

Company	Tesla Inc.	Ticker	TSLA	Current Price	Industry:	Consumer Discretionary	Sub-Industry	Automotive and Energy
Target Price	\$340.00	TTM P/E	64.17	\$194.24	Beta	1.97	Mkt Cap	655.139
Stop Loss	\$155.39	Forward P/E	34.25		Credit Rating	Ba1	Avg Vol (12M)	70,734,525
52 wk High/Low	\$196.66	EPS	\$2.96		Rating Outlook (	Positive	Div Yield	None

#### Company Background

Tesla designs, develops, manufactures, leases and sells high-performance fully electric vehicles, solar energy generation systems and energy storage products. Tesla also offers maintenance, installation, operation, financial and other services related to these products. Tesla has also increasingly focused on products and services based on artificial intelligence, robotics and automation.

#### Industry Outlook

While the worldwide automotive market is highly competitive, Tesla is well positioned to be the biggest winner of the inflation reduction act and is poised for future growth as it gets closer to completing its giga factories in Texas and Germany. The inflation reduction act extends the EV tax credit of \$7,500 per electric vehicle through 2032 (10 years) which includes all EVs under \$55,000. Tesla is also uniquely positioned to provide value to consumers through its product ecosystem of solar, energy storage, battery cells, electric vehicles, and self driving consumers which are all integral to a decarbonized future. Tesla also has vertically integrated sales and auto-servicing which further enhances customer experience.

#### Investment Thesis

Tesla is the world's fifth most valuable publicly traded company and producer of the world's highest selling electric vehicles. Tesla is well positioned to be the biggest winner of the inflation reduction act and is poised for future growth as it gets closer to completing its giga factories in Texas and Germany. Tesla's price also sits close to the 52-week low suggesting an optimal buying point for the company. I believe Tesla has established a significant competitive advantage in vertically integrated power generation, storage, and transportation solutions for an electrified future.

#### Investment Risks

- The automobile industry has historically been highly competitive and difficult to sustain a competitive advantage.
- Many other major auto-manufacturers and new companies such as Rivian have made large commitments to shift towards vehicle electrification which will create increasing competition over time.

#### 3-5 takeaways from the last earnings call

- Record energy storage deployments of 2.1 GWh in Q3
- Free Cash Flow of 3.3 Billion in Q3
- 27.9% GAAP automotive gross margin in Q3

#### Financial Performance

	2017	2018	2019	2020	2021
Revenue	11,759	21,461	24,578	31,536	53,823
Operating Profit	-1,866	-575	-304	1,490	5,804
Net Income	-1,961	-976	-862	721	5,519
Revenue Growth	68	83	15	31	71
EBITDA%	0.03	7.05	10.22	15.12	18.69
Operating Profit %	—	—	—	—	—
Net Income Margin	-15.6	-3.46	-2.56	2.58	10.17
D/E	183.13	189.61	180.06	55.74	28.09
EPS	-0.79	-0.38	-0.32	0.25	1.87
PE Ratio	—	—	—	972.87	217.35
Current Ratio	0.86	0.83	1.13	1.88	1.38
RoE	-43.59	-21.31	-14.94	4.78	21.04
RoA	-7.64	-3.34	-2.69	1.67	9.66
Dividend per share	0.00	0.00	0.00	0.00	0.00
FCF	-3,475.5	-2.9	1,078.0	2,786.0	5,015.0

#### Discounted Cash Flow

	2018-21	2022-31
Avg Revenue Growth	37.83	50.65
Avg Gross Margin	20.95%	25.07%
Avg EBITDA Margin	14.68%	19.21%
Avg NOPAT Margin	6.40%	14.99%
Avg FCF Margin	7.51%	11.92%
Tax Rate		21%
WACC		12.28%
Perpetuity growth rate		3%

#### Analyst Opinion

Buy: 26	Sell: 12	Hold: 8
	<b>Rating</b>	<b>Target</b>
S&P NetAdvantage	Strong Buy	\$340.00
Bloomberg	Buy	\$282.60
Yahoo Finance	Buy	\$270.00

#### Financial Performance

Name (BICS Best Fit)	Ticker	Mkt Cap (USD)	MC to BV	Tot Assets:Y	P/S:Y	P/E:Y	P/FCF:Y	P/S:Y	GM:Y	EBIT/Net Sales:Y	ROE:Y	ROA:Y
Medium		53.16B	3.76	133.42B	10.01	13.00	11.08	10.01	16.45%	9.33%	18.03%	3.43%
100	TESLA INC	611.69B	15.35	62.13B	19.36	217.35	207.77	19.36	25.28%	12.12%	20.88%	9.58%
102	LUCID GROUP INC	23.08B	6.22	7.88B	1.04k	—	—	1.04k	-471.34%	-5645.11%	-160.65%	-51.82%
103	FORD MOTOR CO	54.82B	1.30	257.04B	0.61	13.00	8.67	0.61	12.06%	3.32%	16.24%	2.45%
104	GENERAL MOTORS CO	55.50B	0.85	244.72B	0.67	8.29	11.08	0.67	20.83%	7.34%	19.82%	4.40%

#### Total Return

Rating	Company	S&P 500	Industry Sect.
YTD	-45.27%	-18.45%	-33.80%
2021	-50.28%	-17.16%	-34.94%
Last 3 years	758.16%	30.15%	13.97%
Last 5 years	850.10%	61.46%	52.80%

CSR Characteristics	Company	Peers
Governance disclosure score	5.42	4.99
Social Disclosure score	6.16	3
Environmental disclosure score	4.72	1.23

\*Industry Avg. includes companies listed

Prepared by Team Hartford (Month Day, Year) using Bloomberg, S&P Net Advantage, Morning Star, Yahoo Finance