**Tesla Merits & Challenges**

**Good afternoon, ladies, and gentlemen, I’m Abdulrahman Yasser a data analyst at Jefferies, I’m delighted to present you & speak about the merits & challenges of investing in tesla, I’ll be speaking about facts, historical data about Tesla's performance at year 2020 and 2021, Tesla's recent share price movement and factors for and against investing in Tesla. Hope my analysis suits & satisfy you and be a good guide for investing in Tesla.**

**About the key financial for 2020 & 2021 the**

**Total Revenue increased from 31536(m) in 2020 to 53823(m) in 2021 which represents c.71% increase over the year.**

**As for key profitability indicators like EBITDA (Earnings before interest, taxes, depreciation, and amortization) That increased from being 1994(m) in 2020 to 6523(m) in 2021 which indicates a great increase in the gross margin and the revenue. And due to that increase in EBITDA in leads to an increase in net profit/(loss) before/after tax, it shows an increase in the net profit before tax by 550% and after tax it shows a huge increase by 654%.**

**Based on an article published on Electrek on May. 19th 2022 it describes tesla profit processing as a long term one and says “Tesla has long benefited from a large core group of investors who believe in the company’s long-term mission and are holding the stock. These investors have benefited greatly over the years as the company’s valuation surged to $1 trillion dollars.”, but now tesla stock is down by 28% and was removed from s&p ESG 500 INDEX which erased 250(b) from the market this year. Which lead to investors to fight back and some investors ‘re now calling for a stock buyback program. That is a panic move (if it happens) since it would make Tesla spend $15 billion over two years to support its share price in the short term which is also against tesla’s ideology a long-term profit.**

**And another downgrade article published on the BARRON’S on May 23, 2022, it says**

**“Tesla Stock Has Fallen Below $700. Why $540 Might Be Next”.**

**This article focuses on many problems starting from.** **The company’s most productive plant in Shanghai was shut and is now operating at reduced capacity because of Covid-19 lockdowns in China, software problems and the drawbacks it causes for the company stock price, which gives the impression that Tesla’s system isn't as safe as other systems, the Inflation in hurting too. Of course, this doesn’t mean Tesla is going down or it’ll vanish in couple of years. Actually, despite all what is happening to tesla it makes tones of profits, based on an update for Q1 2022 it compares the performance between Q1 2022 and 4Q’S 2021 and it’s very good actually, as for revenue it grew 81% YoY in Q1 to $18.8B. due to some factors:**

* **Growth in vehicle deliveries**
* **Increased ASP**
* **Growth in other parts of the business**

**And as for Profitability operating income improved to $3.6B in Q1, resulting in a 19.2% operating margin this is due to some factors**

* **Growth in vehicle deliveries**
* **Increased ASP**
* **Reduce (COGS)**
* **Lower stock-based expense**
* **ETC...**

**At last, despite the challenges that faces tesla and its investors it’s still a safe place to invest in it made profits despite the challenges and it relies on being a long-term profitable company it requires patient and cooperations to bypass the challenges and enjoy the merits..**