Space Exploration Technologies Corp. (NASDAQ: SPCX)

Equity research update | Price-level review at $136.97 (21 August 2026 close) | Report date: 24 August 2026 | Supersedes the note of 5 August 2026

RECOMMENDATION	INVESTMENT SCORE	WEIGHTED FAIR VALUE	HORIZON
WATCHLIST	**66 / 100** (unchanged)	**$143** (+4.2%)	**12–24m**

Why this update exists. The 5 August note was written before the opening bell, with no post-announcement close available and the 6 August lock-up expiry still ahead of it. It named a specific condition for upgrading: let the lock-up clear, and buy if the stock held above roughly $110. That event has now happened and been resolved. This update reports what it resolved to, which is not what the note expected.

1. The Lock-Up Cleared, and the Entry Disappeared With It

The condition was met, comprehensively. Roughly 911 million shares became eligible on 6 August, more than doubling the public float, and the stock rose 6.1% on the day rather than falling. It then gained a further 15.8% on 7 August and continued higher, reaching an intraday $149.80 on 17 August before settling at $136.97 on 21 August. A second tranche of up to 319 million shares unlocked on 20 August and was absorbed as well: the stock fell 4.0% that session and recovered 2.2% the next. Supply that the previous note treated as the dominant near-term overhang was met by demand at every point.

The difficulty is that the note wanted two things and got only one. It set out two distinct routes to a Buy: the lock-up being absorbed with the stock holding above $110, or price weakness into the $95 to $110 range without a thesis break. The first has occurred. The second has been foreclosed, because the stock moved 26.5% off its 5 August close of $108.27 in eleven sessions and is now trading above the base-case fair value of about $132 that the same note published. The patient approach the note recommended was correct in its reasoning and unrewarded in its outcome: waiting through the catalyst was free in risk terms and expensive in price terms.

Trigger set on 5 August	Outcome	What actually happened
Lock-up absorbed, stock holds above ~$110	Met	Held throughout; lowest close since was $114.92 on unlock day itself
Weakness into $95–110 without a thesis break	Foreclosed	The stock went the other way, +26.5% from the 5 August close
Q3 shows cloud revenue tracking the $100bn exit rate	Pending	Q3 results are the next scheduled disclosure; nothing since 4 August
Contracted cloud backlog disclosed with counterparties	Pending	No further disclosure; the payback claim remains unverifiable
Capex guidance moderates or is funded without equity	Pending	No change to the ~$18.4bn quarterly guide
Starship ship catch and routine V3 deployment	Pending	No flight milestone reported in the period

Outcomes assessed against closing prices from 5 to 21 August 2026 (Alpha Vantage daily series) and public reporting of the 6 and 20 August unlock events.

2. A Repricing Without Information

Nothing was disclosed in these eleven sessions that bears on the investment case. There has been no trading update, no contract announcement of scale, no change to the $100bn exit run-rate target or the roughly $18.4bn quarterly capital expenditure guide, and no Starship flight milestone. Starlink continued routine deployment toward roughly 11,000 satellites in orbit, which is execution rather than news. The move is therefore a positioning event: a short base reported near $24.6bn ahead of the print, an unlock that failed to produce the selling the market had pre-traded, and a resulting squeeze on volume averaging 118.7m shares a day against a 20-day average of 68.2m before the release.

That distinction matters for how the move should be read. A 26.5% advance driven by resolved supply pressure carries no new evidence about the two questions on which this equity turns, which are whether the AI segment's sub-one-year payback claim is real and whether the $100bn December run rate can be reached from a $31bn second-quarter annualised base. Both remain exactly as unresolved as they were on 5 August, and both are first testable at the third-quarter report. What has changed is that an investor now pays 9.3% more than the pre-release close for the same unanswered questions.

3. Valuation: the Multiple Re-Expanded

The August note made a specific and favourable observation: the multiple had compressed from roughly 83 times trailing sales in July to roughly 50 times, and it had done so while the share price rose, because the revenue base expanded faster than the price. That was described as the healthiest possible way for a multiple to fall. The reverse has now happened in miniature. The revenue base is unchanged, the price is 9.3% higher, and enterprise value of approximately $1.71 trillion against annualised second-quarter revenue is about 54.7 times sales, up from about 50 times. Against the guided $100bn exit run rate it is 17.1 times, up from about 16 times.

The consequence for expected return is more pointed than the multiple itself. The scenario set published on 5 August produces a probability-weighted fair value of $142.75. Against the $125.33 close then used, that was 13.9% of upside. Against $136.97 it is 4.2%. The base case, which carries half the probability weight, now sits 3.6% *below* the market price, so the single most likely outcome in the published distribution is a small loss. The bear case still implies a 48.9% decline. An investor buying today accepts a one-in-four chance of losing roughly half their capital in exchange for a weighted expectation of four percent.

Measure	5 Aug (at $125.33)	Now (at $136.97)	Direction
EV / annualised Q2 revenue	~50x	**~54.7x**	Re-expanded
EV / guided exit-2026 ARR	~16x	**~17.1x**	Re-expanded
EV / annualised Q2 adj. EBITDA	~111x	**~122x**	Re-expanded
Market capitalisation	~$1.63T	**~$1.78T**	+9.3%
Enterprise value	~$1.56T	**~$1.71T**	+9.7%
Upside to weighted fair value	+13.9%	**+4.2%**	Sharply reduced
Price vs base-case fair value $132	5.3% below	**3.6% above**	Crossed over
Downside in the bear case	–44%	–**48.9%**	Worse

Enterprise value is an analyst calculation using approximately 13.0 billion shares, $100bn of cash and securities and approximately $27bn of debt. Annualised figures use second-quarter revenue of $7.80bn and adjusted EBITDA of $3.50bn multiplied by four; the company is loss-making, so earnings multiples do not apply. Fair values are carried forward unchanged from 5 August.

4. Technicals: Genuinely Improved

This is the one section where the change is unambiguously favourable. The August note recorded a MACD histogram that had just turned positive with the line still below zero, and called it the signature of a downtrend losing force rather than an uptrend confirmed. The line has now crossed above zero at 1.53 against a signal of –0.60, a histogram of +2.13, which completes the pattern the note was watching. Price sits above the twenty-day simple average of $127.94 and the twenty-day exponential average of $134.00, and relative strength at 58.3 leaves room before any overbought reading. The stock absorbed two large supply events on volume roughly 1.7 times its prior average without breaking structure.

Two constraints on reading too much into it. With 49 sessions since the 12 June listing the fifty-day average is still not computable and is not estimated here, so there is no intermediate trend reference at all. And average true range of $10.29

is 7.5% of the share price, which means a single ordinary session can move this stock further than the entire 4.2% weighted upside identified above. For a name with this volatility, technical improvement is a reason to watch more closely rather than a reason to pay more.

Indicator	5 Aug note	Now	Read
Close	$125.33	**$136.97**	Confirmed close, 21 Aug
SMA 20	$125.31	**$127.94**	Price above
EMA 20	$125.74	**$134.00**	Price above — was below
EMA 50	not computed	**$138.89**	Price marginally below; provisional at 49 sessions
SMA 50 / 100 / 200	not computed	not computed	49 sessions since listing; not estimated
RSI (14)	63.8	**58.3**	Neutral; room in both directions
MACD (12,26,9)	–10.42 / –11.27	**1.53 / –0.60**	Crossed above zero, histogram +2.13
ATR (14)	$10.85 (8.7%)	**$10.29 (7.5%)**	Still exceptional; size positions accordingly
Volume avg 20d	68.2m	**118.7m**	Elevated through both unlock events
Support	$104–110	**$130 / $115 / $105**	Recent base, unlock-day low, all-time low
Resistance	$135 / $145	**$149.80 / $160**	August high, then the early-July shelf

Computed in code from the Alpha Vantage daily OHLCV series of 49 sessions, 12 June to 21 August 2026. Averages requiring more observations than the series provides are stated as not computed rather than estimated. Technicals inform entry timing only and do not override the fundamental and valuation work.

5. What Has Not Changed

The fundamental picture stands exactly as published on 5 August. Second-quarter revenue of $7.80bn grew 92% and beat consensus by 14.5%, adjusted EBITDA of $3.50bn grew 191%, the AI segment turned adjusted-EBITDA positive at $1.1bn, and Starlink delivered 1.7 million net additions with ARPU flat at $66. Against that, capital expenditure of $18.4bn in a single quarter against $3.5bn of adjusted EBITDA implies roughly $15.8bn of cash consumption per quarter, management guided the third and fourth quarters to a similar rate, and the $100bn cash and securities balance funds approximately seven quarters at that pace. The 2027 ambition of 15 gigawatts of power and cooling implies a further step-up that is not fundable from the existing balance sheet.

The three unresolved items the August note identified remain unresolved and unaddressed. The sub-one-year payback on compute capital is still management's assertion rather than an observable fact. The $100bn exit run rate still requires roughly $69bn of annualised revenue to be added in what is now under four months, with roughly a fifth of that covered by disclosed contracts. And a return to the capital markets during 2027 remains likely, with the equity-versus-debt question unanswered and materially consequential per share. None of this has deteriorated. None of it has improved either, and the price is 9.3% higher.

6. Scorecard

Factor	Score		Weight	Basis
Business Quality		**8/10**	15%	Unchanged. Three franchises; AI now contributing rather than only consuming
Financial Strength		**6/10**	12%	Unchanged. $100bn cash and investment grade against ~$15.8bn quarterly burn

Competitive Advantage		**9/10**	13%	Unchanged. Structural launch and broadband moat
Management		**7/10**	10%	Unchanged. Strong first public quarter; governance unchanged
Growth Potential		**9/10**	15%	Unchanged. 92% revenue growth; AI compounding; Starlink V3 ahead
Valuation		**4/10**	20%	Cut from 5. ~54.7x sales; price above the base-case fair value
Risk (10 = lowest risk)		**4/10**	10%	Raised from 3. Both unlocks absorbed; burn and dilution remain
Technical Setup		**6/10**	5%	Raised from 4. MACD above zero; price above the 20-day band
Investment Score	**66 / 100**		**100%**	Weighted sum of the factor scores above; also 66 on 5 August

Scored 1–10, where 10 is always best, including Risk. A long bar is always the favourable outcome. The 5 August scorecard used the label “higher = safer”, which is the same direction as this scale, so its Risk score of 3 is directly comparable and required no restatement. Three scores moved and they very nearly cancel: a twenty-percent weight on Valuation falling one point is offset by gains on Risk and Technical Setup, leaving the composite at 66 for a second consecutive report.

7. Recommendation and Revised Triggers

Verdict: Watchlist, reaffirmed — on inverted reasoning. The rating has not moved for three consecutive reports, but the reason has changed each time and the change now runs against the investor. In July the obstacle was an unprofitable AI segment and an 83-times multiple. On 5 August it was capital intensity and an imminent lock-up, with the multiple halved and the AI question largely answered. Today the obstacles that dominated 5 August have themselves resolved favourably, and what holds the rating back is simply price: the stock has advanced through the base-case fair value published three weeks ago without a single new disclosure to justify it.

This is worth stating plainly because a reaffirmed Watchlist can read as inertia. It is not. On 5 August the distance to a Buy was described as shorter than at any point since the listing, and that remained true for about two sessions. The 26.5% advance since has closed the gap between price and fair value from the wrong side, and an upgrade now would require either a materially higher fair value, which needs evidence that only the third-quarter report can supply, or a lower price. The discipline that made waiting correct on 5 August makes waiting correct today, at a worse entry.

What would move this to Buy	Why it matters
Price weakness into $105–120 with no thesis break	Restores a 20% or better margin to the base case; the previous $95–110 band is now unlikely without a fundamental break
Q3 cloud revenue tracking toward the $100bn exit rate	Converts the 17x forward multiple from an assertion into an observation; still the single decisive datapoint
Contracted cloud backlog disclosed with counterparties and durations	Would let the sub-one-year payback claim be verified rather than taken on trust, and would raise the base case directly
Capex guidance moderating, or 2027 funding secured without equity	Removes the dilution risk that the 15GW ambition currently implies
Starship ship catch and routine V3 deployment	Validates the launch-cost step-change underpinning the long-range revenue targets

The buy-zone band is the only trigger this update revises. The $95–110 range set on 5 August assumed a lock-up that might overwhelm the stock; that supply has now been absorbed twice, which makes a return to those levels improbable without genuine fundamental deterioration — in which case the thesis, not the price, would be the thing that changed.

8. Scenario Analysis

The scenarios are carried forward unchanged, because the inputs that determine them have not moved. Only the reference price has changed, and it has moved against every one of them.

Case	2027E revenue	Path	Fair value	vs $136.97	Prob.
Bull	~$140bn	Exit run rate met or beaten; cloud contracts renew at scale; group turns profitable	**~$237 (22x)**	**+73.0%**	25%
Base	~$95bn	AI ramps strongly but short of the $100bn exit target; capex stays elevated; still loss-making	**~$132 (18x)**	**–3.6%**	50%
Bear	~$65bn	Cloud demand digests; compute pricing falls; a 2027 equity raise dilutes	**~$70 (14x)**	**–48.9%**	25%

Probability-weighted fair value: $142.75 = 0.25 × $237 + 0.50 × $132 + 0.25 × $70, which is +4.2% against $136.97. Probabilities sum to 100%. Fair values are 2027 estimated revenue at the stated EV/sales multiple across approximately 13.0 billion shares. Computed in code; the stated weighted value matches its inputs. On 5 August the same distribution offered +13.9%.

9. Investment Memo

Would a disciplined investor commit fresh capital to SPCX today? No, and for a reason that is more frustrating than the one given three weeks ago.

The August note argued that waiting through the lock-up cost nothing and resolved a great deal. The first half of that was wrong in hindsight and the second half was right. Waiting resolved the supply question emphatically: roughly 1.23 billion shares became eligible across two events, the float more than doubled, and the market took all of it without breaking the stock. That is real information and it is favourable. It is also the entire content of the last eleven sessions, because nothing else was disclosed, and it arrived attached to a 26.5% price advance that consumed the margin of safety the note was waiting to buy into.

So the position today is worse than it was, through no error in the analysis and no deterioration in the business. At $136.97 the published base case sits below the market price and the weighted expectation is 4.2% against a bear case that loses roughly half. That is not a distribution worth underwriting, particularly for a company whose average true range is 7.5% of its share price, which means the entire weighted upside is inside a single ordinary session's noise. Buying here is a bet on the bull case specifically, not on the weighted outcome, and the bull case requires a revenue target with roughly a fifth of its increment contracted.

The biggest concern is unchanged and it is not the AI business, which is working faster than almost anyone modelled. It is what the buildout costs and how it will be funded. Roughly $15.8bn of cash consumption per quarter against a guided flat capex rate exhausts a $100bn balance sheet in about seven quarters, and the 2027 ambition of 15 gigawatts implies materially more than that. Whether the 2027 capital raise is debt or equity is the single largest determinant of the per-share outcome from here, and no disclosure yet allows an outsider to judge it.

The third-quarter report is the whole game. It is the first occasion on which the $100bn exit run rate becomes checkable against an actual monthly revenue trajectory, the first at which the compute payback claim can be assessed against a second quarter of segment returns, and the first at which capex guidance for 2027 might be framed. Until then this remains a close watch with a defined trigger. The trigger is now a price nearer $120 than $110, and it is a worse entry than the one that was available on 5 August and not taken.