

Tesla's set to cash in on a \$1 trillion market for delivery robots that's on its way, according to Cathie Wood's Ark

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Ark Invest, File (for Wood) and Hannibal Hanschke/Pool Photo via AP, File (for Musk).

- Cathie Wood's Ark predicts the market for delivery robots to grow to \$1 trillion by 2030.
- Tesla is well positioned to expand into the technology, and that should boost the stock toward Ark's 2026 price target of \$4,600, the fund said.
- Ark alluded to Elon Musk's comments at Tesla's earnings that "mind blowing" products were coming.

Tesla is set to sink its teeth into a trillion-dollar market for delivery robots over the next decade, Cathie Wood's Ark thinks, after CEO Elon Musk promised "mind blowing" driver tech

at the company's latest earnings.

In its weekly Ark Disrupt newsletter, the investment firm stressed the scope for Tesla to expand into the new technology, which the fund predicts will grow to a \$trillion market by 2030.

"According to ARK's research, autonomous ride-hail could turn cars — stranded assets used less than 5% of the day — into assets generating significant recurring cash flows: each of Tesla's autonomous ride-hail vehicles could generate ~\$20,000 annually," ARK's director of investment analysis Tasha Keeney wrote.

Keeney added that this would help Tesla's share price toward Ark's 2026 target of \$4,600 per share, a 2,500% increase from current market levels.

Ark has a sizable stake in Elon Musk's company, which helped its flagship Innovation ETF post a record monthly gain of 29% in January, buoyed by a 40% jump in Tesla shares.

But the ETF's commitment to Tesla and other higher-risk innovation stocks saw 67% of its value wiped out in 2022, adding to a 23% contraction in 2021.

"We have other products in development. We're not going to announce them, obviously, but they're very exciting. And I think it will blow people's minds when we reveal them," Musk said on Tesla's latest investors call covering earnings for the fourth quarter of 2022.

That, Wood's fund suggested, included its data library as well as training and inference tools, which it said "are positioning Tesla to build other autonomous machines that navigate the physical world, perhaps drones or last-mile delivery robots."

In its Big Ideas 2023 publication, Ark said its \$1 trillion forecast for the delivery-robot market depended on how quickly traditional automakers pivot to the tech if car sales fall as predicted.

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