

<b>TESLA MOTORS</b> <small>NDQ-TSLA</small>	<b>RECENT PRICE</b> <b>208.69</b>	<b>P/E RATIO</b> <b>NMF</b> (Trailing: NMF Median: NMF)	<b>RELATIVE P/E RATIO</b> <b>NMF</b>	<b>DIV'D YLD</b> <b>Nil</b>	<b>VALUE LINE</b>
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Insider Decisions											
	J	A	S	O	N	D	J	F	M		
to Buy	0	1	0	0	0	0	0	0	0		
Options	2	4	2	1	3	3	0	1	3		
to Sell	2	4	1	1	3	2	0	0	2		

U.S. Institutional Decisions						THIS STOCK		VL ARITH. INDEX	
	2Q2015	3Q2015	4Q2015	Percent shares traded					
to Buy	258	277	299	75				1 yr.	6.5
to Sell	193	187	197	50				3 yr.	345.9
Hold(000)	78651	83648	86898	25				5 yr.	772.3

Tesla Motors, Inc., was founded in 2003 and has since been a leading developer of electric-vehicle technology. The company's initial public offering was held on June 29, 2010, when 13.30 million shares were offered for \$17.00 each. The lead managers were Deutsche Bank Securities, Goldman Sachs, Morgan Stanley, and J.P. Morgan.	2006	2007	2008 <sup>A</sup>	2009 <sup>A</sup>	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
--	--	--	--	1.23	1.95	3.61	16.36	25.43	30.79	56.80	64.15	Sales per sh <sup>A</sup>	92.60	
--	--	--	--	d1.51	d2.27	d3.21	.26	d.49	d3.55	2.05	.70	"Cash Flow" per sh	9.40	
--	--	--	--	d1.63	d2.53	d3.69	d.62	d2.36	d6.93	d5.50	d2.85	Earnings per sh <sup>A</sup>	4.75	
--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil	
--	--	--	--	.42	1.89	2.09	2.15	7.71	12.44	17.05	20.00	Cap'l Spending per sh	33.35	
--	--	--	--	2.18	2.14	1.09	5.42	7.25	8.29	11.35	11.35	Book Value per sh	13.35	
--	--	--	--	94.91	104.53	114.52	123.09	125.76	131.43	132.00	132.50	Common Shs Outst'd <sup>A B</sup>	135.00	

CAPITAL STRUCTURE as of 3/31/16	--	--	14.7	111.9	116.7	204.2	413.3	2013.5	3198.4	4046.0	7500	8500	Sales (\$mill) A	12500
Total Debt \$3162.2 mill. Due 5 Yrs \$690.7 mill.	--	--	NMF	NMF	NMF	NMF	NMF	2.2%	1.4%	NMF	NMF	2.0%	Operating Margin	11.0%
LT Debt \$2526.9 mill. LT Interest \$34 mil.	--	--	4.2	6.0	40.6	46.0	28.0	486.4	24.0	430.6	460	475	Prepaid expenses (\$mill)	625

Leases, Uncapitalized Annual rentals \$105.4 mill.	--	--	--	--	--	--	--	--	--	NMF	Nil	Nil	Income Tax Rate	10.0%
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No Defined Pension Plan	--	--	d56.5	43.1	150.3	181.5	d14.3	590.7	1091.5	d24.7	400	1000	Working Capital (\$mill)	1650
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Common Stock 133,944,622 shares as of 4/29/16	--	--	.9	.8	71.8	271.2	411.5	599.0	1818.8	2040.4	3000	2750	Long-Term Debt (\$mill)	2500
	--	--	d98.5	65.7	207.0	224.0	124.7	667.1	911.7	1088.9	1500	1500	Shr. Equity (\$mill)	1800

MARKET CAP: \$28.0 billion (Large Cap)	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Return on Shr. Equity	35.5%
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CURRENT POSITION	2014	2015	3/31/16	--	--	--	--	NMFI	NMFI	NMFI	NMFI	NMFI	NMFI	NMFI	NMFI	All related to Com Eq	\$9.5%
(\$MILL.)				--	--	--	--	--	--	--	--	--	--	--	--	Rtn'd vs Net Prof	Nil
Cash Assets	1905.7	1196.9	1465.3														
Receivables	226.6	169.0	318.1														
Inventory (FIFO)	953.7	1277.8	1302.0														
Other	112.7	147.9	153.8														
Current Assets	3198.7	2791.6	3239.2														
Accts Payable	777.9	916.1	1013.5														
Debt Due	611.1	633.2	635.3														
Other	718.2	1267.0	1538.9														
Current Liab.	2107.2	2816.3	3187.7														

**BUSINESS:** Tesla Motors, Inc. engages in the development and manufacturing of fully electric vehicles (EVs) and advanced EV powertrain components. Developed the Roadster, the first commercially produced, federally compliant highway-capable electric vehicle. Roadster has a range of 236 miles on a single charge; the Model S, at 230 to 253 miles per charge; the crossover Model X, up to 250 miles per charge; the forthcoming Model 3, 225 miles per charge. Tesla operates its vehicle sales and services network. As of 12/15, operates around 208 locations in North America, Europe, and Asia. Has about 13058 employees. Chairman & CEO: Elon Musk. Inc.: DE. Address: 3500 Deer Creek Road, Palo Alto, CA 94304. Telephone: 650-681-5000. Internet: www.teslamotors.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
of change (per sh)			
Sales	--	81.5%	25.0%
"Cash Flow"	--	--	NMF
Earnings	--	--	NMF
Dividends	--	--	Nil
Book Value	--	26.0%	11.5%

Calendar	QUARTERLY SALES (\$ mill.) <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	561.8	405.1	431.4	615.2	2013.5
2014	620.5	769.4	851.8	956.7	3198.4
2015	939.8	955.0	936.8	1214.4	4046.0
2016	1147.0	1750	2050	2553	7500
2017	1350	2100	2350	2700	8500

Calendar	EARNINGS PER SHARE <sup>A</sup>					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31		
2013	.10	d.26	d.33	d.13	d.62	
2014	d.40	d.50	d.60	d.86	d.2.36	
2015	d1.22	d1.45	d1.78	d2.44	d6.89	
2016	d2.13	d1.50	d1.10	d.77	d5.50	
2017	d1.00	d.90	d.75	d.20	d2.85	

Calendar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	
2012					
2013					
2014					
2015					
2016					

2006	2007	2008 <sup>A</sup>	2009 <sup>A</sup>	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
--	--	--	--	1.23	1.95	3.61	16.36	25.43	30.79	<i>56.80</i>	<i>64.15</i>	Sales per sh <sup>A</sup>	92.60
--	--	--	--	d1.51	d2.27	d3.21	.26	d.49	d3.55	<i>2.05</i>	<i>.70</i>	"Cash Flow" per sh	9.40
--	--	--	--	d1.63	d2.53	d3.69	d.62	d2.36	d6.93	<i>d5.50</i>	<i>d2.85</i>	Earnings per sh <sup>A</sup>	4.75
--	--	--	--	--	--	--	--	--	--	<i>Nil</i>	<i>Nil</i>	Div'ds Decl'd per sh	<i>Nil</i>
--	--	--	--	.42	1.89	2.09	2.15	7.71	12.44	<i>17.05</i>	<i>20.00</i>	Cap'l Spending per sh	33.35
--	--	--	--	2.18	2.14	1.09	5.42	7.25	8.29	<i>11.35</i>	<i>11.30</i>	Book Value per sh	13.35
--	--	--	--	94.91	104.53	114.52	123.09	125.76	131.43	<i>132.00</i>	<i>132.50</i>	Common Shs Outst'd <sup>B</sup>	135.00

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--	--	--	--	--	--	--	--	--	--		Relative P/E Ratio	3.15
--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	Nil

--	--	14.7	111.9	116.7	204.2	413.3	2013.5	3198.4	4046.0	7500	8500	Sales (\$mill) A	12500
--	--	NMF	NMF	NMF	NMF	NMF	2.2%	1.4%	NMF	NMF	2.0%	Operating Margin	11.0%
		4.2	6.0	10.6	16.0	20.0	406.4	224.0	123.6	460	475	Operating gain (\$mill)	625

--	--	4.2	6.9	10.6	16.9	26.8	106.1	231.9	422.6	490	473	Depreciation (\$mill)	625
--	--	d82.8	d55.7	d154.3	d254.4	d396.2	d74.0	d294.0	d888.7	d725	d380	Net Profit (\$mill)	640
--	--	--	--	--	--	--	--	--	NMF	Nil	Nil	Income Tax Rate	10.0%

--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	<i>Nil</i>	<i>Nil</i>	Net Profit Margin	5.1%
--	--	56.5	43.1	150.3	181.5	143.3	590.7	1091.5	124.7	400	1000	Working Capital (\$mill)	1650

--	--	98.5	48.1	188.3	161.3	538.7	188.3	324.7	488	1888	Working Cap (\$mm)	1888
--	--	.9	.8	71.8	271.2	411.5	1818.8	2040.4	3000	2750	Long-Term Debt (\$mill)	2500
--	--	d98.5	65.7	207.0	224.0	667.1	911.7	1088.9	1500	1500	Shr. Equity (\$mill)	1800

--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Return on Total Cap'l	15.0%
--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Return on Shr. Equity	35.5%
				NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Return on Com. Eq.	25.5%

--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Retained to Com Eq	35.7%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

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**Tesla recently unveiled its long-** growth targets.

**awaited *Model 3*.** Though *Model S* orders were up 45% compared to last year's first quarter, and production of the *Model X* increased five fold sequentially, the newest addition to the electric car fleet is stealing the headlines. Rightfully so, in our view, as the sedan's \$35,000 base price will presumably widen the electric car innovator's target market. It received more than 325,000 reservations for the *Model 3* (at \$1,000 per deposit), suggesting at least \$14 billion in future sales, according to

company guidance. Initial shipments of the sedan are expected late next year.

**Concerns about about the company's ability to fund the ambitious production ramp.** Tesla surprised many when it announced it was looking to manufacture 500,000 cars in 2018, two years earlier than its original target. Many analysts were left scratching their heads, noting that the company would need to raise considerable funds, be it through debt financing or sales offerings, to support its expansion. After all, disrupting the auto industry is costly business, and Tesla will need plenty more cash to achieve its

**The recent quotation does not support an investment looking for returns in the coming three to five years.** Tesla's long-term operational success will hinge on its ability to maintain production on its growing fleet of vehicles, build an international network of *Supercharger* sites, and further penetrate the energy market with the development of both its *Powerpack* and *Gigafactory*. In any case, the car company's stock remains unsuitable for conservative accounts, given that it is risky (Safety: 4) and often volatile (Beta: 1.30).

Robert L. Herzig, Jr. May 20, 2016

(A) Diluted earnings. Pro forma data prior to June, 2010. Excludes nonrecurring gains/(losses): '10, (8¢). Next earnings report early August.	(B) In millions. Upon completion of 6/10 IPO, all convertible preferred stock was converted into 70,226,844 shares of common stock. An additional 445,047 shares of common stock	were issued upon net exercise of all outstanding warrants (excluding DOE warrants).	<b>Company's Financial Strength</b> <b>Stock's Price Stability</b> <b>Price Growth Persistence</b> <b>Earnings Predictability</b>	 B 10 100 35
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were issued upon net exercise of all outstanding warrants (excluding DOE warrants).	<b>Company's Financial Strength</b>	B
	<b>Stock's Price Stability</b>	10

Company's Financial Strength	B
Stock's Price Stability	10
Price Growth Persistence	100
Earnings Predictability	35

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