Tech Insights #421

Rocket Lab acquires Iridium – 21st Century M&A

Mergers & acquisitions
Corporate finance advisory
Capital raising
20 July 2026

Clare Capital

Overview

On 29 June 2026 Rocket Lab (NASDAQ: RKLB) agreed to acquire Iridium Communications (NASDAQ: IRDM) for USD ~$8b in a cash and share offering. The acquisition brings together Rocket Lab's growth launch and manufacturing operation with Iridium's cash generating satellite business. The deal positions Rocket Lab to further compete with SpaceX (NASDAQ: SPCX). The deal is an example of mergers and acquisitions (M&A) in the current environment where a growth company utilises their already fully-priced equity as acquisition currency to further build out their strategic offering. SpaceX did something similar with their Anysphere acquisition just after their recent IPO.

Deal snapshot (USD)

Announcement date	29 June 2026
Enterprise value	~$8b
Expected close	Mid-2027
Structure	Cash + RKLB shares
Offer price	$54 per IRDM share
Premium	24.1% premium to IRDM's previous close
Consideration mix	50% cash ($27) + 50% RKLB stock ($27)
Day 1 closing share price of RKLB	$98.01 (up 15.9%)

The equity component of the deal contains a 'collar band' between $67.50 and $112.50 on the RKLB share price negotiated to 'protect' the $54 deal value for Iridium's shareholders. This illustrates the volatility in the RKLB share price. (See the chart on page 2).

Iridium background

Iridium Communications (NASDAQ: IRDM), founded in 1998 and headquartered in McLean, Virginia, is a satellite communications operator. It operates one of the only networks providing voice and data coverage everywhere on the planet - including the poles, oceans, and remote regions with no other signal. Its constellation comprises 66 cross-linked low-Earth-orbit satellites plus 14 in-orbit spares, operating over scarce, weather-resilient L-band spectrum that also supports positioning, navigation and timing (PNT) services as a GPS alternative. The company has ~2.55m active subscribers.

FY25 key metrics

The two businesses have fundamentally different financial profiles. One is a growth company burning cash and the other is a more mature cash-generating business.

Metric	Units	ROCKET LAB	iridium
Total revenue	USD $m	601.8	871.7
YoY growth	*%*	*38.0%*	*4.9%*
Operating income (loss)	USD $m	(228.8)	236.0
Operating margin	*%*	*(38.0%)*	*27.1%*
Enterprise value*	USD $b	39.7	8.0
Revenue multiple		66.0x	9.2x

It is worth noting the following points:

- Iridium has more total revenues than Rocket Lab does currently.
- The market is valuing Rocket Lab's revenues materially higher than Iridium's. Rocket Lab is currently 5x more valuable than Iridium. The market has a view about the future growth and strategic options of Rocket Lab.
- Rocket Lab is using their already fully-priced equity (enterprise value is 66x FY25 revenues) to acquire a mature cash-generating strategic bolt-on. There is a cash component to the deal which Rocket Lab has been able to fund from current reserves, plus a new bridge funding round.

** Rocket Lab's enterprise value is based on its public market valuation as at 17 July 2026, while Iridium's enterprise value is based on the implied transaction value under the announced acquisition terms.*

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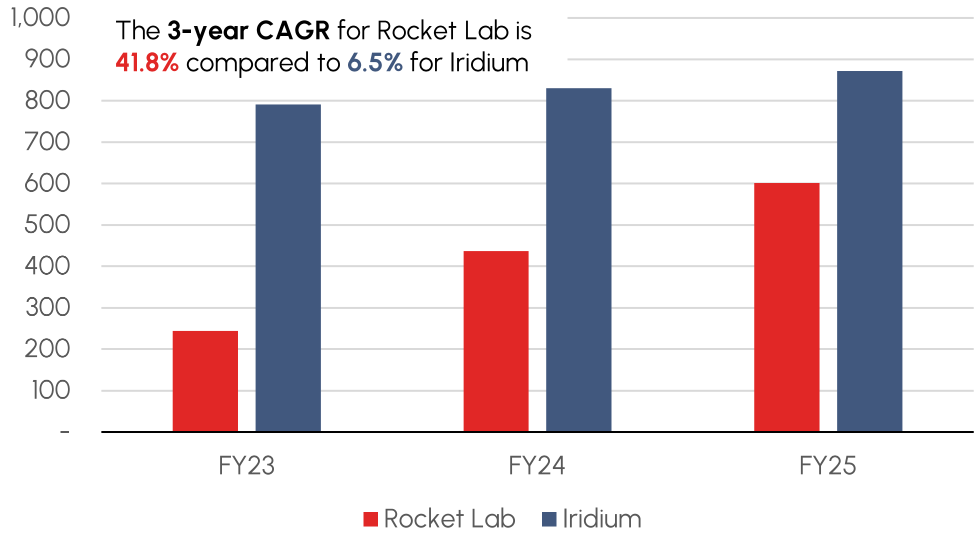
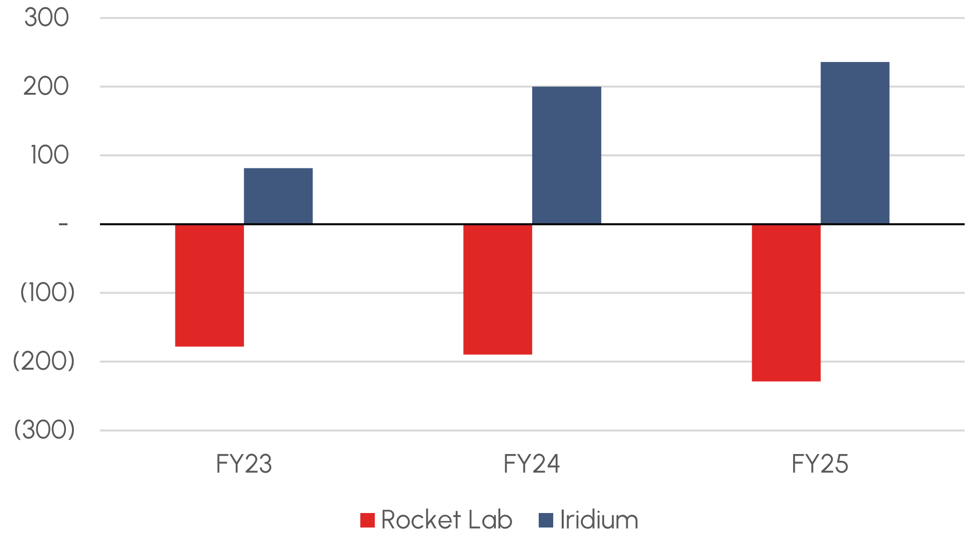
Revenue (USD $m)



Operating income (loss) (USD $m)



Rocket Lab share price (USD $)