

Tesla Inc

Raise PT to Reflect Possible Go-Private Offer, But
Remain Underweight on Chance Shares Could Again
Trade on Fundamentals

On Tuesday during the market, Tesla CEO Elon Musk announced via Twitter that he is considering pursuing a path (no final decision has been made) which would take the company private at a price of \$420 per share. This was followed up by further statements that “funding has been secured” and “investor support confirmed”. As surprising to us as these developments are, and as lacking as the statements are in any details regarding who is expected to provide the required amount of financing and on what terms, they are nevertheless declarative statements from the CEO of a public company which we feel should be considered seriously. Either funding is secured or it is not secured, and Tesla’s CEO says funding is secured. Therefore, we are incorporating into our valuation the real possibility the equity will be taken out at \$420 per share. Separate from the Twitter statements, the company also made public a letter Mr. Musk had written to Tesla employees in which he states, “If the process ends the way I expect it will, a private Tesla would ultimately be an enormous opportunity for all of us.” To us, this suggests more than mere consideration — Mr. Musk expects Tesla will go private. We are not as certain, and so assign only a 50% probability to such a scenario in our updated valuation. We continue to believe Tesla’s valuation based on fundamentals alone (i.e., a 50/50 blend of DCF and 2020-based multiples analysis — itself consisting of a blend of P/E, EV/EBITDA, and Price-to-Sales) is worth no more than \$195 (our previous price target). But introducing a new 50% weighting of \$420 suggests a large upward revision to our price target is warranted, and we newly value Tesla at \$308 per share (i.e., 50/50 blend of \$195 and \$420).

- **We continue to rate TSLA shares Underweight:** We remain Underweight-rated, including given the comparatively little +11% upside remaining vs. Tuesday’s close to the purported \$420 take-out price in comparison to the much larger -49% downside to the \$195 we feel Tesla should trade at based upon an analysis of fundamentals alone. Our price target could move up or down based upon further developments affecting the likelihood the transaction will or will not go through.
- **Details of the proposed transaction are very few at this time:** Tesla provided no details regarding the needed funding, except to say that it has been secured. Mr. Musk stated current shareholders could continue to participate in the private company, suggesting the actual amount of needed cash could be far less than the firm’s current equity valuation or enterprise value (equivalent to only the amount of shares tendered times \$420 per share). Mr. Musk plans to continue to own ~20%.

Tesla Inc (TSLA;TSLA US)

FYE Dec	2016A	2017A	2018E	2019E	2020E
EPS - Recurring (\$)					
Q1 (Mar)	(1.45)	(1.33)	(3.35)A	-	-
Q2 (Jun)	(1.61)	(1.33)	(3.06)A	-	-
Q3 (Sep)	0.71	(2.92)	(1.66)	-	-
Q4 (Dec)	(0.69)	(3.04)	(0.82)	-	-
FY	(2.83)	(8.66)	(8.92)	(1.55)	2.65
Bloomberg EPS FY (\$)	-2.96	-9.15	-5.99	2.59	9.07

Source: Company data, Bloomberg, J.P. Morgan estimates.

Underweight

TSLA, TSLA US

Price: \$379.57

▲ Price Target: \$308.00
Previous: \$195.00

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Price Performance

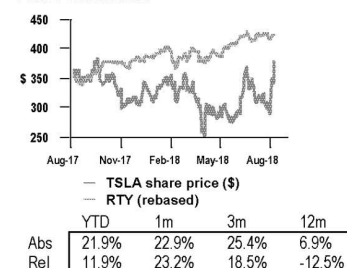


Exhibit 15

Company Data

Price (\$)	379.57
Date Of Price	07-Aug-18
52-week Range (\$)	389.61-244.59
Market Cap (\$ mn)	64,448.71
Fiscal Year End	Dec
Shares O/S (mn)	170
Price Target (\$)	308.00
Price Target End Date	31-Dec-18

See page 12 for analyst certification and important disclosures, including non-US analyst disclosures.

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UNITED STATES DISTRICT COURT	
NORTHERN DISTRICT OF CALIFORNIA	
Case Number:	3:18-cv-04865-EMC
PLTF / DEFT	
Exhibit No.	15
Date Admitted:	
By:	
Angella Meuleman, Deputy Clerk	

- **In the event Tesla shares remain public, our concerns regarding Tesla's business model are unchanged:** As a reminder, we are concerned about the ability for Tesla to generate the substantially better than industry EBIT margins which the firm guides to ("mid-teens") and that seem embedded in valuation. We have highlighted before concerns regarding increased competition, including from automakers looking to use the sale of battery electric vehicles to subsidize their more lucrative internal combustion engine portfolio vehicles from a legal, regulatory, and compliance perspective, rather than trying to generate profit on the sale of these battery electric vehicles in and of themselves, suggesting that these automakers may be incentivized to price battery electric vehicles at price points that could be below cost, such that they may sell in sufficient enough quantity to accomplish this aim (in turn, the more profitable internal combustion portfolio vehicles of these automakers subsidize the battery electric vehicles from a financial perspective). We expect these pressures could become more acute as governments increasingly mandate (such as in the case of China's NEV standards) or effectively mandate (such as in the case of US Corporate Average Fuel Economy or European Union Grams of CO₂ per Kilometer requirements) larger portions of automaker fleets be comprised of battery electric vehicles.

Investment Thesis, Valuation and Risks

Tesla Inc (*Underweight; Price Target: \$308.00*)

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 and valuation that seems to be pricing in a lot. Tesla is attractively saddled with none of the pension, OPEB, and other legacy costs which frequently burden large entrenched automakers. Its products are 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. Meanwhile, valuation appears to be pricing in upside related to expansion into mass-market segments well beyond our volume forecasts for the Model 3.

Valuation

We maintain our Underweight rating on Tesla shares but raise our December 2018 price target substantially, to \$308 from \$195 prior, on account of newly incorporating the very real possibility the company could be taken private at \$420 per share, based upon statements from the company's CEO. We derive our December 2018 price target of \$308 based upon a blended approach which values the firm 50% using the proposed take-out price of \$420 and 50% upon our pre-existing framework which valued the company at \$195 based upon an assessment of fundamentals (50% DCF and 50% 2020-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 company could in fact be taken private for \$420 per share, as suggested by the firm's CEO who has stated that funding for such a transaction has been secured and investor interest is confirmed but that it would be subject to a shareholder vote; (2) In the event the firm remains public, demand for Tesla vehicles could rise materially beyond our expectations; (3) Gasoline prices could increase or government penalties and regulations on rival internal combustion engine vehicles could increase, which could drive adoption towards electric vehicles, benefitting Tesla.

Detailed TSLA Combined Company Price Target Analysis

We value Tesla, including the Solar City business, using a blend of a multiple-based analysis and DCF, which suggests \$195 value. We value TSLA shares using a 50/50 blend of (1) the proposed \$420 go-private take-out price; and (2) our pre-existing valuation framework which is based upon fundamentals and considers DCF, P/E, EV/EBITDA, and Price-to-Sales. A summary of our December 2018 price target methodology is shown below in Table 1.

Table 1: TSLA Blended Value per Share Analysis

In \$/share

Valuation Methodology			
\$195	50%	JPM DCF & Multiples-based Analysis	
\$420	50%	Purported Going Private Price	
\$308	100%	J.P. Morgan Weighted-average Price Target	
	-19%	Upside vs. Current Price	

Source: J.P. Morgan estimates.

The value we ascribe to Tesla based only upon fundamentals (\$195) is shown in Table 2, which now receives only a 50% weighting. This was our previous price target.

Table 2: TSLA Value per Share Analysis Based Upon Fundamentals Alone

In \$/share

Fundamentals-Based Valuation Analysis	Weighting	Share Price
Discounted Cash Flows	50%	\$216
2020 Multiples-based Analysis	50%	\$175
Fundamentals-Based Valuation Analysis	100%	\$195
Current Share Price		\$380
<i>Upside/ Downside to current share price</i>		<i>-49%</i>

Source: J.P. Morgan estimates.

Our multiple-based analysis on 2020E financial estimates suggests value of \$175/share

A summary of our multiples-based valuation approach is shown in Table 3.

Table 3: 2020 Financial Performance-based TSLA Automotive Value Per Share Analysis

In \$/share

2020 Multiples-based Analysis	Weighting	Share Price	Discount Rate (Corporate WACC)	Share Price Discounted to December 2018
EV/EBITDAP	33%	\$191	15%	\$166
Price-to-Earnings	33%	\$133	15%	\$115
Price-to-Sales	33%	\$278	15%	\$242
2020 Multiples-based Analysis	100%	\$201	15%	\$175

Source: J.P. Morgan estimates.

Our EV/EBITDAP analysis, a 1/3-weighted component of our multiple-based analysis, is shown in Table 4. The implied value per share is \$191, which when discounted back to December 2018 represents \$166 value. We use a target multiple of 15.0x EBITDA, based on the average NTM trading multiple for a set of comparable high growth companies (as shown in Table 7)—which includes both luxury and high growth automakers, auto parts suppliers of technical products, innovators of disruptive technology and clean tech companies.

Table 4: TSLA Automotive EV/EBITDAP Based Value Per Share Analysis

In \$ mn, except share price

EV/EBITDAP-based Analysis	Earnings Ramp	
	2019E	2020E
JPM EBITDA ex. Equity Income	2,233	3,083
(+) Pension Expense	-	-
EBITDAP	2,233	3,083
Current Multiple of JPM NTM EBITDAP		
JPM EV/EBITDAP Multiple	15.0x	15.0x
Enterprise Value	33,611	46,392
(-) Total Debt	(12,856)	(15,443)
(+) Cash & Investments	2,462	3,819
Net Cash/(Debt)	(10,393)	(11,623)
(+) Equity Stakes (10x P/E)	-	-
(-) Noncontrolling Stakes (10x P/E)	-	-
(-) Pension Underfunding (35% tax)	-	-
Other Adjustments	-	-
Implied Equity Value	23,217	34,768
Diluted Share Count	168.8	182
Implied Value/Share	\$138	\$191
Current Value per Share	\$379.6	\$379.6
Upside vs. Current	-64%	-50%
<u>Memo:</u>		
Sales	21,575	25,319
Implied Price/Sales	1.1x	1.4x
Net Income	(266)	482
EPS	(\$1.58)	\$2.65
Implied P/E	-87.3x	72.1x

Source: J.P. Morgan estimates.

Our Price-to-Earnings analysis, a 1/3-weighted component of our multiple-based analysis, is shown in Table 5. The implied value per share is \$133, which when discounted back to December 2018 represents \$115 value. We use a target multiple of 50.0x EPS, premium to the average NTM trading multiple for a set of comparable high growth companies (as shown in Table 7)—which includes both luxury and high growth automakers, auto parts suppliers of technical products, innovators of disruptive technology and clean tech companies.

Table 5: TSLA Price-to-Earnings Based Value Per Share Analysis

In \$ mn, except share price

Price-to-Earnings-based Analysis	Earnings Ramp	
	2019E	2020E
Net Income	-266	482
P/E Multiple	50.0x	50.0x
Implied Equity Value	-13,295	24,122
Diluted Share Count	169	182
Implied Value/Share	(\$79)	\$133
Current Value per Share	\$379.6	\$379.6
Upside vs. Current	-121%	-65%
<u>Memo:</u>		
(-) Net Cash/(Debt)	(10,393)	(11,623)
(-) Other Adjustments	-	-
Enterprise Value	-2,901	35,745
JPM EBITDAP	2,233	3,083
<i>Implied EV/EBITDAP</i>	<i>-1.3x</i>	<i>11.6x</i>
Sales	21,575	25,319
<i>Implied Price/Sales</i>	<i>-0.6x</i>	<i>1.0x</i>

Source: J.P. Morgan estimates.

Our Price-to-Sales analysis, a 1/3-weighted component of our multiple-based analysis, is shown in Table 6. The implied value per share is \$278, which when discounted back to December 2018 represents \$242 value. We use a target multiple of 2.0x Sales, based on the average NTM trading multiple for a set of comparable high growth companies (as shown in Table 7)—which includes both luxury and high growth automakers, auto parts suppliers of technical products, innovators of disruptive technology and clean tech companies.

Table 6: TSLA Price-to-Sales Based Value Per Share Analysis

In \$ mn, except share price

Price-to-Sales-based Analysis	Earnings Ramp	
	2019E	2020E
Sales	21,575	25,319
Price/Sales Multiple	2.0x	2.0x
Implied Equity Value	43,151	50,637
Diluted Share Count	169	182
Implied Value/Share	\$256	\$278
Current Value per Share	\$379.6	\$379.6
Upside vs. Current	-33%	-27%
<u>Memo:</u>		
(-) Net Cash/(Debt)	(10,393)	(11,623)
(-) Other Adjustments	-	-
Enterprise Value	53,544	62,260
JPM EBITDAP	2,233	3,083
<i>Implied EV/EBITDAP</i>	<i>24.0x</i>	<i>20.2x</i>
Net Income	-266	482
<i>Implied P/E</i>	<i>-162.3x</i>	<i>105.0x</i>

Source: J.P. Morgan estimates.

Table 7: Comparables Used in Multiples-Based Analysis

Investment Comparable	Ticker	Price (Local FX)	Market Cap	Enterprise Value (mn)	Price/Sales				EV/EBITDA				P/E			
					2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
<u>Disruptive Technology</u>																
Apple	AAPL	USD 207.11	1,000,326	871,183	4.6x	4.4x	3.8x	3.6x	12.4x	12.3x	10.7x	10.3x	25.0x	23.0x	17.6x	15.3x
Google	GOOG	USD 1,242.22	868,575	770,302	11.9x	9.8x	7.9x	6.6x	21.2x	17.5x	15.2x	12.6x	35.9x	28.8x	23.5x	21.1x
Average					8.3x	7.1x	5.8x	5.1x	16.8x	14.9x	12.9x	11.4x	30.5x	25.9x	20.5x	18.2x
<u>Clean Technology</u>																
First Solar	FSLR	USD 53.60	5,617	2,607	2.0x	1.9x	2.2x	1.8x	4.6x	8.0x	8.3x	4.3x	11.4x	NM	NM	NM
SunPower	SPWR	USD 7.37	1,039	2,118	0.4x	0.5x	0.5x	0.4x	11.0x	12.0x	16.0x	9.9x	NM	NM	NM	NM
Average					1.2x	1.2x	1.4x	1.1x	7.8x	10.0x	12.1x	7.1x	11.4x	NM	NM	NM
<u>Auto Tech / Innovation</u>																
Borgwarner	BWA	USD 46.36	9,683	11,588	1.1x	1.0x	0.9x	0.9x	7.7x	7.1x	6.4x	6.1x	14.2x	12.1x	10.4x	9.7x
Gentex	GNTX	USD 23.88	6,422	5,977	3.8x	3.6x	3.4x	3.2x	9.8x	9.6x	9.2x	8.8x	19.7x	18.7x	14.3x	13.2x
Average					2.4x	2.3x	2.2x	2.0x	8.7x	8.3x	7.8x	7.4x	17.0x	15.4x	12.3x	11.5x
<u>Luxury Automakers</u>																
BMW	BMW	EUR 84.05	54,612	96,418	0.6x	0.6x	0.6x	0.5x	6.7x	6.5x	6.6x	6.3x	8.2x	7.2x	7.5x	7.2x
Daimler	DAI	EUR 58.89	63,003	45,252	0.4x	0.4x	0.4x	0.4x	2.4x	2.2x	2.3x	2.2x	6.6x	6.3x	6.7x	6.3x
Average					0.5x	0.5x	0.5x	0.4x	4.5x	4.4x	4.4x	4.3x	7.4x	6.7x	7.1x	6.8x
<u>High Growth Automakers</u>																
BYD	1211	CNY 41.65	117,268	179,724	1.2x	1.1x	0.9x	0.8x	12.6x	11.5x	10.8x	9.2x	21.9x	27.0x	26.0x	19.9x
Great Wall	2333	CNY 5.27	71,252	81,141	0.7x	0.7x	0.6x	0.6x	5.8x	9.4x	6.4x	5.7x	4.8x	9.4x	6.5x	5.9x
SAIC	600104	CNY 30.02	350,738	451,691	0.5x	0.4x	0.4x	0.4x	13.5x	10.4x	9.5x	8.5x	10.6x	10.0x	9.3x	8.6x
Average					0.8x	0.7x	0.6x	0.6x	10.6x	10.4x	8.9x	7.8x	12.4x	15.5x	13.9x	11.4x
All Company Average					2.5x	2.2x	2.0x	1.7x	9.8x	9.7x	9.2x	7.6x	15.8x	15.8x	13.5x	11.9x

Source: Company reports and J.P. Morgan estimates. Note: The P/E and EV/EBITDA average multiple exclude BYD

Our Discounted Cash Flows analysis suggests value per share of \$216

Our discounted cash flows analysis, which comprises 50% of our entire price target methodology, and implied value per share of \$216, is shown in Table 8.

Table 8: TSLA Discounted Cash Flows Analysis

In \$ mn, except share price

TSLA DCF Analysis	2017E	2018E	2019E	2020E
Operating Cash Flow	-61	553	2,441	3,964
Less: Capex	-3,415	-2,975	-3,560	-3,418
Add: Cash Interest	452	620	620	621
Add: Direct Leasing	511	879	2,269	2,500
Unlevered Free Cash Flow	-2,513	-923	1,770	3,667
PV of FCF			1,652	2,979
Terminal Value				42,586
Implied Terminal Value Factor				12x
PV of Terminal Value				34,597

Equity Value - DCF Valuation Method	
PV of FCFs	4,630
PV of Terminal Value	34,597
Enterprise Value	39,228
Net Debt	3,726
Equity Value	35,501
Implied Share Price	\$216

WACC	
(1) Risk-Free Rate*	2.3%
(2) Beta	2.0
(3) Risk Premium**	7.1%
Cost of Equity: (1)+(2*3)	16.40%
Cost of Debt	3.9%
Tax Rate	24.0%
After-Tax Cost of Debt	3.0%
Equity	88.5%
Debt	11.5%
Calculated WACC	14.9%
Memo: Capital Structure	
Debt	3,130
Equity (Market Cap)	51,081
Total Capitalization	54,211

* US 10-yr Treasury yield

** Source: US Country Risk Premium (Bloomberg)

Source: J.P. Morgan estimates

Table 9: TSLA Summary Model

In \$ mn, except per share amounts

	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
Automotive Revenues	149	386	1,998	3,193	3,741	6,351	9,641	14,391	17,504	20,438
Service Revenues	55	28	16	6	305	518	1,001	1,134	1,134	1,134
Solar and Energy Storage Revenues	-	-	-	-	-	131	1,116	1,981	2,938	3,747
Total Revenues	204	413	2,013	3,198	4,046	7,000	11,759	17,505	21,575	25,319
	143	383	1,557	2,317	3,123	5,401	9,536	14,719	17,551	20,643
Total COGS	61	30	456	882	924	1,599	2,222	2,786	4,024	4,676
Total Gross Profit	30%	7%	23%	28%	23%	23%	19%	16%	19%	18%
Gross Margin	209	274	232	465	718	834	1,378	1,453	1,293	1,202
	104	150	286	604	922	1,416	2,477	2,763	2,810	2,828
Research and Development	-252	-394	-61	-187	-717	-652	-1,632	-1,533	-79	645
SG&A	-123%	-95%	-3%	-6%	-18%	-9%	-14%	-9%	0%	3%
Operating income/(loss)	0	0	-33	-100	-117	-190	-452	-620	-620	-621
Interest Income/(expense)	-3	-2	23	2	-42	23	-114	13	0	0
<u>Other (loss)/gain</u>	-254	-396	-71	-285	-876	-819	-2,197	-2,140	-698	24
Pre-tax Income/(loss)	29	50	84	156	198	334	468	569	512	538
Add: Non-cash Stock Based Compensation	-222	-346	26	-63	-604	-353	-1,436	-1,505	-266	482
Non-GAAP Net Income	100	107	132	137	130	146	166	169	172	182
Weighted average number of shares - Diluted										
Non-GAAP Diluted EPS			\$ (0.01)	\$ (1.00)	\$ (5.31)	\$ (2.83)	\$ (8.66)	\$ (8.92)	\$ (1.55)	\$ 2.65

Source: Company data, J.P. Morgan estimates.

Tesla Inc: Summary of Financials

Income Statement - Annual						Income Statement - Quarterly					
	FY16A	FY17A	FY18E	FY19E	FY20E		1Q18A	2Q18A	3Q18E	4Q18E	
Revenue	7,000	11,759	17,505	21,575	25,319	Revenue	3,409A	4,002A	4,737	5,358	
COGS	(4,454)	(7,900)	(12,968)	(15,751)	(18,743)	COGS	(2,536)A	(2,898)A	(3,507)	(4,027)	
Gross profit	1,599	2,222	2,786	4,024	4,676	Gross profit	457A	619A	804	906	
SG&A	(1,416)	(2,477)	(2,763)	(2,810)	(2,828)	SG&A	(686)A	(751)A	(701)	(625)	
Adj. EBITDA	296	4	322	1,721	2,545	Adj. EBITDA	(181)A	(33)A	184	351	
D&A	(947)	(1,636)	(1,751)	(1,800)	(1,900)	D&A	(416)A	(485)A	(425)	(425)	
Adj. EBIT	(652)	(1,632)	(1,430)	(79)	645	Adj. EBIT	(597)A	(518)A	(241)	(74)	
Net Interest	(190)	(452)	(620)	(620)	(621)	Net Interest	(144)A	(159)A	(159)	(159)	
Adj. PBT	(819)	(2,197)	(2,140)	(698)	24	Adj. PBT	(779)A	(729)A	(399)	(233)	
Tax	(27)	(32)	(59)	(80)	(80)	Tax	(6)A	(14)A	(20)	(20)	
Minority Interest	98	279	125	0	0	Minority Interest	75A	25A	25	0	
Adj. Net Income	(414)	(1,436)	(1,505)	(266)	482	Adj. Net Income	(567)A	(520)A	(279)	(138)	
Reported EPS	(2.83)	(8.66)	(8.92)	(1.55)	2.65	Reported EPS	(3.35)A	(3.06)A	(1.66)	(0.82)	
Adj. EPS	(2.83)	(8.66)	(8.92)	(1.55)	2.65	Adj. EPS	(3.35)A	(3.06)A	(1.66)	(0.82)	
DPS	-	-	-	-	-	DPS	-	-	-	-	
Payout ratio	-	-	-	-	-	Payout ratio	-	-	-	-	
Shares outstanding	146	166	169	172	182	Shares outstanding	169A	170A	168	168	
Balance Sheet & CashFlow Statement						Ratio Analysis					
	FY16A	FY17A	FY18E	FY19E	FY20E		FY16A	FY17A	FY18E	FY19E	FY20E
Cash and cash equivalents	3,393	3,368	2,462	3,819	7,090	Gross margin	22.8%	18.9%	15.9%	18.7%	18.5%
Accounts receivable	499	515	700	863	1,013	EBITDA margin	4.2%	0.0%	1.8%	8.0%	10.1%
Inventories	2,067	2,264	3,385	4,563	5,161	EBIT margin	(9.3%)	(13.9%)	(8.2%)	(0.4%)	2.5%
Other current assets	300	424	497	578	653	Net profit margin	(5.9%)	(12.2%)	(8.6%)	(1.2%)	1.9%
Current assets	6,260	6,571	7,045	9,824	13,917	ROE	(11.7%)	(24.9%)	(28.0%)	(5.0%)	8.1%
PP&E	5,983	10,028	11,829	13,589	15,107	ROA	(2.7%)	(5.6%)	(4.9%)	(0.7%)	1.0%
LT investments	-	-	-	-	-	ROCE	(8.0%)	(11.4%)	(8.7%)	(0.5%)	(6.4%)
Other non current assets	10,421	12,057	13,494	19,713	26,454	SG&A/Sales	20.2%	21.1%	15.8%	13.0%	11.2%
Total assets	22,664	28,655	32,367	43,126	55,478	Net debt/equity	63.0%	123.3%	202.6%	214.4%	172.8%
Short term borrowings	-	-	-	-	-	Net debt/EBITDA	1260.8%	177353.9%	3230.2%	675.2%	439.1%
Payables	3,070	4,122	4,989	6,257	7,342	P/E (x)	NM	NM	NM	NM	143.2
Other short term liabilities	0	0	0	0	0	P/BV (x)	9.4	11.2	12.5	12.0	10.7
Current liabilities	3,070	4,122	4,989	6,257	7,342	EV/EBITDA (x)	230.7	18,227.1	232.6	44.2	29.7
Long-term debt	7,120	10,315	12,856	15,443	18,266	Dividend Yield	-	-	-	-	-
Other long term liabilities	6,560	8,586	9,393	16,006	23,400	Sales/Assets (x)	0.5	0.5	0.6	0.6	0.5
Total liabilities	16,750	23,023	27,238	37,706	49,009	Interest cover (x)	1.6	0.0	0.5	2.8	4.1
Shareholders' equity	5,914	5,632	5,130	5,421	6,469	Operating leverage	(12.4%)	221.4%	(25.4%)	(406.4%)	(5312.4%)
Minority interests	-	-	-	-	-	Revenue y/y Growth	73.0%	68.0%	48.9%	23.3%	17.3%
Total liabilities & equity	22,664	28,655	32,367	43,126	55,478	EBITDA y/y Growth	(200.5%)	(98.7%)	8114.5%	435.0%	47.8%
Net debt/(cash)	3,726	6,947	10,393	11,623	11,176	Tax rate	(3.3%)	(1.4%)	(2.8%)	(11.4%)	325.8%
Cash flow from operating activities	(124)	(61)	553	2,441	3,964	Adj. Net Income y/y Growth	(40.1%)	247.2%	4.8%	(82.3%)	(281.4%)
o/w Depreciation & amortization	947	1,636	1,751	1,800	1,900	EPS y/y Growth	NM	206.2%	2.9%	NM	NM
o/w Changes in working capital	-	-	-	-	-	DPS y/y Growth	-	-	-	-	-
Cash flow from investing activities	(1,416)	(4,419)	(3,735)	(4,229)	(4,082)						
o/w Capital expenditure	(1,281)	(3,415)	(2,975)	(3,560)	(3,418)						
as % of sales	18.3%	29.0%	17.0%	16.5%	13.5%						
Cash flow from financing activities	3,744	4,415	2,289	3,145	3,389						
o/w Dividends paid	-	-	-	-	-						
o/w Net debt issued/(repaid)	2,853	7,138	2,179	318	323						
o/w Share Repurchases	-	-	-	-	-						
Net change in cash	2,204	(65)	(893)	1,357	3,271						
Adj. Free cash flow to firm	(635)	(3,475)	(2,461)	(0)	(0)						

Source: Company reports and J.P. Morgan estimates.

Note: \$ in millions (except per-share data). Fiscal year ends Dec. o/w - out of which

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Tesla Inc (TSLA, TSLA US) Price Chart



Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Aug 09, 2010.

Date	Rating	Share Price (\$)	Price Target (\$)
20-Oct-15	UW	213.03	180.00
11-Feb-16	UW	143.67	155.00
19-Apr-16	UW	247.37	170.00
05-May-16	UW	211.53	185.00
20-Jul-16	UW	228.36	180.00
19-Jan-17	UW	243.76	188.00
21-Apr-17	UW	305.60	185.00
04-May-17	UW	295.46	190.00
03-Aug-17	UW	325.89	200.00
20-Oct-17	UW	345.10	195.00
02-Nov-17	UW	299.26	185.00
08-Feb-18	UW	345.00	190.00
04-Apr-18	UW	286.94	185.00
03-May-18	UW	284.45	180.00
02-Aug-18	UW	349.54	195.00

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