



## *AGENDA*

- Introduction
- Tesla Overview
- Possible Problems
- Possible Solution
- Final tips & takeaways



## *OVERVIEW OF TESLA*

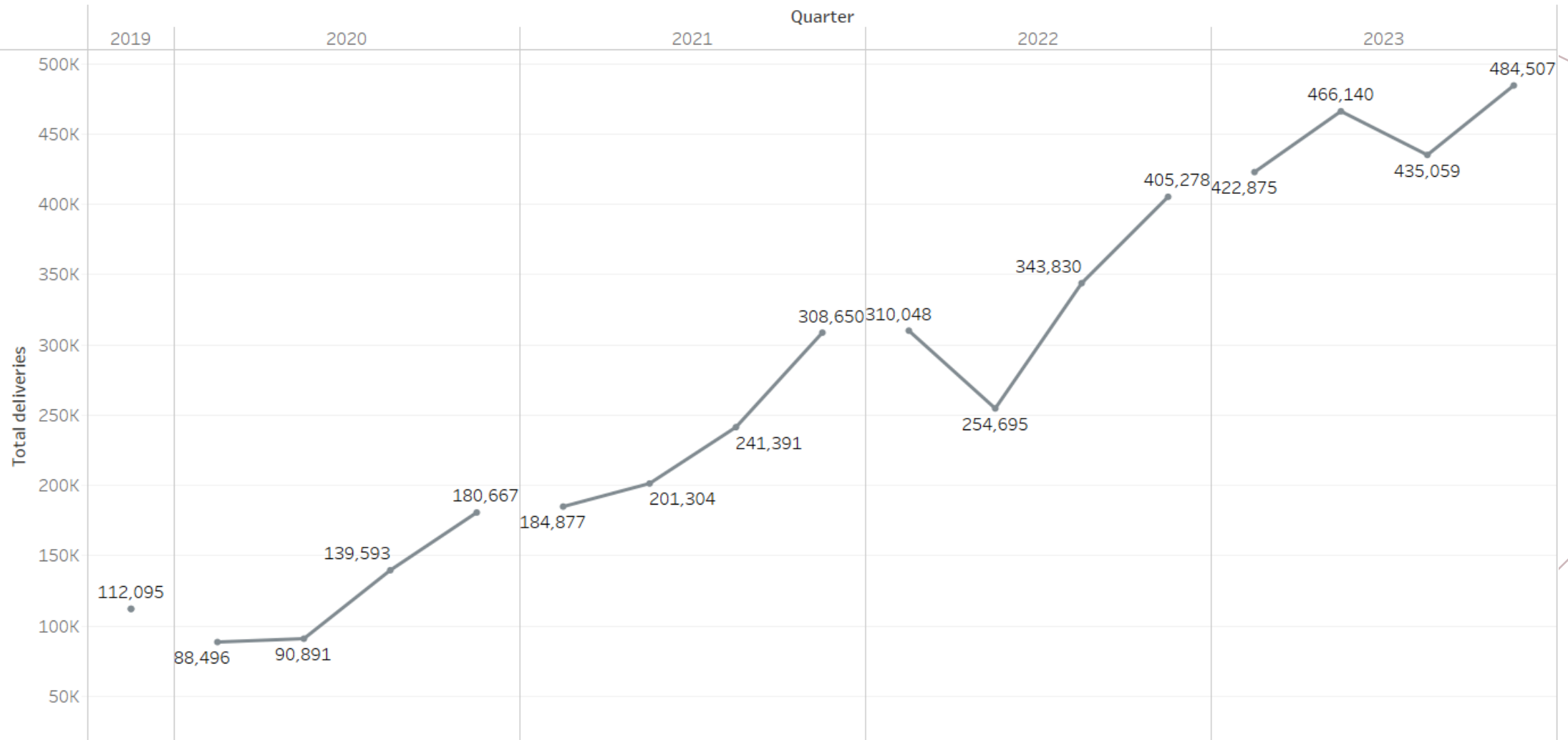
- Tesla, is an American multinational corporation focused on automotive and sustainable energy solutions.
- Tesla stands among the world's most valuable companies by market capitalization.
- In October 2021, Tesla briefly achieved a market capitalization of \$1 trillion, becoming the sixth U.S. company to reach this milestone.
- IN 2023, ranked 69th in Forbes Global 2000.



# *TESLA PERFORMANCE OVER THE YEARS*

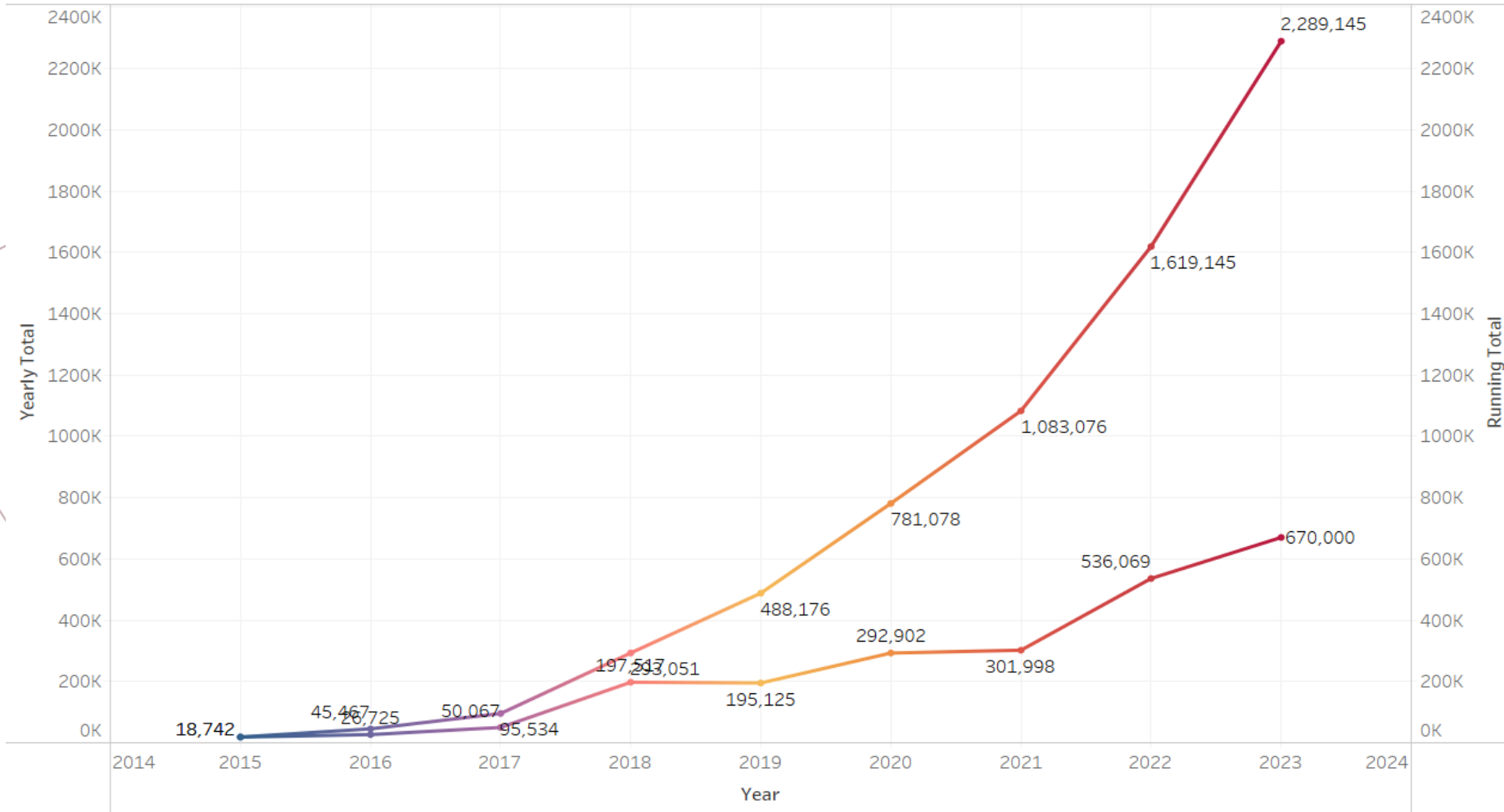
IN TERMS OF SALES, PRODUCTION AND  
DELIVERIES

## Total Worldwide Deliveries of Tesla



Tesla Delivered over 1.8 million units in 2023 showing 34.78% growth

## Tesla sales in United States



Sales in United States –

- Over 2,289,145 vehicles sold till 2023
- 670,000 + sold in 2023 alone.



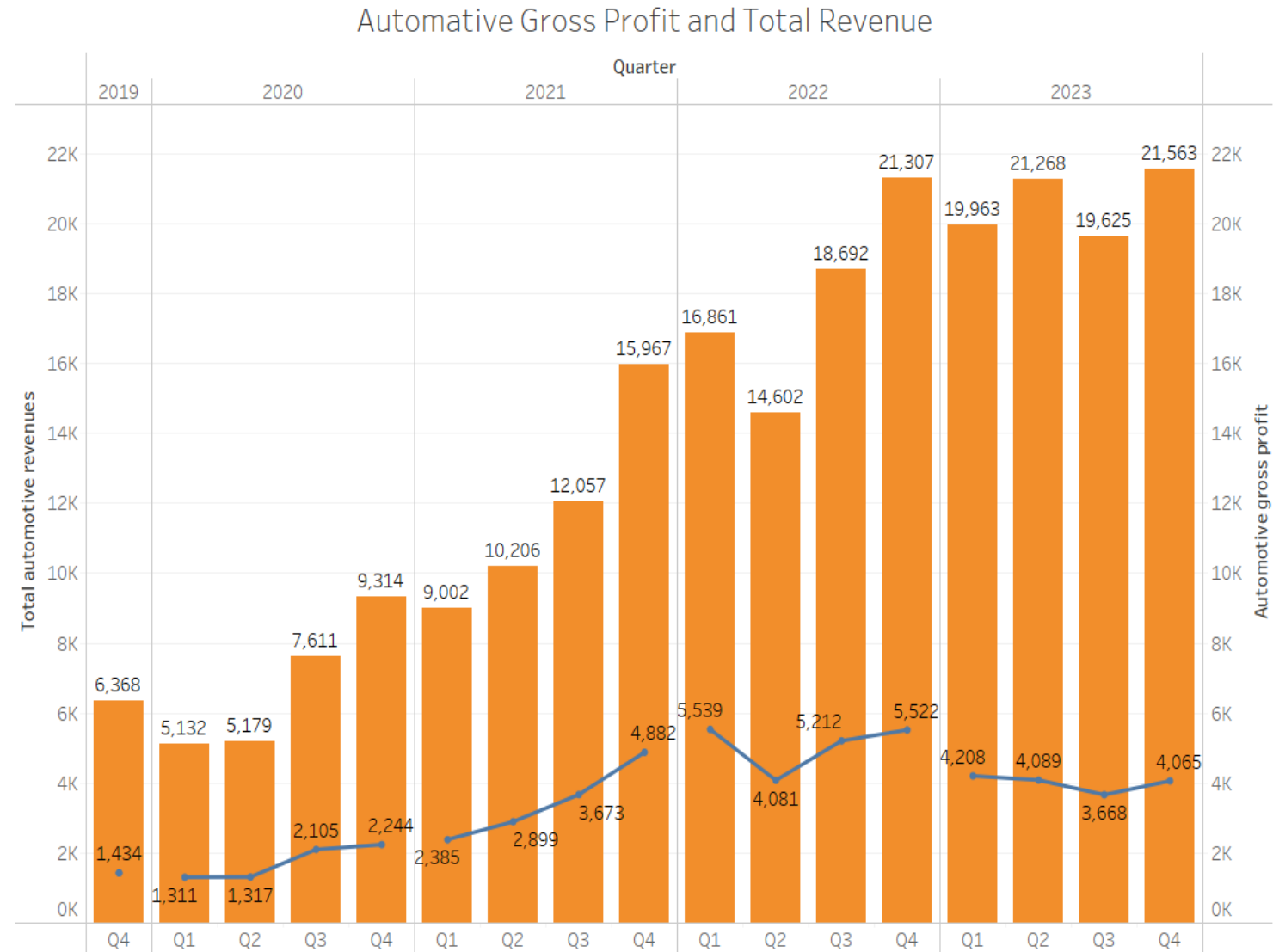
# *POSSIBLE PROBLEMS*

ALTHOUGH THE ABOVE SLIDES DEPICT SIGNIFICANT GROWTH, THERE ARE  
ALSO SOME CONCERNING INDICATORS PRESENT.

# REVENUE AND GROSS PROFIT

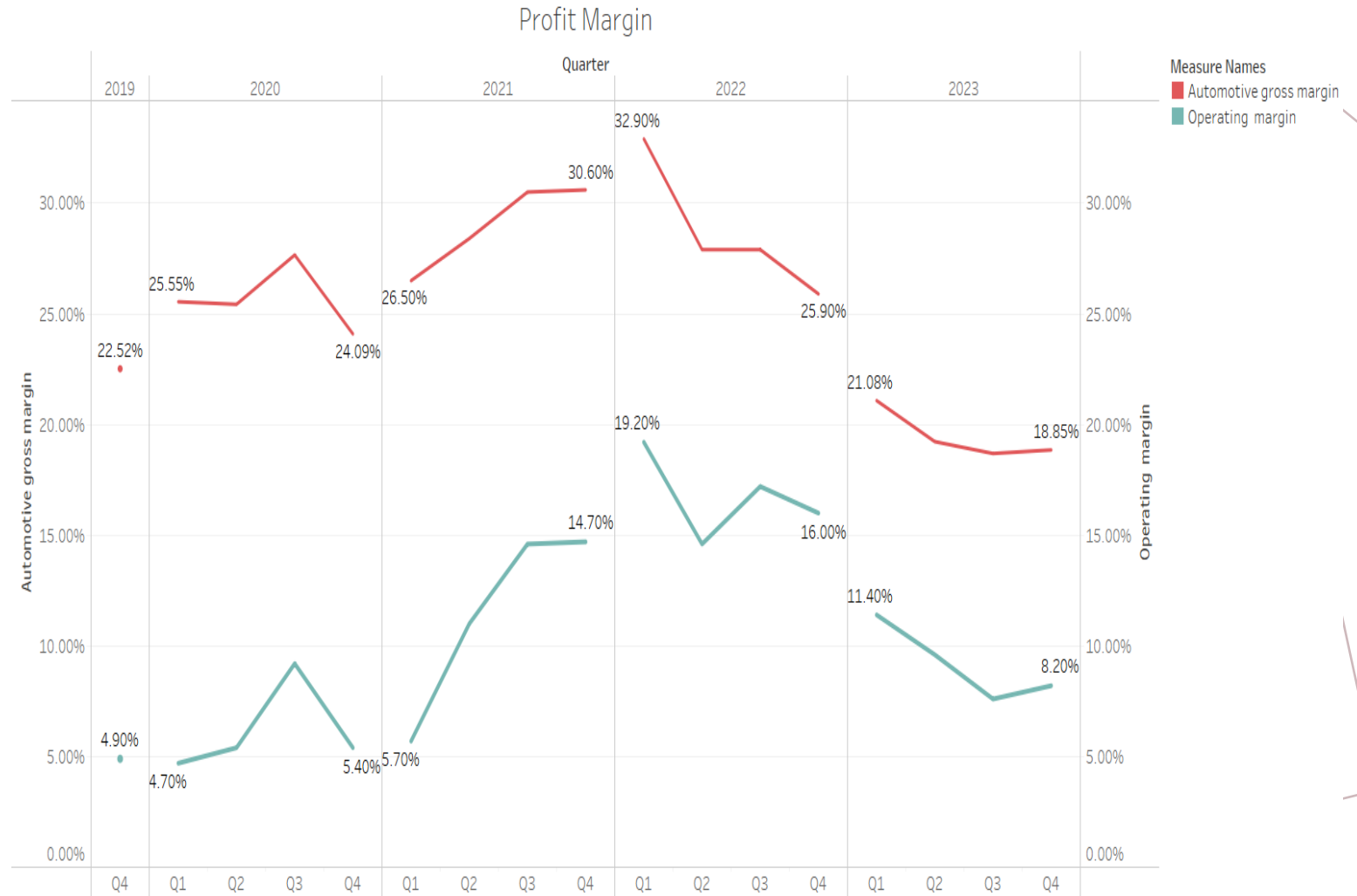
Quartly revenue –

- 2023 saw the lowest Automotive gross profit of the last 10 quarters.
- Automotive Gross Profit for 2023 was 26.974% down than 2022.



# *DECREASING PROFIT MARGINS*

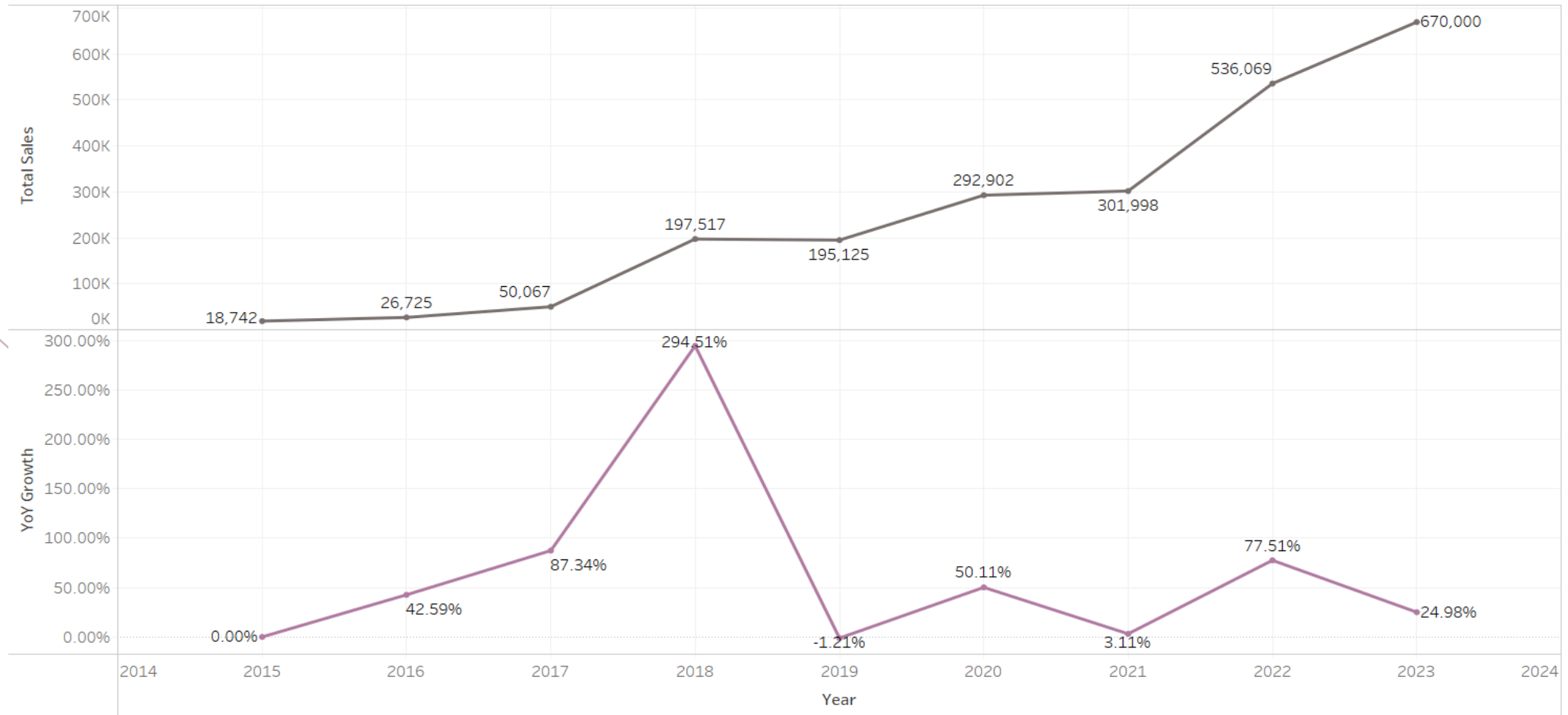
- Profit Margins – Automotive profit down to 18.85% in the last quarter of 2023.
- Automotive gross margin lowest since 2019
- Operating Margin also declined to 8.20%.
- Automotive profit margin and Operating margin falling since Quarter 1 of 2022.





# *SLOWER GROWTH IN USA*

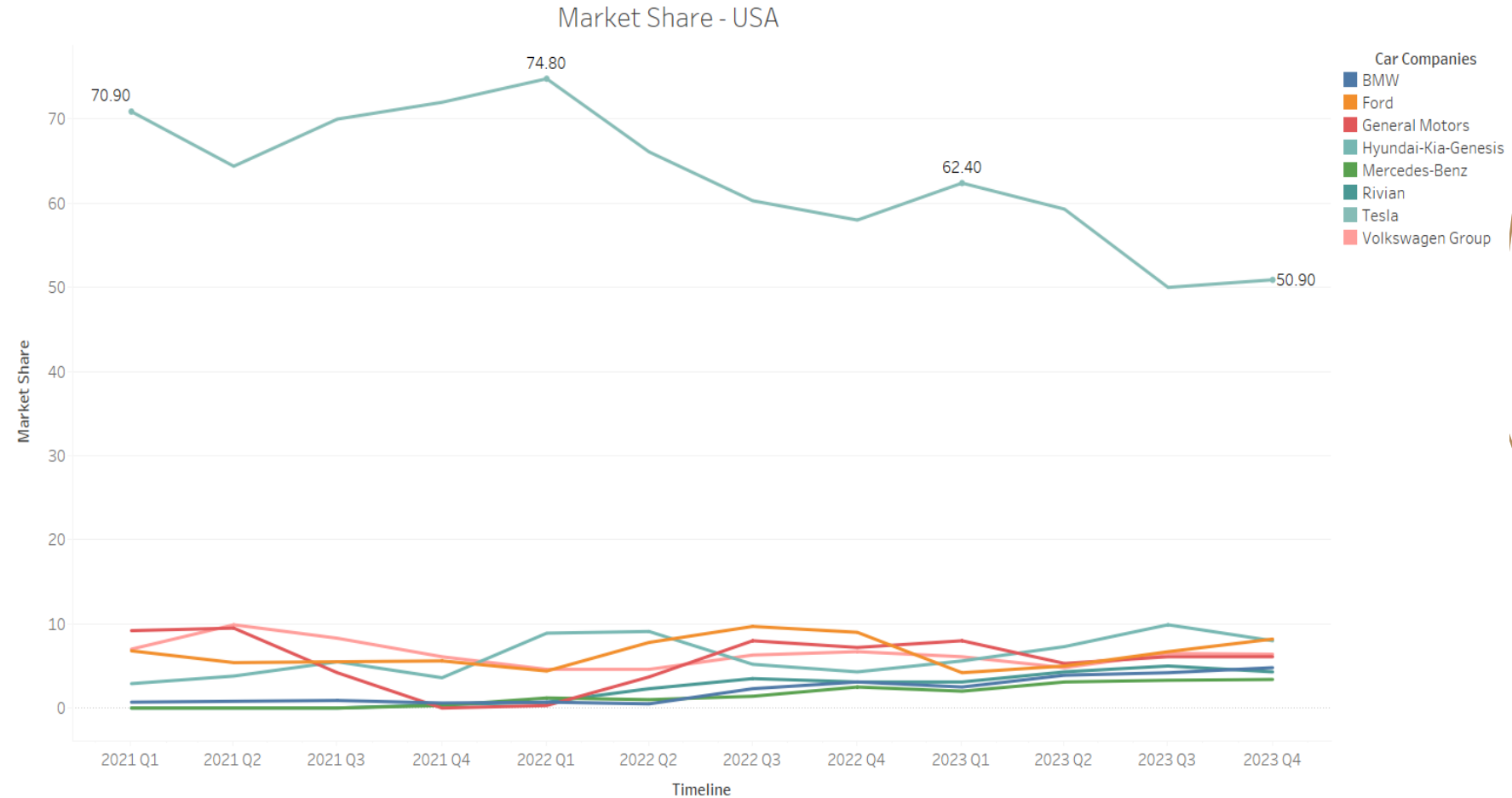
USA Tesla Sales and Year on Year Growth



- YoY growth declined from 78% to 25% in 2023 in United States.

# DECREASE IN EV MARKET SHARE IN USA

- Tesla Market share dropped to 55.10% from 64.27% in 2023
- Seeing a decline of 9.17% in a year in market share.
- Whereas companies like Toyota, Genesis, GMC and Lucid saw 666.6%, 283.2%, 279.9% and 122.6% growth from 2022 to 2023 in EV market.



# *DECLINING STOCK PRICE*



- Tesla's stock price has fallen 43% YTD(as of 14<sup>th</sup> April 2023).
- Drop of 48% in the last 6 months.

# *TECHNICAL ISSUES*

- 24 Accidents recorded for 1000 drivers from Nov 2022 to Nov 2023.
- In December 2023, 2.2 million vehicles recalled due to font size issues on warning lights.
- Tesla has had nine recalls in the United States for steering and suspension issues since 2018, NHTSA records show.
- Reliability concerns: Tesla ranks poorly for reliability, with 171 mechanical issues per 100 vehicles

# *POSSIBLE SOLUTIONS*

ALTHOUGH IT IS THE  
BEGINNING OF  
PROBLEMS FOR TESLA  
THERE IS A LOT THAT  
CAN BE DONE TO TAKE  
PREVENTIVE MEASURES



# *EXPLORING NEW MARKETS*

- India is now world's 3<sup>rd</sup> largest car market.
- 4-wheeler EV's share is about 1 – 1.5% of the total car market and is expected to reach 20%+ by 2030.
- 4W EV sales have grown rapidly at 85%–90% CAGR over fiscal 2018–23.
- Premium car market is soaring high.
- Tax benefits given by Govt of India is increasing the EV sales.

# *DEALING WITH TECHNICAL ISSUES*

- Prioritize Vehicle Safety:
  - Identify and rectify root causes of accidents and recall issues
  - Enhance safety features to rebuild customer confidence
- Enhance Reliability:
  - Allocate resources towards research and development
  - Focus on mitigating mechanical issues to improve vehicle reliability

# *DEALING WITH TECHNICAL ISSUES*

- Problems with Autopilot and Autonomous driving features
- Tesla has seen issues with the following
  - Lane departure warnings
  - Emergency braking
  - Traffic aware cruise control
- Tesla needs to improve the accuracy and reliability of its software and even rigorous testing is required.



# *COST BENEFIT ANALYSIS*

- Higher car prices and availability of a lot of options is the reason for decrease in market share.
- Decrease in profit margins may increase the overall sales and profit. Same was done by Tesla in China where in Q4 Tesla sold 33% vehicles below average price to compete with BYD's sales.
- In China, Tesla stands at 7.8% in EV car market, the sales can be increased by lowering the price to compete with cost efficient BYD.

# *DEALING WITH COMPETITION*

Tesla is facing higher competition then ever.

- Enhance Standard Interior Features:
  - Introduce upgraded materials and finishes to enhance the perceived luxury of Tesla vehicles.
  - Incorporate cutting-edge technology such as advanced infotainment systems and driver-assist features as standard.
  - Offer customizable options for interior design to cater to diverse consumer preferences.
- Differentiate Through Innovation:
  - Continuously innovate in design, technology, and sustainability to differentiate Tesla from competitors.
  - Explore partnerships with leading design firms and technology companies to bring unique features and capabilities to Tesla vehicles.
  - Emphasize Tesla's commitment to environmental sustainability and social responsibility through eco-friendly manufacturing processes and initiatives.

# *INVESTING IN CHARGING INFRASTRUCTURE*

Tesla is facing higher competition then ever.

- Invest in Charging Infrastructure:
  - Expand the network of Tesla Superchargers to cover more regions and reduce charging wait times.
  - Collaborate with other stakeholders to establish standardized charging protocols for interoperability.
  - Invest in research and development for next-generation charging technologies such as ultra-fast charging and wireless charging.

*WHILE THESE ISSUES MAY APPEAR MINOR, THEY COULD  
POTENTIALLY SNOWBALL INTO LARGER PROBLEMS FOR TESLA.  
ADDRESSING THEM IS CRUCIAL FOR STAYING AHEAD OF THE  
COMPETITION AND ESTABLISHING THE BRAND AS MORE RELIABLE  
AND TRUSTWORTHY.*



*THANK YOU*