



Forget SpaceX: This Canadian Space Tech Company Is Going Public Soon!

Description

Elon Musk's SpaceX is probably the most exciting tech company in its industry right now. With several satellites in orbit and a track record of successful launches in recent years, SpaceX has established itself as a market leader. Unfortunately, the company is private, which means ordinary investors can't bet on its future.

However, a Canadian space tech firm is about to go public soon. This could open the floodgates for more space stocks in the future. Here's why investors seeking growth should monitor this sector closely.

Space tech's potential

The global space industry is expected to generate revenue of US\$1.1 trillion (CA\$1.4 trillion) or more in 2040. That's up from the current US\$350 billion (CA\$440 billion). In other words, this is a massive opportunity. It's also a market with stratospheric barriers to entry.

Space tech is tightly regulated, and the biggest customer at the moment is the U.S. government. Not only is the underlying technology expensive and complicated, but there's an added layer of government bureaucracy on top. National security concerns and defence contracts complicate things further.

This means this trillion-dollar opportunity is likely to be dominated by just a handful of players. Elon Musk's SpaceX seems to be the frontrunner. The company is currently worth US\$74 billion (CA\$93 billion). Rivals Blue Origin and Rocket Lab are not far behind.

Canada has a space tech challenger too. In fact, it's about to go public.

Space stocks

Brampton-based MDA (previously known as MacDonald, Dettwiler and Associates) is an iconic Canadian space technology firm. The company created the Canadarm, the robotic arm used on the International Space Station.

MDA was acquired by a group of private investors for \$1 billion last year, during the restructuring of [parent company Maxar Technologies](#). Now that MDA is an independent firm, it's looking to raise \$500 million from the public market.

That money could help it expand its operations. MDA currently provides robotic systems, satellite systems, and satellite imagery analysis. It helps companies monitor shipping containers and climate change from low-Earth orbit. MDA is already a key supplier to NASA. As the industry expands, MDA could be a critical supplier to market leaders such as SpaceX and Blue Origin.

Keep an eye on this upcoming initial public offering.

Bottom line

The commercial space technology sector is extremely exciting. The market could triple in the next few decades, creating a trillion-dollar opportunity for early entrants. Barriers to entry could restrict competition and enhance the value of market leaders.

So far, Elon Musk's SpaceX and Jeff Bezos's Blue Origin seem to be gunning for the top spot. Several other space tech and infrastructure companies have emerged in recent years. However, Canada's established space tech supplier is about to go public soon. Keep an eye on MDA, as it raises funds and expands operations.

For growth investors, this burgeoning industry could be ripe with generational wealth-creation opportunities.

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