

Tesla Report 2021



TESLA

COMPANY OVERVIEW

Tesla, Inc. engages in the design, development, manufacture, and sale of fully electric vehicles, energy generation and storage systems. It also provides vehicle service centers, supercharger station, and self-driving capability. The company operates through the following segments: Automotive and Energy Generation and Storage. The Automotive segment includes the design, development, manufacture and sale of electric vehicles.

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 electricity generated by its solar energy systems to customers. It develops energy storage products for use in homes, commercial facilities and utility sites.

TESLA'S MOVE TO S&P 500

Tesla is set to join the S&P 500 index of leading US stocks next month, with the announcement on Monday sending the electric car maker's shares up 13 per cent in after-market trading. Admission to the benchmark, to take effect with the quarterly rebalancing on December 21, comes almost three months after Tesla first qualified to join the S&P 500, potentially adding to demand for its shares from new investors who track the index. The stock rose earlier this year as investors anticipated its elevation to the index, only to retreat after S&P Dow Jones Indices passed on it over in several index reshuffles. The late-Monday bounce added more than \$50bn to the electric carmaker's stock market value and put it back within 8 per cent of the record hit in August after an intense rally.



FINANCIALS - Q3 2020

The company already reported that it delivered 139,300 vehicles during the quarter, a new record for Tesla.

Automotive revenue comprised \$7.6 billion, about 91% of the total for the quarter. Automotive gross margins, excluding regulatory credits, rose from 18.7% to 23.7% sequentially. Tesla raked in \$397 million in regulatory credits during the quarter nearly doubling the amount it made from these “green” credits year-over-year.

\$8.77 BILLION

REVENUE

IN Q3 2020

139,300

VEHICLES PRODUCED

IN THE PREVIOUS QUARTER

At Tesla's 2020 annual shareholder meeting and battery day presentation in September, Musk said that vehicle deliveries in 2020 would be up 30% to 40% from last year, implying a range from 477,750 to 514,500 deliveries total.

Key Points from the Q3 2020 Earnings report

Earnings per share (adjusted): 76 cents

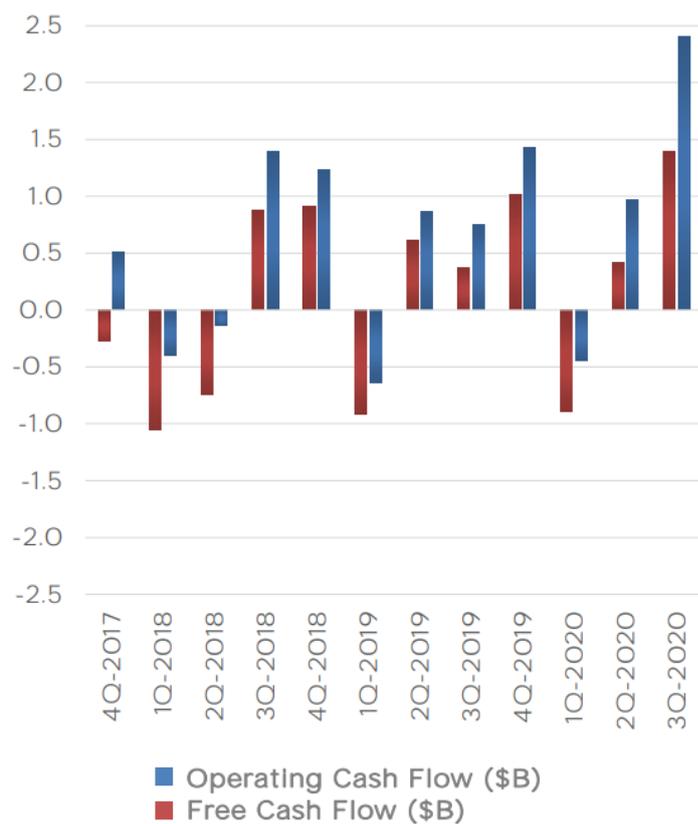
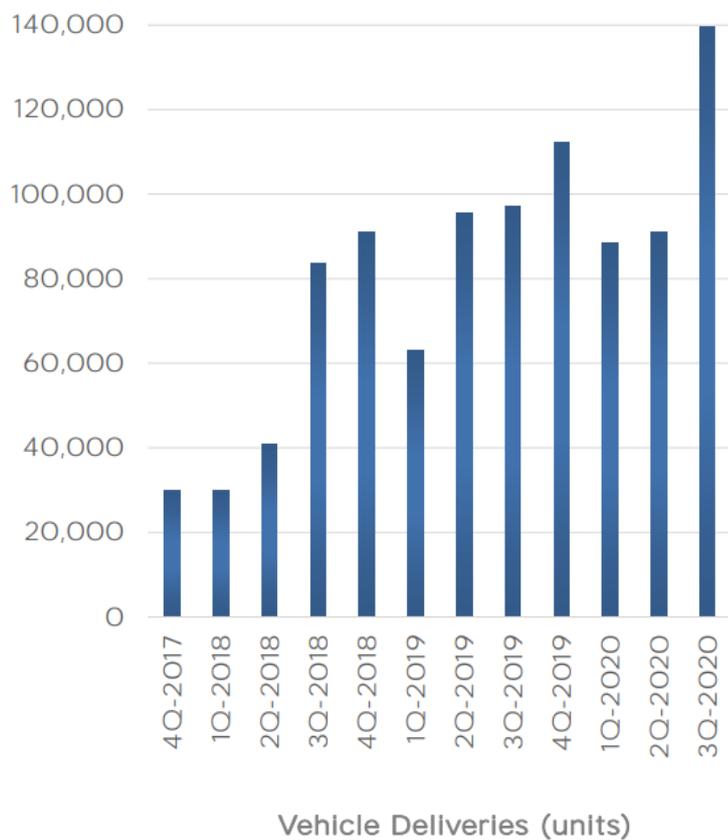
Revenue: \$8.77 billion

Net income (GAAP): \$331 million

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KEY STATISTICS - Q3 2020



In September Tesla met the criteria to be included in the S&P 500 but wasn't picked by the committee that determines which companies make on the list.

The S&P is used as a representation of the market and is reshuffled to better represent the market and this time Tesla made the cut. It's not clear which S&P 500 company Tesla will replace.

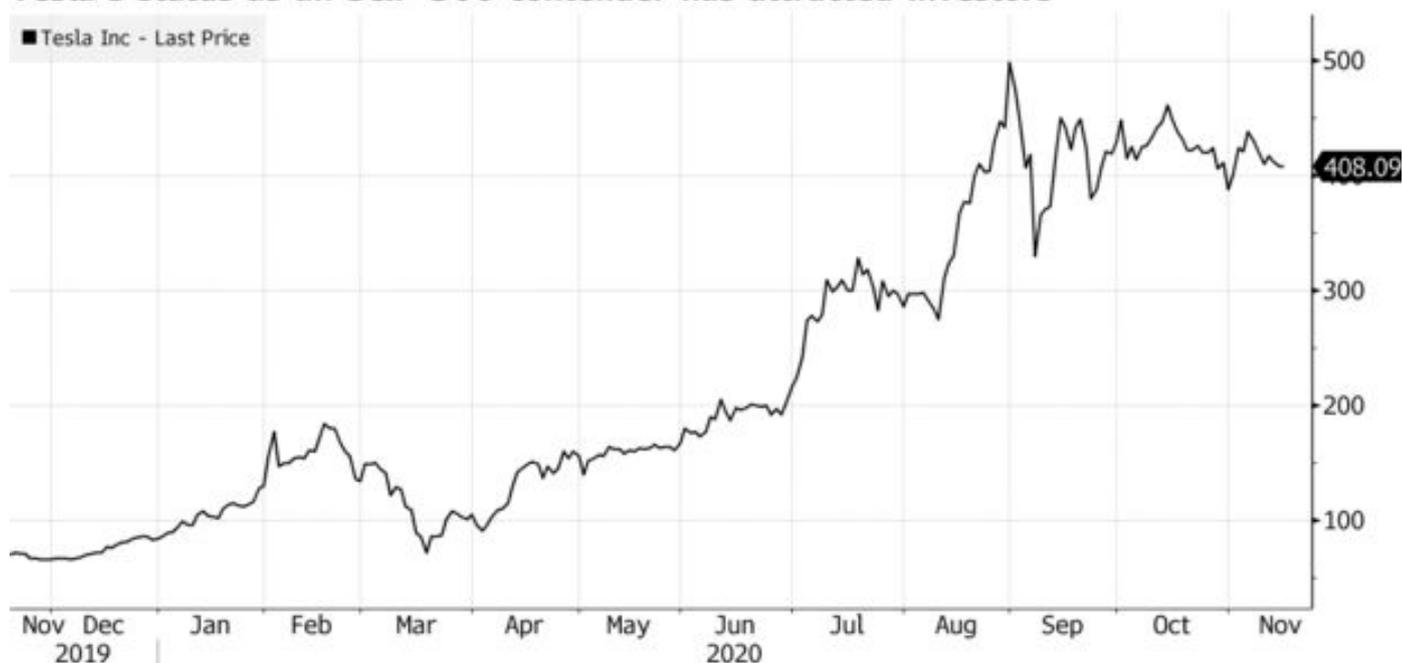
Tesla is now valued at more than Disney, Toyota and Coca-Cola. Tesla's market cap stood at **\$387bn** at the end of official trading on Monday, larger than all but nine S&P 500 stocks – could cause extra volatility in the index next month, given the scale of potential demand from passive investors who might need to buy the stock.

To be eligible to join the S&P 500 a company must be based in the US, have a market capitalization of at least **\$8.2billion**, be liquid and at least half of its shares must be available to the public, as per CNN. Companies must also report four straight quarters of profit.

Tesla reported its fifth consecutive quarter of profit with third-quarter revenue of **\$8.77billion**.

Soaring Shares

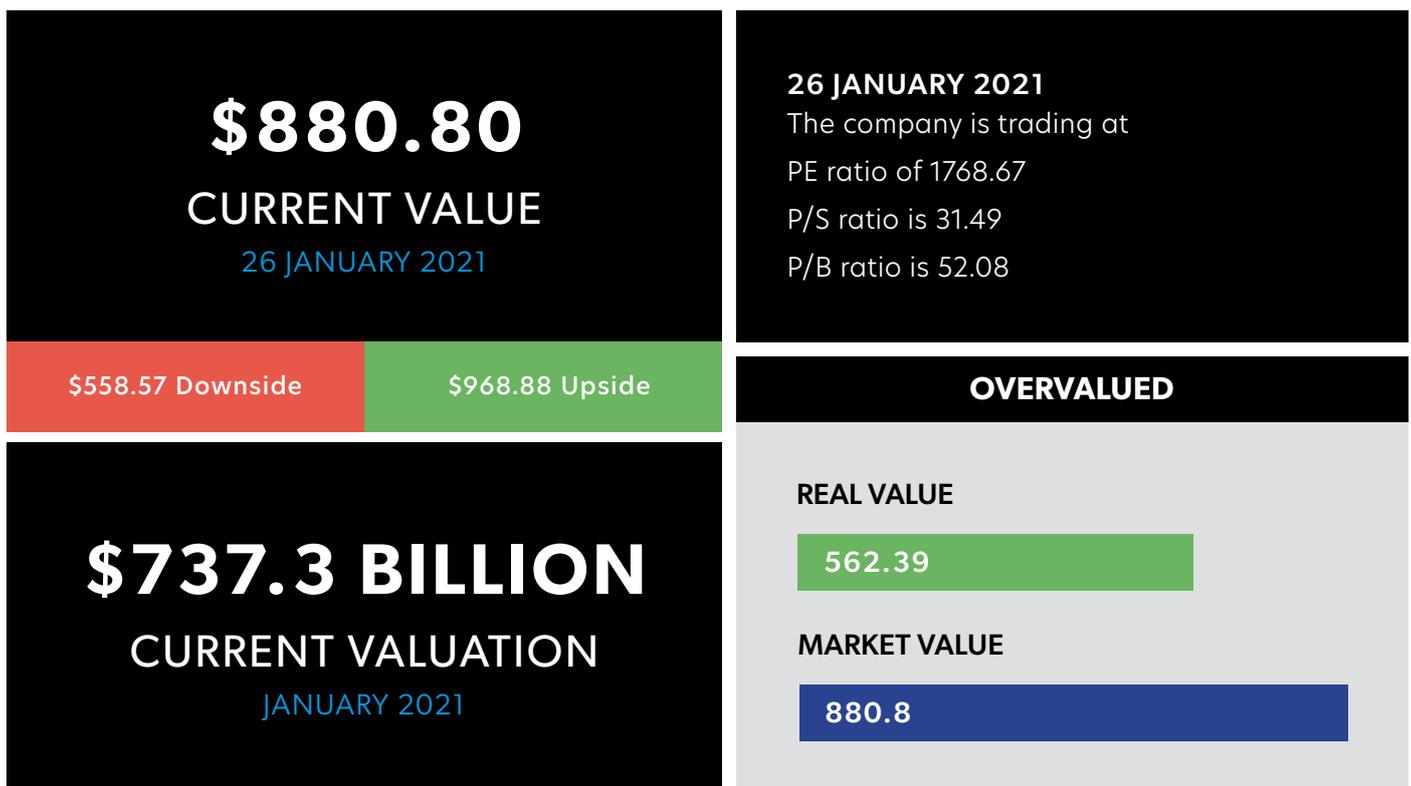
Tesla's status as an S&P 500 contender has attracted investors



Source: Bloomberg

VALUATION

Tesla is trading at 880.80 as of the 26th of January 2021, a 4.03 percent increase since the beginning of the trading day. The stock's open price was 846.64. Tesla has a very small chance of experiencing financial distress in the next few years and had a very solid performance during the last 30 days.



AVERAGE ANALYST ANALYSIS

Tesla is very steady asset. Analysis and calculation of next after-hype price of Intel is based on 3 months time horizon.

HOLD



FINAL THOUGHTS

Tesla Inc is scheduled to announce its earnings tomorrow. The upcoming quarterly report is expected on the 27th of January 2021. The stock is undergoing above-average trading activities.

The past year's Enterprise Value was at 29.39 Billion. The current year Tangible Asset Value is expected to grow to about 7.8 B, whereas Free Cash Flow is forecasted to decline to (2.5 B). Tesla Inc has a current Real Value of \$562.39 per share.

The regular price of the company is \$880.8. At this time, the company appears to be overvalued. Our model measures the value of Tesla Inc from inspecting the company fundamentals such as Operating Margin of 14.26 %, shares outstanding of 947.9

Tesla will report its fourth-quarter and full-year 2020 earnings on Jan. 27, and we are expecting more big numbers for TSLA stock.

In general, we recommend acquiring undervalued stocks and selling overvalued stocks since, at some point, asset prices and their ongoing real values will merge together.