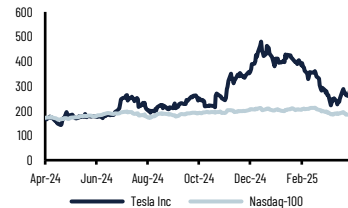




Share information



Ytd -30.0% 1 year: 69.7%
 1 month: -3.5% 3 year: -21.8%

Note: We apply the closing price from 02 April 2025
 Index rebased to 03 April 2024. Source: S&P Capital IQ

Financials

USDbn	FY2023	FY2024	FY2025E*
Revenue	96.8	97.7	108.8
Revenue growth	18.8%	0.9%	11.4%
EBITDA	13.6	13.0	17.5
EBITDA margin	14.0%	13.3%	16.0%
Net income	15.0	7.2	9.5
Net income margin	15.5%	7.3%	8.8%
Free cash flow	4.4	3.6	5.0
Deliveries (m)	1.81	1.79	N/A

Note: FY2025E* is consensus analyst estimates from S&P Capital IQ.

Valuation multiples

	FY2023	FY2024	FY2025E*
P/S (x)	8.2	13.3	8.4
EV/Sales (x)	8.1	13.1	9.1
EV/EBITDA (x)	48.1	87.0	61.1
EV/EBIT (x)	72.1	156.8	115.9
P/E (x)	80.2	110.7	138.6
P/B (x)	14.8	18.5	12.5
P/FCF (x)	181	362	184

Note: Multiples in 2023 and 2024 are based on historical numbers, while FY2025E reflects consensus analyst estimates from S&P Capital IQ.

Company description

Founded in 2003, Tesla, Inc. is a global leader in electric vehicles and sustainable energy. The company designs, manufactures, and sells electric vehicles (EVs), energy storage systems, and solar products. Automotive is its core segment (~85% of revenue) and includes fully self-driving (FSD) software and the supercharger network. Energy generation and storage (Powerwall, Megapack, solar) saw record deployment. Services (e.g., insurance, repairs, used vehicles) support total cost of ownership.

Investment case

Tesla is a key beneficiary of global decarbonization, with supportive regulation across major markets. EV adoption is accelerating, with BEV sales forecast to grow at ~20% CAGR through 2030^[1] (reaching ~60 million EVs in 2030, about 3-4x 2024 levels) and ~8% through to 2040 as the market matures. Tesla leads the market with around 18% share of global BEV sales end-2024, and Q4 2024 vehicle deliveries trend towards an annualized run rate of ~2 million units. Model Y was the world's best-selling vehicle in 2024, with a more affordable model launch in H1 2025 supporting 2025E growth of ~20-30% YoY (a softening from 50%).

Tesla continues lowering manufacturing costs via vertical integration and tech innovation - new unibody casting reduces production time 20-25%. Battery pack (~20-25% of COGS) prices for LDVs have fallen 85-90% since 2008, expected to fall a further 30-40% by 2030. FSD, offered on a subscription basis, is currently limited to North America. As a high-margin software product (~100% gross margin), deferred FSD revenue has the potential to boost EBIT by ~25% today and by >40%^[2] in the longer term, as development nears completion and international rollout begins. Energy storage demand is forecasted to grow at a 30-45% CAGR through 2030^[3], underpinning a bullish outlook for its Powerwall and Megapack businesses. Tesla offers integrated solar solutions, including Solar Roof and panels, with global PV capacity projected to triple by 2030 - implying an 18-20% CAGR.

Tesla trades at far higher multiples than peers due to the implied attractiveness of FSD - valuation largely hinges on FSD's success.

Source: 1) McKinsey, 2) Morgan Stanley Research, 3) Investor place

Key investment reasons

Model Y was the best-selling car globally in 2024, with total production and deliveries across models reaching ~2M annualized rate and with strong growth in China. Average vehicle cost is now <USD 35,000, due to cost reductions. Energy storage deployments hit a record 31.4 GWh of storage in 2024 (+114% YoY). Tesla's cash flow is robust despite heavy AI CapEx with USD 3.6B FY2024

Unsupervised FSD is projected in Austin by June 2025; ~8.5x safer than humans, with global expansion in sight. FSD V14 will bring key capabilities. FSD adoption is likely to accelerate as it becomes essential for OEMs to remain competitive in the fast-moving EV space, with major OEM licensing talks underway.

Autonomous ride-hailing fleet starts in Austin mid-2025, with consumer opt-in by 2026. Tesla targets 10k Optimus (humanoid robot) units in 2025 for internal use, with external sales expected by mid-2026. Potential to replace human labor at scale suggests a multi-trillion-dollar addressable market.

Key investment risks

Elon Musk is both a critical asset and a liability for Tesla. His vision and execution are central to the company's innovation and success, but his polarizing public persona and political affiliations pose reputational risks. Musk's influence on brand perception, investor sentiment, and stakeholder trust can drive volatility in sales and valuation.

Ongoing trade tensions and potential tariffs could pressure margins and global profitability, while Automotive margins are under pressure from lower prices, and upcoming production shifts may weigh on margins due to idle time and ramp costs. Tesla's valuation also depends on its ability to scale globally. While execution risk exists, Tesla's proven ability to scale from greenfield to mass production gives confidence in its ramp-up potential.

FSD is a major value driver, making regulatory approval critical. While FSD is estimated to be significantly safer than human driving, regulatory hurdles may focus more on data privacy and liability than safety - potentially slowing rollout.

Peer group

Company	Price (local)	Total return YTD	Market cap (USDbn)	EV (USDbn)	EV/Sales FY2025	EV/Sales FY2026	EV/EBITDA FY2025	EV/EBITDA FY2026	EV/EBIT FY2025	EV/EBIT FY2026	P/E FY2025	P/E FY2026	EBIT margin 3-yr avg	EBIT margin LTM
BYD Company Limited	HKD 381.4	43.1%	150	138	1.0	0.9	7.7	6.7	15.0	12.7	20.1	17.5	5.9%	5.9%
Toyota Motor Corporation	JPY 2656	-14.0%	231	409	1.3	1.2	9.4	8.7	12.7	12.2	8.1	8.4	9.5%	10.3%
Ford Motor Company	USD 10.2	5.8%	40	173	1.0	1.0	13.5	12.6	22.8	19.0	7.5	6.4	6.4%	2.8%
General Motors Company	USD 48	-9.7%	48	159	0.9	0.9	6.6	6.4	11.3	11.4	4.2	4.0	8.2%	6.8%
Mercedes-Benz Group AG	EUR 54	0.3%	56	159	1.0	1.0	8.3	7.3	13.0	11.7	6.4	5.4	11.7%	8.6%
Volkswagen AG	EUR 94.2	5.8%	52	292	0.8	0.8	7.4	6.4	13.6	11.7	4.0	3.4	6.9%	7.1%
SAIC Motor Corporation Limited	CNY 15.7	-24.6%	25	26	0.3	0.3	5.8	5.5	12.4	10.7	16.9	14.6	3.0%	0.6%
Median		0.3%	52	109	1.0	0.9	7.7	6.7	13.0	11.7	13.0	6.4	6.9%	6.8%
Tesla, Inc.	USD 282.8	-30%	910	887	8.2	6.9	51.4	40.3	97.0	68.9	108.4	80.8	11.5%	7.8%
Premium(+)/Discount(-) to peers					720%	667%	568%	501%	646%	489%	734%	1163%		

Note: Data from 02/04/2025

Source: S&P Capital IQ