

# Equity Research Report

## Tesla, Inc. (TSLA)

### EXECUTIVE SUMMARY

**Tesla, Inc. (TSLA)** demonstrates robust financial performance with improving profitability and a strengthening balance sheet. The company operates within a rapidly growing global EV market and maintains a leading competitive position, supported by recent positive news regarding expansion and sales execution. However, based on our hypothetical valuation using 2024 financials and assumed industry averages, the stock appears significantly overvalued on a P/E and P/S basis, reflecting high growth expectations. Key risks include increasing competition and execution challenges, while opportunities lie in continued market growth and technological advancements. Given the substantial premium at which the stock is trading relative to assumed industry peers, despite strong fundamentals and growth prospects

### RISKS

- Increased Competition:** Market analysis indicates increasing competition. This could pressure market share and pricing, potentially slowing revenue growth.
- Market Slowdown (EV adoption):** While market growth is strong currently (20% projected for 2025), any slowdown in global EV adoption due to economic factors, infrastructure issues, or changes in government incentives would negatively impact sales.
- Execution Risks (New Products/Gigafactories):** Successful execution of new Gigafactory builds and launches of new products (like the announced location) are crucial. Delays, cost overruns, or production issues could hurt financial performance and market sentiment.
- Technological Challenges:** Rapid advancements in battery technology (as noted in market analysis) and autonomous driving require continuous R&D investment. Failure to keep pace could erode competitive advantage.
- Regulatory Changes:** Government regulations regarding emissions, safety standards, and incentives can significantly impact the EV market and Tesla's operations and profitability.

### OPPORTUNITIES

- Continued Market Growth (EV Adoption):** The strong projected 20% EV market growth in 2025 provides a significant tailwind for increased sales volume.
- Successful New Product Launches:** New models or product updates could open new market segments or refresh existing demand, boosting revenue.
- Technological Advantages:** Maintaining a lead in battery technology, software, or manufacturing processes could lower costs and improve product appeal.
- Expansion into New Markets/Geographies:** New Gigafactory locations (like the recently announced one) and market entries can significantly increase production capacity and reach new customer bases.
- Cost Efficiencies:** Improvements in manufacturing processes and supply chain management can enhance profitability (supported by improving net income margin trend).

### Overall Assessment

Tesla faces risks from increasing competition, execution challenges in scaling operations, and potential technological or regulatory shifts. Opportunities stem from the expanding EV market, new product pipelines, technological leadership, and geographical expansion, alongside potential for further cost efficiencies.

### DISCLAIMER

This report is for educational purposes only and is not an actual investment recommendation. It is based on simulated and hypothetical data.

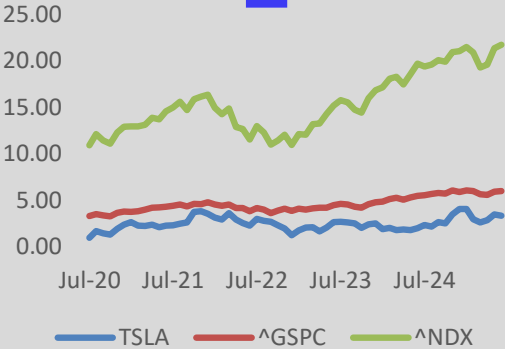


Recommendation	: Buy
CMP	: \$ 332.05
Buy Price	: \$ 340
Target Price	: \$ 525
Potential Target	: + 58%
Holding Period	: 12 & 18 Months

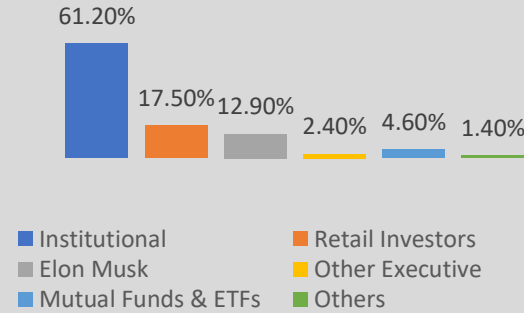
#### Stock Data

Market Cap (in \$)	: 1.07T
52 Week H/L (IN \$)	: 167.41/488.54
Beta	: 2.46
Sector	: Consumer Cyclical
	: Auto
Industry	Manufacturers

#### Stock VS Index Performance – 5Y



#### Shareholding Pattern



#### Financial Summary(USD Millions)

Metrics	2023 A	2024 A	2025 E
Revenue	96,773	1,05,980	1,18,500
Gross Profit	17,757	18,200	21,000
Gross Margin (%)	18.40%	17.20%	17.70%
Operating Income	8,879	7,050	9,000
Operating Margin (%)	9.20%	6.60%	7.60%
Net Income	10,224	8,320	9,400
EPS (Diluted)	3.35	2.8	3.2
Vehicle Deliveries (Units)	1.81 mill	2.04 mill	2.35 mill

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