

10 October 2025

Recommendation Underweight	Price Target \$150.00	PT End Date 31-Dec-26	Price \$435.54	Upside/Downside to PT -65.6%
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Tesla Inc. designs, manufactures, and sells high-performance electric vehicles and electric vehicle powertrain components. The Company owns its sales and service network and sells electric powertrain components to other automobile manufacturers. Tesla serves customers worldwide.



Note: All analysts forecasts are as of last note published on 03-Oct-2025

The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

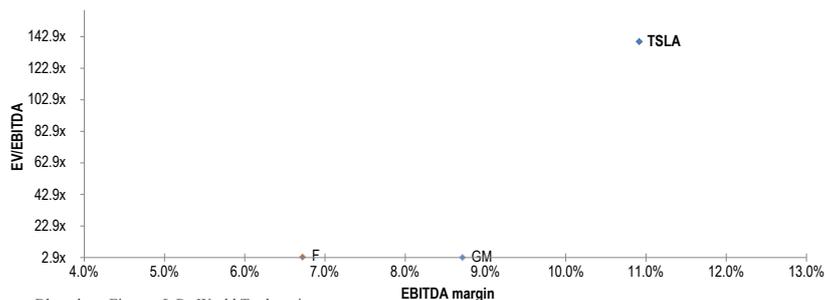
Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Key Financials (\$mn, year end Dec)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	96,773	97,690	94,384	109,272	125,441
EBITDA	13,558	12,444	10,303	13,123	16,266
EBIT	8,891	7,076	4,557	6,973	9,732
Pretax Income	9,973	8,990	5,970	8,200	11,018
Net Profit	10,882	8,419	6,155	8,252	10,529
Total Assets	106,618	122,070	134,018	148,949	167,063
Shareholder Equity	63,609	73,680	81,900	90,152	100,680
Adjusted Net Debt/(Cash)	(11,168)	(7,926)	(9,530)	(13,874)	(19,402)
Capex	(8,898)	(11,339)	(9,141)	(9,834)	(11,290)
Free Cash Flow to firm	4,812	4,554	4,080	5,328	6,562
EPS (\$)	3.12	2.41	1.75	2.35	3.00
DPS	n/a	n/a	n/a	n/a	n/a

Key Ratios	FY23	FY24	FY25E	FY26E	FY27E
EBITDA Margin	14.0%	12.7%	10.9%	12.0%	13.0%
EBIT Margin	9.2%	7.2%	4.8%	6.4%	7.8%
Net Margin	11.2%	8.6%	6.5%	7.6%	8.4%
Payout Ratio	n/a	n/a	n/a	n/a	n/a
Net Debt/Equity (excl MI)	NM	NM	NM	NM	NM
FCF Yield	0.3%	0.3%	0.3%	0.3%	0.4%
P/E	139.4x	180.8x	248.8x	185.4x	145.3x
EV/EBITDA	106.1x	115.9x	139.8x	109.4x	87.9x
ROE	19.9%	12.3%	7.9%	9.6%	11.0%

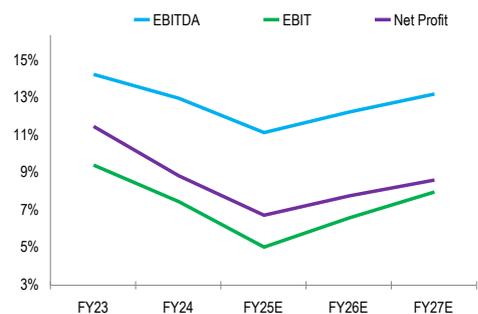
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY25



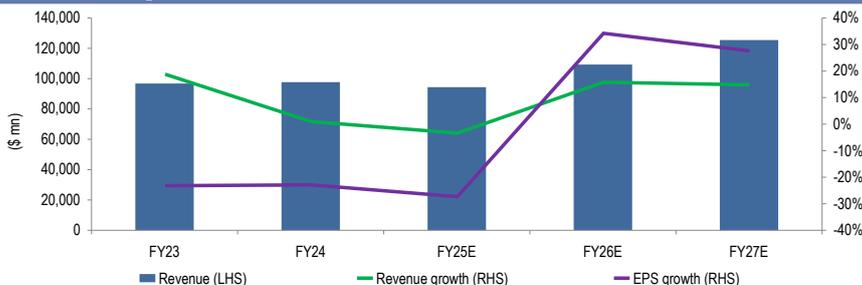
Source: Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (TSLA)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	1,448,236
Shares O/S (mn)	3,325
Float	84.6%
Dividend Yield	n/a
EPS (\$)	1.75
3M - Avg daily volume (mn)	89.51
52 wk High/Low (\$)	488.54-212.11

WTS EPS Estimate		BBG EPS Estimate	
FY25E	FY26E	FY25E	FY26E
1.75	2.35	1.75	2.46

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap (\$mn)	EV/EBITDA	P/BV	P/E	ROE
Local peers										
Ford Motor	F	2024/12	31-Jul-25	OW	\$13.00	47,254	FY25E 3.2x, FY26E 2.8x	FY25E 1.0x, FY26E 1.0x	FY25E 9.8x, FY26E 9.1x	FY25E 10.5%, FY26E 10.9%
General Motors	GM	2024/12	30-Sep-25	OW	\$80.00	53,851	FY25E 3.0x, FY26E 2.5x	FY25E 0.8x, FY26E 0.7x	FY25E 6.0x, FY26E 5.4x	FY25E 13.9%, FY26E 13.7%
Global peers										
Mercedes-Benz Group AG	MBGn.DE	2024/12	09-Oct-25	OW	€68.00	66,328	FY25E 0.8x, FY26E 0.8x	FY25E 0.6x, FY26E 0.6x	FY25E 9.9x, FY26E 10.1x	FY25E 5.7%, FY26E 5.6%
BMW	BMWG.DE	2024/12	07-Oct-25	OW	€89.00	61,296	FY25E NM, FY26E NM	FY25E 0.5x, FY26E 0.5x	FY25E 6.7x, FY26E 6.7x	FY25E 8.1%, FY26E 7.9%
Tesla Inc	TSLA	2024/12	03-Oct-25	UW	\$150.00	1,448,236	FY25E 139.8x, FY26E 109.4x	FY25E 18.7x, FY26E 17.0x	FY25E 248.8x, FY26E 185.4x	FY25E 7.9%, FY26E 9.6%
Median							FY25E 3.1x, FY26E 2.6x	FY25E 0.8x, FY26E 0.7x	FY25E 9.8x, FY26E 9.1x	FY25E 8.1%, FY26E 9.6%
Mean							FY25E 36.7x, FY26E 28.9x	FY25E 4.3x, FY26E 3.9x	FY25E 56.2x, FY26E 43.3x	FY25E 9.2%, FY26E 9.5%
High							FY25E 139.8x, FY26E 109.4x	FY25E 18.7x, FY26E 17.0x	FY25E 248.8x, FY26E 185.4x	FY25E 13.9%, FY26E 13.7%
Low							FY25E 0.8x, FY26E 0.8x	FY25E 0.5x, FY26E 0.5x	FY25E 6.0x, FY26E 5.4x	FY25E 5.7%, FY26E 5.6%

Source: Company data, World Trade estimates.



Investment Thesis

Our Underweight rating considers notable investment positives, including a highly differentiated business model, appealing product portfolio, and leading-edge technology, which we believe are more than offset by above-average execution risk, rising competition, growing controversy with regard to the brand, and valuation that seems to be pricing in a lot. Tesla is attractively saddled with none of the pension, OPEB, and other legacy costs that frequently burden large, entrenched automakers. We view its products as bold, distinctive, elegant, and highly entertaining to drive. The company is led by visionary leadership, backed by a management team with solid functional strength. Although both technology and execution risk seem substantially less than was once feared, expansion into higher volume segments with lower price points seems fraught with greater risk relative to demand, execution, and competition.

Valuation

We maintain our Underweight rating while introducing a new December 2026 price target of \$150 (predicated upon our newly rolled out 2027 estimates and considering 2026-end capital structure), which replaces our previous \$115 December 2025 price target (which had considered 2026 estimates and 2025-end capital structure). Our December 2025 price target is predicated upon a 50/50 blend of DCF and 2027E-based multiples analysis (itself a blend of P/E, EV/EBITDA, and price-to-sales).

Risks to Rating and Price Target

Upside risks include: (1) The demand for Tesla vehicles could rise materially beyond our expectations; (2) gasoline prices could increase or government penalties and regulations on rival internal combustion engine vehicles could increase, which could drive adoption toward electric vehicles, benefitting Tesla; and (3) better-than-expected execution on operating targets.