6-Aug-26

Independent Research and Analysis of SpaceX's Total Equity Value as of March 31, 2026

This analysis was prepared to provide an independent retrospective estimate of the total equity value of Space Exploration Technologies Corp. (hereafter "SpaceX" or "the Company") as of March 31, 2026 (hereafter the "Valuation Date"), and to assess the reasonableness of that estimate in light of the total equity value subsequently implied by the Company's initial public offering. For purposes of this analysis, total equity value represents the aggregate value attributable to all classes of common and preferred stock and other equity instruments outstanding as of the Valuation Date.

This professional article presents independent research and analysis for professional discussion and educational purposes and is structured in the format of a business valuation report. It was prepared solely out of the author's professional interest in the subject and was not commissioned, requested or funded by SpaceX, any of its shareholders, investors or any other party. Accordingly, it does not constitute an expert opinion prepared for a client, transaction, legal proceeding or investment decision. Neither the author nor Intrinsic Value – Independent Business Appraisers is affiliated with, retained by, authorized by, sponsored or endorsed by, or acting on behalf of SpaceX, any of its shareholders or any related party, and neither purports to serve as SpaceX's appraiser. The SpaceX name is used solely and descriptively to identify the subject of this professional article.

In the course of our analysis, we used financial and other information contained in the Prospectus and in other publicly available sources. We assumed such information to be reliable. Our conclusions depend on such information being complete and accurate in all material respects; however, we did not audit or independently verify such information and, accordingly, express no opinion or other form of assurance thereon.

The Prospectus presents the historical financial information in conformity with the reporting structure of the combined company following the mergers. Accordingly, this analysis should be understood as a retrospective valuation of the combined IPO group based on its recast financial information as of and for the three months ended March 31, 2026, rather than as a valuation of SpaceX on a standalone legal-entity basis as of that date.

In our analysis, we used computerized calculation tools and unrounded inputs; accordingly, immaterial differences may arise in the presentation of amounts and calculations due to rounding.

SpaceX's business. SpaceX operates in the space transportation, satellite communications and artificial intelligence markets. The Company designs, manufactures, launches and operates advanced rockets and spacecraft; provides reusable launch services to commercial, civil and governmental customers through Falcon 9 and Falcon Heavy; and provides broadband and communications services through the Starlink satellite network. Its activities also include Starshield governmental solutions, satellite-to-mobile services and an integrated artificial intelligence platform.

These markets are highly regulated. SpaceX's launch activities are subject to licenses and approvals from the U.S. Federal Aviation Administration and other governmental agencies. Its satellite communications activities are subject to spectrum allocations, operating licenses and authorizations granted by the U.S. Federal Communications Commission, the International Telecommunication Union and regulators in other countries. The Company is also exposed to substantial technological, execution, capital-investment and competitive risks.

Ownership of SpaceX. As of the Valuation Date, SpaceX was a privately held corporation controlled by its founder, Mr. Elon Musk (hereafter the "Controlling Shareholder"), primarily through his ownership of Class B common stock carrying enhanced voting rights. The Company's complete shareholder structure and the Controlling Shareholder's exact ownership percentage as of the Valuation Date were not disclosed in the Prospectus.

SpaceX's shares had limited liquidity because they were not publicly traded and could generally be transferred only through private transactions or Company-sponsored repurchase programs. Between January and March 2026, the Company repurchased redeemable convertible preferred stock and common stock from eligible current and former employees and third-party investors for aggregate consideration of approximately USD 1.396 billion.

Class of shares as of March 31, 2026	**Shares outstanding**
Redeemable convertible preferred stock	135 million
Class A common stock	2,884 million
Class B common stock	2,418 million
Class C common stock	497 million

Financial obligations. As of the Valuation Date, SpaceX and the entities included in its consolidated financial statements had financial debt, comprising debt and finance-lease obligations, with an aggregate outstanding principal amount of USD 30.29 billion. Financial debt is distinct from total liabilities, which is an accounting measure comprising all current and non-current liabilities. In this simplified contingent claim valuation, we used the Company's total liabilities of USD 60.51 billion as a conservative proxy for the aggregate maturity value of its liabilities. This amount includes certain non-interest-bearing liabilities that are not included in the conventional definition of financial debt used in calculating enterprise value. Redeemable convertible preferred stock was treated as preferred equity rather than debt because the objective of this analysis is to estimate total equity

value, including both preferred and common equity.

Selected financial data as of March 31, 2026	**USD in billions**
Cash and marketable securities	23.68
Capital expenditures (TTM)	26.70
Current liabilities	24.44
Non-current liabilities	36.08
Total liabilities	**60.51**
Redeemable convertible preferred stock	7.05
Common stock equity	34.53
Total equity	**41.58**

Valuation model. The valuation consists of two parts. The first part estimates SpaceX's firm value using a relative valuation approach. The second part estimates SpaceX's total equity value by applying the contingent claim valuation approach to the estimated firm assets (i.e., firm value).

Firm value differs from enterprise value. Enterprise value equals the market value of equity plus the market value of interest-bearing debt, less cash and marketable securities. Firm value equals the market value of equity plus the market value of interest-bearing debt (i.e., short-term and long-term financial debt and finance-lease obligations) and therefore equals enterprise value plus cash and marketable securities.

The relative valuation approach has been widely discussed in the academic literature and in numerous business valuation textbooks (see also Polanitzer and Dekel, *The Guide for Corporate Valuators* (2025), Chapter 11, for a discussion of this approach). Consistent with the capital-intensive nature of SpaceX's operations, we estimated the Company's enterprise value using the EV/CapEx and EV/Cash multiples of the U.S. Aerospace/Defense industry. Under each approach, we then added SpaceX's cash and marketable securities to the implied enterprise value to derive firm value. We consider these approaches appropriate because capital expenditures are a central value driver for a rapidly growing company whose operations require substantial investment, while cash and marketable securities reflect the liquid resources available to fund that growth.

The contingent claim valuation approach—the Merton (1974) model—was used to estimate SpaceX's total equity value. An important advantage of the Merton (1974) model is that it does not require the direct forecasting and discounting of the Company's future net cash flows. Instead, the model treats total equity as a call option on the value of the firm's assets. In this analysis, the current firm value was estimated independently using the relative valuation approach described below, while the uncertainty associated with the Company's business, industry and operating environment was reflected through the firm-value volatility assumption.

The Merton (1974) model is based on estimating the current value of the consolidated company's assets, including its interests in subsidiaries on a consolidated economic basis, as of March 31, 2026. This current firm value is denoted by V. The firm's value is generally allocated between its various debtholders and equityholders. Let D denote the current debt value and S denote the current total equity value.

In its simplest form, the Merton (1974) model assumes that the company has debt with a remaining term of T years. At the end of T years, the company is required to repay the principal and accrued interest promised to the debtholders (hereafter "the maturity value"). The maturity value at that time is denoted by F. Merton viewed corporate debt as a contingent claim that may be valued economically as follows:

$$D = Fe^{-rT} - P$$

where e^{-rT} is the discount factor for a risk-free cash flow expected to be received with certainty at time T, and P is the value of a put option on the firm, V, with a time to maturity of T years, and an exercise price of F. The option value may be calculated using the Merton (1973) model, provided that the model's assumptions are satisfied. It is a function of V, F, r, T, and σ_V, where σ_V is the standard deviation of the return on the firm values.

Merton showed that, under similar conditions, the firm's total equity value is a call option on the firm, with a time to maturity of T years, and an exercise price of F. The total equity value is calculated using the Merton (1973) model to estimate the economic value of the Company's total equity, assuming that the required conditions are satisfied. Specifically, the current debt value is:

$$D = Fe^{-r\cdot T} - [-V \cdot N(-d_1) + Fe^{-rT} \cdot N(-d_2)] = Fe^{-rT} \cdot N(d_2) + V \cdot N(-d_1)$$

where $N(d)$ is the cumulative standard normal distribution function evaluated at d.

$$d_1 = \frac{ln\left(\frac{V}{Fe^{-rT}}\right) + \frac{1}{2}\sigma_V^2 T}{\sigma_V\sqrt{T}}, \quad d_2 = d_1 - \sigma_V\sqrt{T}$$

In the Merton (1973) model, $N(-d_2)$ has an economic interpretation: it represents the risk-neutral probability that the firm value at time T will be lower than the maturity value of its liabilities, resulting in default at maturity.

We propose analyzing SpaceX using the Merton (1974) model in order to estimate its economic value. Applying the Merton (1974) model to SpaceX requires several assumptions, which are detailed below. It should be noted and emphasized that any approach to this issue, whether accounting-based or economic, relies on assumptions and statistical estimates. Based on our extensive experience in

this field, the Merton (1974) model offers several significant advantages, particularly because it provides consistent estimates of the values of the firm's various capital components. In addition, the Merton (1974) model enables sensitivity analyses to be performed with respect to different assumptions.

One of the key parameters affecting the model's results is the selection of F. In the Merton (1974) model, F represents the aggregate maturity value of the Company's liabilities, which are assumed to be non-coupon-bearing and payable on a single maturity date, T. In practice, however, most companies have debt structures that include interest payments and obligations owed to different creditors with varying maturities. Accordingly, an adjustment is required to reconcile the model's assumptions with the Company's actual debt structure.

When a zero-coupon bond is issued at a discount and has no separately accruing interest, its maturity value, F, equals its face value, B:

$$F = B$$

By contrast, when B represents the current principal amount of a balloon obligation on which interest accrues continuously at an annual rate R, the maturity value at time T is:

$$F = B \cdot e^{R \cdot T}$$

To estimate SpaceX's total equity value as a call option, we used the Merton (1973) option-pricing formula. The option-pricing formula is based on several assumptions, including continuous trading, the absence of arbitrage and constant and known volatility and interest rates. Although some of these assumptions do not hold in this case, in our opinion, the Merton (1973) option-pricing formula provides a reasonable approximation of the theoretical value of the call option. The specific parameters used in the valuation are presented below.

Damodaran does not publish an EV/CapEx multiple directly. We derived the multiple from two aggregate industry figures reported in separate Damodaran datasets for the U.S. Aerospace/Defense industry as of December 31, 2025. Aggregate enterprise value of USD 1,787,591.66 million was obtained from the *Dollar Value Measures by Industry* dataset. In that dataset, enterprise value represents the market value of equity plus the market value of debt, less cash and marketable securities. Aggregate capital expenditures of USD 14,999.93 million were obtained from the *Capital Expenditures, Depreciation, Reinvestment Rate and Sales to Capital Ratios by Industry* dataset. Capital expenditures represent cumulative capital spending reported in the statements of cash flows of the companies included in the industry and generally exclude acquisitions.

Accordingly, we calculated the industry EV/CapEx multiple by dividing aggregate enterprise value by aggregate capital expenditures, resulting in an EV/CapEx multiple of 119.17x.

$$\frac{EV}{CapEx} = \frac{\$1{,}787{,}591.66\text{M}}{\$14{,}999.93\text{M}} = 119.17\text{x}$$

Damodaran does not publish an EV/Cash multiple directly. We derived the multiple from two aggregate industry figures reported in separate Damodaran datasets for the U.S. Aerospace/Defense industry as of December 31, 2025. Aggregate enterprise value of USD 1,787,591.66 million was obtained from the *Dollar Value Measures by Industry* dataset. In that dataset, enterprise value represents the market value of equity plus the market value of debt, less cash and marketable securities. Aggregate cash and marketable securities of USD 46,692.73 million were obtained from the *Levered and Unlevered Betas by Industry* dataset (by multiplying the Aggregate enterprise value of USD 1,787,591.66 million by a Cash/Firm value ratio of 2.61%, assuming for that calculation only that firm value equals enterprise value).

Accordingly, we calculated the industry EV/Cash multiple by dividing aggregate enterprise value by aggregate cash and marketable securities, resulting in an EV/Cash multiple of approximately 38.28x.

$$\frac{EV}{Cash} = \frac{\$1{,}787{,}591.66\text{M}}{\$46{,}692.73\text{M}} = 38.28\text{x}$$

The EV/CapEx and EV/Cash approaches were selected because they capture two complementary dimensions of SpaceX's capital-intensive growth profile. Capital expenditures reflect the scale of the investment required to develop and expand the Company's launch systems, satellite constellations, communications infrastructure, manufacturing capacity and artificial-intelligence infrastructure. Cash and marketable securities, by contrast, reflect the liquid financial resources available to fund this investment program, support technological development and preserve financial and operational flexibility.

These measures were also considered more informative in the circumstances than earnings-based multiples. During a period of rapid expansion, operating earnings and EBITDA may be materially affected by the timing of development expenditures, capacity additions and other investments whose economic benefits are expected to arise in future periods. Capital expenditures and cash balances are positive, observable measures derived directly from the Company's financial statements and therefore provide practical valuation benchmarks notwithstanding the limitations of the available earnings data.

The two approaches should not be viewed as measuring the same economic attribute. EV/CapEx provides an investment-intensity perspective, whereas EV/Cash provides a funding-capacity perspective. Because each multiple has inherent limitations—particularly EV/Cash, since cash is not itself an operating value driver—we used the average of the firm values implied by the two approaches. This reduces reliance on any single multiple and provides a more balanced estimate of

firm value.

For purposes of this analysis, we estimated the Company's firm value as the average of the firm values implied by the EV/CapEx and EV/Cash approaches. Under each approach, cash and marketable securities reported in the Company's balance sheet as of March 31, 2026, were added to the estimated enterprise value to derive firm value, which is a central input in the Merton (1974) model.

Parameters. In order to apply the valuation described above, we have used the following parameters:

Parameter	Value	Source
Valuation Date	31-Mar-26	Valuation Date selected for purposes of this retrospective analysis
EV/CapEx	119.17x	Derived by dividing the aggregate enterprise value of the U.S. Aerospace/Defense industry by its aggregate capital expenditures, based on two Damodaran industry datasets as of December 31, 2025.
Capital expenditures	26.70B	SpaceX capital expenditures for the twelve months ended March 31, 2026, calculated as 2025 capital expenditures plus Q1 2026 capital expenditures less Q1 2025 capital expenditures
EV/Cash	38.28x	Derived by dividing the aggregate enterprise value of the U.S. Aerospace/Defense industry by its aggregate cash and marketable securities, based on two Damodaran industry datasets as of December 31, 2025.
Cash & marketable securities	23.68B	SpaceX consolidated balance sheet as of March 31, 2026
Current firm value	2,068.07B	Estimated using the relative valuation approach described above
Aggregate maturity value	60.51B	SpaceX total liabilities as of March 31, 2026
Time to maturity	2.59 years	Estimated liability-weighted average term
Risk-free interest rate	3.80%	Linearly interpolated U.S. Treasury par yield used as a proxy for the continuously compounded risk-free rate
Dividend yield	0.00%	Assumption based on SpaceX's historical distributions as of March 31, 2026
Firm-value volatility	41.60%	The Std Deviation in Firm Value of the U.S. Aerospace/Defense industry, based on Damodaran industry dataset as of December 31, 2025.

Since we are dealing with several debt instruments—with principal and coupon cash flows— whereas the Merton (1974) model requires a single exercise date and a single exercise price on that date, in our case the debt instruments and their cash flows may be converted into a single zero-coupon bond based on their duration (see also Damodaran, *Corporate Finance* (1997), p. 761, for a discussion of this method).

The information regarding the Company's debt as of March 31, 2026, is as follows:

Debt instrument	Principal Amount, USD in billions	Duration*	Coupon*
SpaceX Bridge Loan	20.00	1.43	4.58%
X 2027 Notes	0.03	1.71	3.875%
X 2030 Notes	0.002	3.92	5.000%
Other equipment financings	0.06	4.25	4.40%
Failed sale-leaseback financing obligations	9.04	4.25	10.48%
Total debt / weighted average	**29.13**	**2.31**	**6.41%**

*The durations and coupons presented in the table are based on information disclosed in the Prospectus and, where the required information was not separately disclosed, on estimates extrapolated from the corresponding assumptions applied as of December 31, 2025.

At this stage, we will treat the debt instruments presented above as a single debt obligation whose principal amount as of the Valuation Date is USD 29.13 billion, whose average duration is 2.31 years and whose average coupon, in nominal U.S. dollar terms, is 6.41%.

Based on the consolidation of the debt and its treatment as a balloon loan with a term of 2.31 years and an average annual coupon of 6.41%, the Company has an obligation to pay, in 2.31 years, a total amount of $29.13 \cdot (1 + 6.41\%)^{2.31} =$ USD 33.63 billion.

Notwithstanding the foregoing, and in order to assess the reasonableness of our calculations, we reconsidered and recalculated F and T using the more conservative liability-based approach discussed by Sasi-Brodesky (2011). Under this approach, F is equal to the sum of the Company's current and non-current liabilities, in accordance with the original Merton model. The time to maturity, T, is equal to the Macaulay duration calculated from the current and non-current liabilities data, under the assumption that the current liabilities will mature in six months (the midpoint of the period to which the current liabilities relate) and the non-current liabilities in four years (see also Sasi-Brodesky (2011) for a discussion of this approach). Furthermore, the longer the selected time to maturity, the higher the resulting equity value.

As noted above, as of the Valuation Date, the Company's current liabilities amounted to USD 24.44 billion, while its non-current liabilities amounted to USD 36.08 billion.

$$F = 24.44B + 36.08B = 60.51B$$

$$T = \frac{0.50 \cdot 24.44B + 4.00 \cdot 36.08B}{60.51B} = 2.59$$

Accordingly, T was set equal to the liability-weighted average duration of 2.59 years. For purposes of our conservative application of the Merton (1974) model, F was set equal to the Company's total current and non-current liabilities of USD 60.51 billion. The resulting values of F and T were therefore used in our calculations.

In effect, we selected a shorter T and a higher F, both of which constitute more conservative assumptions under the model: T is positively related to total equity value S and therefore affects it in the same direction, whereas F is negatively related to total equity value S and therefore affects it in the opposite direction.

For purposes of our calculations, we used the U.S. Treasury par yield curve as the basis for estimating the risk-free interest rate. To estimate the rate corresponding to a term of 2.59 years, we applied linear interpolation between the two-year and three-year par yields. As of the Valuation Date, the two-year U.S. Treasury par yield was 3.79% per annum and the three-year par yield was 3.81% per annum. The resulting interpolated par yield for a term of 2.59 years was 3.80% per annum, which was used as an approximation of the continuously compounded risk-free rate.

Because the Company's shares were not publicly traded as of the Valuation Date, we examined normative firm-value volatility estimates for companies with operating characteristics similar to those of the Company. Our analysis considered, among other factors, Professor Aswath Damodaran's study of firm-value volatility in the U.S. Aerospace/Defense industry for 2025. In our opinion, the industry-average firm-value volatility of 41.60% reported in Damodaran's study appropriately reflects the uncertainty inherent in an investment in the Company. Accordingly, we used this firm-value volatility in our calculations.

Results. The EV/Cash approach implies a firm value of USD 930.05 billion, while the EV/CapEx approach implies a firm value of USD 3,206.08 billion. The average of the two, which represents our estimated firm value of SpaceX as of the Valuation Date, is estimated at USD 2,068.07 billion.

We then applied the Merton (1973) option-pricing formula using the inputs described above: a firm value of USD 2,068.07 billion, an aggregate maturity value of USD 60.51 billion, an estimated liability-weighted average term of 2.59 years, a U.S. Treasury par yield of 3.80% used as an approximation of the continuously compounded risk-free rate, a dividend yield of 0% and firm-value volatility of 41.60%.

Based on the parameters described above, the estimated total equity value of SpaceX as of the Valuation Date is **USD 2,013.22 billion.** This estimate is approximately USD 233.68 billion, or 13.13%, above the approximately USD 1,779.54 billion total equity value subsequently implied by the Company's June 2026 initial public offering.

The valuation results are based on the assumptions described above and represent Valuation-Date-

specific estimates rather than precise or definitive values. The comparison with the subsequently implied IPO valuation should be interpreted cautiously because it spans approximately two and a half months and therefore reflects changes in the Company's operations, capital structure, market conditions and investor expectations after March 31, 2026. Accordingly, the difference should not be interpreted solely as a valuation error or as evidence that either value is necessarily incorrect.

References:

Damodaran A., *Corporate Finance: Theory and Practice*, John Wiley & Sons, First Edition, 1997. https://pages.stern.nyu.edu/~adamodar/New_Home_Page/CF2E.htm.

Damodaran A., "Dollar Value Measures by Industry," Stern School of Business, New York University, U.S. Aerospace/Defense Industry Data, as of December 31, 2025, published on January 5, 2026, https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/DollarUS.html.

Damodaran A., "Capital Expenditures, Depreciation, Reinvestment Rate and Sales to Capital Ratios by Industry," Stern School of Business, New York University, U.S. Aerospace/Defense Industry Data, as of December 31, 2025, published on January 5, 2026, https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/capex.html.

Damodaran A., "Levered and Unlevered Betas by Industry," Stern School of Business, New York University, U.S. Aerospace/Defense Industry Data, as of December 31, 2025, published on January 5, 2026, https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/betas.html.

Damodaran A., "Firm Value and Equity Value Standard Deviations (for use in real option pricing models)," Stern School of Business, New York University, U.S. Aerospace/Defense Industry Data, as of December 31, 2025, published on January 5, 2026, https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/optvar.html.

Merton R. C., "Theory of Rational Option Pricing", *The Bell Journal of Economics and Management Science*, 4 (1), (1973), 141–183. https://doi.org/10.2307/3003143.

Merton R. C., "On the Pricing of Corporate Debt: The Risk Structure of Interest Rates", *The Journal of Finance*, 29 (2), (1974), 449–470. https://doi.org/10.1111/j.1540-6261.1974.tb03058.x.

Polanitzer R., and Y. Dekel, *The Guide for Corporate Valuators*, 2025 (In Hebrew). https://polanitz8.wixsite.com/valuationbook

Polanitzer R., "Is SpaceX Really Worth $1.77 Trillion as of December 31, 2025?", *Medium*, July 30, 2026. https://medium.com/@polanitzer/is-spacex-really-worth-1-77-trillion-as-of-december-31-2025-0db6ba2f50bb?sharedUserId=polanitzer

Sasi-Brodesky A., "Assessing Default Risk of Israeli Companies Using a Structural Model", Discussion Paper No. 2011.13, Research Department, Bank of Israel, November 2011. https://www.boi.org.il/media/lochrak5/dp201113e.pdf.

Space Exploration Technologies Corp., *Prospectus for the Public Offering to Retail Investors*, approved by the German Federal Financial Supervisory Authority (BaFin), June 5, 2026, https://content.spacex.com/cms-assets/FINAL_Documents%20and%20Updates/SpaceX%20-%20EU%20Prospectus%20%28Approved%20by%20Bafin%29%20-%20June%205%2C%202026.pdf.

With our best compliments,



Roi Polanitzer, FRM, FILARM, FILAVFA, FAILA

Intrinsic Value – Independent Business Appraisers

Polanitz5@gmail.com

Disclaimer. This professional article presents independent research and analysis for professional discussion and educational purposes and is structured in the format of a business valuation report. It was prepared solely out of the author's professional interest in the subject and was not commissioned, requested or funded by SpaceX, any of its shareholders, investors or any other party. Accordingly, it does not constitute an expert opinion prepared for a client, transaction, legal proceeding or investment decision. Neither the author nor Intrinsic Value – Independent Business Appraisers is affiliated with, retained by, authorized by, sponsored or endorsed by, or acting on behalf of SpaceX, any of its shareholders or any related party, and neither purports to serve as SpaceX's appraiser.

The analysis was prepared using information contained in SpaceX's Prospectus and other publicly available sources that we considered reliable. We did not audit or independently verify such information beyond general reasonableness checks and express no opinion regarding its completeness or accuracy. The valuation analysis reflects the information, assumptions and market conditions applicable as of the Valuation Date and represents an indicative economic estimate rather than a precise or guaranteed value.

This professional article does not constitute legal advice, investment advice or a recommendation to purchase, sell or hold any security. The information presented herein is condensed and does not purport to include all information that a prospective investor may require. Different valuation methods, assumptions or investor-specific considerations may result in materially different estimates of value.

SpaceX's name is used solely and descriptively to identify the subject of the independent research and analysis. Neither the author nor Intrinsic Value – Independent Business Appraisers claims any right or interest in SpaceX's name, trademarks, logos, trade dress, reputation or goodwill. No affiliation, sponsorship, endorsement, authorization or commercial association with SpaceX is stated or implied, and no use of the SpaceX name is intended to appropriate or trade upon SpaceX's reputation or goodwill. We have no personal interest in SpaceX, its shareholders or any related party.