Rocket Lab Corporation (RKLB)

Equity research note | Nasdaq | Aerospace and defence | Routine refresh | Data through 10 September 2026

WATCHLIST	$61.96	$71.25 (+15.0%)	59 / 100
RATING	ALPHA VANTAGE PRICE	WEIGHTED FAIR VALUE	INVESTMENT SCORE

Verdict reaffirmed. Rocket Lab keeps executing in Electron and Space Systems, while the decline has reduced valuation risk. Alpha Vantage confirms $61.96. Neutron remains unflown and the Iridium financing plan adds leverage and dilution uncertainty. The discount is useful but remains too small for those binary risks.

The investment case

Rocket Lab is better understood as a space-systems manufacturer with a launch franchise than as a pure rocket company. Product revenue reached $181.3 million in Q2, while service revenue was $52.7 million. Spacecraft, components and acquired capabilities now carry growth while Electron provides launch heritage and customer access.

The equity case depends on two milestones that lie ahead. Neutron must progress from hardware and pad work to a successful medium-lift flight. The $8 billion Iridium acquisition must close on financing terms that do not overwhelm a business that still loses money. Both could widen the moat and both could consume capital before producing an adequate return.

Framework for the next two years

Driver	What must happen	Current read
Neutron execution	First-flight hardware reaches the pad, then orbit, without a multi-quarter reset	Stage 1 tank delivery targets Q4 2026; no maiden-flight date is promised
Space Systems growth	Backlog converts with durable margins and limited integration drag	Product revenue nearly doubled year over year
Iridium financing	Permanent debt and equity replace the $3.6bn bridge on acceptable terms	HSR period lapsed; FCC and financing steps remain
Electron cadence	Reliability and launch frequency turn scarce access into recurring revenue	95 missions overall and 16 launches in 2026
Government demand	Defence awards convert without program concentration	Large Space Force and missile-defence wins support backlog

What changed since the prior report

Development	Evidence	Investment effect
Electron cadence	95th mission completed 11 September, the 16th launch of 2026	Execution positive; launch remains the smaller stream
IMM Apex	31.5% beginning-of-life efficiency and 40% lower cell mass	Adds a differentiated Space Systems product
Broker coverage	Moomoo surfaced Raymond James at $80 and Berenberg at $83	Constructive sentiment, still dependent on milestone execution
Share price	$72.57 in the prior note versus $61.96 now	A 14.6% decline improves valuation

Financial position and operating quality

Metric	Q2 2026	Q2 2025	Read-through
Revenue	$234.1m	$144.5m	+62%; another record quarter
Product revenue	$181.3m	$92.7m	+96%; Space Systems and acquisitions drove growth
Service revenue	$52.7m	$51.8m	+1.8%; launch growth remains muted
Gross profit	$84.6m	$46.4m	36.1% margin versus 32.1%
Operating loss	$(57.5)m	$(59.6)m	Only modest improvement despite the revenue step-up
Cash and securities	$2.39bn	$1.10bn Dec. 2025	Strong pre-deal liquidity
Convertible notes	$355m	$355m	4.25% notes due 2029, before Iridium financing

Management guided Q3 revenue to $250 million to $265 million, with a 29% to 31% GAAP gross margin and an adjusted EBITDA loss of $17 million to $23 million. The revenue guide is strong. Lower margin and a wider adjusted EBITDA loss show that growth still requires heavy investment.

Competitive position and management

Electron has earned a strong record in dedicated small-launch missions. The Synspective relationship includes eleven completed dedicated launches and another sixteen booked before 2030. That operating record is difficult for new entrants to copy. At medium lift, SpaceX's reuse, cadence and cost base set the benchmark.

Management deserves credit for building a broader spacecraft and components business, winning defence contracts and staying measured about Neutron. Capital allocation is now the harder test. Acquiring Iridium adds recurring network revenue, while asking shareholders to fund a much larger balance sheet before Neutron has flown.

Growth drivers

Catalyst	Likelihood	Impact	Assessment
Neutron reaches the pad in Q4	Moderate	High	A visible milestone, still short of orbital proof
Electron sustains 2026 cadence	High	Medium	95 missions completed; another September launch is scheduled
Backlog converts	High	High	$2.36bn backlog and more than $1bn of Q3 signings
Iridium closes in 2027	Moderate	Very high	Adds recurring revenue and spectrum, with leverage and integration cost
IMM Apex gains share	Moderate	Medium	Efficiency and lower mass address a supply constraint

Principal risks

Risk	Probability	Severity	Why it matters
Neutron delay or failure	Moderate	Severe	Medium-lift economics and contracts depend on flight proof
Iridium financing	Moderate	High	Permanent funding may add debt cost and dilution
Integration	Moderate	High	Iridium is larger than prior acquisitions
Valuation compression	High	High	About 36x annualized guided sales remains exceptional
Launch-service stagnation	Present	Medium	Service revenue rose only 1.8% year over year
Government concentration	Moderate	Medium	Appropriations create program and political exposure

Valuation

At $61.96, market capitalization is about $39.0 billion. Adding $355 million of convertible notes and subtracting about $2.39 billion of cash and marketable securities gives enterprise value near $37.0 billion. That is about 48 times the prior note's $769 million trailing-revenue base and 35.9 times the annualized midpoint of Q3 guidance.

The decline has improved the setup. A manufacturing company with 36% gross margins and negative operating income still carries a software-like multiple. Scenario analysis is more useful than a DCF because Neutron and Iridium dominate future cash flows and remain unresolved.

Government appropriations are the main revenue-side macro driver. Defence awards show active demand and are largely insensitive to short-term rates once appropriated. Financing is rate-sensitive. The 10-year Treasury closed at 4.95% on 10 September, raising the cost of replacing the Iridium bridge facility.

Measure	Value	Comment
Share price	$61.96	Alpha Vantage GLOBAL_QUOTE, 10 Sep 2026
Market capitalization	~$39.0bn	Calculated from current quote
Enterprise value	~$37.0bn	Adds notes, subtracts cash and securities
EV / trailing revenue	~48.1x	On $769m prior trailing base
EV / annualized Q3 guide	~35.9x	Q3 midpoint of $257.5m times four
Street target	$108.83 average	23 analysts, $60 to $150 range

Sentiment and technical setup

Moomoo's raw feed and separate digest were bullish. The feed confirmed the 16th Electron mission and surfaced Raymond James initiating at Outperform with an $80 target, Berenberg at Buy with $83, and Bank of America maintaining Buy while trimming its target to $110 from $115. Options activity was also call-heavy. These signals support execution confidence, while the wide target range confirms the dependence on Neutron and Iridium assumptions.

Twelve Data returned 300 rows. The live 11 September bar showed 372,936 shares versus a 20-day average above 16 million, so it was discarded. On 299 completed sessions through 10 September, $61.96 sits below every tracked moving average. RSI at 35.31 is approaching oversold, while MACD remains negative. The setup is weak, with possible short-term rebound conditions but no confirmed trend reversal.

Indicator	Reading	Interpretation
Price vs SMA	$61.96 vs $69.24 / $73.05	Below 20-day and 50-day trend
SMA 100 / 200	$89.75 / $79.80	Price is well below long-term averages
EMA 20 / 50	$67.56 / $74.61	Price remains below both
RSI (14)	35.31	Weak and nearing oversold
MACD / signal	-3.68 / -3.44	Negative with a -0.24 histogram
ATR (14)	$2.92	About 4.7% of price; volatility is high
20-day range	$61.45 to $85.55	Price is testing the range low

Scorecard

Factor	Score	Weight	Rationale
Business Quality	7 / 10	15%	Launch heritage plus a broad Space Systems platform
Financial Strength	6 / 10	15%	Strong liquidity before a much larger transaction
Competitive Advantage	7 / 10	15%	Electron reliability and integrated capabilities
Management	7 / 10	10%	Strong execution; larger capital-allocation test
Growth Potential	8 / 10	15%	Backlog, defence and Neutron create several paths
Valuation	3 / 10	15%	About 36x annualized guided sales
Risk (10 = lowest risk)	4 / 10	10%	Unflown rocket, acquisition funding and integration
Technical Setup	3 / 10	5%	Below all tracked averages; RSI near oversold
Investment Score	59 / 100	100%	Computed weighted sum

Scored 1-10, where 10 is always best, including Risk. The prior report used the same Risk direction, so no restatement was needed.

Risk 4/10 means high risk. That agrees with the Neutron, financing, integration and valuation risks described above.

Scenario analysis

Case	Probability	Operating outcome	Fair value
Bull	25%	Neutron flies successfully in first-half 2027, Iridium closes cleanly and Space Systems compounds	$110
Base	50%	Neutron reaches the pad, flight moves into 2027, Iridium closes with dilution and growth stays strong	$70
Bear	25%	Neutron slips or fails, financing is costly and the sales multiple resets	$35
Weighted	100%	Probability-weighted fair value, computed	$71.25

Recommendation

Watchlist. The recommendation is unchanged. The decline and continuing execution lift expected return, but the 15% gap to fair value is modest beside the range of outcomes. The connected technical data confirms a weak trend rather than a durable reversal.

The shares become more interesting around $50 to $55. That range offers room below the $70 base case while remaining above the $35 bear case. No cut-loss or take-profit levels are appropriate because this is a Watchlist rating.

Toward Buy	Toward Avoid
Neutron completes a successful maiden flight	Neutron slips well beyond 2027 or fails
Shares reach $50 to $55 without a thesis break	Iridium funding requires heavy dilution or expensive debt
Space Systems converts backlog with stable margins	Backlog masks weak conversion or margin deterioration
Iridium closes with manageable leverage	Government awards slow while commercial launch remains flat

Final investment memo

The current price does not justify committing capital yet. Rocket Lab is executing and owns scarce capabilities. The expected return still depends on an unflown vehicle and a transformative acquisition. The central concern is paying a premium hardware multiple before either has proved its economics. A successful Neutron flight, better financing visibility or a $50 to $55 entry would change that conclusion.

Connected-source findings

Alpha Vantage confirmed $61.96 for the completed 10 September session. Moomoo news, notices and research were retrieved successfully, and the separate digest was bullish after the 16th Electron launch and new positive initiations. Twelve Data supplied 299 completed sessions after the live 11 September row was removed, confirming price below every tracked moving average.

Sources and scope

- SEC Q2 2026 Form 10-Q
- Rocket Lab Q2 results
- Iridium transaction update
- 95th Electron mission
- IMM Apex solar-cell release
- Rocket Lab Q2 call transcript
- Moomoo raw news, 16th Electron mission
- Moomoo research feed, Raymond James $80 target
- Alpha Vantage GLOBAL_QUOTE
- Twelve Data time series
- Analyst consensus

Macro context uses Beating The Bull economic posts dated 26 August through 10 September 2026. The Q2 call transcript was obtained from R40 and checked against the company replay and release. Alpha Vantage, Moomoo and Twelve Data all responded successfully. This note is informational and is not financial advice, an offer, or a recommendation to transact.