2.39%	-0.56%	17.36%	17.57%	18.65%	17.48%	17.62%	75048.0	71043.0	67571.0	65984.0	67044.0
Connect - ivity	VSAT	3299.65	3298.49	3141.54	1704.78		0.04%	5.00%	84.28%			71.11%	72.98%	73.34%	66.69%		4640.3	4519.6	4283.8	2556.2	2787.6
	IRDM	871.66	830.68	790.72	721.03	614.50	4.93%	5.05%	9.67%	17.34%	5.32%	100.00%	100.00%	100.00%	100.00%	100.00%	871.7	830.7	790.7	721.0	614.5
	ASTS	70.92	4.42		13.83	12.41	1504.52%		-100.00%	11.44%		100.00%	100.00%		100.00%	100.00%	70.9	4.4		13.8	12.4
AI	Open AI (ChatGPT) (E)	13000.00	5500.00	2000.00	50.00	100.00	136.36%	175.00%	3900.00%	-50.00%											
	Perplexity AI (E)	148.00	50.00	8.00			196.00%	525.00%													
	Google (Gemini) (E)	3700.00	500.00				640.00%														
	Anthropic (Claude) (E)	6000.00	1000.00	150.00	10.00		500.00%	566.67%	1400.00%												

Note 1 : For RKLB Launch Services and Space Systems both are taken as Space Segment.

Note 2 : For BA Boeing Defense, Space & Security segment taken as Space segment.

Note 3 : For LMT Space Systems segment taken as a Space segment.

Note 4 : For ASTS Communication Services segment taken as Connectivity segment.

Note 5 : E represents Estimates or Approximate figures.

Source :

<https://www.visualcapitalist.com/charted-the-soaring-revenues-of-ai-companies-2023-2025>

Rocket Lab Corporation

Rocket Lab's market capitalization has scaled to an impressive **\$62+ billion**.

Rocket Lab Corporation is a publicly traded aerospace manufacturer and launch service provider.

Its Electron orbital rocket launches small satellites and has successfully completed over 75 missions as of January 2026, making it the most prolific small-lift launch vehicle in operation globally.

Rocket Lab (RKLB)

While Rocket Lab’s **Electron** rocket completely dominates the small-satellite launch market (with over 80 successful launches to date), **the company's ultimate growth engine is Neutron, a medium-lift rocket designed to compete directly with SpaceX’s Falcon 9.**

The Takeaway: RKLB is priced like a winner because it is the only entity outside of SpaceX that has successfully built a scaled, vertically integrated commercial space ecosystem. The next 6 to 12 months are entirely about **Neutron execution**—if Archimedes performs flawlessly on the test stand and the rocket hits its late 2026 launch window, Rocket Lab cements its position as the undisputed "second pillar" of the modern space age.

Spec	Neutron Capabilities
Payload Capacity	Up to 13,000 kg (28,700 lbs) to Low Earth Orbit (LEO) with a reusable booster.
The "Hungry Hippo" Design	A unique carbon-composite structure where the payload fairings are integrated with the first stage, opening up to release the upper stage and closing before returning to land.
Engine Status	Propelled by 9 methane/liquid oxygen Archimedes engines. Hot fires are running continuously across test stands as they prep for structural pad tests at Launch Complex 3 in Virginia.
Target Launch Date	On track for an aggressive, highly anticipated maiden flight in Q4 2026.
Commercial Backlog	Even before its first launch, Rocket Lab has signed several major multi-launch commercial agreements for Neutron, including a blockbuster 5-launch block sale announced in May 2026.

Space Industry Analysis

A General Framework. **NOTE THE NEED FOR FEDERAL GOVERNMENT SUPPORT!**

Space Industry Analysis - General Framework

Industry Overview	
Segment	Activities
Launch Services	Rockets, satellite deployment
Satellites	Manufacturing and operation of satellites
Space Infrastructure	Space stations, in-space transportation, servicing
Earth Observation	Imaging, remote sensing, analytics
Satellite Communications	Broadband, mobile connectivity, broadcasting
Defense & National Security Space	Missile warning, surveillance, military communications
Space Exploration	Lunar, Mars, deep-space missions
Ground Systems	Antennas, terminals, mission control

Key Growth Drivers	
Driver	Impact
Satellite Broadband Demand	Growth in global internet access
Defense Spending	Increased military use of space assets
Earth Observation Applications	Agriculture, climate monitoring, intelligence
Lower Launch Costs	Expands commercial opportunities
Direct-to-Device Connectivity	Emerging market opportunity
Lunar & Deep-Space Programs	Government-funded growth
Small Satellite Adoption	Larger satellite deployment volumes

Key Industry Metrics Investors Watch	
Metric	Why Important
Launches per Year	Indicates launch market share
Launch Success Rate	Reliability and customer confidence
Backlog	Future revenue visibility
Satellite Count	Network scale
Capacity Utilization	Efficiency
Government Contract Awards	Demand indicator
Average Revenue per Satellite/User	Monetization
EBITDA Margin	Profitability
Free Cash Flow	Financial strength

Industry Characteristics	
Characteristic	Importance
High Capital Intensity	Very high upfront investment in R&D, manufacturing, launch infrastructure
Long Development Cycles	Programs often take 5-15 years to mature
High Technical Risk	Launch failures and satellite failures can significantly impact results
Government Dependence	Governments are major customers
High Barriers to Entry	Engineering expertise, certifications, regulatory approvals
Contract-Based Revenue	Long-term contracts provide revenue visibility
Economies of Scale	Larger constellations reduce unit costs
Mission-Critical Products	Reliability is often more important than price
Regulatory Constraints	Spectrum allocation and launch licensing
Global Competition	U.S., Europe, China, India, and emerging space nations compete

Industry Value Chain	
Value Chain Segment	Company
Launch Providers	SpaceX
	Rocket Lab
	Blue Origin
	United Launch Alliance
Satellite Manufacturers	Boeing
	Lockheed Martin
	Northrop Grumman
	Maxar Technologies
Connectivity & Communications	Viasat
	Iridium Communications
	Globalstar
Earth Observation	AST SpaceMobile
	Planet Labs
	BlackSky

Porter's Five Forces	
Force	Assessment
Threat of New Entrants	Low
Supplier Power	Moderate
Buyer Power	Moderate
Threat of Substitutes	Moderate
Industry Rivalry	Increasing

Most Important Characteristics for Space Investing	
1. Launch cost advantage	
2. Government contract exposure	
3. Backlog growth	
4. Technical reliability	
5. Spectrum ownership	
6. Constellation scale	
7. Vertical integration	
8. Cash runway and capital access	
9. Recurring service revenue	
10. Defense-space positioning	

Source : www.investopedia.com, www.wikipedia.com, www.boeing.com, www.lockheedmartin.com

Connectivity Industry Analysis

A General Framework

THE LAYERS ARE THE MOST IMPORTANT ITEM I HAVE HIGHLIGHTED.

Connectivity Industry Analysis - General Framework				
Industry Value Chain			Porter's Five Forces	
Layer	Description	Examples	Force	Assessment
Infrastructure Equipment	Network hardware, routers, switches, antennas	Cisco Systems, Nokia, Ericsson	Threat of New Entrants	Low
Semiconductor Suppliers	Connectivity chips, modems, RF components	Qualcomm, Broadcom	Supplier Power	Moderate
Network Operators	Mobile and fixed-line networks	AT&T, Verizon Communications	Buyer Power	Moderate
Satellite Connectivity	Space-based communications	Viasat, Iridium Communications, Globalstar	Threat of Substitutes	Low
Cloud & Edge Networks	Data transport and processing	Amazon Web Services, Microsoft Azure	Competitive Rivalry	High
Applications & Services	Video, messaging, AI, enterprise software	Netflix, Zoom		
Industry Characteristics			Key Metrics Investors Watch	
Characteristic	Importance		Metric	Why Important
Essential Utility	Connectivity is critical infrastructure		Subscribers	Growth indicator
Massive Capital Requirements	Fiber, towers, satellites, and spectrum require large investments		ARPU	Revenue quality
Recurring Revenue Model	Subscription-based revenues dominate		Churn Rate	Customer retention
Network Effects	More users increase platform value		Network Coverage	Competitive position
Regulated Industry	Governments regulate spectrum and competition		Bandwidth Utilization	Efficiency
High Fixed Costs	Building networks is expensive		EBITDA Margin	Profitability
Economies of Scale	Larger networks have lower unit costs		CapEx Intensity	Capital requirements
Long Asset Lives	Fiber, towers, and satellites operate for years		Free Cash Flow	Financial health
Reliability Focused	Customers expect near-continuous service		Spectrum Holdings	Strategic assets
Technology Cycles	Regular upgrades (4G→5G→6G, fiber upgrades, satellite generations)		Data Traffic Growth	Demand trends
Major Industry Segments			Characteristics of an Attractive Connectivity Company	
Segment	Description			
Wireless (Mobile)	Cellular voice and data services		1. Recurring subscription revenue	
Fixed Broadband	Fiber, cable, DSL internet		2. Strong spectrum or network assets	
Satellite Connectivity	Global coverage through satellites		3. High switching costs	
Enterprise Networking	Corporate connectivity solutions		4. Growing data consumption trends	
Data Centers & Cloud	Internet backbone and cloud infrastructure		5. Scalable infrastructure	
IoT Connectivity	Machine-to-machine communication		6. Strong free cash flow generation	
Edge Computing	Processing closer to users		7. Low customer churn	
Direct-to-Device Connectivity	Satellites connecting directly to phones		8. Regulatory barriers protecting market position	
			9. Ability to monetize AI, cloud, and IoT growth	

Source : www.investopedia.com, www.wikipedia.com, www.gsmainelligence.com,

A Formal “AI” Industry Analysis

This is Just a General Computing/Internet Framework

Where does X “AI” fit into this crowded incumbent framework?

Profitably?

AI Industry Analysis - General Framework					
Industry Value Chain			Porter's Five Forces		
Segment	Description	Representative Companies	Force	Assessment	
Semiconductors & AI Hardware	GPUs, AI accelerators, networking chips	NVIDIA, Advanced Micro Devices, Broadcom	Threat of New Entrants	Moderate	
Cloud Infrastructure	Compute, storage, AI services	Amazon Web Services, Microsoft Azure, Google Cloud	Supplier Power	High (GPU suppliers)	
Foundation Models	Large language and multimodal models	OpenAI, Anthropic, xAI	Buyer Power	Moderate	
AI Platforms	Enterprise AI development and deployment	C3 AI, Palantir Technologies	Threat of Substitutes	Moderate	
AI Applications	End-user software and automation solutions	Salesforce, Adobe	Competitive Rivalry	Very High	
Industry Characteristics			Key Metrics Investors Watch		
Characteristic	Importance		Metric	Why Important	
Data-Driven	High-quality data is a key competitive advantage		Revenue Growth	Measures AI adoption	
Compute Intensive	Requires significant GPU and cloud resources		ARR (Annual Recurring Revenue)	Subscription quality	
High R&D Spending	Continuous investment needed to improve models		Gross Margin	Software profitability	
Rapid Innovation	New models and capabilities emerge frequently		R&D Spending	Innovation capability	
Scalable Software Economics	Low incremental cost after deployment		Enterprise Customer Growth	Market penetration	
Talent Intensive	Dependence on AI researchers and engineers		GPU Availability	Capacity to train and deploy models	
Network Effects	More users generate more feedback and data		Inference Costs	Long-term economics	
Platform Ecosystems	Developers build on leading AI platforms		Free Cash Flow	Financial strength	
Global Competition	Competition among U.S., Chinese, and other AI leaders		Model Performance	Competitive positioning	
Regulatory Risk	Increasing focus on privacy, copyright, and safety		Customer Retention	Switching costs and satisfaction	
Key Growth Drivers		AI Industry Trends		Most Important Characteristics for Investors	
Driver	Impact	1. Growth of AI agents and autonomous workflows.		1. Access to proprietary data	
Generative AI Adoption	Very High	2. Expansion of multimodal AI (text, image, audio, video).		2. Compute and infrastructure scale	
Enterprise Digital Transformation	Very High	3. Increased enterprise AI adoption.		3. Model quality and performance	
Cloud Computing Growth	Very High	4. Greater spending on AI infrastructure and data centers.		4. Developer ecosystem strength	
Automation Demand	High	5. AI integration into productivity software.		5. Enterprise adoption	
AI Copilots	High	6. Growth of open-source AI models.		6. Recurring revenue growth	
AI Agents	High	7. AI deployment at the edge and on devices.		7. Gross margins	
AI-Powered Search	High	8. Rising demand for inference computing.		8. Customer retention	
Healthcare AI	High	9. AI-driven software development.		9. Ability to monetize AI at scale	
Robotics & Autonomous Systems	High	10. Increasing regulation and governance requirements.			
Government AI Spending	Moderate to High				

Source : www.investopedia.com, www.wikipedia.com, www.cbinsights.com

Economic & Market Classification Table (at the top)

Dilution Analysis Table (at the bottom)

ECONOMIC & MARKET CLASSIFICATION TABLE (at Top) and DILUTION ANALYSIS TABLE (at Bottom)

ECONOMIC & MARKET CLASSIFICATION OF SPACE X				
Industry	Market Structure	Key Competitors	Economic Characteristics	Why This Classification Fits
SPACE Segment 1(Space+Launch Services)	Oligopoly (Dominant Firm)	Blue Origin, Arianespace, United Launch Alliance, Rocket Lab, Mitsubishi Heavy Industries	Few firms, Extremely high Entry barriers, Very High Capital requirements, Advanced Technology, Heavy Regulation, Moderate Product Differentiation	Few sellers exist, firms possess pricing power, and government certifications create significant barriers to entry.
SPACE Segment 2 (Satellite Manufacturing & Space Infrastructure)	Natural Monopoly / Contestable Monopoly	Boeing, Lockheed Martin, Northrop Grumman, Airbus Defence and Space	Extremely High Fixed Costs, Relatively Low Marginal Costs, Strong Economies of Scale, Extensive Vertical Integration	Infrastructure is costly to replicate, Average Costs decline with Scale, and Large Firm incumbents enjoy significant cost advantages.
Connectivity	Monopolistic Competition → Dominant-Firm Oligopoly	Eutelsat OneWeb, Amazon, Traditional Telecom Providers, Fiber Broadband Operators, Mobile Network Operators	Many Substitutes, High Product Differentiation, Strong Network effects, Moderate-to-High Pricing Power, High Entry Barriers	Customers can choose among multiple internet solutions, but Starlink's scale and first-mover advantage may lead to market dominance.
AI Infrastructure & Computing Business (Emerging Segment)	Oligopoly	Microsoft, Amazon, Google, NVIDIA	Capital Intensive, Economies of Scale, Technological Barriers, Limited Major Competitors.	Large-scale AI training clusters and AI Computing Infrastructure linked to SpaceX's ecosystem.

Source : www.investopedia.com, www.wikipedia.com, www.cbinsights.com

Space X IPO - Dilution Analysis			
Aspect	Details	Aspect	Details
Dilution Definition	Dilution occurs when Space X issues new Shares, reducing the Ownership percentage of existing Shareholders.	Capital Raise Purpose	Funds raised through the IPO could support Starship development, Starlink expansion, Manufacturing facilities, and R&D.
IPO-Driven Dilution	A Space X IPO would likely involve issuing new Shares to public investors, causing existing Shareholders' stakes to decrease.	Starlink's Importance	Starlink is expected to be a major Value driver, potentially generating recurring revenues that justify Dilution.
Conservative IPO Scenario	Pre-IPO Valuation: \$400B; Capital Raised: \$20B; New Investor Ownership: 4.8%; Existing Shareholder Ownership: 95.2%.	Employee Equity Dilution	Stock options and employee Share compensation programs can create ongoing Dilution even after the IPO.
Growth-Focused IPO Scenario	Pre-IPO Valuation: \$400B; Capital Raised: \$50B; New Investor Ownership: 11.1%; Existing Shareholder Ownership: 88.9%.	Future Capital Raise Risk	Additional Share issuances after the IPO may lead to further Dilution if Space X requires more funding.
Aggressive IPO Scenario	Pre-IPO Valuation: \$400B; Capital Raised: \$100B; New Investor Ownership: 20%; Existing Shareholder Ownership: 80%.	Value Creation vs. Ownership Loss	Dilution is beneficial if the Capital raised increases company Value faster than Ownership percentages decline.
Expected Dilution Level	Given Space X's large Valuation, Initial IPO Dilution is likely to be moderate (approximately 5–15%).	Founder Control Consideration	Elon Musk's Ownership percentage may decrease, but voting control could remain strong through special Share structures.
Key Investor Takeaway	The biggest concern is not Dilution itself, but whether Space X can generate sufficient returns from the Capital raised to enhance Shareholder Value.		

Source : <https://www.fool.com/investing/2025/08/13/will-starlink-spac-or-ipo-in-2025/>

Management Discussion and Analysis

For “SpaceX”

Management Discussion and Analysis - SPACE X

Brief Review of Space X Management Discussion & Analysis: Page 1

A discussion and analysis of a Space X IPO can be approached from these three angles:



Important Reasons behind Management’s decision to opt for an IPO

1. Capital for Extremely Large Projects

Space X’s ambitions require Capital on a Scale rarely seen in Corporate history:

- Starship development
- Mars Infrastructure
- Global Starlink expansion
- Défense and Government programs

An IPO can provide tens of billions of dollars while giving access to future secondary offerings. Reuters reported fundraising discussions exceeding \$25–75 billion depending on final structure.

2. Employee Liquidity

A major challenge for private companies is providing liquidity for employees and early investors.

Space X has relied on tender offers and secondary sales, but a Public listing:

- Creates continuous liquidity
- Broadens Ownership
- Reduces pressure for periodic buybacks

3. Strategic Currency

Publicly traded shares become acquisition currency.

A company with a trillion-dollar valuation can use stock to acquire:

- AI companies
- Satellite technology firms
- Defense contractors
- Software businesses

This rationale has become increasingly important as Space X expands beyond Launch services.

MD&A Topic

Revenue Growth

Starlink Expansion

Launch Services (Falcon Program)

Starship Development

AI Infrastructure (xAI Integration)

Capital Expenditures

Future Growth Opportunities

Space X MD&A Overview: Page 2

Management Discussion

Revenue growth is primarily driven by Starlink subscriptions and increasing demand for Launch services. Starlink has become the Largest contributor to company revenue.

Management highlights continued subscriber growth, geographic expansion, Government contracts, enterprise customers, and direct-to-device connectivity. Starlink is evolving into a mature Communications platform.

Launch frequency continues to increase, supporting Commercial, Government, and internal Starlink missions. Falcon remains the backbone of Orbital transportation.

Starship remains the company's Largest strategic investment. Management views it as critical for reducing Launch costs and enabling future Lunar, Mars, and Large-scale Satellite deployments.

Space X is investing heavily in Orbital AI computing Infrastructure following integration with xAI. Capital expenditures are substantial and currently reduce Profitability.

Significant investments are being made in Satellites, Launch systems, AI Infrastructure, and Starship development. These investments have contributed to reported losses despite strong revenue growth.

Management identifies opportunities in global Communications, Defense services, AI computing, deep-Space transportation, and future Space Infrastructure.

Sources: 1. Space X S-1 Filing Summary (MD&A Section)

2. TechSpot – Space X files for record-breaking IPO with rockets, AI, and Mars ambitions at the centre

3. TechCrunch – The Space X IPO filing is filled with AI bets, Starship dreams, and Elon Musk at the center

What is Cursor? Why Did SpaceX Buy It?

Vibe Coding....

- At its core, **Cursor** (developed by Anysphere) is an AI-powered code editor built as a fork of Microsoft's Visual Studio Code (VS Code).
- It integrates deeply with large language models to assist software developers in writing, editing, refactoring, and debugging code in real time.
- Its standout features, like "Composer," allow engineers to build entire multi-file applications using conversational prompts.
- By blending a highly familiar text editor interface with autonomous coding agents, Cursor became the primary driver behind the popular 2025/2026 tech trend known as "**vibe coding**"—where engineers focus on high-level system design while the AI handles the bulk of the raw code generation.
- **Why Did SpaceX Buy It?**
- SpaceX acquired Cursor in a massive **\$60 billion all-stock transaction**.
- While SpaceX is primarily known for rockets and Starlink satellites, the acquisition is heavily tied to Elon Musk's overarching "AI" strategy, specifically supporting his "AI" venture, **xAI** (the creators of Grok).

The Cursor acquisition serves several critical strategic purposes for “SpaceX” ...

Four purposes are listed below:

1. Instant Software Distribution

- While xAI has built immense computing infrastructure (like the massive Colossus data center in Memphis), it lacked a "sticky," daily-use enterprise application. **Cursor is already embedded in the daily workflows of over a million developers across roughly 50,000 companies (including heavyweights like Nvidia, Uber, and Adobe).** SpaceX is essentially buying immediate, scaled distribution into the enterprise software market.

2. The Ultimate Coding Data Pipeline

- In the race to build frontier artificial intelligence, high-quality training data is everything. Every single prompt, code edit, successful debug, and human correction made inside Cursor serves as an incredibly rich feedback loop. **By owning Cursor, SpaceX/xAI secures an exclusive proprietary pipeline of real-world engineering data to train Grok, allowing it to better compete against Anthropic's Claude Code and OpenAI's Codex.**

3. Absorbing Compute Capacity

- Building and maintaining bleeding-edge AI datacenters is incredibly expensive when the chips sit idle. **Cursor's millions of intensive, daily code-generation requests give xAI's massive hardware clusters an immediate, continuous workload to process.**

4. Anchoring the "AI Company" Narrative

- Following SpaceX's blockbuster IPO, investors began valuing the company at a staggering multiple usually reserved for high-growth SaaS firms rather than traditional aerospace or telecom companies. **Acquiring an AI startup that has reportedly surpassed \$1 billion in annualized revenue provides concrete justification for SpaceX's tech-heavy valuation.**

The Broader Stock Market Narrative

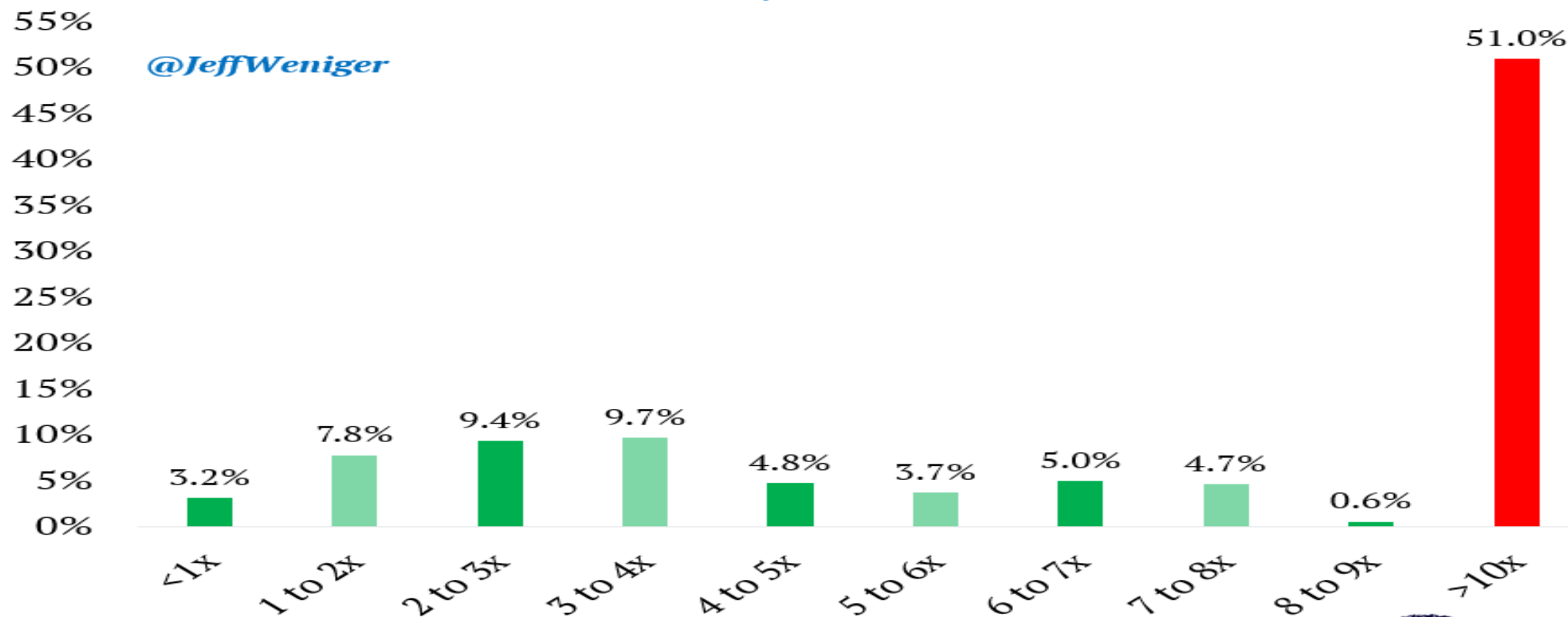
The Space X IPO may be near a market top!



More than half the S&P 500's total value is now in stocks priced above 10x sales. This was once considered an outlandish valuation, as it leaves little room for error – Wisdom Tree chart and data

. The list includes Nvidia, Apple, GOOG, MSFT, Broadcom, Tesla, Micron, Eli Lilly, AMD, Oracle and 57 more.

S&P 500: Sorted by Price-to-Sales Ratio

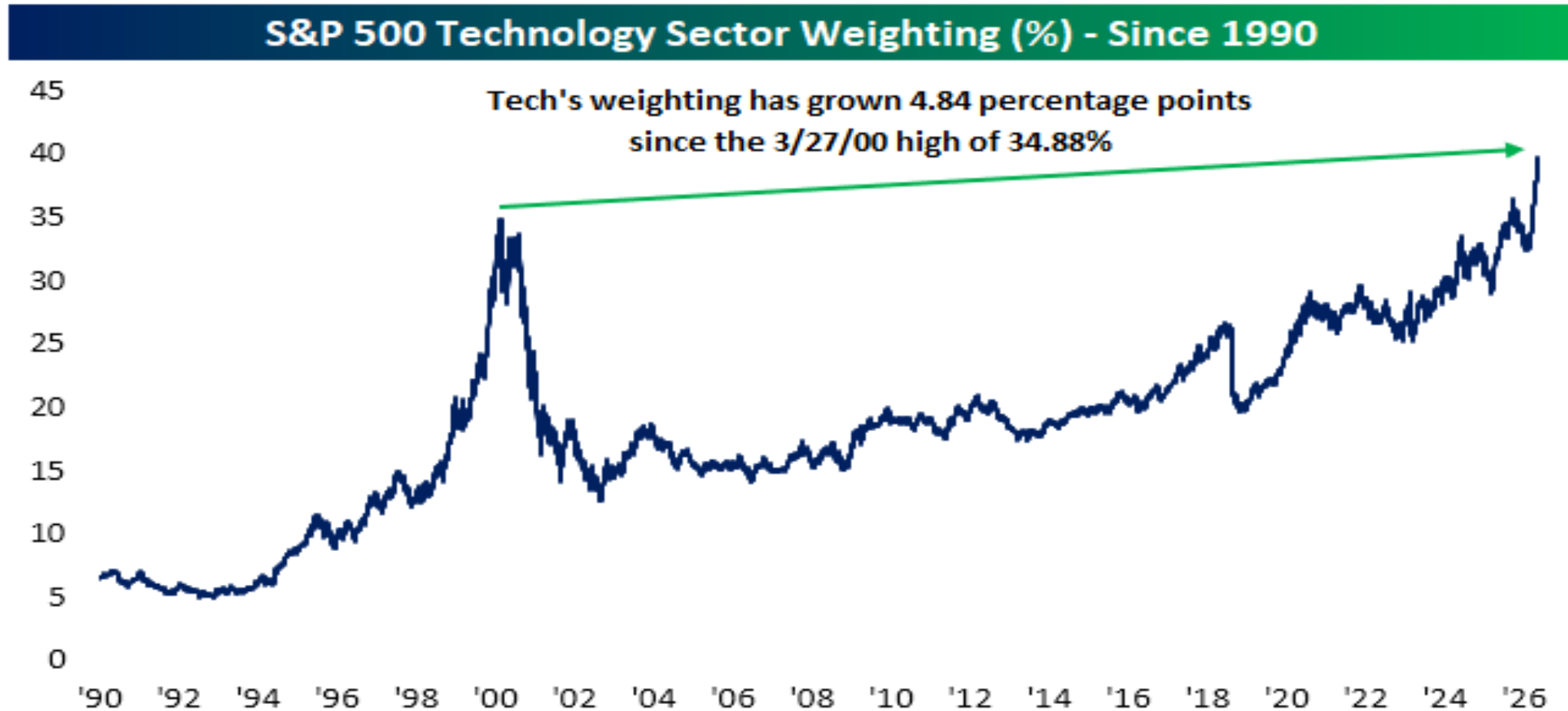


Source: Refinitiv, as of 6/5/2026, using % of total S&P 500 market capitalization. File #0908



Backdrop: The Tech sector's weighting in the S&P 500 index hit a record 39.7% on Tuesday, June 2nd, 2026 **nearly 5 percentage points higher than the peak in March 2000**

Gratis Bespoke Research



Micron (MU)

Where from here?



It's a long way down, but
a breach below 7,350 opens the door for a deeper multi-week correction toward this structural floor.

Chart is from Stock Charts



Thank You for Attending!

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