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US Aerospace & Defense

Chart of the Day: Impossible To Ignore Space In 2027

CITI'S TAKE

SPCX recently reported EPS (SPCX: 3Q26: On Track For Major Beats Vs. Consensus). What's shocking is that if management's forecast proves correct, the company's ARR at YE27 (management sees $500B-$1T as possible) could in itself exceed the revenue of our entire A&D coverage using 2027 VA-consensus revenue forecasts. For those not close to the SPCX story, this is largely the result of dramatically better monetization of data center capacity - precisely the high-value infrastructure that SPCX plans to put into orbit. "Space-skeptics" in A&D sometimes wonder what is behind lofty forecasts of growth in space-launch cadence - yet the markets that launch will serve are already on track to (terrestrially) rapidly exceed the size of their entire stock coverage. That creates a strong incentive for space-launch leaders to succeed in commercializing next-gen technologies (SPCX most of all) and an even stronger incentive for investors to not ignore the space economy in 2027.

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See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

Figure 1. 2027 Revenue Comp - VA Cons. of Our A&D Coverage (30 Stocks) vs. SPCX's YE27 ARR ($500B-$1T)



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Source: Citi Research, Visible Alpha

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