



Rocket Lab USA

# SPACE IS OPEN FOR BUSINESS

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# Catalysts, Risks & Target Price

## Overview

Rocket Lab (RKLB) provides end-to-end space mission services focused on launch vehicles (Electron, Neutron) and the Photon satellite platform

**Price Target**  
**\$34**

Strong presence in civil, defense, and commercial markets with operations spanning the US, Japan, and Germany, structured across Launch Services and Space Systems segments

## Catalysts & Risk

Multiple growth drivers including 2024 Neutron launch targeting \$13B medium-lift market, 71% YoY Space Systems growth (\$106M in Q2 2024), \$1.07B backlog, and significant government contracts including NASA/DoD partnerships

Faces execution challenges with Neutron development, \$150M quarterly cash burn, plus competitive pressure from SpaceX and potential new market entrants, coupled with government budget dependency

### IN UNDER 6 YEARS



18

Launches to space



97

Satellites deployed to orbit



3

Launch pads built



2<sup>ND</sup>

Most frequently launched U.S. rocket



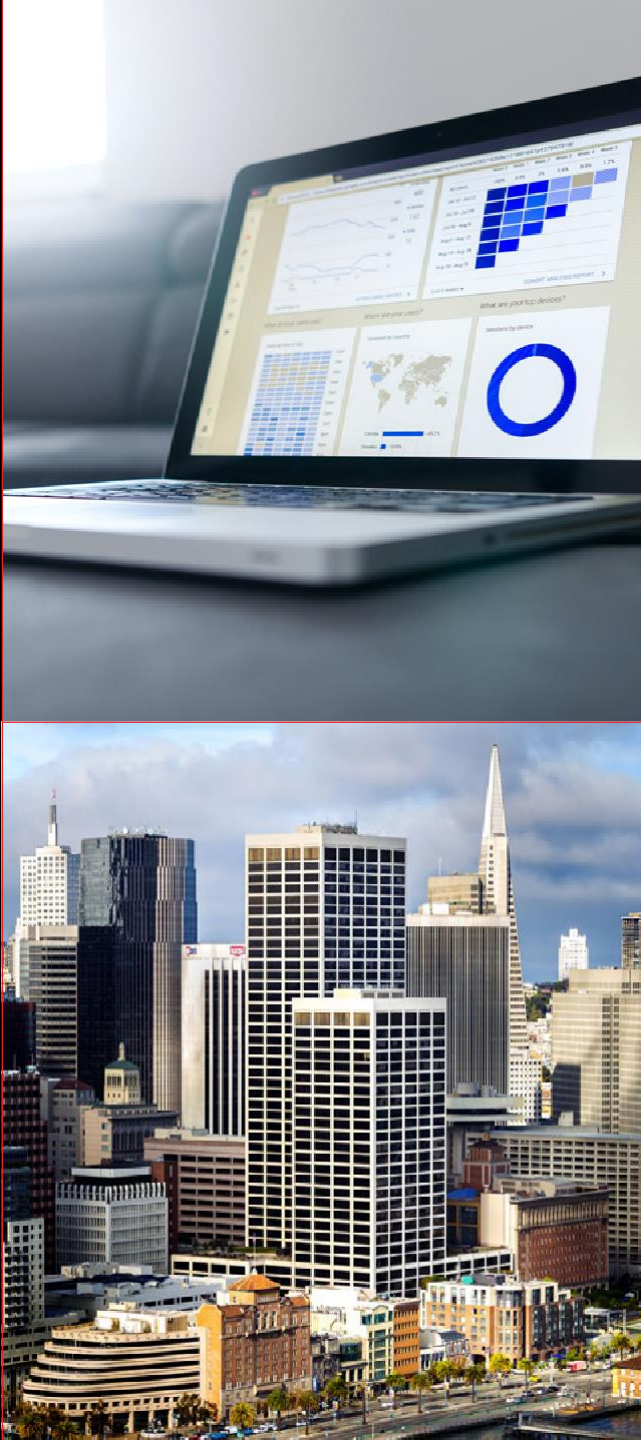
2

Mission control centers



7

Successful missions for USG customers





# Industry Overview

*Leveraging Electron, Neutron, and Photon technologies means tapping into a projected \$1.4 trillion total addressable market by 2030 (up from \$350 billion today)*

1

## Launch

### Electron & Neutron

TAM ~\$10B<sup>2</sup>

- › TAM growth driven by historic levels of demand for responsive small satellite launch and constellation deployments
- › Small satellite constellations will account for ~83% of all satellites launched by 2028<sup>3</sup>

2

## SPACE SYSTEMS

### Photon

TAM ~\$20B<sup>2</sup>

- › Significant growth in small satellite mega constellations driven by demand for commercial Earth observation and telecom applications
- › DoD focused on resiliency of space infrastructure and satellite constellation deployment and replenishment
- › Increased focus from multiple governments on high value deep space planetary exploration and discovery missions

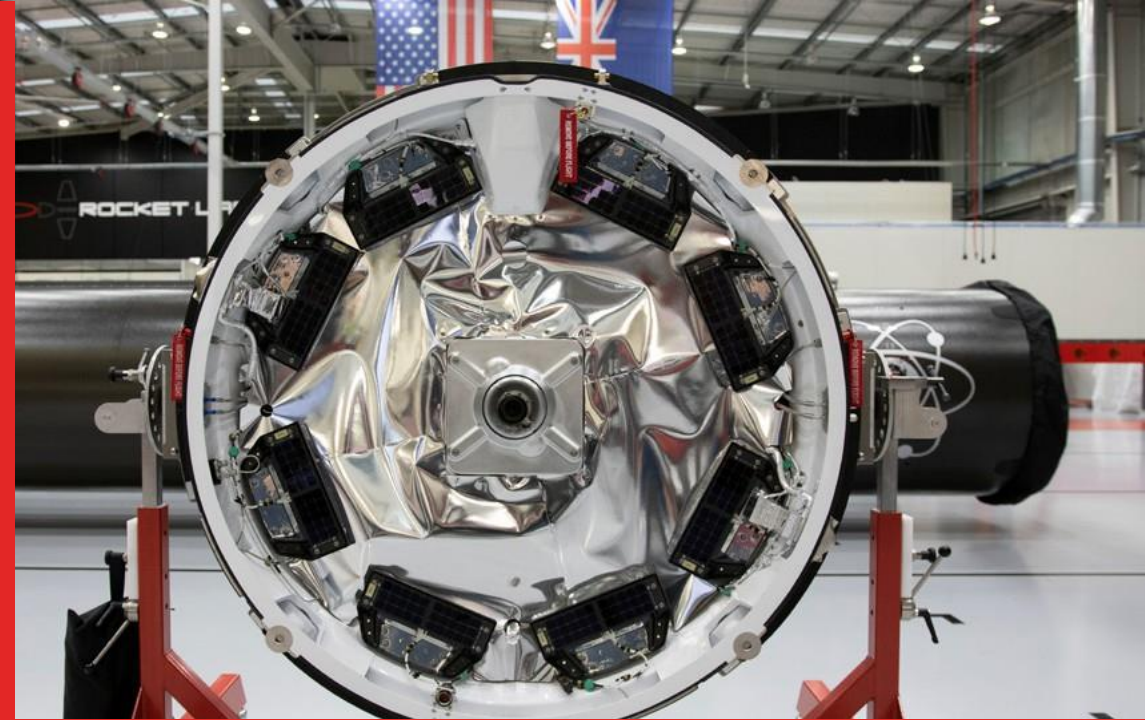
3

## SPACE APPLICATIONS

TAM ~\$320B<sup>1</sup>

- › Market growth driven by demand for space-based connectivity, Earth observation (including synthetic aperture radar, electro-optical and RF) and other services
- › Significant untapped potential for value-added services including data management & analytics to support end customer insights

PHOTON  
ROCKET LAB PRODUCTION COMPLEX



ELECTRON LIFT OFF  
LAUNCH COMPLEX 1



# Company Overview (P1)

Uniquely compelling investment opportunity in a generational space leader

## Launch Systems - Business Segment #1

- Electron, with 33 successful launches, is the #2 most frequently launched U.S. rocket, achieving a 95% success rate
- 40% of revenue

## Space Systems - Business Segment #2

- Photon platform and space components form Rocket Lab's highest-margin segment, providing robust recurring revenue.

## Vertical Integration

- In-house manufacturing and proprietary technology offer Rocket Lab end-to-end solutions, creating operational efficiencies.

## Launch Flexibility

- As the leading provider of dedicated small launches, Rocket Lab can launch from both hemispheres, offering unmatched scheduling and rapid launch capability.

## Financial Highlights

- Revenue Growth: 71% YoY growth to \$106M. Gross Margin Expansion: Projected to rise from 15% to 25% by 2025. Backlog: Robust \$1.07B, with 44% expected to convert within 12 months. Cash Position: \$250M, supporting continued expansion.



ELECTRON LIFT-OFF  
LAUNCH COMPLEX 1



LAUNCH COMPLEX 1  
MAHIA, NEW ZEALAND





# Company Overview (P2)

Uniquely compelling investment opportunity in a generational space leader

Successful Executive Team Driving Innovation

- Peter Beck is a visionary in the space industry, leading Rocket Lab to a series of industry-defining firsts
- Adam Spice has public company CFO credentials and deep M&A experience
- Motivated and passionate team of 530 employees

Pioneer with Commanding Leadership Position

- One of only two commercial companies delivering regular access to orbit
- Strong first-mover advantage in small launch category

Proven Business Execution

- 8 launches since 2017 with cadence increasing
- Rocket Lab-built satellites and components on orbit
- Extensive launch and development facilities across U.S. and NZ

1

Satellites as a Service

From LEO constellations to high-complexity deep space and interplanetary missions

2

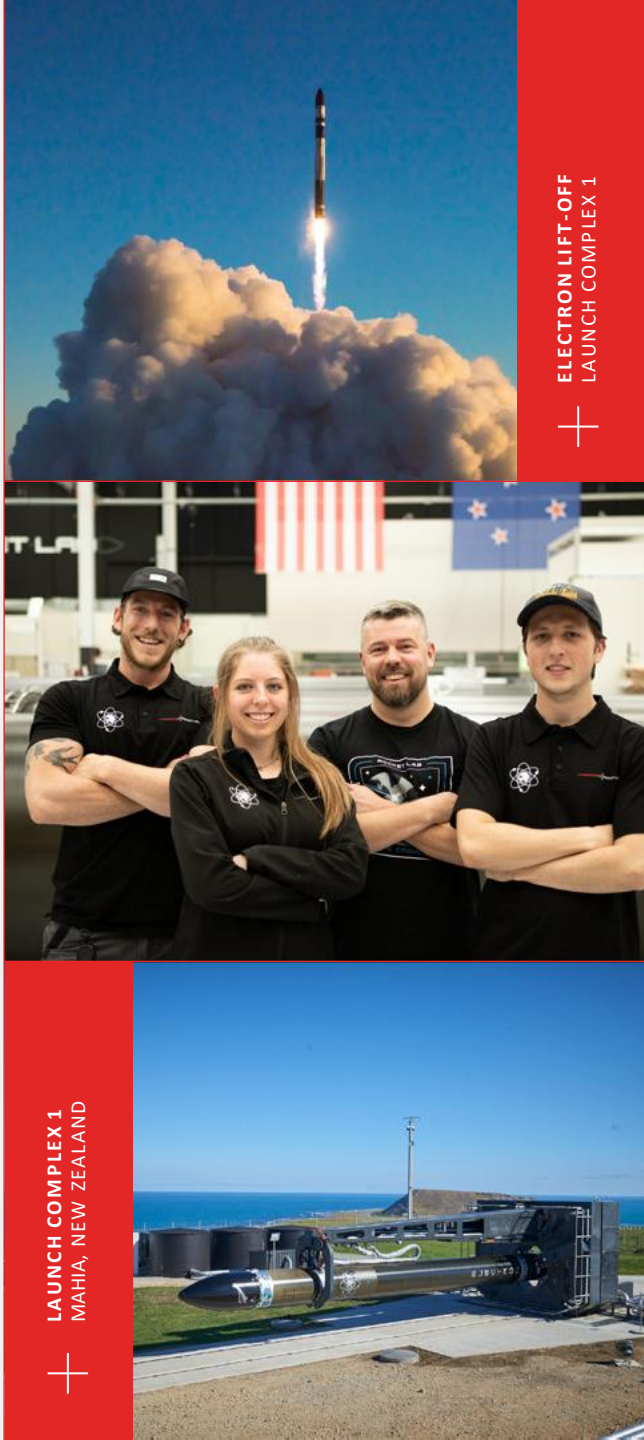
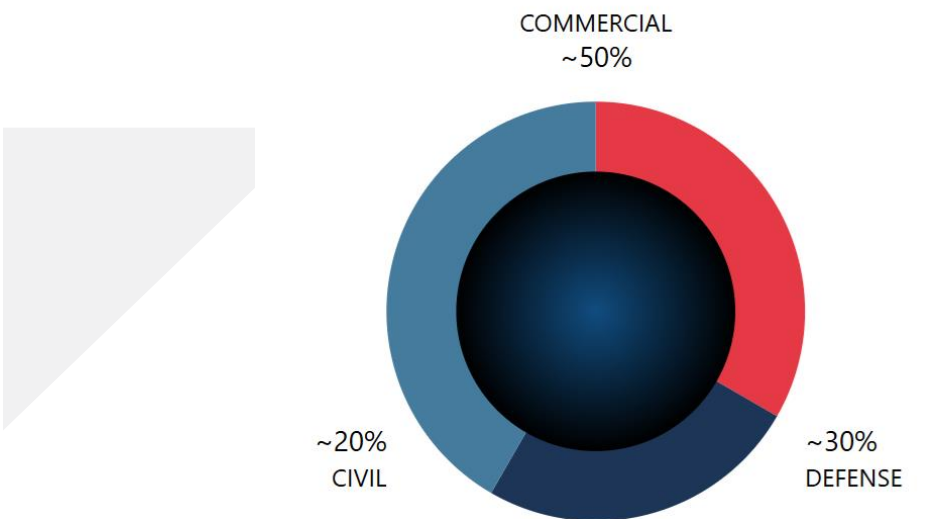
Satellite COMPONENTS

Anything that goes to space should have a Rocket Lab logo on it

3

SPACE APPLICATIONS

Uniquely positioned to access expanding space applications TAM



# Valuation Summary

## Discounted Cash Flow Output

### Valuation Elements:

- Enterprise Value: \$16.31B
- Equity Value: \$16.33B
- Projection: \$34 per share
- Diluted Shares Outstanding: 481.8M

### Cash Flow & Growth:

- EBIAT: \$33.3M
- UFCF: \$68.7M
- Tax Rate Cash: \$1.18M
- FCF (T+1): \$1.75B
- Long-term Growth Rate: 2%

## Peer Comparable Analysis

Company Name	Market Cap (\$M)	Sales (\$M)	Price/Sales (TTM)	EV/Sales	Price/Earnings (Forward)	Price/Book Value
Rocket Lab USA Inc	6,000	244.6	24.53	24.53	165.1	17.45
Moog, Inc. B	7,000	197	35.53	35.53	15.05	3.22
Bombardier Inc.	6,000	8,000	0.75	0.75	10.56	-
Embraer S.A.	7,200	5,270	1.37	1.37	21.78	2.37
CAE, Inc.	6,870	3,714	1.85	1.85	23.75	1.96

# APPENDIX\*

<https://seekingalpha.com/symbol/RKLB/peers/comparison>

<https://www.morningstar.com/stocks/xnas/rklb/quote>

<https://library.fuqua.duke.edu/databases/index.php#firstS>

Metric	Average	Median
Price/Sales (TTM)	12.01	1.85
EV/Sales	12.01	1.85
Price/Earnings (Forward)	47.25	18.41
Price/Book Value	6.25	2.37
Dividend Yield (%)	0.11	0



# APPENDIX\*

In the history of  
spaceflight, only two  
private companies have  
delivered regular and  
reliable access to orbit



*\*not investment advice, we are biased as one of our group  
members hold 1/3 of RKLB in his personal portfolio*