

IAF BUSINESS INNOVATION SYMPOSIUM (E6)
Entrepreneurship and Innovation: The Practitioners' Perspectives (1)

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EVALUATING THE PROJECTED OVER-SUPPLY WITHIN THE INCREASINGLY CROWDED
LAUNCH VERTICAL AND DISCUSSION OF HOW THIS MAY AFFECT THE INFLUX OF
INVESTOR CAPITAL INTO THE SECTOR

Abstract

The purpose of this paper is to evaluate projected supply and demand within the increasingly crowded launch vertical, and then to discuss this may affect the allotment and potential impact of future investor capital in this sector. The authors collected and analyzed publicly available data on 125+ commercial launch ventures globally and used this data to create the most comprehensive public database on the launch industry (for reference, the database can be found: <https://spacefund.com/launch-database/>). This data was then analyzed, and compared to secondary research on the demand for launch services.

The results of this analysis show that planned supply is on pace to significantly exceed forecasted launch demand. Only a small handful of the companies studied are positioned to succeed, with many of the potential winners already off to a substantial head start due to early entry. Of the companies analyzed, more than 40 have received private funding (nearly *4B* total, *almost 3B* of which has gone to SpaceX), and about 30 of them are currently flight testing or operational. However, market forecasts from multiple sources indicate the need for less than 10 private launch companies world-wide over the coming decade. So, even those companies with a good head start may not find the customers they will need to keep their capital intensive businesses afloat.

Regardless of the technology type, the 'secret sauce,' or the market niche, a large portion of the participants in this ecosystem will never get off the ground. They will fail for a wide range of reasons, but fundamentally there are too many rockets and not enough demand. As such, it is the conclusion of the authors that the opportunity for high-volume investment in this sector has passed. Investment in launch at this stage, especially in newer, less-established companies will carry a high risk of complete loss, and even those that succeed may not provide desired returns. Investors interested in supporting the launch industry could consider directing their investment towards other sectors within the space ecosystem, thereby growing the demand for launches to keep the current players afloat. It is also these other sectors of the space ecosystem that will benefit the most from the competitiveness of the launch industry as this competition is predicted to drive price significantly lower while also increasing the frequency and number of launch opportunities.