



**TESLA**



Tesla, Inc., formerly (2003–17) Tesla Motors, American manufacturer of electric automobiles, solar panels, and batteries for cars and home power storage. It was founded in 2003 by American entrepreneurs Martin Eberhard and Marc Tarpenning and was named after Serbian American inventor Nikola Tesla. Tesla, Inc. creates, develops, produces, rents, and markets energy generation and storage systems in China, the United States, and other countries. The business is divided into the Automotive and Energy Generation and Storage sectors. The automotive division sells automobile regulatory credits in addition to electric vehicles. Through direct and used car sales, a network of Tesla Superchargers, in-app upgrades, and services for purchase financing and leasing, it offers sedans and sport utility vehicles. In addition to selling new and used cars, retail goods, auto insurance, and services for electric vehicles through its company-owned service centers, this segment is also involved in providing non-warranty after-sales vehicle services, as well as Tesla mobile service professionals, as well as extended service agreements and limited warranties for cars. Through its website, stores, and galleries, as well as a network of channel partners, the Energy Generation and Storage business offers solar energy generation and energy storage equipment, as well as related services, to residential, commercial, industrial, and utility clients. Additionally, this division provides its customers with energy equipment service and repairs, including those covered by warranties, as well as a variety of financing alternatives for solar customers.



## Revenue break-up and growths of latest Quarter:

The Q3FY22 was strong quarter with highest revenue, operating revenue and free cash flow. If compare Q3 Y-o-Y growth its 55%, Free cash flow exceeded \$8.9B and operating margins reached 17.2% in Q3.

Model S/X production/deliveries were 19,935U/18672 in Q3FY22 growth registered Y-o-Y 123%/101% and Model 3/Y production/deliveries were 345,988/325,158 and registered growth of 51%/40% Y-o-Y.

Solar deployed (MW) 94,13% more Y-o-Y and Storage deployed (MWh) 2100, 62% more Y-o-Y.

Supercharger stations grew to 4283 in Q3FY22, increased by 32% Y-o-Y.

Revenue from services & other reached at all time high. Paid supercharging grew to 3X

EPS for the Q3FY22 was 0.95

## FINANCIAL SUMMARY

### Turnover

In the third quarter, total revenue grew 56% year over year to \$21.5 billion.

The following factors have an impact on revenue year over year:

- Delivery of vehicles has increased.
- yearly ASP growth; sequential ASP declines, as with the previous instance
- Limited production in Shanghai in Q2 and development in other business sectors helped raise quarterly ASP.
- negative financial effects

### Profitability

In the third quarter, operational profit increased year over year to \$3.7 billion, yielding an operating margin of 17.2%. The following variables have the most impacts on performance over the course of a year:

- A rise in PSA
- Delivery of vehicles has increased.
- Increased profits in other areas of the company
- Costs for raw materials, products, shipping, and warranties Quick settlement
- A \$250M negative currency impact

### Cash

Cash, cash equivalents and short-term transfers at the end of the quarter stocks rose \$2.2 billion in a row to \$21.1 billion in the third quarter, was driven primarily by \$3.3 billion in free cash flow, partially offset by \$0.9 billion in debt repayments.

# TESLA

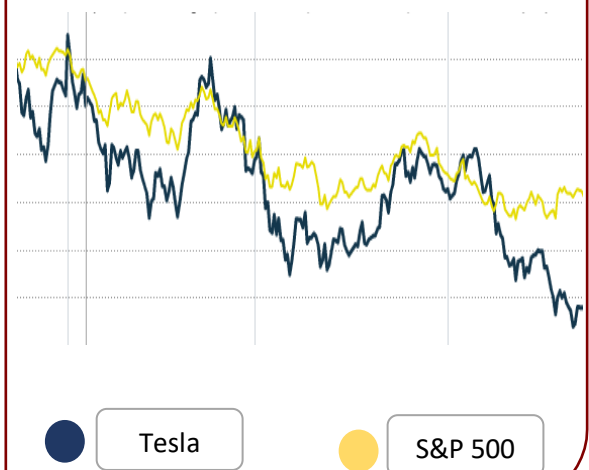
## Particulars

Market Capitalization	577.43B
Total Debt (Q3FY22)	5.87B
Net Cash	20.14M
EV	563.47B
52-week H/L (Rs)	402/166
Equity capital	3158
Face value (Rs)	1.0
Beta	1.47
P/E Ratio	56.37

## Basic Data

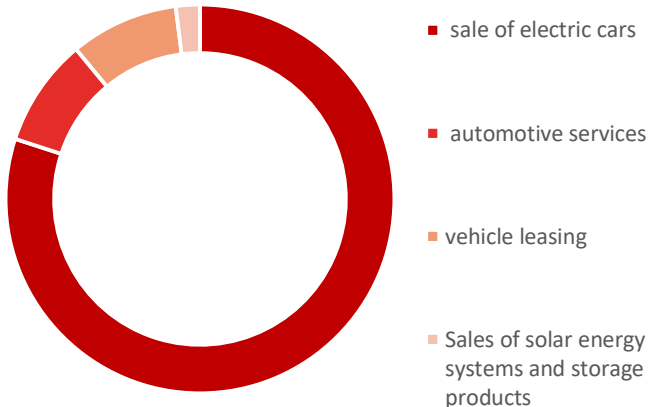
Number of securities	3157 750 000
Capitalization USD	577 426 165 000
Free-Float	83.7%
Free-Float capitalization	483 323 221 540

## TESLA vs S&P 500

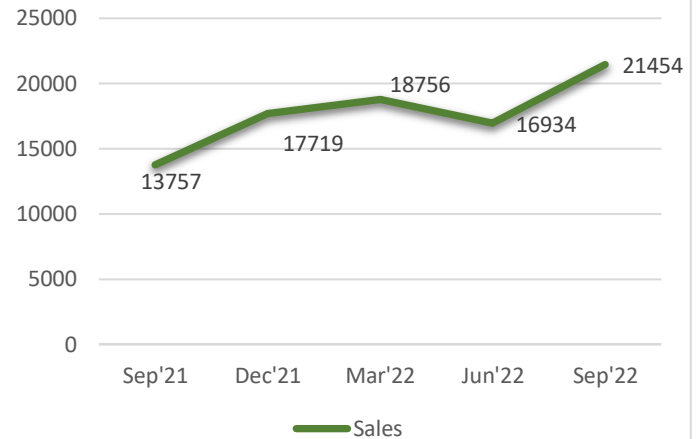


# Key Drivers

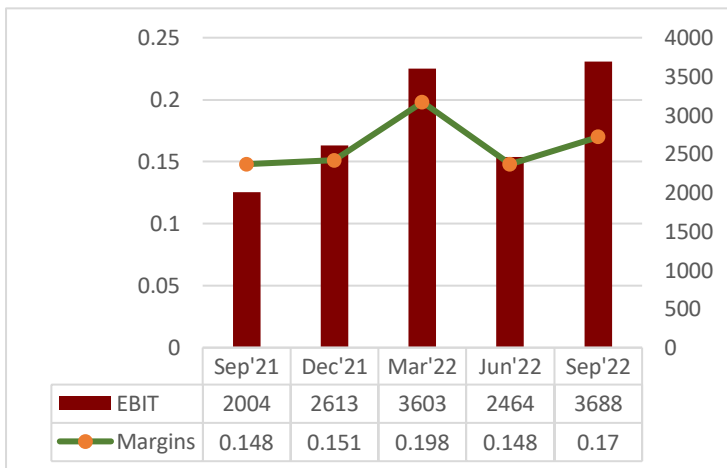
## Revenue Model



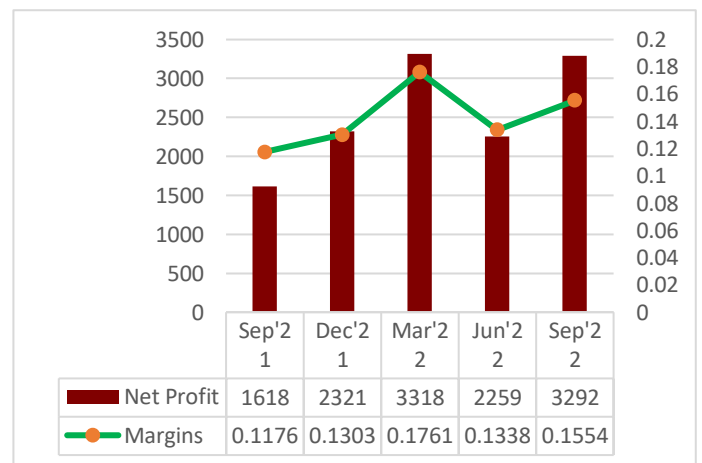
## Sales



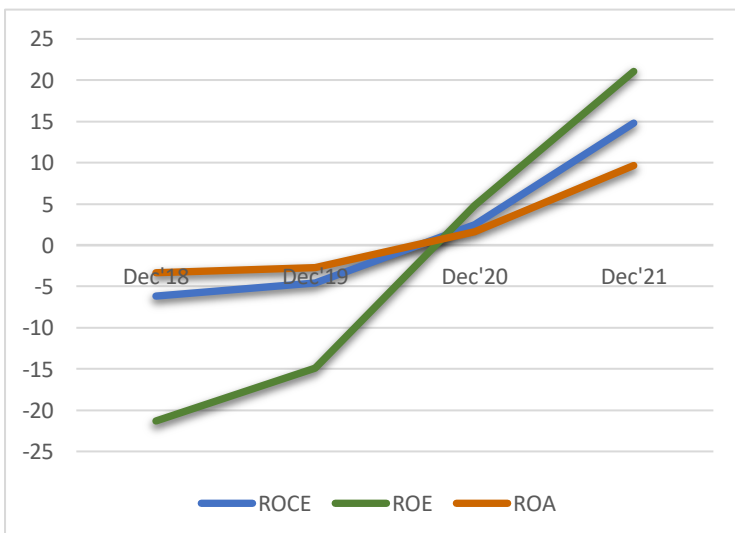
## EBIT vs. EBIT Margins



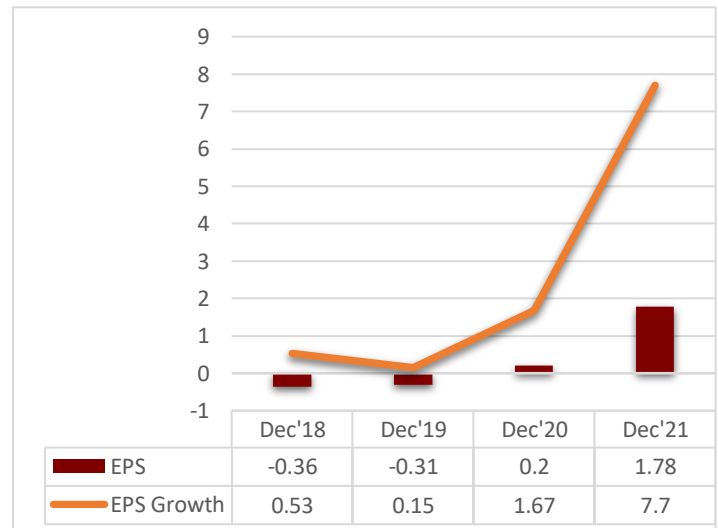
## Net Income vs. NPM



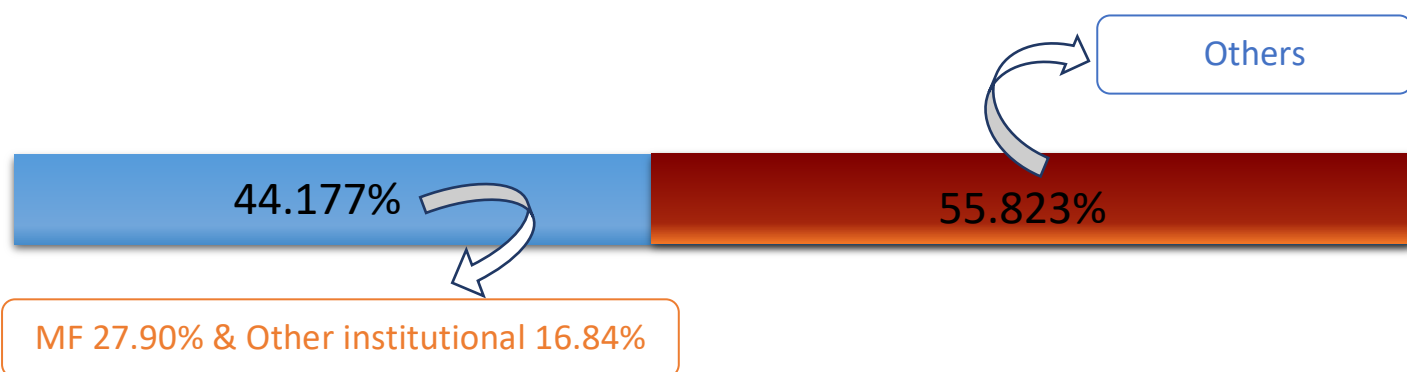
## ROCE vs ROE vs ROA



## EPS vs EPS Growth



# Shareholding Pattern



## Top 5 Owners of TESLA

Stockholders	Stake
The Vanguard Group, Inc.	6.40%
BlackRock Fund Advisors	3.51%
SSgA Funds Management, Inc.,	3.16%
Capital Research & Management Co	2.86%
Geode Capital Management LLC	1.50%

**Note:** Institutional investors purchased a net \$30.3 million shares of TSLA during the quarter ended June 2019, and now own 44.75% of the total float, a percentage that is typical for companies in the Motor Vehicles industry.

## Top 5 Mutual Funds Holding Tesla Inc

Stockholders	Stake
Vanguard Total Stock Market Index	2.53%
Vanguard 500 Index Fund	1.93%
American Funds Growth Fund of America	1.66%
SPDR S&P 500 ETF Trust	0.95%
Fidelity 500 Index Fund	0.90%

## Top Executives

<b>Elon Reeve Musk</b>	<i>Technoking of Tesla</i>
<b>Zachary J. Kirkhorn</b>	<i>Master of Coin &amp; Chief Financial Officer</i>
<b>Andrew Baglino</b>	<i>Senior VP-Powertrain &amp; Energy Engineering</i>
<b>Natasha Mahmoudian</b>	<i>UK Head-Public Policy &amp; Business Development</i>
<b>Kevin Mukai</b>	<i>Director-Production Engineering, Gigafactory</i>

## Strengths

- According to analysts' sales estimates polled by Standard & Poor's, the company is one of the best in terms of growth.
- The gap between current price and average target price is quite large and shows significant upside potential of the stock.
- The company returns high margins, thereby supporting business profitability.
- The difference between current prices and the average target price is rather important and implies a significant appreciation potential for the stock.
- Over the past year, analysts have regularly revised upwards their sales forecast for the company.

## Weaknesses

- With expected P/E ratios of 49.74 and 35.83 for the current and next fiscal year, respectively, the company operates at high earnings multiple.
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- Compared to the value of tangible assets, the company's valuation seems relatively high.
- The valuation of the company is particularly high given the cash flows generated by its activity.
- Analysts' price targets include significantly different stocks. This implies difficulties in assessing the company and its operations.

## Opportunities

- Technology has various benefits across a wide range of fields. Operations can be automated to save money.
- Tesla has developed a reputation for ease and safety. The stock market and customers will regard it as reliable.
- As consumers' awareness of environmental issues grows, so does the demand for electric cars and the urgency to minimise the use of gasoline-powered automobiles.
- Tesla can develop its own battery cells, reducing dependence on Panasonic, the company's main battery supplier.
- Demand for innovative urban air-taxi services to supplant conventional taxis and reduce traffic congestion and pollution is projected to increase drastically by 2025.

## Threats

- Because of the technical difficulty of cutting-edge vehicles, Tesla automobiles and other energy products have frequently had significant problems.
  - Tesla can build its own battery cells, reducing dependence on Panasonic, the company's primary battery supplier.
  - Defective products frequently have flaws in the design, production, and other features that can irreparably harm a company's reputation.
- All business activities are geared towards customer acceptance.
- Over surveys, American adults still do not feel safe driving a self-driving car. Despite Tesla's outstanding quality assurance and high manufacturing standards, the auto industry in particular is accustomed to dealing with large product liability claims, which the company fears. will be one of the biggest financial blows.



# Financial Highlights

Quarterly results		Values in "Millions"				
Particulars	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Sales	17 719	18756	16934	21454	26 399	26 419
% Change	65%	51%	-10%	27%	23%	0%
Operating income (EBITDA)	4 019	5 023	3791	4968	6176	6343
% Change	61%	20%	13%	31%	24%	3%
Operating profit (EBIT)	2 613	3 603	2 464	3688	4764	4669
% Change	33%	40%	12%	54%	29%	-2%
Pre-Tax Profit (EBT)	2 635	3 626	2474	3636	4679	4684
% Change	12%	40%	11%	47%	29%	0%
Net income	2 321	3 318	2259	3292	4134	3886
% Change	12%	51%	25%	46%	26%	-6%
EPS	0,68	0,95	0,65	0.95	1.17	1.11
% Change	13%	54%	30%	7,3%	23%	-5%

Annual results		Values in "Millions"					
Particulars	2017	2018	2019	2020	2021	2022	2023
Sales	11759	21461	24578	31536	53823	83514	117349
% Change	110%	83%	15%	28%	71%	55%	41%
Operating income (EBITDA)	528	2262	2983	6050	11555	19845	28512
% Change	-0,08%	328%	32%	103%	91%	72%	44%
EBIT	-1109	361	-69	1994	6523	14409	21455
% Change	3,8%	-133%	-119%	-2990%	227%	121%	49%
Pre-Tax Profit	-2209	-1005	-665	1154	6343	14217	21089
% Change	-8,2%	-55%	-34%	-274%	450%	124%	48%
Net income	-1961	-976	-862	721	5519	12798	18093
% Change	-8,3%	-50%	-12%	-184%	665%	132%	41%
EPS	-0.79	-0.38	-0.33	0.21	1.63	3.68	5.1
% Change	-4,7%	-52%	-13%	-164%	676%	126%	39%

Cash Flow						
Particulars	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	
Cash From Operating Activities	-60.65	2,097.80	2,405.00	5,943.00	11,497.00	
Cash Flow from Investing Activities	-4,196.00	-2,337.43	-1,436.00	-3,132.00	-7,868.00	
Cash from Financing Activities	4,414.86	573.76	1,529.00	9,973.00	-5,203.00	
Net Cash Inflow / Outflow	158.21	334.13	2,498.00	12,784.00	-1,574.00	

Particulars	2019	2020	2021	2022	2023
Net Debt <sup>1</sup>	7151	-	-	-	-
Net Cash position <sup>1</sup>	-	7696	10742	18899	30813
Leverage (Debt / EBITDA)	2.40	1.18	0.62	0.36	0.25
Free Cash Flow <sup>1</sup>	1078	2786	5015	9165	15465
Cash Flow per Share <sup>2</sup>	0.91	1.83	3.39	5.28	6.67

# Peer's Comparisons

As on 30 Nov

	Tesla (TSLA)	Toyota Motor - ADR	General Motors	Ford Motor	Ferrari N.V. - ADR
<b>CMP's</b>	<b>\$194.70</b>	<b>\$147.69</b>	<b>\$40.56</b>	<b>\$13.90</b>	<b>\$223.05</b>
<b>Income Statements</b>					
Market cap (\$ Mln)	5,71,016	1,99,968	56,473	55,201	39,812
Enterprise Value	563.66B	353.57B	149.67B	152.95B	40.79B
Revenue (\$ Mln)	74,863	3,36,07,556	1,47,210	1,51,736	4,899
EBIT	12,368	23,89,676	9,224	5,454	1,197
Consoildated Profit (\$ Mln)	11,190.00	24,96,710.00	9,677.00	9,012.00	927.01
EPS Diluted	3.24	1.25	5.88	2.25	4.95

<b>Balance Sheet</b>					
Shareholder's Fundsarrow	39,851.00	2,80,37,253.00	65,268.00	42,125.00	2,402.17
Total Cash	21.11B	62.27B	26.21B	31.98B	1.39B
Total Debt	5.87B	205.88B	115.44B	129.76B	2.85B
Short Term Debt	-	86.58B	450.00M	783.00M	-
Long Term Debt	1.42B	119.30B	20.84B	19.07B	2.79B
Total Liabilities	62,131.00	6,22,67,138.00	2,44,718.00	2,57,035.00	6,863.51
Total Assets	61,305.00	6,13,83,358.00	2,38,647.00	2,56,932.00	6,857.99

<b>CFS</b>					
Net Operating Cash Flow	16.03B	24.24B	17.23B	9.21B	1.30B
Levered Free Cash Flow	6.55B	-5.59B	4.91B	6.72B	85.26M
Cash from Operations	16.03B	25.72B	17.23B	9.21B	1.30B
Capital Expenditures	-7.12B	-22.04B	-16.10B	-6.57B	-306.20M

Gross Profit Margin	26.61%	16.95%	13.56%	11.38%	49.03%
EBIT Margin	16.57%	7.11%	8.17%	7.05%	24.22%
EBITDA Margin	21.39%	11.91%	12.24%	10.99%	29.26%
Net Margin (%)	14.90%	7.43%	6.44%	5.83%	18.92%
RoE (%)	30.27%	9.20%	15.20%	20.69%	39.16%
ROCE (%)	14.80%	5.01%	6.15%	9.40%	17.78%
ROE (%)	30.27%	9.20%	15.20%	20.69%	39.16%
Price to Earnings	108.93	11.17	4.23	2.89	41.15
Price to Book	14.49	1	0.86	1.34	15.92
Dividend Yield (%)	0	2.67	0.91	4.37	0.66
Debt to Equity	0.05	0.62	1.19	2	1.18
Cash Conversion Cycle	-15.35	127.65	69.58	94.47	65.2



# Valuations

Currently, Tesla's stock is down around 51% for the year.

The stock is being impacted by a number of variables. First off, CEO Elon Musk's recent purchase of the social media network Twitter continues to be a burden for Tesla. Although Mr. Musk bought the social media firm in his individual capacity, he sold Tesla shares to pay for it and free up cash to run the massively indebted, loss-making social media company. Tesla stock may have fallen due to increasing competition in the electric vehicle market, inflation, declining demand, COVID concerns in China, and an unstable economy (ticker: TSLA). Yet despite all of those challenges, shares held up reasonably well.

Separately, there are worries that a general economic slowdown, particularly in areas like China, could cause Tesla's development to stagnate. Tesla reduced the cost of its Model 3 and Model Y vehicles in China by as much as 9% in October, and Chinese tech publication Huxiu claims that a further price reduction may be forthcoming.

China is going through a recession of sorts, primarily caused by the real estate industry. And there is a type of energy-driven recession in Europe. Actually, the US isn't — Although the Fed is rising interest rates more than they should, Musk believes that someday they will realise their error and lower rates once more. North America is in generally good health.

Demand is slightly more than it normally would be. Management is quite confident that Q4 will be fantastic, and they expect to keep growing their car production and sales deliveries by an average of 50% a year for as long as they can see.

	Tesla (TSLA)	Toyota Motor - ADR	General Motors	Ford Motor	Ferrari N.V. - ADR
<b>P/E (TTM)</b>	48.52	0	5.82	8.49	40.83
<b>Price/Sales (TTM)</b>	7.49	0.86	0.39	0.36	8.22
<b>EV/Sales (TTM)</b>	7.53	1.52	1.02	1.01	8.5
<b>EV/EBITDA (TTM)</b>	35.21	12.78	8.31	9.17	29.05
<b>EV / EBIT (TTM)</b>	44.91	12.72	253%	320.83	-86%
<b>Price / Cash Flow (TTM)</b>	38.35	13.28	188.83%	68.45	-43.97%

The value of Tesla stock is \$297 per share on a median basis based on its financial data and competitor comparisons.

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