

Virgin Orbit shares crash after failure of first UK space launch

Shares in Virgin Orbit, the company behind the failed first UK space launch have fallen by more than a quarter at the market open in the US, greater than the 20% drop seen in pre-market trading.

Stocks fell in value from \$2.01 (£1.65) at the close of trading on Monday night, to \$1.50 (£1.23) when US markets opened on Tuesday morning, losing more than 50 cent off the price of a share.

The eagerly anticipated mission, which planned to place nine satellites in orbit via the company's LauncherOne rocket, was scuppered on Monday night when a [secondary engine failed to fire properly](#).

It marked a huge disappointment after the first space mission launch from Spaceport Cornwall.

[Relive the space mission as it happened](#)

The mission used a converted jumbo jet named Cosmic Girl to deploy the rocket.

The company, which is majority-owned by Sir Richard Branson's investment vehicle, said an "anomaly" was to blame for the problem and it was investigating the cause.

It was Virgin Orbit's first launch attempt outside of the US.



Image:

Virgin Orbit's 747-400 named Cosmic Girl

The two-stage rocket has suffered technical problems before but they are understood to have been limited to the primary engine.

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Virgin Orbit – spun out of Virgin Galactic – went public in 2021 via a so-called SPAC (special purpose acquisition company) merger.

It was valued at \$3.7bn ahead of the market debut but its market capitalisation had tumbled to \$6540m ahead of Tuesday's trading session.

The failed launch was seen as spooking investors further and the shares were a further 23% down in premarket deals.

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['Space is hard': Crowds look on bright side after launch disappointment](#)

Susannah Streeter, senior investment and markets analyst at Hargreaves Lansdown, said of the reaction: "There had been

high hopes that the operation would be the start of a brighter future for Virgin following the troubles which have beset the company since it became a publicly traded company, following the SPAC merger with Next Gen Acquisition in 2021.

“The cash burn rate for the company has been huge, and the prospects for revenue have been significantly set back.

“While space may have been heralded as the new investment frontier, the ventures clearly come with a huge amount of risk.

“This is a major set-back for Virgin Orbit and for Cornwall’s ambitions as a new launchpad for space ventures, but the problems may not be unsurmountable.”