

Initiating Coverage:

Planet Labs PBC (\$PL)

Planet Labs Reaching Escape Velocity

Key Take-away: Planet Labs PBC (“Planet”) is a rapidly growing, high-tech firm that went public in 2021 but exploded in visibility in the second half of 2025. Their proprietary geospatial data, well-established backlog of orders, and record-setting delivery pace set them apart in an emerging market with a massive TAM and many new competitors.

Sovereign Constellation Delivery: The Swedish Armed Forces received one of Planet’s Pelican satellites with full ownership just 4 months after the contract was signed. What used to be a bespoke service has been converted into a repeatable product line, with increasingly advanced on-board data analytic capabilities via integration with NVIDIA Jetson. This new deal form allows Planet to stack their strengths, with best-in-class satellite services and security guarantees for purchasing countries. Manufacturing of Pelicans is scaling rapidly, with the Berlin Plant doubling in capacity as hiring begins in 2026.

Recent Market Activity: With SpaceX (\$SPCX) IPOing on Friday, June 12th, the sector of orbital economy received a massive benchmark and valuation anchor, which anchors high-end estimates of the broader space economy at \$28.5T. Nasdaq and FTSE Russell rewrote their eligibility rules to fast-track index inclusion, which forced more than \$25 billion in automated buying, sweeping liquidity out of the remainder of the sector. Planet remains positioned to benefit from SPCX’s technology and entry into the public markets but has seen a 40% drawdown in the leadup to this IPO.

Valuation: We initiate coverage with a \$42 PT.



Consortium Research Group
Industrials | Aerospace
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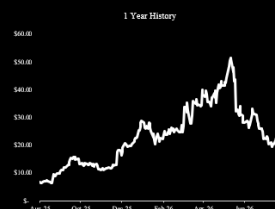
Stock Rating: Overweight

Price Target: \$42

Price: \$24.69

Potential Upside/Downside: 70.8%

Ticker: SPL



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Company Overview

Company Description: Planet Labs PBC operates the largest fleet of Earth-observation satellites ever flown, and sells access to what that fleet produces as well as the hardware itself. Founded in 2010 by a group of former NASA scientists and taken public through a 2021 SPAC merger, the company built its position on a single architecture decision: rather than a handful of large, expensive satellites, it launched hundreds of small ones (its “Dove” constellation) to image the entire Earth landmass at near-daily cadence. That cadence is the product. Customers across agriculture, defense and intelligence, civil government, mapping, and energy subscribe to the resulting imagery and the analytics layered on top, which makes Planet less a hardware operator than a recurring-data business that happens to own its own sensor network. The asset that sets it apart from every competitor is not any single satellite but the decade-plus archive of daily global change those satellites have already recorded, an archive that cannot be rebuilt retroactively no matter how cheaply a rival can now reach orbit.

Business Model in Transition: Historically Planet monetized its constellation one way: customers paid recurring subscriptions for imagery and data feeds while Planet owned and operated every satellite. The semi-recent change reshaping the model is the move to a build-operate-then-license structure, in which the customer (so far, sovereign governments) takes outright ownership of dedicated satellites that Planet manufactures, launches, and then helps operate. The Swedish Armed Forces deal is the template: a Pelican satellite delivered with full ownership roughly four months after signing, converting what used to be a bespoke, one-off engagement into a repeatable product line. The significance is that the legacy subscription business and the new sovereign-ownership business reinforce one another, because every sovereign build still routes operating and licensing revenue back to Planet over a multi-year tail and continues feeding Planet’s own archive, turning a single hardware sale into a durable relationship.

Vertical Integration and Onboard Intelligence: Planet’s second distinguishing feature is that it controls the full stack from manufacturing through analytics, and is now pushing compute onto the satellites themselves. The current-generation Pelican constellation integrates NVIDIA Jetson processors for on-orbit analysis, so imagery can be filtered, tagged, and partially interpreted before it is ever downlinked, a meaningful edge when a sovereign customer needs an answer in minutes rather than after a full ground-station processing cycle. Manufacturing is scaling in lockstep: the Berlin facility is doubling capacity, with hiring beginning in 2026 to support both the sovereign order book and Planet’s own frontier satellite division. This vertical integration is what lets the company quote a four-month delivery window in the first place. Owning the line, the constellation, and the analytics layer compresses a process that legacy primes still measure in years.

Industry Overview

Launch-Cost Collapse and the Commoditization of Orbit: The defining shift in the space economy is that reaching orbit is no longer the hard part. Reusable heavy-lift, led by SpaceX’s Starship, is pushing launch costs toward and below \$500 per kilogram, an order-of-magnitude move from the prior decade. The first-order effect is obvious: more constellations, more capacity, more entrants. The second-order effect matters more for how the sector is valued. When access to orbit is cheap and abundant, owning satellites stops being a moat, and value migrates downstream to whoever controls proprietary data, distribution, and the analytics that turn raw imagery into decisions. Hardware-heavy operators face pricing pressure and commoditization, while businesses with recurring data relationships and irreplaceable archives capture the durable economics. The industry is, in effect, bifurcating into commoditized supply and differentiated data.

Sovereign Demand and the Defense Spending Supercycle: Geopolitical fragmentation has turned space-based reconnaissance from a convenience into a standing national-security requirement. Heightened great-power tension and European rearmament are pushing nations to seek sovereign, owned overhead capability rather than depend on a foreign vendor's goodwill or a wartime data subscription. The NATO move toward 5% of GDP alone implies hundreds of billions of dollars in incremental defense spending. This is the space analog of the broader reshoring and reindustrialization theme running through Industrials: governments are treating owned space assets the way they now treat domestic semiconductor and defense-industrial capacity. The demand is sticky, because it is tied to sovereignty and capability rather than to any single conflict, but it is also lumpy, arriving as large multi-year national programs rather than smooth recurring spend.

Institutionalization and Repricing of the Orbital Economy: The sector is being repriced in real time as public-market infrastructure catches up to it. SpaceX's June 12 listing handed the orbital economy a benchmark and a valuation anchor, with sell-side estimates for the broader space economy now cited as high as \$28.5 trillion. The mechanical consequence has mattered as much as the narrative one: index providers fast-tracked eligibility rules, forcing more than \$25 billion of largely automated, flow-driven buying into the largest names and sweeping liquidity out of the rest of the sector. For smaller, already-public operators, it validates the category and lifts long-term capital availability, but it also concentrates passive flows in a few mega-caps and leaves the long tail exposed to sharp, sentiment-driven drawdowns disconnected from fundamentals.

Peer Comparisons

Comparable Companies						
\$mm						
Ticker	Mkt Cap (\$M)	EV (\$M)	P/E LTM	Revenue LTM (\$M)	EBITDA LTM (\$M)	
AIRI	\$14	\$46	NM	\$47	\$2	
BKSY	\$1,024	\$1,050	NM	\$107	-\$21	
LUNR	\$4,169	\$6,470	NM	\$334	-\$60	
SATL	\$803	\$850	NM	\$20	\$4	
PL	\$8,800	\$8,557	NM	\$336	-\$58	

Ticker	LTM EV/Revenue	Gross Margin	EBITDA Margin	EBIT Margin	1 Yr Rev Growth Rate LF
AIRI	1.0x	17.1%	5.0%	(2.0%)	(13.0%)
BKSY	9.8x	67.0%	(19.2%)	(41.0%)	4.4%
LUNR	19.4x	12.0%	(17.9%)	(20.0%)	(7.9%)
SATL	41.7x	72.5%	(131.6%)	(175.2%)	38.0%
PL	25.5x	56.2%	(17.4%)	(35.0%)	25.9%

High	41.67x	72.5%	5.0%	-2.0%	38.0%
75th Percentile	24.93x	68.4%	-12.2%	-15.5%	12.8%
Average	17.96x	42.2%	-40.9%	-59.6%	5.4%
Median	14.60x	42.1%	-18.6%	-30.5%	-1.8%
25th Percentile	7.63x	15.8%	-47.3%	-74.6%	-9.2%
Low	0.97x	12.0%	-131.6%	-175.2%	-13.0%

Implied Valuation	
Implied Enterprise Value (25th Percentile)	\$ 2,561
Implied Enterprise Value (Median)	\$ 4,900
Implied Enterprise Value (75th Percentile)	\$ 8,367

Implied Share Price (25th Percentile)	\$ 7.87
Implied Share Price (Median)	\$ 14.43
Implied Share Price (75th Percentile)	\$ 24.16

Source: S&P Capital IQ

Investment Theses

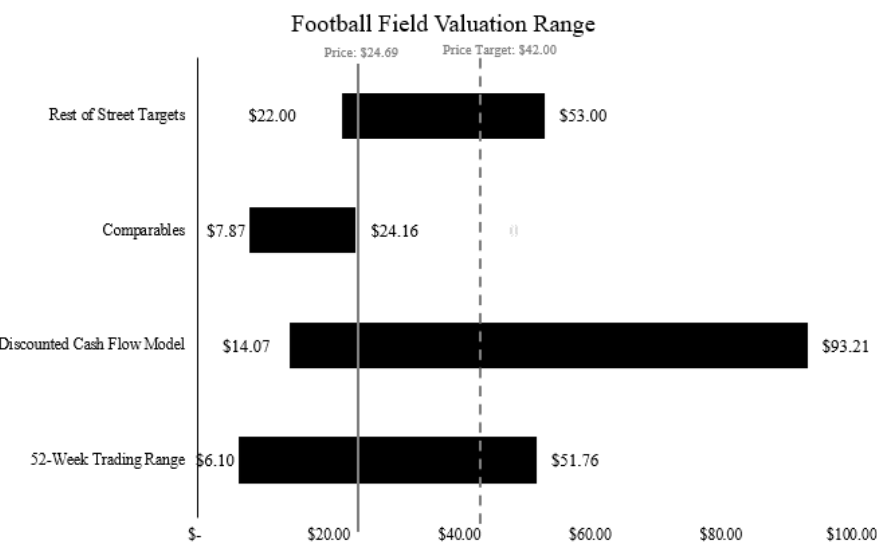
Sovereign Buildout: The market prices Planet's defense growth as conflict-cyclical, assuming it will fade upon de-escalation as it has in the past. However, sovereign reconnaissance is a standing capability rather than a wartime purchase. The recent NATO commitment to 5% of GDP alone implies hundreds of billions of dollars in incremental defense spending. Planet does not need a large share of that budget to benefit materially. It needs roughly 8 to 12 nations signing Sweden-sized deals over the next five years, a bar that its stated \$3 to \$4 billion pipeline suggests is achievable. Its advantage is the fastest sovereign satellite deployment ever achieved, paired with a build-operate-then-license model in which the customer owns the satellites outright. Structurally, that neutralizes the kill-switch and sovereignty concerns that would otherwise push a nation toward a domestic vendor. Most importantly, every sovereign build converts a just-in-time data buyer into a multi-year operating and licensing relationship, while feeding Planet's own archive, which turns episodic defense demand into a durable recurring base.

Data Moat as Primary Asset: The market treats Planet's AI capabilities as standard corporate PR when the underlying asset is the only roughly daily-revisit global archive in existence. This represents more than a decade of change-detection history that no competitor can build retroactively, regardless of how cheaply it can launch new satellites. The onboard GPU processing is a feature that compounds the advantage rather than the moat itself. The moat is data ownership and revisit cadence. Planet's edge does not depend on winning the analytics battle against Palantir or the frontier labs. Planet is the access point that feeds everything downstream of it, across fields ranging from agriculture to defense. That durability already appears in the economics, with 98% recurring annual contract value and 116% net dollar retention.

Commoditization of Satellites & Rerating: Planet sits between two valuation frameworks, and the market is currently applying the wrong one. Satellite hardware operators trade between 1.0x and 41.7x LTM revenue, a spread wide enough that the peer set above has no usable central tendency, and its median implies roughly \$14 per share for Planet. We treat that as the floor the hardware framing produces rather than a fair value, since it prices Planet against a group that is either shrinking or subscale and gives no weight to the recurring base that set does not have. As Starship pushes launch costs below \$500 per kilogram, owning satellites stops being a differentiator at all. Hardware commoditizes, and the only Earth-observation name that qualifies for the data framing is the one with the recurring base and the archive that protects it. The market is forced to migrate Planet into the data and software comparable set, with the additional upside of their frontier satellite division, currently expanding manufacturing capabilities.

Price Target & Valuation

Our analysis gives \$PL a price target of \$42 and an Overweight rating.



Potential Downsides to Our Rating

Sovereign Demand Is Lumpy and Politically Contingent: The Overweight leans heavily on sovereign conversion, and that revenue stream is structurally lumpy. National programs are large, infrequent, and subject to budget cycles, elections, and procurement delays, so a pipeline that totals \$3 to \$4 billion can translate into uneven, hard-to-forecast bookings, and a single slipped or cancelled program can move a quarter or a year. The thesis also assumes sovereign capability is a standing requirement rather than a conflict-driven purchase. A durable de-escalation, or a government decision to build the most sensitive assets through a domestic vendor, would undercut both the growth rate and the recurring tail we are underwriting.

Threat of Entrants: The same launch-cost collapse that supports our rerating thesis also lowers the barrier for competitors. Falling cost-to-orbit invites new constellations from well-capitalized entrants, including the launch providers themselves and state-backed programs, which can flood capacity and compress imagery and data pricing. If the core subscription business commoditizes faster than sovereign and analytics revenue can replace it, the recurring base, the retention metrics, and the archive’s pricing power all weaken, and the data framing the bull case depends on never arrives. The moat is real today, but it rests on revisit cadence and archive depth that competitors are actively trying to replicate.

Capital Intensity: Scaling the Berlin line, ramping Pelican, and standing up the frontier division are capital-intensive against a history of cash burn and a post-SPAC share count, leaving financing and

Our Price Target: \$42

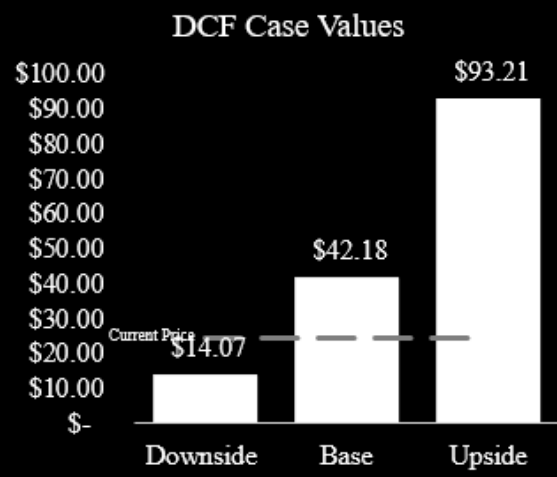
Our base case is a DCF assuming PL can grow subscriptions at low-double-digit ACV, convert the pipeline gradually, and reach mid-teens revenue as Berlin’s scale-up turns margins positive. A multiple above hardware but below recurring-data comps yields \$42. At \$42, Planet would be trading at 24.0x 2027E Revenue, in line with the current 25.5x multiple.

Our Upside Case: \$93

The bull case completes the rerating: sovereign conversion runs at the top of the \$3 to \$4 billion backlog, revenue compounds in the high teens, and licensing lifts margins faster than base. The full data-and-software multiple plus frontier optionality reaches \$93

Our Downside Case: \$14

The bear case assumes the hardware framing is right: demand proves episodic, conversion stalls, and cheap launch floods supply, compressing pricing and eroding retention. With growth and differentiation in doubt and capex pressuring margins, the multiple stays anchored to hardware comps, taking the case to \$14



dilution risk if the path to sustained free cash flow slips. Execution is non-trivial, since the four-month delivery pace that anchors the product story has to hold as volume rises. Finally, the share register itself has been reshaped by the index-flow dynamics around the SpaceX listing; a name that fell roughly 40% into that event and trades on passive, sentiment-driven flows is exposed to valuation air-pockets that can persist regardless of operational progress.

Projections

Income Statement (\$mm)	2025A	2026E	2027E	2028E	2029E	CAGR%
Revenue	308	445	613	837	1,127	54.1%
EBITDA	(53)	32	153	232	344	NM
EBIT	(95)	(10)	61	107	175	NM
NOPAT	(100)	(10)	61	104	167	NM
Margin & Growth Data	2025A	2026E	2027E	2028E	2029E	AVG%
EBITDA Margin	(17.3%)	7.2%	25.0%	27.8%	30.6%	14.6%
EBIT Margin	(30.9%)	(2.2%)	10.0%	12.8%	15.6%	1.0%
Revenue Growth	25.9%	44.6%	37.7%	36.6%	34.6%	35.9%
EBIT Growth	(18.1%)	(89.5%)	(712.8%)	74.5%	63.9%	NM
Valuation Metrics	2025A	2026E	2027E	2028E	2029E	AVG%
P/FCF	(34.4x)	(53.0x)	130.6x	75.5x	46.7x	33.1x
EV/Sales	27.8x	19.2x	14.0x	10.2x	7.6x	15.8x
EV/EBITDA	(160.7x)	268.8x	55.9x	36.8x	24.9x	45.1x
FCF Yield	(2.9%)	-1.9%	0.8%	1.3%	2.1%	(0.1%)

About \$PL

Planet Labs PBC (\$PL), founded in 2010, operates as a vertically integrated Earth-observation company that designs and builds its own satellites and sells subscription access to the imagery and data they produce. Its constellation images the entire Earth landmass at near-daily cadence, serving customers across agriculture, defense and intelligence, civil government, mapping, and energy from operations centered in San Francisco. Planet's purpose is to make global change visible and queryable, and to be the recurring data layer beneath decisions in any field that depends on knowing what is happening on the ground.

Disclosures & Ratings

Consortium Equity Research does not hold any professional relationships with any reported equities.

Overweight means the analyst team believes the stock price will outperform the coverage industry benchmark (TMT, Healthcare, Industrial, Consumer, FIG, Energy & Sustainability) in the next 6-12 months. **Equal Weight** means the team expects performance in line with the industry benchmark. **Underweight** means the team expects underperformance relative to the industry benchmark.

Appendix

Planet Labs PBC	
Discounted Cash Flow	
Active Case:	2 Base
Current Share Price	\$24.69

DCF Analysis (\$mm)																
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036
Sub						1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	10.50	11.50
Discount Period						(0.25)	0.00	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00
Revenue	131	191	221	244	308	445	613	837	1,127	1,487	1,917	2,405	2,928	3,451	3,930	4,315
Revenue Growth	0%	46%	13%	11%	26%	43%	33%	37%	33%	32%	29%	23%	22%	18%	14%	10%
Defense & Intelligence	41	71	98	118	182	300	450	655	924	1,263	1,670	2,134	2,632	3,129	3,581	3,939
Civil Government	45	56	61	71	71	80	88	96	105	114	122	131	140	149	157	165
Commercial	45	64	61	56	55	65	75	86	97	110	125	140	156	173	192	211
EBIT	(128)	(176)	(170)	(116)	(92)	(10)	61	107	175	273	405	573	731	1,016	1,266	1,510
EBIT Margin	-93%	-92%	-77%	-43%	-31%	-2%	10%	13%	16%	18%	21%	24%	27%	30%	32%	33%
Tax Expense	2	1	1	2	5	0	0	2	8	19	38	67	109	166	236	317
Effective Tax Rate	-2%	0%	0%	-2%	-3%	0%	0%	2%	3%	7%	9%	12%	14%	16%	19%	21%
NOBAT	(130.16)	(176.53)	(170.57)	(118.58)	(99.73)	(10.00)	61.28	104.44	167.07	253.57	366.96	507.54	671.54	850.23	1,029.91	1,193.10
DeRA	45	43	48	46	42	42	92	126	169	223	288	361	439	518	589	647
Capex	10	10	38	44	77	77	98	128	165	208	256	305	351	391	419	432
Changes in NWC	10	(24)	4	(3)	121	121	(12)	(15)	(18)	(20)	(21)	(21)	(20)	(15)	(9)	0
UFCF	(105)	(120)	(165)	(114)	(256)	(166)	67	117	188	288	420	585	779	992	1,209	1,409
PV of FCF						(170)	67	107	159	224	300	384	470	550	616	660

Weighted Average Cost of Capital (\$mm)	
Market Risk Premium	4.33%
Beta	1.04
Risk Free Rate	4.46%
Cost of Equity	8.96%
Weighted Average Cost of Debt	7.00%
Tax Rate	21.00%
Cost of Debt	0.29%
Total Equity	\$8,800
Total Debt	\$488
Equity/Total Capitalization	94.75%
Debt/Total Capitalization	5.25%
WACC	8.78%

Terminal Value	
Perpetuity Growth Method	
FY2036 FCF	\$1,409
Growth	3.00%
Terminal Value	\$24,363
PV of Terminal Value	\$11,420
PV of Projection Period	\$3,369
PV of Terminal Value	\$11,420
Implied TEV	\$14,790
(-) Debt	\$488
(+) Cash	\$731
Implied Equity Value	\$15,033
Basic Shares Outstanding	356
Implied Share Price	\$42.18
Upside/Downside	70.83%

Implied Exit BF EV/EBIT	9.8x
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Terminal Value	
Exit Multiple Method	
FY2036 EBIT	\$1,510
EV/EBIT Exit Multiple	17.0x
Terminal Value	\$25,674
PV of Terminal Value	\$12,035
PV of Projection Period	\$3,369
PV of Terminal Value	\$12,035
Implied TEV	\$15,405
(-) Debt	\$488
(+) Cash	\$731
Implied Equity Value	\$15,647
Diluted Shares Outstanding	356
Implied Share Price	\$43.90
Upside/Downside	77.8%

Implied PGR	-2.6%
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Blended Share Price	
Perpetuity Growth Method	100%
Exit Multiple Method	0%
Blended Share Price	\$42.18
Upside/Downside	70.83%