

# 5 Space Stocks to Watch Despite Virgin Orbit's Crash Back to Earth

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Space stocks have seen 'falling orbits' over the past year with eResearch's equal-weighted space index down over 34%. Adding to the decline, Richard Branson's [Virgin Orbit](#) filed for bankruptcy this week, after a launch failure negatively impacted finances.

## Virgin Orbit Looming Bankruptcy

Virgin Orbit aimed to launch small satellites into orbit using a modified Boeing 747 plane, filed for Chapter 11 bankruptcy this week after facing a series of financial and technical challenges. The company had failed to secure enough funding to recover from a rocket launch failure in January, which was supposed to be the first orbital space launch from British soil.

Virgin Orbit said it was looking for a buyer who would be interested in its cutting-edge launch technology and its remaining assets. The company also laid off 85% of its workforce last week, leaving only a few employees to maintain its operations.

## Impact on Virgin Galactic

The Virgin Orbit bankruptcy filing has raised questions about the future of Virgin Orbit's sister company, [Virgin Galactic](#), which also relies on Branson's Virgin Group for funding and shares some of the same technology, personnel, resources, and infrastructure.

Virgin Galactic, which aims to fly paying customers to the edge of space on a suborbital spaceplane, has faced its own challenges in recent years. The company has delayed its first commercial flights several times, citing safety issues and regulatory hurdles. It also faces competition from other space tourism ventures, such as [Blue Origin](#) and [SpaceX](#). Virgin Galactic's stock price has plummeted from a high of \$60.67 in February 2021 to \$3.17 today.

Virgin Orbit's bankruptcy could affect Virgin Galactic's ability to access capital, talent, and technology from its parent company and other investors. It could also damage the reputation and credibility of Branson's space ventures, which have been criticized for being overly ambitious and unrealistic. Some experts have suggested that Virgin Galactic may need to find a new partner or buyer to survive in the increasingly competitive and crowded space industry.

## **But NASA is going to the Moon!**

Despite Virgin Orbit's looming bankruptcy, there is positive news in the industry as [NASA named four astronauts](#) this week who will venture around the Moon on Artemis II. Currently planned to launch in November 2024, the approximately 10-day Artemis II flight will launch on NASA's Orion spacecraft and Space Launch System (SLS) rocket.

Reuters also reported this week that a Starship Super Heavy rocket launch test by Elon Musk's SpaceX company could happen on April 10, according to a planning notice posted by the Federal Aviation Administration (FAA). The upcoming test flight will be the first orbital flight of SpaceX's complete, 394-foot (120-meter) tall Starship rocket system, which comprises of a Starship spacecraft mounted on a "Super Heavy" first-stage booster featuring 33 rocket engines.

## eResearch's Equal-Weighted Space Index and Stock Price Changes – Index Down 34.3% Year-over-Year

Name	Apr 05 Close (US\$)	Price Δ 30-days	Price Δ 60-days	Price Δ 90-days	Price Δ YTD	Price Δ YoY
Aerojet Rocketdyne	\$56.28	0.4%	0.8%	0.3%	0.6%	40.5%
AST SpaceMobile	\$4.23	-39.4%	-30.5%	-6.8%	-12.2%	-59.6%
Astra Space	\$0.35	-31.0%	-47.7%	-19.3%	-19.3%	-91.8%
Boeing	\$209.55	-1.1%	1.7%	2.2%	10.0%	9.6%
DISH Network	\$8.60	-21.1%	-43.0%	-42.7%	-38.7%	-73.3%
EchoStar Corporation	\$17.71	-11.5%	-5.8%	8.3%	6.1%	-28.8%
Intuitive Machines	\$10.02	-29.2%	10.0%	-0.1%	0.2%	3.7%
Iridium Communications	\$60.83	-0.4%	2.0%	14.4%	18.3%	43.2%
KULR Technology	\$0.80	-33.9%	-37.5%	-35.5%	-33.4%	-64.5%
Lockheed Martin	\$491.88	2.4%	7.1%	3.1%	1.1%	10.8%
Magellan Aerospace	C\$7.10	-24.1%	-23.6%	-17.8%	-29.0%	-28.1%
Maritime Launch Services	C\$0.18	5.9%	5.9%	80.0%	56.5%	
Maxar Technologies	\$51.19	-0.2%	-0.8%	0.5%	-1.1%	30.9%
Momentum Inc.	\$0.49	-34.0%	-53.7%	-45.3%	-36.5%	-84.9%
Northrop Grumman	\$473.44	0.7%	7.4%	-10.4%	-13.2%	4.7%
Planet Labs PBC	\$3.66	-20.3%	-26.2%	-23.4%	-15.9%	-36.8%
Redwire Corporation	\$2.73	-27.6%	1.5%	28.2%	37.9%	-57.9%
Rocket Lab USA	\$3.68	-17.0%	-30.8%	-11.9%	-2.5%	-55.7%
Sidus Space	\$0.51	-32.8%	-1.0%	-49.4%	-53.1%	-84.9%
Spire Global	\$0.61	-39.6%	-50.4%	-35.2%	-36.5%	-70.1%
Telesat Corporation	C\$11.74	2.1%	-9.0%	-7.4%	18.5%	-44.6%
Terran Orbital	\$1.66	-29.2%	-14.6%	24.6%	4.9%	-76.7%
Viasat	\$33.31	-7.2%	-9.3%	-4.4%	5.2%	-32.9%
Virgin Galactic	\$3.17	-41.3%	-47.8%	-13.3%	-8.8%	-69.9%
Virgin Orbit	\$0.16	-86.6%	-90.8%	-90.2%	-91.2%	-97.8%
<b>eResearch's Equal Weighted Space Index (1-Year): Down 34.3% year-over-year</b>						

## 5 Space Stocks to Watch

Industry reports have the space industry hitting a value of \$1.4 trillion by 2030, so that could translate into a sizeable potential for revenue and profit growth for space-focused companies, as well as increasing demand for their products and services.

With multiple public and private companies entering the industry, these new entrants are lowering the cost and increasing the frequency of launching rockets and satellites, as well as offering new services such as space tourism, asteroid mining, and point-to-point transportation. These activities can create more opportunities for investors to participate in the

space economy and support its development.

Here are 5 space stocks to watch with positive EBITDA and low Enterprise Value to EBITDA (“EV/EBITDA”) that should weather any ‘cosmic’ investing storms.

### **[Aerojet Rocketdyne \(NYSE: AJRD\)](#)**

Aerojet Rocketdyne is a leading company in the aerospace and defense industry. It designs, develops, and manufactures propulsion systems for rockets, missiles, satellites, and spacecraft. Aerojet Rocketdyne has a history of innovation and excellence that spans more than seven decades. It supports critical missions for the U.S. government, commercial customers, and international partners.

### **[Lockheed Martin \(NYSE: LMT\)](#)**

Lockheed Martin is an American corporation that operates in the fields of aerospace, defense, information security, and technology. It is the world’s largest defense contractor by revenue and provides products and services for the U.S. Department of Defense and other government agencies, as well as international customers. Some of its flagship products include the F-35 fighter jet, the Orion spacecraft, the Aegis combat system, and the Sikorsky helicopter.

### **[Magellan Aerospace \(TSX: MAL\)](#)**

Magellan Aerospace is a global, integrated aerospace company that provides complex assemblies and systems solutions to aircraft and engine manufacturers, and defense and space agencies worldwide. Magellan Aerospace is a leader in the development and production of advanced aerospace technologies, such as microsatellites, castings, and horizontal tail assemblies.

## Maxar Technologies (NYSE: MAXR)

Maxar Technologies is a space technology company that specializes in manufacturing communication, Earth observation, radar, and on-orbit servicing satellites, satellite products, and related services. It also provides high-resolution satellite imagery, geospatial data, and analytics for various industries and applications.

## Viasat (NASDAQ: VSAT)

Viasat is a global communications company that provides high-speed satellite broadband services and secure networking systems to government and commercial customers. Viasat's products and services enable fast, reliable and secure access to data, voice, and video applications across air, land, and sea.

## eResearch's Space Industry Comp Table

Name	Ticker	Apr 05 Close (US\$)	Mkt Cap (US\$ M)	Cash (US\$ M)	Debt (US\$ M)	EV (US\$ M)	REVENUE (US\$ M)			EBITDA (US\$ M)			EV/Revenue			EV/EBITDA		
							2021A	2022A	2023E	2021A	2022A	2023E	2021A	2022A	2023E	2021A	2022A	2023E
Aerojet Rocketdyne	NYSE:AJRD	\$56.28	\$4,529	\$333	\$359	\$4,555	\$2,188	\$2,238	\$2,321	\$303	\$273	\$300	2.1x	2.0x	2.0x	15.0x	16.7x	15.2x
AST SpaceMobile	NASDAQ:ASTS	\$4.23	\$323	\$239	\$13	\$323	\$12	\$14	n/a	-\$84	-\$141	n/a	24.5x	22.0x				
Astra Space	NASDAQ:ASTR	\$0.35	\$103	\$103	\$13	\$13	\$0	\$9	\$27	-\$154	-\$248	-\$137		0.5x	0.2x			
Boeing	NYSE:BA	\$209.55	\$128,164	\$17,220	\$58,582	\$169,561	\$62,286	\$66,608	\$78,609	\$1,639	\$1,647	\$5,297	2.7x	2.5x	2.1x	101.9x	101.4x	31.5x
DISH Network	NASDAQ:DISH	\$8.60	\$4,594	\$2,621	\$24,231	\$26,671	\$17,881	\$16,679	\$16,192	\$3,928	\$2,763	\$2,228	1.5x	1.6x	1.6x	6.8x	9.6x	12.0x
EchoStar Corporation	NASDAQ:SATS	\$17.71	\$1,484	\$1,678	\$1,651	\$1,553	\$1,986	\$1,998	\$1,875	\$683	\$617	\$530	0.8x	0.8x	0.8x	2.3x	2.5x	2.9x
Intuitive Machines	NASDAQ:LUNR	\$10.02	\$183	\$9	\$23	\$197	\$73	\$0	\$389	-\$37	-\$19	-\$31	2.7x		0.5x			
Iridium Communications	NASDAQ:IRDM	\$60.83	\$7,802	\$169	\$1,507	\$9,140	\$615	\$721	\$792	\$352	\$380	\$458	14.7x	12.5x	11.4x	25.7x	23.8x	19.7x
KULR Technology	NYSE:AM:KULR	\$0.80	\$95	\$10	\$0	\$85	\$2	\$4	\$15	-\$11	-\$18	-\$16	34.4x	20.8x	5.4x			
Lockheed Martin	NYSE:LMT	\$491.88	\$124,343	\$2,547	\$16,646	\$138,442	\$67,044	\$65,984	\$65,745	\$9,010	\$8,620	\$9,814	2.1x	2.1x	2.1x	15.5x	16.2x	14.2x
Magellan Aerospace	TSX:MAL	C\$7.10	C\$419	C\$41	C\$63	C\$445	C\$688	C\$765	C\$832	C\$39	C\$26	C\$39	0.6x	0.6x	0.5x	11.2x	16.9x	11.2x
Maritime Launch Services	NEOE:MAXQ	C\$0.18	C\$69	C\$3	C\$8	C\$73	C\$0	C\$0	n/a	-\$C2	-\$C6	n/a						
Maxar Technologies	NYSE:MAXR	\$51.19	\$3,882	\$52	\$2,394	\$6,225	\$1,770	\$1,605	\$1,898	\$427	\$286	\$526	3.5x	3.9x	3.3x	14.5x	21.7x	11.8x
Momentus Inc.	NASDAQ:MNTS	\$0.49	\$49	\$61	\$21	\$9	\$0	\$0	\$2	-\$99	-\$90	-\$56	20.5x	22.6x	3.0x			
Northrop Grumman	NYSE:NOC	\$473.44	\$71,207	\$2,577	\$15,000	\$83,298	\$35,667	\$36,602	\$38,324	\$8,734	\$7,680	\$5,343	2.4x	2.3x	2.2x	9.7x	11.0x	15.8x
Planet Labs PBC	NYSE:PL	\$3.66	\$1,023	\$409	\$22	\$636	\$131	\$191	\$255	-\$87	-\$135	-\$44	4.7x	3.2x	2.4x			
Redwire Corporation	NYSE:RDW	\$2.73	\$183	\$28	\$109	\$327	\$138	\$161	\$235	-\$33	-\$35	-\$2	1.9x	1.6x	1.1x			
Rocket Lab USA	NASDAQ:RKLB	\$3.68	\$1,849	\$472	\$157	\$1,524	\$62	\$211	\$288	-\$91	-\$105	-\$73	23.1x	6.8x	5.0x			
Sidus Space	NASDAQ:SIDU	\$0.51	\$18	\$2	\$2	\$18	\$1	\$7	\$10	-\$3	-\$10	n/a	12.5x	2.4x	1.8x			
Spire Global	NYSE:SPIR	\$0.61	\$87	\$70	\$112	\$128	\$43	\$80	\$106	-\$52	-\$50	-\$20	3.0x	1.6x	1.2x			
Telesat Corporation	TSX:TSAT	C\$11.74	C\$143	C\$1,678	C\$3,884	C\$3,705	C\$758	C\$759	n/a	C\$623	C\$494	n/a	4.4x	4.4x		5.4x	6.8x	
Terran Orbital	NYSE:LLAP	\$1.66	\$258	\$94	\$171	\$335	\$41	\$94	\$241	-\$34	-\$125	-\$38	7.7x	3.4x	1.3x			
Viasat	NASDAQ:VSAT	\$33.31	\$2,599	\$182	\$3,273	\$5,723	\$2,406	\$2,867	\$2,649	\$389	\$463	\$502	2.4x	2.0x	2.1x	14.6x	12.2x	11.3x
Virgin Galactic	NYSE:SPCE	\$3.17	\$961	\$909	\$476	\$498	\$3	\$2	\$12	-\$310	-\$491	-\$489	138.7x	197.4x	37.2x			
Virgin Orbit	NASDAQ:VORB	\$0.16	\$50	\$71	\$58	\$37	\$7	\$0	\$133	-\$158	-\$173	-\$129	5.7x		0.3x			
Mean (If EV/Revenue <20; EV/EBITDA <100)													4.2x	3.0x	2.4x	12.1x	13.7x	14.6x
Median													3.5x	2.5x	2.0x	14.5x	16.2x	13.1x