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UPDATE

September 11, 2026 03:47 PM GMT

SpaceX | North America

Prometheus Shrugged

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SpaceX (SPCX.O, SPCX US)

Space Technology | United States of America

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	**$300.00**
Shr price, close (Sep 10, 2026)	$148.18
52-Week Range	$225.64-104.83

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS ($)**	(1.69)	0.54	2.45	6.36
Prior EPS ($)**	-	-	-	-
P/E	NM	274.1	60.5	23.3
EPS ($)§	-	0.03	1.72	4.79
Div yld (%)	-	0.0	0.0	0.0

framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates

QUARTERLY EPS ($)

Quarter	2025	2026e Prior	2026e Current	2027e Prior	2027e Current
Q1	(0.18)	-	(0.84)a	-	0.59
Q2	(0.34)	-	(0.09)a	-	0.56
Q3	(0.36)	-	0.21	-	0.62
Q4	(0.80)	-	0.55	-	0.67

Robotics and Space are more than just another new technology. They are economically linked, militarily significant, and (potentially) socially disruptive. Talking about the economy before AI and Space is like talking about the economy before electricity. While this story is likely to take decades to play out, investors can take important steps **today** to position their portfolios for the next frontier.

We offer 10 principles for investor consideration from a US perspective on the eve of AI's leap from the digital to the physical world:

1. Everything that can be automated likely will be automated. Machines that are not AI-enabled may continue as relics of antiquity. Victorian-inspired steampunk automatons. The machines doing useful work of any economic significance should be data-collecting, AI-inference-powered robots in a swarming physical intelligence.

2. US + China partnership is likely required. The headlines are likely to remain volatile, but we think it's unlikely that Chinese products and supply chain will be fully 'walled off' from the US market. We'd get ready for the possibility of Chinese cars made in US plants and Chinese gears, motors, magnets, sensors and batteries in US assembled robots for years to come.

3. China is the leading player in physical AI. The US may have the led in frontier AI models. With robots, manufacturing is king. The bots (probes) collect the data, which is fed back to the plant for improvement through rapid, recursive loops in a Promethean march. Robo-Darwinism. Five years from now, China's lead in AI-enabled robotics may be widening at an even faster rate than it is today.

4. "Dual purpose" of physical AI is evident. Do we really need to elaborate on the overlap of consumer/industrial AI robots and defense? We encourage you to speak

going on with autonomous weapons systems. Let's just say they've had a pretty busy summer.

5. US manufacturing capability must be rebuilt. To remain competitive in physical AI, the US needs to substantially rebuild its manufacturing capability onshore. The paradox... China's physical AI ambitions may be the biggest boost to US manufacturing since the Second World War. Millions of US (human) jobs could be created in the process.

6. Re-architecture of the US critical minerals supply is needed. Billions of robots and millions of tons of payloads launched into space should multiply the demand for critical minerals by several orders of magnitude. We think generalist investors are about to become far more familiar with the Periodic Table. See our collaborative report on Space Metals.

7. Reassessment of skilled trades/vocational education and training is needed. We need more electricians, plumbers, welders, construction workers, HVAC

investors should be aware that the firm may have a conflict of

Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

technicians... astrophysicists, geologists, metallurgists, manufacturing specialists. Rebuilding American manufacturing will take an army of skilled tradespeople. The human educational bottleneck is under-reported, in our view.

8. AI's PR problem - what's the $5/day moment for physical AI? The anti-AI/anti-data center movement has been grabbing headlines. The early stages of the automobile industry also faced considerable pushback over environmental, safety, and job security concerns... until 1914, when Henry Ford introduced the $5/day wage, lifting millions of workers into higher-wage jobs.

9. Watch for cross-industry collaboration. The Second Industrial Revolution (late 19th/early 20th century) saw industry leaders working in concert. Steel (Carnegie), autos (Ford), oil (Rockefeller), electricity (Edison) tires (Firestone)... each played a role - jointly and severally - in building critical infrastructure that we still rely on today. These next phases of embodied AI will require their own exquisite interrelationships driven by competition, respect, fear, dependency, and opportunism

10. Space plays a critical role in the intelligence economy. We think investors under-appreciate the importance of space-based infrastructure in converting energy to intelligence at scale. Free energy, free cooling, free real estate, no NIMBYism. When SpaceX executes a ship catch (Flight 15?), the cost of orbital real estate could see another order-of-magnitude decline.

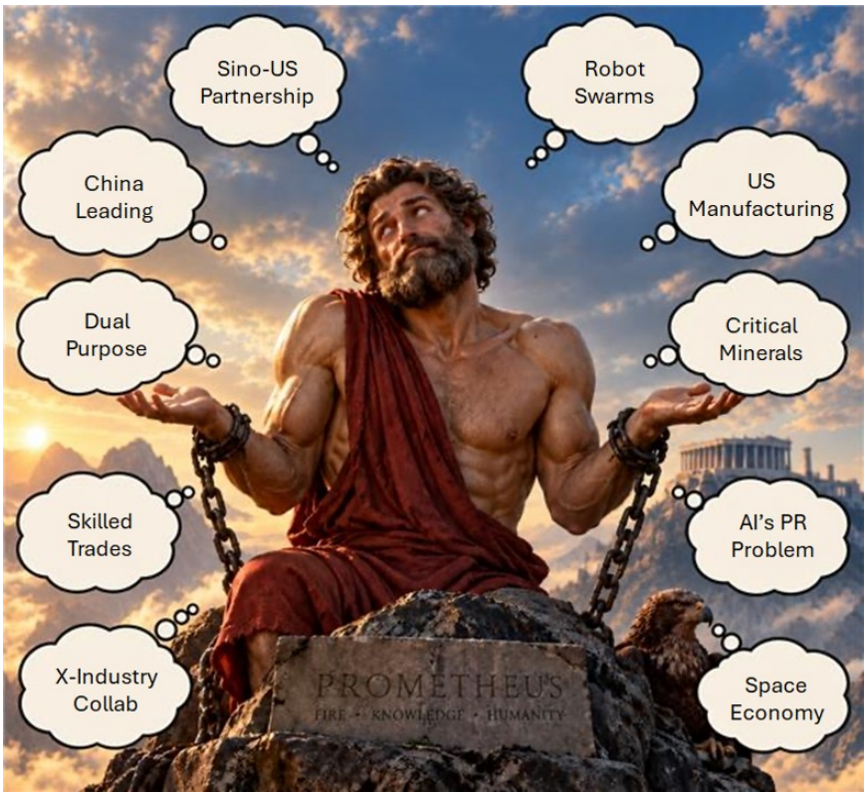
The BIG ARC: We see scope for many hundreds of thousands of skilled/high-wage jobs in the US space economy and potentially millions of jobs in the physical AI/robotics economy over the next 10 to 15 years as the United States rebuilds its scientific and commercial space capabilities to keep up with geopolitical rivals.

What to do with SPCX stock?

- **We think investors have a unique opportunity to "revisit" SPCX stock with arguably even greater momentum in fundamentals across Space, Connectivity, and Enterprise AI, a decidedly more bullish outlook following 2Q results, and greater "information discovery" that the share unlocks have (to date) not weighed on the stock as expected.**
- **At just under $150, the implied sales multiple of the Enterprise AI business is in the low single digits with essentially $0 embedded for the orbital AI call option.**
- **For sensitivity sake... each incremental 1GW of nameplate compute draw (at $50/watt, assuming 70% incremental margin), capitalized at 10x EBITDA, could add $27 to the stock, roughly 20% of the current share price. Our year-end FY27 estimate of AI compute is 4.9GW vs. the company's target of closer to 10GW.**



Exhibit 1: Prometheus Shrugged



Valuation Methodology and Risks

SpaceX (SPCX.O)

Sum-of-the-Parts by Segment: Space, Connectivity, AI (Divided into X & Grok and Enterprise AI)

- $300 Price Target = sum of Space ($8), Connectivity ($118), X & Grok ($8), Enterprise AI ($165)

2040 ending forecast period

6/30/2027 valuation date

11.1% WACC; 11.9% Cost of Equity.

50% Enterprise AI valuation discount for execution risk

TGR of: 4.0% Space, 4.5% connectivity, 3.0% X & Grok, 5.0% Enterprise AI

Equates to 0.46 EV/EBIT/Growth

Risks to Upside

- Faster Starship reuse progress
- Faster Starlink capacity growth
- Stronger DTC / enterprise adoption
- More neocloud wins
- Cursor ARR acceleration
- Lower AI infrastructure time to power and cost

Risks to Downside

- Slower Starship reuse cadence
- Slower Starlink subscriber growth
- Weaker enterprise AI monetization
- Higher capex / cost per watt of compute
- Longer time-to-power
- Greater funding needs / dilution
- Regulatory delays