

Tesla Motors, Inc.

Symbol: **TSLA**

CFRA REITERATES HOLD OPINION ON SHARES OF TESLA, INC.

Recent Price : **\$355.49**

Recommendation:



We think Elon Musk's blog post likely reduces legal risk fallout for TSLA and helps clarify the potential going private situation, even if a transaction is ultimately not consummated. In the post, Mr. Musk explains how the Saudi Arabia Public Investment Fund had repeatedly expressed interest in taking Tesla private, something the fund could likely afford, leading Musk to believe that funding for a transaction was "secured". The blog also explains how the deal could be more likely than we previously thought, as it would ideally be structured to be less leveraged via greater than expected use of equity versus debt. We would prefer this given TSLA's already plentiful cash needs. Unresolved to us is how feasible or necessary it is for two-thirds shares to remain with existing stockholders, and who else might be major buyers at a premium to open market prices. Despite Musk protestations, we think remaining public has and will benefit TSLA (via access to cheap capital and free advertising).

Efraim Levy, CFA

08/13/2018 11:25:02

The STARS ranking for this company was changed or reiterated by our analyst on the date and time noted above. The accompanying Stock Report will be updated shortly to reflect our current opinion on this company.

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UNITED STATES DISTRICT COURT	
NORTHERN DISTRICT OF CALIFORNIA	
Case Number:	3:18-cv-04865-EMC
PLTF / DEFT	
Exhibit No.	594
Date Admitted:	
By:	
Angella Meuleman, Deputy Clerk	