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IDEA

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SpaceX | North America

SpaceX and US Jobs

The challenge of our time - how to unlock the potential of the Intelligence Economy while creating useful and meaningful work for our children. The next chapter of the SpaceX story is its role in converting energy (e) into intelligence (i) through physical robots (r) manufactured on/near shore.

Some thoughts and numbers:

- We see SPCX as one of the few companies that can not only lead the world in economically multiplicative super intelligence, but do so while potentially creating millions of skilled/semi-skilled jobs for US households.
- What's that '$5-a-day wage moment' for AI? We look to on-shoring/near-shoring of manufacturing across a range of robo-phylum (from AVs to drones, industrial robots and eventually humanoids).
- Continued developments in the geopolitical sphere have made the role of a Terafab or other equivalent on-shoring of logic and memory chips increasingly obvious.
- We expect SpaceX to exit the current year at an annualized run rate (ARR) of approximately $100bn, with ~23k employees (>22k as of 3/31 per S-1 + 700 Cursor employees) for a revenue-per-employee of ~$4.4 million.
- Keeping this ratio of revenue-per-employee constant at our $3.5tn revenue forecast by 2040, implies nearly 800k employees at SpaceX within 15 years.
- In our view, intelligence infrastructure projects such as Terafab (chips), Solarfab (solar), rocket fabs, battery plants, satellite fabs, launch pads, ground stations, turbine fabs, drone/humanoid/AMR/weapons fabs and a long tail of other robo-phylum by SpaceX, Tesla and its competitors can drive supernormal job creation over time.
- While the US has a lot of work left to catch up to rivals in re-architecting its manufacturing base - along with a materially verticalized supply chain - we see scope for a generational increase in job creation under the right conditions.
- We expect the topic of Super Intelligence and economic security in the form of job creation to get increasing attention from policy makers, corporations and the public in the months and quarters ahead.

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 over $170, the implied sales multiple of the Enterprise AI business is in the low-to-mid single digits.

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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 (Oct 5, 2026)	$171.09
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	312.7	67.3	28.5
EPS ($)§	-	(0.04)	1.76	4.74
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

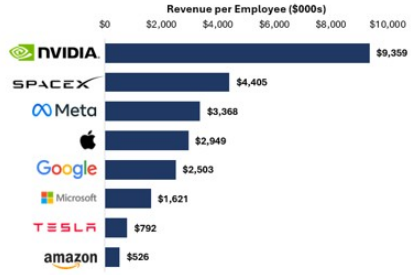
investors should be aware that the firm may have a conflict of

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.

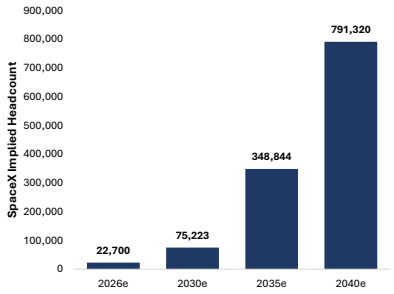
- For sensitivity sake... each incremental 1GW of nameplate compute draw (at $50/watt, assuming 70% incremental margin), capitalized at 10x EBITDA, could add $27 to the stock, roughly 15% of the current share price. Our year-end FY27 estimate of AI compute is 4.9GW vs. the company's target of "closer to 10GW."

Exhibit 1: Implied Revenue per Employee Across Mag 7 + SpaceX



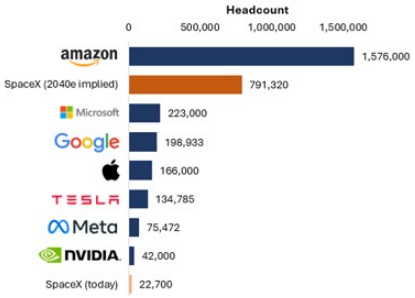
Note: Employee figures are the latest disclosed in each company's SEC filings (Alphabet and Meta from Q2 2026 10-Qs; SpaceX from its May 2026 S-1; others from latest 10-K). SpaceX revenue uses YE 2026 ARR of $100bn to account for AI ramp and Cursor acquisition, not FactSet consensus like others. Definitions differ: Apple reports FTEs, Amazon includes part-time, Meta's count includes ~8,000 employees exiting in Q3 2026.

Exhibit 2: SpaceX Implied Headcount at Constant Revenue / Employee



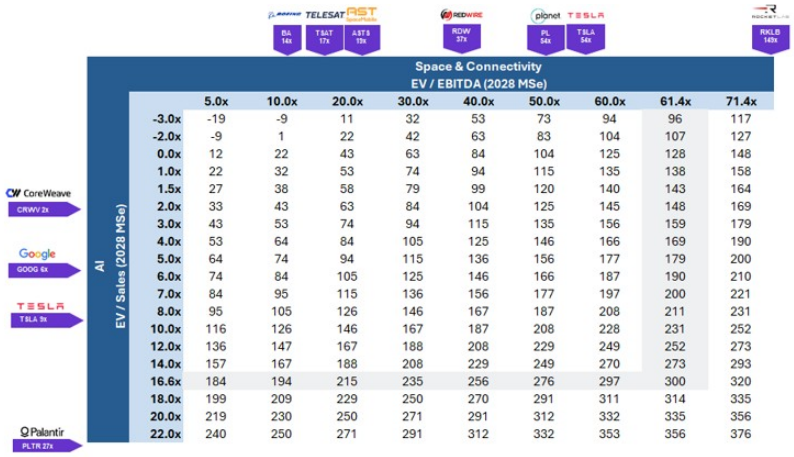
Note: Assumes YE 2026 headcount of 22.7k (22k SpaceX employees from S-1 + 700 Cursor employees) on 2026 YE ARR of $100bn, held constant through 2040.

Exhibit 3: 2040 SpaceX Implied Headcount vs. Mag 7



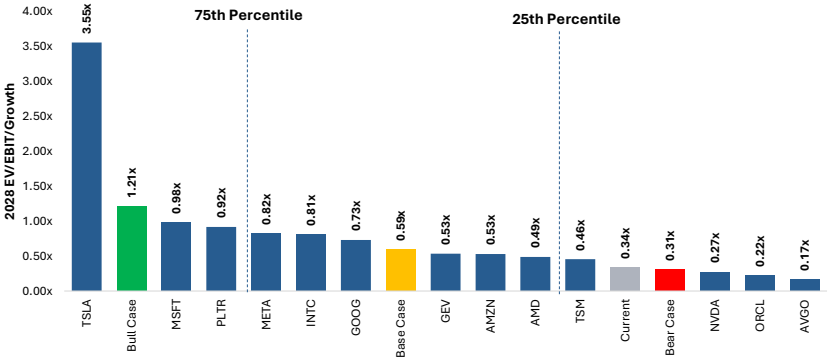
Note: SpaceX shown in orange: 2040e implied headcount of 791,320 (dark orange) vs. 22,700 today (light orange). 2040e assumes current SpaceX revenue per employee of $4.4mn is held flat, which would exceed the latest disclosed headcount of 6 of the 7 Mag7 peers today.

Exhibit 4: What's in the Price at $170/share?



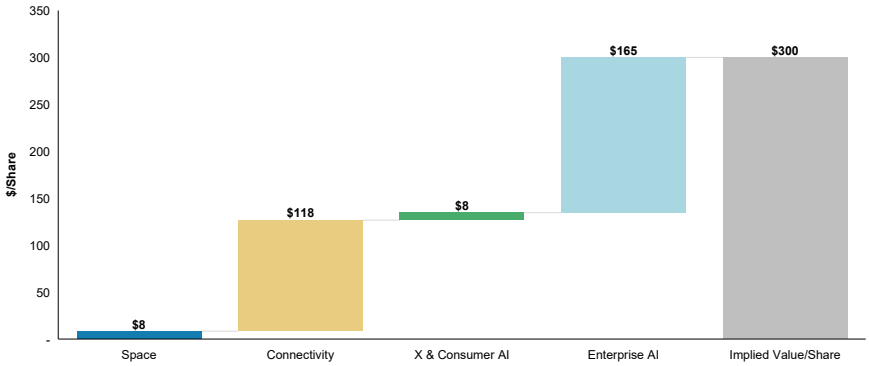
	5.0x	10.0x	20.0x	30.0x	40.0x	50.0x	60.0x	61.4x	71.4x
-3.0x	-19	-9	11	32	53	73	94	96	117
-2.0x	-9	1	22	42	63	83	104	107	127
0.0x	12	22	43	63	84	104	125	128	148
1.0x	22	32	53	74	94	115	135	138	158
1.5x	27	38	58	79	99	120	140	143	164
2.0x	33	43	63	84	104	125	145	148	169
3.0x	43	53	74	94	115	135	156	159	179
4.0x	53	64	84	105	125	146	166	169	190
5.0x	64	74	94	115	136	156	177	179	200
6.0x	74	84	105	125	146	166	187	190	210
7.0x	84	95	115	136	156	177	197	200	221
8.0x	95	105	126	146	167	187	208	211	231
10.0x	116	126	146	167	187	208	228	231	252
12.0x	136	147	167	188	208	229	249	252	273
14.0x	157	167	188	208	229	249	270	273	293
16.6x	184	194	215	235	256	276	297	300	320
18.0x	199	209	229	250	270	291	311	314	335
20.0x	219	230	250	271	291	312	332	335	356
22.0x	240	250	271	291	312	332	353	356	376

Exhibit 5: 2028 EV/EBIT/Growth



Note: Bear and bull case on respective case EBIT, base & current price on base case EBIT.

Exhibit 6: MSe Base Case SpaceX Sum of the Parts



Note: "Space" refers only to the external launch business (vast majority of launches used internally and captured in Connectivity or AI).

For Further Reading:

- SpaceX: Not Just SpaceX, What's in a Name? (5 Oct 2026)
- SpaceX: SPCX $159: Cheap and Getting Cheaper (4 Oct 2026)
- SpaceX: Flight 14 Report Card: Starship Goes Operational, but with an Asterisk (29 Sep 2026)
- Rowdy Robot: I Barely Drive Anymore (28 Sep 2026)

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- Robotics: RoboFest California Preview: Bots by the Bay (16 Sep 2026)
- SpaceX: Doom Hedging: SpaceX a Defensive AI Stock? (15 Sep 2026)
- SpaceX: Prometheus Shrugged (11 Sep 2026)
- SpaceX: Rockets on the Bayou: SpaceX's $100bn Louisiana Launch Complex (26 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)

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