ANNUAL STUDY OF THE FINANCIAL STRENGTH OF SMES IN THE EUROPEAN SPACE INDUSTRY

2026 edition



SME4SPACE

KU LEUVEN

esa



Annual overview of the economic importance and financial strength of SMEs in the European space industry

2026 edition

Why this study?

The purpose of this yearly study is to provide a clear evidence-based picture of SMEs in Europe's space industries' current position, financial performance, and their evolution over time.
The goal is to provide a statistical basis to understand the state and evolution of the ecosystem, which may accurately inspire space and industrial policy.

This informational leaflet presents key findings derived from the study, that shed light on crucial insights into the economic landscape of European SMEs in the space industry.

Note: This 2026 edition is based on the published 2024 financial figures.

Since 2021, SME4SPACE - the representative organisation of SMEs in Europe's space industry - in collaboration with the KU Leuven and the ESA SME Office, has been examining the economic performance and financial health of SMEs in the European space sector.
The statistical analysis based on published balance sheets of more than 2000 firms reveals performance insights into SME employment, turnover, total assets and financial indicators such as liquidity, profitability and leverage through aggregated and averaged economic and financial data on European SMEs in the space sector.
The analysis draws on a dataset of recipients of funding from the European Space Agency (ESA) and the European Commission (Framework Programme), as well as members of SME4SPACE.

MAIN FINDINGS

Based on the analysed data, it is evident that SMEs in the European space industry play a crucial role in driving innovation and economic growth. Financially, while many SMEs demonstrate growth in terms of workforce, challenges in profitability and liquidity highlight a need for improved access to finance. Given the significant economic impact and growth potential of our SME community, targeted policy measures are recommended to enhance their financial health and operational environment. This study, backed by an academic seal of expertise, offers an important step towards analysing and understanding the vital contributions of SMEs to Europe's space industry.

Summary of conclusions based on the figures that follow:

- In 2024, SMEs in the space industry employed 39.151 employees, which is **a small decrease after a strong upsurge** between 2022 and 2023. Compared to the year 2020**, the average and median number of employees has increased.**

- An earlier qualitative survey among SMEs reveals that on **average 67% of turnover and 77% of employment are space related.**

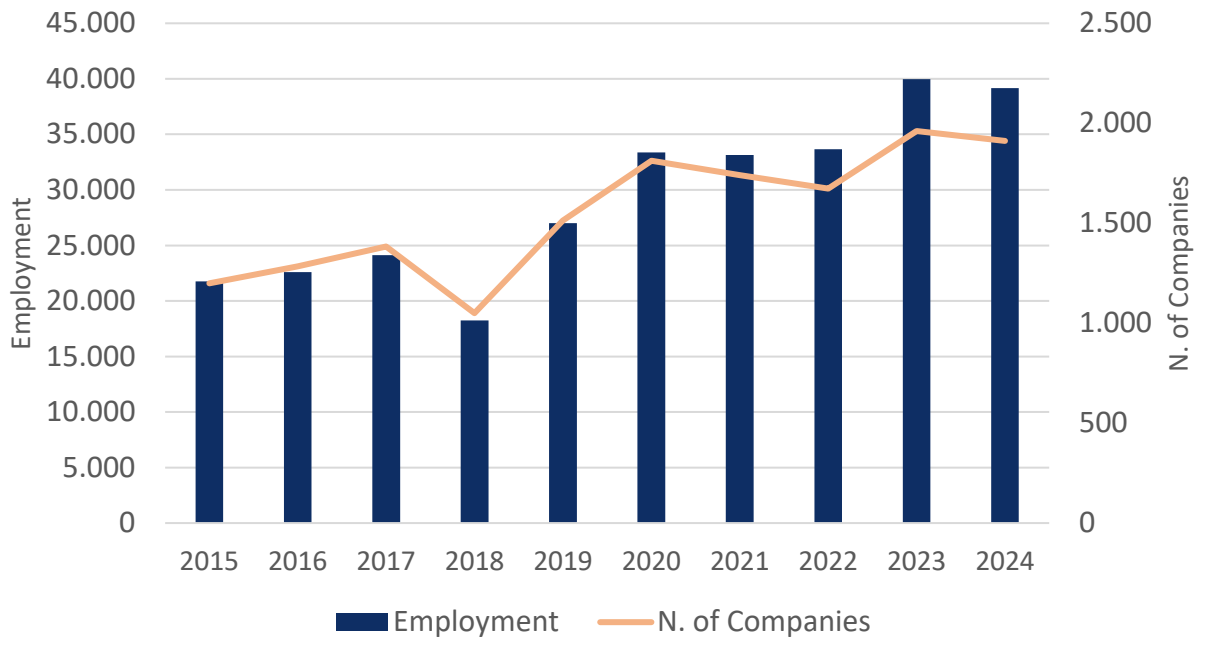
- **Profitability is low** for all types of European space SMEs (young, mature, micro, small, and medium) **and is further decreasing.**

- **It remains very difficult to get access to non-dilutive funding** such as bank loans.

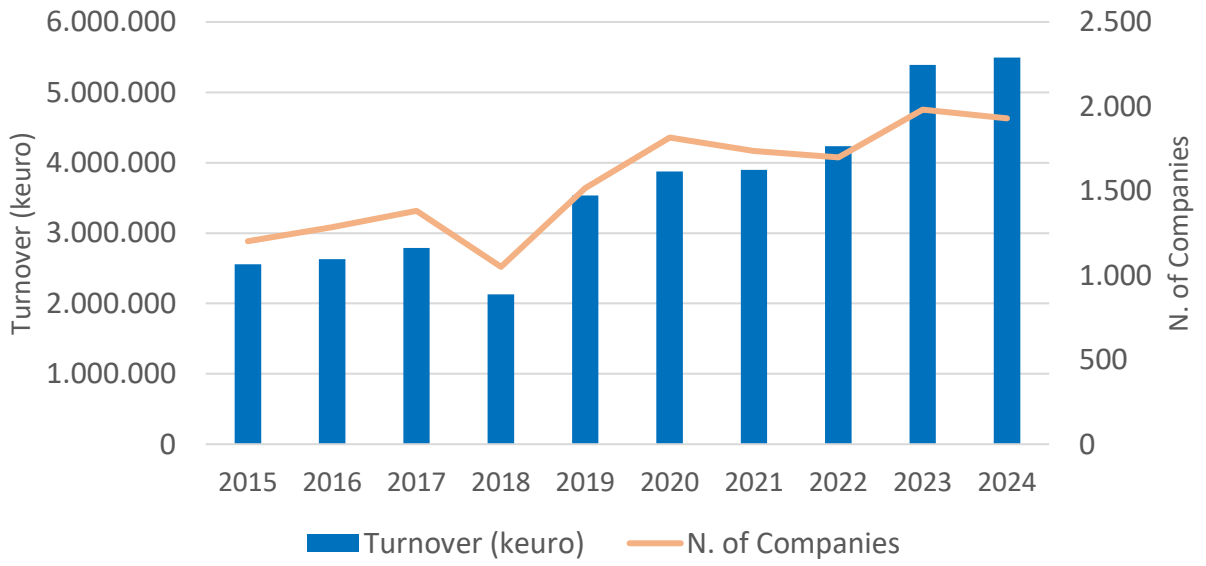
- **Liquidity is solid**

- **SMEs require significant capital investment to grow**. The median turnover to total assets ratio remains below 1. This indicates **that €1 investment in total assets yields only €0,6 turnover**, and that the increased investments in total assets do not directly equally pay off in terms of increase in turnover.

€5.4B turnover and 39.151 employees



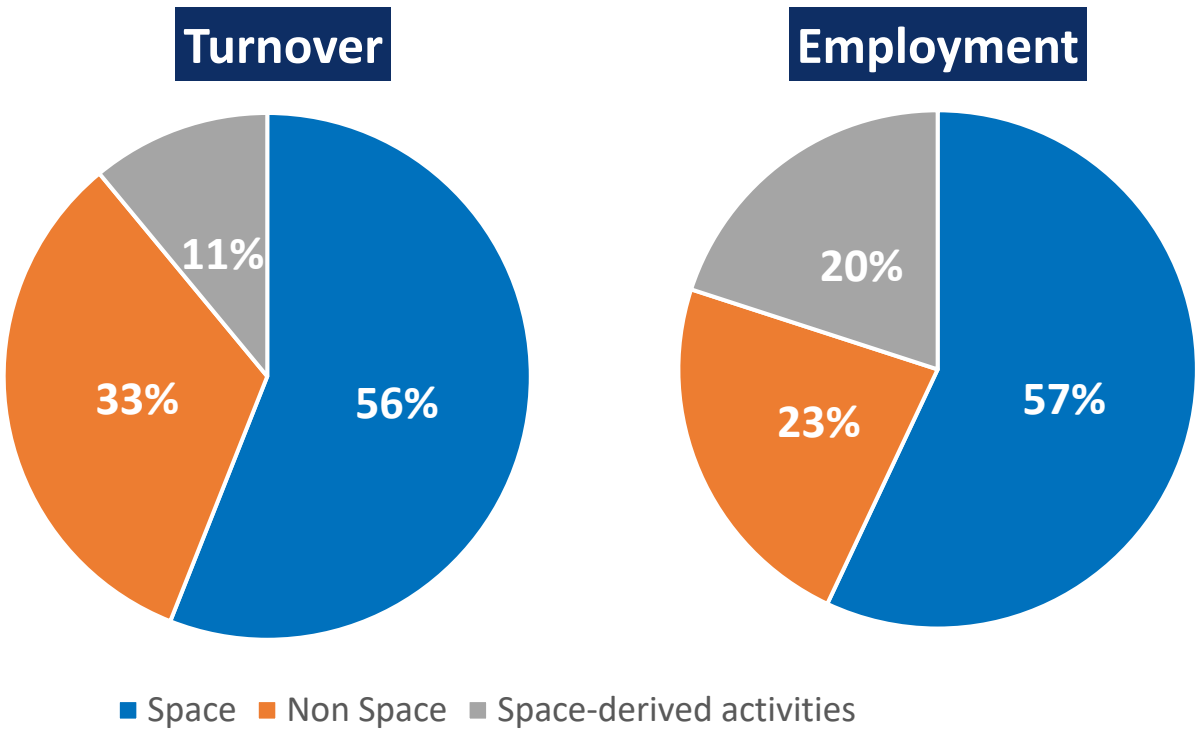
In 2024, SMEs involved in space activities collectively employed 39.151 full-time equivalent (FTE) employees, a slight decrease from 39.972 in 2023. Approximately 30.146 of this workforce works in space.



The SMEs realised a total turnover of more than **€5.5 billion** in 2024, slightly up from 2023, of which approximately 3.7 billion is space related.

Space and non-space activities

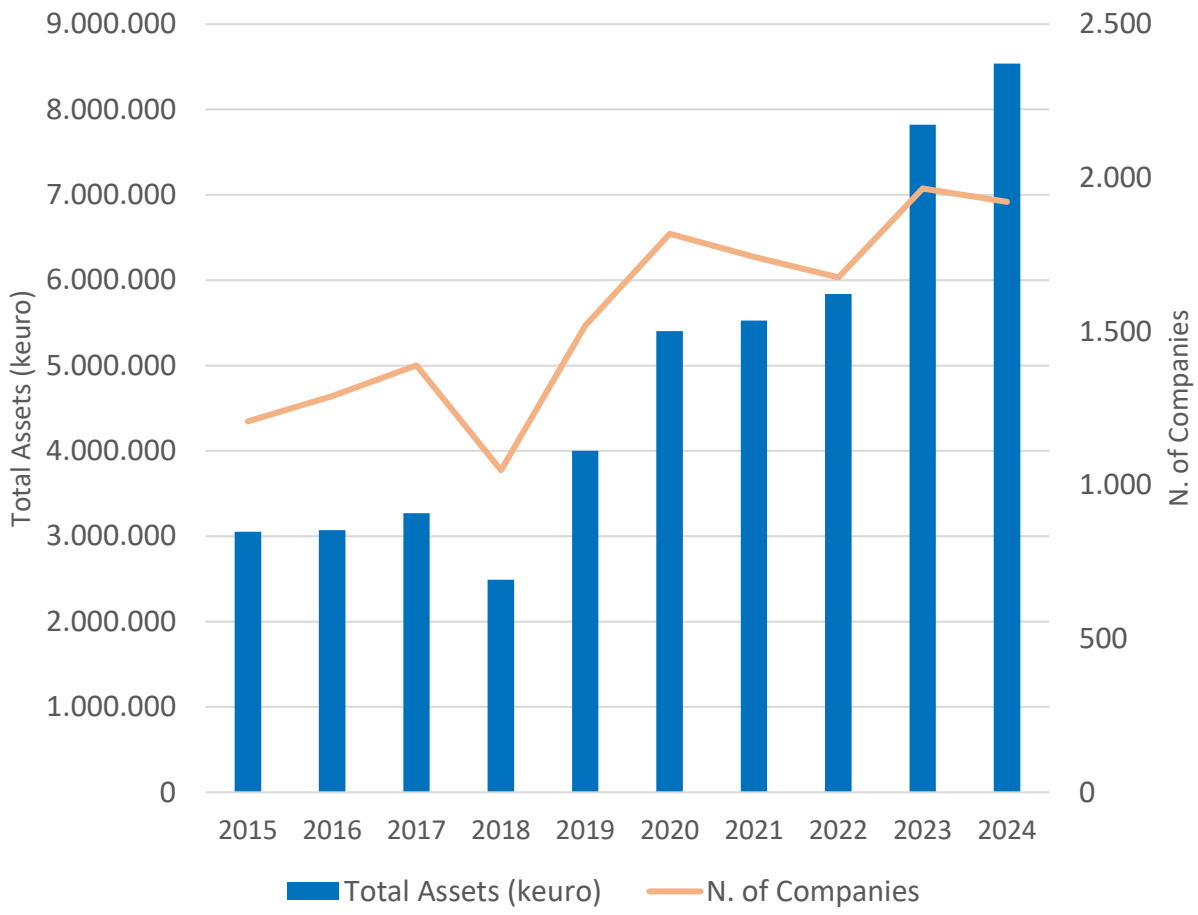
A qualitative survey among SMEs reveals that, on average, **56% of turnover** and **57% of employment** in the target population are dedicated to **upstream and downstream activities**. Additionally, another **11% of turnover** and **20% of employment** are allocated to the **use of space technology in other industries** (**space-derived activities**)



67% of Turnover and 77% of workforce are space-related

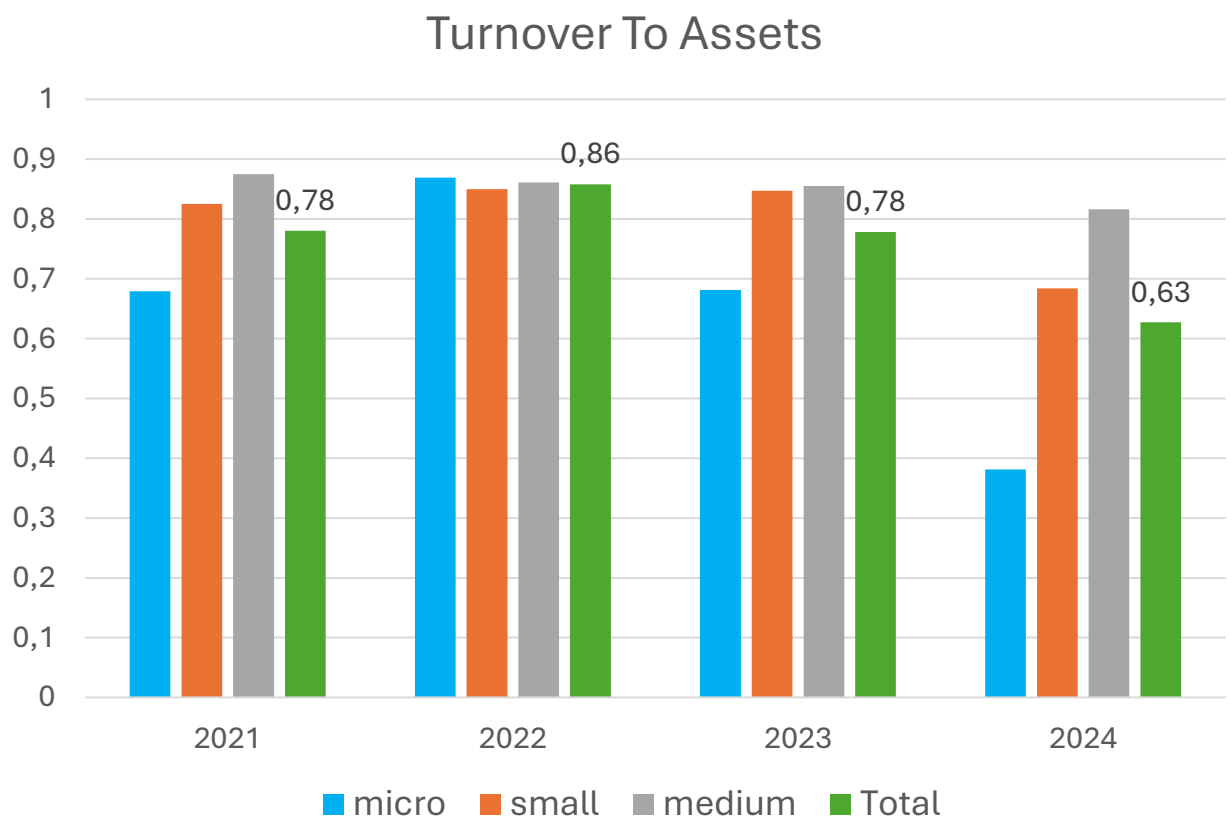
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€8.5B assets



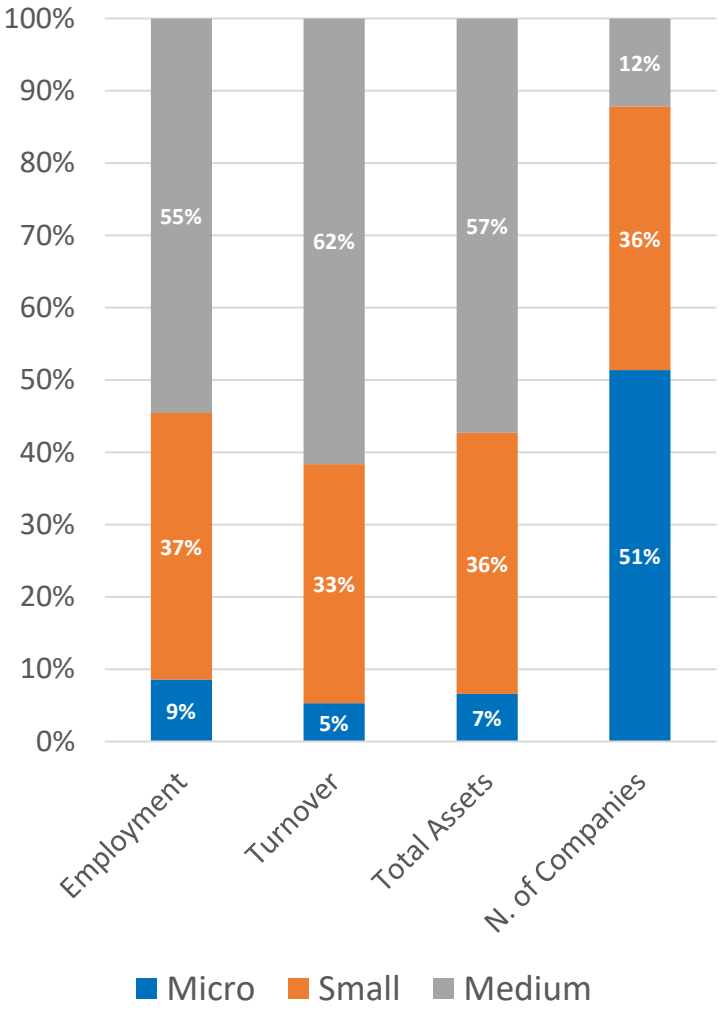
The **space industry is highly capital-intensive,** and companies have to invest heavily to compete successfully in the space markets. The invested amount **in total assets in the year 2024 is close to €8.5 billion** over a total of 1.922 companies, up from €7.8 billion in 2023 for 1.965 companies.

Space is a capital-intensive sector
€1 in turnover requires €1,6 in investment



The **ratio of turnover to assets**, measuring how much turnover a euro investment in assets (regardless of who is financing the assets, i.e. equity or debtholders) generates on a yearly basis, for the average (and medium) company is **lower than 1** (0,627), independent of their size. This implies that for an investment of 1.000 euros in total assets the company generates a turnover of 627 euro.

Diversity in size



Micro enterprises account for more than half of the population (51%) and represent respectively 9%, 5% and 7% of the employment, turnover and total assets.

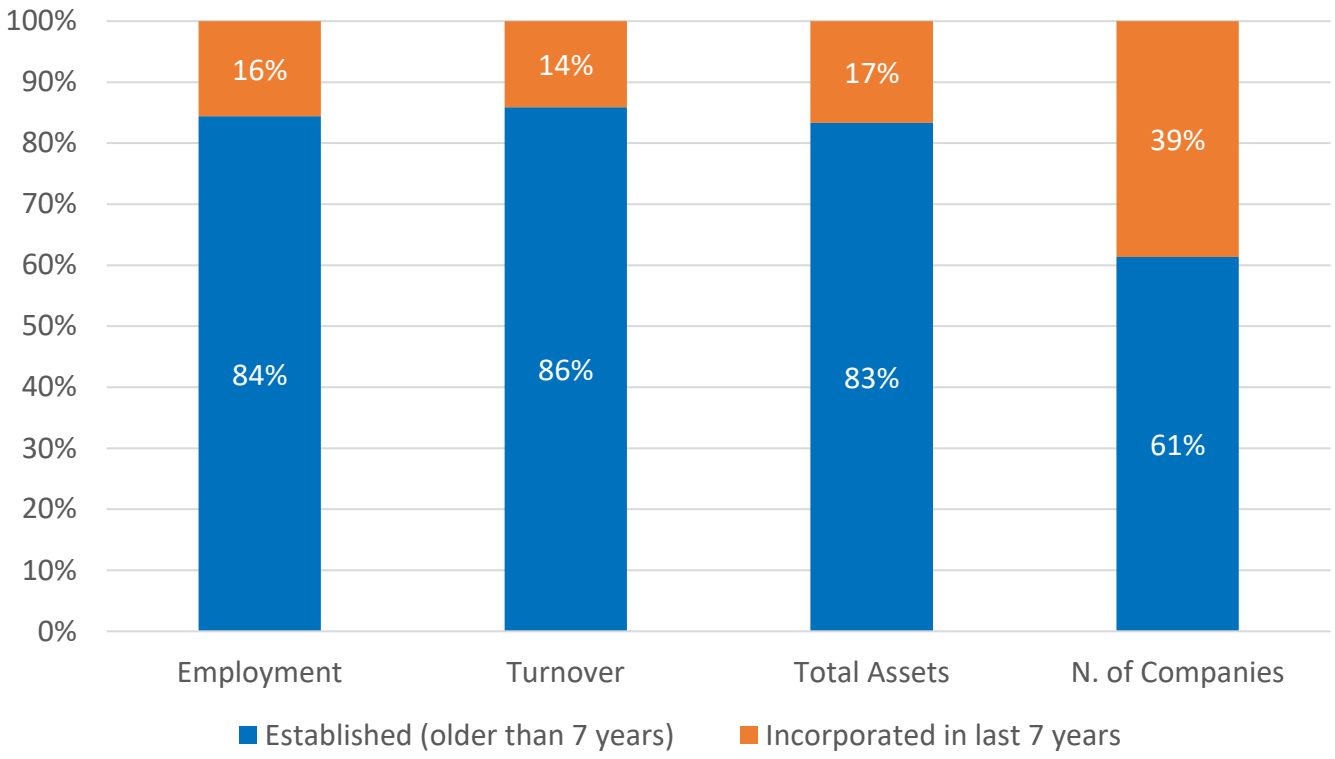
Small enterprises, representing 36% of the total population, hold 37% of employment, 33% of turnover and 36% of total assets.

Medium-sized enterprises represent the 12% of the population with 55% of the turnover, 57% of total assets, and 55% employment.

More than 50% of SMEs are micro enterprises and they contribute less than 10% in terms of employment, turnover and total assets. On the other extreme, medium-sized enterprises represent 11% of the total population and they achieve almost 60% in terms of turnover and total assets and 55% for employment.

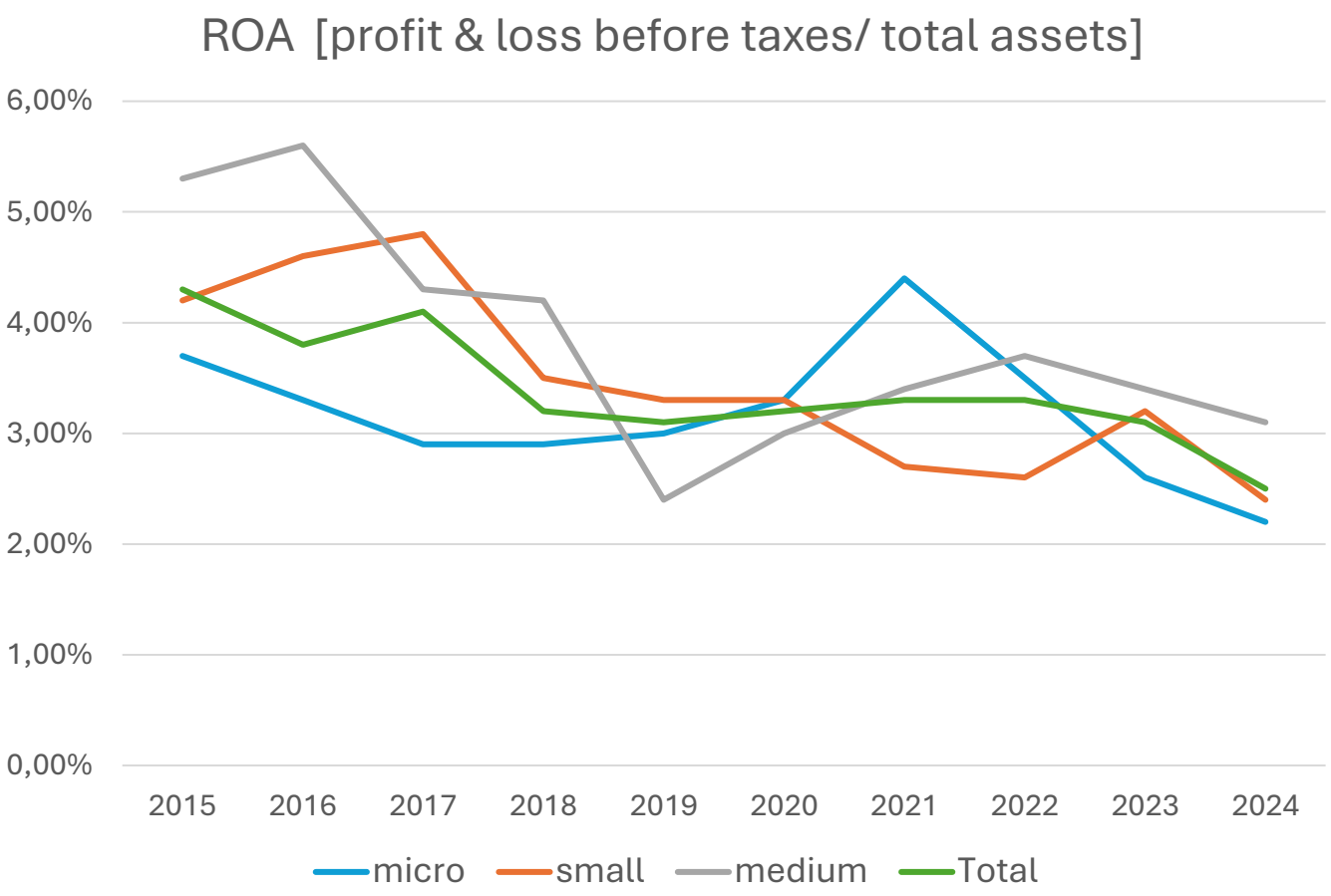
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High number of Start-Ups and newcomers



In 2024 39% of the total of SMEs are newly incorporated companies. 16% of employment, 14% of turnover and 17% of total assets are provided by newly incorporated SMEs. The other 80% are coming from 61% of companies that are older than 7 years.

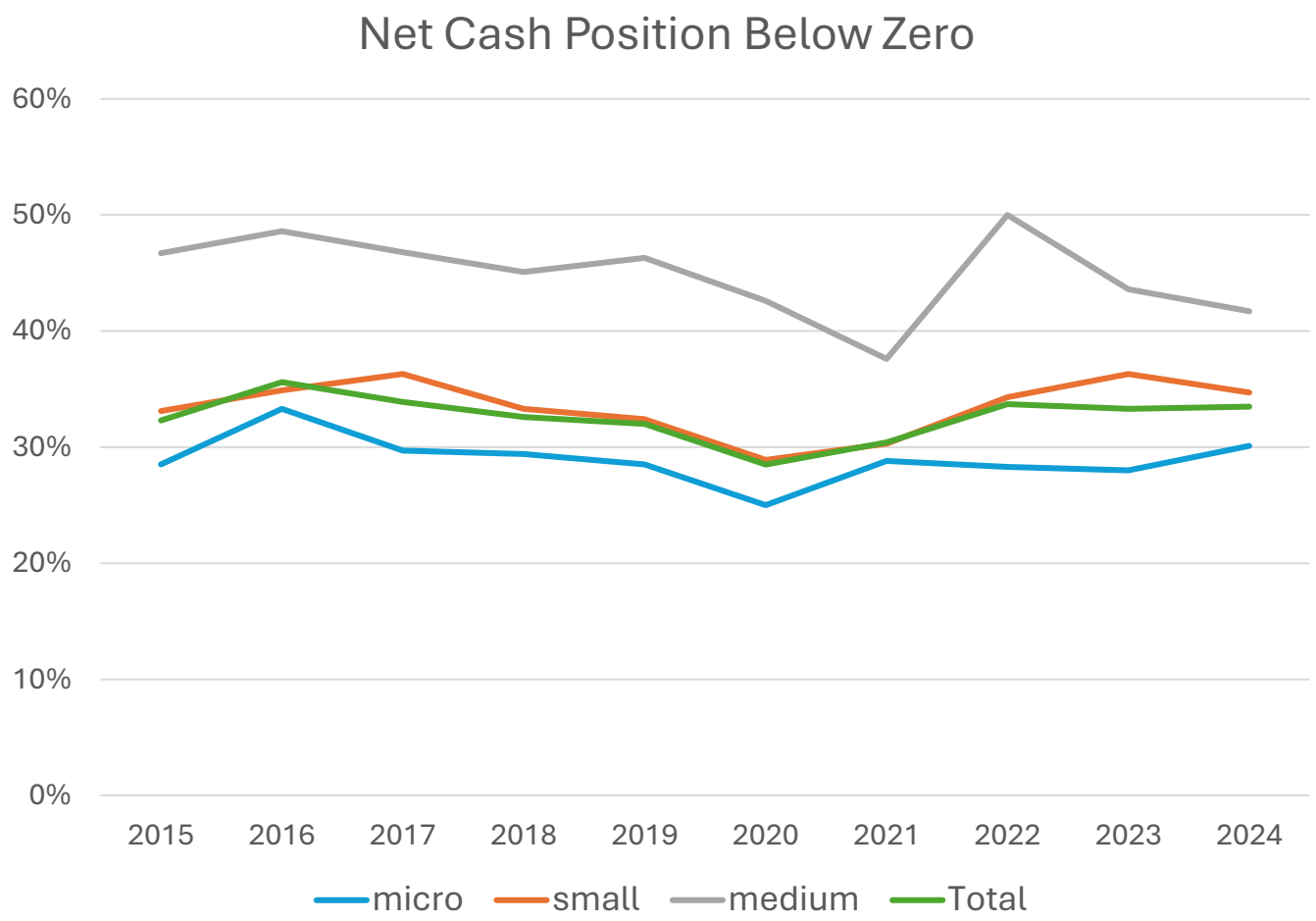
Low and decreasing profitability



The return on assets (ROA) measures net income over assets and is a widely accepted measure of profitability. Overall, the profitability for the median company is quite low (around 3%) and is decreasing over time.

We observe no consistent differences in profitability across size categories; profitability continues to declines for all firm sizes.

Liquidity is solid but decreases with company size

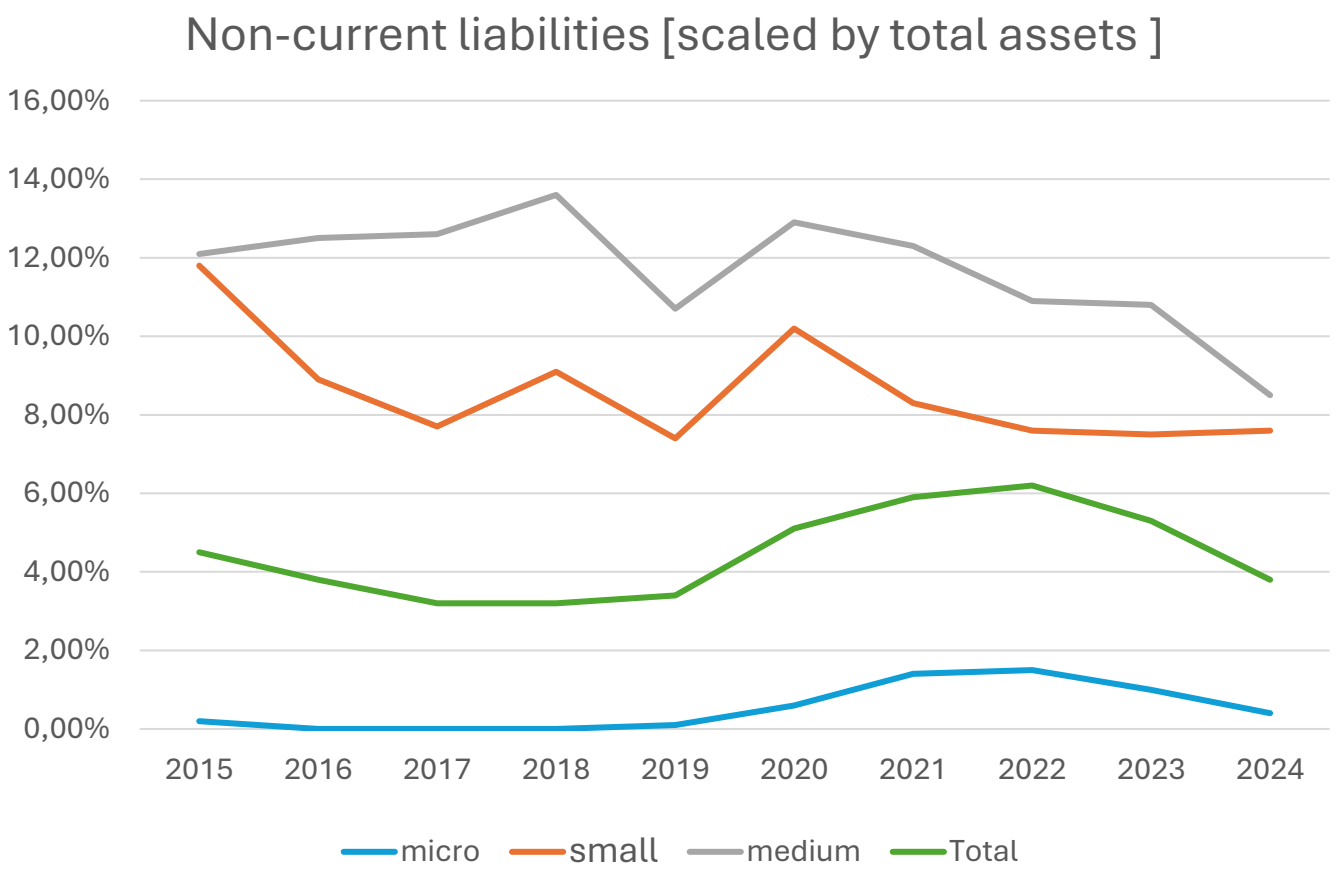


The net cash position measures whether a firm is able to pay its short-term liabilities to banks and financial institutions with its current cash and cash equivalents.

The financial position, as measured by net cash, decreases with company size in 2024. The percentage of companies with a negative cash position is smaller for “micro” companies (30,1%) than for “medium " companies (41,7%).

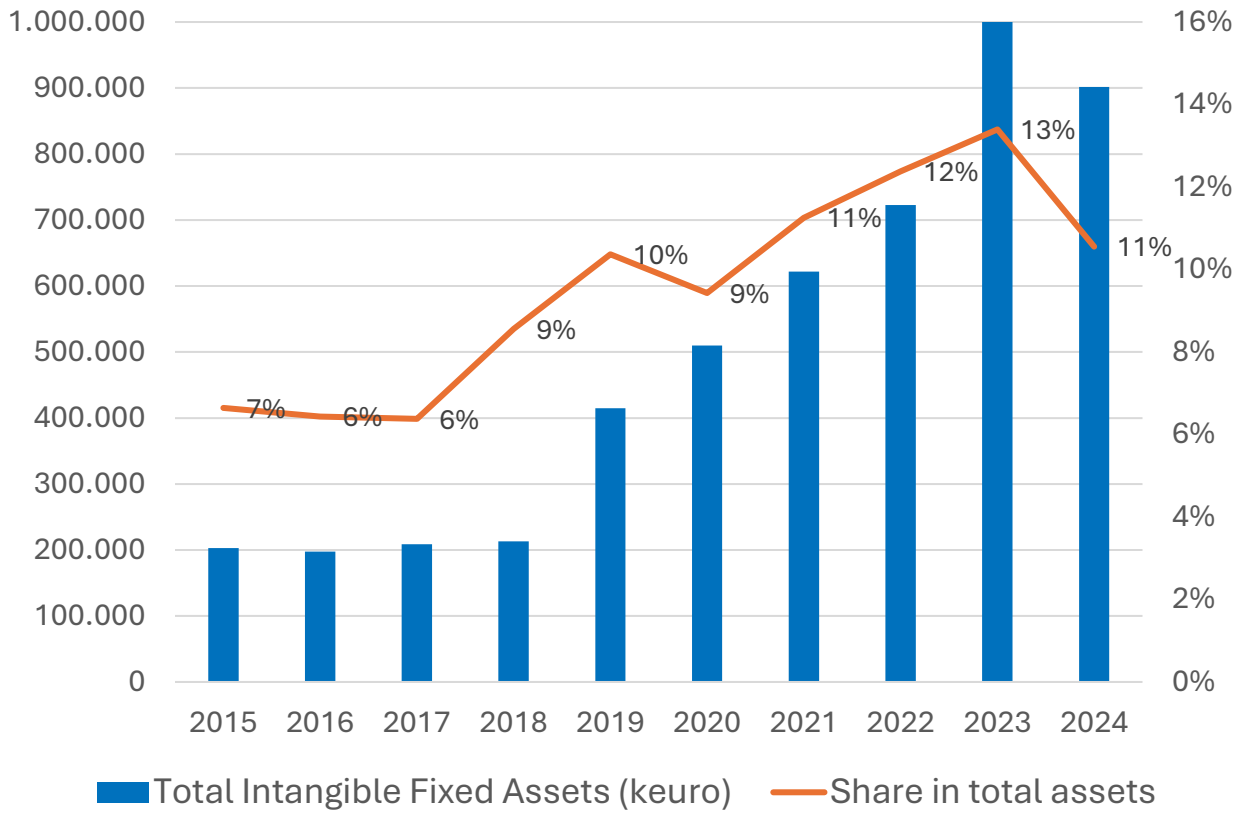
It is possible that the apparent better ability of micro companies to pay off short-term liabilities to banks and other financial institutions might be driven by their difficulty in accessing (long-term) bank loans.

No access to non-dilutive funding



In 2024, liquidity differences across firm size groups remain negligible, consistent with patterns observed in prior years. Similarly, we find no substantial differences in leverage (solvency) or current liabilities across size categories. One notable exception concerns long-term debt financing: both in 2024 and earlier years, micro firms rely very little on non-current liabilities. The use of long-term debt increases with firm size, suggesting that micro firms face constraints in accessing long-term financing. At the median, non-current liabilities account for only 0,40% of total assets for micro firms and exhibit a declining trend over time. This reflects that it is challenging for European Space SMEs to get access to long term debt financing such as bank loans.

Innovative strength measured by Intangible Fixed Assets



Intangible fixed assets include non-physical assets that have value to a company, including intellectual property such as patents, copyrights, trademarks, or software but also capitalized R&D expenses. Intangible fixed assets are seen as a valuable indication of future revenue potential, enhance brand recognition, or provide competitive advantage. Over the period 2015-2023 the total amount of intangible fixed assets has multiplied five-fold, but the share in total assets seems to have dropped back to 2021 levels in 2024.