

# From 10% chance of success to \$2 trillion market cap: SpaceX's historic IPO

## KEY POINTS

- SpaceX closed Friday with a market cap above \$2 trillion, after Elon Musk said earlier in the day he originally gave the company less than a 10% chance to succeed.
- More than 500 million shares changed hands, and the debut left Alphabet with a stake in SpaceX worth close to \$100 billion.
- "This was not a deal that was priced based on market forces," said Lloyd Greif, CEO of investment bank Greif & Co.

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A video displays Elon Musk, founder of SpaceX, after the company's initial public offering at the Nasdaq MarketSite in New York on June 12, 2026.

Michael Nagle | Bloomberg | Getty Images

Shortly before the opening of Nasdaq trading on Friday, Elon Musk stepped in front of a cheerful crowd at SpaceX's company town in Texas. His rocket maker was about to hit the public market at a valuation of around \$2 trillion, instantly becoming the sixth most-valuable U.S. company.

Musk, weeks shy of his 55th birthday, told staffers that, in the early days of the company, he gave it "less than 10% chance of succeeding."

"If people had told me this was going to happen, I was like, man, you must be smoking some really good crack," said Musk, who founded SpaceX in 2002 and has grown it to 22,000 full-time employees. "Because I think this company is going to fail."

Musk is now the world's first trillionaire after his company pulled off the largest IPO on record, raising \$75 billion, an amount roughly triple size of the next-biggest U.S. offering, which was Alibaba's in 2014. There are 10 U.S. companies worth at least \$1 trillion. Musk runs two of them.

Whatever uncertainty Musk professed to have felt when SpaceX was getting off the ground, he showed none of that in the days leading up to the IPO. In an abbreviated roadshow, SpaceX priced its IPO at \$135 and told investors to take it or leave it. There was no price range used to gauge demand and no haggling with prospective shareholders.

That's despite SpaceX having a fraction the revenue of any of tech's megacaps and racking up a \$4.9 billion loss last year, with total losses since its founding of over \$41 billion. After the stock's close on Friday, SpaceX was worth \$2.1 trillion, giving it a multiple of 112 times last year's revenue.

"This was not a deal that was priced based on market forces," said Lloyd Greif, an investment banker with Greif & Co. in Los Angeles. "This was a deal based on what one man wanted. And when one man wants it, one man gets it, if that one man is Elon Musk."

Meanwhile, all of those mentions of trillions and the trillionaire added fuel to the discourse surrounding wealth disparity as consumers deal with crippling inflation due largely to the war in Iran. Sen. Bernie Sanders of Vermont, a self-proclaimed Democratic Socialist, wrote on social media that Musk's new status is a "call to action to take on the unprecedented income and wealth inequality that now exists." And California Democratic Governor Gavin Newsom wrote on X, which is owned by SpaceX, that, "Americans are struggling to pay for groceries and gas while Elon Musk becomes a TRILLION-AIRE."

Beyond the money, there are the AI concerns. Safe AI Now, a group of tech and faith leaders, erected an inflatable effigy of a shirtless Musk in Times Square seeking to draw attention to the company's poor AI safety track record.

None of that dampened the mood on Wall Street, which has been desperate to see new offerings after a historically slow period of IPOs dating back to late 2021. In closing the day up 19% and consistently holding well above the offer price, SpaceX's IPO lifted confidence in potential deals later this year from artificial intelligence model giants OpenAI and Anthropic, which are each valued at close to \$1 trillion on the private market.

Former Nasdaq CEO Robert Greifeld said he "would definitely bet" that OpenAI and Anthropic will go public in 2026. Both companies announced this month that they confidentially filed IPO paperwork.

## Making Facebook's IPO look small

More than 500 million SpaceX shares changed hands throughout the day on Friday, a number approaching Facebook's market debut in 2012, when roughly 580 million shares were traded. Facebook's IPO set a record at the time, raising \$16 billion. At the end of its first day of trading, Facebook was worth about \$100 billion, or one-twentieth SpaceX's current market cap.

One big similarity between the two companies is that they're founder controlled. But even there, SpaceX is on another level. At the time of Facebook's IPO, CEO Mark Zuckerberg had the ability to control 56% of the voting power. For Musk at SpaceX, that number is above 82%.

Musk is certainly not alone in seeing a financial windfall from SpaceX's IPO.

The offering pushed Alphabet's stake past the \$100 billion mark, after the company invested about \$900 million in SpaceX in 2015. Valor Equity Partners, run by longtime Musk pal Antonio Gracias, is sitting on a stake worth over \$80 billion, mostly owned by the firm's clients.

In addition to the institutional investors, the IPO reportedly minted some 4,400 millionaires among the ranks of current and former SpaceX employees.

The stock sale was led by Wall Street heavyweights Goldman Sachs and Morgan Stanley, along with help from Bank of America, Citigroup, JPMorgan Chase and a long roster of other big banks and boutique firms. Underwriters gained access to additional shares, or their greenshoe overallotment, on one colorful condition.

"Only if the bankers all wore green shoes," venture capitalist Steve Jurvetson, who invested in SpaceX in 2009, wrote in a post on X. Jurvetson included a photo of green and white Nike sneakers decorated with the company's logo.

Throughout the morning, some of Musk's top investors and good friends joined CNBC to talk about the historic event. Gracias was one of the guests.

The Valor founder and CEO said he met Musk more than 20 years ago through mutual friend David Sacks, a venture capitalist who until recently served as President Donald Trump's AI and crypto czar. Gracias said he invested in PayPal "in the old days," when Musk and Sacks were among the founding crew, and put early money into Tesla and SpaceX. In both cases, he said his firm worked "on hard problems to try and help these companies succeed."

Gracias' relationship with Musk extends beyond business. He spent some time last year working with Musk as part of the Trump Administration's DOGE effort to slash the federal workforce, regulations and government spending. Gracias also previously sat on the boards of Tesla and other Musk companies. As for SpaceX, Gracias said he plans to hold onto the stock "as long as I possibly can."

Sequoia partner Shaun Maguire, whose firm invested in SpaceX in 2019, called Musk a "generational entrepreneur," likening his planned delivery of the Starship launch vehicle to the introduction of rail-



SpaceX President and Chief Operating Officer Gwynne Shotwell celebrates with family and other SpaceX employees at the Nasdaq Marketsite in New York after the SpaceX initial public offering on June 12, 2026.

*Spencer Platt | Getty Images News | Getty Images*

roads. He said he was confident the company could be generating hundreds of billions of dollars in revenue in 2030.

Maguire said Sequoia will distribute some shares to investors "if we feel like the valuation is way ahead of its skis," but said that, "as an individual, I'm going to hold my shares forever."

## **'Heavily dependent on Starship'**

Skeptics of SpaceX's lofty valuation questioned the logic of it all. The company counts on its Starlink satellite internet service for the bulk of its revenue and it's the only profitable part of the business. But investors don't pay historically high multiples for broadband service, no matter how good it is.

The space launch division is burning cash and is counting on the Starship rocket to scale to much better economics than the Falcon fleet. And the AI unit, which came in through the acquisition of Musk's xAI, is currently a money pit that's pivoted to leasing out massive amounts of capacity to the likes of Anthropic and Google.

Financial research firm CFRA gave SpaceX a sell rating and price target of \$115, minutes after the company's Nasdaq debut. Analysts said SpaceX has "elevated valuation expectations," and living up to them would require proving the viability of Starship, expanding Starlink, generating returns from AI infrastructure, and eventually producing consistent free cash flows.

"Our primary concern is that SpaceX's long-term strategy remains heavily dependent on Starship," CFRA analyst Keith Snyder wrote in a note to clients, saying that the Starship rocket could be a "bottleneck" for various SpaceX initiatives.

Then there's SpaceX's stated \$28.5 trillion total addressable market across space, connectivity and AI. That figure doesn't include other literal moonshots like space tourism, asteroid mining or manufacturing in orbit. Nor does it include transportation to Mars.

Aswath Damodaran, a New York University finance professor, told CNBC's "Squawk on the Street" on Friday that seeing the addressable market figure SpaceX provided made him think the prospectus was written by Grok, the xAI chatbot, rather than a banker.

"This is a hallucination," Damodaran said. "I would be embarrassed to even put that number out."

Maguire, a Musk permabull, said he stands by the projection.

"I would even argue it's an underestimate," he said.

While Musk is the face of SpaceX, getting to this point has a lot to do with the work of Gwynne Shotwell, the company's operating chief and one of its first employees.

In an exclusive interview with CNBC ahead of the IPO, Shotwell responded to a question about whether her boss would ever combine SpaceX with Tesla. It's a potential transaction that's long been rumored about, even more since Musk merged SpaceX with xAI after previously doing the same with xAI and X.

Shotwell, whose stake in SpaceX is now worth over \$2 billion, didn't dismiss the possibility, but made clear that it's not on her priority list.

"There's no question that there are synergies between Tesla and SpaceX in our futures," Shotwell told CNBC's Morgan Brennan at Starbase. "There's a convergence of what we're all trying to accomplish in the future, but right now I'm focused on keeping the lights on here, keeping rockets in production, flying rockets, flying people, getting to the International Space Station, and critically providing broadband to folks that don't have access."

Musk, for his part, spent a fair amount of time on Friday appearing to relish the moment. As his company's IPO was dominating the news cycle, Musk was active on social media, mostly reposting messages, videos and photos from supporters touting his company's success. He didn't write much, but he did have one message he wanted to share on X.

"I love the incredible people of SpaceX beyond words," he wrote.

