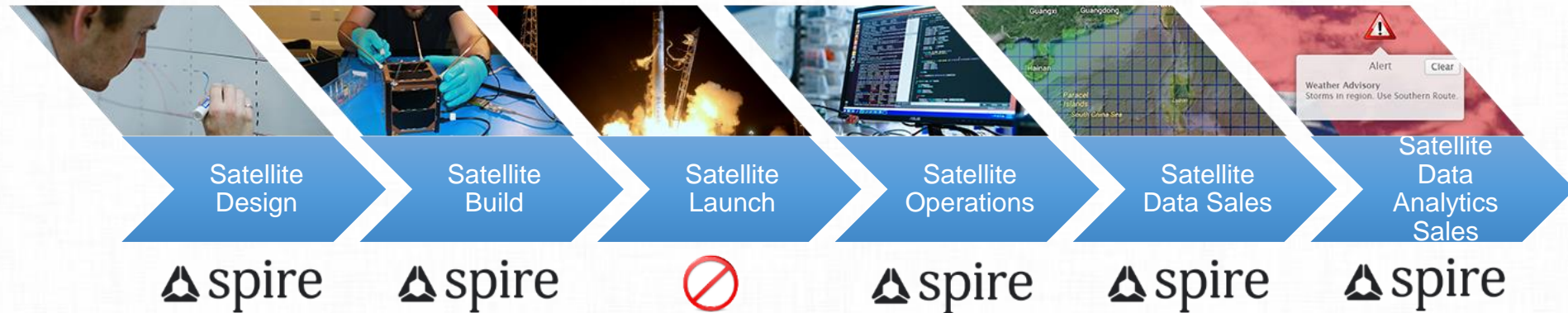


# An International Perspective on the Competition for Space Companies

Theresa Condor, EVP Corporate Development

# SPIRE IS A LEADING INTERNATIONAL NEW SPACE COMPANY

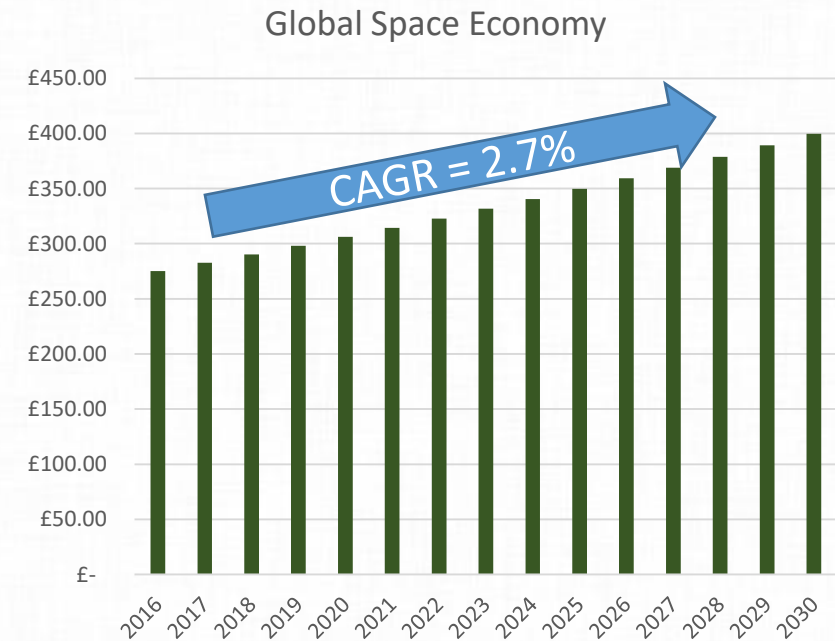
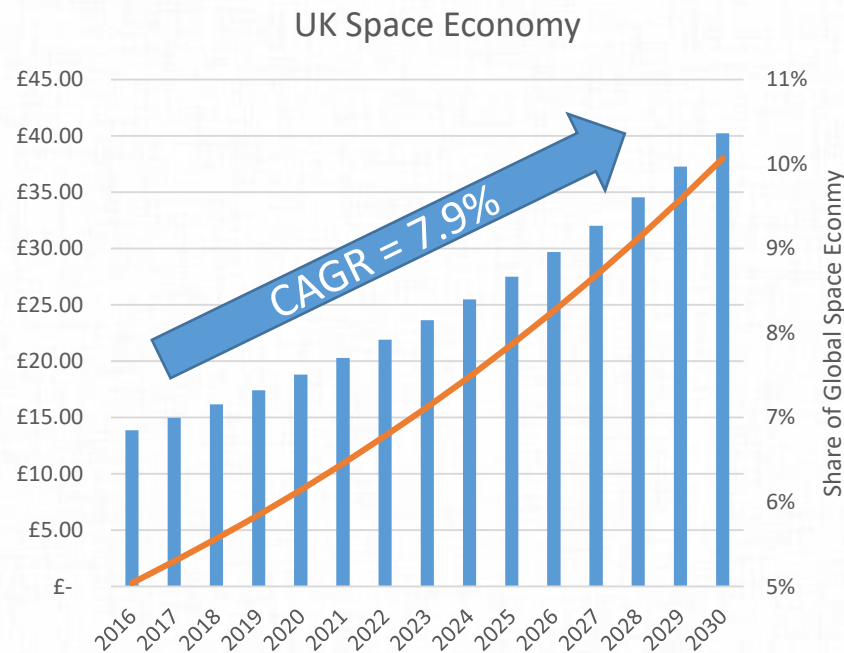
**Spire's ownership** of design through delivery coupled with **select external partnerships** for satellite launch enables speed, reliability, and control for low-cost, maximum coverage of Earth.



- 60+ satellites on orbit, 25+ ground stations, \$150mm investment
- Build more satellites than anyone else in Europe, all in Glasgow – over £30m FDI in 3 years
- Operations and government interactions with 2 dozen countries, offices in 4 countries

# UK TARGETS AGGRESSIVE GRAB OF SPACE MARKET SHARE

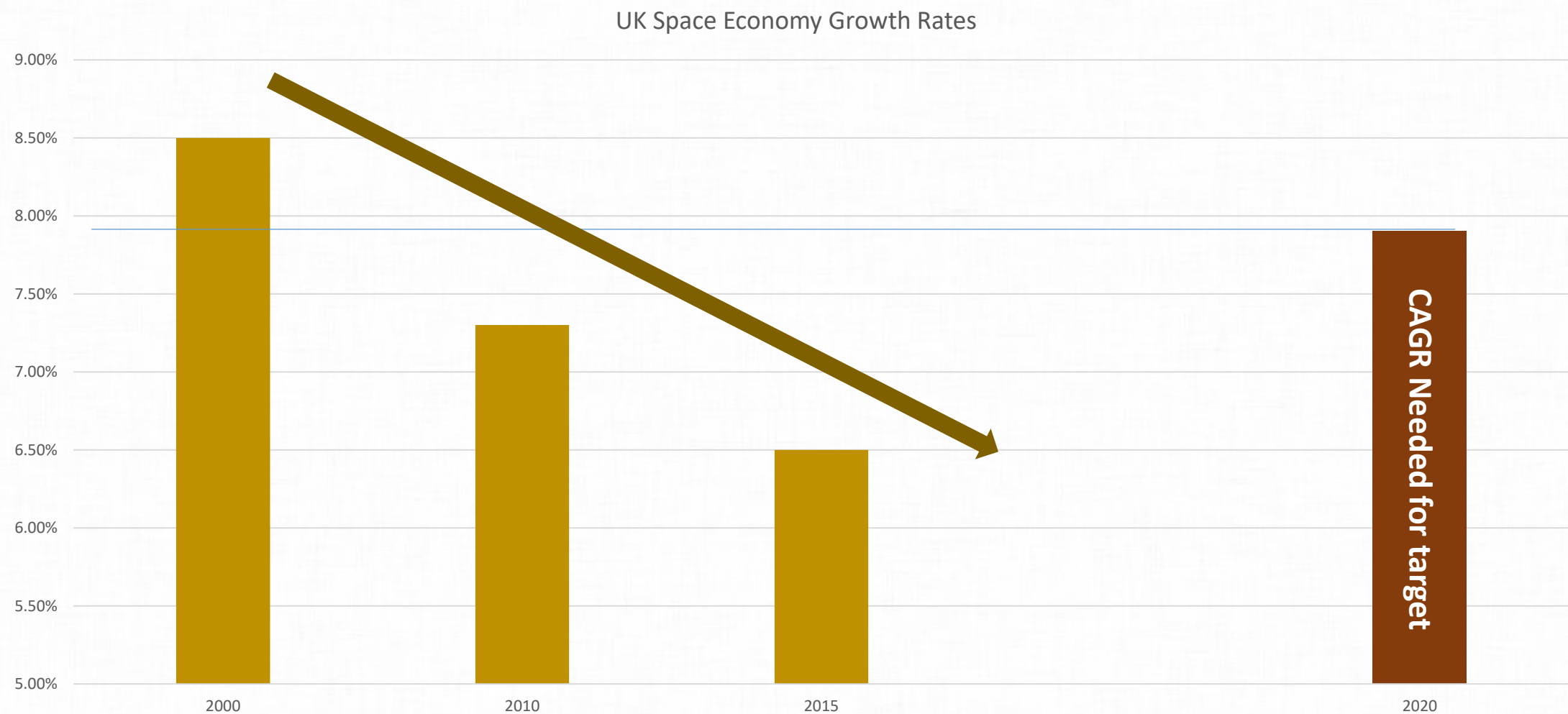
- Target is to be 10% of global market in 12 years (£40bn UK of £400bn Global)
- Today UK is between 5-6% (£14bn UK<sup>1</sup> of £275bn Global<sup>2</sup>)
- To reach target, UK has to grow almost 3x as fast as rest of world (8% growth)



(1) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/575769/Size\\_and\\_Health\\_summary\\_report\\_2016.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/575769/Size_and_Health_summary_report_2016.pdf)

(2) [https://brycetek.com/downloads/Global\\_Space\\_Industry\\_Dynamics\\_2017.pdf](https://brycetek.com/downloads/Global_Space_Industry_Dynamics_2017.pdf)

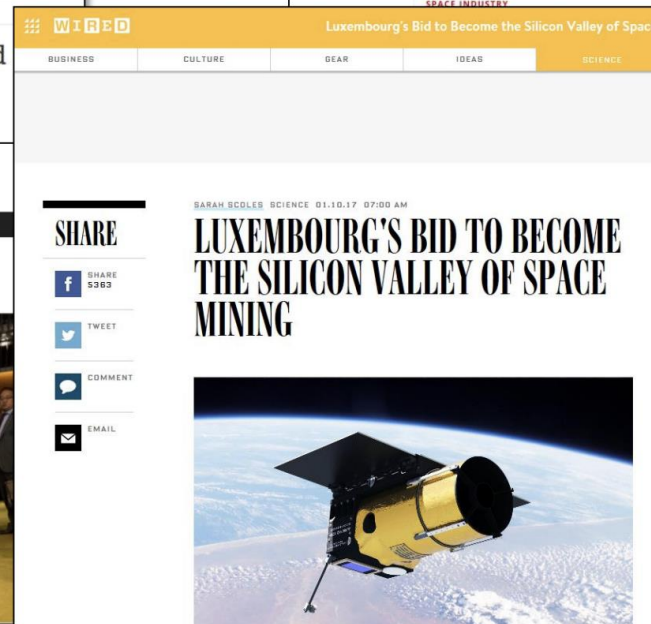
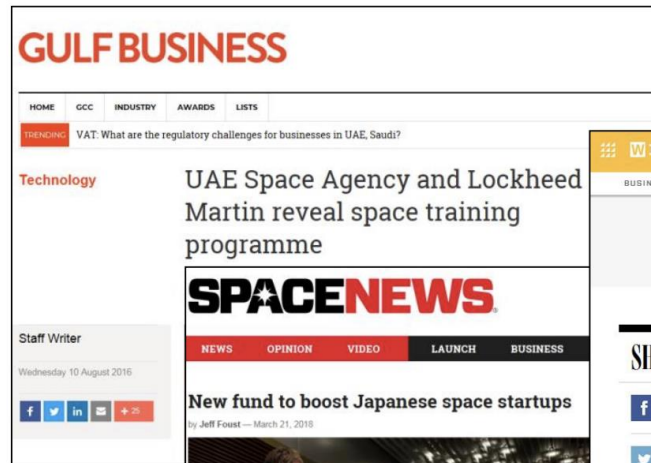
# ACTUAL GROWTH RATES HAVE BEEN DECREASING





# INTERNATIONAL COMPETITION IS FIERCE AND INCREASING

## A hyper competitive sector



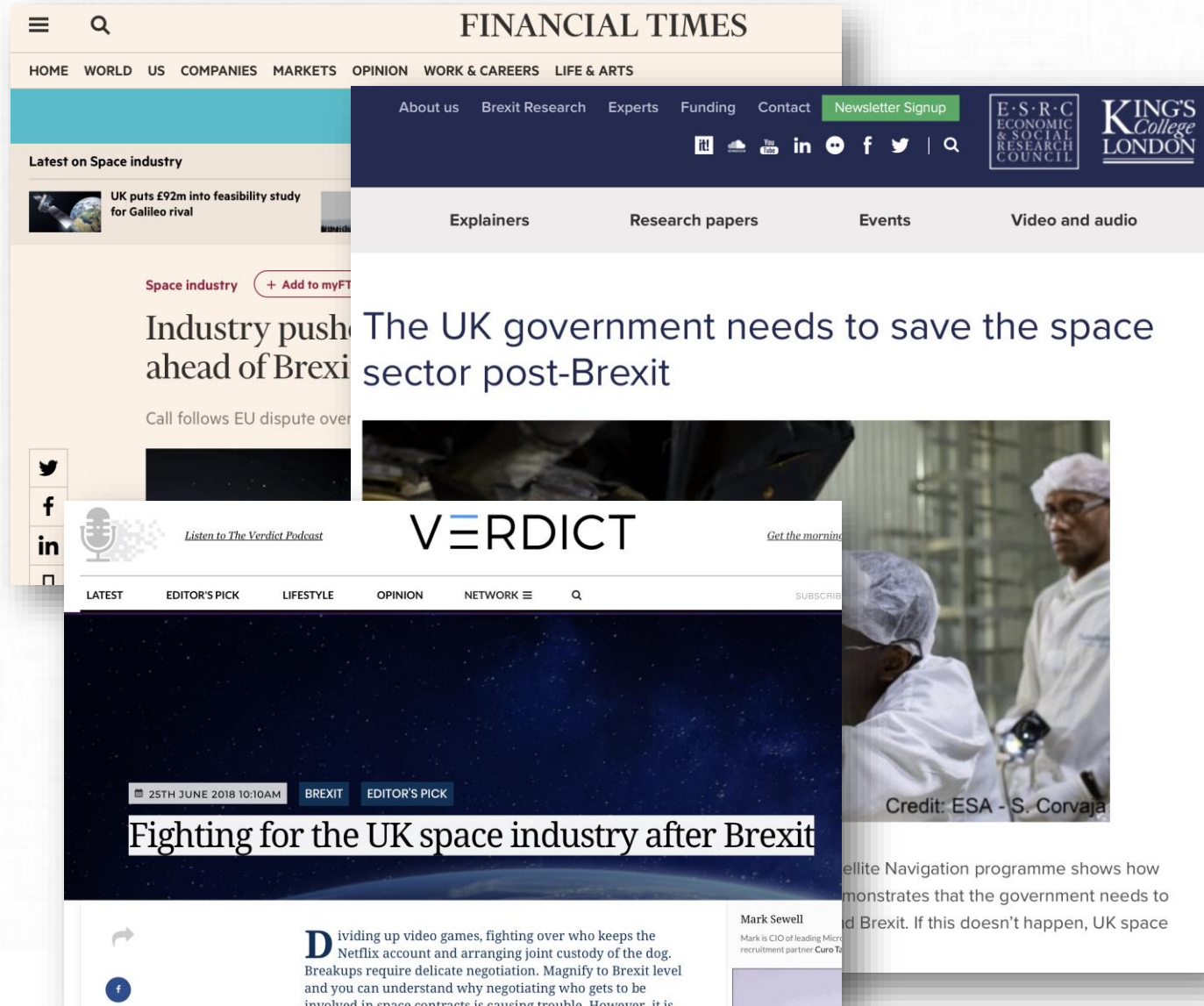
The UK needs to up its game...



WASHINGTON — The Japanese government, working with private ventures, announced plans March 20 to establish a nearly billion-dollar fund to support the development of space startups in the country.

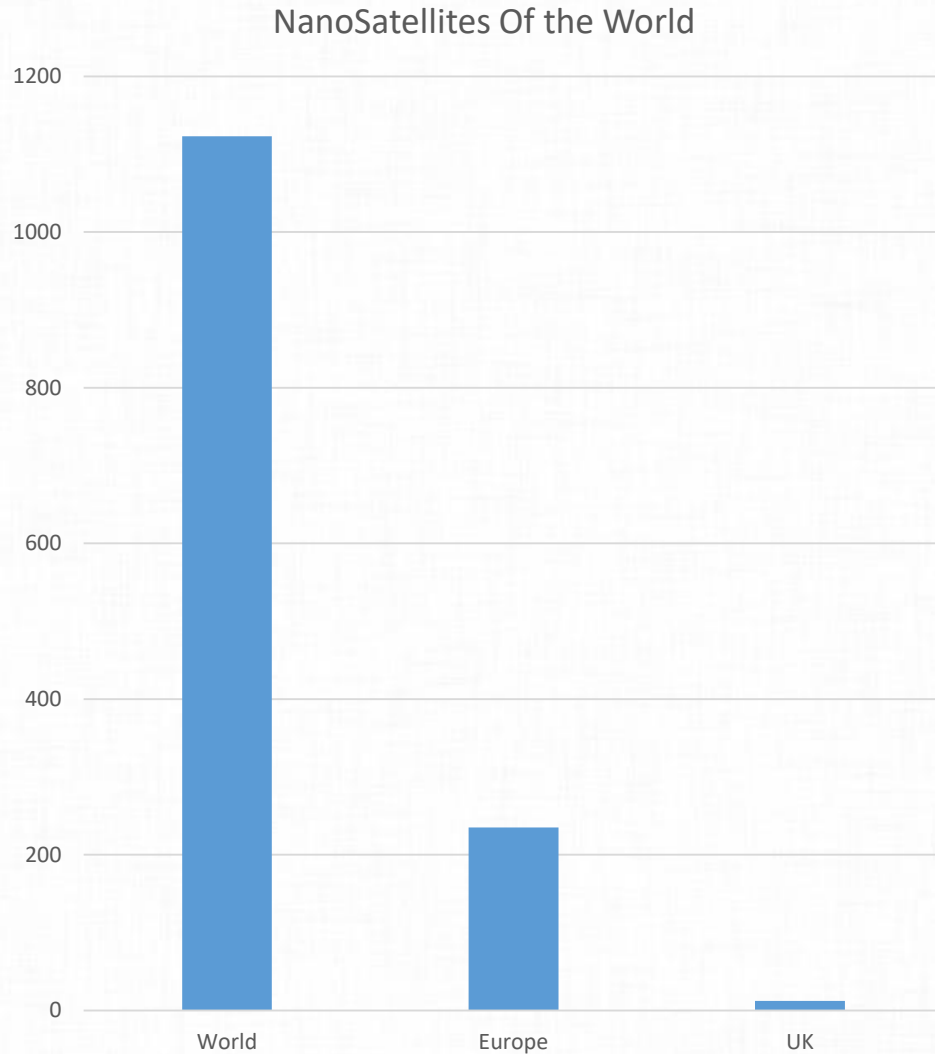


# HOMEMADE HEADWINDS ALSO SUBSTANTIAL (I)



- Brexit threatens access to scarce international talent in a hypercompetitive labor market
- Reduced FDI and relocation of upstream and downstream capabilities are the result

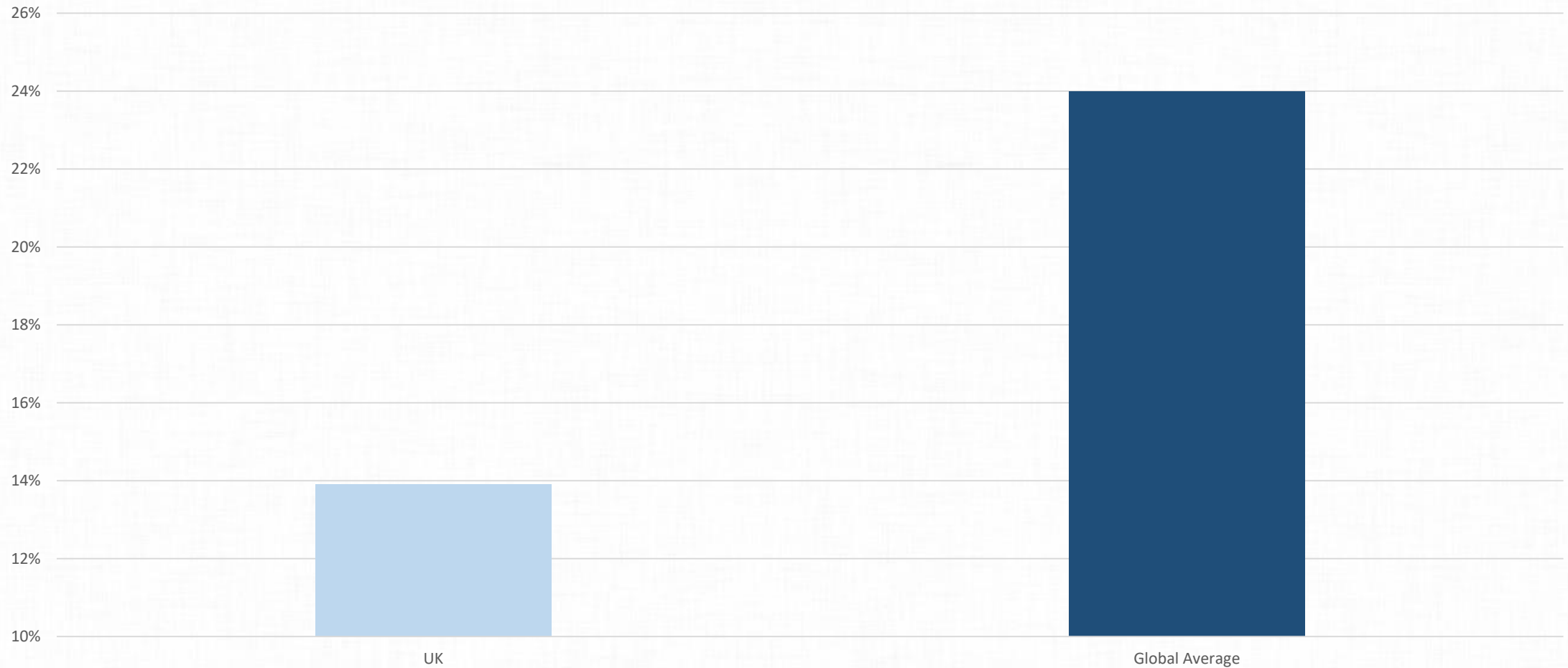
# HOMEMADE HEADWINDS ALSO SUBSTANTIAL (II)



- Less than 1% of the World's nanosatellites have been licensed in the UK (5% of Europe's nanosatellites have been licensed in the UK)
- Anti-competitive licensing and regulation hampers growth prospects for the UK
- Current licensing and regulatory direction is moving backwards (e.g. liability insurance)

# INTERNATIONAL LEVELS OF CUSTOMER ENGAGEMENT

Public Sector Share As A Customer of Space Sector



Source: (1) The Space Foundation (2016) *The Space Report 2016*

(2) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/575769/Size\\_and\\_Health\\_summary\\_report\\_2016.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/575769/Size_and_Health_summary_report_2016.pdf)



# ANCHOR CUSTOMER STRUCTURE A PROVEN MODEL

Example: SpaceX

Estimated Value: \$21bn

Estimated Global Market Share: 65%

Total Amount of Private Funding: \$2.3bn

NASA COTS Program funding: \$400m (less than 20%)



Example: Digital Globe

Value: \$2.4bn

Global Market Share: 27%

Estimated share of US Gov't as a customer: 63%



# FOCUS ON DATA BUY

## LEADERSHIP • ON LEADING Intel CEO Says Data is the New Oil



**This CEO Says That Data and A.I. Are at the Center of the Modern Business**

Intel CEO Brian Krzanich thinks that data is playing the same key part in the world's econo...



By **SUSIE GHARIB** June 7, 2018

- Just like discovery of oil 'made' entire economies (Russia, Middle East, etc.), data will drive new economies
- Public sector purchases of space based data are a proven way to stimulate growth (NGA, EC, NOAA, etc.)
- UK Gov't has large potential to stimulate its space sector by being an anchor customer for the creators of the 'new oil' of the 21<sup>st</sup> century
- Downstream applications can only develop when upstream space data constellations exist

# PROVIDE LEADERSHIP IN NEW WORLD OF DATA BUYS

- **General economy has long shifted from 'CapEx' to 'OpEx' – purchasing services rather than assets to better align incentives**
  - Example: Cloud Storage instead of local networked disk drives
  - Example: Cloud Computing instead of local server farms
  - Example: Software as a service for payroll to healthcare
- **Space Sector behind and still focused on 'buying satellites', with cost-overruns and underperformance considered the norm**
  - Example: GOES-R
  - Example: Galileo
  - Example: HUBBLE
- **Customers purchasing a service only pay as long as the service works, naturally aligning the incentives of the customer with the provider**
- **Making this shift in the space economy will bestow advantages to those leading the change by fostering higher innovation, competition, and growth**



## SUMMARY

- UK has ambitious goals for space sector growth, yet facing substantial headwinds and international competition
- UK has spectacular local capabilities, especially in New Space
- Data as the new oil is a potentially large lever for economic growth
- Anchor customer data buys from the public sector could secure the creation of industry leading companies locally



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