

The Baratelli Institute has had no contact with SpaceX, its officers, underwriters, or any advisor. Based entirely on the publicly filed S-1 and public statements.

PRACTITIONER PRE-IPO BRIEFING

Can the math defend \$1.75 trillion?

A practitioner reads the SpaceX S-1, 24 hours after filing.

\$1.55T BASE-CASE EV	\$200B GAP TO \$1.75T ASK	\$15B/yr ANTHROPIC DEAL VALUE	\$4-5B NOL PV CASH SAVINGS	3 SEGMENTS POST-xAI
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Model outputs from disclosed S-1 inputs. Not price targets or recommendations.

THE READING

SpaceX filed its S-1 on May 20, 2026, targeting a **\$1.75 trillion** IPO valuation — the largest in history. The practitioner sum-of-the-parts base case lands at **\$1.55T**, closing most of the gap. The bull case clears **\$2.6T**. The bear case (**\$750B**) requires Anthropic termination plus Cursor abandonment plus a sharp Starlink slowdown — three independent bets breaking against simultaneously.

WHAT THE FILING DISCLOSED

- **FY2025 revenue: \$18.7B** (Connectivity \$11.4B, Space \$4.1B, AI \$3.2B).
- **Anthropic Cloud Services Agreement:** \$1.25B/month for 36 months, 90-day mutual termination.
- **xAI acquisition closed Feb 2, 2026** — SpaceX is now a three-segment platform.
- **Cursor option:** \$1.5B + \$8.5B contracted fees.
- **Full federal valuation allowance** against US deferred tax assets. (0.1)% effective rate. Accumulated deficit of approximately **\$41 billion**

THE NOL ANALYSIS

in present-value cash tax savings across 2026-2030 — net of the TCJA 80% utilization cap and the §382 ownership-change limitation on the xAI NOL. The practitioner adds it to the DCF as a discrete line. The terminal value does *not* reflect the shield (it depletes within the explicit window). Expect a one-time non-cash GAAP tax benefit in one of the first three post-IPO quarters as management releases the valuation allowance. The cash event and the GAAP event are on two different schedules.

FIVE-BAND PRICE MAP

Where does the math support allocation? The reader walks his own portfolio.

< \$1.0T	Math implies clear undervaluation
\$1.0-1.4T	Math implies undervaluation
\$1.4-1.7T	Math implies fair value
\$1.7-2.2T	Math implies premium for optionality (<i>\$1.75T target sits here</i>)
> \$2.2T	Math implies bull case required

KEY RISK

The Anthropic Cloud Services Agreement carries a **90-day mutual termination clause**. If Anthropic exits, roughly **\$15B/year of revenue and the AI segment's structural margin profile** reset overnight. This is the single largest swing factor in the valuation.

WHAT THIS IS, AND WHAT IT IS NOT

An educational publication. The Baratelli Institute does not publish Buy / Sell / Hold ratings. We publish the math, the assumptions, and the framework. The reader is the analyst — we put the tools on the shelf.

If the package fits the portfolio, the reader buys. If it does not, the reader passes. Either is honorable. The dishonor is in deciding without doing the work.

BEHIND THIS ONE-PAGER

22-pp Memo S-1-anchored practitioner read	NOL Addendum Tax-shield mechanics	17-slide Deck IC-meeting form	Excel Model SOTP + DCF + Comps + NOL	Library Crosswalk 13 moves, 5 guides
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Philip A. Baratelli, CPA, MBA — Founder, The Baratelli Institute — baratelliinstitute.com. The Institute has no business relationship with SpaceX or any underwriter. This briefing is based exclusively on publicly disclosed S-1 information.