Space Exploration Technologies (SpaceX)

The upcoming SpaceX listing on US markets is generating considerable debate among market watchers. Three months ago we discussed the AI component, which had already seen an immense valuation uplift. SpaceX has now filed to list publicly, with trading expected to commence in June.

The market frenzy is understandable. With an expected listing value of between $1.75 trillion and $2 trillion, this would be by far the largest IPO in history. Here are a few key considerations:

1) The valuation uplift over the last 11 years has been nothing short of meteoric, and many investors are pointing to this listing as a clear sign of a market peak. To put it in perspective: in 2015, SpaceX raised money at a $12 billion valuation. By August 2020 that had risen to $46 billion, and by late 2025 it had surged to $800 billion. Assuming it lists at $1.75 trillion, that's a gain of roughly 145 times over 11 years.

2) The listing is expected to raise in excess of $75 billion, which would set a new record for the largest public offering in history.

3) SpaceX is essentially an amalgamation of three operations: Starlink, AI and Space. Of these, Starlink accounts for 61% of revenue at $11.4 billion and $4.4 billion in operating profit. The AI division lost $6.4 billion while the Space division lost $657 million.

4) The company has multiple share classes and staggered lock-up periods, which is becoming more typical. With the higher-voting Class B shares, Musk will control approximately 42% of economic interest and 85% of the voting power.

5) A point of contention is the relaxation of index inclusion rules by the various index providers to accommodate the new listing far sooner than would be the case under existing rules. Given the sheer size of this listing, the rule changes are understandable, but they introduce questions around appropriate price discovery. Essentially, trillions of dollars allocated to passive funds will be "forced" into SpaceX at whatever valuation it enters the market.

At this stage there appears to be an almost insatiable demand for anything associated with AI, which is exactly why founders and insiders are looking to bring their businesses to the public markets. Another upcoming listing is AI giant Anthropic, which filed confidentially for a listing on 1 June 2026 at a valuation of $965 billion—just shy of $1 trillion. Google parent, Alphabet, is looking to raise $80 billion for AI spending.

The function of the bankers and consultants for any new listing is to stretch the valuation to the maximum. This is why buying at listing does not result in a great investment return. Investors always have time to ascertain more appropriate entry points.

One of the investment funds that Seed has invested into is Scottish Mortgage, which itself started buying into SpaceX in December 2018. They have multiplied their investment approximately 19 times and the performance has been the single biggest contributor to performance over 1, 3 and 5 years. They are likely to benefit even further from the listing of SpaceX shares but for all new investors as more and more supply comes onto the market, ***caveat emptor***—let the buyer beware.

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If you have any questions, Ian and our team would love to hear from you on investmentteam@seedinvestments.co.za.