SpaceX: A Railroad to Space, Priced Like a Rocket

- $1.77tr, fixed at $135/share, Nasdaq 12 June.
- Two engines, one moonshot: Launch and Starlink are real and profitable; AI is 93% of the story and the weakest hand SpaceX holds.
- Our call — buy with care. The name and a thin float point the stock up at the open, but $1.77tr embeds the hype with no margin of safety.

The most ambitious story ever brought to public markets

Strip away the noise and SpaceX is three bets stacked on one another: reusable rockets make Starlink possible, Starlink prints the cash, and the cash funds an AI and Mars ambition that may define the next decade or may never arrive. Two of those layers are built and profitable. The rest is under construction — and priced as if it is already finished. That gap, between what exists and what you are paying for, is what this deep dive is about.

Why we don't argue with the business

The launch numbers are not close: in 2025 SpaceX put more than 80% of all mass into orbit and ~85% of all satellites, at a cost per kilogram that turned spaceflight from a government project into a utility. Starlink rides that monopoly at internal cost and now throws off a 63% EBITDA margin — the same economics that bankrupted OneWeb, which had to buy its launches from third party. On Space and Connectivity, the question is not whether SpaceX wins. It is how much bigger the prize gets when Starship flies. We think the bulls are right here. The disagreement starts elsewhere.

Where the doubt lives — and where the price sits

The catch is that the cheap, certain businesses are not what you are buying at $1.77tr. AI is 93% of the addressable market, and it is the one arena where SpaceX is a challenger, not a king — Grok trails Anthropic, OpenAI, and Google, even as every hyperscaler races to build the same compute. The orbital-data-center dream that excites the market is, on our research, still closer to myth than physics allows today. And the $250b paid for xAI — ~80x sales — tells you the price was running ahead of the business well before the roadshow began.

The number nobody is pricing: margin of safety

Some see the next early-Amazon. But early Amazon was cheap; this is ~95x sales on a company still burning $20.7b a year. The tell is the structure of the deal itself — SpaceX fixed a flat price *before* the roadshow, skipping the bookbuild. A normal IPO is deliberately priced a little light to leave room for a first-day pop, and that underpricing is the buyer's cushion. A take-it-or-leave-it price removes it by design. We unpack in the deep dive why $1.77tr is the valuation that cannot afford to fail.

So why "buy," and not "avoid"?

Because the setup points up. The SpaceX name carries hype, the free float is razor-thin, and Nasdaq's new "Fast Entry" rule will force index funds to buy days after listing — three reasons the stock likely rises at the open. But a thin float cuts both ways: it holds a rich price aloft while the story feeds it, and drops it hard the moment hype fades and bad news lands together. Own it for the exposure if you want it. Just size it knowing the pop is structural, not a verdict — and that the real test comes the first time the narrative breaks.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

Assistant Analyst

Peerayu Sirivorawong

A Railroad to Space, Priced Like a Rocket

SpaceX has set its IPO. On 3 June it fixed the price at $135/share for a $1.77tr valuation, selling 555.6m Class A shares to raise ~$75b (with an underwriter option for ~$11.2b more) and listing on Nasdaq as SPCX on 12 June. That is the largest IPO on record, and at $1.77tr SpaceX would be the seventh-largest US company — above Tesla (~$1.6tr). The filing folds in xAI, Grok, and X, so this is no longer a launch-and-satellites company on paper. It is three businesses under one roof.

The story is simple to state:

1) Starlink generates the cash.
2) Rockets bend the cost curve.
3) AI and Mars are the moonshots

The investment frame: a railroad to space.

SpaceX is best understood as infrastructure. Before it, rockets were thrown away after one flight — the equivalent of scrapping a 747 after every trip. Reusability broke that model. NASA puts Falcon 9's cost at roughly $2,700/kg, versus a historical industry average near $18,500 — an ~85% cut. One booster has now flown 34 times. Starship is designed to take another ~99% off if it works at scale

Cheap, reliable access to orbit turns launch from a government project into a utility. Once orbit is cheap, businesses that were never viable become viable. Starlink is the first proof. Orbital AI compute may be the next. Mars is the endpoint. The whole equity case rests on this one idea: lower the cost to orbit, and new markets open on top of it.

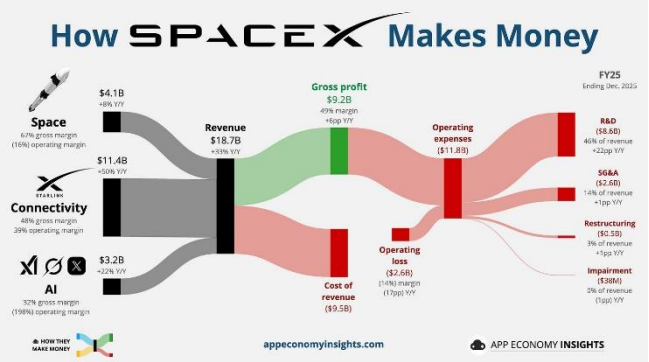
Three segments, three economic profiles

The S-1 reports three segments. The gap between them is the single most important thing in the filing.

- **Space —** Falcon, Dragon, Starship, and launch services for NASA, the Pentagon, the NRO, foreign governments, and commercial operators. Also Starshield, the defense satellite network.
- **Connectivity —** Starlink: consumer, enterprise, government, and mobile.
- **AI —** xAI, Grok, X, and the compute underneath them.

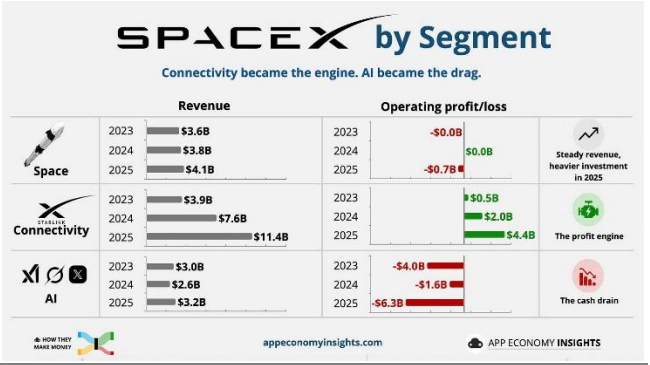
Space lowers the cost to orbit. Connectivity turns that access into recurring cash. AI is where the cash goes to build the next platform. Two of these segments make money today. The third does not (yet).

Exhibit 1: How SpaceX Makes Money



Sources: App Economy Insights

Exhibit 2: SpaceX's Revenue and Profit Breakdown



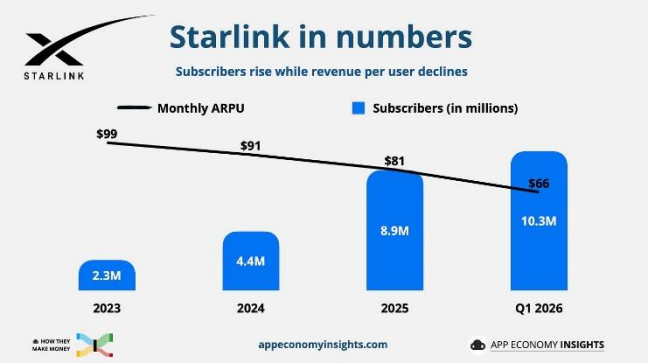
Sources: App Economy Insights

Space — the moat

Falcon 9, Falcon Heavy, Dragon, and the approaching Starship. The moat is extreme vertical integration: SpaceX designs, builds, launches, and recovers its own rockets, and is its own largest customer. Every Starlink satellite, every Starshield bird, every Dragon mission flies on internal capacity that rivals have to buy — often from SpaceX itself.

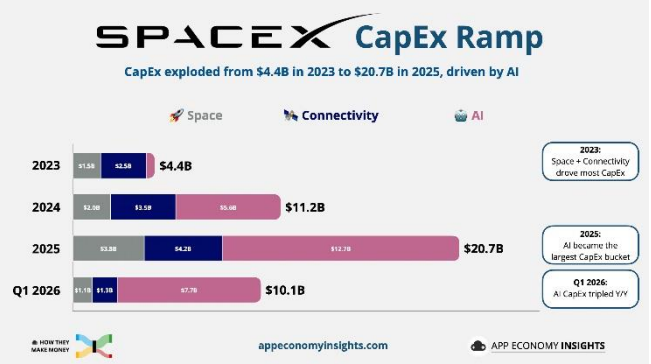
In 2025 SpaceX flew 11 of 12 National Security Space Launch missions and all five NASA crew and cargo flights to the ISS. The US government has no backup, and will not have one for years. That is the durability of this segment.

Exhibit 3: Starlink in Numbers



Sources: App Economy Insights

Exhibit 4: SpaceX's CapEx



Sources: App Economy Insights

Connectivity — the cash engine

Starlink across 164 countries and 10.3m subscribers as of 31 March 2026.

- Revenue $11.4b (+50% y-y)
- Operating income $4.4b (+120% y-y)
- Segment EBITDA $7.2b (+86% y-y), a 63% margin

This is a business Musk called cash-flow negative in 2022. It now self-funds.

The tension is price. ARPU has fallen from $99/month in 2023 to ~$66 in Q1 2026 as the mix shifts to cheaper emerging-market plans and lower-ARPU mobile users. The bet is that volume and network efficiency outrun price compression.

Starlink Mobile is the second leg: 7.4m unique devices, ~30 countries, ~30 carrier partnerships including T-Mobile and Vodafone. The EchoStar spectrum purchase (FCC-approved 12 May 2026) is the key change — it turns Mobile from a partnership-dependent overlay into a network that owns its own frequencies

AI — the expensive bet

Folded in as of February 2026. Four pieces: xAI (the lab), Grok (the model), X (distribution and data), and the compute beneath them — COLOSSUS and COLOSSUS II in Memphis, ~1.0GW combined, which the S-1 calls the first coherent gigawatt-scale training cluster ever deployed.

The pitch is integration: Grok trains on X's ~350m daily posts, X gets AI features, SpaceX supplies the connectivity backbone, and from 2028 orbital compute satellites in sun-synchronous orbit theoretically move inference off Earth's grid.

The edge SpaceX presses hardest is speed. It brought the first COLOSSUS cluster online — ~100,000 H100s, ~130MW — in 122 days by reusing an existing factory shell; the first COLOSSUS II cluster (~110,000 GB200s, ~210MW) in 91 days; and a second GB300 cluster in 64 days, at a per-MW build cost the filing says undercuts industry benchmarks.

The industry norm for a 100MW greenfield site is roughly two years. In an era where compute demand runs well ahead of supply, the ability to stand up gigawatt-scale capacity in months — not years — is itself the moat. The vertical-integration playbook that bent the launch cost curve is now aimed at data centers.

That speed advantage is already converting into revenue. SpaceX is renting Colossus capacity to outside AI labs, and within two weeks signed two of the largest cloud-compute commitments ever disclosed:

Anthropic — $1.25b/month for exclusive access to Colossus 1. The S-1 reads as a contract through 2029 (~$45b implied), but Musk recharacterized it on 28 May as a 180-day lease with 90-day mutual cancellation. Treat $45b as a prospectus-implied ceiling, not backlog.

Google — $920m/month, Oct 2026–Jun 2029 (~32 months, ~$32b), for ~110,000 Nvidia GPUs, framed as "bridge capacity" for Gemini Enterprise demand. Google is also a SpaceX shareholder since 2015 (>$100b stake post-IPO) and a reported orbital-data-center partner.

Both deals go to direct Grok competitors — a company selling its own frontier model is leasing its best clusters to rivals, a tell about where it sees the surer return. Combined run-rate exceeds $2b/month once ramped. But both carry the same post-2026 90-day escape hatch, so neither is locked-in backlog.

Two forward bets round out the segment. **Terafab**, a proposed $20b+ chip JV with Tesla and Intel targeting one terawatt of annual compute, appears as a strategic pillar but carries no binding terms. **Cursor** — SpaceX holds an option to buy Anysphere for ~$60b in stock (or pay $10b to walk), which would give xAI a foothold in AI coding, where OpenAI and Anthropic lead.

What's Under a $1.8trillion Valuation?

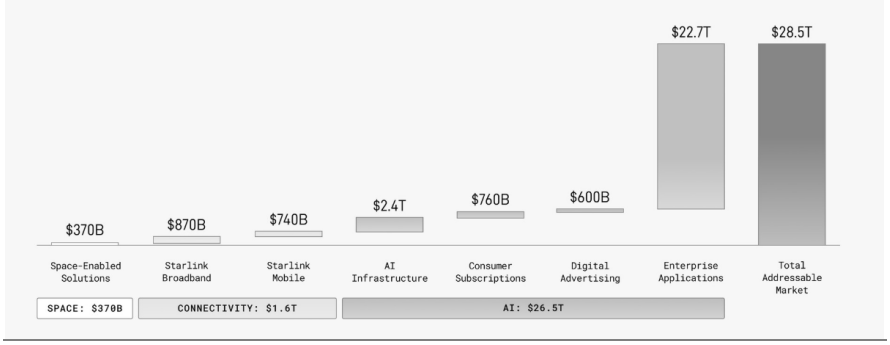
A $1.77tr IPO needs a story big enough to carry it. SpaceX supplies one: a total addressable market of $28.5tr, split across three segments.

Exhibit 5: SpaceX's Estimated TAM by Segment

Segment	TAM	Components
Space	$370b	Space-enabled solutions
Connectivity	$1.6tr	Starlink Broadband $870b, Starlink Mobile $740b
AI	$26.5tr	Enterprise applications $22.7tr, AI infrastructure $2.4tr, consumer subscriptions $760b, digital advertising $600b

Sources: SpaceX, Globlex Research

Exhibit 6: SpaceX's Estimated TAM by Segment



Sources: SpaceX

The headline does its job — AI alone is 93% of the pie. But TAM is the easy part. The real question is not how big the market is. It is how much of it SpaceX can actually take. We work through the three segments in rising order of doubt.

Space — we have no doubt

This is the part of the case that needs the least defending. In 2025 SpaceX launched **more than 80% of all mass sent to orbit** from Earth and roughly **85% of all satellites** — multiples ahead of the nearest competitor (China's CASC, a state contractor, was a distant second). With a lead this wide in a business this hard to enter, we have no doubt SpaceX can hold and grow its share of the launch market. The only question in Space is not *whether* SpaceX wins, but how much bigger the addressable market gets once Starship lowers the cost to orbit again.

Connectivity — we have no doubt

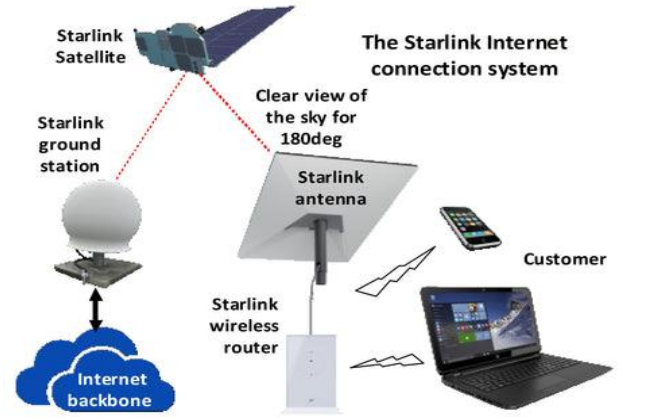
The launch lead is also what wins Connectivity, because Starlink rides SpaceX's own rockets at internal cost. The clearest way to see why this matters is to compare Starlink with a competitor that tried the same thing without it.

Why OneWeb failed and Starlink prints cash. OneWeb chased a near-identical Low Earth Orbit (LEO) broadband constellation but had to buy its launches and its satellites from third parties. Its per-satellite orbit-insertion cost ran at a multiple of Starlink's, and without proprietary launch the unit economics never converged. It filed for bankruptcy in 2020. Starlink, launching on its own Falcon 9 at internal cost and building its own satellites, drove cost down far enough to reach profitability. Vertical integration is the whole difference.

The ARPU drop is a feature, not a bug. Starlink's ARPU has fallen from $99/month in 2023 to ~$66 in 1Q26. Read quickly, that looks like price weakness. It is the opposite. SpaceX has driven its own cost per subscriber down — cheaper satellites, cheaper launch, terminals at breakeven — and is passing the saving through as lower prices. Lower prices widen the addressable base and pull in more users. This is economies of scale working as intended: falling price *and* expanding margin at the same time.

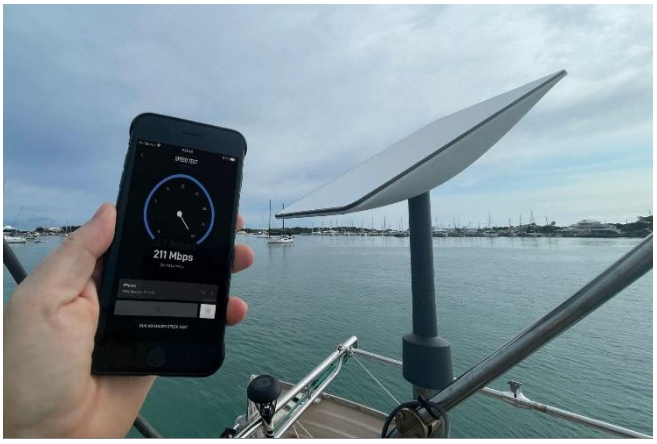
Thailand note. The emerging-market playbook lands differently here. Thailand already has cheap, dense fixed broadband and mobile coverage, so Starlink's value proposition — connectivity where terrestrial networks can't reach — is weaker. We expect Thailand to be a later and smaller market for Starlink than its regional peers with worse terrestrial infrastructure.

Exhibit 7: Starlink Internet System



Sources: WISP

Exhibit 8: Starlink's Internet on the Cruise



Sources: Boat & Sail Magazine

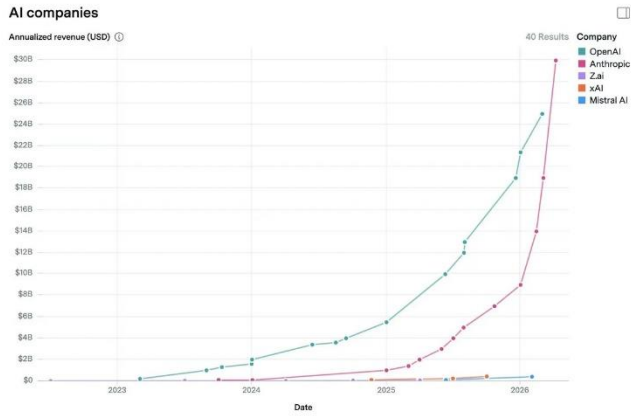
AI — this is where the doubt lives

AI is 93% of the TAM, so it carries most of the valuation. It is also the only segment where SpaceX is not the leader — it is a challenger fighting on the same field as every hyperscaler and every frontier lab.

The build-speed edge is real. SpaceX stands up gigawatt-scale data centers faster than anyone — clusters online in 64–122 days against a ~two-year industry norm — and in a market where compute demand runs well ahead of supply, that speed is a genuine edge. But the hyperscalers are all building too, at scale, with their own balance sheets.

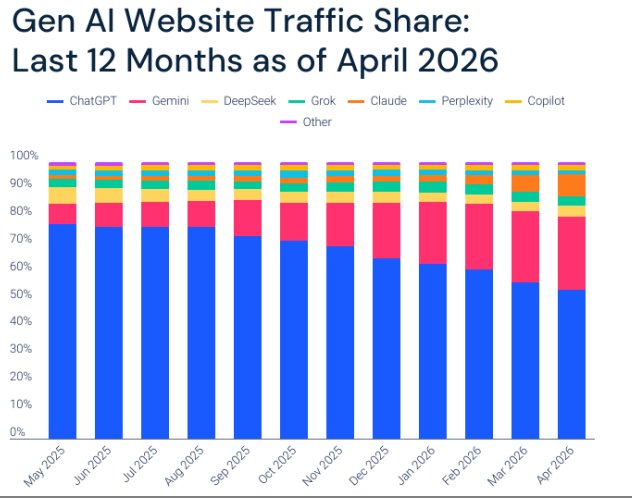
The model race is undecided, and xAI is behind. On our read of the current field: Anthropic (Claude) has the momentum, OpenAI (ChatGPT) has the most users, and Google (Gemini) has the strongest ecosystem. xAI's Grok sits well behind the leaders in the foundation-model race. The race is long and the winner is not yet knowable — but SpaceX is not entering from the front. This is the segment where the gap between TAM and capturable share is widest, and where we apply the most caution.

Exhibit 9: AI Companies Revenue



Sources: The AI Corner

Exhibit 10: Gen AI Website Traffic Share (12 months)



Sources: Similarweb

What else is in the price?

TAM explains the size of the story. It does not fully explain a $1.77tr number. Several other things are priced in.

The Musk premium. A large part of the valuation is belief in one person's record of turning the impossible into the done. He built a successful EV company in Tesla. He pulled SpaceX back from near-bankruptcy during the Falcon 1 failures of 2006–08 and went on to build the first reusable orbital rocket. He delivered Falcon Heavy — three Falcon 9 cores flown together, a project engineers widely called a nightmare and many expected to fail. That track record of converting struggling or impossible programs into successes is itself a line item in the valuation, even if it never appears in a model.

Starshield — the defense option. SpaceX's cumulative trackable contract value with the US Space Force, the Space Development Agency, and the NRO has reached **$17–18b and above** as of early 2026, driven by the Pentagon's pivot from large, expensive GEO satellites to low-cost proliferated LEO constellations. Because Starshield is a military overlay on the commercial Starlink platform, its marginal R&D cost sits far below a traditional defense prime's.

Mars — priced as hope. The ultimate goal is the infrastructure for human settlement off Earth, starting with the Moon and a self-sustaining city on Mars. This is too distant to value, but some of the hope is already in the price. We treat it as option value with no base-case number attached

The near-term catalyst: space data centers

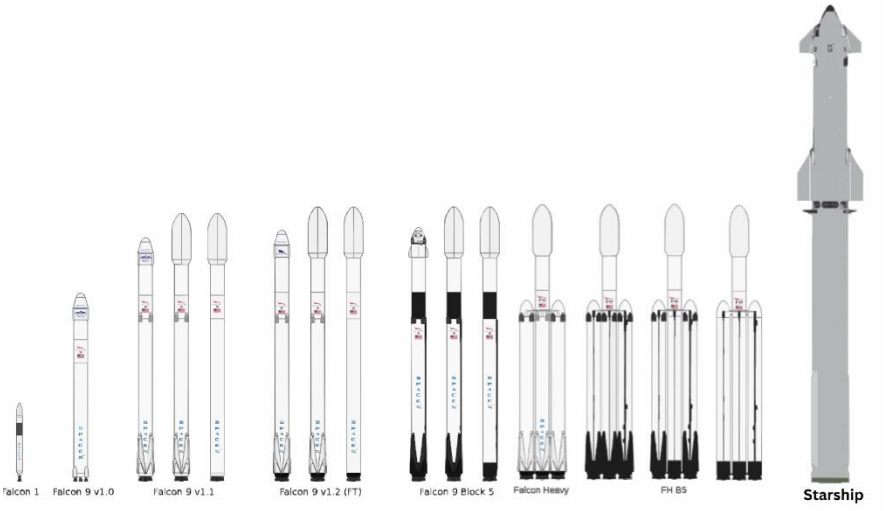
The most investable piece of the long-term story is orbital compute. The logic is clean: the binding constraint on terrestrial data centers is **electricity**, and in orbit solar power is continuous, effectively free, and far more productive per unit area, while deep space offers a cold sink for cooling. If that works, it routes around the single biggest bottleneck in the AI build-out.

Our view: still closer to myth than reality with current technology. The cooling claim is where it breaks down. In vacuum there is no air or water to carry heat away — the only exit is thermal radiation, the same mechanism the ISS uses. Radiating away the heat from a single 140kW GB300 NVL72 rack requires, on our estimates, on the order of **325 m² of radiator area at a cost of roughly $340–500m**. Multiply that across a real cluster and the "free cooling in space" story collapses under its own mass and cost.

Launch capacity is the other wall. Falcon 9 tops out at 22,800kg to LEO and Falcon Heavy at 63,800kg. Lifting the mass of radiators, solar arrays, and compute that an orbital data center needs is either impossible or prohibitively expensive at those payloads.

What to watch: Starship. Starship is designed to carry up to ~150,000kg to LEO — roughly 7x Falcon 9 — and is in testing now, with its first V3 flight (Flight 12) completed in May 2026. If Starship reaches reliable, high-cadence, low-cost operation, the economics of orbital compute move from impossible toward merely hard. That, more than any single contract, is the catalyst that would justify the option value the market is paying for today.

Exhibit 11: SpaceX launch vehicles



Sources: Wikipedia

Our View on the $1.77trillion Valuation

SpaceX is a great business at a demanding price. We think it is investable — but with care, and with a clear understanding of what you are paying for.

The bull case writes itself: some see SpaceX as the next super-unicorn, an Amazon or a Google in its early days. On the business, that may well prove right — the launch monopoly is real, Starlink is a genuine cash engine, and the optionality is vast. But the $135/share, $1.77tr IPO price is not an early-Amazon price.

It already includes the hype, the expectations, and the optionality — priced with a low margin of safety. This is a valuation that cannot afford to fail. At $1.77tr SpaceX would list as the seventh-largest US company — above Tesla — and the price leaves little room for the ordinary disappointments that every company eventually delivers.

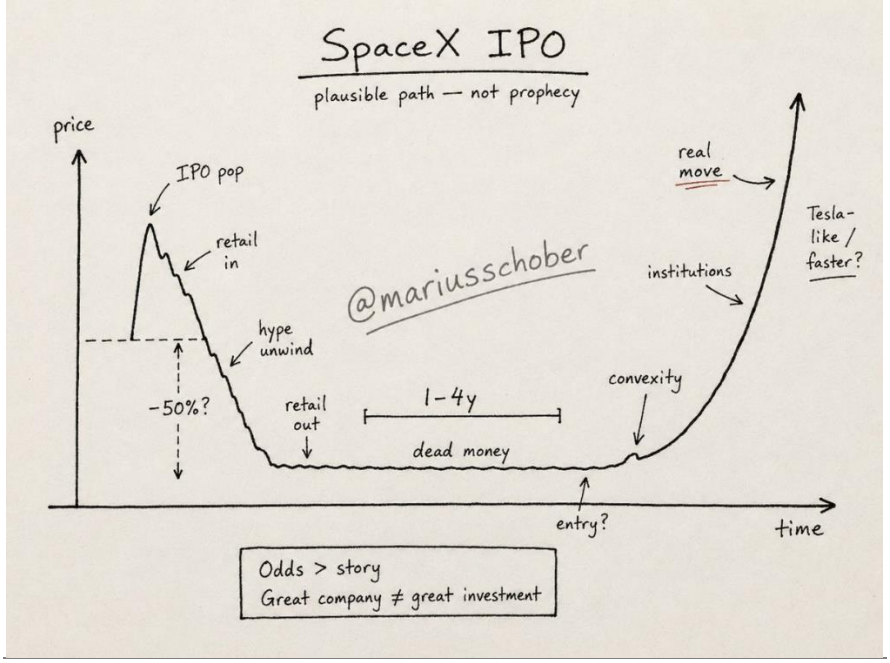
So, our call is not "avoid." It is: you can own this, but size it for the risk and do not mistake the post-IPO move for proof the price was right.

What you're actually paying

At ~$2tr on $18.7b of FY25 revenue, SpaceX would trade at a price-to-sales multiple north of 100x — and as a company still spending more than it earns. That is the heart of the margin-of-safety problem. The Amazon/Google comparison is instructive in the other direction: early Amazon and early Google were *cheap* relative to what they became. Investors were paid to wait. Here the destination is already in the price. You are buying the journey at the value of the arrival.

The clearest single piece of evidence that the price runs ahead of the business is the xAI mark. In February 2026 SpaceX absorbed xAI at a $250b valuation — the largest acquisition of a private target in history — for a business with roughly $3b of revenue, or ~80x sales, and (as we set out in Part 2) the weakest competitive position in the whole structure. The combined entity was marked at $1.25tr then. Four months later the IPO is priced at $1.77tr — a further ~40% step-up on no new operating results. Price is moving faster than the business underneath it.

Exhibit 12: SpaceX IPO Price Possibility



Sources: @mariusschober

The float and the hype — why the stock likely rises, and when it doesn't

The SpaceX name carries hype, and the IPO carries a very thin free float. Put those together and we think the shares rise after listing. That is the base case for the open.

The thin float cuts both ways, and this is the part to understand before buying. A small float makes a high price *easier to sustain*, not harder — there is little stock to absorb selling, so as long as the story keeps feeding it (a Starship milestone, a new compute deal, momentum, good news), the price can hold up and even climb on relatively little buying. The vulnerability is not on a schedule. It arrives when the hype fades and bad news lands at the same time — a Starship failure, a subscriber or ARPU miss, a compute contract cancelled, a broader risk-off turn. That is the moment the same thin float works in reverse: nothing fundamental sits underneath the price to catch it, and the stock can fall below its IPO level. The risk is asymmetric and event-driven, not gradual.pl

This is why our posture is "buy with care." The likely post-IPO rise is real, but it is narrative- and float-driven, not a verdict on value. Treat the pop as a feature of the structure, not as validation.

The Fast Entry rule — the mechanism behind the pop

Part of the post-IPO rise will not be conviction at all. It will be forced buying.

Nasdaq introduced a "Fast Entry" rule effective 1 May 2026, designed to bring mega-cap listings into its indices quickly. Three changes matter: the seasoning period is gone (a company can enter the Nasdaq-100 within about 15 days of IPO rather than waiting months); the minimum public-float requirement is removed (a 5% float is enough); and for companies that list less than ~20% of shares, the index weight is calculated on a multiplied market cap. The practical effect is that index funds must buy SpaceX shortly after listing, in size, against a tiny tradable float — mechanical demand chasing very little stock

The point for valuation is the connection to margin of safety. The same force pushing the stock up at the open — forced passive buying into a thin float — is precisely why the opening price will not be telling you much about fair value. Price discovery is overwhelmed by flow. A reader who sees the stock rise and reads it as the market endorsing $1.77tr has the causality backwards: the rise is structural, not fundamental. That is one more reason to buy with care rather than to chase.

How to think about what each level buys

Rather than a single target, we find it more useful to see the price as a ladder of what has to be true:

- **Around $1tr** — you are paying mostly for the two proven businesses: the launch monopoly and Starlink. These are real, profitable, and defensible.
- **Around $1.5tr** — you are additionally crediting Starshield's defense backlog (US Space Force / SDA / NRO contract value already at $17–18b+, with 2030E revenue we model near $7b) and the early optionality on Starship lowering the cost to orbit.
- **At $2tr and above** — you need substantially more to crystallize: AI leadership from a model that is currently behind, orbital compute that is (as we argued in Part 2) still closer to myth than reality with today's technology, and eventually Mars. These are options, not earnings.

The higher up this ladder the IPO prices, the more of the value rests on things that do not yet exist. That is not a reason to stay out. It is the reason to size the position to the part of the ladder you actually believe, and to treat everything above it as optionality you are getting exposure to — not value you have paid a safe price for.

Bottom line

We admire the company and we think it is ownable. The launch and connectivity businesses are genuine, the optionality is real, and the thin float plus the SpaceX name make a post-IPO rise the likely path. But $2tr is a price with the hype, the expectations, and the optionality already in it, and almost no margin of safety underneath. Mega-IPO outcomes have been mixed — some run hard, others sit below their issue price — and a thin float makes both the rise and the eventual air pocket sharper. Buy it if you want the exposure. Size it for a price that cannot afford to disappoint. And do not read the opening pop as proof you were right.

GENERAL DISCLAIMER

Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.