



Company	Ticker	Sector	Industry
Tesla Inc	TSLA-US	Consumer Discretionary	Automobiles

Business Description

Tesla, Inc. engages in the design, development, manufacture, and sale of fully electric vehicles and energy generation and storage systems. The company operates through the following segments: Automotive and Energy Generation and Storage. The Automotive segment includes the design, development, manufacture, sale, and lease of electric vehicles as well as sales of automotive regulatory credits. The Energy Generation and Storage segment includes the design, manufacture, installation, sale, and lease of stationary energy storage products and solar energy systems, and sale of solar energy systems incentives. The company was founded by Jeffrey B. Straubel, Elon Reeve Musk, Martin Eberhard, and Marc Tarpenning on July 1, 2003 and is headquartered in Austin, TX.

Price Chart

Key Info & Metrics



Empirical Research Rank:	8
Date Purchased:	04/28/2022
Price:	\$196.81
52-Week Range:	\$108.10 - \$381.82
Dividend Yield:	0.00%
Market Cap (\$M):	\$622,727
Forward Price-to-Earnings:	46
Total Return	
Year-to-Date:	59.8%
1 Year:	-34.9%
3 Year:	294.6%
5 Year:	755.7%

Investment Case - Updated: November 6, 2022

Tesla has cemented its position as the clear leader in electric vehicles (EV) and autonomous driving. Despite only recently being added to the index, it is now the fifth largest company in the S&P 500. Despite the stock's strong historical performance through the end of 2021, Tesla shares still offer upside. In the last two years the company has tripled annual run-rate production from ~400,000 vehicles (4Q19) to 1.2 million vehicles (4Q21). Wall Street expects Tesla to continue growing production at a rapid clip, producing nearly 3 million vehicles in 2025. However, even those growth estimates may be too conservative. With annual US auto shipments of around 17 million and about 100 million worldwide, there is plenty of market share for Tesla to capture. CEO Elon Musk has communicated an aspirational target of capacity for 20 million vehicles annually by 2030. In addition to shipping vehicles, we think Tesla stands to benefit from high-margin software revenues associated with autonomous driving packages or subscriptions. Margins should also continue to rise as production and battery costs keep falling.

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