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SpaceX | North America

Doom Hedging: SpaceX a Defensive AI Stock?

Calls for a self-imposed slowdown of foundation model development to avoid unintended safety/security consequences have rattled the AI trade. We offer 5 reasons why SpaceX may prove to be a relatively more "defensive" AI name among its peers. We reiterate our OW on SpaceX's potential to drive improvement in intelligence-per-watt-per-dollar-per-second.

Author's note. *SpaceX is a manufacturing and infrastructure company engaged in the conversion of energy into intelligence at scale through its vertically integrated space launch, sat comms, and computing stack. In other words, SpaceX is an AI company. As such, any material slowdown in the AI trade is - all else equal - a headwind for the stock. The majority of SpaceX's capex and forward earnings growth is driven by the Enterprise AI business. You can't have it both ways. However, for investors who want resilient exposure to the long-term trade while mitigating some of the nearer-term volatility, we believe SpaceX may continue to exhibit greater stability vs. other its peers in an AI portfolio. Why?*

1. **Diversification.** SpaceX is not a pure-play AI name. Starship milestones, such as Flight 14 (estimated September 22nd) and Flight 15 (mid- to late October/early November) are distinctly separate from the AI trade. Connectivity is SpaceX's cash flow generator with >100% YoY growth in subs - not driven by industry-wide AI capex investment at this stage.
2. **Optionality.** Long-term holders in SpaceX are believers in the commercialization of space-based AI infrastructure, which, in our opinion, largely inflects beyond the 2030 time horizon. A rather long-dated option. Nearer term, strategic projects with partners such as Tesla (covered by Andrew Percoco) and NVIDIA and Intel (covered by Joe Moore) are focused on robotics and on-shore semi manufacturing, respectively. These are AI-adjacent pursuits… but these are longer-dated options we believe are largely ignored by the market today.
3. **Leverage.** At the end of 2Q, SpaceX had gross cash of ~$100bn and net cash of ~$61bn. Our forecast of future debt capital raises (taking the company to 1.5 to 2x Debt/EBITDA) is driven by the company's capex outlook, where management can exercise flexibility on both timing and magnitude. We model substantial borrowing in the years ahead - but it only spends what it can borrow and only if the business plan is working.
4. **Valuation.** Out of the company's roughly $2tn market cap, we estimate 3/4 of the valuation is driven by Space and Connectivity. The "AI-is-free" price is approximately $125, on our estimates (Space worth $8/share, Connectivity worth $118/share on our SOTP). At the current share price, the stock gives the company credit for roughly 10% of our valuation of the AI business ($17

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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 14, 2026)	$148.15
52-Week Range	$225.64-104.83

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS ($)**	(1.69)	0.55	2.54	6.01
Prior EPS ($)**	-	-	-	-
P/E	NM	270.8	58.3	24.6
EPS ($)§	-	0.03	1.72	4.67
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	-	0.68
Q2	(0.34)	-	(0.09)a	-	0.63
Q3	(0.36)	-	0.19	-	0.59
Q4	(0.80)	-	0.57	-	0.63

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**For analyst certification and oth
refer to the Disclosure Section, l
report.**



out of $183/share).

5. **Elon.** During challenging times, companies with superior market intelligence and execution can stand out from the pack. From our experience in observing the management style of the SpaceX CEO over the past 2 decades, he is not one to let a good crisis go to waste. Some of Tesla's best performances - both operationally and with respect to share price - took place in response to or during elevated market volatility and uncertainty (Tesla during "production hell" in 2018/2019 and during COVID in 2020/2021).

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 15-20% 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: Stock Performance of SpaceX vs. Key AI Comps over past Week and Month

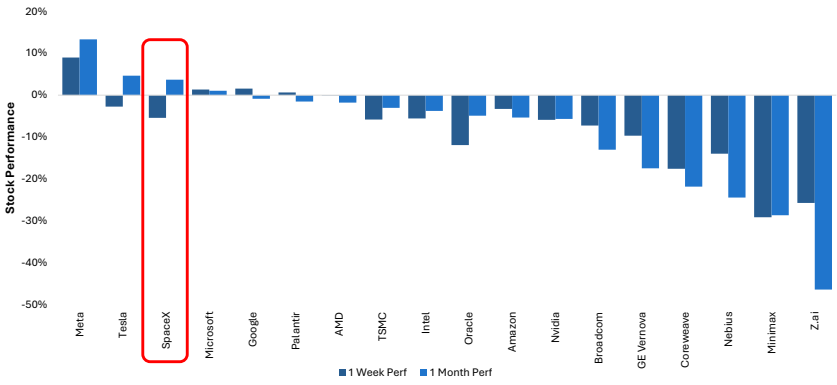
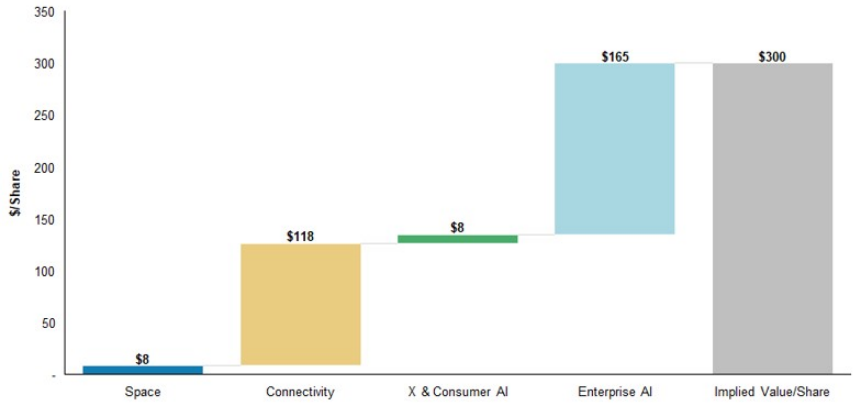


Exhibit 2: SpaceX Sum of the Parts



For Further Reading:

- SpaceX: Rockets on the Bayou: SpaceX's $100bn Louisiana Launch Complex (26 Aug 2026)
- SpaceX: 20 Topics in 20 Minutes (20 Aug 2026)
- SpaceX: LandSpace Lands a Rocket... from Space... 2 China Recoveries in 6 Weeks. (19 Aug 2026)
- SpaceX: Cursor Deep Dive: Can SpaceX Leap to the AI Frontier? (10 Aug 2026)
- SpaceX: AI's Final Frontier; Initiate at Overweight, PT $300 (7 Jul 2026)
- SpaceX: Strong Beat/Outlook vs. Higher Capex: Reiterate $300 PT (5 Aug 2026)
- SpaceX: Starship Flight 13 Report Card: A Clear Positive in a Tide of Cautious Sentiment (27 Jul 2026)
- Space Exploration Technologies Corp.: Grokin' Out: SpaceX Catalyst Path (9 Jul 2026)
- Space Exploration Technologies Corp.: China Catches Long March; Don't Discount China (10 Jul 2026)
- Space Exploration Technologies Corp.: A 'Heavenly' Hedge to DC NIMBYism? (16 Jul 2026)
- SpaceX: Stefan-Boltzmann: Das ist super cool (21 Jul 2026)
- Space Exploration Technologies Corp.: SpaceX Model Walkthrough (19 Jul 2026)
- SpaceX: Anomalies and Rapid Unscheduled Disassemblies (22 Jul 2026)

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

11.2% 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