

The Henry Fund

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Tesla, Inc. (TSLA)

April 23, 2025

Consumer Discretionary – Auto Manufacturers

Stock Rating

Sell

Investment Thesis

Target Price

\$175

Tesla is an innovator in the electric vehicle space; however, while the stock may dream in AI, the cash smells like rubber, and the revenue is parked in the driveway. Until Tesla demonstrates meaningful progress toward launching unsupervised full self-driving (FSD), scales production of Optimus, and achieves market share gains through Cybercab & Model 2, we rate the stock a sell. Our price target of \$175 implies downside of 30%.

Henry Fund DCF (100%)	\$175
Henry Fund DDM (0%)	\$102
EV/EBITDA (0%)	\$40

Price Data

Current Price (4/23/25)	\$251
52wk Range	\$141 – 489
Consensus 1yr Target	\$314

Key Statistics

Market Cap (B)	\$812
Diluted Shares Out. (M)	3,518
Institutional Ownership	48.4%
Beta	1.58
Dividend Yield	0.0%
LT Growth Rate	12.6%
Price/Earnings (TTM)	138.5
Price/Earnings (FY1)	110.9
Price/Sales (FY1)	7.8
Price/Book (mrq)	18.6

Profitability

Operating Margin (FY1)	7.7%
Net Margin (FY1)	7.0%
Return on Assets (FY1)	5.7%
Return on Equity (FY1)	9.4%

Thesis Drivers

- **Fundamentals:** Delivery growth will be negative in 2025 (-6%), driven by a combination of Elon's polarizing comments and political involvement, as well as a weak Q1 delivery base stemming from the Model Y revamp.
- **Fundamentals:** Excessive share-based compensation will continue to dilute existing shareholders and place a limit on earnings growth. We estimate the total value of ESOP imposes a ~\$20 drag on the stock, while the increase in shares outstanding reduces annual EPS growth by 3%.
- **Valuation:** A forward P/E of 111x implies flawless execution from unproven products and is an extreme valuation even after considering our 5-year EPS CAGR of 28%.

Risks to Thesis

- **The Return to CEO:** Elon is designated as a "special-government employee" under DOGE, subject to a 130-day period. His time spent at DOGE will be reallocated to TSLA as the company continues to drive innovation.
- **New Vehicles / Optimus:** The introduction of lower-priced vehicles or an on-time launch of Optimus could drive upside to our estimates.
- **Unsupervised FSD:** The launch of truly unsupervised FSD could raise the take-rate above our estimates, driving high-margin revenue and boosting Tesla Insurance penetration. We estimate that FSD carries a gross margin of 90%.

Earnings Estimates

Quarter / Year	2025e	2026e	2027e	2028e	2029e
HF EPS	\$2.09	\$3.08	\$4.01	\$5.85	\$7.74
Street EPS	\$2.27	\$3.23	\$4.38	\$5.28	\$7.87

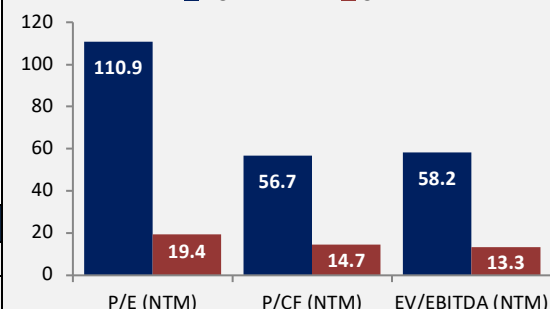
BS / CF Snapshot

Net Debt	(28,301)	(31,454)	(40,168)	(52,981)	(71,906)
Debt/Assets	10.7%	10.8%	10.5%	10.2%	9.7%
Debt/Equity	17.5%	18.4%	17.7%	17.2%	16.5%
CapEx	10,963	11,127	11,408	11,522	11,638

Profitability

EBITDA	12,481	17,586	22,620	31,514	40,062
NOPLAT	6,283	9,754	13,227	19,747	26,049
Gross Margin	17.9%	18.7%	20.4%	22.2%	23.1%
Operating Margin	7.7%	9.3%	10.7%	13.0%	13.9%
Net Margin	7.0%	8.1%	9.2%	10.9%	11.7%

Company Description



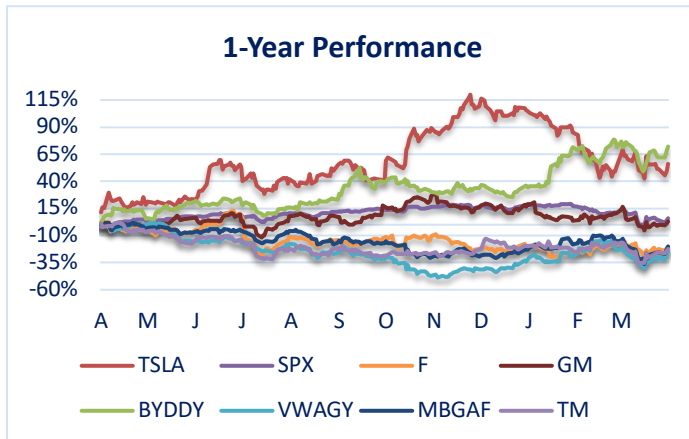
Tesla engages in the design, development, manufacture, and sale of electric vehicles and energy generation and storage systems. It reports revenues through three segments: Automotive, Energy Generation and Storage, and Services and Other. Vehicle models include the Model S, Model 3, Model X, Model Y, Cybertruck, and Tesla Semi. The company is headquartered in Austin, TX, and has been led by CEO Elon Musk since 2008.

COMPANY DESCRIPTION

Tesla, Inc. is a pioneering force in the electric vehicle (EV) industry. Founded in 2003 by Martin Eberhard and Marc Tarpenning, and led by Elon Musk since 2008, Tesla has redefined automotive innovation with its premium EVs, including the Model S, Model 3, Model Y, Model X, and Cybertruck. Beyond vehicles, Tesla is diversifying into the rapidly growing energy solutions segment through its Powerwall and Megapack products and advancing autonomous driving technology with its Full Self-Driving (FSD) software. As if that isn't enough to tackle, Tesla is also rapidly advancing its AI-driven product suite through Dojo and Optimus. With manufacturing capabilities spanning the United States, China, and Germany, Tesla produced roughly 1.8 million vehicles in 2024, cementing its position as one of the world's leading EV makers by volume. Its vertically integrated approach (battery production, software, and Supercharger network) sets it apart from traditional automakers.

TSLA vs. SPX & Peer Group

The following chart showcases TSLA's 1-year performance relative to SPX (our benchmark) and our selected peer group for TSLA:



Source: Data from Yahoo Finance¹, Pulled via Jupyter Notebook

Aside from BYDDY (BYD Company ADR), TSLA has outperformed the entire peer group and SPX over the 1-year window. In our view, the price action as it relates to TSLA has been detached from its fundamentals for quite some time – net margin peaked at 15.5% in 2023 vs. 7.3% in 2024 and diluted EPS peaked at 4.30 in 2023 vs. 2.04 in 2024. The rapid appreciation starting in November stems from Elon Musk's involvement in the Trump Administration, as investors recognized the potential for

deregulatory efforts aiding TSLA's progress for deploying unsupervised FSD. In our view, near-term (6-12 months) performance will be driven by 2025 deliveries, Optimus progress, and the success of the unsupervised FSD launch in Austin, Texas in June.

Current Vehicle Lineup

TSLA currently offers a vehicle lineup designed to cater to a broad spectrum of consumer preferences (looking at you, Cybertruck...), ranging from affordable sedans to premium SUVs and trucks. The company's core models include the Model 3, Model Y, Model S, and Model X. Below, we outline key details as it relates to these models:

Model 3 & Model Y (1.7 million Deliveries in F24)

The Model 3 & Model Y represent TSLA's foundational vehicles, targeting the mass-market consumer segment with a balance of affordability, range, and performance. The Model 3, a compact sedan, primarily appeals to first-time EV buyers, urban commuters, and younger consumers seeking a premium yet accessible electric option. Meanwhile, the Model Y, a compact SUV, targets families and customers seeking an EV with increased cargo space without sacrificing performance.

Model 3 Trims		
Trim	Cost	Range
Long Range RWD	\$42,490	363 mi
Long Range AWD	\$47,490	346 mi
Performance AWD	\$54,990	298 mi

Source: Tesla Model Comparison², RWD = Rear-Wheel Drive, AWD = All-Wheel Drive

Model Y Trims		
Trim	Cost	Range
Long Range AWD	\$48,990	327 mi

Source: Tesla Model Y Comparison²

Model S and Model X (85,133 Deliveries in F24)

The Model S and Model X cater to a more premium seeking consumer who value high performance and luxury features. The Model S, a full-sized sedan, is geared towards buyers seeking a blend of long-range capability and quick acceleration. The Model X, a midsize SUV, appeals to families and technology seeking consumers (falcon-wing doors).

Model S Trims		
Trim	Cost	Range
Model S AWD	\$79,990	410 mi
Model S Plaid	\$94,990	348 mi

Source: Tesla Model Comparison²

Model X Trims		
Trim	Cost	Range
Model X AWD	\$84,990	329 mi
Model X Plaid	\$99,990	314 mi

Source: Tesla Model Comparison²

The Value Stack – Is TSLA a Car Company?

Although we certainly see the argument that TSLA is not only a car company, we believe that the scenario has a long runway. In 2024, TSLA generated roughly 79% of total revenues from automotive. While the stock may dream in AI, the cash still smells like rubber, and the revenue is still parked in the driveway.

The narrative that TSLA is not a car company is linked to FSD, Optimus, Dojo, and Cybercab – each of which could represent a massive TAM expansion.

Full Self-Driving (FSD)

TSLA's FSD software is priced at \$8,000 per vehicle or \$1,188/year (\$99/month) via subscription, and in our view, is one of the crucial "bull" case scenarios³. We estimate that FSD has potential to deliver 90% gross margins, which would significantly drive TSLA's earnings growth higher as the take-rate expands. Although we lean on the conservative side in our estimates, if TSLA can scale FSD across its fleet, FSD could drive significant upside to our estimates and across the Street. We detail our FSD assumptions in the "Business Segments" section of this report.

FSD is currently legal in the United States, Canada, Australia, and China, with features like Autosteer, traffic light/stop sign control, and Smart Summon varying by market. In our view, Europe and China (expanded rollout in China) will be the next key markets in which FSD will be deployed.

BYDDY's "God's Eye" is the equivalent to TSLA's FSD, and is included free with vehicle purchases, giving it a significant cost advantage over TSLA's FSD (\$8,000 for FSD, not including the car purchase price). In our view, BYD will continue to dominate the Chinese market, driven by

affordability and local optimization of its technology.

Optimus

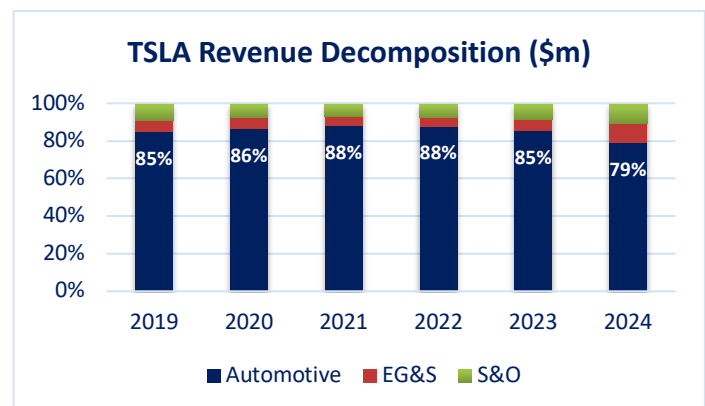
Optimus, a humanoid robot, is arguably the most speculative layer to the value stack. Elon Musk has suggested that Optimus could be a multi-trillion-dollar opportunity (an absurd estimate in our view), that aims to disrupt the global labor market. If TSLA were to eventually capture roughly 9% of the global industrial and service robot TAM (estimated to exceed \$500B by 2035), we estimate that Optimus alone could represent \$45B in incremental revenue. In our view, although extremely hard to estimate, Optimus will happen given TSLA's obvious focus. We detail our Optimus assumptions in the "Business Segments" section of this report.

Dojo Supercomputer

Dojo is TSLA's in-house AI training platform, designed to optimize and accelerate neural network training for FSD using video data collected from TSLA's vehicle fleet. Unlike traditional AI training clusters that rely on third-party hardware, Dojo is built from the ground up using the company's custom-designed D1 chips. While it's too early to model with even the slightest bit of confidence, Elon Musk has alluded to Dojo's ability to be "worth more than the car business". Longer-term, TSLA has floated the idea of monetizing Dojo as an AI-as-a-Service platform, similar in concept to Amazon AWS or Microsoft Azure, but tailored to workloads involving computer vision/robotics.

Business Segments

Tesla operates through three business segments: Automotive, Energy Generation and Storage, and Services and Other⁴. The following chart displays how Tesla's revenue decomposition has evolved over time:



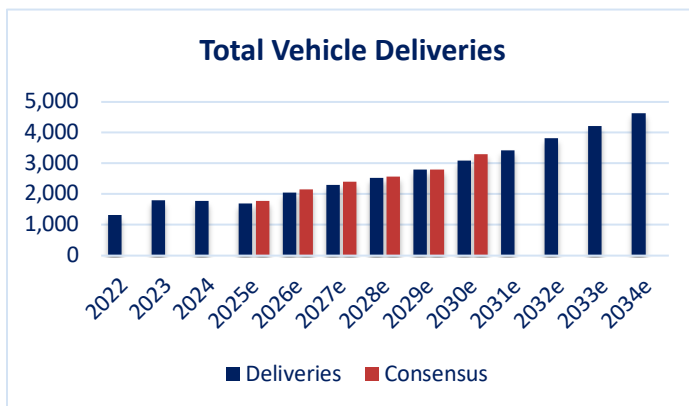
Source: TSLA 10K

Automotive (incl. Cybercab and FSD)

The automotive segment is Tesla's largest operating segment, comprising roughly 79% of revenues in 2024. The segment can be broken down into automotive sales (94% of total automotive revenues), regulatory credits (4%), and automotive leasing (2%)⁴. Automotive sales are grouped into two categories: Model 3/Y and Other Models (Model S/X, Cybertruck, and Semi). Since 2021, the Model 3/Y contribute to roughly 95-98% of all vehicle deliveries. As it relates to the Auto segment, TSLA benefits from two types of credits: EV tax credits under the Inflation Reduction Act and regulatory credits sold to other automakers. Under the IRA, qualifying U.S. consumers can receive up to \$7,500 in federal tax credits for purchasing an eligible vehicle. Separately, TSLA earns regulatory credit revenue by selling emissions allowances to automakers that do not meet emissions standards. 2024 numbers imply that roughly 40% of Tesla's profit comes from these regulatory credits.

Our forecast for the segment places assumptions on vehicles that are not currently in production (Cybercab & Model 2). To arrive at revenues for each model, we consider our expected delivery numbers multiplied by our assumption on the average selling price per vehicle model. We assume that there is a limit to price cuts; thus, the only vehicles in which we incorporate a further reduction in ASPs are the Model 3, Model Y, and the Cybertruck.

We expect deliveries to be negative in 2025 (-5.8% YoY) before returning to a strong growth profile. The majority of growth in our forecast reflects our assumption that TSLA can ramp production of the Model 2 quickly, and that consumers recognize the safety of TSLA vehicles, provided a successful launch of FSD in Austin, Texas in June 2025. The following chart displays our forecast for vehicle deliveries along with 5 years of consensus estimates:



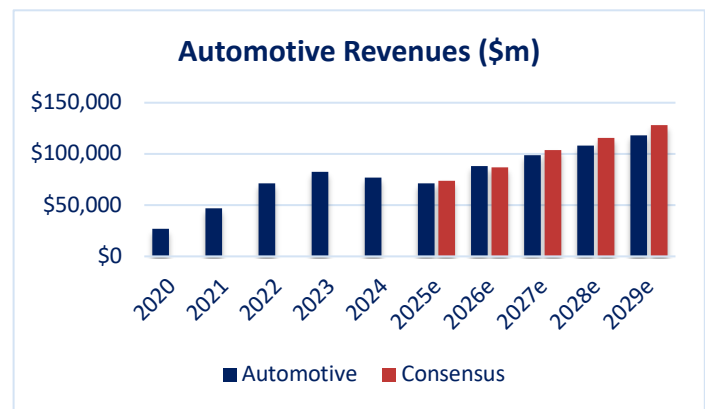
Source: HF Model, TSLA 10K

To forecast Cybercab, we placed assumptions on the estimated miles driven (taxi/ride share), the percentage of market share that Cybercab will capture, and our estimated cost per mile. The resulting revenue was forecasted as the number of miles driven multiplied by the cost per mile.

For our Model 2 delivery forecast, we assume that demand increases rapidly given the lower average selling price. By 2034, we assume roughly 1.2 million deliveries (27% of total deliveries).

To forecast FSD, we incorporated our assumptions on new vehicle deliveries and the estimated take rate. The resulting value (new deliveries x take rate) was then multiplied by the current annual subscription cost for FSD (12 x \$99)³.

Our forecast for Automotive reflects a 5-year CAGR of 8.9%. The chart below displays our revenue forecast for the first 5 years relative to consensus:



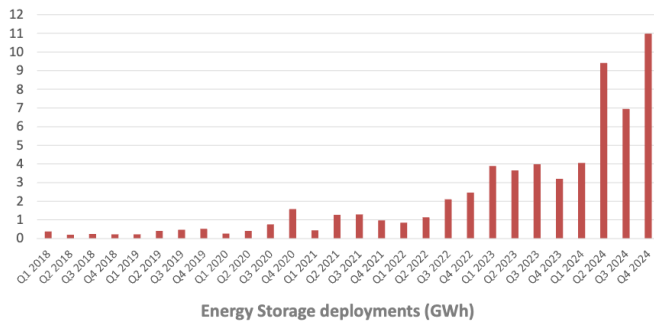
Source: HF Model, FactSet

Energy Generation and Storage

The Energy Generation and Storage segment includes the installation, sale, and leasing of Powerwall (for residential and small commercial use) and Megapack (large scale deployments)⁴. The segment also sells and installs Solar Roof and retrofit solar panels with financing options available in certain markets⁴. Revenue is further supported by energy software platforms that enable real-time monitoring, control, and dispatch of storage systems. Like the automotive tax credits, customers are eligible for U.S. federal tax credits for these products, although at a significantly steeper rate. From 2023 to 2032, anyone who purchases a Powerwall, solar panels, or solar roof qualifies for a 30% tax credit⁵. While TSLA does not directly receive these tax credits, the company benefits indirectly as the

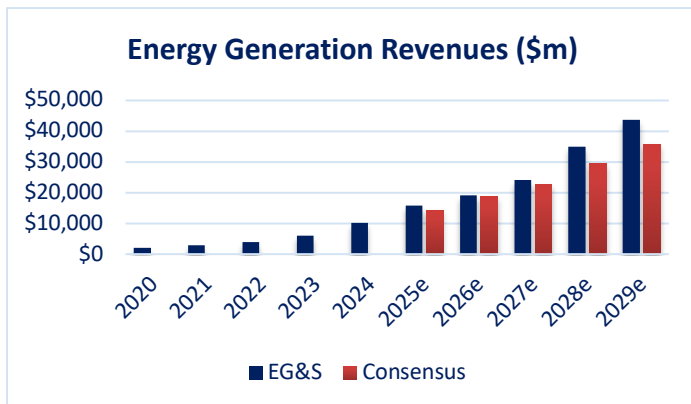
incentives enhance affordability for consumers and expands access, which in our view will help drive demand and revenue. After the 2032 deadline, the tax credit falls significantly (26% in 2033, 22% in 2034, and 0% in 2035)⁵.

In 2024, the Energy business achieved record deployments for both Powerwall and Megapack at a combined 11.0 GWh, resulting in a record gross profit for the segment in Q4. Tesla noted in their FY24 earnings release that both products continue to be supply constrained and will further ramp production once the Shanghai Megafactory is completed in Q1⁶. The following chart displays the strong growth seen in Energy Storage deployments:



Source: TSLA Q4 2024 Shareholder Deck

Our forecast considers our expectation of increased capacity as TSLA continues to ramp production capabilities of the Megapack at the Lathrop, California and Shanghai Megafactories. Furthermore, we expect Powerwall production at the Gigafactory in Nevada to increase as the vehicle fleet continues to grow. Our forecast for Energy Generation and Storage reflects a 5-year CAGR of 34.1%. The chart below displays our revenue forecast for the first 5 years relative to consensus:



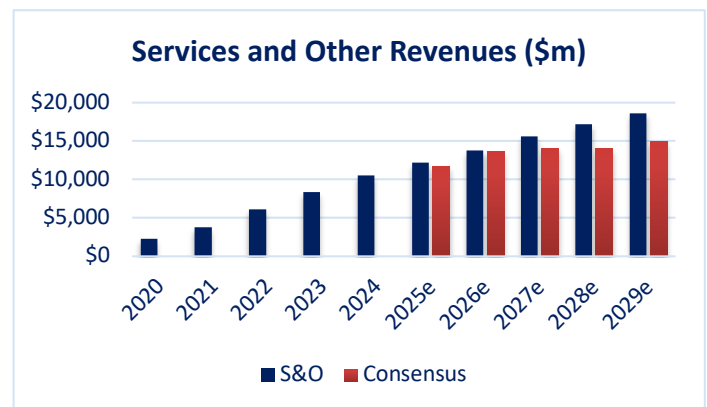
Source: HF Model, FactSet

Services and Other

The Services and Other segment encompasses a range of

post-sale offerings that generate revenue beyond new vehicle sales⁴. Products include used vehicle sales, non-warranty maintenance and collision repairs, paid Supercharging, insurance premiums from Tesla Insurance, and the sale of parts, accessories, and retail merchandise⁴. As Tesla's vehicle fleet expands, this segment has grown meaningfully. Since 2019, Services and Other has represented roughly 7 to 11% of total revenues, and has grown at a 5-year CAGR of 36.5%

We forecast strong growth in the segment, primarily driven by an increasing number of vehicles in the fleet and our assumption that as FSD continues to improve, more drivers turn to Tesla Insurance to save on insurance premiums. Our thinking here revolves around the idea that if FSD can eventually drive better than a human, insurance premiums should go down (and Tesla Insurance captures more market share) if TSLA can monitor your driving behavior through the technology in the car (how fast you drive, etc.). We expect a 5-year CAGR of 12.0%. The chart below displays our revenue forecast for the first 5 years relative to consensus:

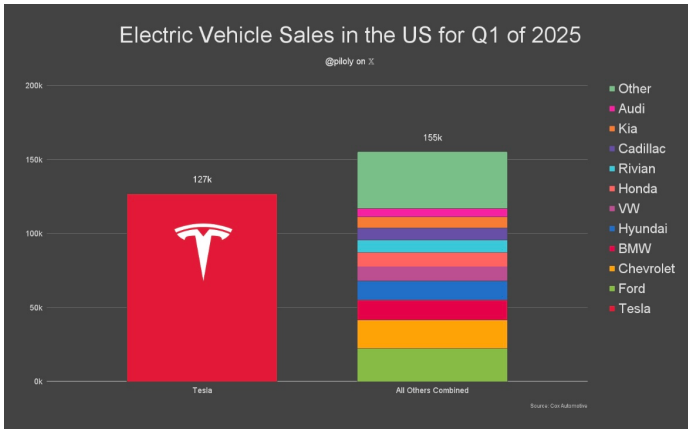


Source: HF Model, FactSet

U.S. / China Market Share

U.S.

TSLA dominates the U.S. market in terms of unit sales through the Model Y and Model 3. According to the Q1 2025 Kelley Blue Book and Cox Automotive Report (4/11/25), TSLA captured 43.5% of the U.S. market⁷. Next in line? Ford with 7.7%, Chevrolet with 6.5%, and BMW with 4.6%⁷. Although TSLA's share is down from ~80% in 2019 as competitors launched their EV's, we don't see the scenario where TSLA loses the #1 spot. In our view, if TSLA can deliver on their promise of a more affordable vehicle in 2025, they will gain share as production ramps.

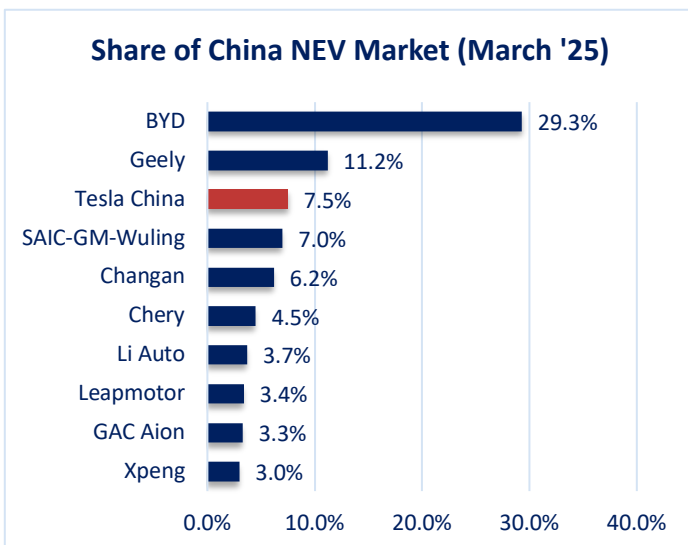


Source: Cox Automotive, Kelly Blue Book, @Piloly on X

China

As of March 2025, Tesla held a 7.5% market share in new electric vehicle sales, coming in behind BYD (29.3%) and Geely (11.2%)⁸. Although BYD has the largest share in the market, we note that their market share in 2025 is down from 36.6% in the same period last year⁸. Tesla's retail sales in China came in at 74,127 units in March (up 18.8% from 62,398 in the same month last year)⁸. Notably, their market share is up 3.7% from the share held in February of this year (2.8%) but is down from 8.8% a year earlier⁸.

Our take on the dramatic swings in market share relates to the Model Y revamp (Tesla's best-selling model in China), in which production at the Shanghai plant was effectively suspended for three weeks over the Chinese Lunar New Year⁹ and increasing competition in China. In our view, the key to Tesla holding or growing market share in China is through the launch of a lower-cost vehicle.



Source: NEVPost, NEV = New Energy Vehicle

Cost Structure Analysis

Tesla's margin profile has come under pressure since its 2022 peak, with automotive gross margins falling from 29.3% in 2021 to 18.4% by mid-2024. On a firm wide basis (including Auto, Energy, and Other), gross margins fell from 25.6% in 2022 to 17.9% in 2024. This decline was primarily driven by aggressive price cuts across Tesla's vehicle lineup, as the company sought to defend market share against intensifying competition from both legacy automakers and new entrants (BYD). At the same time, margins were slightly impacted by product mix, as the company produced more lower margin Model 3s and Model Ys. Furthermore, there was a sharp uptick in R&D and SG&A expense as the company built out new capacity, along with persistent cost pressures for battery materials.

TSLA Historical Margins				
Year	2021	2022	2023	2024
GPM	25.3%	25.6%	18.3%	17.9%
OPM	12.1%	17.0%	9.2%	7.9%
NPM	10.3%	15.5%	15.5%	7.3%

Source: Tesla 10K

Our margin forecast for the first 5 years of our forecast is displayed below. We provide a detailed description of our margin forecasts under the "Valuation" section of this report.

TSLA Forecasted Margins				
Year	2025e	2026e	2027e	2028e
GPM	17.9%	18.7%	20.4%	22.2%
OPM	7.7%	9.3%	10.7%	13.0%
NPM	7.0%	8.1%	9.2%	10.9%

Source: HF Model

Debt Maturity Analysis

Tesla's debt profile is well-structured, with the most significant obligations concentrated in the near term. The company faces principal payments of \$2.35 billion in 2025 and \$4.12 billion in 2026, followed by smaller maturities in each subsequent year. The total outstanding debt principal was \$7.91 billion as of year-end 2024.

Looking ahead, we believe Tesla's financial position is more than sufficient to comfortably address these maturities. We project the company to generate over \$13 billion in operating cash flow annually throughout our forecast period, and its interest coverage ratio is expected

to remain strong (16.6x in 2025, rising to 44.6x in 2034). Tesla also has a cash balance of \$37 billion as of Q1 2025. Tesla's investment grade credit rating (BBB from S&P Global) is roughly on par with the peer group. Given the company's ample liquidity and strong cash generation, we do not anticipate any refinancing risk or constraints related to upcoming maturities over our forecast horizon.

Five-Year Debt Maturity Schedule	
Fiscal Year	Payment (\$M)
2025	2,353
2026	4,116
2027	699
2028	243
2029	95
Thereafter	401
Total Debt Principal	7,907

Source: Tesla 10K

ESG Analysis

Tesla holds a medium risk rating and a score of 24.8 from Morningstar Sustainalytics, ranking better than most major auto peers except Mercedes-Benz. In our view, TSLA's rating excels in the environmental aspect; however, faces the possibility of a worsening score through a variety of social and governance related issues.

Socially, Elon Musk has been quite polarizing, which in our view, does not help convert traditional ICE-loving consumers into EV drivers. Whether you agree with him or not, no CEO should be as open as Elon is with politics – it only introduces opportunities to turn away consumers that otherwise would be a buyer of your product.

Company	Rating	Score
Tesla (TSLA)	Medium	24.8
Ford Motor Co. (F)	Medium	27.6
General Motors Co. (GM)	Medium	27.0
BYD Co. (BYDDY)	Medium	28.0
Volkswagen AG (VWAGY)	Medium	26.9
Mercedes-Benz Group (MBGAF)	Medium	21.2
Toyota Motor Co. (TM)	Medium	28.0

Source: Morningstar Sustainalytics¹¹

RECENT DEVELOPMENTS

Recent Earnings Announcement

Tesla reported Q1 2025 earnings on April 22, 2025. The

quarter was worse than expected, with EPS coming in at \$0.27 vs. expectations of \$0.43. Revenue also missed, coming in at \$19.3 billion vs. expectations of \$21.1 billion.

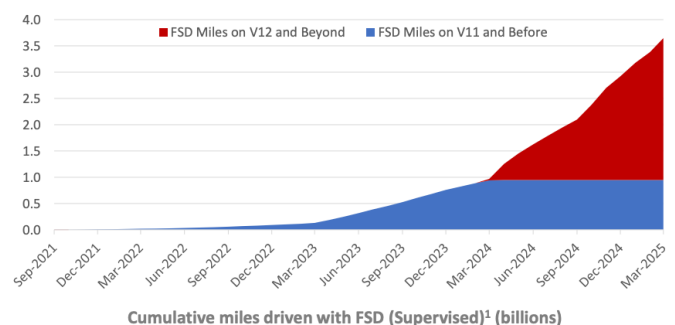
Total revenue for the quarter reached \$19.3 billion, down 9% YoY, driven by a 20% decline in automotive revenues, and partially offset by strength in Energy Generation (+67% YoY) and Services and Other (+15% YoY). Vehicle deliveries totaled 336,381 in Q1, down 13% YoY.

Profitability faced headwinds during the quarter, with operating income declining 66% YoY to \$0.4 billion and operating margins contracting to 2.1% from 5.5% in the same period last year.

The automotive segment declined due to weak deliveries and reduced vehicle average selling prices. Regulatory credits for the quarter came in at \$595 million, which in our view is a contributing factor as to why EPS for the quarter wasn't worse than already reported.

Energy emerged as a bright spot with 10.4 GWh deployed, resulting in energy revenue of \$2.7 billion (+67% YoY). We expect the energy segment to continue its strong growth trajectory as the new Megafactory in Shanghai continues to ramp production.

In our view, the key to the bull story is FSD and Artificial Intelligence, in which 2024 was a monumental year as many investors sit in "show-me" territory. Although Elon and the Tesla team may have been wrong on timing in the past, FSD is closer than it appears. Out of the collective 3.6 billion miles driven on FSD, 2.2 billion miles came in 2024 alone. With the deployment of Cortex, an absurdly massive 50,000 H100 training cluster at Gigafactory Texas, and an increasing number of vehicles using the technology, we believe it is only a matter of time before FSD exceeds human levels of safety.



Source: TSLA Q1 2025 Shareholder Deck

Q1 Deliveries

Tesla's Q1 2025 deliveries fell 13% YoY to 336,681, while production fell 16% YoY to 362,615. Below, we lay out deliveries in a granular view relative to Street estimates:

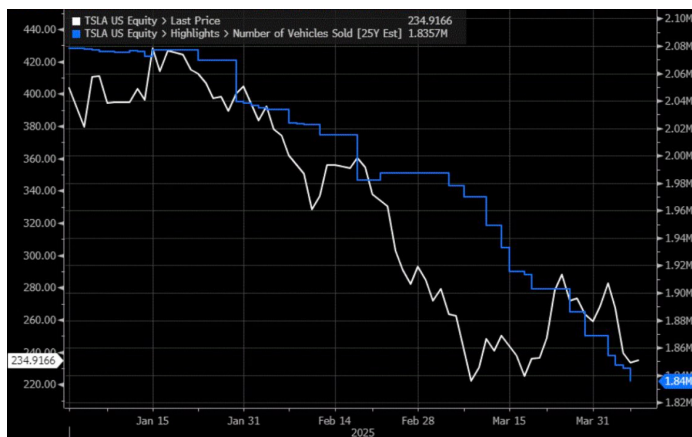
Model	Deliveries (Actuals)	Deliveries (Estimates)
Model 3/Y	323,800	381,536
Other Models	12,881	16,335

Source: Tesla Q1 Production & Deliveries¹²

The miss in deliveries should not go unnoticed, however; in our view, the miss has been incorrectly painted as solely the result of Elon Musk's behavior within the political space (DOGE). Taking this argument as truth is not the correct way to look at it in our view, as many critics fail to acknowledge the key driver of the shortfall: the Model Y revamp. That said, we are in the camp that his behavior partially impacted deliveries, and that drag will likely persist if his involvement in DOGE continues.

The revamp required multi-week production line shutdowns across Tesla's four major factories (Giga Texas, Fremont, Giga Shanghai, and Giga Berlin). To us, it is shocking that this was somehow a surprise, as Vaibhav Taneja, CFO of Tesla, acknowledged the following during the January 29th earnings call: "This changeover will result in several weeks of lost production in the quarter. As a result, margins will be impacted due to idle capacity and other ramp-related costs, as is common in any launch but will be overcome as production is ramped."¹³

It is our view that deliveries will be the main driver of the stock relative to margins and earnings in the near term, which aligns with the price action and delivery revisions shown below:



Source: Bloomberg

One CEO, Seven Jobs

Elon Musk's sprawling empire spans seven high-stakes roles: CEO of Tesla, SpaceX, X Corp., Neuralink, The Boring Company, xAI, and de facto head of the Department of Government Efficiency (DOGE). This unprecedented workload causes us to raise questions about its toll on Tesla's execution and strategic goals. In our view, Tesla faces significant short-term execution risk which has potential to persist in the long run.

Given Elon's role in DOGE, we feel it is important to highlight the impact that this has had on Tesla. Brand wise, we certainly agree that damage has been done, as individuals "protesting" Elon's involvement have turned to keying cars, lighting Superchargers on fire, and even shooting into Tesla dealerships. Although these attacks are aimed at Elon, they mostly affect the individuals purchasing the cars. An individual wishing to purchase the car they desire might choose to go with another option out of fear of having their car damaged or a disruption to their daily life (not being able to charge their car, etc.).

In our view, Elon has recognized the strain that DOGE has had on Tesla. We are hopeful that after his 130 day "special government employee" appointment that he will return to focusing on creating the most efficient and safest vehicles on the market.

INDUSTRY TRENDS

Global Competition

The global electric vehicle market is undergoing a major reshuffling as competition intensifies among automakers in a rapidly growing industry. BYD and TSLA lead the market, accounting for 33% of global EV sales in 2024, surpassing the combined share of all major non-Chinese automakers and other Chinese brands. BYD has overtaken Tesla as the top-selling EV company globally, driven by its strategy of producing more affordable models. Outside of China, TSLA remains dominant in the U.S., holding 43.5% of share in Q1 2025, but its share continues to decrease as legacy automakers expand capacity and introduce new models.

Looking forward, we expect the winner of this reshuffling to be the company that can deliver affordable models with a demonstrated charging network. A recent S&P Global report highlighted that nearly half of global respondents

think EV prices are still too high, while a survey by Recurrent (a used EV platform) found that nearly 4 out of 5 future EV owners reported high levels of range anxiety¹⁴.

Autonomous Driving

Autonomous driving has made significant strides in recent years, driven by advances in AI, sensor technology, and computing power. While full Level 5 autonomy – where a vehicle can operate under any conditions without human input – is far from reality, the industry has made strong progress toward Level 2 and Level 3. Tesla continues to position itself at the forefront of this trend through its vision-based FSD software. The company's approach contrasts with peers like Waymo and Cruise, which rely heavily on LiDAR and geofencing. In our view, Tesla's bet on a scalable, cheaper, camera-only system is a bold move; however, if the company can continue making progress as rapidly as shown in 2024, it will provide Tesla with a significant advantage in terms of global EV sales.

Outside of geofenced areas, most auto manufacturers are within level 2 and level 3 of autonomy. The following table provides a breakdown on what each level entails:

Levels of Vehicle Autonomy	
Level	Description
Level 0	No Automation
Level 1	Driver Assistance
Level 2	Partial Automation
Level 3	Conditional Automation
Level 4	High Automation
Level 5	Full Automation

Source: National Highway Traffic Safety Administration

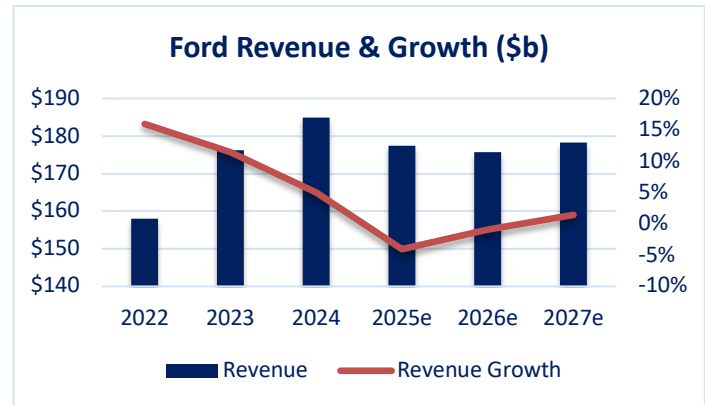
MARKETS AND COMPETITION

Our peer group consists of automakers who generate the majority of revenue from auto sales, such as Ford, General Motors, BYD, Mercedes-Benz, and Toyota.

Ford Motor Company (F)

Ford Motor Company, founded in 1903 and headquartered in Dearborn, Michigan, is a historic U.S. automaker known for its Mustang, F-Series trucks, and Explorer. The company has ramped up its EV push, offering the Mustang Mach-E, F-150 Lightning, Puma Gen-E, E-Tourneo Courier, and E-Transit Courier¹⁵. The Puma, Tourneo, and Transit models are produced by Ford

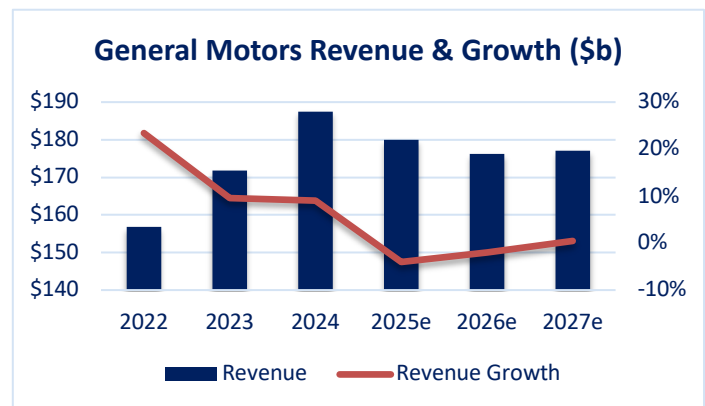
Otosan, a joint venture with Koc Holding, targeting Europe's EV market¹⁵. Prices range from \$38,490 to \$57,090, varying by model and features. In 2024, Ford derived 78.0% of its revenue from the Americas, 12.3% from Europe, 6.1% from Asia/Pacific, and 3.6% from Africa and the Middle East¹³.



Source: Ford SEC Filings, FactSet

General Motors Company (GM)

General Motors Company, founded in 1908 and headquartered in Detroit, Michigan, ranks among the world's leading automakers. Known for brands like Chevrolet, GMC, Cadillac, and Buick, GM has pledged to phase out tailpipe emissions from new light-duty vehicles by 2035. Its EV lineup includes the Chevrolet Equinox EV, Chevrolet Blazer EV, Chevrolet Silverado EV, GMC Sierra EV, and GMC Hummer EV, with prices ranging from \$41,900 to \$96,550¹⁶. In 2024, GM generated 84.3% of its revenue from the Americas, 8.0% from Asia/Pacific, 5.8% from Europe, and 1.9% from Africa and the Middle East¹³.

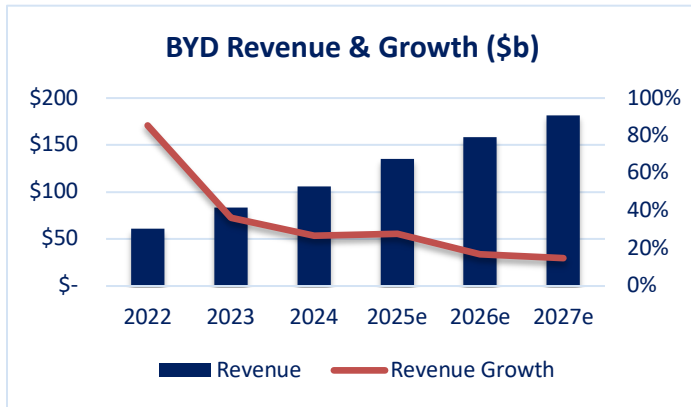


Source: GM SEC Filings, FactSet

BYD Company (BYDDY)

BYD Company, founded in 1995 and headquartered in Shenzhen, China, is a global leader in EVs and battery

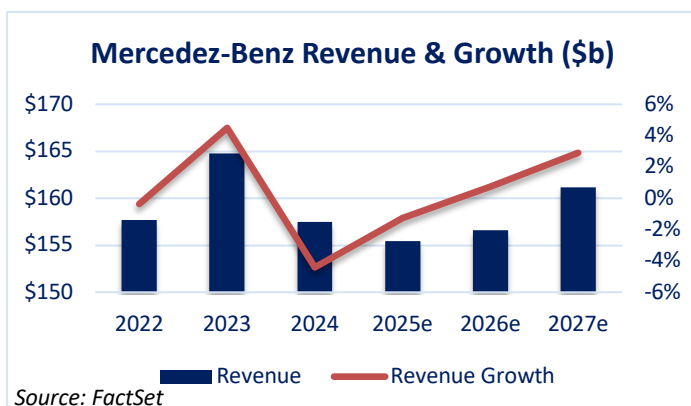
technology. Known for its Blade Battery and affordable EVs, BYD's lineup includes the Atto 3, Dolphin, Seal, Han EV, and Tang EV. The company has aggressively expanded its EV and plug-in hybrid offerings, surpassing Tesla in global EV sales in Q4 2024 with 526,000 units delivered. In 2024, BYD generated 80.2% of its revenue from Asia/Pacific, 13.2% from Europe, 3.8% from the Americas, and 2.8% from Africa and the Middle East¹³.



Source: FactSet

Mercedes-Benz Group (MBGAF)

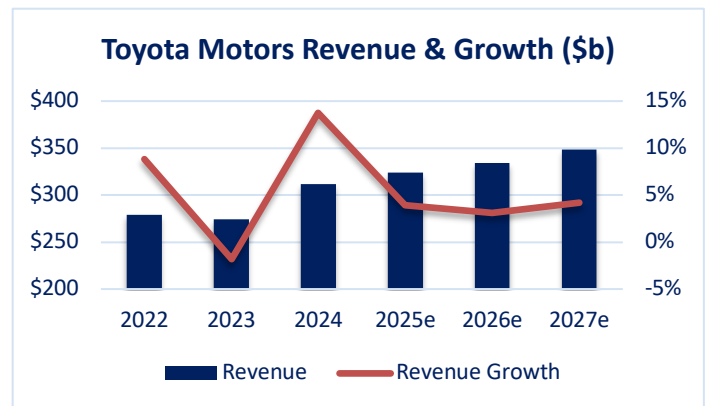
Mercedes-Benz Group is a global leader in luxury automobiles and commercial vehicles. Its product lineup spans luxury sedans, SUVs, sports cars, and vans, with flagship models like the S-Class, GLE, and G-Class. Mercedes-Benz is aggressively expanding its electric vehicle portfolio under the "EQ" sub-brand. The current lineup includes the EQE and EQS sedans, the EQB and EQE SUVs, and the high-end EQS SUV. Mercedes aims to go fully electric by 2030 and continues to invest heavily in battery production, software development, and their EV infrastructure¹⁸. The company's product lineup comes with a price tag range of \$52,750 to \$181,050. In 2024, MBGAF generated 40.4% of revenue in Europe, 29.2% in the Americas, 28.9% in Asia/Pacific, and 1.5% in Africa and the Middle East¹³.



Source: FactSet

Toyota Motor Company (TM)

Toyota Motor Company, founded in 1937 and headquartered in Toyota City, Japan, is one of the largest and most respected automakers. Toyota is best known for its focus on quality and durability, and its models like the Corolla, Camry, and RAV4. Toyota's current electric vehicle lineup includes the bZ4X, the C-HR, and the Urban Cruiser. The company has plans to launch 10 new electric vehicles globally by 2027¹⁹. The company's product lineup comes with a price tag of \$38,465 to \$45,275. In 2024, TM generated 44.6% of revenue in the Americas, 36.4% in Asia/Pacific, 12.0% in Europe, and 7.0% in Africa and the Middle East¹³.



Source: FactSet

Profitability

Despite the recent downturn in TSLA's fundamentals, the company consistently outperforms its traditional automotive peers across key profitability and capital efficiency metrics. TSLA's net margin of 7.3% is well above the peer median of 4.3%, driven by operational leverage and a heavier software revenue mix (FSD). TSLA's operating margin (7.9%) and FCF margin (3.7%) also exceed the peer median of 6.9% and 1.3%, respectively.

In our view, TSLA's superior metrics are the result of its structurally different business model that has an increasing focus on software (FSD), direct sales, and vertical integration (batteries, software, etc.), which reduces costs and improves margins. Furthermore, TSLA's Gigafactories are built with scale and automation in mind. Recently, TSLA announced that Giga Texas now utilizes unsupervised FSD to deliver cars from the production line to the outbound logistics lot²⁰ – when you consider Giga Texas's production capacity of roughly 250,000 Model Y's annually, this has potential to lead to a significant

reduction in SG&A through less compensation expense.

	Net Margin	Op. Margin	Gross Margin	FCF Margin
Ford Motor Co.	3.2%	2.8%	12.7%	3.6%
General Motors Co.	3.2%	6.8%	17.4%	-3.2%
BYD Co.	5.3%	4.7%	16.5%	4.8%
Volkswagen AG	3.3%	7.5%	18.8%	-3.2%
Mercedes-Benz Group	7.0%	7.0%	19.9%	9.4%
Toyota Motor Co.	11.0%	11.9%	20.8%	-1.1%
Median	4.3%	6.9%	18.1%	1.3%
Tesla	7.3%	7.9%	17.9%	3.7%

Source: FactSet, Metrics are FY24

	ROIC	ROE	ROA	ROTC
Ford Motor Co.	4.0%	13.4%	2.1%	2.6%
General Motors Co.	4.0%	9.4%	2.2%	6.6%
BYD Co.	22.2%	26.1%	5.5%	16.2%
Volkswagen AG	3.5%	6.6%	1.7%	5.7%
Mercedes-Benz Group	6.4%	11.2%	3.9%	5.0%
Toyota Motor Co.	9.7%	15.6%	5.9%	8.1%
Median	5.2%	12.3%	3.0%	6.1%
Tesla	9.4%	10.5%	6.2%	9.7%

Source: FactSet, Metrics are FY24

BS / CF Snapshot

TSLA stands out with a strong balance sheet and disciplined capital structure that sharply contrasts the highly levered profiles of legacy automakers. The company holds \$23.4 billion in net cash, while peers carry a median \$111.9 billion in net debt. TSLA's D/E ratio is far below the peer median of 140.5%, showcasing the company's ability to scale without excessive leverage.

On the cash flow side, TSLA generated \$3.6 billion in FCF in 2024. While some peers report higher FCF, many also face negative FCF and FCF conversion rates due to the high CapEx requirements of transitioning their legacy ICE production lines to be capable of producing EVs. In our view, TSLA's strong FCF conversion relative to the peer group reflects its vertically integrated operations and low-cost manufacturing.

	Net Debt	D/E	FCF	FCF Conv.
Ford Motor Co.	122,514	358.8%	6,739	61.5%
General Motors Co.	101,202	207.6%	(5,980)	-24.7%
BYD Co.	(11,773)	33.9%	5,080	35.6%
Volkswagen AG	207,461	159.1%	(11,136)	-19.0%
Mercedes-Benz Group	94,438	121.8%	14,814	55.2%
Toyota Motor Co.	179,389	106.8%	(3,511)	-6.8%
Median	111,858	140.5%	785	14.4%
Tesla	(23,434)	18.7%	3,581	27.3%

Source: FactSet, Metrics are FY24

Other Peer Metrics

TSLA significantly outpaces peers (aside from BYDDY) in both top and bottom-line growth, with a 3-year sales CAGR of 16.2% and a 3-year EPS CAGR of 21.6%. In our view, TSLA has magnitudes more opportunity relative to legacy automakers driven by the expected launches of numerous products (Optimus, Cybercab, Model 2, Unsupervised FSD,

Dojo, etc.) that have potential to drastically increase TSLA's TAM.

	3Y Sales CAGR	3Y EPS CAGR	3Y FCF EV CAGR	Deliveries Last FYE
Ford Motor Co.	-1.2%	-8.9%	-18.0%	285,291
General Motors Co.	-1.9%	-2.0%	-21.0%	114,432
BYD Co.	19.3%	25.1%	42.5%	1,764,992
Volkswagen AG	2.4%	11.1%	30.2%	744,800
Mercedes-Benz Group	1.9%	1.1%	-3.9%	185,059
Toyota Motor Co.	6.3%	1.0%	NM	1,006,461
Median	2.1%	1.1%	-3.9%	515,046
Tesla	16.2%	21.6%	34.7%	1,789,226

Source: FactSet

In light of the recent auto tariff announcements, we believe it is important to highlight each company's top three revenue exposures by country. As noted below, we believe TSLA will be less impacted relative to our peer group.

	#1 Revenue Exposure	#2 Revenue Exposure	#3 Revenue Exposure
Ford Motor Co.	U.S. (68%)	Canada (7%)	UK (5%)
General Motors Co.	U.S. (82%)	China (4%)	Germany (1%)
BYD Co.	China (70%)	Germany (3%)	Japan (2%)
Volkswagen AG	Germany (19%)	U.S. (18%)	China (9%)
Mercedes-Benz Group	U.S. (24%)	China (16%)	Germany (15%)
Toyota Motor Co.	U.S. (34%)	Japan (16%)	China (12%)
Median	-	-	-
Tesla	U.S. (49%)	China (21%)	Germany (2%)

Source: FactSet

ECONOMIC OUTLOOK

Tariffs...

The Trump Administration signed a proclamation invoking Section 232 of the Trade Expansion Act of 1962 to impose a 25% on imports of automobiles and certain automobile parts on March 26, 2025²¹.

In our view, these tariffs will create drastic disruption in the U.S. auto industry, while Tesla will likely fare better than legacy automakers. Tesla assembles all its U.S. sold vehicles in California and Texas and sources 60-75% of its parts domestically or from Canada, making it largely insulated from the tariffs' direct impact on finished vehicles²². That said, Tesla solely manufactures the Model S and Model X vehicles in the U.S. and exports them into China. Given the trade war currently occurring between the U.S. and China, Tesla has suspended new orders for these vehicles on its Chinese website. We note that this is likely to have a minimal impact on overall vehicle sales, as Tesla exported only 1,864 vehicles to China in 2024 (1,553 Model X's and 311 Model S's).

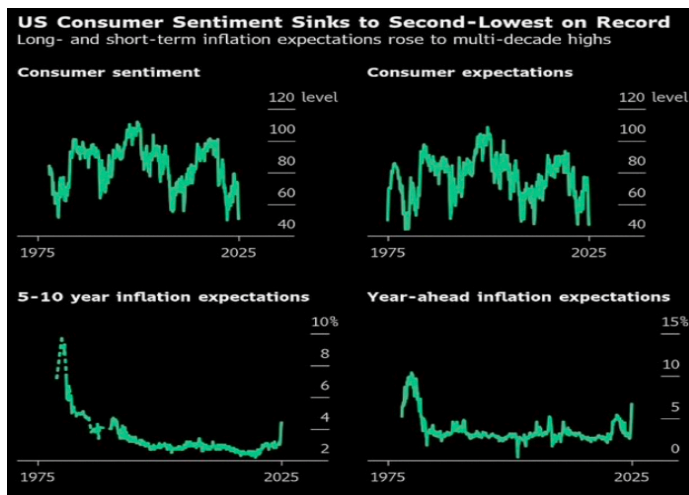
We expect the broader auto industry to take a bigger hit

from these tariffs. Estimates on the average increase in car prices range from \$2,000 to \$4,000 and are expected to hit entry-level vehicles the hardest²³. Several analysts and consulting firms have indicated that the increase in cost for automakers could exceed \$100 billion, with Ford, General Motors, and Stellantis facing \$41.9 billion of that total²³.

Consumer Sentiment / Inflation Expectations

The University of Michigan's recent consumer sentiment data, as shown below, reveals a troubling trend for the U.S. economy, with potential to drastically impact Tesla's sales outlook. Consumer sentiment has plummeted to its second-lowest reading on record. This decline is paired with a sharp rise in inflation expectations, with short- and long-term inflation expectations reaching multi-decade highs. These elevated inflation fears signal that consumers anticipate sustained price pressures, which could erode their purchasing power and willingness to make discretionary purchases.

For Tesla, we view this environment as a dual threat to sales. First, low consumer sentiment often translates into reduced discretionary spending, particularly on high-ticket items such as electric vehicles, which remain a premium purchase relative to ICE vehicles despite Tesla's recent price cuts. Second, rising inflation expectations could further dampen demand as buyers delay purchases. If the Federal Reserve responds to an increase in inflation or these expectations by raising rates, we could very well see auto loan rates sharply increase, further impacting Tesla's sales as consumer wait for rates to drop.

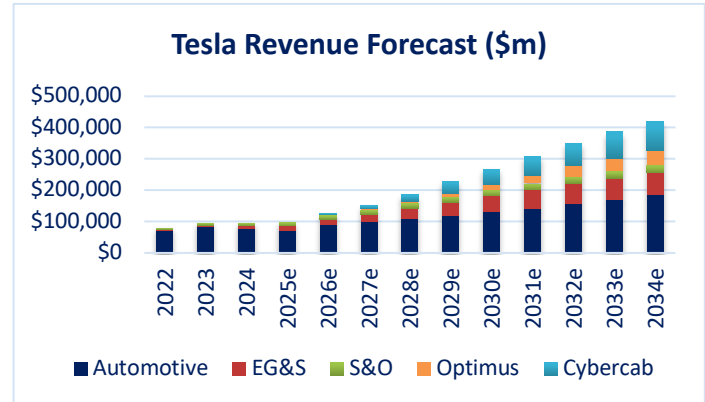


Source: University of Michigan, Bloomberg

VALUATION

Revenue Assumptions

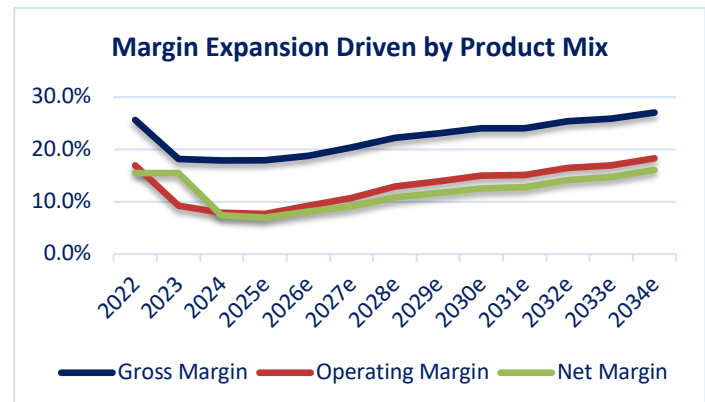
Our revenue assumptions by segment are explained in greater detail under the "Company Description" section of this report. Our forecasts for FY25 and FY26 closely resemble consensus growth estimates. From FY27 onwards, we incorporate our growth expectations. On a firm wide basis, our revenue forecast reflects a 10-year CAGR of 15.7%.



Source: HF Model, TSLA 10K

Margin Forecast

Most of our margin expansion forecast is driven by product mix that will lead to significant improvement in gross margin. Provided that FSD is software and is a component of every TSLA vehicle (it just requires activation), we estimate the FSD carries a gross margin of 90% throughout our forecast. The other key drivers of gross margin in our model are tied to auto (the S3XY lineup and Cybercab) and Optimus. Regarding the traditional S3XY lineup, we forecast gross margin to rebound from 18.4% in 2024 to 25.0% in 2034, lower than the peak seen in 2021 (29.3%).



Source: HF Model, TSLA 10K

We also forecast slight reductions in R&D and SG&A as a percentage of sales, primarily driven by operational efficiency.

CapEx

We forecast TSLA's capital expenditures to total approximately \$11 billion in 2025, rising steadily to \$12 billion by 2034. This trajectory aligns with current consensus expectations and reflects management's ongoing investment in new gigafactory buildouts to boost production capacity for its vehicles, battery cell production, and AI infrastructure to support FSD development and Dojo expansion.

WACC

Our discount rate for TSLA is 10.63%. The cost of equity was calculated using the risk-free rate of 4.00%, an adjusted beta of 1.35, and an equity risk premium of 5.00% (HF estimate). These inputs resulted in a cost of equity of 10.75%. The after-tax cost of debt was calculated using a pre-tax cost of debt of 5.56% (sourced from FactSet) and a tax rate of 21%. These inputs resulted in an after-tax cost of debt of 4.39%. The weight of equity and debt were calculated to be 98.17% and 1.83%, respectively.

DCF & DDM

Our enterprise discounted cash flow (DCF) and economic profit (EP) models resulted in an intrinsic value per share of \$175. The primary inputs used in these models consisted of TV growth of 7.25% for NOPLAT, a TV ROIC of 30.51%, a cost of equity of 10.75%, and a discount rate of 10.63%. Our target price is solely determined by our DCF model, as it allows us to incorporate TSLA's long-term cash flow potential from emerging growth drivers (FSD, Optimus, Dojo, and Energy Storage).

Our dividend discount model (DDM) resulted in an intrinsic value per share of \$102. The primary inputs used in this model consisted of TV growth of 5.00% for EPS, a TV ROE of 19.62%, and a cost of equity of 10.75%. The primary driver of the models implied intrinsic value for TSLA is through our terminal year P/E multiple. We forecast no dividends or share repurchases through 2034.

Relative Valuation

Our relative valuation models leveraged FY1 and FY2 P/E, P/S, and EV/EBITDA multiples. The following table displays the values used for each multiple and the resulting implied valuation:

Multiple	Value	Implied Price
P/E (FY1)	8.2x	\$17
P/E (FY2)	7.4x	\$23
P/S (FY1)	0.5x	\$15
P/S (FY2)	0.4x	\$18
EV/EBITDA (FY1)	6.7x	\$29
EV/EBITDA (FY2)	6.5x	\$40

Source: HF Model

We place no weight on the relative valuation models. Although we believe that TSLA is currently a car company (79%), we feel as if it is unfair to not acknowledge the different growth profile that TSLA has relative to our peer group. TSLA has historically traded at a premium relative to our peer group, and we feel as if a premium is justified given the growth outlook and potential TAM for Tesla's products.

Henry Fund vs. Consensus

Estimates			
	Rev	2025e EPS	Deliveries
HF	99188	2.09	1686
Consensus	103207	2.27	1773
% Difference	-3.9%	-7.9%	-4.9%
% Growth Y/Y (HF)	1.5%	-6.3%	-5.7%

Estimates			
	Rev	2026e EPS	Deliveries
HF	129342	3.08	2059
Consensus	124733	3.23	2154
% Difference	3.7%	-4.7%	-4.4%
% Growth Y/Y (HF)	25.3%	35.6%	16.1%

Estimates			
	Rev	2027e EPS	Deliveries
HF	153138	4.01	2302
Consensus	152181	4.38	2410
% Difference	0.6%	-8.5%	-4.5%
% Growth Y/Y (HF)	18.4%	30.2%	11.8%

Source: HF Model, FactSet

KEYS TO MONITOR

Tesla's stock price will be driven by its ability to execute. Vehicle deliveries will remain a critical short-term metric, but long-term valuation will hinge on the progress of Optimus, FSD, Model 2, and Cybercab. If successfully commercialized, we see significant upside; however, execution risk remains elevated in the near-to-medium term.

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Tesla

Vehicle Deliveries & Production, Optimus, and Eneray

\$ in millions	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34
Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Deliveries (Actuals)													
Model S & X	66,705	68,874	85,133	68,249	120,246	168,787	202,545	232,927	267,866	294,652	324,117	340,323	357,339
Q/Q (Y/Y) Growth	167.5%	3.3%	23.6%	-19.8%	76.2%	40.4%	20.0%	15.0%	15.0%	10.0%	10.0%	5.0%	5.0%
Model 3 & Y	1,247,146	1,739,707	1,704,093	1,617,549	1,875,613	2,038,878	2,181,600	2,334,311	2,497,713	2,622,599	2,753,729	2,863,878	2,978,433
Q/Q (Y/Y) Growth	36.9%	39.5%	-2.0%	-5.1%	16.0%	8.7%	7.0%	7.0%	7.0%	5.0%	5.0%	4.0%	4.0%
Cybertruck	-	-	-	-	37,932	40,560	43,805	46,871	49,683	52,167	54,776	56,967	59,246
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	6.9%	8.0%	7.0%	6.0%	5.0%	5.0%	4.0%	4.0%
Tesla Semi	-	-	-	-	500	1,000	1,750	2,625	3,938	4,922	6,152	7,383	8,121
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	100.0%	75.0%	50.0%	50.0%	25.0%	25.0%	20.0%	10.0%
Model 2	-	-	-	-	25,072	53,194	103,729	176,340	282,143	451,429	677,144	948,002	1,232,402
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	112.2%	95.0%	70.0%	60.0%	60.0%	50.0%	40.0%	30.0%
Total Deliveries	1,313,851	1,808,581	1,789,226	1,685,798	2,059,363	2,302,420	2,533,428	2,793,074	3,101,343	3,425,770	3,815,918	4,216,552	4,635,541
Q/Q (Y/Y) Growth	40.4%	37.7%	-1.1%	-5.8%	22.2%	11.8%	10.0%	10.2%	11.0%	10.5%	11.4%	10.5%	9.9%
Charging & Location Metrics													
Mobile Service Fleet	1,584	1,909	1,895	2,162	2,399	2,589	2,874	3,160	3,464	3,817	4,196	4,612	4,842
Q/Q (Y/Y) Growth	23.7%	20.5%	-0.7%	14.1%	11.0%	7.9%	11.0%	10.0%	9.6%	10.2%	9.9%	9.9%	5.0%
Supercharger Stations	4,678	5,952	6,975	8,004	9,008	9,942	11,191	12,514	13,964	15,638	17,484	19,545	21,011
Q/Q (Y/Y) Growth	34.6%	27.2%	17.2%	14.7%	12.5%	10.4%	12.6%	11.8%	11.6%	12.0%	11.8%	11.8%	7.5%
Supercharger Connectors	42,419	54,892	65,495	75,154	84,582	93,358	105,080	117,507	131,122	146,842	164,170	183,529	197,294
Q/Q (Y/Y) Growth	34.7%	29.4%	19.3%	14.7%	12.5%	10.4%	12.6%	11.8%	11.6%	12.0%	11.8%	11.8%	7.5%
Station-to-Connector Ratio	11.0%	10.8%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%
Optimus													
Optimus Units	-	-	-	-	-	70,000	140,000	280,000	504,000	806,400	1,128,960	1,354,752	1,490,227
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	NA	100.0%	100.0%	80.0%	60.0%	40.0%	20.0%	10.0%
Optimus Revenue	-	-	-	-	-	2,100	4,200	8,400	15,120	24,192	33,869	40,643	44,707
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	NA	100.0%	100.0%	80.0%	60.0%	40.0%	20.0%	10.0%
Cybercab													
Estimated Miles Driven - Global (Taxi/Ride Share) in billions	-	-	-	-	80,602	82,226	83,883	85,573	87,298	89,057	90,851	92,682	94,550
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
% Market Share Captured by Cybercab	NA	NA	NA	NA	2.0%	2.3%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%
Cost	-	-	-	-	\$ 5.00	\$ 5.00	\$ 7.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Miles Driven	-	-	-	-	1,612	2,467	3,355	4,279	5,238	6,234	7,268	8,341	9,455
Cybercab Ride Share Revenue	-	-	-	-	8,060	12,334	23,487	42,787	52,379	62,340	72,681	83,414	94,550
FSD Forecast													
New Deliveries	-	-	-	1,685,798	2,059,363	2,302,420	2,533,428	2,793,074	3,101,343	3,425,770	3,815,918	4,216,552	4,635,541
Take Rate	NA	NA	NA	15.0%	20.0%	25.0%	30.0%	35.0%	45.0%	50.0%	60.0%	65.0%	70.0%
Total New FSD Adoption	-	-	-	252,870	411,873	575,605	760,028	977,576	1,395,604	1,712,885	2,289,551	2,740,759	3,244,879
FSD Annual Subscription Cost (12 x \$99)	-	-	-	1,188	1,188	1,188	1,250	1,300	1,350	1,400	1,400	1,400	1,400
Total New FSD Revenue	-	-	-	300	489	684	950	1,271	1,884	2,398	3,205	3,837	4,543
Average Selling Prices													
Model S & X	97,608	83,730	77,632	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Model 3 & Y	48,804	41,865	38,816	37,500	37,000	36,500	36,250	36,000	35,750	35,500	35,500	35,500	35,500
Cybertruck	-	-	-	-	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Tesla Semi	-	-	-	-	170,000	170,000	170,000	170,000	167,500	165,000	162,500	160,000	157,500
Next-Gen Vehicle/Model 2	-	-	-	-	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Optimus	-	-	-	-	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Geographic Breakdown													
United States	40,553	45,235	47,725	47,147	62,434	73,233	90,005	111,385	129,355	148,497	168,176	185,154	201,419
Q/Q (Y/Y) Growth	69.2%	11.5%	5.5%	-1.2%	32.4%	17.3%	22.9%	23.8%	16.1%	14.8%	13.3%	10.1%	8.8%
Other International	22,764	29,793	29,021	29,243	38,015	45,697	56,138	68,717	80,037	91,836	104,330	114,728	124,642
Q/Q (Y/Y) Growth	42.2%	30.9%	-2.6%	0.8%	30.0%	20.2%	22.8%	22.4%	16.5%	14.7%	13.6%	10.0%	8.6%
China	18,145	21,745	20,944	22,798	28,894	34,208	41,978	51,638	60,623	69,156	78,419	86,305	93,876
Q/Q (Y/Y) Growth	31.1%	19.8%	-3.7%	8.9%	26.7%	18.4%	22.7%	23.0%	17.4%	14.1%	13.4%	10.1%	8.8%
Total Revenue	81,462	96,773	97,690	99,188	129,342	153,138	188,121	231,740	270,015	309,489	350,924	386,187	419,937
Q/Q (Y/Y) Growth	51.4%	18.8%	0.9%	1.5%	30.4%	18.4%	22.8%	23.2%	16.5%	14.6%	13.4%	10.0%	8.9%
United States	49.8%	46.7%	48.9%	47.5%	48.3%	47.8%	47.8%	48.1%	47.9%	48.0%	47.9%	47.9%	48.0%
Other International	27.9%	30.8%	29.7%	29.5%	29.4%	29.8%	29.8%	29.7%	29.6%	29.7%	29.7%	29.7%	29.7%
China	22.3%	22.5%	21.4%	23.0%	22.3%	22.3%	22.3%	22.3%	22.5%	22.3%	22.3%	22.3%	22.4%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Tesla
Revenue Decomposition

\$ in millions	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34
Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Automotive Revenues													
Automotive Sales	67,210	78,509	72,480	66,118	82,826	92,800	101,941	111,715	123,116	134,074	147,690	160,702	174,231
Q/Q (Y/Y) Growth	52.3%	16.8%	-7.7%	-8.8%	25.3%	12.0%	9.9%	9.6%	10.2%	8.9%	10.2%	8.8%	8.4%
Automotive Regulatory Credits	1,776	1,790	2,763	3,023	3,323	3,653	3,544	3,434	3,324	3,214	3,105	2,996	2,888
Q/Q (Y/Y) Growth	21.2%	0.8%	54.4%	9.4%	9.9%	9.9%	-3.0%	-3.1%	-3.2%	-3.3%	-3.4%	-3.5%	-3.6%
Automotive Leasing	2,476	2,120	1,827	1,794	1,804	1,813	1,831	1,850	1,868	1,887	1,906	1,925	1,944
Q/Q (Y/Y) Growth	50.8%	-14.4%	-13.8%	-1.8%	0.5%	0.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
FSD Sales	-	-	-	300	489	684	950	1,271	1,884	2,398	3,205	3,837	4,543
Q/Q (Y/Y) Growth	NA	NA	NA	NA	62.9%	39.8%	38.9%	33.8%	48.3%	27.3%	33.7%	19.7%	18.4%
Total Automotive Revenues	71,462	82,419	77,070	71,236	88,442	98,950	108,266	118,269	130,192	141,573	155,906	169,460	183,606
Q/Q (Y/Y) Growth	51.3%	15.3%	-6.5%	-7.6%	24.2%	11.9%	9.4%	9.2%	10.1%	8.7%	10.1%	8.7%	8.3%
Energy Generation and Storage	3,909	6,035	10,086	15,781	19,040	24,109	34,958	43,698	52,437	60,303	66,333	69,650	73,132
Q/Q (Y/Y) Growth	40.2%	54.4%	67.1%	56.5%	20.7%	26.6%	45.0%	25.0%	20.0%	15.0%	10.0%	5.0%	5.0%
Services and Other	6,091	8,319	10,534	12,172	13,800	15,646	17,210	18,587	19,888	21,081	22,135	23,021	23,942
Q/Q (Y/Y) Growth	60.2%	36.6%	26.6%	15.5%	13.4%	13.4%	10.0%	8.0%	7.0%	6.0%	5.0%	4.0%	4.0%
Optimus	-	-	-	-	-	2,100	4,200	8,400	15,120	24,192	33,869	40,643	44,707
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	NA	100.0%	100.0%	80.0%	60.0%	40.0%	20.0%	10.0%
Cybercab	-	-	-	-	8,060	12,334	23,487	42,787	52,379	62,340	72,681	83,414	94,550
Q/Q (Y/Y) Growth	NA	NA	NA	NA	NA	53.0%	90.4%	82.2%	22.4%	19.0%	16.6%	14.8%	13.4%
Total Revenues	81,462	96,773	97,690	99,188	129,342	153,138	188,121	231,740	270,015	309,489	350,924	386,187	419,937
Q/Q Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Y/Y Growth	51.4%	18.8%	0.9%	1.5%	30.4%	18.4%	22.8%	23.2%	16.5%	14.6%	13.4%	10.0%	8.7%

Automotive Sales Breakdown													
Model S & X	6,513	5,733	6,579	5,460	9,620	13,503	16,204	18,634	21,429	23,572	25,929	27,226	28,587
Model 3 & Y	60,697	72,776	65,901	60,658	69,398	74,419	79,083	84,035	89,293	93,102	97,757	101,668	105,734
Cybertruck	-	-	-	-	3,035	3,245	3,504	3,750	3,975	4,173	4,382	4,557	4,740
Tesla Semi	-	-	-	-	85	170	298	446	660	812	1,000	1,181	1,279
Next-Gen Vehicle/Model 2	-	-	-	-	689	1,463	2,853	4,849	7,759	12,414	18,621	26,070	33,891

Tesla
Income Statement

\$ in millions	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34
Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Automotive	71,462	82,419	77,070	70,935	87,953	98,266	108,266	118,269	130,192	141,573	155,906	169,460	183,606
Energy Generation and Storage	3,909	6,035	10,086	15,781	19,040	24,109	34,958	43,698	52,437	60,303	66,333	69,650	73,132
Services and Other	6,091	8,319	10,534	12,172	13,800	15,646	17,210	18,587	19,888	21,081	22,135	23,021	23,942
Optimus	-	-	-	-	-	2,100	4,200	8,400	15,120	24,192	33,869	40,643	44,707
Cybercab	-	-	-	-	8,060	12,334	23,487	42,787	52,379	62,340	72,681	83,414	94,550
FSD	-	-	-	300	489	684	950	1,271	1,884	2,398	3,205	3,837	4,543
Net Revenue	81,462	96,773	97,690	99,188	129,342	153,138	189,071	233,011	271,900	311,887	354,130	390,024	419,937
Q/Q Growth	-	-	-	-	-	-	-	-	-	-	-	-	-
Y/Y Growth	51.4%	18.8%	0.9%	1.5%	30.4%	18.4%	23.5%	23.2%	16.7%	14.7%	13.5%	10.1%	7.7%
Cost of Goods Sold	56,862	74,446	74,872	76,554	99,480	115,656	140,163	171,629	198,406	228,078	255,050	279,777	296,512
Gross Profit	20,853	17,660	17,450	17,771	24,243	31,184	41,933	53,804	65,377	75,210	90,047	100,821	113,644
Margin	25.6%	18.2%	17.9%	17.9%	18.7%	20.4%	22.2%	23.1%	24.0%	24.1%	25.4%	25.8%	27.1%
Y/Y Chg. In BPS	32	-735	-39	5	83	162	182	91	95	7	131	42	121
Operating Expenses													
R&D	3,075	3,969	4,540	4,324	5,481	6,666	7,941	9,786	11,420	13,099	14,696	15,991	17,007
SG&A	3,946	4,800	5,150	5,829	6,795	8,196	9,454	11,534	13,323	15,127	16,998	18,526	19,737
Total Operating Expenses	7,021	8,769	9,690	10,153	12,276	14,862	17,395	21,320	24,743	28,226	31,695	34,517	36,744
EBIT	13,832	8,891	7,760	7,618	11,967	16,322	24,539	32,483	40,634	46,984	58,352	66,304	76,899
Margin	17.0%	9.2%	7.9%	7.7%	9.3%	10.7%	13.0%	13.9%	14.9%	15.1%	16.5%	17.0%	18.3%
Interest Income	228	1,232	2,250	1,512	1,757	2,056	2,346	2,966	3,838	5,003	6,407	8,208	10,320
Interest Expense	191	156	350	459	535	661	872	1,036	1,182	1,329	1,483	1,615	1,725
Unusual Expense, Net	150	(6)	670	-	-	-	-	-	-	-	-	-	-
EBT	13,719	9,973	8,990	8,670	13,189	17,718	26,013	34,413	43,290	50,658	63,275	72,897	85,494
Margin	16.8%	10.3%	9.2%	8.7%	10.2%	11.6%	13.8%	14.8%	15.9%	16.2%	17.9%	18.7%	20.4%
Income Tax Expense	1,105	(5,003)	1,798	1,821	2,770	3,721	5,463	7,227	9,091	10,638	13,288	15,308	17,954
Tax Rate	8.1%	-50.2%	20.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Minority Interest	31	(23)	62	60	60	60	60	60	60	60	60	60	60
Net Income	12,583	14,999	7,130	6,910	10,479	14,057	20,610	27,246	34,259	40,080	50,048	57,649	67,600
Margin	15.4%	15.5%	7.3%	7.0%	8.1%	9.2%	10.9%	11.7%	12.6%	12.9%	14.1%	14.8%	16.1%
Shares Outstanding	3,130	3,174	3,197	3,300	3,403	3,506	3,521	3,521	3,521	3,521	3,521	3,521	3,521
Seq. Chg.	171	44	24	103	103	103	14	-	-	-	-	-	-
EPS	4.02	4.73	2.23	2.09	3.08	4.01	5.85	7.74	9.73	11.38	14.21	16.37	19.20
Q/Q Growth	-	-	-	-	-	-	-	-	-	-	-	-	-
Y/Y Growth	115.3%	17.6%	-52.8%	-6.1%	47.1%	30.2%	46.0%	32.2%	25.7%	17.0%	24.9%	15.2%	17.3%

Balance Sheet

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Tesla

Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024
Cash Flows from Operating Activities						
Net income (loss)	(775)	862	5,644	12,587	14,974	7,153
Depreciation, amortization and impairment	2,154	2,322	2,911	3,747	4,667	5,368
Stock-based compensation	898	1,734	2,121	1,560	1,812	1,999
Inventory and purchase commitments write-downs	193	202	140	177	463	335
Foreign currency transaction net unrealized (gain) loss	(48)	114	(55)	81	(144)	(73)
Deferred Income Tax				(196)	(6,349)	477
Non-cash interest and other operating activities	520	525	245	340	81	172
Digital assets gain, net	-	-	(27)	140	-	(589)
Operating cash flow related to repayment of discounted convertible senior notes	(188)	-	-	-	-	-
Accounts receivable	(367)	(652)	(130)	(1,124)	(586)	(1,083)
Inventory	(429)	(422)	(1,709)	(6,465)	(1,195)	937
Operating lease vehicles	(764)	(1,072)	(2,114)	(1,570)	(1,952)	(590)
Prepaid expenses and other current assets	(288)	(251)	(271)	(3,713)	(2,652)	(3,273)
Other non-current assets	115	(344)	(1,291)	-	-	-
Accounts payable and accrued liabilities	646	2,102	4,578	8,029	2,605	3,588
Deferred revenue	801	321	793	1,131	1,532	502
Customer deposits	(58)	7	186	-	-	-
Other long-term liabilities	(5)	495	476	-	-	-
Net cash provided by operating activities	2,405	5,943	11,497	14,724	13,256	14,923
Cash Flows from Investing Activities						
Purchases of property and equipment excluding finance leases, net of sales	(1,327)	(3,157)	(6,482)	(7,158)	(8,898)	(11,339)
Purchases of solar energy systems, net of sales	(105)	(75)	(32)	(5)	(1)	(3)
Purchases of digital assets	-	-	(1,500)	-	-	-
Proceeds from sales of digital assets	-	-	272	936	-	-
Purchases of Investments	-	-	-	(5,835)	(19,112)	(35,955)
Proceeds from maturities of investments	-	-	-	22	12,353	28,310
Proceeds from sales of investments	-	-	-	-	138	200
Purchases of marketable securities	-	-	(132)	-	-	-
Receipt of government grants	46	123	6	76	-	-
Purchase of intangible assets	(5)	(10)	-	(9)	-	-
Business combinations, net of cash acquired	(45)	(13)	-	-	(64)	-
Net cash used in investing activities	(1,436)	(3,132)	(7,868)	(11,973)	(15,584)	(18,787)
Cash Flows from Financing Activities						
Proceeds from issuances of common stock in public offerings, net of issuance costs	848	12,269	-	-	-	-
Proceeds from issuances of convertible and other debt	10,669	9,713	8,883	-	3,931	5,744
Repayments of convertible and other debt	(9,161)	(11,623)	(14,167)	(3,364)	(1,351)	(2,500)
Collateralized lease repayments	(389)	(240)	(9)	-	-	-
Proceeds from exercises of stock options and other stock issuances	263	417	707	541	700	1,241
Principal payments on finance leases	(321)	(338)	(439)	(502)	(464)	(381)
Debt issuance costs	(37)	(6)	(9)	-	(29)	(14)
Purchase of convertible note hedges	(476)	-	-	-	-	-
Proceeds from issuance of warrants	174	-	-	-	-	-
Proceeds from investments by noncontrolling interests in subsidiaries	279	24	2	-	-	-
Distributions paid to noncontrolling interests in subsidiaries	(311)	(208)	(161)	(157)	(144)	(104)
Payments for buy-outs of noncontrolling interests in subsidiaries	(9)	(35)	(10)	(45)	(54)	(133)
Net cash (used in) provided by financing activities	1,529	9,973	(5,203)	(3,527)	2,589	3,853
Exchange Rate Effect	8	334	(183)	(444)	4	(141)
Change in Cash	2,506	13,118	(1,757)	(1,220)	265	(152)
Cash Beginning of Period	4,277	6,783	19,901	18,144	16,924	17,189
Cash Ending of Period	6,783	19,901	18,144	16,924	17,189	17,037

Tesla

Forecasted Cash Flow Statement

\$ in millions	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34
Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash Flow from Operations										
Net Income	6,910	10,479	14,057	20,610	27,246	34,259	40,080	50,048	57,649	67,600
D&A	4,864	5,620	6,298	6,975	7,578	8,117	8,599	9,033	9,425	9,782
Accounts Receivable	594	(1,360)	(992)	(1,449)	(1,772)	(1,568)	(1,613)	(1,704)	(1,448)	(1,206)
Inventory	(1,153)	(5,112)	(2,449)	(4,864)	(5,948)	(5,265)	(5,413)	(5,719)	(4,859)	(4,049)
Prepaid Expenses & Other	1,391	(1,548)	(1,143)	(1,563)	(1,912)	(1,692)	(1,740)	(1,838)	(1,562)	(1,301)
Accounts Payable	3,455	4,605	2,390	5,379	6,577	5,821	5,986	6,323	5,373	4,478
Accrued Liabilities	(478)	3,753	3,064	4,557	5,573	4,932	5,072	5,358	4,553	3,794
Operating Lease Vehicles	(529)	(1,777)	(1,181)	(2,128)	(2,602)	(2,303)	(2,368)	(2,502)	(2,126)	(1,771)
Solar Energy Systems	(628)	(1,600)	(1,071)	(1,929)	(2,359)	(2,088)	(2,147)	(2,268)	(1,927)	(1,606)
Other Assets	(1,378)	(3,791)	(2,552)	(4,541)	(5,552)	(4,914)	(5,053)	(5,338)	(4,536)	(3,780)
Operating Lease ROU Assets	(881)	(795)	(738)	(657)	(586)	(526)	(473)	(427)	(388)	(354)
Operating Lease Liabilities	751	721	678	605	540	484	436	394	357	326
Other LT Liabilities	1,167	1,478	564	1,788	2,186	1,935	1,989	2,102	1,786	1,488
Provision for Risks & Charges	69	1,408	953	1,696	2,074	1,836	1,888	1,994	1,694	1,412
Net Cash Flow from Operations	14,153	12,079	17,878	24,479	31,043	39,028	45,242	55,456	63,992	74,811
Cash Flow from Investing										
PPE, Gross	(10,963)	(11,127)	(11,408)	(11,522)	(11,638)	(11,754)	(11,871)	(11,990)	(12,110)	(12,231)
ST Investments	(794)	(825)	(858)	(891)	(926)	(962)	(999)	(1,038)	(1,078)	(1,120)
Net Cash Flow from Investing	(11,758)	(11,953)	(12,266)	(12,413)	(12,563)	(12,715)	(12,870)	(13,028)	(13,188)	(13,351)
Cash Flow from Financing										
LT Debt	554	1,389	985	1,401	1,603	1,422	1,427	1,471	1,263	1,068
Current Portion of LT Debt	(322)	1,125	643	1,105	1,351	1,196	1,230	1,299	1,104	920
Minority Interest	60	60	60	60	60	60	60	60	60	60
Common Stock	2,862	2,862	2,862	401	-	-	-	-	-	-
Net Cash Flow from Financing	3,154	5,436	4,550	2,967	3,014	2,678	2,717	2,830	2,426	2,048
Change in Cash	5,549	5,563	10,163	15,033	21,494	28,991	35,089	45,258	53,230	63,507
Cash Beginning of Period	16,139	21,688	27,251	37,414	52,447	73,940	102,931	138,020	183,278	236,508
Cash Ending of Period	21,688	27,251	37,414	52,447	73,940	102,931	138,020	183,278	236,508	300,016

Tesla
Common Size Income Statement

\$ in millions	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34
Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Automotive	87.7%	85.2%	78.9%	71.5%	68.0%	64.2%	57.3%	50.8%	47.9%	45.4%	44.0%	43.4%	43.7%
Energy Generation and Storage	4.8%	6.2%	10.3%	15.9%	14.7%	15.7%	18.5%	18.8%	19.3%	19.3%	18.7%	17.9%	17.4%
Services and Other	7.5%	8.6%	10.8%	12.3%	10.7%	10.2%	9.1%	8.0%	7.3%	6.8%	6.3%	5.9%	5.7%
Optimus	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	2.2%	3.6%	5.6%	7.8%	9.6%	10.4%	10.6%
Cybercab	0.0%	0.0%	0.0%	0.0%	6.2%	8.1%	12.4%	18.4%	19.3%	20.0%	20.5%	21.4%	22.5%
FSD	0.0%	0.0%	0.0%	0.3%	0.4%	0.4%	0.5%	0.5%	0.7%	0.8%	0.9%	1.0%	1.1%
Net Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	101.1%
Cost of Goods Sold (ex. D&A)	69.8%	76.9%	76.6%	77.2%	76.9%	75.5%	74.1%	73.7%	73.0%	73.1%	72.0%	71.7%	70.6%
Gross Profit	25.6%	18.2%	17.9%	17.9%	18.7%	20.4%	22.2%	23.1%	24.0%	24.1%	25.4%	25.8%	28.1%
Operating Expenses													
R&D	3.8%	4.1%	4.6%	4.4%	4.2%	4.4%	4.2%	4.2%	4.2%	4.2%	4.2%	4.1%	4.1%
SG&A	4.8%	5.0%	5.3%	5.9%	5.3%	5.4%	5.0%	5.0%	4.9%	4.9%	4.8%	4.8%	4.7%
Total Operating Expenses	8.6%	9.1%	9.9%	10.2%	9.5%	9.7%	9.2%	9.2%	9.1%	9.1%	9.0%	8.9%	8.8%
EBIT	17.0%	9.2%	7.9%	7.7%	9.3%	10.7%	13.0%	13.9%	14.9%	15.1%	16.5%	17.0%	19.4%
Interest Income	0.3%	1.3%	2.3%	1.5%	1.4%	1.3%	1.2%	1.3%	1.4%	1.6%	1.8%	2.1%	2.5%
Interest Expense	0.2%	0.2%	0.4%	0.5%	0.4%	0.4%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Unusual Expense, Net	0.2%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	16.8%	10.3%	9.2%	8.7%	10.2%	11.6%	13.8%	14.8%	15.9%	16.2%	17.9%	18.7%	20.4%
Income Tax Expense	1.4%	-5.2%	1.8%	1.8%	2.1%	2.4%	2.9%	3.1%	3.3%	3.4%	3.8%	3.9%	4.3%
Minority Interest	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	15.4%	15.5%	7.3%	7.0%	8.1%	9.2%	10.9%	11.7%	12.6%	12.9%	14.1%	14.8%	16.1%

Tesla
Common Size Balance Sheet

\$ in millions	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34
Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash & Equivalents	20.0%	16.9%	16.5%	21.9%	21.1%	24.4%	27.7%	31.7%	37.9%	44.3%	51.8%	60.6%	71.4%
ST Marketable Securities	7.3%	13.1%	20.9%	21.4%	17.0%	15.0%	12.6%	10.6%	9.4%	8.6%	7.8%	7.4%	7.1%
Accounts Receivable	3.6%	3.6%	4.5%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Inventory	15.8%	14.1%	12.3%	13.3%	14.1%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
Prepaid Expenses & Other	3.6%	3.5%	5.5%	4.0%	4.3%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Total Current Assets	50.2%	51.3%	59.7%	64.4%	60.5%	61.3%	62.2%	64.3%	69.2%	74.7%	81.5%	89.9%	100.5%
PPE, Net	28.9%	30.7%	36.7%	42.3%	36.7%	34.3%	30.2%	26.3%	23.9%	21.9%	20.1%	18.9%	18.2%
Operating Lease ROU Assets	3.1%	4.3%	5.3%	6.1%	5.3%	4.9%	4.4%	3.8%	3.4%	3.1%	2.9%	2.7%	2.6%
Intangibles	0.5%	0.4%	0.3%	0.3%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Goodwill	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Operating Lease Vehicles	6.2%	6.2%	5.7%	6.2%	6.1%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Solar Energy Systems	6.7%	5.4%	5.0%	5.6%	5.5%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Other Assets	5.1%	11.6%	11.9%	13.1%	13.0%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
Total Assets	101.1%	110.2%	125.0%	138.2%	127.6%	124.9%	121.0%	118.5%	120.6%	123.8%	128.5%	135.6%	145.3%
Accounts Payable	18.7%	14.9%	12.8%	16.1%	15.9%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Accrued Liabilities	11.6%	11.6%	13.4%	12.7%	12.6%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%
Current Portion of LT Debt	2.4%	3.1%	3.3%	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Total Current Liabilities	32.8%	29.7%	29.5%	31.7%	31.7%	30.7%	30.7%	30.7%	30.7%	30.7%	30.7%	30.7%	30.7%
LT Debt	1.3%	2.8%	5.7%	6.1%	5.8%	5.5%	5.2%	4.9%	4.7%	4.6%	4.5%	4.4%	4.3%
Operating Lease Liabilities	3.4%	4.0%	4.9%	5.6%	4.9%	4.6%	4.0%	3.5%	3.2%	2.9%	2.7%	2.5%	2.4%
Provision for Risks & Charges	0.1%	3.7%	4.9%	4.9%	4.9%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
DTL	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other LT Liabilities	7.2%	4.3%	4.5%	5.6%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total Liabilities	44.7%	44.4%	49.5%	54.0%	52.6%	50.5%	49.6%	48.8%	48.3%	47.9%	47.5%	47.3%	47.1%
Common Stock	39.5%	36.1%	39.3%	41.6%	34.1%	30.7%	25.0%	20.3%	17.4%	15.2%	13.4%	12.1%	11.3%
Accumulated OCI	-0.4%	-0.1%	-0.7%	-0.7%	-0.5%	-0.4%	-0.4%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
Retained Earnings	15.8%	28.8%	36.0%	42.5%	40.7%	43.5%	46.2%	49.1%	54.7%	60.6%	67.5%	76.0%	86.7%
Minority Interest	1.5%	1.0%	0.8%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%
Total Shareholders' Equity	56.3%	65.7%	75.4%	84.2%	74.9%	74.4%	71.4%	69.6%	72.3%	75.9%	81.0%	88.3%	98.2%

Tesla
Value Driver Estimation

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPLAT:													
Revenue	81,462	96,773	97,690	99,188	129,342	153,138	189,071	233,011	271,900	311,887	354,130	390,024	419,937
Less: D&A	3,747	4,667	5,368	4,864	5,620	6,298	6,975	7,578	8,117	8,599	9,033	9,425	9,782
Less: COGS	56,862	74,446	74,872	76,554	99,480	115,656	140,163	171,629	198,406	228,078	255,050	279,777	296,512
Less: R&D	3,075	3,969	4,540	4,324	5,481	6,666	7,941	9,786	11,420	13,099	14,696	15,991	17,007
Less: SG&A	3,946	4,800	5,150	5,829	6,795	8,196	9,454	11,534	13,323	15,127	16,998	18,526	19,737
Plus: Implied Interest on Operating Leases	143	232	287	336	380	421	458	490	519	546	570	591	611
EBITA	13,975	9,123	8,047	7,954	12,347	16,743	24,996	32,973	41,153	47,530	58,921	66,895	77,510
Tax Rate	8.1%	-50.2%	20.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Provision for Income Taxes	1105	-5003	1798	1821	2770	3721	5463	7227	9091	10638	13288	15308	17954
Less: Tax Shield on Interest Income	18	(618)	450	318	369	432	493	623	806	1,051	1,345	1,724	2,167
Plus: Tax Shield on Implied Interest on Operating Leases	11	(117)	57	71	80	88	96	103	109	115	120	124	128
Plus: Tax Shield on Interest Expense	15	(78)	70	96	112	139	183	218	248	279	311	339	362
Adjusted Taxes	1,113	(4,580)	1,475	1,670	2,593	3,516	5,249	6,924	8,642	9,981	12,374	14,048	16,277
NOPLAT	12,861	13,703	6,572	6,283	9,754	13,227	19,747	26,049	32,511	37,549	46,548	52,847	61,233
Invested Capital (IC):													
Normal Cash	13,458	15,988	16,139	16,386	21,368	25,299	31,236	38,495	44,920	51,526	58,504	64,434	69,376
Accounts Receivable	2,952	3,508	4,418	3,824	5,184	6,176	7,625	9,397	10,966	12,578	14,282	15,730	16,936
Inventory	12,839	13,626	12,017	13,170	18,282	20,731	25,595	31,544	36,808	42,221	47,940	52,799	56,849
Prepaid Expenses & Other	2,941	3,388	5,362	3,971	5,519	6,662	8,226	10,137	11,829	13,569	15,406	16,968	18,269
Operating Current Assets	32,190	36,510	37,936	37,352	50,354	58,869	72,682	89,573	104,522	119,894	136,133	149,931	161,430
Accounts Payable	15,255	14,431	12,474	15,929	20,534	22,924	28,303	34,880	40,702	46,688	53,011	58,384	62,862
Accrued Liabilities	9,467	11,272	13,084	12,606	16,359	19,423	23,980	29,553	34,485	39,557	44,915	49,467	53,261
Operating Current Liabilities	24,722	25,703	25,558	28,535	36,892	42,347	52,283	64,434	75,187	86,245	97,926	107,852	116,123
Operating Working Capital	7,468	10,807	12,378	8,817	13,461	16,522	20,399	25,139	29,335	33,649	38,207	42,079	45,307
PPE, Net	23,548	29,725	35,836	41,952	47,476	52,601	57,162	61,235	64,885	68,170	71,139	73,834	76,294
Operating Lease Vehicles	5,035	5,989	5,581	6,110	7,888	9,069	11,197	13,799	16,102	18,470	20,972	23,097	24,869
Solar Energy Systems	5,489	5,229	4,924	5,552	7,152	8,223	10,152	12,511	14,600	16,747	19,015	20,942	22,548
Operating Lease ROU Assets	2,563	4,180	5,160	6,041	6,836	7,574	8,231	8,817	9,343	9,816	10,243	10,631	10,986
Intangibles	399	362	334	317	301	286	272	258	246	233	222	211	200
Other Assets	4,193	11,264	11,631	13,009	16,800	19,352	23,892	29,445	34,359	39,412	44,750	49,286	53,066
Total Long-Term Operating Assets	17,679	27,024	27,630	31,029	38,977	44,503	53,744	64,831	74,649	84,678	95,201	104,167	111,669
Total Long-Term Operating Liabilities	5,837	4,127	4,410	5,577	7,055	7,619	9,406	11,592	13,527	15,516	17,618	19,404	20,892
Invested Capital	42,858	63,429	71,434	76,221	92,859	106,008	121,899	139,613	155,342	170,980	186,929	200,677	212,378
Free Cash Flow (FCF):													
NOPLAT	12,861	13,703	6,572	6,283	9,754	13,227	19,747	26,049	32,511	37,549	46,548	52,847	61,233
Change in IC		20,570	8,005	4,787	16,637	13,149	15,891	17,714	15,729	15,638	15,948	13,749	11,700
FCF	12,861	(6,867)	(1,434)	1,496	(6,884)	78	3,856	8,335	16,782	21,910	30,600	39,099	49,532
Return on Invested Capital (ROIC):													
NOPLAT	12,861	13,703	6,572	6,283	9,754	13,227	19,747	26,049	32,511	37,549	46,548	52,847	61,233
Beginning IC		42,858	63,429	71,434	76,221	92,859	106,008	121,899	139,613	155,342	170,980	186,929	200,677
ROIC		32.0%	10.4%	8.8%	12.8%	14.2%	18.6%	21.4%	23.3%	24.2%	27.2%	28.3%	30.5%
Economic Profit (EP):													
Beginning IC		42,858	63,429	71,434	76,221	92,859	106,008	121,899	139,613	155,342	170,980	186,929	200,677
x (ROIC - WACC)		21.34%	-0.27%	-1.84%	2.16%	3.61%	7.99%	10.74%	12.65%	13.54%	16.59%	17.64%	19.88%
EP		9,146	(173)	(1,313)	1,649	3,353	8,474	13,087	17,665	21,030	28,366	32,970	39,893

Tesla

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	4.00%
Beta	1.35
Equity Risk Premium	5.00%
Cost of Equity	10.75%

ASSUMPTIONS:

Yield on 10yr Treasury

Adjusted Beta

HF Estimate

Cost of Debt:

Risk-Free Rate	4.00%
Implied Default Premium	1.56%
Pre-Tax Cost of Debt	5.56%
Marginal Tax Rate	21%
After-Tax Cost of Debt	4.39%

Yield on 10yr Treasury

Sourced from FactSet

Market Value of Common Equity:

Total Shares Outstanding	3,213
Current Stock Price	\$227.68
MV of Equity	731,536

MV Weights

98.17%

Market Value of Debt:

Current Portion of LTD	3,263
Long-Term Debt	5,535
PV of Operating Leases	4,825
MV of Total Debt	13,623

1.83%

Market Value of the Firm

745,159

100.00%

Estimated WACC

10.63%

Tesla

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

<i>Fiscal Years Ending Dec. 31</i>	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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EPS	\$	2.09	\$	3.08	\$	4.01	\$	5.85	\$	7.74	\$	9.73	\$	11.38	\$	14.21	\$	16.37	\$	19.20
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Key Assumptions

CV growth of EPS	5.00%
CV Year ROE	19.62%
Cost of Equity	10.75%

Future Cash Flows

[illegible]

Intrinsic Value as of Last FYE	\$ 99
Implied Price as of Today	\$ 102

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

CV Growth of NOPLAT	7.25%
CV Year ROIC	30.51%
WACC	10.63%
Cost of Equity	10.75%
NOPLAT	61,233

DCF Model:

Value of Operating Assets:	608,337
Non-Operating Adjustments	
Less: ESOP	(65,957)
Less: Minority Interest	(767)
Less: Debt Obligations	(13,623)
Plus: Marketable Securities	20,424
Value of Equity	548,414
Shares Outstanding	3,213
Intrinsic Value of Last FYE	\$ 171
Implied Price as of Today	\$ 175

Economic Profit (EP)	(1,313)	1,649	3,353	8,474	13,087	17,665	21,030	28,366	32,970	39,893
Continuing Value (CV)										1,178,959
PV of EP	(1,187)	1,347	2,476	5,657	7,896	9,634	10,366	12,639	13,278	474,798

Total PV of EP	536,903
Invested Capital (last FYE)	71,434
Value of Operating Assets:	608,337
Non-Operating Adjustments	
Less: ESOP	(65,957)
Less: Minority Interest	(767)
Less: Debt Obligations	(13,623)
Plus: Marketable Securities	20,424
Value of Equity	548,414
Shares Outstanding	3,213
Intrinsic Value of Last FYE	\$ 171
Implied Price as of Today	\$ 175

Tesla

Relative Valuation Models

Ticker	Company	Price	EPS	EPS	P/E 25	P/E 26	SPS	SPS	P/S 25	P/S 26	Enterprise Value	EBITDA	EBITDA	EV/EBITDA	EV/EBITDA		
			2025E	2026E			2025E	2026E				2025E	2026E				
F	Ford Motor Company	\$9.65	\$1.14	\$1.33	8.46	7.26	44.69	44.24	0.22	0.22	152,487	12,844	12,860	11.87	11.86		
GM	General Motors Company	\$45.16	\$10.90	\$10.77	4.14	4.19	161.41	158.20	0.28	0.29	29,908	19,887	20,420	1.50	1.46		
BYDDY	BYD Company	\$98.20	\$5.13	\$6.23	19.14	15.76	93.15	108.77	1.05	0.90	127,801	17,800	21,099	7.18	6.06		
VWAGY	Volkswagen AG	\$10.72	\$3.36	\$4.07	3.19	2.63	71.62	73.60	0.15	0.15	210,306	49,341	53,159	4.26	3.96		
MBGAF	Mercedes-Benz Group	\$58.97	\$8.70	\$9.37	6.78	6.29	155.16	156.31	0.38	0.38	134,825	20,132	19,587	6.70	6.88		
TM	Toyota Motor Company	\$178.70	\$23.26	\$21.66	7.68	8.25	239.88	247.36	0.74	0.72	401,950	45,897	45,811	8.76	8.77		
					Average	8.23	7.40			Average	0.47	0.44			Average	6.71	6.50

TSLA	Tesla	\$227.68	\$2.09	\$3.08	108.7	73.9	30.9	40.3	7.4	5.66	729,020	12,481	17,586	58.41	41.45
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Implied Relative Value:

P/E (EPS25)	\$	17
P/E (EPS26)	\$	23
P/S (25)	\$	15
P/S (26)	\$	18
EV/EBITDA (25)	\$	29
EV/EBITDA (26)	\$	40

Tesla
Key Management Ratios

Fiscal Years Ending Dec. 31	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:												
Current Ratio (CA/CL)	1.73	2.02	2.03	1.91	2.00	2.03	2.09	2.25	2.43	2.65	2.93	3.27
Quick Ratio ((Cash + A/R)/CL)	0.69	0.71	0.81	0.79	0.93	1.03	1.16	1.36	1.57	1.82	2.10	2.46
Cash Ratio (Cash/CL)	0.57	0.56	0.69	0.67	0.80	0.90	1.03	1.23	1.44	1.68	1.97	2.33
Asset-Management Ratios:												
Inventory Turnover (COGS/Inventory)	5.46	6.23	5.81	5.44	5.58	5.48	5.44	5.39	5.40	5.32	5.30	5.22
Days Sales Outstanding ((Beg. A/R / Sales)*365)	11.13	13.11	16.26	10.79	12.36	11.92	11.94	12.61	12.83	12.96	13.37	13.67
Asset Turnover (Sales / Beg. TA)	1.18	0.92	0.81	0.94	0.93	0.99	1.02	0.98	0.95	0.92	0.86	0.79
Financial Leverage Ratios:												
Debt/Capital (Total Debt/Total Capital)	8.26%	10.67%	9.76%	10.64%	10.37%	10.41%	10.30%	9.76%	9.17%	8.51%	7.77%	7.00%
D/E Ratio (Total Debt/TSE)	9.00%	11.94%	10.81%	11.91%	11.57%	11.62%	11.48%	10.81%	10.10%	9.30%	8.43%	7.53%
Interest Coverage (EBIT/Interest Expense)	56.99	22.17	16.58	22.38	24.69	28.15	31.35	34.39	35.35	39.34	41.06	44.57
Profitability Ratios:												
Gross Margin (Gross Profit / Sales)	18.25%	17.86%	17.92%	18.74%	20.36%	22.18%	23.09%	24.04%	24.11%	25.43%	25.85%	27.06%
Operating Margin (EBIT/Sales)	9.19%	7.94%	7.68%	9.25%	10.66%	12.98%	13.94%	14.94%	15.06%	16.48%	17.00%	18.31%
Profit Margin (NI/Sales)	15.50%	7.30%	6.97%	8.10%	9.18%	10.90%	11.69%	12.60%	12.85%	14.13%	14.78%	16.10%
Return on Assets (NI/Beg. TA)	18.22%	6.69%	5.66%	7.64%	8.52%	10.78%	11.91%	12.41%	12.22%	12.96%	12.66%	12.78%
Return on Equity (NI/Beg. TSE)	32.68%	11.21%	9.38%	12.55%	14.50%	18.10%	20.19%	21.11%	20.39%	21.14%	20.10%	19.62%
ROIC (NOPLAT/Beg. Invested Capital)	31.97%	10.36%	8.80%	12.80%	14.24%	18.63%	21.37%	23.29%	24.17%	27.22%	28.27%	30.51%

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Current Average Strike Price:	\$ 27.75
Cost of Equity:	10.75%
Current Stock Price:	\$227.68

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Tesla

Valuation of Options Granted under ESOP

Current Stock Price	\$227.68
Risk Free Rate	4.00%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	60.00%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Total	324	\$ 27.75	3.14	\$ 203.67	\$ 65,957