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SpaceX | North America

SPCX/TSLA Roadster: 8 Thoughts & Questions

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> ***"If you ask the wrong question, the right answer is impossible."*** *- Elon Musk (in response to a question by Adam Jonas on Tesla's 1Q24 conference call)*

Just wanted to share some very high-level thoughts and questions after last night's Roadster unveil and demo in Texas.

1. Inspiring the next generation of 'builders' – my 3 boys' first reaction to the video this morning was: "that's AI"… it isn't.
2. What other US companies can develop/scale technology like this?
3. What would the implications be for US engineering and autos if a Chinese company had demoed a flying car first?
4. What are the other use cases for electric-powered cold gas thruster technology?
5. What are the potential defense applications for such technology?
6. Kitty Hawk 2026: When electricity and automobiles first came out, the reactions were typically "so what… candles and horses work fine."
7. The relationship between Tesla and SpaceX appears to be deepening. The majority of the BOM ($ value) appears to be from SpaceX.
8. Why did SpaceX schedule its 3Q earnings date so soon and with just 2 business days' notice? Never seen that before.

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 ~2x our 2028 estimates, in line with or below neocloud multiples.
- For sensitivity's sake… we estimate that 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 18% 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."

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 15, 2026)	$148.62
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	271.6	58.5	24.7
EPS ($)§	-	(0.02)	1.79	4.70
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

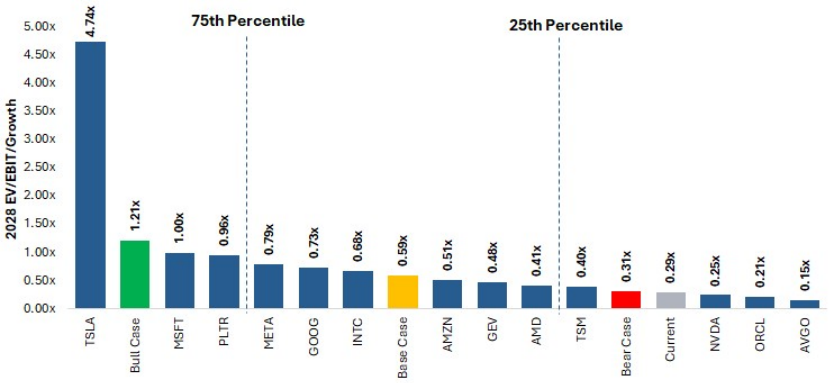
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Research as only a single factor i
decision.

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



Exhibit 1: 2028 EV/EBIT/Growth



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

For Further Reading:

- Tesla Inc: The Art of the Possible (16 Oct 2026)
- SpaceX: Why Starship Flight 15 Really Matters (11 Oct 2026)
- SpaceX: Tera'Merica (7 Oct 2026)
- SpaceX: SpaceX and US Jobs (6 Oct 2026)
- SpaceX: Not Just SpaceX, What's in a Name? (5 Oct 2026)
- SpaceX: SPCX $159: Cheap and Getting Cheaper (4 Oct 2026)
- 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