THE BARATELLI INSTITUTE

MENTORING AT SCALE

CASE STUDY 01 · POST-IPO ADDENDUM

# SpaceX After the IPO

*Grading the $1.55 trillion call against the first Form 10-Q. Four held, one low, one wrong.*

Published August 2026



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## Disclosure

The Baratelli Institute is a publisher of educational materials, not an investment adviser. Nothing in this addendum is a recommendation to buy, sell, or hold any security. It is published as impersonal, general-circulation commentary within the publisher exception recognized in *Lowe v. SEC*, 472 U.S. 181 (1985). No reader's circumstances are known to the author, and no figure here should be relied upon without verification against the primary filing.

Every quantitative reference in this addendum is tagged. **[Filed]** means the figure appears in a document carrying Section 18 liability — the Form 10-Q for the quarter ended June 30, 2026, or the Rule 424(b)(4) prospectus dated June 12, 2026. **[Furnished]** means it appears in an earnings release attached as Exhibit 99.1 to a Form 8-K, which carries a materially lower standard. **[Market]** means an exchange-reported price. **[Derived]** means the Institute computed it from tagged inputs, with the arithmetic shown. **[Estimated]** means it rests on a contractual convention rather than a reported figure. **[Not disclosed]** means the Institute looked in the filing and the number is not there — which is itself a finding.

The distinction between Filed and Furnished carries real weight in this company. SpaceX reports revenue by segment in the Form 10-Q but presents the cost build beneath it — down to income from operations — and capital expenditure by segment only in the earnings release. Every operating-income line in this addendum — segment *and* consolidated — is therefore Furnished, not Filed, and is labelled as such. That includes the consolidated $(143) million loss from operations for the quarter: the filed income statement carries no loss-from-operations line at all, and the figure exists only in the earnings release. Every *segment* capital-expenditure line is Furnished for the same reason. The consolidated capital-expenditure column is the exception: $28,476 million for the half is Filed, appearing as purchases of property, plant and equipment in the filed statement of cash flows, and it is the tie that makes the furnished table usable.

## Why this addendum exists

On July 13, 2026, the Institute published a sixty-two page educational case study valuing Space Exploration Technologies Corp. against its Form S-1. It carried a base case of $1.55 trillion, a bull case of $2.6 trillion, a bear case of $750 billion, and — more usefully — a five-band price map that told a reader what he would be paying for at each level rather than what he should do.

The company then priced, traded, and filed. A stale valuation is worse than no valuation, because it looks like current work. The Institute had two options: quietly refresh the numbers so the original never looked wrong, or publish a scorecard. This is the scorecard. The original case study remains posted, unedited, with a dated banner marking it as published against the S-1 and not revised. It is the timestamped record that the call was made in advance. This addendum grades it.

The reason to read a scorecard is not to find out whether the Institute was right. It is to see which *kinds* of analytical moves survived contact with a real filing and which did not. Two of the six graded calls failed, and the two failures are more instructive than the four that held.

## The finding

The price-band framework held. The point estimate did not, and the segment framing broke outright.

The bands worked because they were a statement about what a buyer is paying for at a given price, and that mapping is testable against any price the market produces. The stock priced into the optionality band, ran into the bull-case band by the third session, fell through fair value to a low of $104.83 — roughly $1.38 trillion, inside the undervaluation band — and recovered to the optionality floor. Four of the five bands in ten weeks. A reader holding the band map watched the market walk the map.

The point estimate failed in the ordinary way point estimates fail: it was roughly thirteen percent low and one band below where the offering cleared. That is a normal miss and not very interesting.

The segment framing failed in a way that matters. The case study treated Space as a growing sum-of-the-parts contributor at $4.1 billion of FY2025 revenue. In the first half of 2026, Space revenue *declined* — $1,581 million against $1,611 million a year earlier [Filed] — while the consolidated company grew 54%. SpaceX is no longer a rocket company that also sells broadband and compute. The rocket segment is now twelve percent of revenue, loses money at the operating line, and consumes capital. Any sum-of-the-parts that leads with Space is describing a company that no longer exists.

## Part I — What the market did

The offering priced at $135.00 per share on June 12, 2026, with 638.9 million Class A shares sold including the full over-allotment, for gross proceeds of $86,250 million and net proceeds of $85,675 million after $575 million of underwriting discounts and offering expenses [Filed, 424(b)(4)]. All-in cost of the offering was 0.67% of gross — an extraordinarily tight number that itself tells the reader something about the demand book.

Shares outstanding at June 30, 2026 were 7,607 million Class A and 5,569 million Class B, with no Class C outstanding — 13,176 million shares in total [Derived from the two Filed class counts]. Every implied market capitalization below uses that count. It understates the count from August 14, 2026 forward, because the Cursor merger issued a further 391,041,680 Class A shares at closing [Filed]; that addition lifts each figure by approximately 3.0% [Derived].

Table 1.

| EVENT | DATE | PRICE | IMPLIED MARKET CAP ON 13,176M SHARES |
|---|---|---|---|
| Offering price | 12 Jun 2026 | $135.00 [Filed] | $1.779 trillion [Derived] |
| First-day close | 12 Jun 2026 | $160.95 [Market] | $2.121 trillion [Derived] |
| 52-week high (intraday) | 16 Jun 2026 | $225.64 [Market] | $2.973 trillion [Derived] |
| 52-week low (intraday) | Date not determined | $104.83 [Market] | $1.381 trillion [Derived] |
| Trading level | 21 Aug 2026 | $134.00 [Market] | $1.766 trillion [Derived] |

The 52-week range as of August 21, 2026 was $104.83 to $225.64 [Market]. Ten weeks after listing, the stock traded marginally below the price at which it was sold.

One further mark is worth recording because it is a company-set number rather than a market-set one. The Cursor merger issued 391,041,680 Class A shares at closing — 389,289,254 on conversion of Cursor stock plus 1,752,426 for vested Cursor restricted stock units — at an implied equity value for Cursor of $60.0 billion [Filed]. Dividing the $60.0 billion by the 389,289,254 conversion shares marks the SpaceX stock at about $154 per share [Estimated], which is the seven-day volume-weighted average close the merger agreement specifies and not a market quote on any single day. That sits above the $135.00 offering price and well below the $225.64 peak. It is a measurement of where the parties marked the currency at signing, not an assertion about whether the price was fair.

## Part II — The six calls, graded

Table 2.

| THE CALL, AS PUBLISHED 13 JUL 2026 | WHAT THE RECORD SHOWS | GRADE |
|---|---|---|
| Price-band framework: $1.7–2.2T means the buyer is paying an optionality premium; above $2.2T the bull case is required | Priced at $1.78T into the optionality band, reached $2.97T inside the bull-case band by the third session, fell to $1.38T inside the undervaluation band at the $104.83 low, and sits at $1.77T today — four of the five bands in ten weeks | **Held** |
| The Anthropic cloud services agreement is the single largest swing factor in the valuation | AI solutions and infrastructure revenue went from $311M to $2,194M year over year in the quarter; the AI segment is now 32.8% of consolidated revenue against 18.1% a year earlier | **Held** |
| Customer concentration is a flag: two customers anchor most of AI revenue, and the Anthropic agreement carries a mutual ninety-day termination right | Two unnamed customers now exceed 10%: Customer A at 18.3% of quarterly revenue across all three segments, Customer B at 19.5% entirely within AI — 37.8% together. The prospectus terms are $1.25 billion per month through May 2029, terminable by either party on ninety days' notice after an initial three-month period [Filed, 424(b)(4)]. The original work also attributed a 31 December 2026 exit right to this contract; that right belongs to a separately reported agreement with Google, which appears in no filed document read here | **Held** |
| The optionality bucket — Cursor, Terafab, orbital — carries real value not in the segments | Cursor merger closed 14 Aug 2026 for 391.0M Class A shares at $60.0B implied equity value — 3.4% of the offer-price market capitalization, and a 3.0% increase in total shares | **Held** |
| Base case of $1.55 trillion | Priced at $1.78T, trades at $1.77T — roughly 13% low, one band below where the offering cleared | **Low** |

| THE CALL, AS PUBLISHED 13 JUL 2026 | WHAT THE RECORD SHOWS | GRADE |
|---|---|---|
| Space as a growing sum-of-the-parts segment at $4.1B of FY2025 revenue | Space revenue *declined* in the first half while the company grew 54%; 12.3% of quarterly revenue, a $(542)M operating loss and $1,174M of quarterly capital expenditure, both [Furnished] | **Missed** |

Four held, one was low, one was wrong. The four that held are all *structural* calls — statements about which relationship inside the business would drive the outcome. The two that failed are both *level* calls — statements about how big a number would be. That pattern is worth more than the score. A practitioner who reads a filing well can usually identify the swing factor and the concentration risk before the market prices them. He cannot usually pick the level, and the case study should not have implied otherwise by putting a single trillion-dollar figure in the headline position.

### Where Space actually sits

Table 3.

| SEGMENT, Q2 2026 | REVENUE | OPERATING INCOME | CAPITAL EXPENDITURE, H1 |
|---|---|---|---|
| Space | $962M | $(542)M | $2,226M |
| Connectivity (Starlink) | $4,291M | $1,656M | $2,699M |
| AI | $2,561M | $(1,257)M | $23,551M |
| Consolidated | $7,814M | $(143)M | $28,476M |

Revenue lines [Filed]; every operating-income line, segment and consolidated, and every *segment* capital-expenditure line [Furnished]. The consolidated capital-expenditure column is the exception: $28,476 million for the half is also [Filed], appearing as purchases of property, plant and equipment in the filed statement of cash flows, which is the check that makes the furnished table usable.

Read the last column first. Space produced 12.3% of quarterly revenue and consumed 7.8% of first-half capital expenditure while losing money at the operating line. AI produced 32.8% of revenue and consumed 82.7% of capital expenditure. Whatever this company is, its capital allocation says it is an AI infrastructure business with a satellite broadband cash engine attached and a rocket division that no longer carries the story.

### The line nobody discusses

Inside an AI segment growing at that rate, X's advertising revenue is still falling — $367 million against $426 million in the quarter, and $710 million against $870 million for the half [Filed], down 18% [Derived]. Consolidation does not fix a business. It hides one. A reader running a sum-of-the-parts on the AI segment should separate the contracted compute revenue from the advertising revenue before applying any multiple, because they are moving in opposite directions and deserve different ones.

## Part III — What the first Form 10-Q changed

Reading the first Form 10-Q against the original work turns up two items, and they run in opposite directions. The first is a new fact in the filing that the original work could not have priced. The second is not a new fact at all but a disappearance: an S-1 disclosure the original work leaned on has no analogue in the 10-Q. They are recorded here because a scorecard that only grades the old calls would miss the more useful half of the filing.

### The capital expenditure

SpaceX spent $28,476 million on property, plant and equipment in six months [Filed], of which $23,551 million went to the AI segment [Furnished]. Against first-half revenue of $12,508 million, the company invested 2.3 times its revenue in half a year [Derived].

The composition of gross property, plant and equipment is the sharper disclosure. Of $83,071 million gross, servers and networking equipment account for $34,771 million and satellites for $13,788 million, with machinery and equipment at $9,453 million and construction in progress at $12,554 million [Filed]. The company holds two and a half times as much server hardware as satellite hardware on its balance sheet [Derived]. Goodwill is allocated $11,130 million to AI, $515 million to Connectivity, and nothing to Space [Filed].

There is a supporting number that points the same direction. Starlink reported 12.0 million subscribers at $66 per month average revenue per user, against 6.0 million subscribers at $85 a year earlier [Furnished]. Subscribers doubled while ARPU fell 22% [Derived]. That figure sits in the earnings release rather than the Form 10-Q, and is tagged accordingly — a practitioner should not treat a furnished operating metric as equivalent to a filed financial statement line.

### The disappearance of the net operating loss

The Institute's original NOL addendum walked the S-1's Note 15 to a present value of $4 to $5 billion in federal cash tax savings across 2026 to 2030, net of the TCJA eighty percent cap and a Section 382 throttle on the xAI net operating loss. It was one of the more defensible pieces of work in the package, because it was footnote arithmetic rather than a multiple.

The Form 10-Q for the quarter ended June 30, 2026 contains no occurrence of the phrase "net operating loss," no occurrence of "carryforward," and no occurrence of "Section 382" [Not disclosed]. Deferred tax assets are shown at $354 million at June 30, 2026, against $141 million at December 31, 2025 [Filed], and that is the whole of it.

This matters in both directions, and the addendum should say both.

It weakens the estimate, because a $4 to $5 billion present value now rests entirely on a single S-1 footnote that the company has not restated in a filed periodic report. A reader carrying that number forward is carrying a pre-IPO disclosure into a post-IPO model without confirmation.

It also sharpens the risk the Institute originally flagged. Section 382 limits a corporation's use of pre-change losses following an ownership change. An initial public offering combined with the automatic conversion of every share of preferred stock is precisely the kind of event Section 382 is written to catch. The throttle the case study identified as a modeling adjustment is now, on the face of the corporate history, a live question — and the company has not addressed it in a filed document.

The honest practitioner conclusion is not a number. It is a question to ask on the next call, and a note in the model that the tax-shield line is unsupported by any post-IPO filing.

## Part IV — What the practitioner does next

Re-base the sum-of-the-parts so that AI leads and Space is valued as what the filing shows it to be: a twelve-percent revenue line running an operating loss and absorbing capital. The original ordering was inherited from what SpaceX used to be.

Value the AI segment in two pieces. Contracted hyperscaler compute and declining advertising do not share a multiple, and blending them produces a number that is wrong in a direction you cannot see.

Stress the concentration explicitly. Two unnamed customers at 37.8% of quarterly revenue is not a footnote risk; it is a structural feature of the revenue line, and the durability of those contracts governs a large share of the equity value. The filing names neither customer. Third-party attributions circulate; the Institute declines to assert an identity it has not read in a primary source. The concentration is real either way.

Treat the tax shield as unverified until the company files something. Carry it as a memo item, not as a discounted cash flow line.

Use the bands, not the point. The band framework survived a ten-week period in which the stock traded from $1.78 trillion up to $2.97 trillion, down through fair value to $1.38 trillion, and back to $1.77 trillion — four of its five bands. A point estimate cannot survive that; a map of what you are paying for at each level can.

## Part V — What this addendum does not claim

It does not claim the original valuation was vindicated. One of six calls was flatly wrong and one was materially low.

It does not claim the current price is right or wrong. The Institute publishes no rating and no price target, here or anywhere.

It does not claim the tax-shield estimate is void. It claims the estimate is unsupported by any post-IPO filed document, which is a different and narrower statement.

It does not extend to Neuralink or The Boring Company, neither of which files periodic reports and for which no filed revenue, loss, or balance-sheet figure exists.

It does not treat furnished operating metrics — subscriber counts and ARPU — as equivalent in reliability to filed financial statement lines, and no conclusion here rests on one.

## Verification note

The process finding is worth recording. The original case study's structural calls held and its level calls did not, and that split was visible in advance: the structural calls were each anchored to a specific relationship disclosed in the filing, while the level calls required an assumption about a multiple. A working practice that publishes both in the same document, with the level call in the headline, will be graded on the weaker half. The Institute is changing the practice rather than the arithmetic. Future case studies lead with the band map.

One further note on method. The Space segment miss was available to anyone who read the S-1 carefully, because the deceleration was already in the historical revenue lines. It was missed because the analysis inherited a framing — SpaceX is a rocket company — that the numbers had already contradicted. That failure mode is not an arithmetic error and cannot be caught by checking arithmetic.

## Sources and authorities

Space Exploration Technologies Corp., Form 10-Q for the quarterly period ended June 30, 2026, SEC CIK 0001181412 — revenue by segment, consolidated statement of operations, consolidated cash flow statement, property and equipment detail, goodwill allocation, customer concentration, backlog and deferred revenue, deferred tax assets, share counts, and the subsequent-event disclosure of the Cursor merger.

Space Exploration Technologies Corp., prospectus filed pursuant to Rule 424(b)(4), June 12, 2026 — offering size, offering price, over-allotment exercise, gross and net proceeds, offering expenses, forward stock split, preferred conversion, and the Anthropic Cloud Services Agreements — monthly fee, term, GPU count and the ninety-day termination right.

Space Exploration Technologies Corp., Form 8-K, Exhibit 99.1 (earnings release, quarter ended June 30, 2026) — the full cost build by segment down to income from operations, consolidated loss from operations, capital expenditure by segment and consolidated, Segment Adjusted EBITDA, and Starlink subscriber count and average revenue per user. Furnished, not filed.

Exchange-reported trading prices, Nasdaq: SPCX, June 12, 2026 through August 21, 2026.

The Baratelli Institute, *SpaceX Educational Case Study* and *NOL Addendum*, published July 13, 2026 against the Form S-1 and its amendments. Retained unedited as the record of the original call.

*Lowe v. SEC*, 472 U.S. 181 (1985).

The Institute maintains a filing-by-filing ledger of SpaceX, Tesla, xAI and X, updated on the filing calendar, at baratelliinstitute.com/elon-daily.html.

 