



— VOL. 01 / FRONTIER EQUITY MARKETS

The Orbital Economy

Mapping a \$1.8 trillion sector at the inflection point of cost compression, sovereign demand and the SpaceX listing.

A SWISSEON INVESTMENT RESEARCH NOTE

I. EXECUTIVE SUMMARY

Space as a structural allocation.

The case in four propositions.

COST COMPRESSION	SECTOR REVENUE	DEFENSE PIPELINE	SPACEX IPO
95 %	\$1.8 ^T	\$600 ^B	\$1.75 ^T
Launch cost reduction. Saturn V to Falcon 9, 60 years.	Annual revenues by 2035. Sector-wide, not mkt capitalisation.	Defense space contracts. Sovereign capital, 2024- 2030.	SpaceX IPO target. Post xAI merger, S-1 filed Apr 2026.

The space economy is undergoing a transformation that has no modern precedent in the history of infrastructure investment. The sector is projected to generate **\$1.8 trillion in annual revenues by 2035**, according to BryceTech and Morgan Stanley, a multiple of the current sector revenue base. That figure represents annual sector revenues, not aggregate market capitalisation. At a conservative revenue multiple of 4 to 6 times, consistent with high-growth infrastructure technology businesses, the implied total equity value of the space sector by 2035 approaches **\$7 to \$11 trillion**. SpaceX, following its February 2026 all-stock merger with xAI and its confidential S-1 filing on April 1st 2026, is targeting an IPO valuation of \$1.75 trillion, with Bloomberg reporting the upper range could exceed \$2 trillion. The listed space equity universe is, in this context, still in its earliest stages of institutional pricing.

Four propositions anchor our analytical framework. **First**, the cost of reaching orbit has declined 95% over sixty years and is set to fall by a further order of magnitude with the deployment of fully reusable heavy-lift vehicles, making commercially viable an entirely new category of applications. **Second**, the pending IPO of SpaceX will act as a valuation anchor and attention catalyst for the entire listed space ecosystem, triggering institutional capital flows at a scale the sector has not previously experienced. **Third**, sovereign defense budgets in the United States and Europe are committing to a multi-year, non-cyclical build-out of space-based military capability, generating procurement pipelines with exceptional revenue visibility. **Fourth**, the data produced by proliferated satellite constellations is becoming a foundational input for artificial intelligence systems across agriculture, insurance, energy, and national security, creating recurring, high-margin revenue streams protected by structurally non-replicable competitive advantages.

This note covers **480 listed companies** across five continents and five distinct value chain segments. Our process distills that universe to a concentrated list of high-conviction positions, three of which are discussed in the selected positions section.

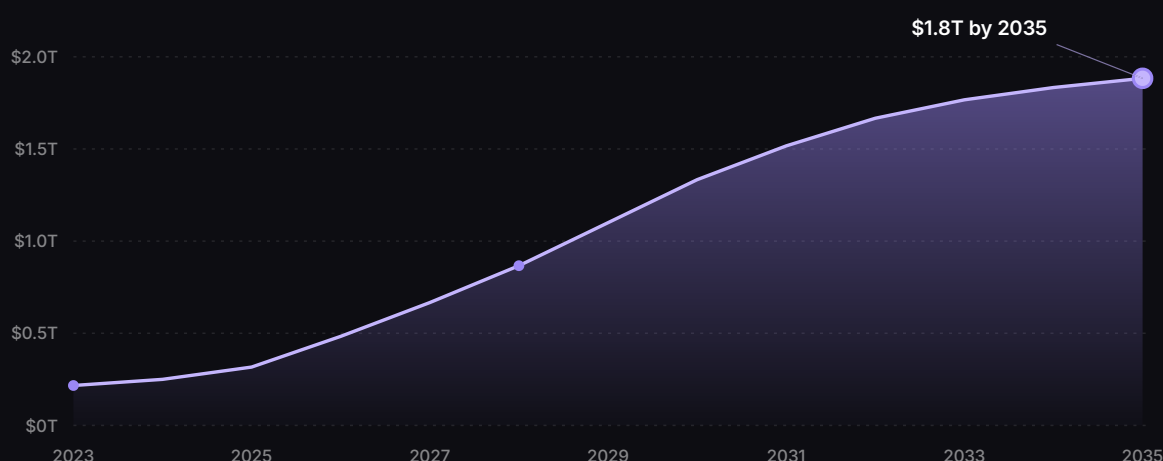
II. WHY SPACE, WHY NOW

The market architecture behind a **\$1.8 trillion** revenue opportunity.

The global space economy is projected to generate \$1.8 trillion in annual revenues by 2035, a figure that reflects the aggregated commercial activity of satellite operators, launch providers, defense contractors, connectivity infrastructure businesses, and data analytics platforms. **That figure represents annual sector revenues, not aggregate market capitalisation.** A sector generating \$1.8 trillion in annual revenues, on a sustained multi-year growth trajectory, and exhibiting the operating leverage characteristics of technology infrastructure commands equity valuations that are a multiple of those revenues. The listed space equity universe is priced today against a market that has not yet fully absorbed that implication.

GLOBAL SPACE ECONOMY

Annual revenues forecast in \$T, 2023 to 2035



Note. The \$1.8T figure represents projected annual sector revenues in 2035, not aggregate market capitalisation. Sources: BryceTech, Morgan Stanley, Goldman Sachs, April 2026.

II. WHY SPACE, WHY NOW / THREE STRUCTURAL DRIVERS

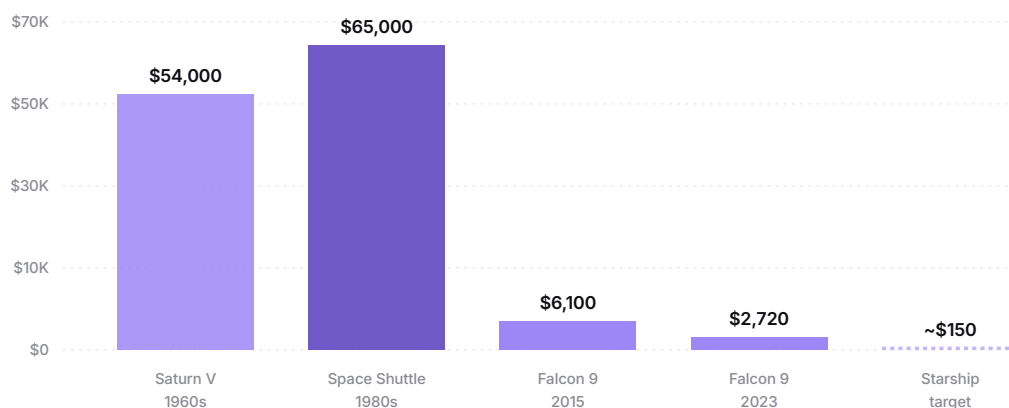
From \$65,000 to \$150 per kilogram.

The primary driver of growth is the cost of orbital access, a sixty-year compression that is about to enter a second, more violent phase.

Between the Saturn V era and 2010, the cost of delivering one kilogram to low Earth orbit (LEO, defined as altitudes between 160 and 2,000 kilometres) ranged from **\$30,000 to \$65,000**, a figure that confined commercial space activity to a narrow set of heavily subsidized applications. The Falcon 9 reusable rocket reduced that figure to \$2,720, a 95% compression achieved through first-stage booster recovery and a launch cadence now exceeding one mission every four days. SpaceX's Starship program targets a further reduction to **\$100 to \$200 per kilogram**. At that price point, the commercial case for persistent global broadband, space-based solar power, high-frequency Earth observation, and in-orbit manufacturing becomes structurally compelling.

LAUNCH COST PER KG TO LOW EARTH ORBIT

95% reduction over 60 years, and a further order of magnitude ahead



LEO. Low Earth Orbit, 160 to 2,000 km altitude. Sources: SpaceX, BryceTech, Novaspace, April 2026.

02

Constellation proliferation. The new low-latency layer above Earth.

More than **70,000 new satellites** are expected to be deployed over the next five years, building a permanent low-latency broadband layer above Earth. Starlink has reached 9 million subscribers globally as of late 2025, with the addressable market for LEO communications services projected to exceed \$150 billion by the end of the decade, serving 5.6 billion smartphones currently unreachable by terrestrial networks. Amazon's \$11.6 billion acquisition of GlobalStar spectrum capacity in 2025 confirms that the world's largest technology companies view LEO infrastructure as a strategic platform priority.

03

Defense. Space as the decisive domain of modern conflict.

The U.S. Department of Defense (DoD) budget for fiscal year 2026 reached **\$1.01 trillion**, a 13% year-on-year increase, with an estimated \$600 billion in space and counterspace contracts expected to flow through the procurement system through 2030. The European Union's Strategic Agenda for European Defence (SAFE) programme commits a further **€150 billion**. Satellite-based command, control, communications, intelligence, and positioning systems are no longer force multipliers, they are prerequisites.

III. THE SPACEX EFFECT

How **one listing** will re-rate an entire ecosystem.

SpaceX filed a confidential S-1 with the Securities and Exchange Commission on April 1st 2026, targeting an IPO valuation of **\$1.75 trillion** following its February 2026 all-stock merger with xAI, which created a combined entity valued at \$1.25 trillion at closing. Bloomberg subsequently reported the upper range of the IPO target could exceed \$2 trillion. The combined entity controls an estimated **60% of global orbital missions**, operates the world's largest satellite internet constellation with 9 million subscribers, and has merged its rocket infrastructure with xAI's artificial intelligence capabilities to pursue orbital data centers. It remains, as of April 2026, still private.

When SpaceX accesses public markets, the implications for the broader listed space universe will be **fundamental rather than incremental**. Today, listed space companies trade against a benchmark that includes legacy aerospace and defense primes such as Lockheed Martin, Northrop Grumman, and Boeing, businesses with entirely different growth profiles and capital intensities. A SpaceX listing at \$1.75 trillion or above creates a new pure-play reference company at scale. Every other listed name in the sector will be re-priced relative to that anchor, and generalist funds with no current mandate to own dedicated space equities will seek diversified exposure across the ecosystem.

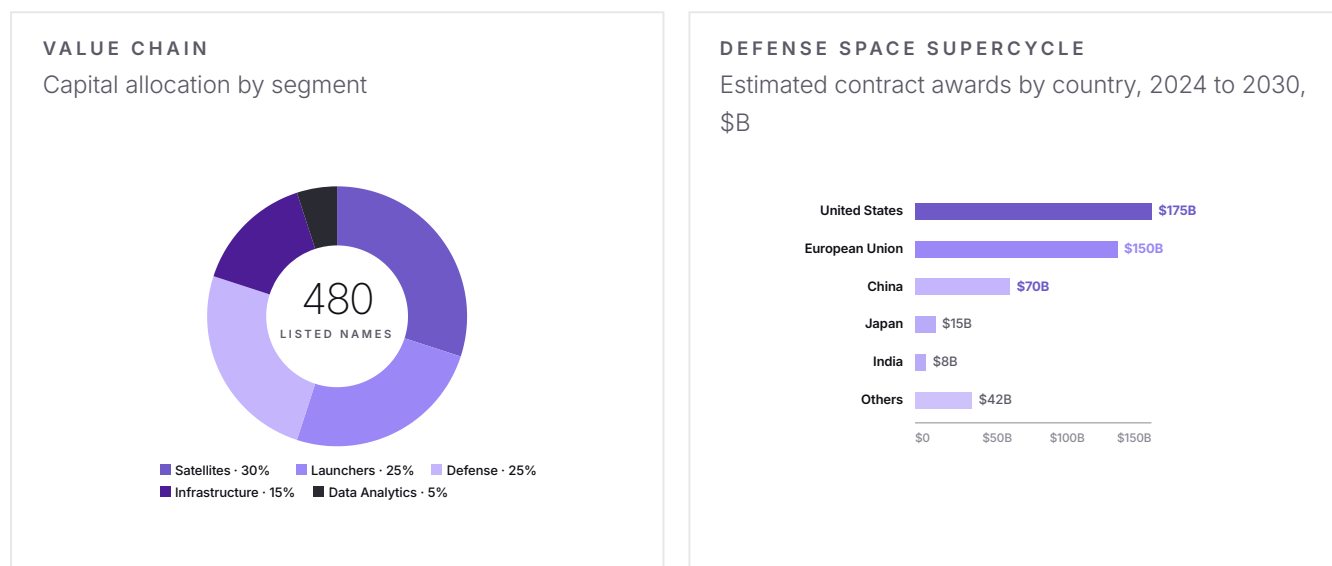
CASE EchoStar provides the most instructive current proxy for this valuation dynamic. Through two spectrum transactions completed in September and November 2025, EchoStar transferred its AWS-4, H-block, and AWS-3 spectrum licenses to SpaceX for a total of approximately **\$11.1 billion in SpaceX equity and \$8.5 billion in cash**, plus the assumption of \$2 billion in EchoStar debt. That equity component represents approximately 2.8% of SpaceX's fully diluted share count. At SpaceX's IPO target of \$1.75 trillion, the stake implies a gross value of approximately \$38 billion. It is critical to note that this transaction remains pending final regulatory approval and has not yet formally closed; until closing, EchoStar does not formally hold the SpaceX equity. The market has nonetheless re-rated EchoStar as a de facto SpaceX tracking vehicle, with its stock rising from approximately **\$27 in September 2025 to above \$125 by early April 2026**.

The SpaceX IPO is not a question of **if**. It is a question of **when**. With a confidential S-1 already filed, a roadshow expected for June 2026, and prediction markets pricing an 83% probability of a listing before year-end, positioning ahead of that re-rating event is the central near-term catalyst for the entire listed space ecosystem.

IV. THE INVESTMENT LANDSCAPE

Five segments of the value chain.

A framework for capital allocation, from 480 listed names to 30 high-conviction positions.



Sources: BryceTech, Novaspace, U.S. Department of Defense, EU SAFE Programme.

Satellites

30%

The largest segment by deployed capital. Manufacturers serving the new generation of LEO smallsat constellations, particularly those with exposure to multi-year government procurement programs, offer the most durable near-term revenue visibility. The shift from bespoke geostationary platforms toward high-volume, standardized LEO buses rewards manufacturers with modular, scalable production architectures.

Launchers & Enablers

25%

The segment with the highest near-term optionality. The transition to medium-lift reusable vehicles is the central technological event of the next three years. Companies that successfully complete that transition will capture disproportionate share of a rapidly growing commercial and government launch market. Vertical integration creates additional revenue durability through Space Systems divisions.

Defense

25%

The most contractually visible segment in the universe. The DoD's Proliferated Warfighter Space Architecture (PWSA), the Golden Dome missile defense initiative, and NATO's accelerating space investments are generating procurement pipelines with multi-year visibility and limited near-term budget sensitivity. The intelligence, surveillance, and reconnaissance (ISR) layer represents the highest-growth sub-segment.

Infrastructure

15%

Covers the connectivity layer built on LEO constellations: direct-to-cell broadband, narrowband Internet of Things (IoT) communications, and specialty networks serving maritime, aviation, and government users. The investable range runs from early-stage high-growth platforms with transformative addressable markets to mature, cash-generative constellations with predictable free cash flow profiles.

Data Analytics

5%

The segment where space infrastructure intersects most directly with artificial intelligence. The value of a global daily imaging constellation lies not in the individual image but in the longitudinal archive, the change detection algorithms trained on that archive, and the decision systems that consume the outputs. Companies with structurally non-replicable data assets are establishing competitive positions that will be increasingly difficult to displace as AI adoption accelerates across agriculture, insurance, energy, and national security.

V. SELECTED POSITIONS

Three convictions across the **value chain**.

Drawn from our conviction list and selected to illustrate our analytical approach across launch infrastructure, defense-native satellite manufacturing, and space-based Earth intelligence.

RKLB

Rocket Lab USA Inc.

LAUNCH / INFRASTRUCTURE

Vertically integrated launcher · \$1.85B backlog (+73% YoY) · FY2025 revenue \$602M (+38%) · 21 missions in 2025, 100% success rate.

The Neutron medium-lift reusable vehicle positions Rocket Lab as the primary listed challenger to Falcon 9 in the commercial and government launch market. The Space Systems division, delivering satellite buses and subsystems for Space Development Agency (SDA) constellation programs, provides margin expansion independent of launch cadence. The \$816M SDA Tranche 3 Tracking Layer award anchors near-term revenue visibility.

YSS

York Space Systems Inc.

DEFENSE / SATELLITES

37% of PWSA Transport Layer awards · \$642M backlog · Revenue from \$386M (2025) toward \$1B+ by 2028 · Listed Jan. 2026.

York's modular manufacturing platform, with over 70% of hardware and software shared across satellite classes, delivers vehicles at 50% below prime competitor cost with production cycles under 60 days. That structural cost advantage is directly relevant to the DoD's \$14B PWSA program, the \$25B Golden Dome initiative, and an intelligence community total addressable market estimated at \$140 billion. Currently in the early stages of institutional pricing.

PL

Planet Labs PBC

DATA AND EARTH INTELLIGENCE

130-satellite daily global constellation · 50+ petabyte archive · 976 clients · GAAP gross margin 56%, non-GAAP 59% and expanding.

Planet's data-as-a-service model generates near-zero marginal cost per additional subscriber, producing operating leverage that compounds with every AI use case built on the archive. Defense accounts for 47% of revenue, civil government 30%, enterprise 23%. The Tanager hyperspectral satellite extends the competitive position into carbon monitoring and ESG-linked data markets. Free cash flow turned positive in fiscal year 2026.

The full conviction list of approximately 30 selected positions is available to clients and qualified prospects upon request.

VI. RISK FACTORS

Key considerations for **space equity** investors.

Valuation and growth dependency.

The majority of listed space equities trade at significant revenue multiples, reflecting projected growth trajectories rather than current earnings power. That leaves limited margin of safety in the event of launch failures, contract award delays, or broader multiple compression in growth equity markets. Position sizing and concentration discipline are therefore central to managing downside in this segment.

Government procurement concentration.

A substantial portion of the revenue base across the defense and infrastructure segments is derived from U.S. federal and allied government spending. Continuing resolutions, shifting administration priorities, and multi-year award timing create revenue variability that is difficult to model precisely. The pace of PWSA tranche awards and the evolution of the Golden Dome procurement timeline are the most significant near-term variables to monitor.

Regulatory and spectrum complexity.

The commercial space sector operates within a layered regulatory environment covering U.S. Federal Communications Commission (FCC) licensing, International Telecommunication Union (ITU) spectrum coordination, Federal Aviation Administration (FAA) launch approvals, and International Traffic in Arms Regulations (ITAR) export controls. Each layer introduces potential delays and competitive asymmetries that can materially affect program timelines and equity valuations.

Execution risk in capital-intensive programs.

Several high-conviction names in the space universe are executing against complex, multi-year programs with fixed-price contract structures, constellation deployment schedules, and new vehicle development timelines. York Space Systems' production ramp, AST SpaceMobile's constellation build-out, and Rocket Lab's Neutron development program each carry execution risk that warrants ongoing monitoring and periodic position review.

SpaceX IPO uncertainty and competitive dynamics.

While a 2026 IPO appears highly probable, timing and final valuation remain subject to market conditions, SEC review of the post-xAI merger structure, and execution risk across concurrent Musk ventures. A delayed or lower-than-expected listing would remove a key near-term catalyst for the broader space equity universe. Additionally, SpaceX's vertical integration into satellite manufacturing and direct-to-cell services could compress margins in segments currently exhibiting attractive economics.

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