

## Tesla Inc

Reverting to Valuing TSLA Shares on Fundamentals  
Alone Given Funding Appears to Not Have Been  
Secured; PT Back to \$195

We are reverting to valuing Tesla shares on the basis of fundamentals alone, which entails a \$113 reduction in our price target back to the \$195 level where it stood prior to our August 8 note in which we newly weighted 50% in our valuation analysis a go-private scenario for which funding was at that time said to have been secured to take the company private at \$420 per share (see related research, *"Tesla, Inc: Raise PT to Reflect Possible Go-Private Offer, But Remain Underweight on Chance Shares Could Again Trade on Fundamentals"*). In reference to statements on Twitter on August 7 by Tesla CEO Elon Musk that "funding has been secured", we wrote in our August 8 note, "As surprising to us as these developments are, and as lacking as the statements are in any details regarding whom 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." We also stated, "Our price target could move up or down based upon further developments affecting the likelihood the transaction will or will not go through."

- **Our interpretation of subsequent events leads us to believe that funding was not secured for a going private transaction, nor was there any formal proposal.** On August 13, Mr. Musk posted a statement to Tesla's website in which he explained that the comment relative to funding being secured was based upon a July 31 meeting with the Saudi Arabian sovereign wealth fund in which its representative expressed support for funding a transaction to go private. However, it was also stated, "Following the August 7th announcement, I have continued to communicate with the Managing Director of the Saudi fund. He has expressed support for proceeding subject to financial and other due diligence and their internal review process for obtaining approvals. He has also asked for additional details on how the company would be taken private, including any required percentages and any regulatory requirements." We had imagined following the surprise August 7 announcement that another party (e.g., the Saudi fund) had already firmly decided (including having completed any internal review process) to fund a going private transaction. The revelation the Saudi fund is subsequently asking Tesla for details of how the company would be taken private suggests to us that any deal is potentially far from even being formally proposed, which is different from our understanding on August 8 which was based on Mr. Musk's statement on Twitter that, "Only reason why this is not certain is that it's contingent on a shareholder vote".

## 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	-5.62	2.98	9.56

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

## Underweight

TSLA, TSLA US

Price: \$305.50

▼ **Price Target: \$195.00**  
Previous: \$308.00

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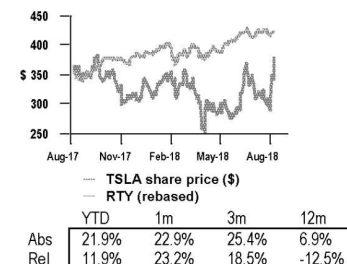
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## Price Performance



## Exhibit 23

## Company Data

Price (\$)	305.50
Date Of Price	17 Aug 18
52-week Range (\$)	389.61-244.59
Market Cap (\$ mn)	51,872.07
Fiscal Year End	Dec
Shares O/S (mn)	170
Price Target (\$)	195.00
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.	23
Date Admitted:	
By:	
Angella Meuleman, Deputy Clerk	

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- **Tesla does appear to be exploring a going private transaction, but we now believe that such a process appears much less developed than we had earlier presumed (more along the lines of high level intention), suggesting formal incorporation into our valuation analysis seems premature at this time.** Mr. Musk has announced the hiring of financial and legal advisors in support of exploring a going private transaction (this appears to have been done after the August 7 announcement), and has stated conversations with the Saudi fund continue and also that he is having discussions with a number of other investors. Tesla's Board of Directors has also announced a special committee comprised of three independent directors to evaluate any transaction (the Board stated it has not yet received a formal proposal). This to us suggests a going private transaction is clearly possible, which could potentially provide upside risk to the shares, but that such a process appears much less developed than we had earlier presumed. When Mr. Musk tweeted on August 7 that, "Only reason why this is not certain is that it's contingent on a shareholder vote," we had presumed that a formal proposal had been received from another party, that funding had been secured for that formal proposal, and that the Board was at least informally supportive of the formal proposal. Given our updated interpretation that none of these three presumptions are currently the case, we feel it is appropriate at this time to remove the 50% weighting we had briefly assigned to a going private transaction, and instead return to our previous fundamentals-based valuation approach (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) that values TSLA shares at \$195.

## Investment Thesis, Valuation and Risks

**Tesla Inc** (*Underweight; Price Target: \$195.00*)

### 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 and decrease our December 2018 price target substantially, to \$195 from \$308 prior, on account of removing the 50% weighting we had previously assigned to a transaction for the company to go private at \$420 per share. We again derive our December 2018 price target of \$195 based upon fundamentals alone (which consists of 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 at a potentially higher price; (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 using a blend of a multiple-based analysis and DCF, which suggests \$195 value.** A summary of our December 2018 price target methodology is shown below in Table 1.

Table 1: 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
<b>Fundamentals-Based Valuation Analysis</b>	<b>100%</b>	<b>\$195</b>
Current Share Price		\$306
Upside/ Downside to current share price		-36%

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 2.

Table 2: 2017 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%	<b>\$175</b>

Source: J.P. Morgan estimates.



**Our EV/EBITDAP analysis, a 1/3-weighted component of our multiple-based analysis, is shown in Table 3.** 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 6)—which includes both luxury and high growth automakers, auto parts suppliers of technical products, innovators of disruptive technology and clean tech companies.

Table 3: 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	-	-
<b>EBITDAP</b>	<b>2,233</b>	<b>3,083</b>
Current Multiple of JPM NTM EBITDAP		
JPM EV/EBITDAP Multiple	15.0x	15.0x
<b>Enterprise Value</b>	<b>33,611</b>	<b>46,392</b>
(-) 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	-	-
<b>Implied Equity Value</b>	<b>23,217</b>	<b>34,768</b>
Diluted Share Count	168.8	182
<b>Implied Value/Share</b>	<b>\$138</b>	<b>\$191</b>
Current Value per Share	\$305.5	\$305.5
Upside vs. Current	-55%	-37%
<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 4.** 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 6)—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 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
<b>Implied Equity Value</b>	<b>-13,295</b>	<b>24,122</b>
Diluted Share Count	169	182
<b>Implied Value/Share</b>	<b>(\$79)</b>	<b>\$133</b>
Current Value per Share	\$305.5	\$305.5
Upside vs. Current	n/m	-57%
<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 5.** 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 6)—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-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
<b>Implied Equity Value</b>	<b>43,151</b>	<b>50,637</b>
Diluted Share Count	169	182
<b>Implied Value/Share</b>	<b>\$256</b>	<b>\$278</b>
Current Value per Share	\$305.5	\$305.5
Upside vs. Current	-16%	-9%
<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 6: Comparables Used in Multiples-Based Analysis

Investment Comparable	Ticker	Price	Market	Enterprise	Price/Sales				EV/EBITDA				P/E			
		(Local FX)	Cap	Value (mn)	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
<b>Disruptive Technology</b>																
Apple	AAPL	USD 217.58	1,050,895	921,752	4.9x	4.6x	4.0x	3.8x	13.1x	13.0x	11.3x	10.9x	26.3x	24.2x	18.7x	16.3x
Google	GOOG	USD 1,200.96	840,281	742,008	11.5x	9.5x	7.6x	6.4x	20.5x	16.9x	14.6x	12.1x	34.7x	27.8x	22.6x	20.4x
Average					8.2x	7.0x	5.8x	5.1x	16.8x	14.9x	13.0x	11.5x	30.5x	26.0x	20.7x	18.3x
<b>Clean Technology</b>																
First Solar	FSLR	USD 51.00	5,345	2,334	1.9x	1.8x	2.1x	1.7x	4.1x	7.2x	7.4x	3.9x	10.8x	NM	NM	NM
SunPower	SPWR	USD 6.64	936	2,015	0.4x	0.4x	0.5x	0.4x	10.5x	11.5x	16.4x	10.0x	NM	NM	NM	NM
Average					1.1x	1.1x	1.3x	1.1x	7.3x	9.3x	11.9x	7.0x	10.8x	NM	NM	NM
<b>Auto Tech / Innovation</b>																
Borgwarner	BWA	USD 45.28	9,458	11,362	1.0x	1.0x	0.9x	0.8x	7.5x	6.9x	6.3x	6.0x	13.9x	11.9x	10.1x	9.4x
Gentex	GNTX	USD 24.18	6,502	6,058	3.8x	3.6x	3.4x	3.2x	9.9x	9.7x	9.4x	8.9x	19.9x	19.0x	14.4x	13.4x
Average					2.4x	2.3x	2.2x	2.0x	8.7x	8.3x	7.8x	7.4x	16.9x	15.4x	12.3x	11.4x
<b>Luxury Automakers</b>																
BMW	BMW	EUR 81.41	52,948	94,754	0.6x	0.5x	0.5x	0.5x	6.6x	6.4x	6.5x	6.2x	7.9x	7.0x	7.2x	7.0x
Daimler	DAI	EUR 54.92	58,755	41,004	0.4x	0.4x	0.3x	0.3x	2.2x	2.0x	2.1x	2.0x	6.2x	5.8x	6.2x	5.9x
Average					0.5x	0.5x	0.4x	0.4x	4.4x	4.2x	4.3x	4.1x	7.0x	6.4x	6.7x	6.4x
<b>High Growth Automakers</b>																
BYD	1211	CNY 45.40	133,645	194,230	1.3x	1.3x	1.1x	0.9x	13.6x	12.4x	11.7x	10.0x	23.9x	29.5x	29.1x	22.6x
Great Wall	2333	CNY 4.54	61,891	73,110	0.7x	0.6x	0.6x	0.5x	5.2x	8.5x	5.8x	5.2x	4.1x	8.1x	5.7x	5.2x
SAIC	600104	CNY 27.61	322,580	423,533	0.4x	0.4x	0.3x	0.3x	12.7x	9.8x	9.0x	8.0x	9.7x	9.2x	8.6x	7.9x
Average					0.8x	0.8x	0.7x	0.6x	10.5x	10.2x	8.8x	7.8x	12.6x	15.6x	14.4x	11.9x
<b>All Company Average</b>					<b>2.4x</b>	<b>2.2x</b>	<b>1.9x</b>	<b>1.7x</b>	<b>9.6x</b>	<b>9.5x</b>	<b>9.1x</b>	<b>7.6x</b>	<b>15.7x</b>	<b>15.8x</b>	<b>13.6x</b>	<b>12.0x</b>

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 7.

Table 7: TSLA Discounted Cash Flows Analysis

In \$ mn, except share price

<b>TSLA DCF Analysis</b>	<b>2017E</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>
<b>Operating Cash Flow</b>	<b>-61</b>	<b>553</b>	<b>2,441</b>	<b>3,964</b>
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
<b>Unlevered Free Cash Flow</b>	<b>-2,513</b>	<b>-923</b>	<b>1,770</b>	<b>3,667</b>
<b>PV of FCF</b>			<b>1,652</b>	<b>2,979</b>
Terminal Value				42,586
Implied Terminal Value Factor				12x
PV of Terminal Value				34,597

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

<b>WACC</b>	
(1) Risk-Free Rate*	2.3%
(2) Beta	2.0
(3) Risk Premium**	7.1%
<b>Cost of Equity: (1)+(2*3)</b>	<b>16.40%</b>
Cost of Debt	3.9%
Tax Rate	24.0%
<b>After-Tax Cost of Debt</b>	<b>3.0%</b>
Equity	88.5%
Debt	11.5%
<b>Calculated WACC</b>	<b>14.9%</b>
<b>Memo: Capital Structure</b>	
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 8: 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
<b>Total Revenues</b>	<b>204</b>	<b>413</b>	<b>2,013</b>	<b>3,198</b>	<b>4,046</b>	<b>7,000</b>	<b>11,759</b>	<b>17,505</b>	<b>21,575</b>	<b>25,319</b>
	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
<b>Total Gross Profit</b>	<b>30%</b>	<b>7%</b>	<b>23%</b>	<b>28%</b>	<b>23%</b>	<b>23%</b>	<b>19%</b>	<b>16%</b>	<b>19%</b>	<b>18%</b>
<b>Gross Margin</b>	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%
<b>Operating income/(loss)</b>	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
<b>Pre-tax Income/(loss)</b>	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
<b>Non-GAAP Net Income</b>	100	107	132	137	130	146	166	169	172	182
Weighted average number of shares - Diluted										
<b>Non-GAAP Diluted EPS</b>			\$ (0.01)	\$ (1.00)	\$ (5.31)	\$ (2.83)	\$ (8.66)	\$ (8.92)	\$ (1.55)	\$ 2.65

Source: 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	115.3
Other short term liabilities	0	0	0	0	0	P/BV (x)	7.6	9.0	10.1	9.7	8.6
Current liabilities	3,070	4,122	4,989	6,257	7,342	EV/EBITDA (x)	188.1	15,016.3	193.5	36.9	24.8
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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