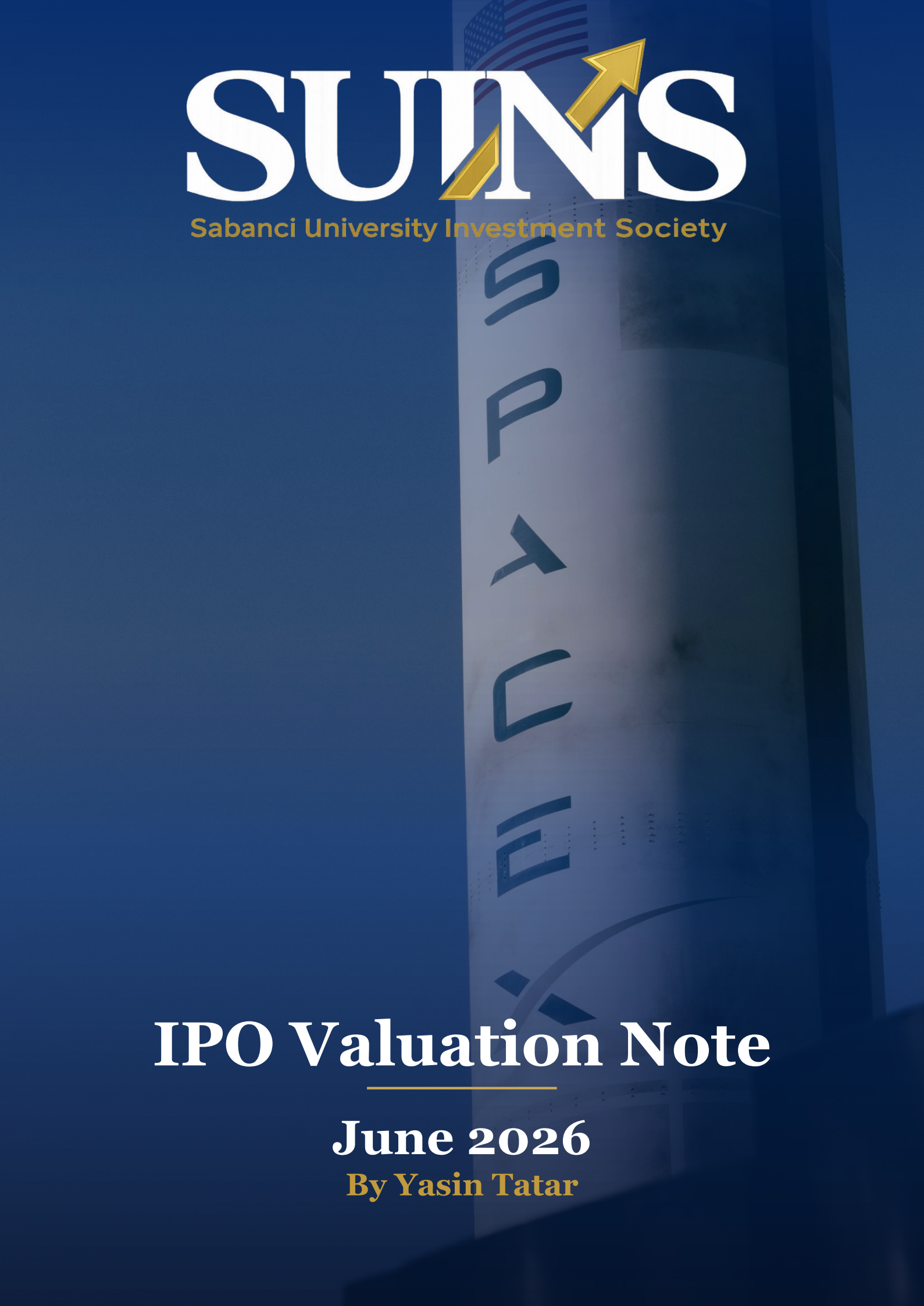




# SUINS

Sabanci University Investment Society

## IPO Valuation Note

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June 2026

By Yasin Tatar

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# SpaceX, Inc., Pre-IPO Valuation Note

**Proposed listing:** Nasdaq, **SPCX**    **Sector:** Satellite Comms / Aerospace / AI Infrastructure    **Report date:** 8 June 2026

**Pricing:** after close 11 Jun.    **First trade:** 12 Jun 2026.    **Bookrunners:** Goldman Sachs, Morgan Stanley, BofA, Citi, J.P. Morgan

## VALUATION SNAPSHOT

|                           |                     |
|---------------------------|---------------------|
| IPO ask (implied equity)  | ~\$1.75 trillion    |
| IPO price / share         | \$135.00            |
| SOTP base-case fair value | ~\$417 billion      |
| Base-case value / share*  | ~\$32.18            |
| Scenario range (equity)   | \$284bn to \$593bn  |
| Ask vs. base-case         | approx. 4.2x higher |

*Framework: 20-year sum-of-the-parts DCF. Starlink, AI/xAI and Space are valued separately, then summed.*

**Executive summary.** SpaceX is set to become the largest IPO in history, seeking roughly **\$75bn** at an implied equity value near **\$1.75tn** (\$135 per share). We assess this against a fundamentals-based valuation rather than the headline price.

Because SpaceX runs three businesses with very different growth, margin and capital profiles, namely Starlink (satellite broadband), AI/xAI (compute and X) and Space (launch), we value each on its own 20-year DCF and sum the parts.

Our base case, which already embeds aggressive, two-decade outperformance, implies equity value of about **\$417bn**, roughly one-quarter of the IPO ask. Even our most generous case reaches only about \$593bn.

*This note is educational. We present the model and the gap between intrinsic estimates and the offer price, and let readers draw their own conclusions.*

## Three Observations Behind the Gap

### 1 Scale is already heroic

Reaching ~\$417bn already needs Starlink at ~163m subscribers, xAI revenue of ~\$219bn and ~436 external launches per year by 2045, all far above today.

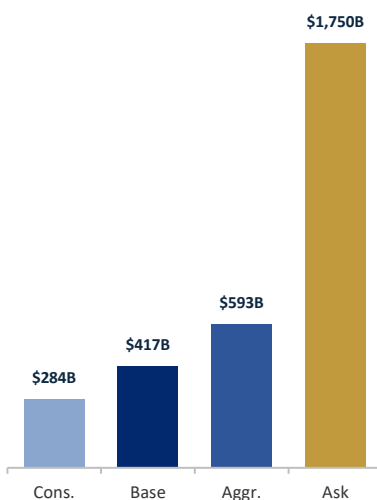
### 2 Most value sits in Starlink

Starlink alone is ~\$226bn of our base case, and the only consistently profitable, cash-generative unit. AI and Space are earlier and far more uncertain.

### 3 Assumptions barely close it

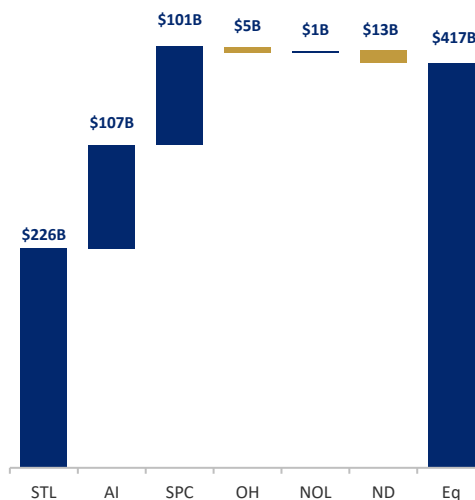
Sensitivity analysis on our base case spans just ~\$327bn to ~\$552bn, and even stacking every aggressive assumption together tops out near ~\$593bn, still a fraction of the \$1.75tn ask.

Figure 1: Implied equity value vs. IPO ask



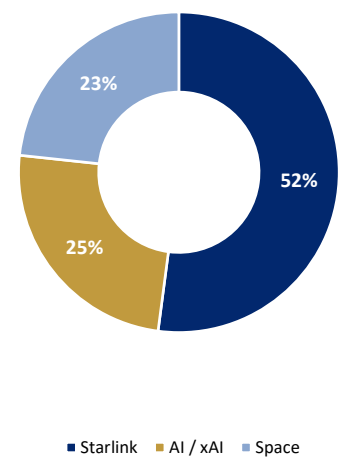
Source: SUINS. \$bn.

Figure 2: Sum-of-the-parts build (base)



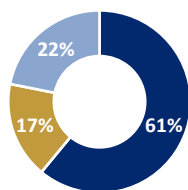
Source: SUINS. \$bn.

Figure 3: Base-case value by division



Source: SUINS. PV, \$bn.

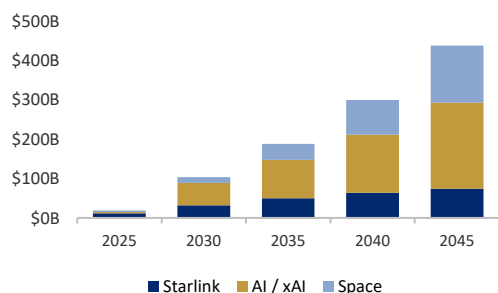
Figure 4: FY25 revenue mix



■ Starlink ■ AI / xAI ■ Space

Source: SpaceX S-1. \$bn.

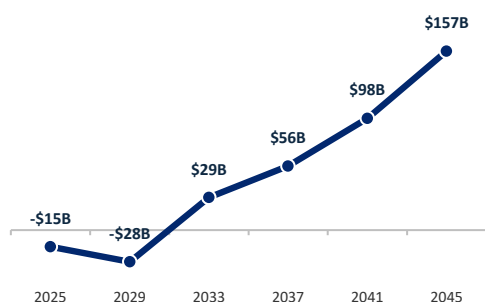
Figure 5: Revenue by division, FY25 to FY45



■ Starlink ■ AI / xAI ■ Space

Source: SUINS model (base). \$bn.

Figure 6: Group unlevered FCF, FY25 to FY45



Source: SUINS model (base). \$bn.

## Business Overview

SpaceX, founded in 2002 by Elon Musk, enters public markets as a vertically integrated group spanning satellite broadband, artificial intelligence and orbital launch. The February 2026 absorption of xAI folded the X platform and Grok into the entity. The three divisions differ so sharply in economics that a single valuation multiple would obscure more than it reveals.

## The Three Divisions

**Starlink.** Satellite broadband: FY25 revenue \$11.4bn. The cash engine: ~8.9m subscribers, ~60% EBITDA margin, the only reliably profitable unit. High subscriber growth, offset by falling ARPU as it targets emerging markets.

**AI / xAI.** Compute, Grok and X: FY25 revenue \$3.2bn. Three lines: X advertising, AI subscriptions and tokens, and leasing unused data-center capacity (the Anthropic deal). Deeply loss-making today, FY25 EBITDA margin near negative 72%.

**Space.** Launch services: FY25 revenue \$4.1bn. The famous rockets, but the smallest value driver. Slower growth and thin margins, and most launches serve Starlink internally rather than external customers.

## Capital Intensity

All three businesses are capital-hungry, satellites, data centers and rockets alike, so consolidated free cash flow stays negative for years even as revenue compounds. Group unlevered FCF was about negative \$14.6bn in FY25 and does not turn clearly positive in our model until the early 2030s.

## How the Three Fit Together

Management frames SpaceX as a single, vertically integrated "innovation engine": rockets deploy the satellites, Starlink and X generate data and cash, and that cash funds the AI build-out, with orbital data centers cast as the eventual bridge between the launch and compute businesses. It is an elegant story, but in practice the three legs stand on very different footing. Starlink funds the group and is the only consistently profitable unit; the AI division consumes capital faster than anything else and has no mature comparable; and the launch business, though dominant, is simply too small to move a multi-trillion-dollar valuation. The merger of xAI into SpaceX in February 2026 added both the AI narrative and its losses just four months before the listing, a sequence critics read as assembling a story for the IPO rather than responding to operational need. A blended multiple would smear these very different economics into one misleading number, which is why we value each division separately in the pages that follow.

## Why this structure matters

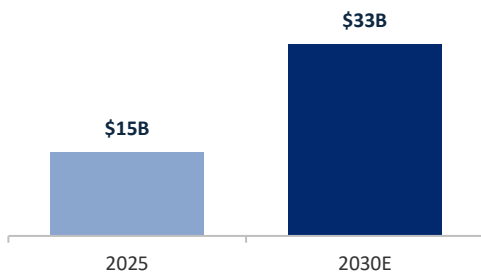
Valuing a profitable telecom, a cash-burning AI build-out and a modest launch business on one multiple would misprice all three at once. The pages that follow value each division on its own economics and discount rate, then sum the parts.

## Key Financial Metrics, FY2025

|                        | Starlink | AI / xAI | Space | Group    |
|------------------------|----------|----------|-------|----------|
| Revenue (\$m)          | 11,387   | 3,201    | 4,086 | 18,674   |
| Revenue growth         | +50%     | +22%     | +8%   | +33%     |
| Operating income (\$m) | 4,423    | (5,868)  | (619) | (2,064)  |
| EBITDA margin          | 60%      | (72%)    | 3%    | 25%      |
| Unlevered FCF (\$m)    |          |          |       | (14,623) |

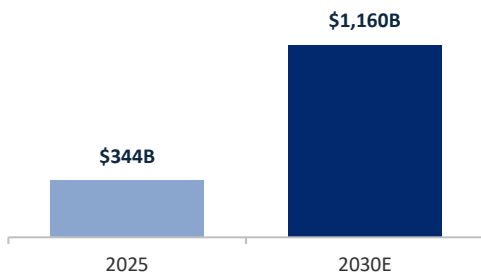
# End-Markets, A Macro Look at the Three Arenas

Figure 7: Satellite broadband market (\$bn)



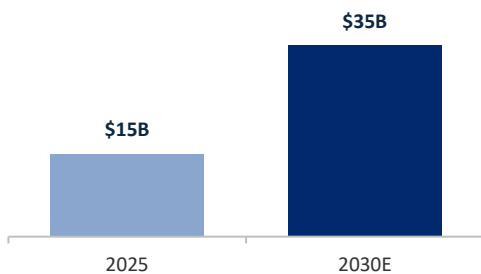
~18% CAGR. Source: MarketsandMarkets.

Figure 8: AI data-center market (\$bn)



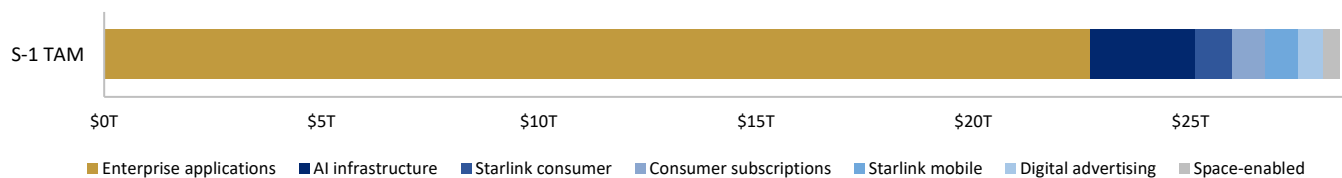
~27% CAGR. Source: MarketsandMarkets.

Figure 9: Space launch services (\$bn)



~18% CAGR. Source: MarkNtel, FMI.

Figure 10: S-1 "Total Addressable Market" by component (\$tn)



Source: SpaceX S-1 TAM disclosure; SUINS formatting. \$tn.

## Competitive Landscape and SpaceX Position

| End-market          | SpaceX position                                     | Listed peers / proxies                  | SUINS view                                   |
|---------------------|-----------------------------------------------------|-----------------------------------------|----------------------------------------------|
| Satellite broadband | Clear leader; ~10m subs, 80%+ mass to orbit in 2025 | Viasat, EchoStar, Eutelsat/OneWeb       | Strong moat, modest TAM (~\$33bn by 2030)    |
| AI infrastructure   | Sub-scale challenger; ~1 GW, 1 to 2% share          | CoreWeave, Nebius, Oracle, hyperscalers | Large TAM, weak moat, fierce competition     |
| Space launch        | Dominant; ~85% of commercial launch                 | Rocket Lab, Blue Origin, Arianespace    | Best moat, smallest market (~\$35bn by 2030) |

## Overview

SpaceX competes in three of the fastest-growing arenas in technology, yet each is far smaller than the headline narrative implies. We size the three end-markets on independent industry estimates, then revisit the S-1 total addressable market. The markets where SpaceX genuinely leads, satellite broadband and launch, are real but measured in tens of billions, while the trillion-dollar figures come from AI infrastructure and a very broad enterprise-software line where SpaceX has no established moat.

## Satellite Broadband

Starlink's edge is structural: it owns the rockets, the constellation and the customer, a level of vertical integration no rival can match, and it placed over 80% of mass to orbit in 2025. The market it leads, however, is modest, roughly doubling to the mid-\$30bn range by 2030. Real and defensible, but small.

## AI Infrastructure

The opposite profile: huge and barely defended. Data-center spending heads toward a trillion dollars by 2030, yet xAI sits at only 1 to 2% of capacity against CoreWeave, Nebius, Oracle and the hyperscalers. Leasing idle GPUs is sensible, but it is a commodity service with no durable moat.

## Space Launch

The strongest moat, the smallest market. SpaceX holds roughly 85% of commercial launch, and Blue Origin's New Glenn failure on the eve of the IPO showed how hard the business is, yet even a fast-growing launch market tops out near the mid-\$30bn range by 2030.

## Reading the S-1 TAM

About 80% of the ~\$28.5tn TAM is a single enterprise-applications line, a software market SpaceX does not lead. Strip it out and the arenas it dominates total only tens of billions. The trillion-dollar story rests on AI infrastructure and software, where the moat is far weaker than in rockets.

# Valuation Approach, Sum-of-the-Parts DCF

We value each division with its own unlevered DCF over a 20-year horizon (FY2025 base year to FY2045), then sum the present values and adjust for corporate items, net debt and preferred stock. Each division begins at roughly its current state and matures toward a relevant set of public-company benchmarks, with discount rates stepping down over time as each business de-risks.

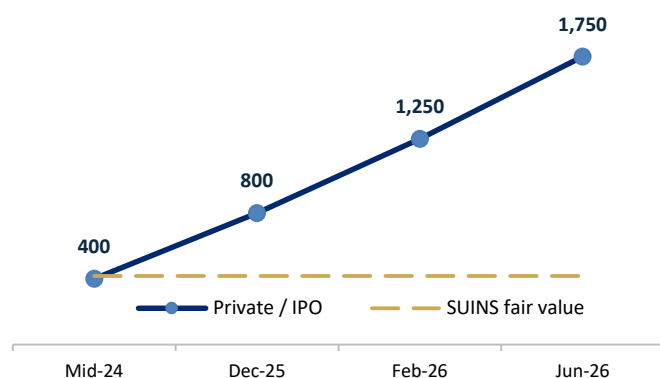
## Maturity Path and Discount Rates by Division

| Division | Today resembles                                   | Matures toward                                      | WACC (start to terminal) |
|----------|---------------------------------------------------|-----------------------------------------------------|--------------------------|
| Starlink | High-growth EM telecoms (Bharti Airtel, MTN)      | Mature telecoms (T-Mobile, Vodafone, America Movil) | 9.8% to 7.5%             |
| AI / xAI | Neoclouds and GPU hosts (CoreWeave, Nebius, IREN) | No mature public analog; judgement-based            | 14.6% to 9.6%            |
| Space    | Rocket / space-tech (Rocket Lab, MDA, Redwire)    | Defense primes (Boeing, GD, Lockheed, RTX)          | 14.0% to 8.0%            |

## How the Pieces Add Up (Base Case)

|                                         |                                          |                                        |                                       |
|-----------------------------------------|------------------------------------------|----------------------------------------|---------------------------------------|
| Starlink PV<br><b>\$225.9bn</b>         | AI / xAI PV<br><b>\$106.8bn</b>          | Space PV<br><b>\$101.1bn</b>           | Corp. OH & leases<br><b>(\$5.4bn)</b> |
| Corporate tax savings<br><b>\$1.3bn</b> | Enterprise value<br><b>\$429.7bn</b>     | (+) Cash & non-core<br><b>\$25.0bn</b> | (-) Debt<br><b>(\$30.4bn)</b>         |
| (-) Preferred stock<br><b>(\$7.0bn)</b> | Implied equity value<br><b>\$417.2bn</b> |                                        |                                       |

Figure 11: Valuation trajectory vs. intrinsic estimate



Source: press reports; SUINS analysis. \$bn.

## Why Sum-of-the-Parts, and Why Twenty Years

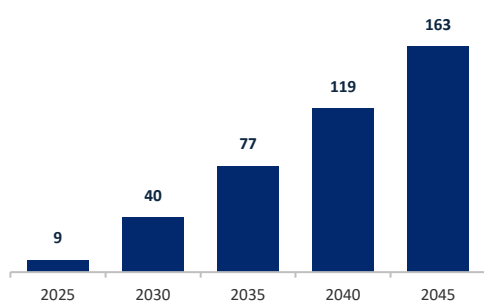
We run a separate discounted cash flow for each division rather than one blended multiple, because the three businesses have such different growth, margin and capital profiles that a single multiple would misprice all three at once. Each division is grown from its current state to a mature state over twenty years, benchmarked to real public companies, with the discount rate stepping down as the business de-risks. The long horizon is deliberately favorable: it hands even the loss-making AI division two full decades to scale into profitability. If anything, multiples would understate these high-growth divisions, so the DCF is the kinder of the two methods, and it still lands near a quarter of the asking price.

### What the framework is, and is not

This is a deliberately generous structure: it credits each division with two decades of strong execution and margin expansion. It does not attempt to price highly speculative future markets such as Mars logistics or asteroid mining, which are too distant and uncertain to carry a reliable present value. The result is best read as a fundamentals ceiling under disclosed economics.

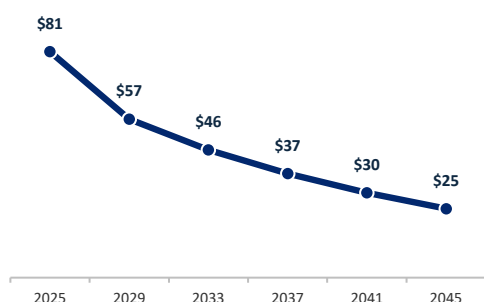
# Starlink, The Cash Engine

Figure 12: Subscribers (millions)



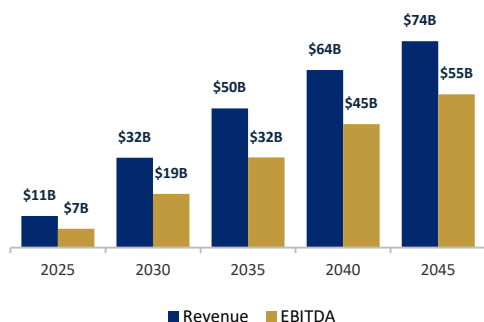
Source: SUINS model (base).

Figure 13: Monthly ARPU (\$)



Source: SUINS model (base).

Figure 14: Revenue &amp; EBITDA (\$bn)



Source: SUINS model (base).

## Division Overview

Starlink is the most important division by value, roughly \$226bn of our base case, and the only one that reliably makes money. It behaves like a high-growth, emerging-markets telecom: subscribers compound quickly while average revenue per user falls as the company pushes into cheaper markets and discounts hardware to drive penetration.

The closest public analogues are Bharti Airtel in India and MTN in Africa, large operators growing fast in markets with heavy geographic overlap with Starlink. Subscribers have already climbed from about 2 to 3 million to nearly 10 million in roughly two years, even as monthly ARPU slipped from around \$99 to \$81. Our base case carries that pattern forward, with a steadier, higher-value enterprise segment of ships and aircraft on top, so that by 2045 Starlink looks like a mature global telecom: profitable and cash-generative, but no longer hyper-growth.

## Forecast Drivers

**Subscribers:** ~8.9m today to ~163m by FY45 (base), at 30% penetration.

**ARPU:** Monthly ARPU falls from ~\$81 to ~\$25 as the mix shifts to EM.

**Enterprise:** Ship and aircraft customers grow to ~147k, a higher-rate segment.

**TAM view:** We cut the S-1 1.8bn household TAM to ~385m realistic rural homes.

**Margins:** EBITDA margin expands ~60% to 74%; CapEx stays ~16% of revenue.

## Key Debate

**Bull.** Penetration and enterprise pricing both beat plan, ARPU stabilises, and Starlink alone rivals a major global telecom by the mid-2030s.

**Bear.** ARPU erodes faster than modeled as discounting deepens, while satellite capex stays high, compressing the cash flows that anchor the whole valuation.

## The anchor of the valuation

At our base case, Starlink is worth ~\$184 to 282bn, a real, cash-generative business. The debate over SpaceX is largely a debate over how much to pay on top of this for the AI and Space optionality.

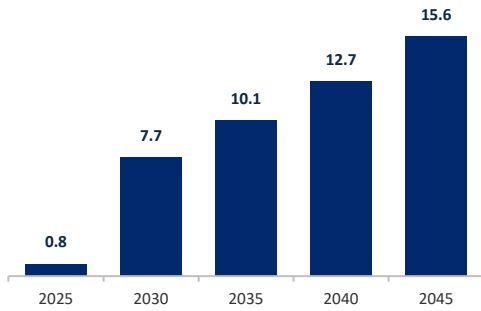
## What We Are Watching

The single swing factor is ARPU: hold it near today's enterprise-weighted level and the division compounds, but let it fall to commodity-broadband rates and the cash flows thin out quickly.

## Starlink Scenario Output (FY2045)

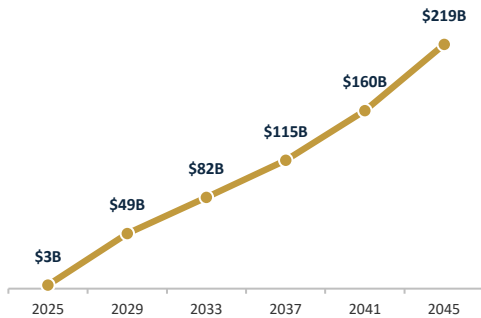
| Metric (FY2045)        | Conservative   | Base           | Aggressive     | Growth peers | Mature peers |
|------------------------|----------------|----------------|----------------|--------------|--------------|
| Individual subscribers | 120m           | 163m           | 210m           | 203m         | 220m         |
| Monthly ARPU           | \$24.73        | \$24.73        | \$24.73        | \$3.16       | \$18.57      |
| Revenue                | \$53bn         | \$74bn         | \$97bn         | \$6.1bn      | \$55bn       |
| EBITDA (margin)        | \$39bn (74%)   | \$55bn (74%)   | \$72bn (74%)   | \$2.8bn      | \$17bn       |
| Implied TEV            | \$130 to 189bn | \$184 to 282bn | \$249 to 409bn |              |              |

Figure 15: Nameplate capacity (GW)



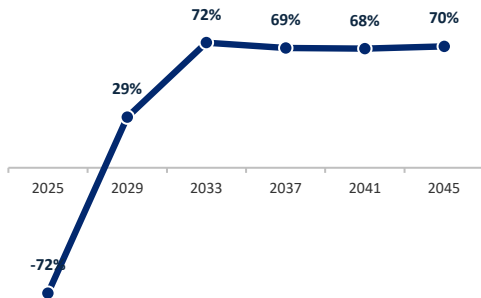
Source: SUINS model (base).

Figure 16: Revenue (\$bn)



Source: SUINS model (base).

Figure 17: EBITDA margin (%)



Source: SUINS model (base).

## Division Overview

The AI division is the hardest to value and the easiest to dispute. It bundles three different businesses: advertising on X, AI subscriptions and token sales through Grok, and the leasing of unused data-center capacity, the part that corresponds to the Anthropic deal. Today it loses money heavily, with an FY25 EBITDA margin near negative 72%.

No mature public company looks like this, so the forecast leans more on judgment than the others. We anchor the early years to neocloud and GPU-hosting peers such as CoreWeave, Nebius and IREN, which already run high EBITDA margins but burn cash on capacity, then assume xAI scales to a 4 to 6% share of a roughly ten-fold larger data-center market and turns profitable around 2030, in line with the timelines frontier labs project. These are aggressive assumptions, and they are also the only way the numbers begin to work.

## Forecast Drivers

**Capacity:** ~1 GW nameplate today scaling toward ~12 to 15 GW; ~20% leased.

**Share:** Global AI data-center capacity ~31 GW to ~312 GW; xAI at 4 to 6%.

**Revenue:** ~\$3.2bn to ~\$219bn (base), only with sustained dominance.

**Profitability:** Modeled to turn EBIT-positive ~2030, mirroring frontier labs.

**Caveat:** No mature public comparable; the least-anchored division.

## Key Debate

**Bull.** xAI captures a durable 5%+ of a 300-plus GW data-center market, and the Anthropic-style leasing model scales to many tenants at healthy rates.

**Bear.** Margins never reach frontier-lab levels, capex stays punishing, and the division remains a cash sink that drags on the whole group.

## Wide range, weak anchor

The TEV range (\$41 to 252bn at base) is enormous because there is no mature comparable and the discount rate alone spans 14.6% to 9.6%. This is the division where reasonable people can most disagree, and where the headline AI narrative does most of the work.

## What We Are Watching

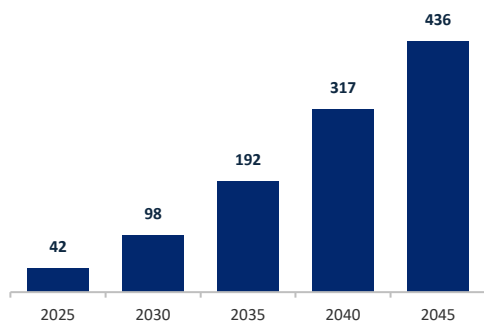
Watch for the first signs of operating leverage. If xAI cannot show a credible path to positive EBITDA by the late 2020s, most of this division's modelled value disappears.

## AI / xAI Scenario Output (FY2045)

| Metric (FY2045) | Conservative  | Base          | Aggressive    | Growth peers | Mature peers |
|-----------------|---------------|---------------|---------------|--------------|--------------|
| Active capacity | 10.6 GW       | 12.2 GW       | 14.2 GW       | 510 MW       | 80 MW        |
| Unused capacity | 2.9 GW        | 3.4 GW        | 4.0 GW        |              |              |
| Revenue         | \$190bn       | \$219bn       | \$251bn       | \$3.6bn      | \$210m       |
| EBITDA (margin) | \$132bn (69%) | \$152bn (69%) | \$175bn (69%) | \$1.8bn      | \$69m        |
| Implied TEV     | \$20 to 199bn | \$41 to 252bn | \$64 to 325bn |              |              |

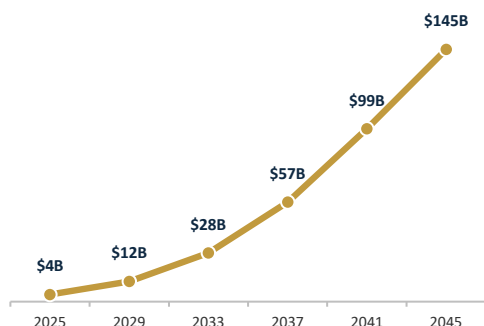
# Space, Famous but the Smallest Driver

Figure 18: External launches per year



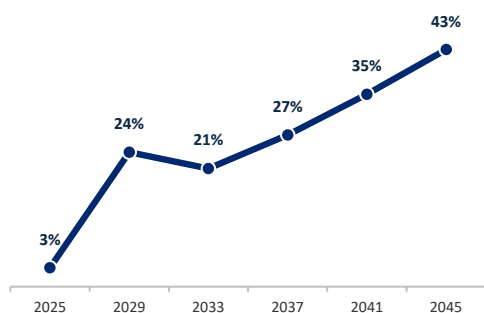
Source: SUINS model (base).

Figure 19: Revenue (\$bn)



Source: SUINS model (base).

Figure 20: EBITDA margin (%)



Source: SUINS model (base).

## Division Overview

Space is the division SpaceX is famous for and, ironically, the one that matters least to the valuation. Growth is slower and margins thinner than Starlink or AI, and the profits are marginal despite the company commanding the launch market.

One wrinkle is that the S-1 does not separate launches flown for outside customers from those carrying Starlink satellites, so we strip the numbers back to external-only revenue and model that. We assume cadence rises from roughly 40 to 50 external launches a year to more than 400 by 2045, about 1.2 per day, with margins widening toward defense-prime levels and capital intensity falling. Even then the terminal profile resembles a Boeing or a Lockheed more than a hyper-growth franchise, which is why this proudly engineered business is the smallest contributor to value.

## Forecast Drivers

**Launches:** External launches scale from ~42/yr to ~436/yr (base), ~1.2/day.

**Rev/launch:** Rises to ~\$332m as payloads and pricing improve.

**Revenue:** ~\$4.1bn to ~\$145bn (base) over the 20-year horizon.

**Margins:** EBITDA margin improves ~3% to 43%; CapEx falls toward ~5%.

**Benchmark:** Terminal profile anchored to Boeing, Lockheed, Northrop, RTX.

## Key Debate

**Bull.** Starship cuts launch cost sharply and external cadence reaches one-plus per day, lifting SpaceX share of a faster-growing launch market.

**Bear.** Competition from Blue Origin and Rocket Lab caps pricing, and most launches stay internal to Starlink, leaving thin external economics.

## A strong franchise, a modest number

SpaceX dominates launch with an unrivalled moat, yet the economics here are the smallest contributor (~\$61 to 185bn at base). The brand and the rockets are what most people picture, but they are not where most of the modelled value comes from.

## What We Are Watching

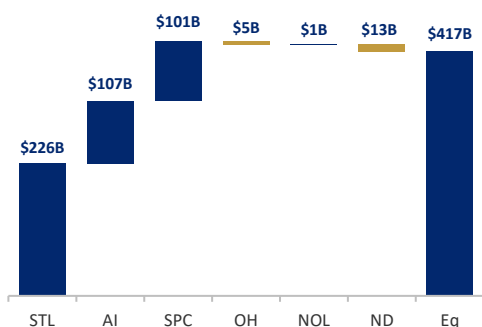
Starship is the variable that matters. A sharp drop in launch cost would widen margins and cadence; continued delays leave Space a steady but small contributor.

## Space Scenario Output (FY2045)

| Metric (FY2045)   | Conservative  | Base          | Aggressive    | Growth peers | Mature peers |
|-------------------|---------------|---------------|---------------|--------------|--------------|
| External launches | 307           | 436           | 614           |              |              |
| Revenue / launch  | \$332m        | \$332m        | \$332m        |              |              |
| Revenue           | \$102bn       | \$145bn       | \$204bn       | \$396m       | \$75bn       |
| EBITDA (margin)   | \$43bn (43%)  | \$62bn (43%)  | \$87bn (43%)  | \$14m (4%)   | \$11bn (14%) |
| Implied TEV       | \$40 to 121bn | \$61 to 185bn | \$90 to 287bn |              |              |

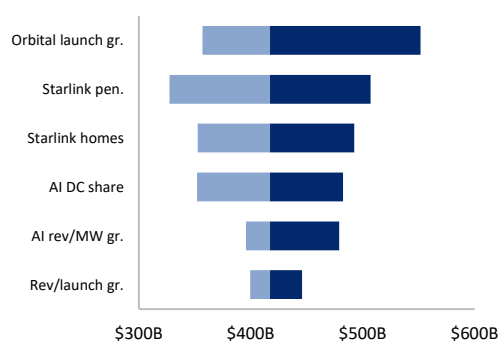
# Valuation Summary, The Math Behind the Gap

Figure 21: Sum-of-the-parts build (base)



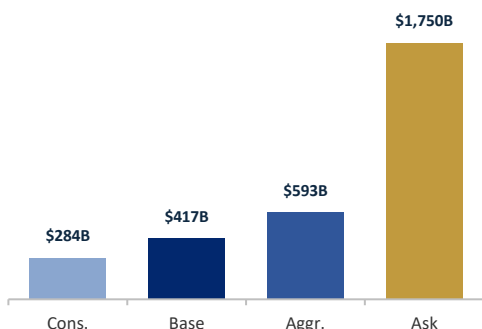
Source: SUINS. \$bn.

Figure 22: Equity-value sensitivity (base)



Light to dark change marks base \$417B. \$bn.

Figure 23: Scenarios vs. IPO ask



Source: SUINS. \$bn.

## The Build

Summing the three divisions and adjusting for corporate items and the balance sheet, our base case implies about \$417bn of equity value, roughly one-quarter of the IPO ask. The waterfall shows the build; the tornado shows that even large swings in the key drivers leave company value far below \$1.75tn; and the scenario chart frames the full range against the offer price.

### Could Support a Higher Value POSITIVE

**Optionality.** Orbital data centers, point-to-point travel or in-space manufacturing, if realised, add value the model does not capture.

**Starlink upside.** Faster penetration or stronger enterprise pricing lifts the division that already drives most of the value.

**Reflexivity.** Index inclusion and momentum can sustain a premium well beyond the IPO.

### Could Support a Lower Value NEGATIVE

**Execution.** Unproven AI economics, launch competition and faster ARPU decline.

**Tiny float.** A ~3 to 4% float means small flows move the implied cap sharply.

**Capital intensity.** Years of negative group free cash flow require continued outside funding.

## Structure & Governance

Super-voting Class B stock leaves Elon Musk with over 82% of the vote after the IPO, with the board and founder effectively unremovable by public holders. Only about \$75bn (3 to 4%) is offered, roughly 30% to retail, and float-adjusted index weighting keeps SpaceX a small fraction of the S&P 500 despite its headline size. Insider selling is staggered, with partial release after the first quarterly print and more at defined price thresholds.

## In Closing

SpaceX is an exceptional operating company, and Starlink in particular is genuinely impressive. This note is not a verdict on the company, but on the price: on the numbers the company itself discloses, a disciplined sum-of-the-parts lands far below the offer.

We publish this as an educational framework for the SUINS membership, not as investment advice. Readers should weigh the optionality, the governance and the tiny free float, and reach their own view.

## BOTTOM LINE

**On the disclosed economics of its three divisions, SpaceX is worth a fraction of its IPO price.**

Our sum-of-the-parts base case implies about \$417bn of equity value against a ~\$1.75tn ask, even after crediting two decades of aggressive execution. The remaining gap is a bet on narrative, optionality and momentum, not on the cash flows in the filing.

**\$417bn**

Base-case fair value

**\$1.75tn**

IPO ask (implied equity)

**~4.2x**

Ask vs. fair value

## Sources & References

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- SpaceX Form S-1 and IPO terms, June 2026.
- SUINS sum-of-the-parts DCF model, dated 29 May 2026.
- Satellite broadband market: MarketsandMarkets.
- AI data-center market: MarketsandMarkets; Dell'Oro Group.
- Space launch market: MarkNtel Advisors; Future Market Insights.
- IPO pricing, bookrunners, index inclusion: company filings and press reports.

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— End of report —