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EQUITY RESEARCH

INITIATION OF COVERAGE

June 11, 2026

SATELLITE

Stock Rating:

OUTPERFORM

12-18 mo. Price Target	$190.00
SPCX - NASDAQ	$135.00

3-5 Yr. EPS Gr. Rate	NA
52-Wk Range	NA-NA
Shares Outstanding	13,000.0M
Float	455.0M
Market Capitalization	NA
Avg. Daily Trading Volume	NA
Dividend/Div Yield	NA/NM
Book Value	$7.85
Fiscal Year Ends	Dec
2026E ROE	NM
LT Debt	$29,111.0M
Preferred	$38,752.0M
Common Equity	$102,094M
Convertible Available	Yes

Price is IPO price. Stock set to price 6/11 post-close, begin regular trading 6/12. Float and market cap based on IPO and S-1.

Revenue ($/mil)	Q1	Q2	Q3	Q4	Year	Mult.
2023A	—	—	—	—	10.4B	NM
2024A	—	—	—	—	14.0B	NM
2025A	—	—	—	—	18.7B	NM
2026E	4.7BA	7.9B	8.8B	9.9B	31.3B	NM
2027E	—	—	—	—	58.8B	NM

SpaceX

Targeting Tech/Comm Sectors' Disruption with Unique Space Infrastructure: Initiating Outperform, $190 PT

SUMMARY

We believe SPCX intends to converge communications and cloud/AI using space-based infrastructure. We see potential for SPCX to leverage terrestrial compute expertise as a bridge (and possible back-up plan) to enable key scale and cost advantages. We see it as the only vertically-integrated AI company with the required capital, data, LLMs, hardware, manufacturing and engineering talent. We note significant regulatory, technology, execution, keyman and investor expectation risks remain and that thermal management of chips for space applications in space within four years appears challenging. However, its space infrastructure appears structurally advantaged. We note terrestrial DC capabilities include highest velocity/lowest cost DCs (Colossus) which combined with V3s and Cursor will drive 2027-30E revenues. We initiate coverage with an Outperform rating/$190 PT at the IPO price of $135.

KEY POINTS

- **Robust public currency is key to business strategy.** We believe access to capital is essential for CEO Elon Musk's long-term AI vision in order to fund dominant communications and compute capacity along with acquisitions of AI companies. Eventual Tesla merger is plausible, but near term we believe the cos. will remain a quasi-vertically integrated ecosystem to provide access to capital.
- **Large markets, but critical technology risk remains.** We believe SPCX could address a $10T TAM by 2035E, but note that critical enabling-technology commercialization for space-based DCs remains uncertain, notably for thermally resistant chips, and costs could prove noncompetitive even if SPCX successfully builds chips. Should technology development be delayed, we see potential to leverage core expertise in terrestrial DC buildouts to support AI plans.
- **Starship is crucial for success.** SPCX is targeting 10K launches/year (27/day) totaling ~1.4B kg to deploy 1M datacenters and 100K communication satellites to support 1TW of its own manufactured chips. We believe this is only possible with capital/Starship, the most complex machine ever built. We expect growth to accelerate in 2027E as Starship enters commercial service and as AI LLMs/ infrastructure begin to see market traction.
- **LEO communications capacity to grow 100x, at a $10/subscriber/month cost.** Goal is to have a majority of AI compute, offered in space at lowest cost. We see 230M broadband subs in a decade, and 240GW of compute vs. global current capacity of 100GW. The communications technology is solved, the compute is not. There are a half dozen other, large long-term industries.
- **Expect high volatility, with shares trading up initially.** We anticipate an initial demand/supply imbalance on SPCX shares given broad retail demand and accelerated index inclusion. Our $190 PT ($2.5T firm value) is based on our DCF and 2035E revenue/EBITDA of ~$0.9T/$0.5T, requiring ~$1.6T in cumulative CapEx/spectrum and $300M more funding.

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For analyst certification and important disclosures, see the Disclosure Appendix.

Stock Price Performance

INVESTMENT THESIS

We believe that SpaceX will use its expertise in engineering, manufacturing and space technologies to grow to the largest communications, cloud/AI company in the world, in our scenario. This is a very large TAM with high barriers to entry. We expect extreme stock and operational volatility. The company faces complex engineering/manufacturing/physics challenges that are likely to be resolved but create the risk of falling behind schedule. SPCX will leverage a monopoly on reusable rockets and hardware manufacturing—antennas, hardware, solar panels, satellites, chips etc.—to do so.

BASE CASE ASSUMPTION

- Company grows to over $200B in revenue by 2030 with ~60% EBITDA margins
- Starship matures to reliable, reusable cadence by 2027-2028, enabling V3 deployment and initial orbital compute pilots
- Launch costs decline below $200 per kg
- AI models narrow frontier gap from unique data and compute cost and capacity advantages

CATALYSTS

- Revenue growth accelerates above 100%
- Starship commercialization
- V3 Rocket works
- Orbital data centers work
- Starlink enters the mobile market
- Cursor/Grok new models/products
- Large-enterprise AI deals signed
- Progress on Terafab
- The company merges with Tesla, Anthropic, and/or Cursor

UPSIDE SCENARIO

- Grok/Cursor models catch up faster than expected
- Enterprise AI gains traction and share gains accelerate
- Rapidly reusable Starship fleet achieved ahead of schedule
- Satellite technology improves, Starlink expands into the mobile market. A majority of internet traffic flows through Starlink
- Space compute cooling and Terafab Chips scale
- Lunar/Martian economies develop faster than expected

DOWNSIDE SCENARIO

- New entrants erode market share / market share gains
- Grok and AI capabilities fall behind competitors
- Additional Starship delays
- Orbital data centers remain uneconomical
- Cooling for Orbital datacenters does not work
- Terafab scaling delays
- Unfavorable regulation (risk mainly outside the US) and spectrum scarcity

PRICE TARGET CALCULATION

Our $190 price target is based on our 10-year DCF with a WACC of 10.5%, 5% long-term growth rate, and estimated terminal EBIT of $220B. The high cost of equity reflects large execution, technology, and other risks.

KEY RISKS TO PRICE TARGET

The largest risk remains execution, in our view. In particular, the Starship rocket needs to enter commercial service before year-end to hit our estimates. Long-term, the company needs to build its own chips to run datacenters cost-effectively in space to have the most AI infrastructure. Governance and concentrated ownership is also a risk. The stock's limited float could cause price volatility.

COMPANY DESCRIPTION

SpaceX is a vertically integrated launch, LEO connectivity, and AI infrastructure and potentially application company with the mission to build space-based infrastructure to eventually make life interplanetary. It was the first private entity to successfully launch a rocket into orbit and revolutionized the space market with its reusable booster engines.

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Investment Thesis

We believe SpaceX represents an opportunity to own a leading AI and connectivity giant, while also capturing the optionality of space economies. We believe a public currency and access to capital are critical to developing a leading AI platform. Successful development also requires complete vertical integration, innovation and acquisitions. Massive scale will be critical—solar power generation in space is 10x more productive than on Earth, and with enough satellites and solar panels in space, costs and capacity will be significantly lower than what can be provisioned terrestrially. The company is looking to alleviate three major bottlenecks to AI development—electric power, AI compute and networking. The company believes we need several orders of magnitude increase in supply of all three to meet the potential demand driven by AI.

We see AI as a once a century, general purpose technology that is set to drive a third to half of global GDP growth, massively improve productivity, and create new industries and services. SpaceX's stated goal is to launch 100GW of compute to space each year, with ambitions to scale to 1TW LT. The current global cloud compute capacity is in the 100GW range. It will also increase network capacity by 100x to support this. By having the most compute/connectivity capacity at the lowest cost, SpaceX believes it can create unique AI models and applications. This will support the colonization of Mars and development of space economies.

The technological challenges remain enormous, but the company is extremely nimble and has excelled at terrestrial compute and other infrastructure challenges. Revenue growth is accelerating, with Cursor—one of the best products in the fastest-growing segment of AI—expected to come under the SpaceX umbrella as the company targets AI leadership. Cursor tripled revenue to a $3B run rate in 6 months, and SpaceX also signed over $26B in ARR of data center capacity deals in the last month. We also highlight rapid growth in Starlink's business, which remains a key source of cash flow. We believe the company is the only one with the required capital access, people, manufacturing, data and technology to be a disruptive entrant in connectivity, AI, and space, and to ultimately be a leader in these industries. SpaceX is constantly developing new technologies, with a focus on vertical integration and manufacturing scale. This results in the company having arguably the best infrastructure, products, and services for communications and AI globally.

SpaceX has three core verticals—connectivity through Starlink, AI through xAI, and its core rocket launch business. Each business is made possible by extreme innovation and vertical integration with a focus on scaled, cost-efficient manufacturing—this is the SpaceX competitive moat. Starship components, Starlink satellites and adjacent equipment are all over 80% manufactured in house. Notably, xAI is one of the only fully vertically integrated AI developers, with six divisions—X, Grok, Colossus, Cursor, Terafab, and Macrohard—making up the entire AI stack from silicon to application. We see its ownership of critical/unique data, LLM capabilities, and control over scarce computer chips and infrastructure, give it a major cost and service advantage that should enable it to raise the capital required for the build.

Exhibit 1. Overview of Business Segments

	Space	Connectivty	AI	Total
2025 Revenue	$4.1B	$11.4B	$3.2B	$18.7B
% Y/Y Growth	*7.6%*	*49.8%*	*22.2%*	*33.2%*
2025 CapEx	$3.8B	$4.2B	$12.7B	$20.7B
2026E Revenue	$3.6B	$14.2B	$13.7B	$31.3B
% Y/Y Growth	*-11.4%*	*24.3%*	*323.9%*	*67.8%*
2026E CapEx	$4.3B	$5.6B	$49.9B	$59.9B
Key Businesses & Products	Falcon-9 Falcon Heavy Starship	Starlink Fixed Broadband Wholesale D2D	Grok X Premium COLOSSUS Macrohard Terafab	
Market Verticals & End Customers	Third-Party Launches Lunar Economy	Consumer Enterprise Government	Data Licensing Grok for Business & Enterprise Compute	

Source: Company presentation, Oppenheimer & Co. Inc. estimates

Starlink is the near-term source of free cash flow and is enabling the heavy CapEx SpaceX requires to meet development targets. With >10,000 satellites in the Starlink constellation, the company is the undisputed leader in satellite connectivity, and we expect it to capture 25% of the $2T communications market. Broadband speeds and latency are now on par with terrestrial networks, and we believe SpaceX can get costs down to $10 subscriber per month, vs. $20 now. Payback from satellites is in the one-year range. The key to the business model is to automate and digitize the marketing and service aspects of the communications industry, which a disruptive price point will enable. We ultimately see the service being half the price of legacy services.

Usage and revenues have grown rapidly, with over 10M users generating $11.4B in revenue in 2025, up from 2.3M driving $3.9B in 2023, when the service launched. We expect Starlink to enter the mobile market in three years or so with a hybrid satellite/terrestrial network. This will likely require CapEx to grow from $6B now to ~$35B a year in 2030, and we expect SpaceX to spend $100B on spectrum. This is a tall order, but SpaceX has historically executed on its ambitions for Starlink. The service is seeing continuous improvement, and we expect will soon be on par with fiber, while costing much less to operate.

This is due to an accelerating feedback loop: every satellite put in orbit increases throughput capacity, increasing the user base. There is a low marginal cost to add customers, with attractive scale economics. The FCF is reinvested and funds research and deployment of better satellites, and the loop accelerates. Founder, Chairman and CEO Elon Musk has recently noted that there will ultimately be over 100K V3/V4/V5 satellites, up from 10K currently. Each Starship will launch ~60 V3 satellites, and each V3 satellite will add over 1 Tbps of capacity. As the constellation scales, we expect Starlink will have the ability to dominate internet/cloud/AI traffic and could potentially charge for interconnection and other unique services.

AI is the next phase of monetization, SpaceX acquired xAI in early 2026 for $250B, which included X, Grok, Colossus, and Macrohard (software). Since then, it has entered into an agreement to acquire Cursor. Cursor requires compute infrastructure which SpaceX has as well as a frontier model. SpaceX has invested heavily in datacenters through Colossus and is beginning to do so in semiconductor manufacturing through the Terafab joint venture with Tesla and Intel.

SpaceX has a dual interest for AI—as a driver of sellable services to enterprises to fund the build, but also for internal advanced robotics and AI systems that are necessary for exploring and colonizing space. After a rebuild of much of the xAI engineering team, the models and technology are improving—while still roughly a half year behind competitors' large language models (LLMs), Musk has acknowledged the gap and the need to catch up. Regardless, it still does use other frontier models and has said it will take every chip that manufacturers can supply it. As AI product offerings improve, we expect SpaceX will gain share and revenues will outpace Starlink's by 2027, and by a wide margin thereafter. SpaceX will close the Cursor merger for $60B in a month, a massive step forward for SpaceX's AI efforts.

Exhibit 2. Six Milestones Required to Derisk the Stock

Six Critical Steps to Derisk the Stock	
1)	Starship up and running commercially/safely as a reusable rocket
2)	V3 Satellite operational with D2D (direct to device)
3)	Prove orbital datacenters work and are profitable
4)	Improve Grok model family and beat other leading frontier labs
5)	Build semiconductors and scale Terafab
6)	Prove space refueling to get to the Moon

Source: Oppenheimer & Co. Inc.

The prerequisite for SpaceX to achieve its lofty set of goals is Starship: cost-to-orbit is the biggest factor in the economics, and Starship's success is key to SpaceX's success. The company has already reduced cost-to-orbit from $25K per kg during the Space Shuttle program to ~$2.7K with Falcon 9. Once Starship comes online and manufacturing scales to production levels, the cost should be ~$100 per kg. This enables Starlink V3 satellites to be launched, massively improving the constellation quality, and makes data centers in space economical, in addition to a dozen other activities. The target for commercial service is YE26, but the program is a few years behind schedule and further delays would not be surprising.

Regardless, SpaceX has arguably the best engineers in the world, and uses the Silicon Valley approach of iterative, fail-fast development, and extreme vertical integration. Time and time again, it has proved itself and has a long list of inventions and breakthroughs, including propulsive landing and reusable rockets. Once initial testing and validation of Starship is complete, we expect the fleet to grow quickly. SpaceX can currently build the Starship rocket in ~2 weeks, and plans to scale this to over 1,000 rockets per year once Gigabay comes online and Starship enters commercial service.

We see upside potential in nascent or future industries including lunar development, long-haul passenger/cargo transport, tourism, in orbit manufacturing, energy production, and asteroid mining. We estimate conservatively that the space economy will reach $800B by 2035 (vs. prior $500M estimate as shown in Exhibit 14), and orbital AI compute could make this significantly larger. Should SpaceX execute on its mission—and we believe it will—it will be the modern-day East India Company of space, controlling routes, infrastructure, and commerce of an entire frontier and giving it a quasi-sovereign reach, far beyond that of any ordinary corporation.

Investment Positives

1) **Scale and scope advantages.** The company is targeting diverse revenue streams across three major verticals in launch, connectivity, and AI. Its ability to leverage shared capabilities across multiple business lines feeds major positive flywheel effects including economies of scale benefits.

2) **Monopoly on heavy satellite and long-distance launches.** The company has a de facto monopoly on heavy-lift rocket launches. No competitor has operational, certified heavy-lift capabilities with a comparable cadence to SpaceX's.

3) **Vertical integration and in-house manufacturing capabilities.** SpaceX is deeply vertically integrated and manufactures a large portion of its own engines, avionics, chips, and software, which significantly reduces operating and capital expenses, improves output, and circumvents supply constraints. The Starship rocket is built 80% in-house and can be assembled in just 2 weeks. The company is also making AI chips internally under its Terafab initiative in partnership with Tesla and Intel. It plans to build 1TW of compute hardware per year amid processor shortages.

4) **Massive TAM opportunities.** The company is targeting the "largest TAM in human history" at over $28T. This includes the $1.6Tcommunications market, the $370B space and launch services market, and ultimately the $26T AI market.

5) **First-mover advantage.** SpaceX has a several-year head start in terms of scale of subscriber base and constellation over any other LEO operator in both fixed and mobile markets. It has 10K satellites, including 650 dedicated to D2D, which accounts for 75% of all active satellites in orbit that serve a broadband base of over 10M subscribers and 7.4M monthly unique smartphone devices.

6) **Approach to technology and supply chain.** The Musk complex starts with "principles-first" on product engineering approaches while taking a highly pragmatic approach to supply chain management. We believe SpaceX will continue to leverage existing outside manufacturing and technology solutions to improve efficiency and reduce cost. Where needed and when it provides defensible competitive advantages including advantaged cost position, the company will vertically integrate.

7) **TSLA merger potential.** While we see potential for SpaceX to acquire and integrate TSLA at some point in the future, we are not convinced the two companies are in a rush to do so. We believe near-term the companies will likely remain a quasi-vertically integrated ecosystem to provide the highest volume and lowest cost of capital while maintaining the benefits of collaboration and resource sharing.

8) **Geopolitical-motivated support.** We believe Musk is also highly attuned to geopolitical risk and the company's need to manage government relations on a global basis. In particular, we believe the company is attending to risk around further action from China to integrate and control Taiwan in its economic strategy. We believe both critical materials and component efforts, notably chip and potentially memory capacity investments, are focused on mitigating availability risks.

Investment Risks

1) **Valuation**. At 100x+ trailing revenue, SpaceX is expensive and raises the bar for optionality layers to pay off.

2) **Execution and timing on optionality.** Starship's cadence/cost targets, orbital compute deployment, and in-space industries are unproven at scale, and slippage defers the upside that the stock's multiple currently embeds.

3) **Competition.** Amazon and well-capitalized AI peers contest pieces of this thesis and could affect SpaceX share significantly.

4) **AI compute from space has not been proven**. The cooling requirements required may not be overcome.

5) **Chip fabrication in the US has also not been proven**. SpaceX's long-term AI compute strategy is predicated on these chips working in space.

6) **Regulation and spectrum.** FCC approvals, international spectrum coordination, and antitrust scrutiny of further consolidation are not guaranteed and could gate various legs of the thesis.

7) **Governance and concentrated ownership**. The company is controlled by Elon Musk. It is only issuing a small float with less than 5% of shares expected to trade freely at IPO. This could result in significant volatility in the movement of the stock, and there is no assurance that investors can buy the stock at its $135 IPO price set by the underwriting investment banks.

8) **Elon Musk Key-Man Risk.** The company will likely trade at a large premium to historical tech companies given the innovation that Elon Musk enables. Mr. Musk has historically had controversial political/social views.

Starlink & Connectivity

Starlink is where SpaceX found its first mass-market commercial success. The financial performance of Starlink is the standout success across the company. The business segment generated revenue of $11.4B in 2025, up 50% Y/Y and is two thirds of total revenue. The company is using its own spare launch capabilities to deploy a constellation of thousands of LEO satellites ~300 miles above Earth, capable of delivering high-speed internet to anywhere on the planet.

Each satellite circumnavigates the globe in about 90 minutes with user connections seamlessly handed off from one satellite to the next as they move across the sky. Coverage footprint is the entire planet with each new customer having very low marginal cost—aligning with our 25-year asset/platform utilization thesis. Due to early capacity constraints, initial usage began for people that terrestrial networks could never economically reach, but will continue to encroach on the denser, more profitable markets as the constellation grows. This feeds a virtuous flywheel of improving service quality and lower prices that should drive share gains while costs also decline.

Exhibit 3. Starlink Reported Supplemental KPIs

Starlink Subscriber Matrics	1Q25	1Q26	2023	2024	2025
Subscribers (millions)	5.0	10.3	2.3	4.4	8.9
% Y/Y Change		*106.0%*		*91.3%*	*102.3%*
Monthly ARPU	$86	$66	$99	$91	$81
% Y/Y Change		*-23.3%*		*-8.1%*	*-11.0%*

Source: SpaceX S-1

The scale of the constellation is itself the competitive moat. As of March 31, 2026, SpaceX operates approximately 9,600 Starlink broadband and mobile LEO satellites—about 75% of all active maneuverable satellites in orbit. It has regulatory clearance for 20K satellites, but we don't see this as a limiting factor. It will be difficult for competitors to catch up, as SpaceX is years ahead of competitors in rocket technology, and is more vertically integrated as well. Starlink can expand capacity on a schedule and budget every rival is gated against, and as the economies of scale kick in, network densification should become cheaper over time.

As of 1Q26 end, Starlink served 10.3M subscribers across 164 countries and territories, with likely 40% of users in the high-cost US. The adoption curve has been impressive with the base roughly doubling every year since 2023. We expect strong growth to continue on major quality improvements and falling ARPUs. We see the US market hitting 20M satellite subscribers in 2030 with Starlink capturing the lion's share. This is up from 4M today and a 50% increase from our prior 15M estimate.

Exhibit 4. SPACEX Supplemental KPIs and Revenue Drivers

Supplemental KPIs & Revenue Drivers	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Connectivity													
Global Starlink Subscribers (000s)	**2,300**	**4,400**	**8,900**	**14,400**	**21,400**	**36,400**	**66,400**	**101,400**	**131,400**	**156,400**	**176,400**	**196,400**	**211,400**
Net Adds		*2,100*	*4,500*	*5,500*	*7,000*	*15,000*	*30,000*	*35,000*	*30,000*	*25,000*	*20,000*	*20,000*	*15,000*
% Y/Y Change		*91.3%*	*102.3%*	*61.8%*	*48.6%*	*70.1%*	*82.4%*	*52.7%*	*29.6%*	*19.0%*	*12.8%*	*11.3%*	*7.6%*
Monthly Broadband ARPU	$99.00	$91.00	$81.00	$68.50	$61.65	$54.25	$46.66	$41.06	$36.95	$34.00	$31.96	$30.36	$28.84
% Y/Y Change		*-8.1%*	*-11.0%*	*-15.4%*	*-10.0%*	*-12.0%*	*-14.0%*	*-12.0%*	*-10.0%*	*-8.0%*	*-6.0%*	*-5.0%*	*-5.0%*
Implied Broadband Revenue				$9,595	$13,242	$18,815	$28,778	$41,337	$51,615	$58,704	$63,810	$67,906	$70,567
% Y/Y Change					*38.0%*	*42.1%*	*53.0%*	*43.6%*	*24.9%*	*13.7%*	*8.7%*	*6.4%*	*3.9%*
Satellites in Orbit			9,600	12,250	15,250	19,250	23,250	27,250	30,250	33,250	35,250	37,250	39,250
New Satellites				*2,650*	*3,000*	*4,000*	*4,000*	*4,000*	*3,000*	*3,000*	*2,000*	*2,000*	*2,000*
Global Mobile Subscribers				**22,400**	**62,400**	**162,400**	**337,400**	**512,400**	**662,400**	**812,400**	**937,400**	**1,037,400**	**1,137,400**
Net Adds				*22,400*	*40,000*	*100,000*	*175,000*	*175,000*	*150,000*	*150,000*	*125,000*	*100,000*	*100,000*
Monthly Mobile ARPU				$4.00	$3.80	$5.32	$7.45	$9.68	$11.62	$13.36	$14.70	$15.43	$15.90
% Y/Y Change					*-5.0%*	*40.0%*	*40.0%*	*30.0%*	*20.0%*	*15.0%*	*10.0%*	*5.0%*	*3.0%*
Implied Mobile Revenue				$625	$1,933	$7,176	$22,335	$49,369	$81,899	$118,235	$154,310	$182,860	$207,421
% Y/Y Change					*209.3%*	*271.1%*	*211.3%*	*121.0%*	*65.9%*	*44.4%*	*30.5%*	*18.5%*	*13.4%*
Starlink Equipment Revenue				$3,575	$4,095	$7,898	$14,216	$14,926	$11,515	$8,636	$6,218	$5,596	$3,777
Estimate Cost per Subscriber				$650	$585	$527	$474	$426	$384	$345	$311	$280	$252
Implied Connectivity Revenue				**$13,795**	**$19,271**	**$33,888**	**$65,328**	**$105,632**	**$145,028**	**$185,575**	**$224,338**	**$256,362**	**$281,765**
AI													
Megawatts			1,000	2,000	3,500	5,500	7,500	9,500	14,500	24,500	44,500	74,500	114,500
New MW			1,000	1,000	1,500	2,000	2,000	2,000	5,000	10,000	20,000	30,000	40,000
Avg. Annualized Price per MW				$10	$10	$9	$9	$9	$8	$8	$7	$6	$6
% Y/Y Change					*-3.0%*	*-3.0%*	*-3.0%*	*-3.0%*	*-5.0%*	*-10.0%*	*-10.0%*	*-10.0%*	*-10.0%*
									Assumes Space Datacenters Deployed At Scale in 2031				
Implied AI Infrastructure Revenue				$14,100	$26,675	$42,341	$59,324	$75,250	$100,923	$147,600	$235,025	$364,800	$521,450
% Y/Y Change					*89.2%*	*58.7%*	*40.1%*	*26.8%*	*34.1%*	*46.3%*	*59.2%*	*55.2%*	*42.9%*
Est. Other AI Revenue (Grok, advertising, etc.)	$2,323	$1,728	$1,844	$1,993	$5,979	$11,958	$20,927	$31,390	$43,946	$52,735	$58,008	$63,809	$70,190
% Y/Y Change				*8.1%*	*200.0%*	*100.0%*	*75.0%*	*50.0%*	*40.0%*	*20.0%*	*10.0%*	*10.0%*	*10.0%*
Implied AI Revenue				**$16,093**	**$32,654**	**$54,299**	**$80,250**	**$106,640**	**$144,869**	**$200,335**	**$293,034**	**$428,609**	**$591,640**
Space													
Number of Launches	98	138	170	160	250	500	1,000	1,200	1,600	2,000	2,500	3,500	4,000
% Y/Y Change		*40.8%*	*23.2%*										
Est. Revenue per Launch	$36.3	$27.5	$24.0	$17.6	$35.2	$26.4	$19.8	$14.9	$11.1	$8.4	$7.1	$6.4	$6.1
% Y/Y Change		*-24.2%*	*-12.6%*	*-26.7%*	*100.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-15.0%*	*-10.0%*	*-5.0%*
Max Potential Mass to Orbit (metric tons)	1,210	1,699	2,213		25,000	50,000	100,000	120,000	160,000	200,000	250,000	350,000	400,000
Revenue per Metric Ton	$2,939.7	$2,234.3	$1,846.4		$0.18	$0.12	$0.08	$0.06	$0.05	$0.04	$0.04	$0.03	$0.03
% Y/Y Change		*-24.0%*	*-17.4%*										
Implied Launch Revenue				**$2,819**	**$4,405**	**$5,946**	**$7,928**	**$7,671**	**$8,028**	**$8,362**	**$8,885**	**$11,195**	**$12,154**
% Y/Y Change					*56.3%*	*35.0%*	*33.3%*	*-3.3%*	*4.7%*	*4.2%*	*6.2%*	*26.0%*	*8.6%*
% 3rd party customers					*50.0%*	*45.0%*	*40.0%*	*43.0%*	*45.0%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*

Source: Oppenheimer & Co. Inc., Company filings

The US is growing subscribers by ~4M per year, so Starlink likely will capture the majority, if not all, the incremental growth in a few years. The technology will also enable new end points and applications to connect—the base has already broadened well beyond households to airlines, maritime fleets, enterprises, governments, and militaries. AI and physical AI will drive a step-change in connectivity requirements, and Starlink is positioned well to compete in this market.

Fixed satellite broadband and mobile are likely to get bundled—aimed at undercutting cable, fiber, and FWA prices. Cable is the first to lose share, as both technologies will be competing in rural and suburban markets, with no real connectivity benefit from cable and much higher prices. Customers will also churn out of fiber into the lower-cost satellite products, although fiber will still be dominant in urban markets and with customers who require high-throughput connectivity. FWA competes in a similar geography, but has lower prices and is often bundled with mobile which should stop share loss. Capacity remains a risk for FWA, but we expect the effective fallow capacity the carriers have to grow as beamforming and MIMO technologies improve.

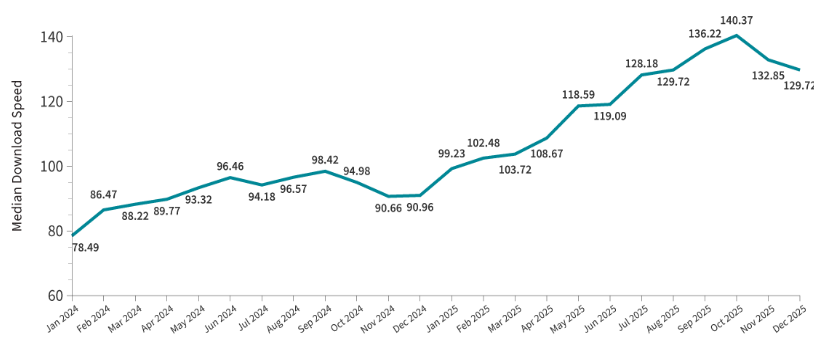
Exhibit 5. US Broadband Industry Model (in thousands)

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Total Broadband Subscribers											
Major Cable	69,318	71,913	72,326	72,281	71,152	69,807	68,578	66,878	64,878	62,378	59,878
% Y/Y Change	*7.3%*	*3.7%*	*0.6%*	*(0.1%)*	*(1.6%)*	*(1.9%)*	*(1.8%)*	*(2.5%)*	*(3.0%)*	*(3.9%)*	*(4.0%)*
Telco & Other Wired Broadband	28,430	28,254	27,617	27,598	27,454	28,635	28,758	29,850	30,975	31,300	31,150
% Y/Y Change	*2.5%*	*(0.6%)*	*(2.3%)*	*(0.1%)*	*(0.5%)*	*4.3%*	*0.4%*	*3.8%*	*3.8%*	*1.0%*	*(0.5%)*
Fixed Wireless	2,903	4,029	7,648	12,005	15,947	20,218	24,229	27,529	30,154	32,054	33,654
% Y/Y Change	*21.7%*	*38.8%*	*89.8%*	*57.0%*	*32.8%*	*26.8%*	*19.8%*	*13.6%*	*9.5%*	*6.3%*	*5.0%*
Satellite Broadband			1,500	2,000	3,000	4,000	4,750	6,250	9,250	14,250	20,250
% Y/Y Change			*NM*	*33%*	*50%*	*33%*	*19%*	*31.6%*	*48.0%*	*54.1%*	*42.1%*
Total Broadband Subscribers	**100,651**	**104,196**	**109,091**	**113,884**	**117,553**	**122,660**	**126,315**	**130,507**	**135,257**	**139,982**	**144,932**
% Y/Y Change	*6.3%*	*3.5%*	*4.7%*	*4.4%*	*3.2%*	*4.3%*	*3.0%*	*3.3%*	*3.6%*	*3.5%*	*3.5%*
Potential Subscribers	**138,640**	**139,667**	**140,694**	**141,722**	**142,749**	**143,776**	**144,803**	**145,873**	**146,943**	**148,013**	**149,083**
% Penetration	72.6%	74.6%	77.5%	80.4%	82.3%	85.3%	87.2%	89.5%	92.0%	94.6%	97.2%
Market Share											
Major Cable	**68.9%**	**69.0%**	**66.3%**	**63.5%**	**60.5%**	**56.9%**	**54.3%**	**51.2%**	**48.0%**	**44.6%**	**41.3%**
Telco & Other Wired Broadband	**28.2%**	**27.1%**	**25.3%**	**24.2%**	**23.4%**	**23.3%**	**22.8%**	**22.9%**	**22.9%**	**22.4%**	**21.5%**
Fixed Wireless	**2.9%**	**3.9%**	**7.0%**	**10.5%**	**13.6%**	**16.5%**	**19.2%**	**21.1%**	**22.3%**	**22.9%**	**23.2%**
Satellite	**0.0%**	**0.0%**	**1.4%**	**1.8%**	**2.6%**	**3.3%**	**3.8%**	**4.8%**	**6.8%**	**10.2%**	**14.0%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total Net Adds (000)											
Major Cable	4,736	2,594	414	(45)	(1,129)	(1,345)	(1,229)	(1,700)	(2,000)	(2,500)	(2,500)
Telco & Other Wired Broadband	(302)	(176)	(637)	(19)	(144)	329	123	1,092	1,125	325	(150)
Fixed Wireless	518	1,126	3,619	4,143	3,942	4,271	4,011	3,300	2,625	1,900	1,600
Satellite	-	-	1,500	500	1,000	1,000	750	1,500	3,000	5,000	6,000
Total Net Adds	**4,952**	**3,544**	**4,896**	**4,579**	**3,669**	**4,255**	**3,655**	**4,192**	**4,750**	**4,725**	**4,950**
Flowshare											
Major Cable	96%	73%	8%	(1%)	(31%)	(32%)	(34%)	(41%)	(42%)	(53%)	(51%)
Telco & Other Wired Broadband	(6%)	(5%)	(13%)	(0%)	(4%)	8%	3%	26%	24%	7%	(3%)
Fixed Wireless	10%	32%	74%	90%	107%	100%	110%	79%	55%	40%	32%
Satellite	0%	0%	31%	11%	27%	24%	21%	36%	63%	106%	121%

Source: Oppenheimer & Co. Inc.

Global median download speeds clock in at 225 Mbps during peak hours—levels that will support almost any application and are on par with fiber's. Median speeds in the US improved 65% from 80 Mbps in 2024 to 130 Mbps in 2025. Speeds tend to be slower in the US than in the rest of world since it was an early-adopter market and is more penetrated, causing higher congestion.

Exhibit 6. Starlink US Median Download Speeds, January 2024 to December 2025



Source: Ookla

The company's connectivity business is divided between two reporting segments: consumer and enterprise & government. The consumer broadband product serves residential and small-business customers and is the largest contributor to the subscriber count. The enterprise offering extends those capabilities to industries like construction, agriculture, aviation, maritime and land mobility, with deployments spanning remote worksites, research stations, drilling rigs, rural hospitals, aircraft, cruise ships and hotels. The government and national security businesses include both standard broadband connectivity and Starshield, a secure, dedicated satellite network designed specifically for US government and national security.

In January 2024, SpaceX launched Starlink mobile, a satellite-to-mobile offering that provides connectivity directly to everyday smartphones via satellites under wholesale agreements with terrestrial carriers. Starlink's first-generation mobile constellation using about 650 dedicated satellites connects to over 7M monthly unique devices through its 30 mobile network operator (MNO) partnerships. However, we think it is increasingly clear that SpaceX will directly enter the mobile market. The recent SATS spectrum acquisitions move SpaceX from being dependent on partner-shared spectrum to having dedicated, exclusive licensed frequencies and a next-gen constellation targeting a ~20x throughput improvement.

Incumbents are becoming concerned, and in the US, telcos are forming a D2D JV, where they will pool their spectrum and jointly invest in satellite-based D2D capacity to eliminate dead zones. We see this as a defensive response and a validation of the D2D thesis.

Looking forward, SpaceX could acquire existing MVNOs or could partner with one of the carriers in a prisoner's dilemma type of situation, in which a carrier could partner with SpaceX and save themselves at the cost of destroying the industry, instead of watching market share leak away to Starlink. Ultimately, we expect Starlink to build its own network—it has the spectrum, and the physical network infrastructure through its satellite constellation. Starlink will likely need new antenna technology for managing backhaul through the broadband constellation, but SpaceX has arguably the best engineers, and we think it will get past this hurdle quickly.

Launch & Space Services

The launch business is the foundation everything else is built on. SpaceX has completed approximately 650 orbital launches with an over 99% mission success rate, accounting for more than 80% of all mass to orbit globally each year since 2023—launching approximately 7,400 metric tons to orbit in total as of March 31, 2026. The workhorse of the fleet is the Falcon 9, the world's first orbital-class rapidly reusable rocket, first launched in 2010, capable of delivering 23 metric tons to LEO (low earth orbit). Today, SpaceX has demonstrated the ability to fly and land a single Falcon 9 first-stage booster up to 34 times. That reusability is the reason SpaceX can price launches at a fraction of what competitors charge while still generating meaningful margins. Alongside the Falcon 9 is the Falcon Heavy, a partially reusable super heavy-lift vehicle capable of delivering around 64 metric tons to LEO, with 11 launches and a 100% mission success rate.

SpaceX also operates the Dragon spacecraft, which became the first commercial vehicle to deliver cargo to and from the International Space Station in 2012, and the first privately built vehicle to fly humans there in 2020. Since then, Dragon has safely carried 78 crew members from 20 countries. On the government side, the company has cemented itself as the US government's primary launch partner: in 2025, SpaceX launched 11 of 12 National Security Space Launch medium and heavy lift missions and all five US crew and cargo missions to the ISS for NASA.

Exhibit 7. Estimated Starship Cost per Launch with Starlink V3 Satellites

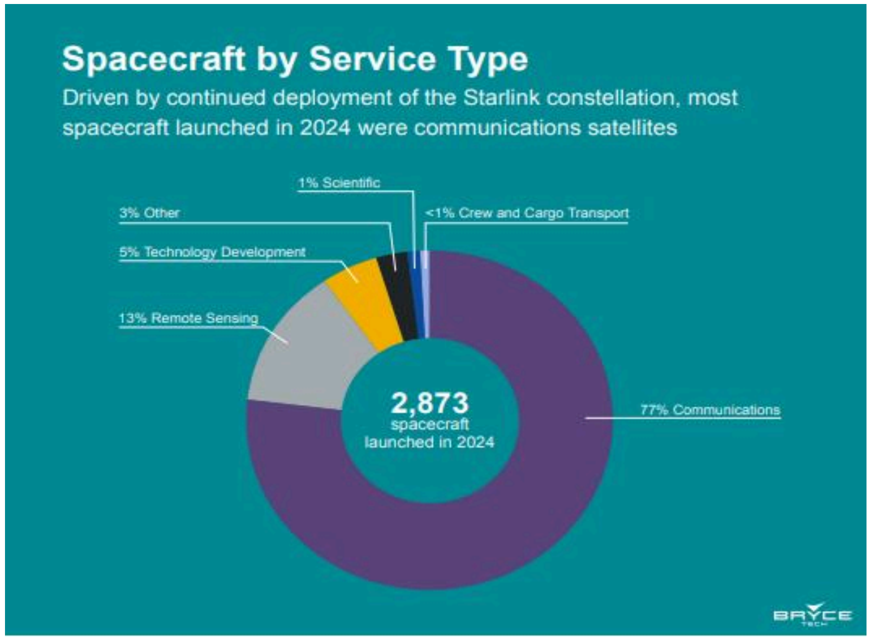
V3 Starship Cost per Launch		
Payload Capacity	100	metric tons
Launch Cost	$200	per kg
Est. V3 Build Cost	$1,200,000	
Useful Life	6	years
Annual Depreciation	$200,000	
Est. V3 Satellite Mass	1,667	kg
V3 Satellites per Starship Launch	60	
Launch Cost per Satellite	$333,333	
Starship Payload Cost per Launch	**$20,000,000**	
Per Satellite Analysis		
Starlink Subscribers	10	million
Current Constellation Size	10	thousand
Subs per Satellite	1,000	
Annual Revenue per Satellite ($600 annual ARPU)	$600,000	
Future Subs per Satellites with 5x Capacity Increase	5,000	
Annual Revenue per Satellite ($600 annual ARPU)	$3,000,000	

Source: Oppenheimer & Co. Inc., Company filings

The next chapter of the launch business is Starship. First launched in 2023, Starship is designed to be a fully reusable super heavy-lift capable of delivering 100 metric tons to Earth's orbit, with future generations designed to double that capacity. SpaceX expects Starship to commence payload delivery to orbit in the second half of 2026, and has to date completed 11 test flights, 6 successes and 5 technical failures, though done on purpose to more rapidly innovate the rocket. Starship is the enabling technology for nearly every major growth initiative the company has, from next-generation Starlink satellites to orbital AI compute to Mars colonization. The space segment generated revenue of $4B billion in 2025, though it posted a loss from operations, reflecting the substantial R&D investment of $3B directed toward the Starship program.

Currently, SpaceX price to transport to orbit is $2.7K per kg with Falcon 9, and Starship will ultimately enable delivery to orbit for less than $100 per kg in marginal costs, as we see it. Despite this, demand and pricing on launch have remained high, as the company has the most reliable and efficient technology and no competitor comes close on price. From the broadband customer perspective, SpaceX builds its own rockets, builds its own satellites, and sells the resulting connectivity directly to end users. This cost structure will compound and drive the cost of ownership down, resulting in disruptively low broadband prices that undercut competitors'.

Exhibit 8. Percentage of Spacecraft by Service in 2024



Source: BryceTech

The rocket program has been advancing, albeit slower than expected, with SpaceX recently flying the debut mission for Starship Version 3 on its 12th overall test flight, and a major redesign from previous versions. The flight was not flawless—one of the 33 booster engines shut down early and the booster missed its planned controlled splashdown, but the upper stage reached its target trajectory, deployed Starlink simulators, and survived re-entry with notably less damage than prior versions. The next launch is scheduled for late June of 2026, although this is subject to change.

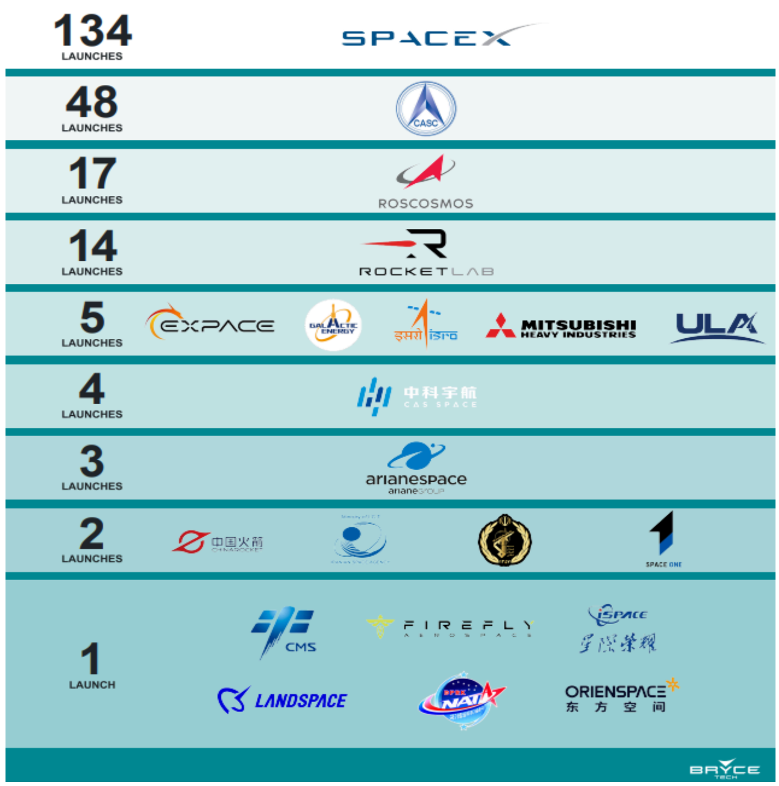
Starship Commercial Outlook

Getting Starship to commercial readiness is arguably the most consequential question in SpaceX's investment thesis. We believe it is just a matter of time, not if. The vehicle is the enabling technology for virtually every major growth initiative the company has outlined, including next-generation V3 Starlink satellite deployment, orbital AI compute, lunar operations and Mars colonization, etc. Still, Starship remains in active flight testing with a meaningful number of technical, regulatory, and operational hurdles to clear. The Starship is progressing, but the timeline has consistently slipped, and the gap between aspirations and demonstrated capabilities is still large enough to warrant concern.

The most recent data reinforce that concern. Starship's 12th flight test, which took place on May 22nd, 2026, and included the debut of the new V3 architecture, ended with the loss of the Super Heavy booster after multiple Raptor 3 engines failed to ignite during the boost back. The FAA formally classified the incident as a mishap, grounding both Starship and Super Heavy pending investigation. Reports indicate a likely July-August 2026 window for Flight 13, with SpaceX potentially forgoing a booster catch-and-land in the Gulf once again while the Raptor 3 engine issues are diagnosed. As the midpoint of 2026 looms, SpaceX has only completed one flight test this year, following two in 2023, four in 2024, and five in 2025.

The pattern of delays is not new. Starship development has experienced roughly two years of scheduled slippage compared to earlier expectations. Flight 12 itself was delayed three separate times in 2026 alone—originally targeted for March, pushed to April and launching in May. The causes are the amazing innovation the craft represents, combined with FAA regulatory oversight. On the regulatory side specifically, the FAA has made clear that engineering readiness alone is not sufficient.

Exhibit 9. Global Annual Rocket Launches by Provider



Source: Bryce

The FAA has approved up to 25 annual Starship launches at Starbase, but that approval comes with expanded hazard zones of 1,600 nautical miles. Any mishap triggers an investigation that halts the project entirely. SpaceX now has faced mishap investigations following each of its first four V1 flights and multiple V2 flights, meaning the regulatory issues are a recurring theme of the program. For Starship, though, these mishaps are ways to accelerate development of the vehicle; by stressing new innovations to failure, it can more rapidly collect the data required to innovate more rapidly.

Beyond engine reliability and regulatory issues, the most technically demanding milestone between Starship and its commercial applications is on-orbit cryogenic propellant transfer. Transferring cryogenic fuels in space requires keeping liquid methane and liquid oxygen chilled below their boiling points throughout the transfer process. Microgravity conditions cause the propellant to form floating blobs rather than flowing normally, increasing pressure in transfer lines and creating a risk of rupture.

Among the important unknowns is how much cryogenic propellant will evaporate upon first contact with warm lines and empty tanks. This could require additional tanker launches to provide the necessary propellant. Estimates show the number of tankers needed to fully fuel one Starship lunar lander is between 10-19 tankers. If so, this would put great stress on ground infrastructure, safety maintenance and space traffic management. SpaceX has targeted a ship-to-ship propellant transfer demonstration for 2026, but given the Flight 12 grounding, that window could slip into 2027.

AI

The AI segment is the newest and most capital-intensive piece of the business, and is also the most contentious variable in the SpaceX valuation debate. Execution with compute, foundation models, and physical AI applications likely will enable SpaceX to achieve its goals of extraterrestrial colonies.

Musk created xAI in 2023 after departing OpenAI (which he co-founded in 2015 and left in 2018), and in March 2025, xAI absorbed the X social-media platform in an all-stock deal. At the time, X was valued at roughly $33B and xAI at roughly $80B. xAI's market valuation roughly tripled over 2025, with the company raising a $20B Series E funding round at a $230B valuation in November—cumulative funding now exceeds $42B. By the time of the SpaceX merger, the AI unit was being marked at roughly $250B.

In early February 2026, SpaceX and xAI completed a share-exchange merger (xAI converting at 0.1433 SpaceX shares per xAI share), creating a combined entity valued at roughly $1.25T and operated as an internal division publicly branded "SpaceXAI." The stated rationale was shared infrastructure: xAI's compute and power needs paired with SpaceX's launch capability and Starlink network, with orbital data centers as a long-term point of convergence.

In the near term, the monetization will be through compute leasing and enterprise AI services, but long term we expect to see the foundation models in Optimus robots and other physical AI systems that will build the first lunar and Martian colonies, and to support every aspect of space infrastructure. Musk has stated that the standalone entity will be dissolved, with the Grok model family and the X social platform folded directly into SpaceX's structure. Recently, following the departure of xAI's CFO and a wave of co-founder attrition, a Starlink executive (Michael Nicolls) was installed as president of the AI unit.

The AI segment brings together four interconnected assets: massive compute infrastructure (datacenters, fiber, GPUs/chips etc.); frontier AI models and one of the world's largest social media platforms which provides critical data to train models; and now Cursor (agentic AI software coding and data) and chip design and manufacturing through Terafab. On the infrastructure side, SpaceX was the first company to deploy a coherent gigawatt-scale AI training cluster. Its Colossus and Colossus II facilities collectively provide approximately 1.0 gigawatt of compute power, brought online in 122 and 91 days, respectively—compared to an industry benchmark of two years to bring a 100-megawatt data center online. The company has also announced Terafab, a chip manufacturing initiative with Tesla and Intel, with a long-term goal of producing 1 terawatt of compute hardware each year.

The long-term aspiration is a vertically integrated AI stack that no other company on Earth can replicate: proprietary foundation models (Grok); a captive coding/knowledge-work application layer (Cursor); in-house silicon at scale (Terafab); and power and compute relocated to orbit, where SpaceX's launch monopoly becomes the moat that competitors cannot replicate. Musk frames it as an energy problem, with terrestrial electricity generation insufficient to supply the energy AI will demand and solar-powered data centers in space the solution, lofted initially by Starship but ultimately manufactured and launched from the moon.

This is an aggressive and capital-hungry roadmap, but SpaceX has arguably the best engineers and the company has a history of executing on tough deliverables. Convergence and timing are the key questions and risks, with many independent initiatives needing to come together to support the long-term SpaceX mission.

The integration of xAI into SpaceX makes sense for the company's long-term ambitions and leveraging the critical Starship platform. Developing infrastructure and eventually settlements on the Moon and Mars will require a huge amount of AI and physical AI systems, from data collection, construction, mining, manufacturing, and exploration. The xAI merger keeps the company vertically integrated, and a merger with TSLA seems plausible, as we see it, as Optimus robots and energy systems will be critical for successful space missions. In the near term, xAI will be able to capture share in one of the fastest growing markets of all time, which will fund the continued development of all three business segments of SpaceX, as we see it.

Since launching Grok-1 in November 2023, SpaceX has released four major versions, achieving frontier-level performance in scientific reasoning within two years of its initial release. What differentiates Grok from competing models is its data advantage: deep integration with X provides proprietary access to a real-time information stream of around 350 million daily posts, enhancing the model's relevance and contextual awareness in a way that is difficult for competitors to replicate. X itself functions both as a distribution platform for Grok and a standalone business.

Across Grok and X combined, the platform counts over 1.3 billion supported accounts active in the 12 months ending March 31, 2026, including 550 million monthly active users. The AI segment is currently operating at a significant loss, but the company's investment thesis is straightforward: SpaceX believes the physical infrastructure of AI—compute, energy and connectivity—will ultimately be the determining factor in who wins the AI race, and it is betting heavily that its unique position across all three gives it the durable long-term advantage.

Competitively, Anthropic, Google, and OpenAI are in a clear first tier, with xAI trailing by ~7 months. Musk has acknowledged this gap and committed to closing it by year-end 2026. The Cursor relationship and Anthropic-adjacent maneuvering are best read as responses to that gap.

SpaceX has also begun monetizing its compute capacity externally: in May 2026, it entered into Cloud Service Agreements with Anthropic, where Anthropic agreed to pay $1.25B per month through May 2029 for access to capacity across Colossus and Colossus II. In June, Google agreed to pay SpaceX $920M a month for access to around 110K NVDA GPUs. This represents a massive step-up in AI revenues, with the recent compute deals alone creating $26B in 2026 revenue against the $3.2B in made in 2025.

Cursor remains a catalyst for rapid AI revenue expansion. In April 2026, SpaceX announced a deal granting it an option to acquire AI coding startup Cursor for $60B later in 2026, or to pay a $10B fee for joint development if it does not exercise. The strategic logic is that coding is currently the most lucrative and defensible AI application, Grok has no competitive coding product, and Cursor supplies a leading one with reported ARR scaling toward $2B. Cursor in turn gains access to COLOSSUS compute, and routes around its prior dependence on third-party model inference.

Macrohard is SpaceX's most speculative venture, and is an attempt to build a "purely AI software company." The premise, announced by Musk in August 2025, is that because firms like Microsoft manufacture no physical hardware, an AI system should in principle be able to simulate the entire software company end-to end. In the March 2026 public reveal, it has been reframed as Digital Optimus, a joint xAI-Tesla project, where Grok acts as a high-level navigator, deciding what needs to happen, while separate Tesla-built agents watch real-time screen video and execute the grunt work.

AI Technology

The Grok family is core of the AI business. The cadence of its improvements has been extraordinary, but it is a bit behind its peers. The headline model is now Grok 5, positioned as the first model to fully reflect gigawatt-scale training. It is reported as a Mixture-of-Experts (MoE) architecture with approximately 6T total parameters. Despite it being the largest announced model by parameter count, the MoE architecture means that only a subset of parameters activates per token, decreasing inference costs. As of mid-2026, Grok 5 remained in active training and had repeatedly slipped—originally guided to 1Q26, then 2Q, and further delays are likely.

Grok is trained on the Colossus complex in Memphis, TN—the terrestrial bridge to the orbital ambition, and by most accounts the largest AI training installation in the world. Colossus 2 was confirmed in January 2026 as the first training cluster to cross the 1 GW power threshold, with an upgrade toward ~1.5GW guided for April 2026. The broader complex is reported to target on the order of 550K NVIDIA GB200/GB300 GPUs across multiple buildings (Colossus 1, Colossus 2, and a third site), representing an estimated ~$18B in GPUs alone, before land, construction, power, and operating costs. While orbital datacenters are SpaceX's long-term ambition, the company is also a leader in terrestrial data centers. It can build much faster and more cheaply than anyone else, and has an excellent relationship with NVIDIA, with a build cost of about $3M per MW vs. the industry standard of $10M+. Despite this, datacenters remain the asset that drives the bulk of the AI unit's cash burn.

Terafab is Musk's answer to the AI-chip supply constraint and a critical input to both Colossus and the orbital ambition. Announced March 21, 2026, at a launch event in Austin, TX, it is a JV between Tesla, SpaceX, and the AI unit, intended to bring every stage of semiconductor production—design, lithography, fabrication, memory, advanced packaging, and test—under one roof. The stated target is 1 terawatt of compute output per year, which Musk characterizes as roughly 50x the combined output of all current advanced-chip manufacturing globally. The target process node is 2 nanometers (nm), putting Terafab in nominal competition with TSMC's leading edge. The fab is designed to produce two chip classes: terrestrial edge-inference parts (Tesla FSD, Optimus, Robotaxi) and space-hardened processors for extraterrestrial use cases. Intel joined the project in April 2026—notably its first major external foundry commitment.

The cost disclosure has escalated dramatically and is worth flagging for diligence. The March announcement implied ~$20-25B. By May 2026, a Grimes County, TX regulatory filing disclosed an initial ~$55B build, with total multi-phase investment potentially reaching ~$119B. The division of labor: Tesla runs a smaller ~$3B R&D pilot fab at Giga Texas (a few thousand wafers/month) while SpaceX handles the high-volume scale-up. First chip outputs are expected late 2028.

Orbital data centers are the asset that differentiates SpaceX from every other AI company, and are core to the company's long-term thesis. In late January 2026, SpaceX filed with the FCC to launch and operate up to 1M satellites as a "SpaceX Orbital Data Center System." The regulator accepted the filing on February 2, 2026, and opened a public comment window. (For competitive context, Starcloud has filed for ~88,000 satellites; Google's "Project Suncatcher," Amazon/Blue Origin, and Relativity Space are all pursuing variants of the same idea.)

Rather than bespoke new hardware, the near-term approach extends the existing Starlink V3 platform—large solar arrays plus high-speed laser inter-satellite links—into compute-bearing nodes ("AI Sat Mini"). Orbital data-center satellites are guided to begin launching "as soon as 2028."
The thesis rests on two structural advantages. 1) Power: near-continuous solar generation in the right orbit, with no battery backup required and per-square-meter solar efficiency materially higher than on Earth. 2) Cooling: waste heat radiates into the vacuum, eliminating the water and chiller load that consumes 30-40% of a terrestrial facility's energy budget (PUE of 1.0-1.1 vs. 1.2-2.0 terrestrial). The constraints that throttle the terrestrial buildout—grid interconnection queues of 5-7 years, water scarcity, land, permitting, community opposition—do not exist in LEO.

The binding constraint is launch, but this is where SpaceX excels. Cost per kg of mass to orbit is the dominant variable, and the economics only make sense with launch costs drastically lower than today's. The IPO prospectus states that deploying ~100GW/year would require thousands of launches per year and is only possible with a mature Starship fleet. Successful execution would create a moat that requires competitors to match SpaceX's launch economics to cross, and SpaceX is years ahead of competitors in this area.

Economics of AI

Revenue has scaled off a tiny base, but traction is real and growth is accelerating. The AI unit (combined with X) reached roughly $3.2B in annualized revenue by mid-2025. Standalone AI annual recurring revenue (ARR) is estimated at roughly $500M off ~2M paid Grok users in mid-2026, with ARR of $2B exiting 2026, driven primarily by the enterprise tier launched in December 2025.

As a standalone unit, it had suffered from cash burn of ~$1B per month, with a net loss of ~$1.46B in the September 2025 quarter alone. However, the Anthropic and Google leases now make this as cash positive, as it will receive $15B+ in run rate EBITDA. This traces overwhelmingly to the Colossus build, and the xAI fundraising efforts only fund a few years of this trajectory absent the SpaceX balance sheet.

Orbital data center economics concentrate on cost to orbit now. Today's expense penalty is 3x-5x above the cost of terrestrial compute, but this was also the case when SpaceX first launched broadband. The break-even number is around $500/kg to LEO, with Google using $200/kg as its threshold. Falcon 9 currently delivers ~$2,500/kg today, although we estimate that internal costs are much less at ~$1,000/kg. With Starship, the costs will be far less than $500/kg, with the company targeting $100/kg or less. A full rack of GB200s weighs 1,300 KG, costs $3M per rack or about $2K per KG vs. current launch cost of $1000Kg, but this will drop to $200/KG, or 10% of the cost. This is just illustrative because space racks/chips will have a totally different design.

Notably, in space, compute must be replaced every 5 years, so recurring capex will be higher. This is a structural drag on the standalone ROI of orbital compute. Further, AI satellites with robust solar, thermal, and laser-link hardware cost ~$1K/kg to build, but we think SpaceX will be able to reduce this cost drastically as manufacturing scales.

To support these ambitions, the CapEx spend will be enormous: ~$18B+ of Colossus GPUs; a Terafab program disclosed at $55B initial and up to $119B multi-phase; a potential $60B Cursor acquisition; and the orbital constellation CapEx, which on a 100GW/year target requires thousands of launches annually.

Competitive Environment

SpaceX is the clear leader in both launch and satellite-based connectivity, but new challengers are approaching in this burgeoning "white space." SpaceX has maintained its first-mover advantage and is years ahead of competitors in terms of technology and scale, but industry R&D is accelerating as new entrants look to capture share in the potentially massive space economy.

Connectivity

We expect that satellite broadband will be a duopoly between SpaceX and Amazon Leo, and a similar dynamic developing in D2D, although to a lesser extent with ASTS and other constellations taking some share. As satellite constellations scale, prices for the end-user will come down and service offerings will become orders of magnitude better, resulting in significant share losses for legacy telecom and cable providers. We expect such losses to start materializing in 2H27, directly tied to the ramping of Starship launches. Structural erosion to the cable industry is already visible in the numbers, and likely will accelerate in the next few years as fiber, FWA, and now satellite take share.

Satellite's advantage is geographic ubiquity at near-zero incremental infrastructure cost per home. In rural and exurban footprints, Starlink already wins on availability; the Federal Broadband Equity, Access, and Deployment (BEAD) program originally had a near-exclusive fiber preference, but under revised rules, satellite now captures ~23% of planned locations versus fiber's 63%. In addition, customers are generally negative on existing broadband providers and are enthusiastic about Starlink with NPS scores in the 30-40 range, while the best competitors are around 20 and cable often negative. This dynamic will only accelerate as costs come down and service offerings improve. Moreover, as Starlink capacity grows and D2D matures, the contested zone will migrate inward into suburban broadband and mobile substitution, where cable is most profitable. We expect that cable will lower prices to preserve their base, but they are bailing water out of a sinking ship as satellite takes the rural and suburban markets and fiber simultaneously attacks the urban high-end base.

Exhibit 10. Broadband Market Competitive Landscape

	Incumbent		Overbuilder	Disruptors	
	DSL	Cable	Fiber	Fixed Wireless	LEO Satellites
Coverage	Regional Monopolies	Regional Monopolies	Regional	Wide-Area	Global
Capacity/Subscriber	Very Low	Low	High	High	Medium
Symmetrical Speeds	-	-	✓	✓	-
Latency	Medium	Low	Low	Medium	Medium
Average NPS	-10	-5	25+	40+	40+
Network Cost	$$$$	$$$	$$$$	$	$$
Pricing	$$$	$$$$	$$$	$$	$

Source: Oppenheimer & Co. Inc.

Fiber generally serves a different market than satellite broadband, but the telcos are still exposed due to the economics of the buildout. Fiber overbuilding has been aggressive, targeting suburban locations first, but with plans for more middle mile rural and exurban edge-outs as well. This buildout is expensive (~$1,500 per passing plus $500 connection), and is underwriting 50% penetration rates in target markets, which we don't think is possible with satellite and FWA competition now. As satellite takes share, many locations become unprofitable to provide with fiber; we expect the fiber overbuild to reach substantially fewer homes than expected. Prices may also be affected as satellite and subsequently cable lower prices, pressuring margins.

In connectivity, we see Amazon Leo as the most credible competitor. The company recently acquired GSAT for $11.6B, and CEO Andy Jassy has likened LEO satellite internet service to AWS in terms of its long-term revenue potential. AMZN has approval to launch 4,500 LEO internet satellites It was required to have half its planned 3,232 constellation (or 1,618) required to be deployed by July 30, 2026, but was recently waived by the FCC. AMZN is well behind this schedule with just 330 satellites in orbit, with management citing launch capacity as a major bottleneck. The July 2029 deadline to deploy the full constellation remains in place. Blue Origin, a privately owned entity founded by Jeff Bezos, has also announced TeraWave, which is an enterprise broadband solution promising speeds of up to 6 Tbps.

ASTS, while not targeting fixed broadband, is developing its D2D service offering. The company uses huge satellites and advanced beamforming technology to be able to communicate directly with unmodified smartphones. Although the technology is promising, ASTS has been plagued with execution issues—the most recent being Blue Origin's New Glenn's failure to put the BlueBird 7 satellite into the correct orbit. New Glenn was also supposed to be a key part of ASTS's plans to have 45 satellites in orbit by the end of 2026, but exploded on the launch pad in a separate incident later in the month.

With each Starship launching ~60 V3 satellites, SpaceX will be deploying orders of magnitude more capacity than ever before, with each V3 launch adding over 1 Tbps of capacity. This creates a technology moat that will be difficult for competitors to replicate, enabling the network to support customers in more dense areas, and this will be done at cheaper costs than competitors. Regardless, there will be half a dozen competitors with Amazon LEO, Telesat and Chinese companies as the most viable among the 30 or so startups.

Launch & Space

On the launch front, Blue Origin is the main rival in the space. The company is looking to replicate SpaceX's success in reusable rockets, and is vertically integrating in a similar fashion so that TeraWave and potentially AMZN's broadband constellation can enjoy a similar cost structure to Starlink. New Glenn is Blue Origin's flagship rocket, capable of carrying 45,000 kg to LEO. New Glenn 9x4 is the new super-heavy lift vehicle, and will be able to carry 70,000 kg to LEO.

RKLB, FLY, and Relativity Space are also credible competitors. Relativity's Terran R rocket will be able to carry 23,500 kg to LEO in the downrange landing configuration, putting it in a similar class as the Falcon 9 Block 5. FLY operates in the small launch class, with its Alpha rocket capable of bringing ~1,000 kg to LEO. The company's new Eclipse rocket is significantly larger, with a payload capacity of ~16,000 kg and is co-developed with Northrop Grumman—giving FLY institutional backing and a likely defense channel. FLY specializes in speed, and was able to launch a satellite to orbit with just a 24-hour notice. It is also the only commercial company to successfully land on the Moon. RKLB operates in similar markets, with its Electron rocket taking 300 kg to LEO—completing 21 flights in 2025 and landing an $816M SDA satellite contract. The heavier Neutron is capable of up to 13,000 kg, but operational reusability is still several flights away. We expect the launch ecosystem to rapidly grow, as cost to orbit comes down and more space-based applications are developed.

AI

Grok and xAI have historically been behind other foundational model labs such as OpenAI, Anthropic, and Google, but Musk has signaled that intense effort is being put in to catch up. He projects that xAI will match the capabilities of competitors by the end of this year, and surpass them within three years. With Musk's grand ambitions for robotics, self-driving, and eventually extraterrestrial colonies, making xAI a leader in AI and physical AI will be a priority. In the short term, this will come at the cost of intense cash burn, as evidenced by the $7.7B in capital expenditures in the first three months of this year alone. Longer term, we expect extensive partnerships and ultimately a merger with Tesla, which layers on easily monetizable physical AI applications through autonomous vehicles and the Optimus humanoid robotics program. Physical AI will be one of the fastest growing sectors over the next decade, and Musk is clearly positioning to be a leader in this space.

Company Overview & History

Origins & Growth

Space Exploration Technologies Corp. was founded in 2002 by Elon Musk, who funded it with roughly $100M of his own capital after the sale of PayPal. The mission is to build the infrastructure and technologies necessary to make life multiplanetary and to understand the true nature of the universe. The underlying rationale is that human civilization is confined to one planet, which exposes humanity to existential threats that are unpredictable and uncontrollable. Earth has had six mass extinctions. The premise was contrarian and, at the time, widely dismissed: that a privately held company could drive the cost of access to orbit down by an order of magnitude, and that doing so was the necessary precondition for an eventual human presence on Mars. Headquartered in Hawthorne, CA, the company set out to build rockets rather than buy them—a vertical integration choice, born partly of necessity and partly of conviction, that would come to define its entire operating model.

The early years nearly ended the company. SpaceX's first vehicle, the small-lift Falcon 1, failed on its first three orbital attempts between 2006 and 2008, exhausting capital and bringing the firm to the brink of insolvency. The fourth Falcon 1 flight, in September 2008, succeeded—making SpaceX the first privately developed liquid-fueled rocket to reach orbit. Months later, NASA awarded it a Commercial Resupply Services contract worth roughly $1.6B, stabilizing the business.

What followed was a methodical climb up the capability ladder. SpaceX retired Falcon 1 and concentrated on the larger, reusable-from-inception Falcon 9, powered by nine in-house Merlin engines. In 2010, its Dragon capsule became the first commercial spacecraft to be launched into orbit and recovered; in 2012, Dragon became the first commercial vehicle to dock with the International Space Station. The company then pursued the milestone that would reorder the industry's economics: reusability.

Exhibit 11. SpaceX Company Structure

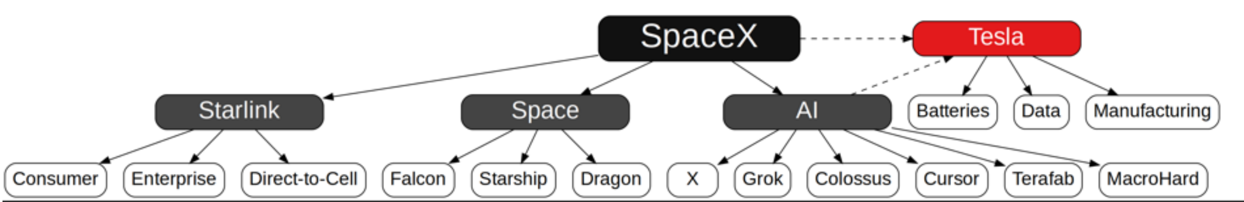
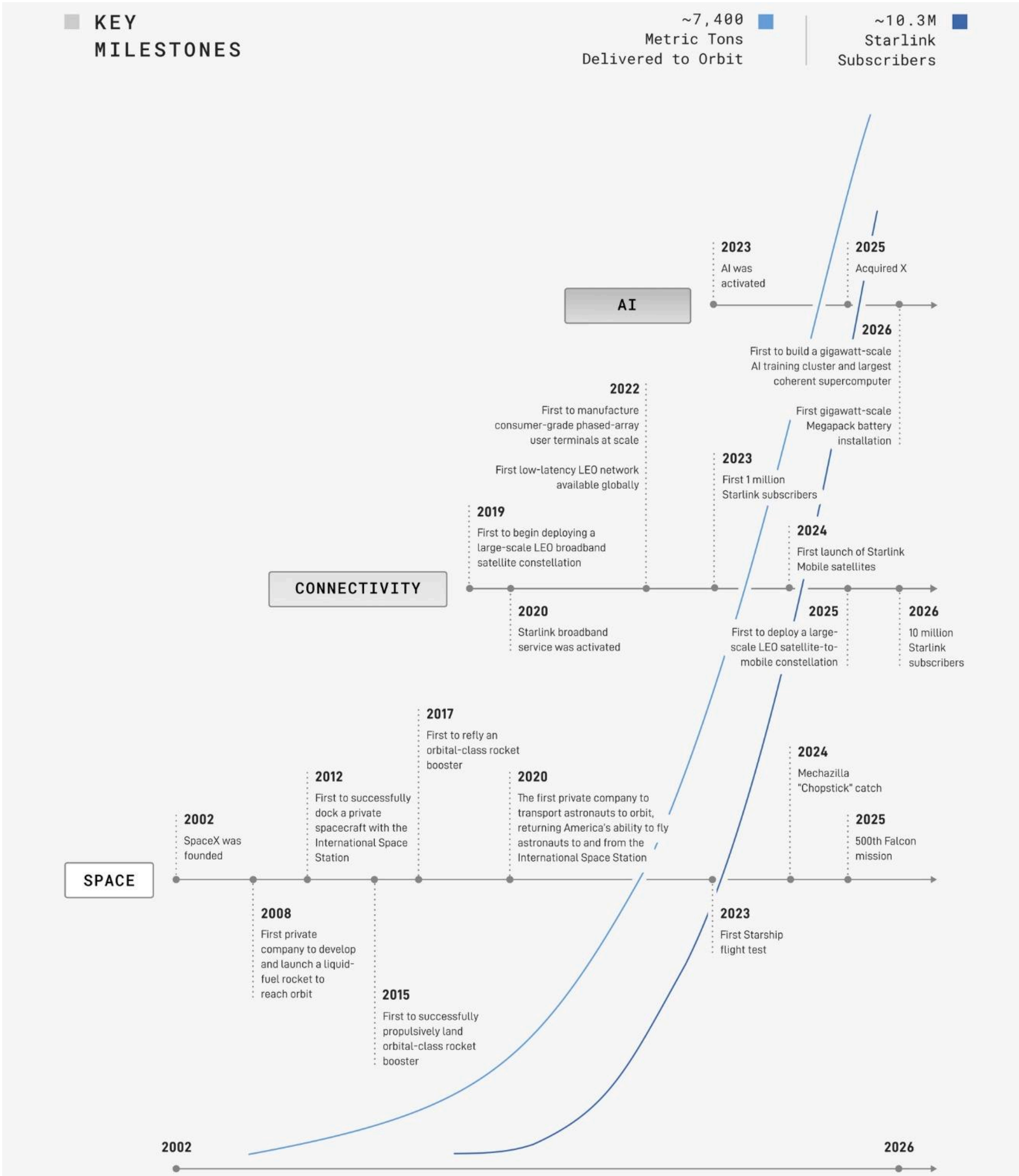


Exhibit 12. SpaceX Key Milestones



Source: SpaceX S-1

After a series of failed and partial attempts, a Falcon 9 first stage landed back on solid ground in 2015 and on an autonomous drone ship at sea in 2016, with the first reflight of a recovered orbital-class booster in 2017. This drove a significant improvement in the affordability of launches, reducing costs to $2,700 per kilogram, ~85% lower than the historical average of $18,500 per kilogram. Reusable orbital launch became routine, and in 2020 Dragon carried NASA astronauts to the ISS.

Two further pivots converted SpaceX from launch provider to platform company. The first was Starlink, launched commercially in 2019. Rather than merely carrying other operators' payloads, SpaceX would use its own launch cadence to deploy a LEO broadband constellation it owned outright. The second pivot, in 2025-2026, was the move into AI: the absorption of Musk's AI venture, xAI, into SpaceX, created a combined entity that now spans launch, connectivity, and frontier AI. The throughline across all three eras is consistent: create and control new technologies, and use that control to enter and dominate the industries it unlocks.

Today, SpaceX has demonstrated the ability to re-fly a Falcon 9 first-stage booster 34 times, with 656 total flights, including Falcon Heavy. Starlink has become the largest satellite constellation in existence, and the AI unit is rapidly scaling. Looking forward, the next key target is the commercial launch of Starship. Carrying a 200 metric ton payload (200,000 kg), with marginal cost of launch as low as $10-20M, Starship plans to reduce the cost-to-orbit to $50-100/kg, launch orders of magnitude more mass into space than ever before, and to be the catalyst for the new space economy.

Exhibit 13. Cost per kg Over Time

HISTORICAL COST PER KILOGRAM TO LEO

Space Shuttle (1981-2011)	~$54,000/kg
Delta IV Heavy	~$14,000/kg
Atlas V 551	~$10,000/kg
Ariane 5	~$9,000/kg
Falcon 9 (expendable, 2013)	~$4,600/kg
Falcon 9 (reusable, 2026)	~$2,700/kg

Shuttle cost based on total program cost / total payload mass. Other figures based on listed price / max LEO payload. Approximate figures.

Source: spacenexus.us

Engineering Philosophy

SpaceX's durable advantage is less any single product than the way it builds. Three principles recur: Iterative, fail-fast deployment; vertical integration; and cost as an engineering target.

SpaceX treats hardware the way software companies treat code: build a version, fly it, learn from what breaks, and fly an improved version quickly. The Falcon 1 failures, the dozens of Falcon 9 landing attempts, and the ongoing Starship test campaign all reflect a deliberate tolerance for visible setbacks in exchange for development speed. The philosophy substitutes rapid empirical iteration for the slow, simulation heavy, failure averse cadence of legacy aerospace.

The company designs and manufactures the overwhelming majority of hardware in house—engines, airframes, avionics, the Starlink satellites and user terminals, and increasingly, its own silicon through the Terafab initiative. This compresses cost, removes supplier bottlenecks, and allows design changes to propagate through the whole "stack" at the company's own pace rather than a vendor's. Reusability, mass production, and component commonality are pursued explicitly to drive down marginal cost—the Raptor 3 engine, for example, is reported to be roughly 4 times cheaper to manufacture than the original Raptor. Low cost is the design objective, because cost per kg to orbit is the linchpin on which every downstream ambition depends.

Key Relationships

SpaceX maintains several significant supplier relationships across key business lines. STMicroelectronics has shipped over 5B RF chips for Starlink antennas and supports more than 20,000 terminals daily across a 10+ year partnership. Howmet Aerospace supplies superalloy castings for Merlin and Raptor engines, components that are typically high margin and mission critical. Hexcel provides carbon fiber composites for payload fairings and interstage structures supporting mass reduction and launch cost advantage. Solvay rounds out the supply chain with specialty polymers for engine and satellite components, and Wistron NeWeb serves as the primary manufacturer of Starlink terminals. On the spectrum side, SpaceX agreed to purchase $20B in wireless spectrum licenses from EchoStar Corporation in a 50/50 cash and equity deal. The transaction is focused on expanding direct-to-cell satellite capabilities.

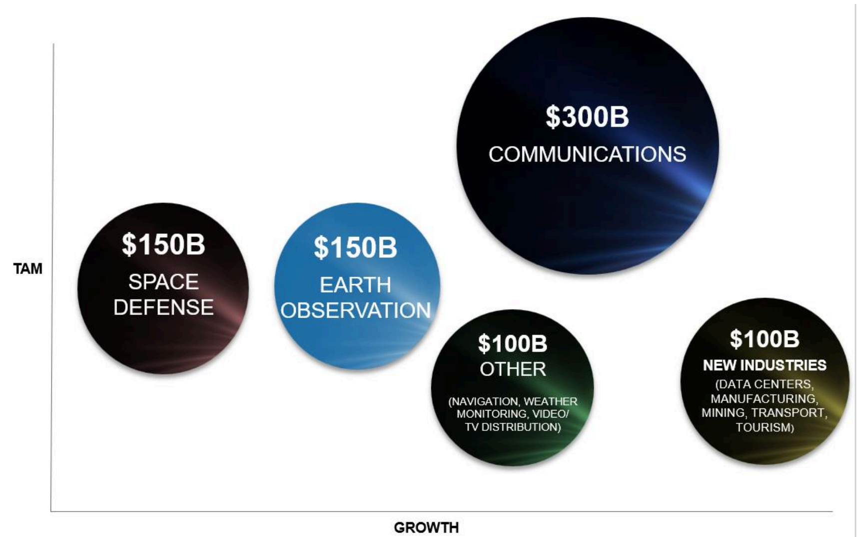
We think a merger with TSLA makes sense and seems plausible, but may take time to materialize. We believe the two key organizing principles for Musk's ecosystem are access to capital and accelerated capacity and capability growth toward an AI driven economy. We believe having two public currencies for accessing capital combined with an ability to supplement growth across platforms through purchases such as Cybertrucks, stationary storage, and solar capacity, along with sharing compute resources and potentially manufacturing capacity as the AI economy develops, provides increased flexibility for a broader ecosystem of companies. We expect TSLA to see trading crosswinds as investors assess total exposure to Musk led companies and underlying fundamentals on demand outside of intercompany sales.

New Space Industries

SpaceX is also driving the expansion of the broader space economy by lowering launch costs and improving reliability. Markets are early and timelines are long, with many execution and regulatory hurdles, but we expect this optionality to materialize in the next decade.

Space technologies are the next layer of global digital infrastructure. We estimate space-based industries will grow from ~$100B in annual service revenues today to ~$800B within the next decade, potentially approaching $1.4T over the next two decades. In the next decade, we estimate Communications will contribute over $250B of the incremental growth, Earth observation $120B, defense $100B, and miscellaneous new industries will contribute ~$100B. Historically, the broader economic impact of space technologies has exceeded expectations, as demonstrated by GPS, weather forecasting, satellite communications, and materials science. This next phase of space exploration will likely be even faster, as engineering cycles are faster, and competitive pressures are more intense than ever before.

Exhibit 14. Future Space Industries 2035 TAM Estimates



Source: Oppenheimer & Co. Inc. estimates

This productivity improvement has been catalyzed by a market-driven innovation ecosystem led by Silicon Valley entrepreneurs, with hundreds of startups, led by SpaceX and Blue Origin. These companies helped shift the space industry away from government-led procurement toward a commercial model defined by speed, scale, and continuous iteration. Entrants have had to reinvent the industry, becoming extremely vertically integrated due to supply chain issues and for national security reasons, but this is paying off as many companies reach engineering and manufacturing inflection points. For example, SpaceX is the largest printed circuit board (PCB) manufacturer in the US, which was a requirement to cut the cost of its phased array broadband antennas by 90%. This dynamic of rapid engineering has turned up the competitive pressure on incumbent satellite/rocket suppliers and launch companies.

Naturally, satellite is one of the main beneficiaries of the SpaceX IPO, with increased investment driving growth in the sector. As mentioned, the communications market is set to be the primary growth engine for satellite as it is an existing $2T market that satellite now serves efficiently, but beyond that communications, defense, and earth observation will be gigantic markets as well. Every order-of-magnitude reduction in the cost of reaching orbit pulls forward demand that was previously uneconomic. More constellations, more satellites per constellation, more frequent replenishment and entirely new mission classes means that as SpaceX vertically integrates its own stack and scales manufacturing to get its own costs down, it lifts the entire ecosystem.

We also anticipate growth in several new space industries, including datacenters, cargo delivery, tourism, manufacturing, and mining. In our upside scenario, we believe these new emerging space industries could approach ~$60B in revenues by 2035. Additionally, as has been the case in the past, space exploration will yield unanticipated products and services through the commercialization of scientific advances. In this regard, massive innovation in AI, robotics, materials, and dozens of innovations will be required to enable space settlements.

Spectrum

Mobile capacity requires sub 6Ghz spectrum, and we believe SpaceX to need significantly more spectrum than it currently has. The company is acquiring ~$20B of SATS AWS-4, H-block, and unpaired AWS-3 spectrum for D2D. We expect continued accumulation, with IRDM and NN potential targets given their scarce, strategically positioned holdings. There have been regulatory risks recently, with foreign governments hesitant to give SpaceX spectrum rights, and the telcos coming together to form a satellite D2D JV. However, we expect these fears to dissipate as governments and regulatory boards begin to recognize the benefits of cheap, reliable connectivity services.

Exhibit 15. Spectrum Holdings

Company	Spectrum Band(s) Owned	Estimated Average Depth
Amazon Leo (via Globalstar)	L-Band, S-Band, C-Band, Band 53/n53	25 MHz (MSS L- and S- Band) + 339 MHz C-Band (ground feeder links) + 11.5 MHz (terrestrial Band 53/n53)
Anterix	900 MHz	10 MHz (nationwide)
AST SpaceMobile	L-Band, S-Band	45 MHz L-Band (North America) + 60 MHz S-Band (global priority rights)
Iridium	L-Band, S-Band	8 MHz (global)
NextNav (post-rebanding)	900 MHz	15 MHz (nationwide)
SpaceX	H-Band, S-Band	65 MHz (about half globe)
Viasat	L-Band, S-Band	~100 MHz (most of Europe/Asia) + 25 MHz (North America after leasing)

Source: Company filings

The carriers are concerned, but dismissive—citing prohibitive physics, the same commentary we heard on FWA. In the US, the three wireless providers have strongly hinted that they are not willing to resell their mobile services on a wholesale basis to SpaceX. They have also banded together to create a D2D marketplace, trying to push the handful of D2D service providers to sell through a marketplace so that they can drive pricing down.

Financial Overview, Outlook & Valuation

Modeling SpaceX is still inherently difficult given the unprecedented scale and scope of its strategy and ambitions. We have taken a bottom-up approach to forecast the three core segments using assumptions for subscribers, ARPU, launches and CapEx per MW. We check the model on both incremental revenue per dollar of CAPX and the useful life of the assets. This is an extremely capital-intensive business model and access to low-cost capital is critical to growth, but we expect SpaceX to have access. Positively, next-12-month revenue and EBITDA are extremely strong, thanks to two new AI Compute contracts (Anthropic and Google), the Cursor acquisition, and SpaceX entering commercialization. We expect revenue and EBITDA growth to more than double in 2027.

Long-term visibility is very low within its mobile connectivity and AI business. Execution and timing are major swing factors, as are the underlying assumptions to operational metrics. As such, we anticipate very wide ranges in Street estimates over the next several years. We are using a 10-year model for our forecasts, but see SpaceX as a long-time-horizon company where much of the value accrues in the outer years (2035+).

SpaceX alters operations quickly, which can materially change revenue and cost forecasts. Notably, SpaceX recently entered Colossus compute agreements with Anthropic for $1.25B monthly, and Google for $920M monthly. Both of these deals are short-term contracts with high prices, and have 90-day termination notice clauses. We expect these deals to last a minimum of 12 months, though. These transactions also have very high incremental margins.

SpaceX runs an extremely capital-intensive business model, with revenues scaling proportionately to CapEx. The company is investing heavily for growth now, and we expect to see roughly $0.25 in incremental revenue per dollar of CapEx spent for the next 5 years, and around $0.50 longer term. CapEx is expected to come in at $60B for 2026, almost doubling to $110B by 2030E, in line with EBITDA generation and growing to the $250B range long-term. We expect a useful life of around 5 years for plant, property, and equipment in the near term, and 6 years later on.

Over the next 10-years, we see ~80% of annual CapEx allocated to AI infrastructure as the company rapidly deploys 2GW+ of terrestrial power per year. We see cumulative CapEx of $1.6T during this period, with positive FCF in 5 years. We expect 2026 Starlink net adds of 5.5M, up from 4.5M in 2025. Step function acceleration is likely a 2028 event and largely contingent on the successful commercialization of Starship to meet require new capacity additions.

Exhibit 16. SPACEX Financial Model ($ millions, except per share data)

SpaceX (SPCX) Financial Model	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Income Statement													
Space	**3,557**	**3,796**	**4,086**	**3,619**	**4,405**	**5,946**	**7,928**	**7,671**	**8,028**	**8,362**	**8,885**	**11,195**	**12,154**
% Y/Y Growth		*6.7%*	*7.6%*	*-11.4%*	*21.7%*	*35.0%*	*33.3%*	*-3.3%*	*4.7%*	*4.2%*	*6.2%*	*26.0%*	*8.6%*
% of total	34.2%	27.1%	21.9%	11.5%	7.8%	6.3%	5.2%	3.5%	2.7%	2.1%	1.7%	1.6%	1.4%
Connectivity	**3,869**	**7,599**	**11,387**	**14,152**	**19,271**	**33,888**	**65,328**	**105,632**	**145,028**	**185,575**	**224,338**	**256,362**	**281,765**
% Y/Y Growth		*96.4%*	*49.8%*	*24.3%*	*36.2%*	*75.8%*	*92.8%*	*61.7%*	*37.3%*	*28.0%*	*20.9%*	*14.3%*	*9.9%*
% of total	37.2%	54.2%	61.0%	45.2%	34.2%	36.0%	42.6%	48.0%	48.7%	47.1%	42.6%	36.8%	31.8%
AI	**2,961**	**2,620**	**3,201**	**13,568**	**32,654**	**54,299**	**80,250**	**106,640**	**144,869**	**200,335**	**293,034**	**428,609**	**591,640**
% Y/Y Growth		*-11.5%*	*22.2%*	*323.9%*	*140.7%*	*66.3%*	*47.8%*	*32.9%*	*35.8%*	*38.3%*	*46.3%*	*46.3%*	*38.0%*
% of total	28.5%	18.7%	17.1%	43.3%	58.0%	57.7%	52.3%	48.5%	48.6%	50.8%	55.7%	61.6%	66.8%
Total Revenue	**10,387**	**14,015**	**18,674**	**31,339**	**56,330**	**94,133**	**153,507**	**219,942**	**297,925**	**394,272**	**526,256**	**696,166**	**885,559**
% Y/Y		*34.9%*	*33.2%*	*67.8%*	*79.7%*	*67.1%*	*63.1%*	*43.3%*	*35.5%*	*32.3%*	*33.5%*	*32.3%*	*27.2%*
Incremental Revenue Per Year					24,990	37,803	59,375	66,435	77,983	96,347	131,984	169,909	189,393
Total cost of revenue	6,110	7,996	9,451	15,524	24,785	40,477	66,008	94,575	122,149	153,766	194,715	243,658	292,234
% of total revenue	58.8%	57.1%	50.6%	49.5%	44.0%	43.0%	43.0%	43.0%	41.0%	39.0%	37.0%	35.0%	33.0%
Total gross profit	4,277	6,019	9,223	15,815	31,545	53,656	87,499	125,367	175,776	240,506	331,542	452,508	593,324
% gross margin	41.2%	42.9%	49.4%	50.5%	56.0%	57.0%	57.0%	57.0%	59.0%	61.0%	63.0%	65.0%	67.0%
Research & Development	2,105	3,464	8,643	20,729	25,348	37,653	53,727	57,185	65,544	78,854	94,726	111,386	132,834
% of revenue	20.3%	24.7%	46.3%	66.1%	45.0%	40.0%	35.0%	26.0%	22.0%	20.0%	18.0%	16.0%	15.0%
Selling, general, & administrative	1,665	1,813	2,644	4,743	7,323	11,296	16,886	21,994	29,793	39,427	52,626	69,617	88,556
% of revenue	16.0%	12.9%	14.2%	15.1%	13.0%	12.0%	11.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Non-GAAP Operating Expenses	3,770	5,277	11,287	25,472	32,671	48,949	70,613	79,179	95,336	118,282	147,352	181,003	221,390
% of revenue	36.3%	37.7%	60.4%	81.3%	58.0%	52.0%	46.0%	36.0%	32.0%	30.0%	28.0%	26.0%	25.0%
Depreciation and amortization	2,635	3,824	6,701	16,298	19,715	28,240	44,517	59,384	74,481	90,683	105,251	125,310	141,689
% of revenue	25.4%	27.3%	35.9%	52.0%	35.0%	30.0%	29.0%	27.0%	25.0%	23.0%	20.0%	18.0%	16.0%
Share-based Compensation	679	784	1,947	4,103	6,196	8,472	12,281	10,997	14,896	19,714	21,050	13,923	17,711
% of revenue	6.5%	5.6%	10.4%	13.1%	11.0%	9.0%	8.0%	5.0%	5.0%	5.0%	4.0%	2.0%	2.0%
Adj. EBITDA	**3,821**	**5,350**	**6,584**	**10,744**	**24,785**	**41,418**	**73,683**	**116,569**	**169,817**	**232,621**	**310,491**	**410,738**	**531,335**
% Y/Y		*40.0%*	*23.1%*	*63.2%*	*130.7%*	*67.1%*	*77.9%*	*58.2%*	*45.7%*	*37.0%*	*33.5%*	*32.3%*	*29.4%*
% margin	36.8%	38%	35.3%	34.3%	44.0%	44.0%	48.0%	53.0%	57.0%	59.0%	59.0%	59.0%	60.0%
Non-GAAP Operating Income	**507**	**742**	**(2,064)**	**(9,657)**	**(1,127)**	**4,707**	**16,886**	**46,188**	**80,440**	**122,224**	**184,190**	**271,505**	**371,935**
						5.0%	11.0%	21.0%	27.0%	31.0%	35.0%	39.0%	42.0%
Interest Expense	1,693	1,580	1,945	3,529	2,552	14,133	16,875	20,216	22,085	25,044	25,109	21,428	12,760
Interest (Income)	(249)	(371)	(492)	(477)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Other (Income) Expense, net	42	(985)	177	211	0	0	0	0	0	0	0	0	0
Total Other (Income) Expense	1,486	224	1,630	3,263	2,052	13,633	16,375	19,716	21,585	24,544	24,609	20,928	12,260
Non-GAAP Pretax Income (Loss)	(979)	518	(3,694)	(12,920)	(3,179)	(8,926)	511	26,471	58,855	97,680	159,581	250,576	359,675
Tax Expense (Benefit)	(363)	(549)	718	(1,036)	0	0	0	0	5,885	19,536	31,916	50,115	71,935
% Tax Rate	37.1%	-106.0%	-19.4%	8.0%	0.0%	0.0%	0.0%	0.0%	10.0%	20.0%	20.0%	20.0%	20.0%
Non-GAAP Net Income	**(616)**	**1,067**	**(4,412)**	**(11,883)**	**(3,179)**	**(8,926)**	**511**	**26,471**	**52,969**	**78,144**	**127,665**	**200,461**	**287,740**
Non-GAAP EPS				**($0.91)**	**($0.23)**	**($0.62)**	**$0.03**	**$1.78**	**$3.48**	**$5.04**	**$8.15**	**$12.67**	**$18.00**
% Y/Y				*NM*	*NM*	*NM*	*NM*	*4982.0%*	*96.2%*	*44.6%*	*61.8%*	*55.5%*	*42.1%*
Fully Diluted Shares Outstanding (millions) Basic are 3,900				13,000	13,780	14,331	14,618	14,910	15,208	15,513	15,668	15,824	15,983
Free Cash Flow Analysis													
Non-GAAP Net Income	(616)	1,067	(4,412)	(11,883)	(3,179)	(8,926)	511	26,471	52,969	78,144	127,665	200,461	287,740
Plus: Depreciation and Amortization	2,635	3,824	6,701	16,298	19,715	28,240	44,517	59,384	74,481	90,683	105,251	125,310	141,689
Plus: Stock-Based Comp	679	784	1,947	4,103	6,196	8,472	12,281	10,997	14,896	19,714	21,050	13,923	17,711
Less: Working Capital, Other, etc.	(1,822)	(101)	(2,549)	(1,967)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Net Cash from Operations	4,520	5,776	6,785	10,484	25,733	30,786	60,308	99,853	145,347	191,540	256,966	342,694	450,141
Space CapEx	1,497	2,032	3,832	4,332	5,506	5,946	7,136	6,904	6,422	6,690	6,219	6,717	6,077
% of segment revenue	42.1%	53.5%	93.8%	119.7%	125.0%	100.0%	90.0%	90.0%	80.0%	80.0%	70.0%	60.0%	50.0%
Connectivity CapEx	2,455	3,498	4,178	5,648	8,672	13,555	22,865	36,971	50,760	55,673	44,868	46,145	42,265
% of segment revenue	63.5%	46.0%	36.7%	39.9%	45.0%	40.0%	35.0%	35.0%	35.0%	30.0%	20.0%	18.0%	15.0%
CapEx per Satellite (Mobile CAPX kicking in 2029 and beyond				$3	$3	$3	$6	$9	$17	$19	$22	$23	$21
AI CapEx	463	5,633	12,727	49,873	52,246	59,728	64,200	66,117	115,895	130,218	146,517	150,013	177,492
% of segment revenue	15.6%	215.0%	397.6%	367.6%	160.0%	110.0%	80.0%	62.0%	80.0%	65.0%	50.0%	35.0%	30.0%
Incremental $ Rev./CAPX		($16.52)	$0.05	$0.21	$0.37	$0.36	$0.40	$0.40	$0.33	$0.43	$0.63	$0.90	$0.92
CapEx Per MW			NA	$50	$35	$30	$32	$33	$23	$13	$7	$5	$4
Less: Total CapEx	4,415	11,163	20,737	59,853	66,424	79,230	94,201	109,991	173,077	192,580	197,604	202,875	225,834
% of revenue	42.5%	79.7%	111.0%	191.0%	117.9%	84.2%	61.4%	50.0%	58.1%	48.8%	37.5%	29.1%	25.5%
Incremental $ Rev./CAPX			$0.00	$0.17	$0.29	$0.27	$0.28	$0.24	$0.22	$0.29	$0.47	$0.67	$0.72
Free Cash Flow	**105**	**(5,387)**	**(13,952)**	**(49,369)**	**(40,691)**	**(48,444)**	**(33,892)**	**(10,138)**	**(27,730)**	**(1,040)**	**59,363**	**139,819**	**224,307**
Margin													*25.3%*
Less: Spectrum Acquisitions					20,000	20,000	20,000	20,000	20,000				
FCF after M&A, Spectrum, and Buybacks	105	(5,387)	(13,952)	(49,369)	(60,691)	(68,444)	(53,892)	(30,138)	(47,730)	(1,040)	59,363	139,819	224,307
% of Rev.													
2027-2031 cash burn									(260,897)				
Less: Stock-Based Comp (SBC)	679	784	1,947	4,103	6,196	8,472	12,281	10,997	14,896	19,714	21,050	13,923	17,711
Free Cash Flow after SBC		(6,171)	(15,899)	(53,472)	(46,888)	(56,916)	(46,173)	(21,136)	(42,627)	(20,753)	38,312	125,896	206,596
% of Rev.													
Capital Raise				85,000	40,000								
Balance Sheet													
Cash and Equivalents		11,385	24,747	92,274	71,582	57,894	57,894	57,894	57,894	57,894	57,894	57,894	57,894
Total Debt				145,842	217,424	272,179	326,072	356,210	403,941	404,980	345,618	205,799	(18,508)
Net Debt		(11,385)	(24,747)	53,568	145,842	214,286	268,178	298,316	346,047	347,087	287,724	147,905	(76,402)
Net Debt/EBITDA				5.0x	5.9x	5.2x	3.6x	2.6x	2.0x	1.5x	0.9x	0.4x	-0.1x
Effective Annual Interest Rate				9.7%	7.0%	6.5%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Net PP&E		21,147	42,602	89,770	136,478	187,468	237,152	287,759	386,355	488,253	580,605	658,170	742,315
Useful life			6.4	5.5	6.9	6.6	5.3	4.8	5.2	5.4	5.5	5.3	5.2
Total Assets		57,062	92,079	137,985	184,693	235,683	285,367	335,974	434,570	536,468	628,820	706,385	790,530
Shareholder Equity		4,863	2,573	25,151	21,972	13,046	13,557	40,028	92,998	171,142	298,806	499,267	787,008

Source: Oppenheimer & Co. Inc., Company filings

In 2030, we expect revenue to exceed $220B, still roughly even contributions from connectivity and AI as the launch business falls to less than 5% of total revenue on declining costs/prices. Low marginal operating costs drive EBITDA margins to 52%, in our scenario. CapEx steps up to $135B-plus with AI compute of 10GW. Starlink broadband base hits a milestone of 100M-plus, as net adds likely peak around this time at 35M. Its D2D service also hits a milestone of over

500B device connections. We expect SpaceX to start investing heavily in terrestrial networks in the next 2-3 years, with heavy Capex in 2028 and 2029.

By 2035, we think revenue reaches ~$900B, two-thirds from AI. EBITDA margins hit 60%, implying $530B on a whopping ~$230B in CapEx. We expect strong cash conversion, with FCF margin reaching roughly 20%. Starlink broadband subs hit 210M by then, as we model it, as ARPUs fall over 50% from today to below $30. We suspect its D2D/mobile connects to over 1B unique devices. We think AI compute can grow to over 100GW, but SpaceX's goal is much higher. Over the next five years, we think SpaceX will need to spend over $100B on spectrum to support D2D and mobile services. Positively, we think it will have sufficient liquidity with limited capital raises following the IPO issuance to fund its ambitious build plans.

Exhibit 17. SPACEX Supplemental KPIs and Revenue Drivers

Supplemental KPIs & Revenue Drivers	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Connectivity													
Global Starlink Subscribers (000s)	**2,300**	**4,400**	**8,900**	**14,400**	**21,400**	**36,400**	**66,400**	**101,400**	**131,400**	**156,400**	**176,400**	**196,400**	**211,400**
Net Adds		*2,100*	*4,500*	*5,500*	*7,000*	*15,000*	*30,000*	*35,000*	*30,000*	*25,000*	*20,000*	*20,000*	*15,000*
% Y/Y Change		*91.3%*	*102.3%*	*61.8%*	*48.6%*	*70.1%*	*82.4%*	*52.7%*	*29.6%*	*19.0%*	*12.8%*	*11.3%*	*7.6%*
Monthly Broadband ARPU	$99.00	$91.00	$81.00	$68.50	$61.65	$54.25	$46.66	$41.06	$36.95	$34.00	$31.96	$30.36	$28.84
% Y/Y Change		*-8.1%*	*-11.0%*	*-15.4%*	*-10.0%*	*-12.0%*	*-14.0%*	*-12.0%*	*-10.0%*	*-8.0%*	*-6.0%*	*-5.0%*	*-5.0%*
Implied Broadband Revenue				$9.595	$13.242	$18.815	$28.778	$41.337	$51.615	$58.704	$63.810	$67.906	$70.567
% Y/Y Change					*38.0%*	*42.1%*	*53.0%*	*43.6%*	*24.9%*	*13.7%*	*8.7%*	*6.4%*	*3.9%*
Satellites in Orbit			9,600	12,250	*15,250*	*19,250*	*23,250*	*27,250*	*30,250*	*33,250*	*35,250*	*37,250*	*39,250*
New Satellites				*2,650*	*3,000*	*4,000*	*4,000*	*4,000*	*3,000*	*3,000*	*2,000*	*2,000*	*2,000*
Global Mobile Subscribers				**22,400**	**62,400**	**162,400**	**337,400**	**512,400**	**662,400**	**812,400**	**937,400**	**1,037,400**	**1,137,400**
Net Adds				*22.400*	*40.000*	*100.000*	*175.000*	*175.000*	*150.000*	*150.000*	*125.000*	*100.000*	*100.000*
Monthly Mobile ARPU				$4.00	$3.80	$5.32	$7.45	$9.68	$11.62	$13.36	$14.70	$15.43	$15.90
% Y/Y Change					*-5.0%*	*40.0%*	*40.0%*	*30.0%*	*20.0%*	*15.0%*	*10.0%*	*5.0%*	*3.0%*
Implied Mobile Revenue				$625	$1,933	$7,176	$22,335	$49,369	$81,899	$118,235	$154,310	$182,860	$207,421
% Y/Y Change					*209.3%*	*271.1%*	*211.3%*	*121.0%*	*65.9%*	*44.4%*	*30.5%*	*18.5%*	*13.4%*
Starlink Equipment Revenue				$3,575	$4,095	$7,898	$14,216	$14,926	$11,515	$8,636	$6,218	$5,596	$3,777
Estimate Cost per Subscriber				$650	$585	$527	$474	$426	$384	$345	$311	$280	$252
Implied Connectivity Revenue				**$13,795**	**$19,271**	**$33,888**	**$65,328**	**$105,632**	**$145,028**	**$185,575**	**$224,338**	**$256,362**	**$281,765**
AI													
Megawatts			1,000	2,000	3,500	5,500	7,500	9,500	14,500	24,500	44,500	74,500	114,500
New MW			1,000	1,000	1,500	2,000	2,000	2,000	5,000	10,000	20,000	30,000	40,000
Avg. Annualized Price per MW				$10	$10	$9	$9	$9	$8	$8	$7	$6	$6
% Y/Y Change					*-3.0%*	*-3.0%*	*-3.0%*	*-3.0%*	*-5.0%*	*-10.0%*	*-10.0%*	*-10.0%*	*-10.0%*
									Assumes Space Datacenters Deployed At Scale in 2031				
Implied AI Infrastructure Revenue				$14,100	$26,675	$42,341	$59,324	$75,250	$100,923	$147,600	$235,025	$364,800	$521,450
% Y/Y Change					*89.2%*	*58.7%*	*40.1%*	*26.8%*	*34.1%*	*46.3%*	*59.2%*	*55.2%*	*42.9%*
Est. Other AI Revenue (Grok, advertising, etc.)	$2,323	$1,728	$1,844	$1,993	$5,979	$11,958	$20,927	$31,390	$43,946	$52,735	$58,008	$63,809	$70,190
% Y/Y Change				*8.1%*	*200.0%*	*100.0%*	*75.0%*	*50.0%*	*40.0%*	*20.0%*	*10.0%*	*10.0%*	*10.0%*
Implied AI Revenue				**$16.093**	**$32.654**	**$54.299**	**$80.250**	**$106.640**	**$144.869**	**$200.335**	**$293.034**	**$428.609**	**$591.640**
Space													
Number of Launches	98	138	170	160	250	500	1.000	1.200	1.600	2.000	2.500	3.500	4.000
% Y/Y Change		*40.8%*	*23.2%*										
Est. Revenue per Launch	$36.3	$27.5	$24.0	$17.6	$35.2	$26.4	$19.8	$14.9	$11.1	$8.4	$7.1	$6.4	$6.1
% Y/Y Change		*-24.2%*	*-12.6%*	*-26.7%*	*100.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-15.0%*	*-10.0%*	*-5.0%*
Max Potential Mass to Orbit (metric tons)	1,210	1,699	2,213		25,000	50,000	100,000	120,000	160,000	200,000	250,000	350,000	400,000
Revenue per Metric Ton	$2,939.7	$2,234.3	$1,846.4		$0.18	$0.12	$0.08	$0.06	$0.05	$0.04	$0.04	$0.03	$0.03
% Y/Y Change		*-24.0%*	*-17.4%*										
Implied Launch Revenue				**$2,819**	**$4,405**	**$5,946**	**$7,928**	**$7,671**	**$8,028**	**$8,362**	**$8,885**	**$11,195**	**$12,154**
% Y/Y Change					*56.3%*	*35.0%*	*33.3%*	*-3.3%*	*4.7%*	*4.2%*	*6.2%*	*26.0%*	*8.6%*
% 3rd party customers					*50.0%*	*45.0%*	*40.0%*	*43.0%*	*45.0%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*

Source: Oppenheimer & Co. Inc., Company filings

Exhibit 18. SPACEX Comp Table

OPPENHEIMER	Rating	Price 6/9	2025	YTD	Market Cap. (Mil.)	Firm Value (Mil.)	2027E Revs (Mil.)	'27E Rev. Mult.	'27E Rev. Growth	Operating EPS 2027E OPCO	Operating EPS 2027E % YOY	P/E On 2027E EPS	Firm Value to 2027E EBITDA Consol. EBITDA	Firm Value to 2027E EBITDA Multiple	2027E FCF Yield	2027E Debt/ EBITDA	Div. Yield %
Communication Service Providers																	
AT&T (T)	P	**$23**	9%	(8%)	160,918	287,361	133,585	2.2x	3%	2.43	6%	9.4x	49,894	5.8x	11.8%	2.5x	4.8%
Charter (CHTR) [f]	P	**$134**	(39%)	(36%)	23,687	132,131	66,979	2.0x	0%	44.98	18%	3.0x	27,851	4.7x	33.5%	3.9x	0.0%
Comcast (CMCSA)	P	**$24**	(20%)	(14%)	86,681	171,825	119,480	1.4x	-2%	3.91	11%	6.1x	34,194	5.0x	16.3%	2.5x	5.5%
Kyivstar (KYIV)	O	**$13**	30%	3%	3,072	3,206	1,441	2.2x	10%	1.43	2%	9.3x	736	4.4x	9.6%	0.0x	0.0%
T-Mobile US (TMUS) [f]	O	**$182**	(8%)	(10%)	200,838	285,544	99,298	2.9x	5%	14.26	15%	12.8x	40,356	7.1x	10.0%	2.1x	2.2%
Verizon (VZ) [f]	O	**$46**	2%	13%	193,281	341,228	145,295	2.3x	2%	5.46	10%	8.4x	55,938	6.1x	12.1%	2.6x	6.2%
AI Infrastructure																	
Core Scientific (CORZ)	P	**$26**	4%	77%	12,890	13,900	1,158	12.0x	83%	0.08	NM	NM	556	25.0x	(11.8%)	1.8x	0.0%
Digital Realty (DLR) [c]	O	**$185**	(13%)	19%	65,190	81,491	7,477	10.9x	12%	1.77	(1%)	104.3x	4,173	19.5x	4.5%	3.7x	2.6%
Equinix (EQIX) [c]	O	**$1,061**	(19%)	38%	104,720	123,585	11,107	11.1x	9%	19.27	9%	55.0x	5,751	21.5x	4.5%	3.3x	1.6%
TeraWulf (WULF)	O	**$26**	103%	122%	14,441	16,400	772	21.2x	222%	0.05	NM	NM	502	32.7x	(33%)	3.9x	0.0%
Satellite																	
AST SpaceMobile (ASTS)	P	**$87**	244%	20%	35,406	34,919	650	53.7x	295%	(1.08)	NM	NM	(65)	NM	(3.5%)	7.5x	0.0%
BlackSky Tech. (BKSY)	O	**$30**	74%	62%	1,101	1,186	214	5.5x	56%	(0.40)	NM	NM	58	20.4x	(1.4%)	1.5x	0.0%
Iridium Comm. (IRDM)	O	**$44**	(40%)	154%	4,702	6,352	1,040	6.1x	11%	1.93	49%	22.8x	570	11.1x	8.5%	2.9x	1.4%
SpaceX (SPCX)	O	**$135**	NM	NM	1,755,000	1,768,259	58,755	30.1x	87%	(0.81)	NM	NM	22,914	77.2x	(2.6%)	0.6x	0.0%
Other Digital Infrastructure																	
Alphabet (GOOG) [b][d]	O	**$357**	65%	14%	4,445,104	4,412,963	579,945	7.6x	19%	14.71	4%	24.3x	284,818	15.5x	0.6%	NM	0.2%
Amazon (AMZN) [b][d]	O	**$243**	5%	5%	2,663,906	2,744,789	932,058	2.9x	13%	10.06	14%	24.2x	262,036	10.5x	0.6%	0.3x	0.0%
Microsoft (MSFT) [a][b][d]	O	**$402**	15%	(17%)	3,015,928	3,063,088	454,597	6.7x	18%	22.82	17%	17.6x	293,405	10.4x	2.2%	0.2x	0.9%
Other Communication																	
Altice USA (ATUS) [d]	--	**$1**	(32%)	(35%)	543	26,118	7,760	3.4x	-5%	(0.70)	NM	NM	3,073	8.5x	6%	8.3x	0.0%
EchoStar (SATS) [d]	--	**$114.8**	375%	6%	33,186	60,956	14,009	4.4x	-3%	1.80	NM	NM	2,394	25.5x	2%	11.6x	0.0%
Other Satellite Operators & Launch Providers																	
Firefly Aerospace (FLY)	--	**$33**	NM	46%	5,848	5,349	699	7.7x	60%	(1.30)	NM	NM	(134)	NM	(2.9%)	3.7x	0.0%
Gilat Satellite Networks (GILT) [d]	--	**$13**	110%	3%	1,059	896	566	1.6x	11%	0.76	28%	17.7x	82	10.9x	NM	NM	0.0%
Globalstar, Inc. (GSAT) [d]	--	**$80**	97%	31%	10,736	10,907	340	32.1x	16%	0.10	NM	NM	174	62.8x	1.3%	1.0x	0.0%
Gogo Inc. (GOGO) [d]	--	**$3**	(42%)	(28%)	480	1,279	951	1.3x	4%	0.51	50%	6.6x	219	5.8x	NM	3.6x	0.0%
HawkEye 360 (HAWK)	--	**$24**	#N/A	#N/A	2,513	2,931	268	10.9x	26%	0.17	NM	135.9x	58	50.7x	0.3%	7.2x	0.0%
Planet Labs (PL)	--	**$30**	388%	51%	12,068	11,890	565	21.0x	31%	(0.02)	NM	NM	58	205.0x	0.3%	NM	0.0%
Viasat (VSAT) [d]	--	**$62**	305%	80%	8,922	14,115	5,110	2.8x	5%	(0.92)	NM	NM	1,657	8.5x	4.1%	3.1x	0.0%
Rocket Labs (RKLB)	--	**$103**	174%	48%	67,223	65,979	1,267	52.1x	39%	(0.00)	NM	NM	110	601.3x	(0.1%)	NM	0.0%
Spire Global (SPIR)	--	**$16**	(47%)	109%	702	664	99	6.7x	24%	(0.51)	NM	NM	(3)	NM	(3.0%)	13.5x	0.0%
Arxis Inc. (ARXS)	--	**$40**	NM	NM	16,371	18,855	2,036	9.3x	10%	0.84	42%	47.1x	808	23.3x	NM	3.1x	0.0%
Redwire (RDW)	--	**$15**	(54%)	100%	3,345	3,409	566	6.0x	21%	(0.50)	NM	NM	13	263.3x	(1.1%)	4.9x	0.0%
Intuitive Machines (LUNR)	--	**$26**	(11%)	62%	7,514	7,703	1,143	6.7x	21%	0.03	NM	NM	69	111.3x	0.1%	2.6x	0.0%
Eutelsat Group (ETL-FR)	--	**$3**	(24%)	54%	3,631	6,461	1,494	4.3x	6%	(0.30)	NM	NM	795	8.1x	(4.7%)	3.6x	0.0%
Group Average				**26%**													
S&P 500 (Consensus)		**$7,289**		**6%**							**10%**	**24.4x**					**1.1%**

Notes:
Stock price results presented should not and cannot be viewed as an indicator of future performance. See "Legal Disclaimer" section at the end of our reports for important disclosures, including potential conflicts of interest. Returns data exludes applicable costs, including commissions and interest.
(A) Not on calendar year. (B) Either co-covered or by Other Opco Analyst. (C) REITs using AFFO yield vs. FCF yield. (D) Sourcing FactSet consensus estimates (E) Rev. and EBITDA multiples calculated based on Market Cap. due to excess cash balances. (F) Pro forma for pending acquisitions

Note: Uses IPO price for SPXC. Regular trading does not begin until 6/12/2026, O = Outperform, P = Perform

The IPO price of $135 implies a 2027 revenue multiple of ~31x and 77x EV/EBITDA against our estimates of $58B and $23B, respectively. Our price target of $190 translates to ~42x estimated revenue and ~108x estimated EBITDA. This revenue multiple reflects a 30% discount to ASTS, which has unproven technology and is only targeting the D2D market, but is a steep premium to the legacy telcos trading at ~2x and even the AI infrastructure providers at a group average of ~14x. Its most direct public peer, RKLB, is trading at ~58x forecasted 2027 revenue and 665x forecasted EBITDA on Street estimates. It is difficult to directly compare to peers given SpaceX's broad scope of operations, but we think our target awards an appropriate premium given major execution risks and does not fully capture significant upside potential. (Note that we are using the IPO price as of 6/10/2026. A market price will not be available until 6/12, when regular trading begins.)

Exhibit 19. SPACEX DCF Model

SpaceX (SPCX) DCF Model	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	Terminal
Revenue	10,387	14,015	18,674	31,339	56,330	94,133	153,507	219,942	297,925	394,272	526,256	696,166	885,559	552,569
% Y/Y				67.8%	79.7%	67.1%	63.1%	43.3%	35.5%	32.3%	33.5%	32.3%	27.2%	5.0%
Adj. EBITDA	3,821	5,350	6,584	10,744	24,785	41,418	73,683	116,569	169,817	232,621	310,491	410,738	531,335	386,798
% of Rev.				34.3%	44.0%	44.0%	48.0%	53.0%	57.0%	59.0%	59.0%	59.0%	60.0%	70.0%
Less: D&A	2,635	3,824	6,701	16,298	19,715	28,240	44,517	59,384	74,481	90,683	105,251	125,310	141,689	165,771
% of Rev.				52.0%	35.0%	30.0%	29.0%	27.0%	25.0%	23.0%	20.0%	18.0%	16.0%	30.0%
Less: SBC	679	784	1,947	4,103	6,196	8,472	12,281	10,997	14,896	19,714	21,050	13,923	17,711	16,577
% of Rev.				13.1%	11.0%	9.0%	8.0%	5.0%	5.0%	5.0%	4.0%	2.0%	2.0%	3.0%
EBIT	507	742	-2,064	-9,657	-1,127	4,707	16,886	46,188	80,440	122,224	184,190	271,505	371,935	204,451
% of Rev.				-30.8%	-2.0%	5.0%	11.0%	21.0%	27.0%	31.0%	35.0%	39.0%	42.0%	37.0%
Less: Taxes	0	0	0	0	0	0	3,377	9,238	16,088	24,445	36,838	54,301	74,387	40,890
% Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Less: CAPX	4,415	11,163	20,737	59,853	66,424	79,230	94,201	109,991	173,077	192,580	197,604	202,875	225,834	93,937
% of Rev.				191.0%	117.9%	84.2%	61.4%	50.0%	58.1%	48.8%	37.5%	29.1%	25.5%	17.0%
Less: Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Rev.				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
uFCF	(1,273)	(6,597)	(16,100)	(53,212)	(47,835)	(46,283)	(36,175)	(13,657)	(34,244)	(4,118)	54,999	139,638	213,403	235,394
% of Rev.				-169.8%	-84.9%	-49.2%	-23.6%	-6.2%	-11.5%	-1.0%	10.5%	20.1%	24.1%	42.6%
PV of uFCF	-	-	-	-	(47,835)	(41,948)	(29,715)	(10,167)	(23,106)	(2,518)	30,484	70,147	97,162	2,445,581
# of Periods					0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	
Discount Factor					1.00	0.91	0.82	0.74	0.67	0.61	0.55	0.50	0.46	

Source: Oppenheimer & Co. Inc., Company Filings

Cost of Capital	
Risk-Free Rate	4.2%
Equity Risk Premium	6.0%
Beta	1.3
Cost of Equity	12.2%
Cost of Debt	6.0%
Tax Rate	20.0%
After-Tax Cost of Debt	4.8%
Target Equity to Capital	75.0%
WACC	10.3%

DCF Scenario	
WACC	10.3%
LT Growth Rate	5.0%
Terminal uFCF Multiple	19.7
Terminal Value	$4,412,267
PV of uFCF	$42,503
PV of TV	$2,008,887
Enterprise Value	$2,051,389

Capitalization	*Current*	*DCF*	*% Upside/Downside*
Price	$135	$190	*+41%*
Diluted S/O	13,000	13,000	
Market Value ($M)	$1,755,000	$2,474,824	
Plus: Net Debt	$13,259	$13,259	
Enterprise Value	$1,768,259	$2,488,083	

Year	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EV / Sales (Current)	NM	126.2x	94.7x	56.4x	31.4x	18.8x	11.5x	8.0x	5.9x	4.5x	3.4x
EV / Sales (DCF)	NM	177.5x	133.2x	79.4x	44.2x	26.4x	16.2x	11.3x	8.4x	6.3x	4.7x
EV / EBITDA (Current)	462.8x	330.5x	268.6x	164.6x	71.3x	42.7x	24.0x	15.2x	10.4x	7.6x	5.7x
EV / EBITDA (DCF)	651.2x	465.1x	377.9x	231.6x	100.4x	60.1x	33.8x	21.3x	14.7x	10.7x	8.0x

Source: Oppenheimer & Co. Inc., Company Filings

Regulation

SpaceX operates at the intersection of several of the most heavily regulated domains in the US and world economy—aviation safety, telecommunications spectrum, national security, environmental protection, and an emerging body of space-and-extraterrestrial law that is still being written. While SpaceX's first-mover advantage gives it influence over rulemaking, it also invites scrutiny as regulators develop new policies that balance growth and safety.

The foundational regime is the Commercial Space Launch Act, under which the FAA's Office of Commercial Space Transportation licenses every launch and re-entry. A license turns on four reviews: public safety, national security and foreign-policy concerns, insurance and financial responsibility requirements, and environmental impact. The FAA is transitioning all launch and reentry licenses to its more flexible, performance-based "Part 450" framework—a change intended to streamline high-cadence operations.

Environmental review under the National Environmental Policy Act (NEPA), administered by the FAA, is the most reliable source of launch delay. SpaceX's Starbase operations sit beside protected habitat, and prior reviews have required dozens of mitigation actions, and local opposition and activists have often challenged regulations.

As both the largest satellite operator and one of the most frequent launch providers, SpaceX is at the center of the unresolved debris-and-traffic problem. The regulatory posture here has recently moved in the company's favor: in January 2026 the FAA withdrew a proposed orbital-debris disposal rule after industry opposition, relieving launch operators of certain mandatory deorbit-burn requirements. At the same time the FAA has shifted some responsibility onto

commercial aviation, issuing a safety alert warning pilots of falling-debris risk and establishing “Debris Response Areas.”
Spectrum is one of SpaceX’s tightest regulatory constraints. The FCC authorizes constellation size and spectrum use. SpaceX sought roughly 30K Gen2 Starlink satellites and was initially granted 7,500 (expanded to 15K in January 2026), and the proposed data-center constellation of up to 1M satellites was accepted for filing by the FCC’s Space Bureau in February 2026 and opened to public comment. Notably, SpaceX requested a waiver of the FCC’s standard deployment-milestone rules (half a constellation within 6 years, full system within 9) and proposed operating in Ka-band on a “non-interference, unprotected” basis to sidestep spectrum-warehousing objections.

Beyond US agencies, SpaceX must coordinate spectrum and orbital slots internationally through the International Telecommunication Union (ITU) and obtain market-access and landing-rights approvals country by country. This is politically sensitive process, given that SpaceX functions as both a communications service and an instrument of US soft power. China’s competing ITU filings for large constellations add to orbital-slot contention. Antitrust exposure is another concern: SpaceX’s dominance in both launch and connectivity, and soon AI business as well as future space economies could attract competition scrutiny. In addition, long-term Mars and lunar ambitions are unsettled legal territory—the 1967 Outer Space Treaty bars national appropriation of celestial bodies but does not clearly govern private resource extraction, in situ manufacturing, or off-world settlement governance. The Artemis Accords represent a US-led attempt to build norms around lunar resource use, but property rights, liability, and jurisdiction beyond Earth remain undefined.

Future Plans

Beyond the businesses that generate revenue today, SpaceX is organized around the founding purpose to make humanity multiplanetary. The near-to-medium term expression of that purpose is Mars. SpaceX has laid out a sequenced, transfer-window-driven plan—Earth and Mars align favorably only once roughly every 26 months—that begins with uncrewed Starship landings (Musk has targeted as early as the late-2026 opportunity, with a self-assessed 50-50 chance and a likely slip to 2028-2029), carrying Tesla-built Optimus humanoid robots as simulated crew and cargo-delivery scouts. Crewed landings are aspirationally targeted for the end of the decade (2029-2031), followed by an exponential ramp in flights per window—hundreds, then a stated long-run ambition of up to 2K per rendezvous—toward a self-sustaining Martian city within roughly 2 decades.

The primary gating factor is the fully and rapidly reusable Starship, in-orbit propellant transfer, reliable Mars entry/descent/landing, and in situ resource utilization (ISRU)—manufacturing propellant, oxygen, and eventually building materials from local resources, since shipping everything from Earth is economically impossible.

The moon is the nearer-term proving ground and a revenue opportunity in its own right. A Starship-derived Human Landing System is contracted to return NASA astronauts to the lunar surface under the Artemis program (Artemis III nominally 2027-2028, pending Starship readiness), and the longer-term lunar architecture—a South Pole base camp with power, habitats, and ISRU demonstrations—would validate the same resource-extraction and surface-manufacturing technologies that a Mars settlement ultimately requires. Lunar manufacturing is speculative today, but is the logical bridge between Earth-launched infrastructure and properly self-sustaining off-world economy.

Management Team

Elon Musk: Founder, Chief Executive Officer, Chief Technical Officer and Chairman of the Board
Elon Musk founded Space Exploration Technologies Corp.—better known as SpaceX—in 2002 with the goal of making humanity multiplanetary. Mr. Musk has served as the Chief Executive Officer, Chief Technical Officer and Chairman of the Board since founding the company. He also serves as CEO of Tesla and founded Neuralink, a brain-machine interface company, and The Boring Company, an infrastructure firm. Prior to SpaceX, Mr. Musk co-founded PayPal, which was acquired by eBay in 2002, and Zip2 Corporation, which was acquired by Compaq in March 1999. Mr. Musk holds a B.A. in Physics from the University of Pennsylvania and a B.S. in Business from the Wharton School of the University of Pennsylvania.

Gwynne Shotwell: President and Chief Operating Officer
Gwynne Shotwell has served as President and Chief Operating Officer since 2008 and has been a board member since March 2009. She oversees the company's operations and strategic initiatives, including investor relations. Previously, she served as Vice president of Business Development from 2002 to 2008. Prior to SpaceX, Ms. Shotwell held positions with Microcosm, Inc. and The Aerospace Corporation, where she performed technical analyses for government, civil and commercial customers. She also serves on the boards of Polaris, Inc. and Northwestern University. Ms. Shotwell holds a B.S. in Mechanical Engineering and an M.S. in Applied Mathematics from Northwestern University.

Bret Johnsen, CPA: Chief Financial Officer
Bret Johnsen has served as the Chief Financial Officer since 2011, overseeing global finance, long-term financial strategy and the financial aspects of SpaceX's growth initiatives. Prior to SpaceX, he served as the CFO at Mindspeed Technologies from 2008-2011, and spent nearly a decade at Broadcom Inc. in roles of increasing responsibility, including Vice President and Corporate Controller. Mr. Johnsen serves as a Trustee of the University of Southern California and holds a B.A. in Accounting from USC and an M.S. in Finance from San Diego State University. He is also a Certified Public Accountant (CPA).

William Gerstenmaier: VP of Build and Flight Reliability
William Gerstenmaier joined SpaceX in 2020, bringing over four decades of aerospace expertise to the company's most ambitious programs. He currently serves as Vice President of Build and Flight Reliability, applying his human spaceflight expertise to Starship development and NASA contracts. Prior to SpaceX, Mr. Gerstenmaier spent 14 years directing NASA's human exploration efforts, overseeing the International Space Station, the post-Columbia Space Shuttle return-to-flight and the certification of commercial crew vehicles. He holds a bachelor's degree in aeronautics and astronautics and a doctoral degree, both from Purdue University.

Mark Juncosa: VP of Vehicle Engineering
Mark Juncosa joined SpaceX in 2005 and has held a variety of technical leadership roles throughout his tenure. He became Senior Director of Structural Engineering in 2011 and was promoted to Vice President of Structural Engineering in 2013. He moved into his current role as VP of Vehicle Engineering in 2015, where he oversees the development of SpaceX's reusable launch vehicles, including the Falcon 9, Falcon Heavy, Starlink satellite and Starship. Prior to joining SpaceX, Mr. Juncosa worked at Works Performance, a mechanical and industrial engineering company. He holds a B.A. in Economics and a Master of Engineering in Systems Engineering, both from Cornell University.

Jon Edwards: SVP of Falcon and Dragon
Jon Edwards joined SpaceX in 2004 and has played an important role in the development of the company's launch vehicles since. He began his career at SpaceX as a propulsion engineer, serving as lead engineer for the Kestrel engine and responsible engineer for the Falcon 1 upper stage. Following Falcon 1's first successful orbital launch in 2008, Mr. Edwards transitioned to the Falcon 9 program, where he played a key role in developing successive versions of the vehicle, including v1.1, Full Thrust, Block 5 and Falcon Heavy. He later served as Falcon 9 Product Director and Senior Director of Vehicle Engineering before being promoted to Vice President of Falcon Launch Vehicles in 2020 and subsequently to Senior Vice President of Falcon and Dragon. In his current role, he oversees all aspects of Falcon and Dragon programs, including design, production, launch operations, cost, reliability and performance. Mr. Edwards holds a B.S. and M.S. in Aeronautical and Astronautical Engineering from Purdue University and an MBA from Indiana University.

Stuart Keech: VP of Starship Engineering
Stuart Keech joined SpaceX in 2014 after early career roles at Rolls-Royce, Boeing and NASA. He initially worked on Falcon 9 fluid systems and propulsion analysis before moving into leadership roles within the Dragon program. He led the Dragon propulsion team and later became Senior Director of Dragon Engineering, overseeing system development for NASA's crewed missions, including Demo-2. Keech was promoted to Vice President of Dragon Engineering and then to Vice President of Starship Engineering. In his current role, he leads engineering development for the Starship program, including design, testing, and system integration. Mr. Keech holds a B.S. in Aerospace Engineering from the University of Virginia.

Kiko Dontchev: VP of Launch
Kiko Dontchev joined SpaceX in 2010 as a power systems engineer, contributing to the development of battery systems for the Dragon spacecraft and Falcon 9 rocket. He later became lead engineer for early Dragon 2 development and led the Pad Abort Test program, a key safety milestone for crewed spaceflight. Mr. Dontchev went on to oversee Dragon ground operations, including launch, refurbishment and human spaceflight missions leading up to NASA's Demo-2 mission in 2020. He was subsequently promoted to lead all SpaceX launch and recovery operations and now serves as Vice President of Launch. In this role, he oversees vehicle integration, launch infrastructure, marine operations and launch cadence across SpaceX's global facilities. He holds both a Bachelor's and Master's degree in Aerospace Engineering from the University of Michigan.

Charles Kuehmann: VP of Materials Engineering
Charles Kuehmann joined SpaceX in 2015 after previously serving as Director of Product Design at Apple. He concurrently serves as Vice President of Materials Engineering at both SpaceX and Tesla. In his current role, Mr. Kuehmann leads the development of advanced materials and manufacturing processes used across SpaceX's rockets and spacecraft, including Falcon, Dragon and Starship. His work focuses on enabling performance improvements and cost reductions through materials innovation. Mr. Kuehmann holds a B.S. in Aerospace Engineering from Arizona State University and a Ph.D. in Materials Science and Engineering from Northwestern University.

Tim Hughes: SVP of Global Business and Government Affairs
Tim Hughes joined SpaceX in 2005 as its first General Counsel and has shaped the company's legal and regulatory strategy. He helped guide SpaceX's transition from a startup to a global aerospace leader and has been deeply involved in government contracting and policy development. He currently serves as Senior Vice President of Global Business and Government Affairs, where he leads policy, regulatory strategy, and government relations worldwide.

Prior to SpaceX, Hughes served as Majority Counsel to the U.S. House Committee on Science and Technology and played a key role in drafting the Commercial Space Launch Amendments Act of 2004. He holds a B.S. in International Politics from Georgetown University and a J.D. from William & Mary Law School.

Link to SpaceX prospectus: Space Exploration Technologies - S-1

Appendix I—Historical IPOs with Less than 10% Float

Historical precedent from small-float IPOs suggests that restricting the public float to less than 10% of shares outstanding (SpaceX is ~4.3%) tends to produce an immediate spike on Day 1, followed by a volatile but ultimately rewarding trajectory over the next 12 months.

LinkedIn issued ~8% of shares at $45 in May 2011, surged to $101 within its first two months before selling off sharply by year-end, closing 2011 down 33.15% from its Day 1 close of $94.25. The stock recovered in 2012, finishing that year up 79.07%.

Arm Holdings, which issued roughly 9.5% at $51 in September 2023, mirrored this pattern. It closed on Day 1 up ~24% before pulling back and recovering more quickly than LinkedIn, with a 2023 return of 8.5% from its Day 1 close. (Return calculations exclude applicable costs including commissions and interest.) In 2024 the stock continued the positive momentum with a return of +64%, excluding costs.

Google is the outlier: issuing 7.2% at $85 in August 2004, it never retraced its Day 1 close of $100, doubled within the first two months and gained 92.14% through year-end before adding another 100.16% in 2005. Across all three precedents, near-term volatility following the initial pop gave way to strong performance on a one-year horizon.

Exhibit 20. Small-Float IPO Comparables

Small-Float IPO Comparable Performance

IPOs issuing less than 10% of shares outstanding

Company	Float Issued	IPO Price	IPO Date	Day 1 Close	Day 1 Return	Year 1 Perfomance	Year 2 Performance
Google	7.20%	$85	Aug-04	$100	17.60%	+92.14% (from Day 1 close)	+100.66%
LinkedIn	~8%	$45	May-11	$94.25	109.40%	-33.15% (from Day 1 close)	+79.07%
Arm Holdings	~9.5%	$51	Sep-23	$63.59	24.70%	+8.4% (from Day 1 close)	+64.00%

Source: SEC, Oppenheimer & Co. Inc.
Note: These results cannot and should not be used as an indicator of future performance. Return data excludes applicable costs, including commissions and interest.

Exhibit 21. Lockup Period for Each Group

Holder Group	Lockup Days	Est. Lockup Expiration Date	Release Terms
Group 1 - Elon Musk + Significant Investors (~7.8B shares)			
Elon Musk	366	**6/13/2027**	Full 366-Day Hard Lockup
Significant Investors	366	**6/13/2027**	Full 366-Day Hard Lockup
Group 2 - All Other Insiders + Employees (~4.6B shares)			
Post Q2 Earnings Release	Est. 35-75 Days	Earnings Dependent	Up to 20% of each holder's eligible shares. Additional +10% if stock trades >30% above IPO price on 5 of 10 consecutive trading days prior to
Day 70 - Time Based	70	**8/21/2026**	7% of each holder's eligible locked-up shares
Day 90 - Time Based	90	**9/10/2026**	7% of each holder's eligible locked-up shares
Day 105 - Time Based	105	**9/25/2026**	7% of each holder's eligible locked-up shares
Day 120 - Time Based	120	**10/10/2026**	7% of each holder's eligible locked-up shares
Day 135 - Time Based	135	**10/25/2026**	7% of each holder's eligible locked-up shares
Post Q3 Earnings Release	Est. Day 130-165	Earnings Dependent	28% of each holder's eligible locked up shares
Day 180 - Full Expiry (Group 2)	180	**12/9/2026**	100% of all remaining locked-up shares for
Group 3 - Public Float (0.56B IPO Shares Sold)			
Class A Shares Sold in IPO	0	Day 1 - No Lockup	Freely tradeable on first day of listing

Source: SEC, Oppenheimer & Co. Inc.

Exhibit 22. Index Inclusion

Index	Min. Market Cap Requirement	Earliest Possible Inclusion	Est. Earliest Inclusion Date	Key Notes
U.S INDEXES				
Nasdaq Composite	No minimum	0	6/12/2026	Day 1 of listing on Nasdaq
Russell 1000	No hard floor - rank-based within top 1000 U.S. stocks by mkt cap	63	8/14/2026	Quarterly IPO additions
Nasdaq - 100 - Fast Entry	Must rank within top 40 NDX constituents by full mkt cap	20	7/2/2026	Effective May 1, 2026. SpaceX at ~$1.78T would rank in top 5-10 NDX constituents
Nasdaq - 100 - Standard Entry	Top 100 largest Nasdaq-listed non-financial stocks by mkt cap	90	9/10/2026	Standard path if fast entry not triggered
S&P 500	$22.7B+ total mkt cap	365	6/12/2027	12 months listing history AND 4 consecutive quarters of positive GAAP net income
GLOBAL INDEXES				
MSCI USA/ MSCI ACWI	Float-adj. mkt cap >85th percentile of U.S. investable universe	90	9/10/2026	IPO must start trading >3 months before semi-annual review. Free float >15% required
FTSE All-World	Float-adj. mkt cap above Large Cap cutoff in U.S.	63	8/14/2026	Quarterly IPO additions
Dow Jones Industrial Average	No formal requirement - discretionary committee	730	6/11/2028	Additions extremely rare. Not a near term catalyst

Source: FCC, SEC, Oppenheimer & Co. Inc.

Appendix II—Orbital Datacenter Technical Challenges

Datacenters represent one of the least visible but potentially transformative space-based industries. Terrestrial datacenters face growing constraints related to power availability, cooling, land acquisition, and latency-sensitive workloads. Globally, datacenters already consume ~2% of total electricity, a figure projected to double by 2030 as AI workloads scale. Space offers structural advantages: continuous access to solar energy, passive cooling via thermal radiation rather than water-intensive systems, and virtually unconstrained real estate. In-orbit processing also reduces latency for satellite-generated data, enabling real-time analytics before transmission to Earth.

Exhibit 23. Benefits and Challenges of Orbital Datacenters

Positives / Benefits	Description
Energy	Free and continuous 24/7 availability of sun's energy and at 40% higher intensity than on Earth's surface -- combined can generate 6-8x more energy
Cooling	Satellites can passively cool without complex and energy intensive systems needed on Earth
Latency	Optical laser links in the vacuum of space can transmit data ~40% faster than fiber optic cables
Scalability	Increased competition and usage of reusable rockets will drive costs down and support larger deployments in orbit
Global Edge Connectivity	At optimal orbits, can theoretically improve connectivity/latency by keeping edge workloads closer end-users compared to traditional long-haul networks
Negatives / Challenges	**Description**
Costs	Rocket launches are still very expensive. Falcon 9 commercial launches are ~$1,500 per kg. Google's Project Suncatcher would need to be <$200 per kg to be viable
Thermal Management	Vacuum of space means heat can only be removed via radiation which is slow. Power-dense GPUs would require massive passive radiator panels
Radiation	Radiation can cause chips to degrade faster. It can be resolved by wrapping servers in lead or aluminum, but adds mass
Maintenance	Maintenance is impractical in space so orbital datacenters would require very space-grade quality hardware

Source: Oppenheimer & Co. Inc.

Appendix III—Starship Importance

The Raptor engine is the foundation of the rocket's complexity. It runs a full-flow staged combustion cycle at 300 bar chamber pressure, 3x the previous Merlin engine, while leaving no propellant wasted. No engine at this scale had ever achieved this. Raptor 3 goes further by internalizing all secondary flow paths and regenerative cooling, eliminating the external heat shield entirely. The Super Heavy booster integrates 33 Raptor engines, each fighting independently for thrust vector control. The engines are also connected through cryogenic insulation and vacuum-jacketed transfer lines. Both stages are designed for full reusability, requiring a ceramic tile heat shield capable of surviving reentry and a ground catch system that recovers the booster mechanically. No launch vehicle in history has combined full two-stage reusability, this propulsion scale and a production target of this magnitude.

The approach to the current timeline is deliberate destruction. Each failure carries institutional friction that lengthens the program. Version 2 exploded twice over Florida in early 2025, and the FAA opened investigations that halted the program each time. There was also a ground test explosion in June 2025. Each incident requires a mishap investigation, regulatory clearance and hardware redesign before the next flight, which turns the schedule into a stop-start cycle rather than a continuous test cadence. The technical aspect compounds this. There is no existing playbook for what SpaceX is building so adjustments take longer than they otherwise would. SpaceX has spent $15B on Starship in total, reflecting the depth of engineering required.

Starship is the load-bearing structure of the entire growth case. Every major growth vector depends on the success of Starship. Falcon 9 has already dramatically reduced the cost of reaching orbit. Starship is designed to reduce it by another order of magnitude with targets of ~$100 per kilogram and delivery of over 200 metric tons to orbit. This creates markets that do not currently exist.

Starlink is the most direct linkage, as Starship's payload capacity is the only way to deploy the next-generation constellation at the required speed and cost. The larger emerging opportunity is orbital data centers, where Starship is the only practical way to lift solar arrays, compute hardware and infrastructure required to build AI processing facilities in orbit. SpaceX's IPO filing shows Musk's compensation awards are tied directly to orbital data center milestones, signaling how central this is to the long-term thesis of the company. Starship also underpins NASA Artemis contracts and Mars optionality. Ultimately, it is the convergence of launch infrastructure and orbital compute that will drive the stock price.

Appendix IV—AI Impact on Smartphones, Consumer Hardware

We see a structural shift under way in consumer hardware over the next decade: a class of devices whose primary purpose is not to run apps but to serve as a physical interface to an AI agent. The smartphone gets displaced and becomes a legacy form factor—a grid of applications the user must navigate—while the emerging category is screenless or screen-light, voice- and vision-first, context-aware, with AI workloads running in the cloud. The most visible entrant is OpenAI's collaboration with British-American industrial designer Jony Ive, targeting a "calm computing" companion device—with reported production ambitions in the tens of millions of units through Foxconn and multiple from factors. Apple, Meta, Google, and others are racing into the same space, while earlier attempts failed largely because underlying models were not capable enough to justify a dedicated device.

Further out, the deeper open question is the input modality—how a user converses with an always-on agent without typing or speaking aloud in public. The most credible research vein is electromyography (EMG): sensors that read the faint electrical signals the brain sends to the throat, jaw, or wrist muscles when a person intends to speak or gesture, decoded into text or commands by an ML model.

We think that AI-native hardware and wearables will become commonplace and take over the $500B smartphone market, and SPACEX will have the means to build this kind of product, possibly in a collaboration with Neuralink or others. SPACEX is the only company assembling the full AI stack—frontier models, application layer, captive silicon, and global connectivity. An agent-first device is the natural consumer endpoint, and SPACEX has mastered the practice of scaled manufacturing for consumer usage, which in our eyes makes this an attractive opportunity to further leverage its infrastructure and integration advantage.

Appendix V – SpaceX Significant Suppliers

STMicroelectronics (STM) – Chips

- > 5B RF chips shipped for Starlink antennas
- Supports 20,000+ terminals daily
- Relationship of 10+ years

Howmet Aerospace (HWM) – Engine Components

- Supplies superalloy castings (turbine housings, structural engine parts)
- No disclosed dollar value but these parts are typically high margin and mission-critical
- Used in Merlin and Raptor engines

Hexcel (HXL) – Composites

- Supplies carbon fiber composites for payload fairings and interstage structures
- Important for mass reduction and launch cost advantage (although no disclosed contract size)

Solvay – Specialty Polymers

- High-temperature engine components
- Satellite structural parts

Wistron NeWeb – Starlink Terminals

- Primary manufacturer of Starlink user terminals
- Plans to double workforce in Vietnam due to the number of orders from SpaceX

EchoStar Corporation (SATS) (owns Boost Mobile)—Communication Network

- SpaceX agreed to buy ~$20B wireless spectrum licenses to support Starlink
- Deal was funded 50/50 cash and equity
- Included is funding $2B in cash interest payments on EchoStar debt
- Deal is focused on expanding direct-to-cell satellites

SpaceX maintains several significant supplier relationships across key business lines. STMicroelectronics has shipped over 5B RF chips for Starlink antennas and supports more than 20,000 terminals daily across a 10+ year partnership. Howmet Aerospace supplies superalloy castings for Merlin and Raptor engines, components that are typically high margin and mission critical. Hexcel provides carbon fiber composites for payload fairings and interstage structures supporting mass reduction and launch cost advantage. Solvay rounds out the supply chain with specialty polymers for engine and satellite components, and Wistron NeWeb serves as the primary manufacturer of Starlink terminals. On the spectrum side, SpaceX agreed to purchase ~$20B in wireless spectrum licenses from EchoStar Corporation in a 50/50 cash and equity deal. The transaction is focused on expanding direct-to-cell satellite capabilities

Appendix VI—Fully Diluted Share Analysis

Exhibit 24. Stock Options and RSUs

	Stock Options			
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Balance at December 31, 2024	530	$ 8.86	6.5	$ 14,342
Granted	20	$ 37.27		
Exercised	(34)	$ 5.80		
Cancelled	(20)	$ 9.81		
Outstanding at December 31, 2025	496	$ 10.18	5.7	$ 37,171
Vested and expected to vest at December 31, 2025	496	$ 10.18	5.7	$ 37,171
Vested and exercisable at December 31, 2025	398	$ 8.31	5.2	$ 30,346

	RSUs		RSAs	
	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value Per Share	Number of Restricted Stock Awards	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2024	110	$ 12.57	109	$ 0.00
Granted	74	$ 54.84	0	$ 93.87
Exercised	(51)	$ 25.53	(34)	$ 0.42
Cancelled	(24)	$ 33.44	(42)	$ 0.00
Balance at December 31, 2025	109	$ 40.49	34	$ 0.11

Source: SpaceX S-1

Exhibit 25. Convertible Stock, Stock Options, RSUs, and Grants

	Number of Shares			
	Class A	Class B	Class C	Class D
Redeemable Convertible Preferred Stock issued (low-vote)	4,291	—	3,459	—
Redeemable Convertible Preferred Stock issued (high-vote)	3,275	3,812	3,275	—
Outstanding Class B	644	—	—	—
Outstanding stock options	10	468	474	—
Outstanding RSUs	47	43	62	—
Future grants under share-based compensation	161	—	383	—
	8,428	4,323	7,653	—

Source: SpaceX S-1

Appendix VII—Related Oppenheimer Reports

June 3, 2026: SpaceX Implications: Positive for Spectrum/Space/AI/Drones; Negative for Comm. Note here.

April 28, 2026: Spectrum Regulatory Update: FCC Supporting Satellite (MSS) Spectrum Ownership. Note here.

April 16, 2026: Deep Dive on Wireless and Satellite Communications and Spectrum Implications. Note here.

January 21, 2026: The Golden Age of Space Industries. Note here.

December 23: 2026 Outlook: The Year of AI Applications, so We Favor AI Infrastructure. Note here.

December 2, 2025: Strong AI/Cloud Results Support Accelerating Infrastructure Growth. Note here.

September 8, 2025: SATS Selling AWS-4 Spectrum to SpaceX for $17B. Note here.

May 14, 2025: Digital Infrastructure Deep Dive, Growth Driven by the 5th Epoch of Compute—AI. Note here.

January 13, 2025: The Miracle of Leo Communications Continues. Note here.

December 4, 2024: The Miracle of LEO Satellite Communications. Note here.

September 26, 2024 AI Models and Applications Accelerating, But Infrastructure a Bottleneck. Note here.

January 18, 2023: Microsoft and OpenAI Create Artificial Intelligence's "iPhone Moment". Note here.

October 11, 2019: Cloud Set to Drive a New "Roaring 20s" Defined by Big Productivity Improvements. Note here.

February 11, 2013: All Cloud, All The Time. Note here.

SpaceX (SPCX) Financial Model	2023	2024	Mar-25 1Q25	Jun-25 2Q25	Sep-25 3Q25	Dec-25 4Q25	2025	Mar-26 1Q26	Jun-26 2Q26E	Sep-26 3Q26E	Dec-26 4Q26E	2026E	2027E
Income Statement													
Space	**3,557**	**3,796**	**865**				**4,086**	**619**	**800**	**1,000**	**1,200**	**3,619**	**4,405**
% Y/Y Growth		*6.7%*					*7.6%*	*-28.4%*				*-11.4%*	*21.7%*
% of total	34.2%	27.1%	21.3%				21.9%	13.2%	10.2%	11.3%	12.1%	11.5%	7.8%
Connectivity	**3,869**	**7,599**	**2,475**				**11,387**	**3,257**	**3,160**	**3,737**	**3,999**	**14,152**	**19,271**
% Y/Y Growth		*96.4%*					*49.8%*	*31.6%*				*24.3%*	*36.2%*
% of total	37.2%	54.2%	60.9%				61.0%	69.4%	40.2%	42.3%	40.2%	45.2%	34.2%
AI	**2,961**	**2,620**	**727**				**3,201**	**818**	**3,900**	**4,100**	**4,750**	**13,568**	**32,654**
% Y/Y Growth		*-11.5%*					*22.2%*	*12.5%*				*323.9%*	*140.7%*
% of total	28.5%	18.7%	17.9%				17.1%	17.4%	49.6%	46.4%	47.7%	43.3%	58.0%
Total Revenue	**10,387**	**14,015**	**4,067**				**18,674**	**4,694**	**7,860**	**8,837**	**9,949**	**31,339**	**56,330**
% Y/Y		*34.9%*					*33.2%*	*15.4%*				*67.8%*	*79.7%*
Incremental Revenue Per Year													24,990
Total cost of revenue	6,110	7,996	1,962				9,451	2,388	4,009	4,153	4,974	15,524	24,785
% of total revenue	58.8%	57.1%	48.2%				50.6%	50.9%	51.0%	47.0%	50.0%	49.5%	44.0%
Total gross profit	4,277	6,019	2,105				9,223	2,306	3,851	4,684	4,974	15,815	31,545
% gross margin	41.2%	42.9%	51.8%				49.4%	49.1%	49.0%	53.0%	50.0%	50.5%	56.0%
Research & Development	2,105	3,464	1,557				8,643	3,514	5,502	5,744	5,969	20,729	25,348
% of revenue	20.3%	24.7%	38.3%				46.3%	74.9%	70.0%	65.0%	60.0%	66.1%	45.0%
Selling, general, & administrative	1,665	1,813	493				2,644	746	1,179	1,326	1,492	4,743	7,323
% of revenue	16.0%	12.9%	12.1%				14.2%	15.9%	15.0%	15.0%	15.0%	15.1%	13.0%
Non-GAAP Operating Expenses	3,770	5,277	2,050				11,287	4,260	6,681	7,069	7,461	25,472	32,671
% of revenue	36.3%	37.7%	50.4%				60.4%	90.8%	85.0%	80.0%	75.0%	81.3%	58.0%
Depreciation and amortization	2,635	3,824	1,443				6,701	2,442	4,087	4,595	5,173	16,298	19,715
% of revenue	25.4%	27.3%	35.5%				35.9%	52.0%	52.0%	52.0%	52.0%	52.0%	35.0%
Share-based Compensation	679	784	232				1,947	639	1,022	1,149	1,293	4,103	6,196
% of revenue	6.5%	5.6%	5.7%				10.4%	13.6%	13.0%	13.0%	13.0%	13.1%	11.0%
Adj. EBITDA	**3,821**	**5,350**	**1,730**				**6,584**	**1,127**	**2,279**	**3,358**	**3,979**	**10,744**	**24,785**
% Y/Y		*40.0%*	*NM*				*23.1%*	*-34.9%*	*NM*	*NM*	*NM*	*63.2%*	*130.7%*
% margin	36.8%	38%	42.5%				35.3%	24.0%	29.0%	38.0%	40.0%	34.3%	44.0%
Non-GAAP Operating Income	**507**	**742**	**55**				**(2,064)**	**(1,954)**	**(2,830)**	**(2,386)**	**(2,487)**	**(9,657)**	**(1,127)**
Interest Expense	1,693	1,580	664				1,945	447	437	642	2,003	3,529	2,552
Interest (Income)	(249)	(371)	(213)				(492)	(117)	(120)	(120)	(120)	(477)	(500)
Other (Income) Expense, net	42	(985)	1,876				177	211	0	0	0	211	0
Total Other (Income) Expense	1,486	224	2,327				1,630	541	317	522	1,883	3,263	2,052
Non-GAAP Pretax Income (Loss)	(979)	518	(2,272)				(3,694)	(2,495)	(3,146)	(2,908)	(4,370)	(12,920)	(3,179)
Tax Expense (Benefit)	(363)	(549)	14				718	6	(315)	(291)	(437)	(1,036)	0
% Tax Rate	37.1%	-106.0%	-0.6%				-19.4%	-0.2%	10.0%	10.0%	10.0%	8.0%	0.0%
Non-GAAP Net Income	**(616)**	**1,067**	**(2,286)**				**(4,412)**	**(2,501)**	**(2,832)**	**(2,618)**	**(3,933)**	**(11,883)**	**(3,179)**
Non-GAAP EPS								**($0.19)**	**($0.22)**	**($0.20)**	**($0.30)**	**($0.91)**	**($0.23)**
% Y/Y												*NM*	*NM*
Fully Diluted Shares Outstanding (millions) Basic are 3,900								13,000	13,000	13,000	13,000	13,000	13,780
Free Cash Flow Analysis													
Non-GAAP Net Income	(616)	1,067	(2,286)				(4,412)	(2,501)	(2,832)	(2,618)	(3,933)	(11,883)	(3,179)
Plus: Depreciation and Amortization	2,635	3,824	1,443				6,701	2,442	4,087	4,595	5,173	16,298	19,715
Plus: Stock-Based Comp	679	784	232				1,947	639	1,022	1,149	1,293	4,103	6,196
Less: Working Capital, Other, etc.	(1,822)	(101)	(1,338)				(2,549)	(467)	(500)	(500)	(500)	(1,967)	(3,000)
Net Cash from Operations	4,520	5,776	727				6,785	1,047	2,777	3,626	3,034	10,484	25,733
Space CapEx	1,497	2,032	759				3,832	1,052	1,000	1,200	1,080	4,332	5,506
% of segment revenue	42.1%	53.5%	87.7%				93.8%	170.0%	125.0%	120.0%	90.0%	119.7%	125.0%
Connectivity CapEx	2,455	3,498	814				4,178	1,332	1,422	1,495	1,399	5,648	8,672
% of segment revenue	63.5%	46.0%	32.9%				36.7%	40.9%	45.0%	40.0%	35.0%	39.9%	45.0%
CapEx per Satellite (Mobile CAPX kicking in 2029 and beyond												$3	$3
AI CapEx	463	5,633	2,567				12,727	7,723	15,600	12,300	14,250	49,873	52,246
% of segment revenue	15.6%	215.0%	353.1%				397.6%	944.1%	400.0%	300.0%	300.0%	367.6%	160.0%
Incremental $ Rev./CAPX		($16.52)					$0.05					$0.21	$0.37
CapEx Per MW							NA					$50	$35
Less: Total CapEx	4,415	11,163	4,140				20,737	10,107	18,022	14,995	16,729	59,853	66,424
% of revenue	42.5%	79.7%	101.8%				111.0%	215.3%	229.3%	169.7%	168.2%	191.0%	117.9%
Incremental $ Rev./CAPX							$0.00					$0.17	$0.29
Free Cash Flow	**105**	**(5,387)**	**(3,413)**				**(13,952)**	**(9,060)**	**(15,245)**	**(11,368)**	**(13,696)**	**(49,369)**	**(40,691)**
Margin													
Less: Spectrum Acquisitions													20,000
FCF after M&A, Spectrum, and Buybacks	105	(5,387)	(3,413)				(13,952)	(9,060)	(15,245)	(11,368)	(13,696)	(49,369)	(60,691)
% of Rev.													
2027-2031 cash burn													
Less: Stock-Based Comp (SBC)	679	784	232				1,947	639	1,022	1,149	1,293	4,103	6,196
Free Cash Flow after SBC		(6,171)	(3,645)				(15,899)	(9,699)	(16,266)	(12,517)	(14,989)	(53,472)	(46,888)
% of Rev.													
Capital Raise										85,000		85,000	40,000
Balance Sheet													
Cash and Equivalents		11,385				24,747	24,747	15,852	14,328	93,643	92,274	92,274	71,582
Total Debt								29,111	42,831	133,515	145,842	145,842	217,424
Net Debt		(11,385)				(24,747)	(24,747)	13,259	28,504	39,872	53,568	53,568	145,842
Net Debt/EBITDA								2.9x	3.1x	3.0x	3.4x	5.0x	5.9x
Effective Annual Interest Rate								6.1%	6.0%	6.0%	6.0%	9.7%	7.0%
Net PP&E		21,147				42,602	42,602	53,879	67,814	78,213	89,770	89,770	136,478
Useful life							6.4					5.5	6.9
Total Assets		57,062				92,079	92,079	102,094	116,029	126,428	137,985	137,985	184,693
Shareholder Equity		4,863				2,573	2,573	34,533	31,701	29,084	25,151	25,151	21,972

Source: Oppenheimer & Co. Inc., Company Filings

Supplemental KPIs & Revenue Drivers	2023	2024	Mar-25 1Q25	Jun-25 2Q25	Sep-25 3Q25	Dec-25 4Q25	2025	Mar-26 1Q26	Jun-26 2Q26E	Sep-26 3Q26E	Dec-26 4Q26E	2026E	2027E
Connectivity													
Global Starlink Subscribers (000s)	**2,300**	**4,400**	**5,000**			**8,900**	**8,900**	**10,300**	**11,550**	**13,050**	**14,400**	**14,400**	**21,400**
Net Adds		*2,100*					*4,500*	*1,400*	*1,250*	*1,500*	*1,350*	*5,500*	*7,000*
% Y/Y Change		*91.3%*					*102.3%*	*106.0%*			*61.8%*	*61.8%*	*48.6%*
Monthly Broadband ARPU	$99.00	$91.00	$86.00				$81.00	$66.00	$68.00	$70.00	$70.00	$68.50	$61.65
% Y/Y Change		*-8.1%*					*-11.0%*	*-23.3%*				*-15.4%*	*-10.0%*
Implied Broadband Revenue								$1,901	$2,229	$2,583	$2,882	$9,595	$13,242
% Y/Y Change													*38.0%*
Satellites in Orbit						9,600	9,600	10,000	10,500	11,250	12,250	12,250	*15,250*
New Satellites								*400*	*500*	*750*	*1,000*	*2,650*	*3,000*
Global Mobile Subscribers								**7,400**	**12,400**	**17,400**	**22,400**	**22,400**	**62,400**
Net Adds									*5,000*	*5,000*	*5,000*	*22,400*	*40,000*
Monthly Mobile ARPU								$4.00	$4.00	$4.00	$4.00	$4.00	$3.80
% Y/Y Change													*-5.0%*
Implied Mobile Revenue								$89	$119	$179	$239	$625	$1,933
% Y/Y Change													*209.3%*
Starlink Equipment Revenue								$910	$813	$975	$878	$3,575	$4,095
Estimate Cost per Subscriber								$650	$650	$650	$650	$650	$585
Implied Connectivity Revenue								**$2,900**	**$3,160**	**$3,737**	**$3,999**	**$13,795**	**$19,271**
AI													
Megawatts							1,000	1,200	1,400	1,600	2,000	2,000	3,500
New MW							1,000	*100*	*200*	*200*	*400*	*1,000*	*1,500*
Avg. Annualized Price per MW								$10	$10	$9	$8	$10	$10
% Y/Y Change													*-3.0%*
Implied AI Infrastructure Revenue								$3,000	$3,500	$3,600	$4,000	$14,100	$26,675
% Y/Y Change													*89.2%*
Est. Other AI Revenue (Grok, advertising, etc.)	$2,323	$1,728	$443				$1,844	$343	$400	$500	$750	$1,993	$5,979
% Y/Y Change												*8.1%*	*200.0%*
Implied AI Revenue									**$3,900**	**$4,100**	**$4,750**	**$16,093**	**$32,654**
Space													
Number of Launches	98	138	38				170	40	40	40	40	160	250
% Y/Y Change		*40.8%*					*23.2%*	*5.3%*					
Est. Revenue per Launch	$36.3	$27.5	$22.8				$24.0	$15.5	$15.0	$20.0	$20.0	$17.6	$35.2
% Y/Y Change		*-24.2%*					*-12.6%*	*-32.0%*				*-26.7%*	*100.0%*
Max Potential Mass to Orbit (metric tons)	1,210	1,699	450				2,213	556					25,000
Revenue per Metric Ton	$2,939.7	$2,234.3	$1,922.2				$1,846.4	$1,113.3					$0.18
% Y/Y Change		*-24.0%*					*-17.4%*	*-42.1%*					
Implied Launch Revenue								**$619**	**$600**	**$800**	**$800**	**$2,819**	**$4,405**
% Y/Y Change													*56.3%*
% 3rd party customers													*50.0%*

Source: Oppenheimer & Co. Inc., Company Filings

SpaceX (SPCX) Financial Model	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Income Statement													
Space	**3,557**	**3,796**	**4,086**	**3,619**	**4,405**	**5,946**	**7,928**	**7,671**	**8,028**	**8,362**	**8,885**	**11,195**	**12,154**
% Y/Y Growth		*6.7%*	*7.6%*	*-11.4%*	*21.7%*	*35.0%*	*33.3%*	*-3.3%*	*4.7%*	*4.2%*	*6.2%*	*26.0%*	*8.6%*
% of total	34.2%	27.1%	21.9%	11.5%	7.8%	6.3%	5.2%	3.5%	2.7%	2.1%	1.7%	1.6%	1.4%
Connectivity	**3,869**	**7,599**	**11,387**	**14,152**	**19,271**	**33,888**	**65,328**	**105,632**	**145,028**	**185,575**	**224,338**	**256,362**	**281,765**
% Y/Y Growth		*96.4%*	*49.8%*	*24.3%*	*36.2%*	*75.8%*	*92.8%*	*61.7%*	*37.3%*	*28.0%*	*20.9%*	*14.3%*	*9.9%*
% of total	37.2%	54.2%	61.0%	45.2%	34.2%	36.0%	42.6%	48.0%	48.7%	47.1%	42.6%	36.8%	31.8%
AI	**2,961**	**2,620**	**3,201**	**13,568**	**32,654**	**54,299**	**80,250**	**106,640**	**144,869**	**200,335**	**293,034**	**428,609**	**591,640**
% Y/Y Growth		*-11.5%*	*22.2%*	*323.9%*	*140.7%*	*66.3%*	*47.8%*	*32.9%*	*35.8%*	*38.3%*	*46.3%*	*46.3%*	*38.0%*
% of total	28.5%	18.7%	17.1%	43.3%	58.0%	57.7%	52.3%	48.5%	48.6%	50.8%	55.7%	61.6%	66.8%
Total Revenue	**10,387**	**14,015**	**18,674**	**31,339**	**56,330**	**94,133**	**153,507**	**219,942**	**297,925**	**394,272**	**526,256**	**696,166**	**885,559**
% Y/Y		*34.9%*	*33.2%*	*67.8%*	*79.7%*	*67.1%*	*63.1%*	*43.3%*	*35.5%*	*32.3%*	*33.5%*	*32.3%*	*27.2%*
Incremental Revenue Per Year					24,990	37,803	59,375	66,435	77,983	96,347	131,984	169,909	189,393
Total cost of revenue	6,110	7,996	9,451	15,524	24,785	40,477	66,008	94,575	122,149	153,766	194,715	243,658	292,234
% of total revenue	58.8%	57.1%	50.6%	49.5%	44.0%	43.0%	43.0%	43.0%	41.0%	39.0%	37.0%	35.0%	33.0%
Total gross profit	4,277	6,019	9,223	15,815	31,545	53,656	87,499	125,367	175,776	240,506	331,542	452,508	593,324
% gross margin	41.2%	42.9%	49.4%	50.5%	56.0%	57.0%	57.0%	57.0%	59.0%	61.0%	63.0%	65.0%	67.0%
Research & Development	2,105	3,464	8,643	20,729	25,348	37,653	53,727	57,185	65,544	78,854	94,726	111,386	132,834
% of revenue	20.3%	24.7%	46.3%	66.1%	45.0%	40.0%	35.0%	26.0%	22.0%	20.0%	18.0%	16.0%	15.0%
Selling, general, & administrative	1,665	1,813	2,644	4,743	7,323	11,296	16,886	21,994	29,793	39,427	52,626	69,617	88,556
% of revenue	16.0%	12.9%	14.2%	15.1%	13.0%	12.0%	11.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Non-GAAP Operating Expenses	3,770	5,277	11,287	25,472	32,671	48,949	70,613	79,179	95,336	118,282	147,352	181,003	221,390
% of revenue	36.3%	37.7%	60.4%	81.3%	58.0%	52.0%	46.0%	36.0%	32.0%	30.0%	28.0%	26.0%	25.0%
Depreciation and amortization	2,635	3,824	6,701	16,298	19,715	28,240	44,517	59,384	74,481	90,683	105,251	125,310	141,689
% of revenue	25.4%	27.3%	35.9%	52.0%	35.0%	30.0%	29.0%	27.0%	25.0%	23.0%	20.0%	18.0%	16.0%
Share-based Compensation	679	784	1,947	4,103	6,196	8,472	12,281	10,997	14,896	19,714	21,050	13,923	17,711
% of revenue	6.5%	5.6%	10.4%	13.1%	11.0%	9.0%	8.0%	5.0%	5.0%	5.0%	4.0%	2.0%	2.0%
Adj. EBITDA	**3,821**	**5,350**	**6,584**	**10,744**	**24,785**	**41,418**	**73,683**	**116,569**	**169,817**	**232,621**	**310,491**	**410,738**	**531,335**
% Y/Y		*40.0%*	*23.1%*	*63.2%*	*130.7%*	*67.1%*	*77.9%*	*58.2%*	*45.7%*	*37.0%*	*33.5%*	*32.3%*	*29.4%*
% margin	36.8%	38%	35.3%	34.3%	44.0%	44.0%	48.0%	53.0%	57.0%	59.0%	59.0%	59.0%	60.0%
Non-GAAP Operating Income	**507**	**742**	**(2,064)**	**(9,657)**	**(1,127)**	**4,707**	**16,886**	**46,188**	**80,440**	**122,224**	**184,190**	**271,505**	**371,935**
						5.0%	11.0%	21.0%	27.0%	31.0%	35.0%	39.0%	42.0%
Interest Expense	1,693	1,580	1,945	3,529	2,552	14,133	16,875	20,216	22,085	25,044	25,109	21,428	12,760
Interest (Income)	(249)	(371)	(492)	(477)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Other (Income) Expense, net	42	(985)	177	211	0	0	0	0	0	0	0	0	0
Total Other (Income) Expense	1,486	224	1,630	3,263	2,052	13,633	16,375	19,716	21,585	24,544	24,609	20,928	12,260
Non-GAAP Pretax Income (Loss)	(979)	518	(3,694)	(12,920)	(3,179)	(8,926)	511	26,471	58,855	97,680	159,581	250,576	359,675
Tax Expense (Benefit)	(363)	(549)	718	(1,036)	0	0	0	0	5,885	19,536	31,916	50,115	71,935
% Tax Rate	37.1%	-106.0%	-19.4%	8.0%	0.0%	0.0%	0.0%	0.0%	10.0%	20.0%	20.0%	20.0%	20.0%
Non-GAAP Net Income	**(616)**	**1,067**	**(4,412)**	**(11,883)**	**(3,179)**	**(8,926)**	**511**	**26,471**	**52,969**	**78,144**	**127,665**	**200,461**	**287,740**
Non-GAAP EPS				**($0.91)**	**($0.23)**	**($0.62)**	**$0.03**	**$1.78**	**$3.48**	**$5.04**	**$8.15**	**$12.67**	**$18.00**
% Y/Y				*NM*	*NM*	*NM*	*NM*	*4982.0%*	*96.2%*	*44.6%*	*61.8%*	*55.5%*	*42.1%*
Fully Diluted Shares Outstanding (millions) Basic are 3,900				13,000	13,780	14,331	14,618	14,910	15,208	15,513	15,668	15,824	15,983
Free Cash Flow Analysis													
Non-GAAP Net Income	(616)	1,067	(4,412)	(11,883)	(3,179)	(8,926)	511	26,471	52,969	78,144	127,665	200,461	287,740
Plus: Depreciation and Amortization	2,635	3,824	6,701	16,298	19,715	28,240	44,517	59,384	74,481	90,683	105,251	125,310	141,689
Plus: Stock-Based Comp	679	784	1,947	4,103	6,196	8,472	12,281	10,997	14,896	19,714	21,050	13,923	17,711
Less: Working Capital, Other, etc.	(1,822)	(101)	(2,549)	(1,967)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Net Cash from Operations	4,520	5,776	6,785	10,484	25,733	30,786	60,308	99,853	145,347	191,540	256,966	342,694	450,141
Space CapEx	1,497	2,032	3,832	4,332	5,506	5,946	7,136	6,904	6,422	6,690	6,219	6,717	6,077
% of segment revenue	42.1%	53.5%	93.8%	119.7%	125.0%	100.0%	90.0%	90.0%	80.0%	80.0%	70.0%	60.0%	50.0%
Connectivity CapEx	2,455	3,498	4,178	5,648	8,672	13,555	22,865	36,971	50,760	55,673	44,868	46,145	42,265
% of segment revenue	63.5%	46.0%	36.7%	39.9%	45.0%	40.0%	35.0%	35.0%	35.0%	30.0%	20.0%	18.0%	15.0%
CapEx per Satellite (Mobile CAPX kicking in 2029 and beyond				$3	$3	$3	$6	$9	$17	$19	$22	$23	$21
AI CapEx	463	5,633	12,727	49,873	52,246	59,728	64,200	66,117	115,895	130,218	146,517	150,013	177,492
% of segment revenue	15.6%	215.0%	397.6%	367.6%	160.0%	110.0%	80.0%	62.0%	80.0%	65.0%	50.0%	35.0%	30.0%
Incremental $ Rev./CAPX		($16.52)	$0.05	$0.21	$0.37	$0.36	$0.40	$0.40	$0.33	$0.43	$0.63	$0.90	$0.92
CapEx Per MW			NA	$50	$35	$30	$32	$33	$23	$13	$7	$5	$4
Less: Total CapEx	4,415	11,163	20,737	59,853	66,424	79,230	94,201	109,991	173,077	192,580	197,604	202,875	225,834
% of revenue	42.5%	79.7%	111.0%	191.0%	117.9%	84.2%	61.4%	50.0%	58.1%	48.8%	37.5%	29.1%	25.5%
Incremental $ Rev./CAPX			$0.00	$0.17	$0.29	$0.27	$0.28	$0.24	$0.22	$0.29	$0.47	$0.67	$0.72
Free Cash Flow	**105**	**(5,387)**	**(13,952)**	**(49,369)**	**(40,691)**	**(48,444)**	**(33,892)**	**(10,138)**	**(27,730)**	**(1,040)**	**59,363**	**139,819**	**224,307**
Margin													*25.3%*
Less: Spectrum Acquisitions					20,000	20,000	20,000	20,000	20,000				
FCF after M&A, Spectrum, and Buybacks	105	(5,387)	(13,952)	(49,369)	(60,691)	(68,444)	(53,892)	(30,138)	(47,730)	(1,040)	59,363	139,819	224,307
% of Rev.													
2027-2031 cash burn									(260,897)				
Less: Stock-Based Comp (SBC)	679	784	1,947	4,103	6,196	8,472	12,281	10,997	14,896	19,714	21,050	13,923	17,711
Free Cash Flow after SBC		(6,171)	(15,899)	(53,472)	(46,888)	(56,916)	(46,173)	(21,136)	(42,627)	(20,753)	38,312	125,896	206,596
% of Rev.													
Capital Raise				85,000	40,000								
Balance Sheet													
Cash and Equivalents		11,385	24,747	92,274	71,582	57,894	57,894	57,894	57,894	57,894	57,894	57,894	57,894
Total Debt				145,842	217,424	272,179	326,072	356,210	403,941	404,980	345,618	205,799	(18,508)
Net Debt		(11,385)	(24,747)	53,568	145,842	214,286	268,178	298,316	346,047	347,087	287,724	147,905	(76,402)
Net Debt/EBITDA				5.0x	5.9x	5.2x	3.6x	2.6x	2.0x	1.5x	0.9x	0.4x	-0.1x
Effective Annual Interest Rate				9.7%	7.0%	6.5%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Net PP&E		21,147	42,602	89,770	136,478	187,468	237,152	287,759	386,355	488,253	580,605	658,170	742,315
Useful life			6.4	5.5	6.9	6.6	5.3	4.8	5.2	5.4	5.5	5.3	5.2
Total Assets		57,062	92,079	137,985	184,693	235,683	285,367	335,974	434,570	536,468	628,820	706,385	790,530
Shareholder Equity		4,863	2,573	25,151	21,972	13,046	13,557	40,028	92,998	171,142	298,806	499,267	787,008

Source: Oppenheimer & Co. Inc., Company Filings

Supplemental KPIs & Revenue Drivers	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Connectivity													
Global Starlink Subscribers (000s)	**2,300**	**4,400**	**8,900**	**14,400**	**21,400**	**36,400**	**66,400**	**101,400**	**131,400**	**156,400**	**176,400**	**196,400**	**211,400**
Net Adds		*2,100*	*4,500*	*5,500*	*7,000*	*15,000*	*30,000*	*35,000*	*30,000*	*25,000*	*20,000*	*20,000*	*15,000*
% Y/Y Change		*91.3%*	*102.3%*	*61.8%*	*48.6%*	*70.1%*	*82.4%*	*52.7%*	*29.6%*	*19.0%*	*12.8%*	*11.3%*	*7.6%*
Monthly Broadband ARPU	$99.00	$91.00	$81.00	$68.50	$61.65	$54.25	$46.66	$41.06	$36.95	$34.00	$31.96	$30.36	$28.84
% Y/Y Change		*-8.1%*	*-11.0%*	*-15.4%*	*-10.0%*	*-12.0%*	*-14.0%*	*-12.0%*	*-10.0%*	*-8.0%*	*-6.0%*	*-5.0%*	*-5.0%*
Implied Broadband Revenue				$9,595	$13,242	$18,815	$28,778	$41,337	$51,615	$58,704	$63,810	$67,906	$70,567
% Y/Y Change					*38.0%*	*42.1%*	*53.0%*	*43.6%*	*24.9%*	*13.7%*	*8.7%*	*6.4%*	*3.9%*
Satellites in Orbit			9,600	12,250	*15,250*	*19,250*	*23,250*	*27,250*	*30,250*	*33,250*	*35,250*	*37,250*	*39,250*
New Satellites				*2,650*	*3,000*	*4,000*	*4,000*	*4,000*	*3,000*	*3,000*	*2,000*	*2,000*	*2,000*
Global Mobile Subscribers				**22,400**	**62,400**	**162,400**	**337,400**	**512,400**	**662,400**	**812,400**	**937,400**	**1,037,400**	**1,137,400**
Net Adds				*22,400*	*40,000*	*100,000*	*175,000*	*175,000*	*150,000*	*150,000*	*125,000*	*100,000*	*100,000*
Monthly Mobile ARPU				$4.00	$3.80	$5.32	$7.45	$9.68	$11.62	$13.36	$14.70	$15.43	$15.90
% Y/Y Change					*-5.0%*	*40.0%*	*40.0%*	*30.0%*	*20.0%*	*15.0%*	*10.0%*	*5.0%*	*3.0%*
Implied Mobile Revenue				$625	$1,933	$7,176	$22,335	$49,369	$81,899	$118,235	$154,310	$182,860	$207,421
% Y/Y Change					*209.3%*	*271.1%*	*211.3%*	*121.0%*	*65.9%*	*44.4%*	*30.5%*	*18.5%*	*13.4%*
Starlink Equipment Revenue				$3,575	$4,095	$7,898	$14,216	$14,926	$11,515	$8,636	$6,218	$5,596	$3,777
Estimate Cost per Subscriber				$650	$585	$527	$474	$426	$384	$345	$311	$280	$252
Implied Connectivity Revenue				**$13,795**	**$19,271**	**$33,888**	**$65,328**	**$105,632**	**$145,028**	**$185,575**	**$224,338**	**$256,362**	**$281,765**
AI													
Megawatts			1,000	2,000	3,500	5,500	7,500	9,500	14,500	24,500	44,500	74,500	114,500
New MW			1,000	1,000	1,500	2,000	2,000	2,000	5,000	10,000	20,000	30,000	40,000
Avg. Annualized Price per MW				$10	$10	$9	$9	$9	$8	$8	$7	$6	$6
% Y/Y Change					*-3.0%*	*-3.0%*	*-3.0%*	*-3.0%*	*-5.0%*	*-10.0%*	*-10.0%*	*-10.0%*	*-10.0%*
									Assumes Space Datacenters Deployed At Scale in 2031				
Implied AI Infrastructure Revenue				$14,100	$26,675	$42,341	$59,324	$75,250	$100,923	$147,600	$235,025	$364,800	$521,450
% Y/Y Change					*89.2%*	*58.7%*	*40.1%*	*26.8%*	*34.1%*	*46.3%*	*59.2%*	*55.2%*	*42.9%*
Est. Other AI Revenue (Grok, advertising, etc.)	$2,323	$1,728	$1,844	$1,993	$5,979	$11,958	$20,927	$31,390	$43,946	$52,735	$58,008	$63,809	$70,190
% Y/Y Change				*8.1%*	*200.0%*	*100.0%*	*75.0%*	*50.0%*	*40.0%*	*20.0%*	*10.0%*	*10.0%*	*10.0%*
Implied AI Revenue				**$16,093**	**$32,654**	**$54,299**	**$80,250**	**$106,640**	**$144,869**	**$200,335**	**$293,034**	**$428,609**	**$591,640**
Space													
Number of Launches	98	138	170	160	250	500	1,000	1,200	1,600	2,000	2,500	3,500	4,000
% Y/Y Change		*40.8%*	*23.2%*										
Est. Revenue per Launch	$36.3	$27.5	$24.0	$17.6	$35.2	$26.4	$19.8	$14.9	$11.1	$8.4	$7.1	$6.4	$6.1
% Y/Y Change		*-24.2%*	*-12.6%*	*-26.7%*	*100.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-15.0%*	*-10.0%*	*-5.0%*
Max Potential Mass to Orbit (metric tons)	1,210	1,699	2,213		25,000	50,000	100,000	120,000	160,000	200,000	250,000	350,000	400,000
Revenue per Metric Ton	$2,939.7	$2,234.3	$1,846.4		$0.18	$0.12	$0.08	$0.06	$0.05	$0.04	$0.04	$0.03	$0.03
% Y/Y Change		*-24.0%*	*-17.4%*										
Implied Launch Revenue				**$2,819**	**$4,405**	**$5,946**	**$7,928**	**$7,671**	**$8,028**	**$8,362**	**$8,885**	**$11,195**	**$12,154**
% Y/Y Change					*56.3%*	*35.0%*	*33.3%*	*-3.3%*	*4.7%*	*4.2%*	*6.2%*	*26.0%*	*8.6%*
% 3rd party customers					*50.0%*	*45.0%*	*40.0%*	*43.0%*	*45.0%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*

Source: Oppenheimer & Co. Inc., Company Filings

ESG CONSIDERATIONS *

ESG Rating	B
ESG Rating Environment	A
ESG Rating Social	B
ESG Rating Governance	D

*Environmental/Social/Governance (ESG) scores are courtesy of Refinitiv's ESG product which are designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness, based on company-reported data. Refinitiv's ESG ratings are independent of Oppenheimer's stock ratings and are not taken into consideration when assigning a rating. For full details about Refinitiv's ESG scores, please click here

Disclosure Appendix

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Distribution of Ratings/IB Services Firmwide

			IB Serv/Past 12 Mos.	
Rating	Count	Percent	Count	Percent
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PERFORM [P]	222	32.41	92	41.44
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