



## Top Canadian Space Stocks of 2023

### Description

Led by Virgin Galactic in the U.S. and Maxar Technologies in Canada, the space industry is making significant progress in its mission to send more humans and satellites into space.

[Projections](#) for the future space economy range from \$1.1 trillion by 2040 (Morgan Stanley) to \$2.7 trillion by 2045 (Bank of America). And with \$14.5 billion invested in space infrastructure in 2021 alone, it's likely this industry has only just begun its liftoff into lunar orbit.

How can investors capture space's seemingly unlimited potential? Below we'll break down space stocks and help you decide if you should buy into this high-potential new industry.

### What are space stocks?

Space stocks are publicly traded companies that build aircraft, operate satellites, or supply parts for the space industry. While space companies have traditionally been defence companies funded by governments, many new public and private companies have now entered the market, with billions of investment dollars backing their research and innovations.

What are these new space companies trying to accomplish exactly? The new space industry has numerous purposes, including:

- Building powerful new satellites that can advance telecommunication technology and track changes happening to Earth (especially to help sustainability efforts)
- Clean space debris or build strong defences against possible asteroid collisions
- Launch cheaper rockets into space and help send humans to study other planets and stars

Of course, perhaps the new space industry's most exciting perk is suborbital tourism. Though we haven't quite reached the point where we can send massive amounts of humans safely and cheaply into orbit, companies like Virgin Galactic, Blue Origin, and SpaceX are aiming to send space tourists on special rockets.

# Top Canadian space stocks of 2022

Canada has historically played a key role in the “space race.”

In fact, though much attention is given to the Soviet Union and the United States, both first and second in sending satellites into orbit, Canada was the third country in the world to construct a satellite and send it into space.

The Quebec company Héroux-Devtek designed the telescopic legs for the Apollo lunar module, the first to land on the moon. That’s right— it was actually *Canadian* legs that touched the moon first, not American ones.

As far as the modern space race goes, Canada does have some exciting [growth stocks](#) in the making. Here are a few Canadian space stocks you might want to consider.

Space Stocks	Market Cap	Description
Maxar Technologies ( <a href="#">TSX:MAXR</a> )	\$2.66 billion	Major integrated space company that supplies satellites, earth imagery, and geospatial data to governments
MDA ( <a href="#">TSX:MDA</a> )	\$987 million	Developer and manufacturer of advanced technology for the space industry
Magellan Aerospace ( <a href="#">TSX:MAL</a> )	\$482 million	Parts and replacement parts supplier for aerostructures and aeroengines

## 1. Maxar Technologies

Maxar Technologies is an integrated space company that specializes in satellite construction, high-resolution satellite imagery, 3D geospatial analytics, and data modelling.

The half-Canadian, half-American company has been making satellites for over 60 years, and it currently has 80 satellites in orbit. Though its headquarters are in Colorado, Maxar dual trades on the [Toronto Stock Exchange \(TSX\)](#) and the New York Stock Exchange (NYSE).

Maxar has recently made headlines after providing defence and intelligence agencies with high-resolution satellite images of worn-torn Ukraine. Given that aircraft can’t fly over the country, many journalists, news outlets, and governments have relied on Maxar’s satellites to analyze missile strikes, artillery bombardments, and casualties. This has helped Maxar recover from its downturn during the COVID-19 pandemic.

## 2. MDA

Based in Ontario, MDA sells satellite data services and robotics to corporate and governmental clients around the world.

MDA is perhaps most well-known for developing the Canadarm (then under the company name “Spar Aerospace”), which was a series of remote-controlled mechanical arms that helped astronauts perform numerous tasks in space, including capturing and repairing satellites, moving astronauts around, and carrying cargo.

It recently landed a \$35.3 million contract with the Canadian government to design the Canadarm3, which will be an AI-powered robotic arm that will aid the Gateway project (a human-free space exploration outpost on the moon).

Like most space companies, MDA experienced immense turbulence during the COVID-19 pandemic, when people were less exuberant about space. Since then, it has bounced back, reporting a profit of \$600,000 in the first quarter of 2022, which was much higher than the \$12.6 million loss it reported the year before.

### 3. Magellan Aerospace

With headquarters in Mississauga, Magellan Aerospace serves an essential role in the space industry: manufacturing parts and components for aircraft, engines, and space agencies, including aftermarket spare parts and maintenance services.

The company has two major products, aerostructures and aeroengines. Its clients include governments, space agencies, and even airlines. The company is renowned for its sensors and robotics, and it’s even in the process of developing a platform that can detect approaching space vessels. Though still a [micro-cap company](#), it does have potential for upward growth, especially as the space industry will need new parts and systems for the continued advancement of shuttles and aircraft.

## Investing in the United States’ space markets

Many new publicly traded space companies are emerging in the U.S., with Virgin Galactic leading the way. Though you still can’t buy stock in SpaceX or Blue Origin (the space companies of Elon Musk and Jeff Bezos, respectively), here are a few U.S. space stocks you might want to consider.

Space Stocks	Market Cap	Description
Virgin Galactic	\$1.69 billion	American company focused on commercial space flight and tourism
The Boeing Company	\$75 billion	Major developer and manufacturer of commercial jets, satellites, military aircraft, and commercial space flights
Northrop Grumman	\$70 billion	Aerospace and defence company that designs aircraft systems

## Are space stocks right for you?

Despite high growth forecasts for the industry, space stocks are still highly speculative investments, and they’re probably not the best choice for those seeking stability. These stocks are better suited for

seasoned investors who are okay taking on more risk if it means the potential for long-term growth.

Many space stocks are still relatively new, and their price movements for the near future will likely be fidgety. Quite a few space companies are still unprofitable, and their valuations are based on future speculation alone. The products and services that can help these companies grow—such as space travel and tourism—are unrealized, and the potential for failure is almost as high as that of success.

That said, the space sector has come a long way in a short period of time. While you probably shouldn't have a large portion of your holdings invested in space, even some exposure could help you capitalize on this industry's expected growth.

## **TICKERS GLOBAL**

1. TSX:MAL (Magellan Aerospace Corporation)
2. TSX:MAXR (Maxar Technologies)
3. TSX:MDA (MDA Ltd.)

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