

EPISODE
419

CAN SPACEX DEFY GRAVITY AND VALUATION?

FEATURING
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Nucleus
Wealth



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SpaceX:

- SpaceX. 1.75T
 - Space. 50-75% R&D. Usually 10-20% for tech giants
 - Making \$4b ish in revenue
 - Say 1-2b profit, 30-60x = 60b, maybe stretch it to \$100b
 - A lot like Defense company
 - Way better than existing defence companies, although limits
 - Space mining, space data centres
 - Connectivity
 - This is the rocket ship
 - 12b revenue, huge growth, 70% margins
 - If \$7-10b in profits, 30-50x = \$350b. Total world telco 1.9T
 - Morningstar \$20b profit by 2035
 - Monopolyish. Limits to growth, limits to pricing. Older satellites.
 - Data centres in space. Really interesting. Really early. \$???

SpaceX:

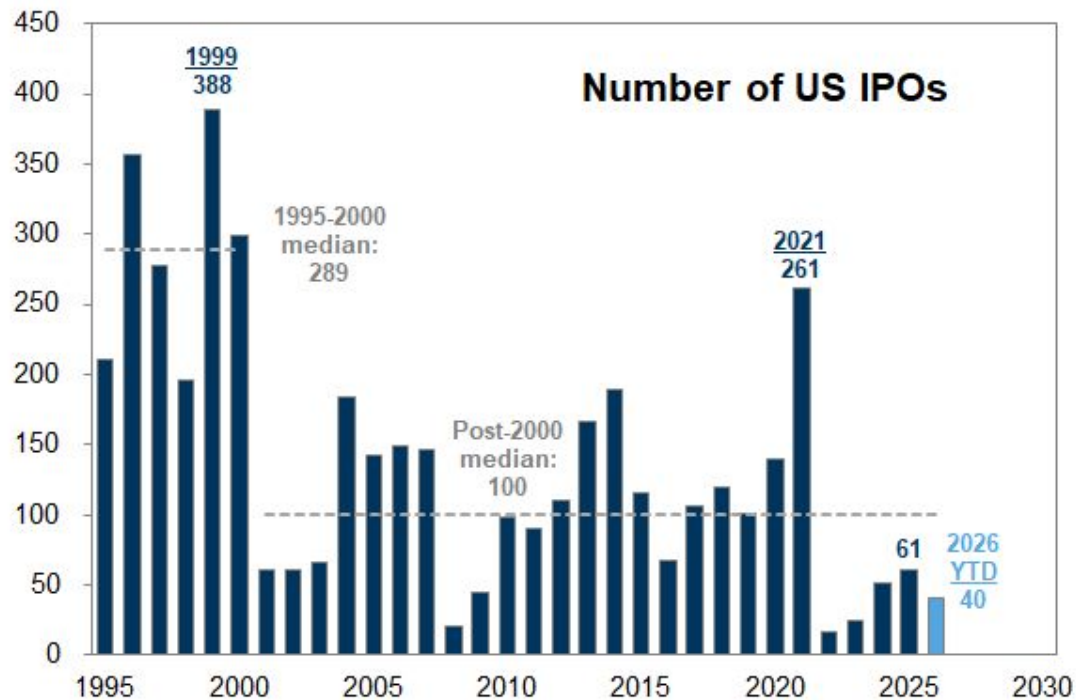
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SpaceX:

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 - xAI
 - Revenue mostly renting data centres, a bit of X, very little Grok
 - Is it R&D or is it operational cost?
 - Data centre rental. Maybe \$40-50b. X Maybe \$30-50b.
 - xAI. ????
- Cursor interesting \$60b acquisition
- Passive investments. Fast entry.
- Net effect. If you think xAI which cost \$50b and datacentres in space are worth \$1t+
- OpenAI, Anthropic. Are we getting close? Insiders looking to get out? Latent demand.

Lack of listings:

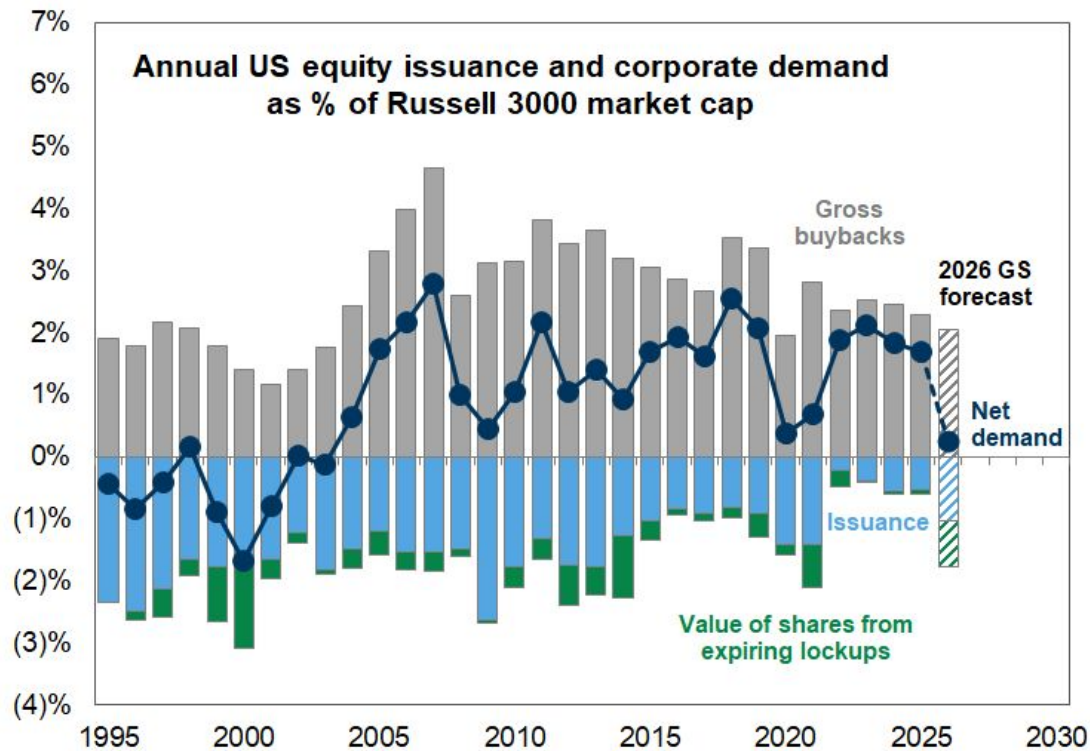
Exhibit 1: 40 US companies have gone public so far this year
US deals greater than \$25 million in value



Source: FactSet, Goldman Sachs Global Investment Research

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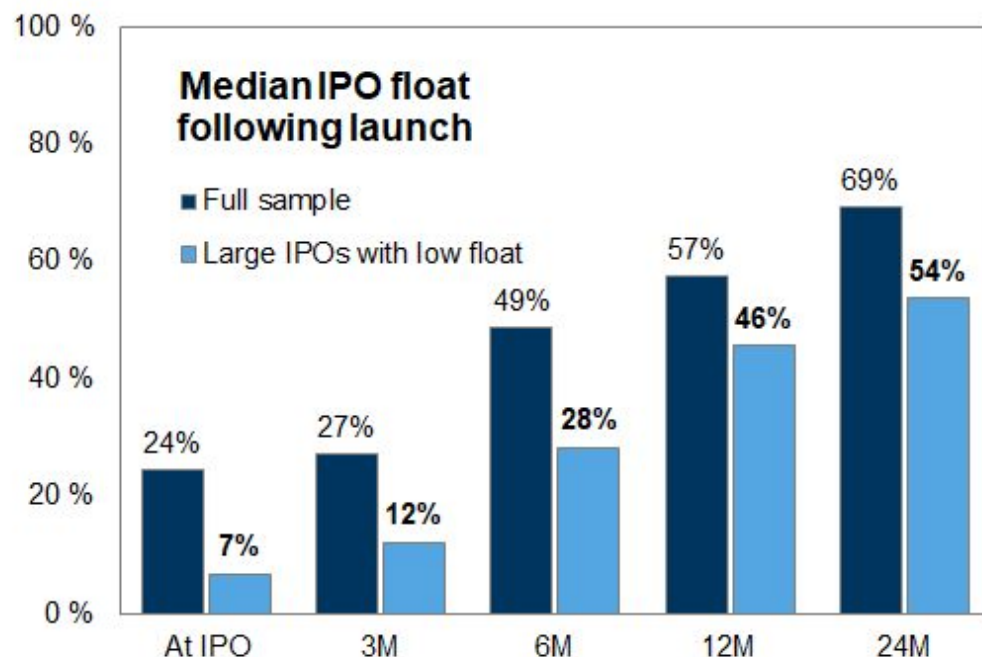
Exhibit 14: Corporate equity demand from buybacks should exceed corporate equity supply this year
net demand assumes all shares available after lockups expire are sold



Source: Goldman Sachs Global Investment Research

Lack of listings:

Exhibit 6: Additional equity supply could come to market as float increases post-IPO
includes 1,960 IPOs since 2003



Large IPOs with low float are 14 IPOs with deal values of at least 5 bp of Russell 3000 market cap at the time of IPO and float shares totaling less than 10% of total. 5 bp of Russell 3000 market cap today corresponds to roughly \$36 billion.

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