Paper ID: 78279
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IAF BUSINESSES AND INNOVATION SYMPOSIUM (E6)
Space Entrepreneurship and Investment: The Practitioners' Perspectives (1)

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DEVELOPMENT AND ANALYSIS OF A NEW DEDICATED STOCK MARKET INDEX OF EUROPEAN LISTED SPACE COMPANIES AND COMPARISON WITH EXISTING ONES.

Abstract

The space economy has been growing over the years and the dynamic of the sector is no longer in question, but what about its performance? The number of space companies that have been funded by Venture Capital (VC) and Private Equity (PE) has been significantly growing in the last years and this trend is expected to continue. Because Initial Public Offering (IPO) generally offers the highest valuation when exiting the company, the number of European space companies going public is expected to increase in the years to come as the VCs and PEs are expecting successful exit strategies.

There is therefore a need to analyse and compare the performance of this part of the space ecosystem. This paper aims to present the rationale behind the creation of a new European Space Index and to provide an in-depth study of the characteristics of the sector in the financial markets and on the performance of the companies with regards to risk and return. The newly created index will also be compared to existing ones, such as the Euronext Helios Space Index, or to the list of publicly listed European space-based companies identified by the European Space Agency (ESA), the European Commission and Promus Ventures.

The proposed index and the data available on the companies constituting it will provide the basis for the creation of future financial instruments in the space sector and allow to improve the capital access and the liquidity in the financial market.