

A dark-colored Tesla Model S is shown driving on a winding asphalt road through a desert landscape. In the background, there are rugged, rocky mountains under a clear sky. The car is in motion, with a slight blur on the wheels and background to convey speed.

Tesla's Market Expansion: Prioritize Australia, Reassess Saudi Arabia post 2030

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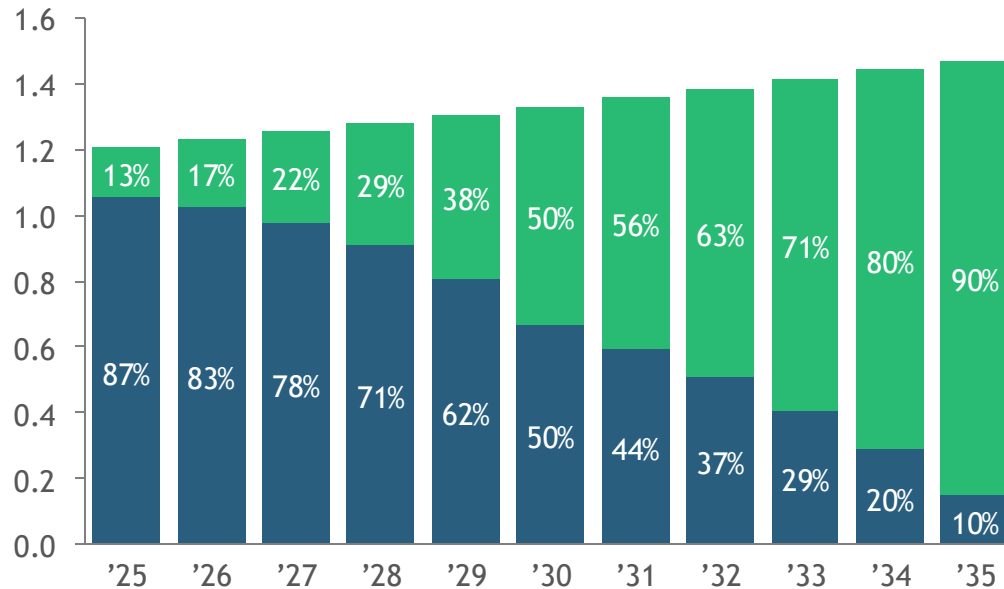
13TH MARCH 2025

Australia's EV market projected to be 60% larger than Saudi Arabia by 2035

Australia

- Government mandates driving EV adoption:
 - 50% of new vehicle sales to be EV by 2030
 - 100% of new vehicles sales to be EV by 2035 (in some states)
- EVs in 2024 made up **10%** of total car sales
- 1.3M** EV sales projected in 2035

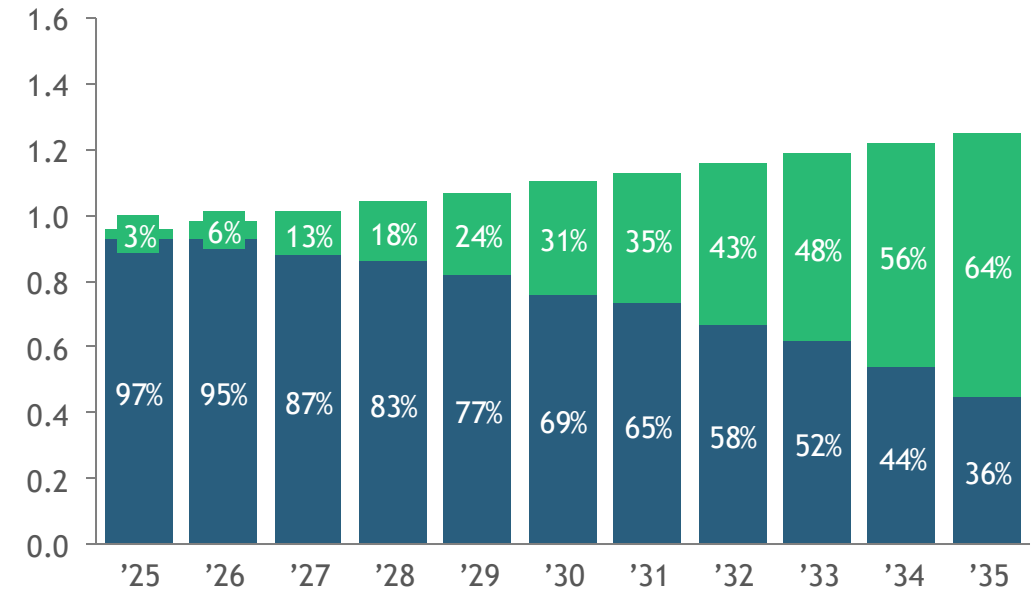
Unit Sales (M)



Saudi Arabia

- As part of Vision 2030, EV adoption goals have been set up:
 - 30% of all vehicles in Riyadh to be EVs by 2030
 - 50% reduction in emissions in Riyadh by 2030
- EVs in 2024 made up **only 1%** of total car sales
- 0.8M** EV sales projected in 2035

Unit Sales (M)



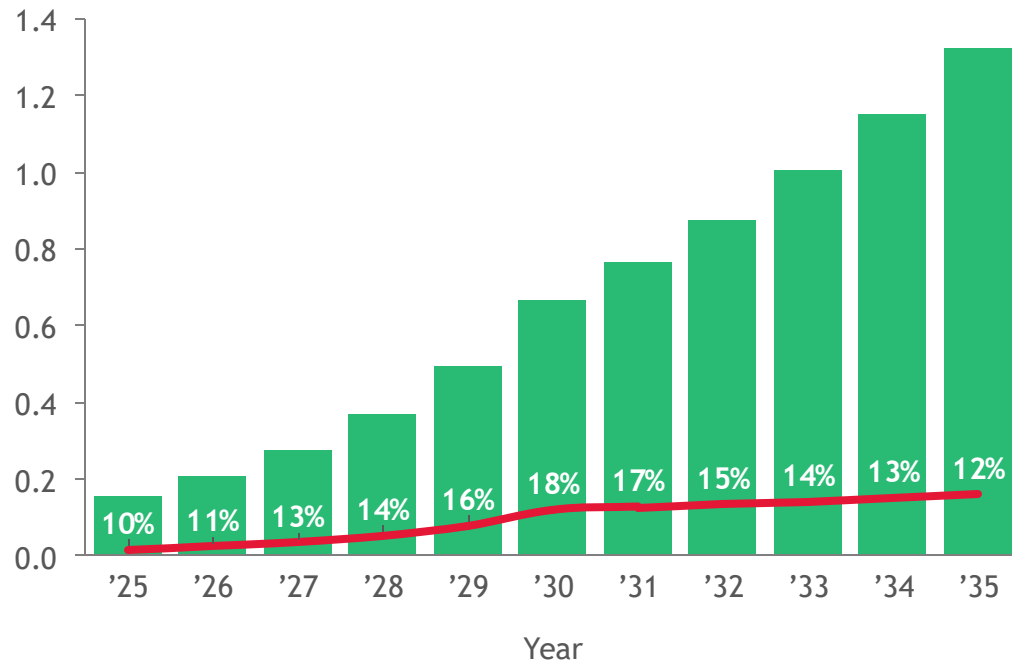
Legend: ■ Total EV Sales ■ Total Non EV Sales

Tesla's growth outlook: competitive Australia vs. high-margin Saudi Arabia

Australia

- **Highly competitive market** with strong players like BYD, MG, BMW, Volvo Kia, Hyundai, and Polestar
- Tesla expected to hold **lower market share (~10-18%)**, peaking in 2030 due to EV mandates
- Cumulative Tesla sales over 11 years projected at **1.03M units**

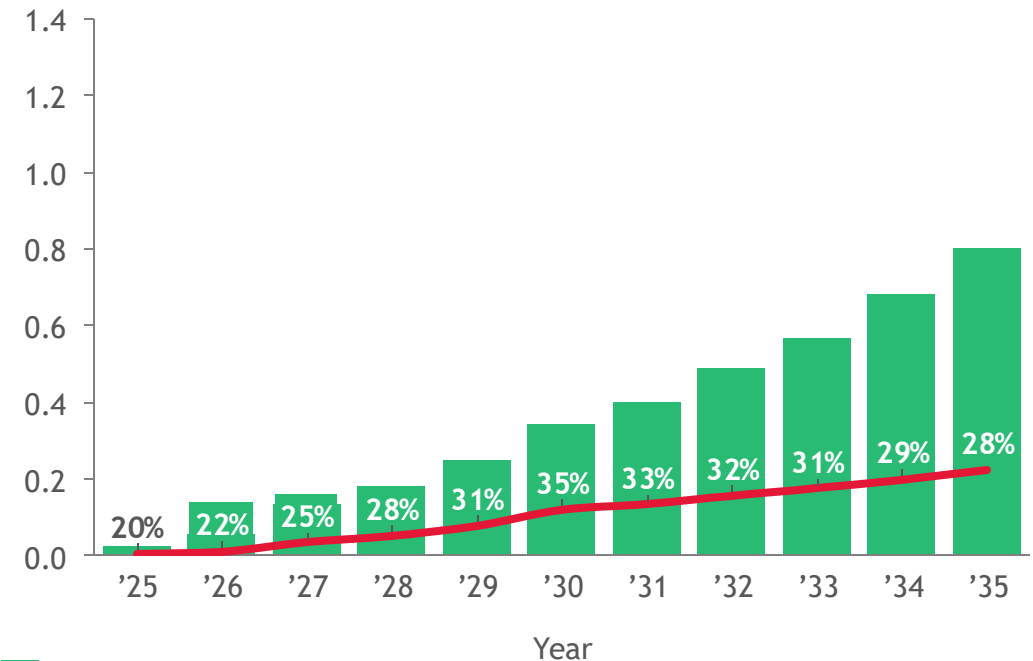
Unit Sales (M)



Saudi Arabia

- Benefits from **first mover advantage** with only Lucid, Ceer, and Hyundai as current competition
- **Higher market share (~20-35%)** expected, peaking in 2030 due to Vision 2030's push for EV adoption
- Cumulative Tesla sales over 11 years projected at **1.18M units**

Unit Sales (M)



Note: EV sales include sales from both BEV (Battery Electric Vehicles) and PHEV (Plug-In Hybrid Electric Vehicles).

Source: Electric Vehicle Council (EVC), Australian Automobile Association, PWC KSA eMobility Outlook 2024, International Energy Association (IEA), World Population Review

Australia currently leads Saudi Arabia in EV and AV policies

Australia



NVES (the Standard) policy from 2025 - CO₂ credit units benefits Tesla with additional revenue



Well developed charging infra - 1000+ public locations¹



High gas prices (\$4.26/gal) - making EVs an attractive alternative



Non-government EV brands - competition not backed by any government body



Autonomous Vehicle (AV) regulations in 2025 - clear regulatory framework coming this year



High public transport usage - strong infrastructure and adoption means more potential for AVs



No import tariff on EVs - no additional costs passed onto consumers



Various states offer tax rebates/incentives on EV purchase

Saudi Arabia



Limited incentives - no mandatory credit trading, voluntary only and doesn't apply to auto sales



Weak charging infra - only 285 public locations²



Low gas prices (\$2.35/gal) - reducing financial incentive to switch



Government controlled EV market - Lucid and CEER backed by PIF, may limit foreign competitors



No AV regulations announced yet - while Autonomous driving supported in principle, no official framework



Low public transport usage - cultural preference for personal vehicles limits AVs market size



15% import tariff on all vehicles - higher costs passed onto consumers

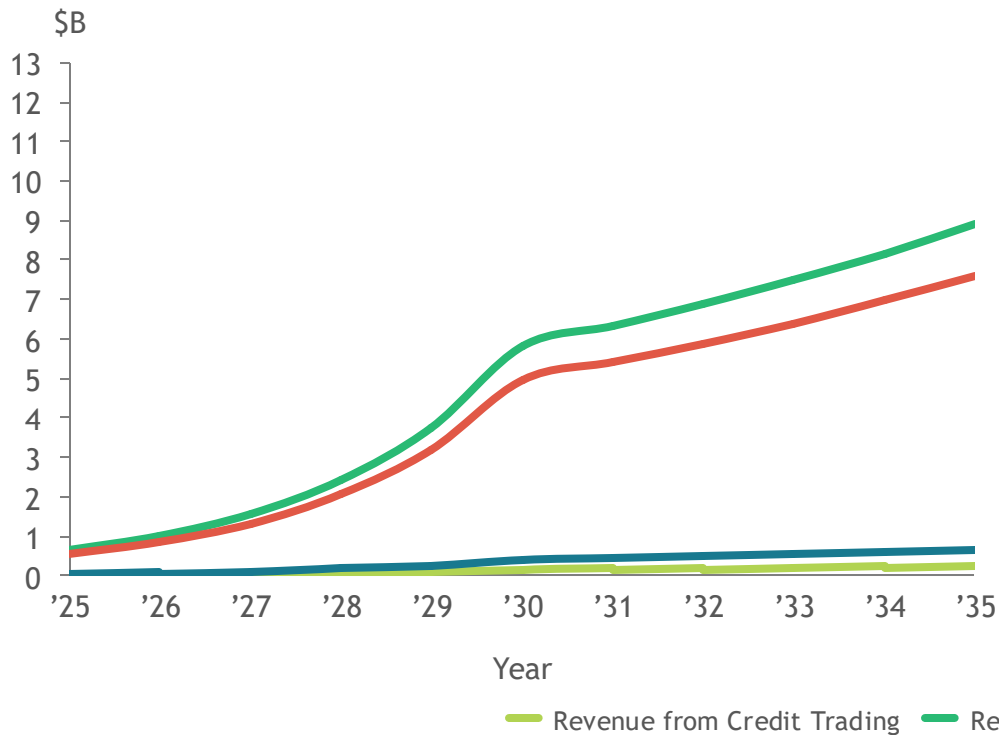


No tax rebates/incentives offered on EV purchase

Australia's regulatory credit trading revenue drives \$0.61B higher net income than Saudi Arabia's

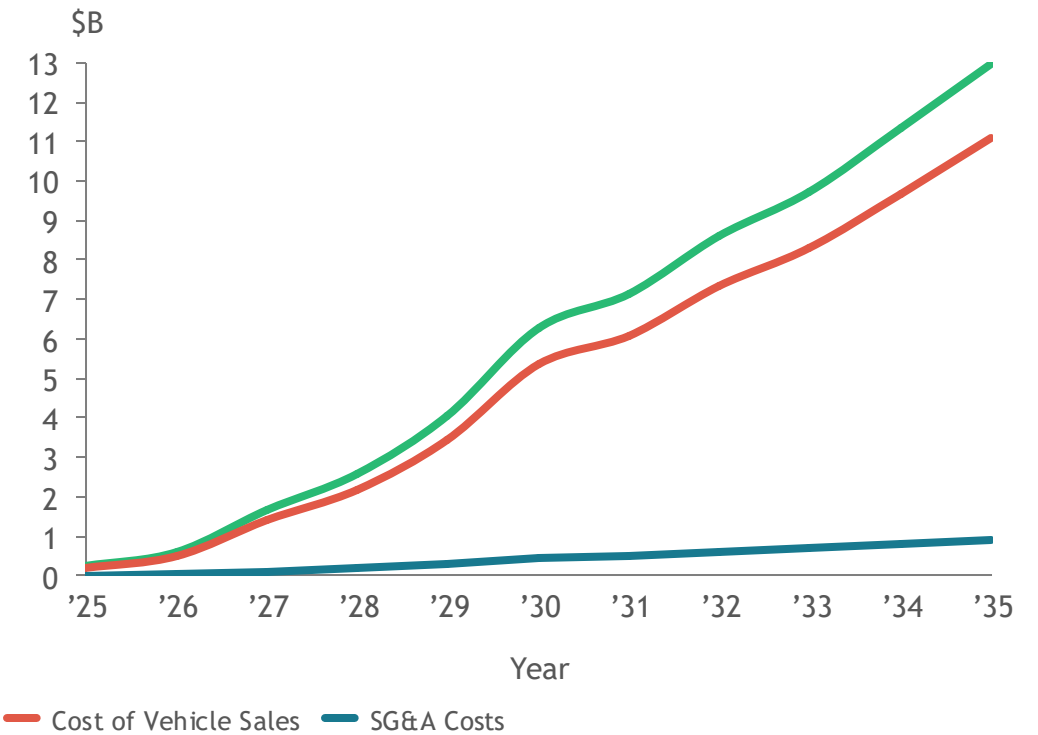
Australia

- NVES policy unlocks revenue stream of credit trading at 2.9% (taken as an average % over the past 3 years) of vehicle sales revenue
- Cumulative Net Income¹ over 11 years projected at \$5.51B



Saudi Arabia

- Revenue stream is restricted to vehicle sales only, as current Voluntary Regulatory Credit excludes automotive sales
- Cumulative Net Income¹ over 11 years projected at \$4.90B



1. Net Income = (Revenue from Credit Trading + Revenue from Vehicle Sales) - (Cost of Vehicle Sales + SG&A Costs)

Note: This financial model is based on the assumption that Tesla would be importing all the vehicles sold in both Australia and Saudi Arabia instead of setting up manufacturing plants in either locations. This model also takes into account YoY inflation rates at 3% and 2% for Australia and Saudi Arabia respectively. Import tariffs of 15% in Saudi Arabia have also been taken into consideration. This model is currently limited to only automotive sales related revenue, cost, and income for Tesla.

Source: Tesla 2024 Form 10-K, Attached Excel file

Prioritize Australia for immediate market entry, reassess Saudi post 2030



Stronger policy support:

Saudi Arabia's policies are largely focused on the future and remain uncertain in the present. In contrast, Australia offers immediate regulatory incentives



Higher Net Income¹:

Australia is projected to generate \$5.51B in cumulative net income, \$0.61B more than Saudi Arabia over 11 years



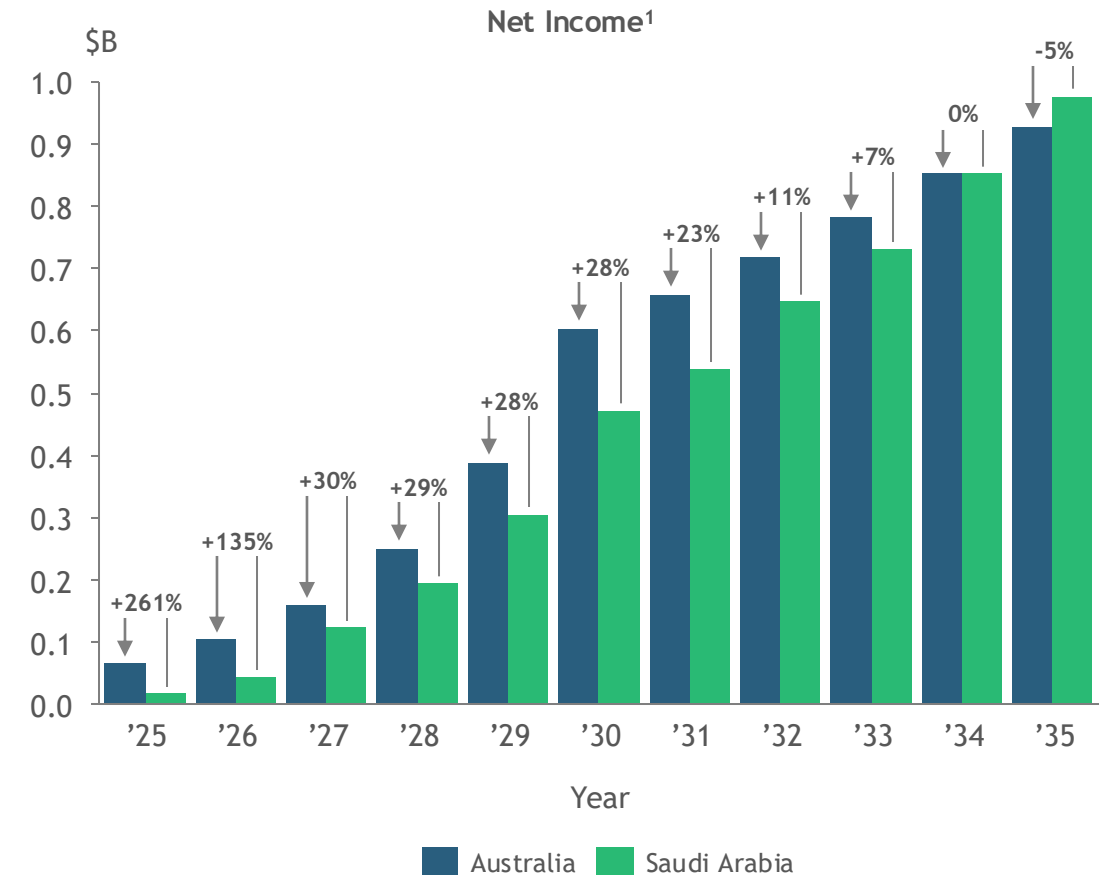
Risk of competitive landscape:

Investment in R&D will be essential to maintain market position and cater to evolving consumer preferences in Australia



Future expansion into Saudi Arabia:

Reevaluate entry after 2030, when policies and incentives are more concrete, and net income starts catching up



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