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Mergers & Acquisitions

Student-led analysis of SpaceX's first month as a public company: the AnySphere deal, the IPO, the options debut, and comparisons with Aramco's first month

SpaceX One Month On

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A Note from the Society

We hope everyone is having a good summer. June's edition was meant to be our last until the new academic year, and this was supposed to be the quiet part of the calendar. SpaceX had other plans.

On 12 June, SpaceX listed on the Nasdaq and raised $85.7bn, the largest IPO in history. Four days later it agreed to buy Anysphere, the developer of Cursor, for $60bn in stock, the largest acquisition of a venture-backed company ever made. Within a fortnight it had sold $25bn of bonds, taken MSCI's lowest ESG rating, swung hundreds of billions of dollars in market value and joined the Nasdaq-100 faster than almost any company before it.

Two pieces follow. Safeer Hussain takes apart the Anysphere deal, from the strategic logic to the risks a Q3 close will test. JP Ornellas Filho covers the first month of trading and measures it against the only listing of comparable size, Saudi Aramco's in 2019.

Thank you for reading and enjoy the rest of the summer.

UoR Mergers & Acquisitions Team

Written by: Safeer Hussain

SpaceX's Acquisition of Anysphere

Overview

Metric	Value
Acquirer	Space Exploration Technologies Corp. (NASDAQ: SPCX)
Target	Anysphere Inc. (Developer of Cursor)
Deal type	All-stock; Utilizes SpaceX Class A common shares
Announced	June 16th, 2026
Deal value	\$60 billion
Financing	100% all-stock deal
Expected close	Q3 2026, Subject to regulatory approval
Headline premium	Anysphere is private, though 2x step-up from previous funding round.
Implied multiple	~15x EV/Revenue on ~\$4bn annualised revenue
Advisers	Goldman Sachs and Morgan Stanley (SpaceX), Andreessen Horowitz, Thrive Capital (Anysphere/Cursor)

Strategic Rationale

In the continued AI arms race, SpaceX's acquisition of Anysphere was never simply a bet on a coding tool. It was a play for three distinct assets at once. The first is compute leverage: Cursor had been running largely on third-party models — most prominently Anthropic's Claude — paying retail API pricing while Anthropic ran its own competing product at wholesale cost. Under SpaceX ownership, that structural disadvantage dissolves. The second is data. Cursor generates roughly 150 million lines of enterprise code daily, a pipeline that now feeds directly into xAI's Grok training; a jointly developed model is already slated for both products. The third is talent. By the end of March, all eleven of xAI's co-founders had departed, leaving an engineering gap that SpaceX could not easily fill from scratch. Cursor's team fills it. With xAI already folded into SpaceX earlier this year, this deal gives that AI arm something it was missing: a foothold in one of the few corners of the AI market already producing serious revenue.

Market Context

The 2025-26 period has seen AI coding tools consolidate rapidly, with independent development environments becoming acquisition targets rather than standalone businesses — Cursor itself had been an acquirer before becoming one. The deal places SpaceX in direct competition with the biggest names in tech: Microsoft through GitHub Copilot, Google through Gemini, and Anthropic through Claude Code. What unites those rivals is a shared strategic objective — ownership of the tools that software engineers use every day. Control the interface, and you influence the entire stack beneath it.

The deal's timing is also inseparable from its financing. It landed less than a week after SpaceX's record Nasdaq debut, the largest IPO in history, which raised $85.7bn and made Elon Musk the world's first trillionaire. That listing is precisely what made a $60bn all-stock transaction possible — and why it moved so quickly.

Deal Structure and Financials

The consideration is 100% stock: each Anysphere share converts into SpaceX Class A shares at an exchange ratio based on a seven-day VWAP before closing. What makes the structure distinctive is that it was not a conventional merger agreement. SpaceX had secured an option — the right, but not the obligation, to acquire Cursor for $60bn in stock, with a break-up fee of around $10bn had it walked away. Once post-IPO momentum sent SPCX to a $192.50 close by only its second session, exercising that option was straightforward.

At the headline level, the deal implies roughly 15x ARR on Anysphere's approximately $4bn in annualised revenue. The relevant valuation lens here is revenue multiples rather than EV/EBITDA — Anysphere is not yet profitably scaled, making EBITDA a near-meaningless denominator. What complicates the picture is a tension buried in the operating data: Cursor's ARR has been climbing sharply, but its share of corporate AI coding spend fell from roughly 41% in mid-2025 to around 26% by May 2026. Fast growth and a slipping competitive position, simultaneously — which raises a question the $60bn headline does not answer.

Risks & Challenges

Integration Risks

Cursor's value to enterprise customers rests on a simple proposition: it is the best tool, whoever makes the underlying model. That neutrality is now under pressure. Absorbed into a company that owns both the compute infrastructure and a competing frontier model, Cursor faces an obvious commercial pull toward Grok and away from Anthropic, OpenAI, and Google — the very providers its paying customers may prefer. For the regulated industries underpinning much of its $2.6bn enterprise revenue base, the disclosure that their engineers' code will feed xAI's training pipeline is unlikely to be received quietly. Procurement teams at banks and defence contractors do not typically sign off on arrangements where a competitor's AI learns from their proprietary work. Retaining the trust — and the contracts — of those customers while simultaneously serving SpaceX's long-term interests may prove harder to square than the deal announcement suggests.

Regulatory Risks

SpaceX listed on the Nasdaq on 12 June. Four days later, it announced the largest acquisition of a venture-backed company in history. Regulators on both sides of the Atlantic will have noted the timing. The substantive concern is vertical integration: a single Musk-controlled entity would span the frontier model, the developer tooling, and the compute layer that increasingly underpins how software is written. That is a degree of stack ownership antitrust authorities have grown more attentive to, particularly in AI. Overlay the governance complexity — Musk's simultaneous control of SpaceX, xAI, and X, now folded into a single listed vehicle — and the deal hands regulators a more textured target than a conventional horizontal merger would. A Q3 close remains the stated ambition, but the path through Washington, and potentially Brussels, is unlikely to be straightforward.

Execution Risks

The $60bn figure was struck against a SpaceX share price that no longer exists. SPCX hit an intraday high of $225.64 on the day the Cursor deal was announced; by the close of 26 June it was trading at $153.23 — a fall of roughly 30% in under a fortnight. Because Anysphere's shareholders are paid in SpaceX stock priced on a seven-day average before closing, the real value of what they receive will be determined by where SPCX trades in Q3, not by what the press release said in June. A sustained softness in the stock reopens questions about deal economics that a cash transaction would have settled. Meanwhile, SpaceX is not executing this acquisition in isolation: it is simultaneously absorbing the xAI combination, managing a $25bn bond offering, and navigating life as a newly public company under intense scrutiny. The bandwidth to do all of that well, at once, is finite.

Outlook

The deal accelerates a competitive dynamic that was already heating up. Microsoft, which examined a bid for Cursor before SpaceX moved, will likely respond through GitHub Copilot — it has the distribution advantage of embedding directly into Visual Studio Code and the enterprise relationships to defend. Google's answer will probably come through Gemini's deep integration with Android Studio. The more pointed question is Anthropic's next move: Claude Code was simultaneously Cursor's most direct competitor and its most important model supplier. With that supply relationship now under strategic threat, Anthropic has both the motive and the urgency to push harder on its own enterprise offering.

The first milestone worth watching is regulatory clearance — the most binary outcome in the deal timeline. A block or material conditions would force a renegotiation of terms already moving against Anysphere's shareholders given SPCX's post-announcement drift. Assuming approval, the joint Cursor-Grok model is the first real product test of whether the vertical integration thesis holds in practice rather than on a pitch deck. Cursor's market share trajectory — already sliding despite surging revenue — is the operational metric that matters most through the second half of the year. And SpaceX's 7 July entry into the Nasdaq-100 introduced a wave of passive buying that could still meaningfully shift the VWAP on which Anysphere's consideration is ultimately priced, a detail sellers will be watching closely.

The combined business, stated plainly, is designed to make Cursor the developer-facing front end of a vertically integrated AI stack: Grok as the model, Colossus as the compute, Cursor as the surface through which tens of millions of engineers interact with both. If it works, SpaceX owns the tooling layer of the AI economy in a way no competitor currently does. The counterpoint is that platform companies acquiring developer tools have a habit of producing products that lose their edge the moment they stop being independent. Whether Cursor retains the speed and model flexibility that made it dominant — or quietly becomes another tab in an enterprise suite — is the question the next eighteen months will answer.

Analyst Commentary
SpaceX did not buy Cursor because it was winning. It bought it because winning independently was becoming structurally untenable — paying retail prices for the same compute its closest rival sourced at cost is not a business model, it is a slow margin squeeze. The strategic logic of the acquisition is therefore sounder than the headline price implies: this is less a $60bn bet on an AI coding tool and more a vertical integration play on who controls the infrastructure layer beneath every software engineer's workflow.

The caveat is execution. SpaceX is absorbing xAI, managing a $25bn bond offering, and navigating its first weeks as a public company — all while integrating an acquisition whose currency has already softened 30% from its announcement-day peak. The Cursor that enterprise customers trust is model-neutral and fast-moving; the Cursor that serves SpaceX's strategic interests is neither. Reconciling those two identities, without alienating the revenue base that justifies the price, is the defining challenge of this deal — and it is one no press release can resolve.

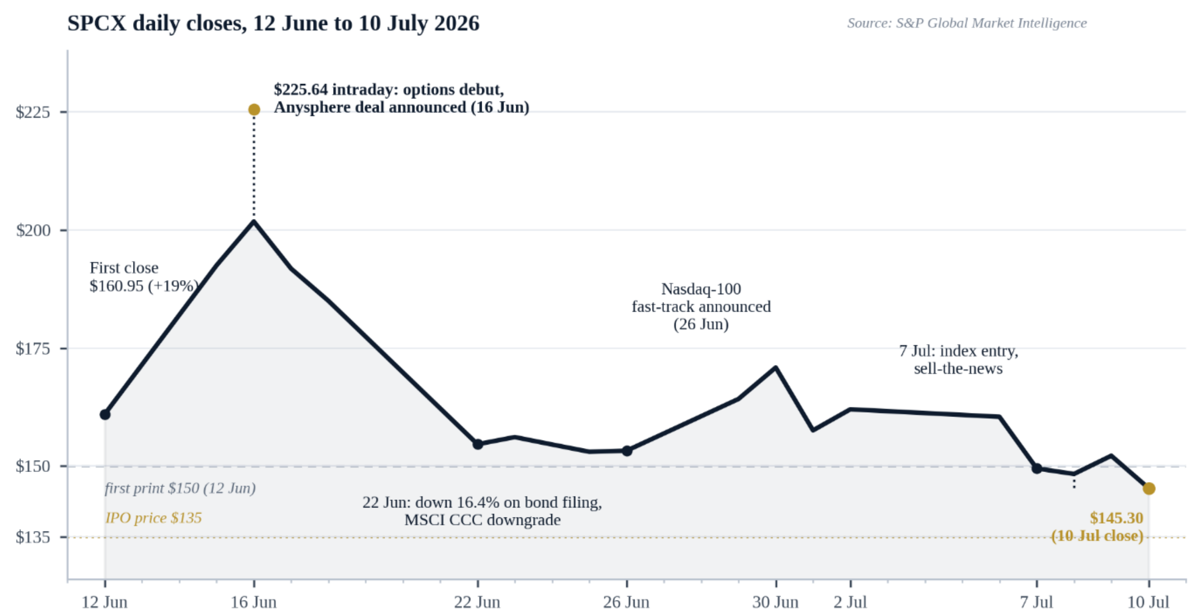
Written by: JP Ornellas Filho

The Round Trip: SpaceX's First Month on the Tape, and the Aramco Precedent

SpaceX's first month on the tape looks like a trip to nowhere, but the price is the least informative thing about it.

On 12 June, SpaceX's first trade crossed the Nasdaq tape at $150.00. Four weeks later, as this issue went to press, Friday's close was $145.30, about 3% below where it started. Two numbers, a month apart, and on the surface nothing to show for it.

The month in between was the busiest four weeks any newly listed company has ever had. A 67% melt-up, one of the largest options debuts on record, a $60bn acquisition, a $600bn three-day drawdown, a $25bn bond sale that drew three and a half times the orders, and one of the fastest Nasdaq-100 entries the index has ever granted. The question, for anyone trying to read the stock, is simple. A failed listing, or price discovery done in public view.



The month in numbers

Metric	Value
IPO price (11 June)	$135.00; $75bn raised, $85.7bn incl. overallotment
First trade / first close (12 June)	$150.00 / $160.95 (+19.2%)
Intraday peak (16 June)	$225.64 (+67.1% vs IPO price)
Day-one options volume (16 June)	~1.6 million contracts; ATM IV ~169%
Sharpest single-day fall (22 June)	−16.4%, to $154.60
Intraday low (8 July)	$145.20 (−35.6% vs peak)
Inaugural bond sale (settled 26 June)	$25bn across five tranches; ~$90bn of orders
Nasdaq-100 entry (7 July)	−6.8% on inclusion day
Closing price, Friday 10 July	$145.30 (+7.6% vs IPO price)

Priced for history

The IPO priced on 11 June at $135 and raised $75bn, which became $85.7bn once the underwriters took their overallotment in full. That is more than three times what Saudi Aramco raised in 2019, the previous record, and it valued the company at roughly $1.77tn before a single share had traded. The stock opened at $150, closed its first day at $160.95, up 19.2%, and ended the session worth about $2.1tn. That made SpaceX the sixth most valuable company on US markets after one day of trading, and it made Elon Musk the first dollar trillionaire.

A 19% pop usually invites the accusation that money was left on the table. It is harder to make that argument here. The banks were pricing the largest equity raise ever attempted, with no real comparable, into a float that was deliberately kept thin. A modest first-day premium on $85.7bn of stock sold looks like a priced deal rather than a mispriced one. The real price discovery had not started yet.

The melt-up

For the next two sessions the market asked one question, which was how much higher. Monday 15 June added 19.6% to close at $192.50. On Tuesday 16 June the stock touched $225.64, 67% above the IPO price in its third session, on volume of 322 million shares. The move was structural as much as it was narrative. The float was small against a $2tn valuation, the index funds were not in yet, borrow was scarce and expensive, and there were no listed derivatives. Anyone who wanted exposure had to buy stock. Anyone who doubted the price had no practical way of acting on it. Price discovery was running with one side of the market missing.

What options changed

That changed on 16 June, the most consequential day of the month. Three things landed at once. SpaceX announced its $60bn all-stock acquisition of Anysphere, the developer of Cursor, covered by Safeer Hussain in this issue. The stock printed its all-time high. And options began trading, which received the least attention and mattered the most. Around 1.6 million contracts changed hands on day one, behind only Tesla and Nvidia among debuts, most of it in short-dated out-of-the-money calls at the 210, 220 and 250 strikes. At-the-money implied volatility opened near 169% on the two-day expiries and around 78% at the longest listed dates, so the market was paying far more for the next week than for the next two years. A one-month straddle implied a move of roughly 25% in either direction. It got more than that.

The significance was mechanical. A listed options chain gave sceptics their first workable short. Market-makers selling puts hedge by shorting stock, and buyers of downside protection no longer needed borrow that barely existed. From 16 June, SPCX had a two-sided market for the first time. It is not a coincidence that the all-time high printed within hours of the chain opening.

The sell-off

The next three sessions took 23% off the stock. Wednesday and Thursday drifted lower, down 4.9% and 3.6%, and then Monday 22 June delivered the defining move of the month, down 16.4% to $154.60, with around $600bn of market value gone in three trading days. The reasons stacked up rather than arriving alone. SpaceX filed for what started as a $20bn bond programme, confirming the AI build-out would be funded with debt as well as equity. MSCI handed the company its lowest ESG rating, CCC, which mechanically shut out a set of institutional mandates. The all-stock Anysphere deal put dilution on the table. And a company on a triple-digit price-to-sales multiple was, for the first time, facing instruments that let people act on their doubts. By Tuesday 23 June the tape printed $147.11, below the first trade and around 35% off the peak, before finding a floor.

The strange part came the same week. While the equity was falling, the bond sale was swamped, with roughly $90bn of orders for what ended up as $25bn across five tranches, from 5.35% notes due 2031 out to 6.65% notes due 2056. Investment-grade pricing, for a company whose shares had just given back most of their IPO gain. The two markets were not disagreeing, they were answering different questions. Credit was underwriting Starlink's cash flows. Equity was repricing the AI story stacked on top of them. Both can be right at the same time.

The index effect

On 26 June, Nasdaq said SPCX would join the Nasdaq-100 on 7 July under its fast-track rules. The stock did what stocks do into a forced bid, adding 7.2% and 4.1% over the next two sessions as passive money and front-runners positioned. The buying arrived, nearly 190 million shares traded on 6 July, and then it was spent. On the day of inclusion itself the stock fell 6.8% to $149.47. Traders had seen the film before. Palantir topped out around its own inclusion in December 2024 and gave back about a quarter in the weeks after. Selling the inclusion has stopped being a quirk and started being a strategy.

The M&A angle

This is the part that matters for us. Anysphere’s shareholders are being paid in SPCX stock, priced off a volume-weighted average in the run-up to closing, which is expected in Q3 and still needs regulatory clearance. Index flows, lock-up supply and plain volatility all move that average, so the value of the largest venture-backed acquisition in history is now partly a function of market mechanics rather than deal terms. If the stock recovers into the close, Anysphere’s sellers will have little to complain about. If it keeps sliding, a deal struck against a $225 tape will be settled on a much cheaper one, and the pressure to renegotiate builds. Safeer’s piece covers the deal itself. The point here is that the tape and the deal are no longer separable.

The Aramco precedent

There is one useful comparison, and it is the record SpaceX broke. Saudi Aramco priced the previous largest IPO in history in December 2019, raising $25.6bn at a $1.7tn valuation, extended to $29.4bn when its greenshoe was exercised a month later. Its first month traced a curve any SPCX holder would recognise. A 10% limit-up debut, a second-session surge that briefly pushed the valuation through the symbolic $2tn mark, then a slow fade to roughly 9% above the offer by mid-January.

Month one	SpaceX (Jun 2026)	Aramco (Dec 2019)
Capital raised (incl. greenshoe)	$85.7bn	$29.4bn
Implied valuation at pricing	~$1.77tn	~$1.7tn
Day-one gain	+19.2%	+10.0% (daily limit)
Peak premium to offer	+67.1% (session three)	~+21% (session two)
Premium at one month	+7.6%	~+9%
Listed options	From day four	None
Daily price band	None	±10%
Venue	Nasdaq	Tadawul, Riyadh

The shape is the same. The mechanics are not. Aramco moved inside a 10% daily price band, on a free float of about 1.5%, with no listed options and a mostly domestic investor register. Its entire first month happened within about twenty points of premium to the offer price. SpaceX ran the same arc between seven points and sixty-seven, on a globally traded float, with every way of expressing doubt available from day four. Both stocks ended their first month at a high single-digit premium. One was walked there. The other argued its way there.

The difference matters for what comes next. Aramco’s quiet first month foretold the stock it became, a quasi-bond that held its range until the oil crash of March 2020 finally pushed it below the offer price. The market only found the truth when the world forced the issue. SpaceX’s first month suggests the opposite. A tape that can fall 16% on a Monday, take $90bn of bond orders the same week and trade an index inclusion twice over in five sessions is processing information all the time. Aramco’s calm told investors very little. SpaceX’s volatility, read properly, is the disclosure.

What to watch

Three things decide what the second month looks like. The first is earnings. SpaceX has never reported as a public company, and the first print will be the first time the market can test a $2tn valuation against audited numbers rather than a narrative. The second is the Anysphere close. Regulatory clearance is the binary, and the VWAP window will show whether a consideration struck in June still makes sense in September. The third is the lock-up. Insiders are still locked in, and when that supply becomes free to trade the float changes shape entirely. Until then, every price this stock prints is set by a fraction of the shares that will eventually trade.

The easy version of the month is that the biggest IPO in history went nowhere. The more accurate version is that SpaceX raised $85.7bn of equity, $25bn of investment-grade debt and a $60bn acquisition currency inside thirty days, and the cost of doing all of that in public was a 35% drawdown and an argument about value that is nowhere near finished. Aramco never had that argument, and its investors learned nothing from its first month. Whatever else can be said about SPCX at $145.30, nobody holding it can claim they have not been told.