

TheStreet Quant Ratings

BUY					HOLD			SELL						HOLD	RATING SINCE	11/02/2022					
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E		E-	F	Annual Dividend Rate NA	Annual Dividend Yield NA	Beta 2.01	Market Capitalization \$811.1 Billion	52-Week Range \$101.81-\$314.67

Sector: **Manufacturing** | Industry Group: **Motor Vehicle Manufacturing**

TESLA BUSINESS DESCRIPTION

Tesla, Inc. designs, develops, manufactures, leases, and sells electric vehicles, and energy generation and storage systems in the United States, China, and internationally. It operates in two segments, Automotive, and Energy Generation and Storage.

STOCK PERFORMANCE (%)

	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	41.81	9.83	57.05

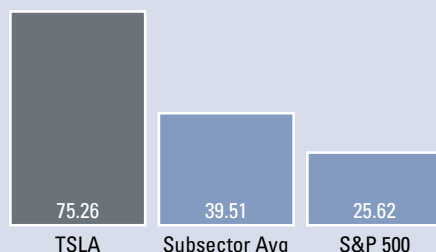
GROWTH (%)

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	24.38	38.34	48.97
Net Income	-24.27	39.90	337.40
EPS	-23.43	38.40	289.82

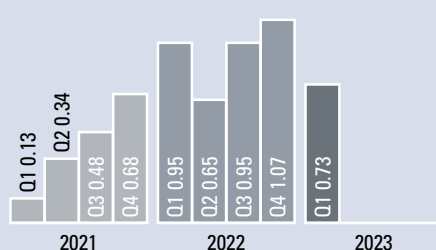
RETURN ON EQUITY (%)

	TESLA	Subsector Avg	S&P 500
Q1 2023	24.45	21.72	17.10
Q1 2022	24.64	22.46	20.10
Q1 2021	4.97	17.02	10.47

P/E COMPARISON



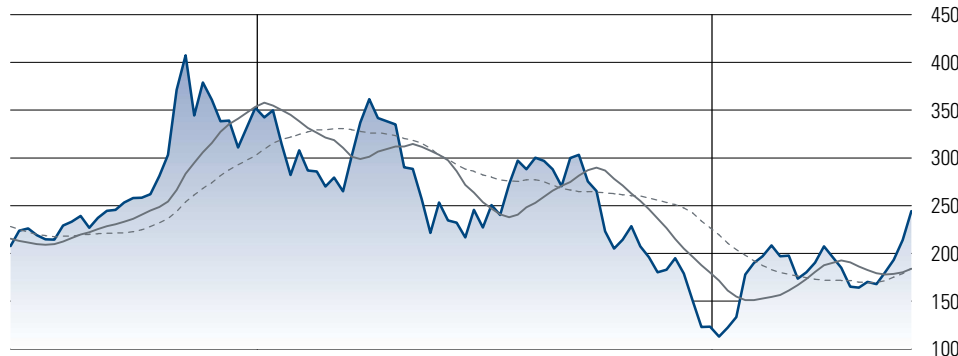
EPS ANALYSIS¹ (\$)



NA = not available NM = not meaningful

¹ Compustat fiscal year convention is used for all fundamental data items.

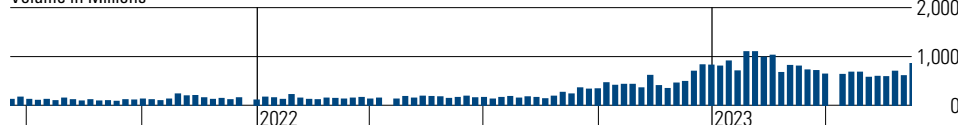
Weekly Price: (US\$) | SMA (50) — SMA (100) --- 1 Year | 2 Years



Rating History



Volume in Millions



COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

RECOMMENDATION

We rate TESLA INC (TSLA) a HOLD. The primary factors that have impacted our rating are mixed - some indicating strength, some showing weaknesses, with little evidence to justify the expectation of either a positive or negative performance for this stock relative to most other stocks. The company's strengths can be seen in multiple areas, such as its robust revenue growth, largely solid financial position with reasonable debt levels by most measures and notable return on equity. However, as a counter to these strengths, we also find weaknesses including premium valuation, poor profit margins and weak operating cash flow.

HIGHLIGHTS

TSLA's revenue growth has slightly outpaced the subsector average of 18.1%. Since the same quarter one year prior, revenues rose by 24.4%. This growth in revenue does not appear to have trickled down to the company's bottom line, displayed by a decline in earnings per share.

TSLA's debt-to-equity ratio is very low at 0.12 and is currently below that of the subsector average, implying that there has been very successful management of debt levels. Although the company had a strong debt-to-equity ratio, its quick ratio of 0.95 is somewhat weak and could be cause for future problems.

The company's current return on equity has slightly decreased from the same quarter one year prior. This implies a minor weakness in the organization. Compared to other companies in the Transportation Equipment Manufacturing subsector and the overall market, TESLA INC's return on equity exceeds that of both the subsector average and the S&P 500.

The gross profit margin for TESLA INC is rather low; currently it is at 23.82%. It has decreased from the same quarter the previous year. Regardless of the weak results of the gross profit margin, the net profit margin of 10.77% is above that of the subsector average.

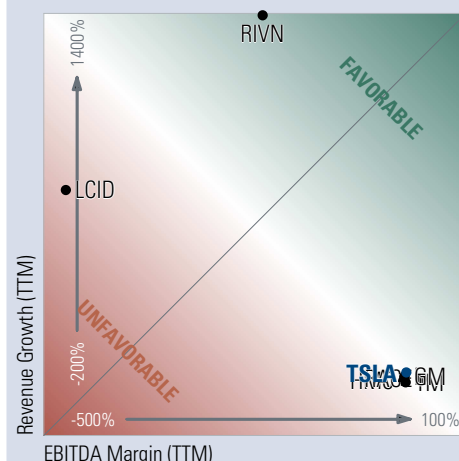
TheStreet Quant Ratings

Sector: Manufacturing | Motor Vehicle Manufacturing

Annual Dividend Rate NA	Annual Dividend Yield NA	Beta 2.01	Market Capitalization \$811.1 Billion	52-Week Range \$101.81-\$314.67	Price as of 6/15/2023 \$255.90
-----------------------------------	------------------------------------	---------------------	---	---	--

PEER GROUP ANALYSIS

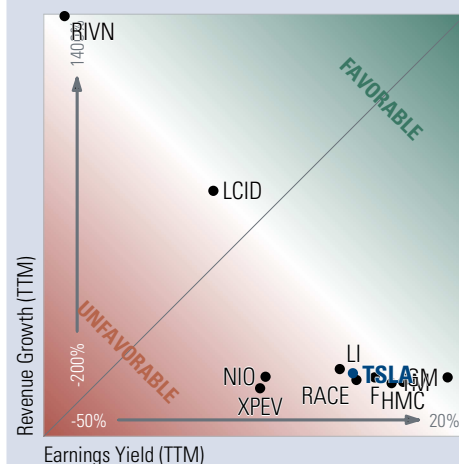
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$12.1 Billion and \$811.1 Billion. Companies with NA or NM values do not appear.

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -18% and 1392.6%. Companies with NA or NM values do not appear.

SUBSECTOR ANALYSIS

TESLA INC falls within the Manufacturing sector and the Motor Vehicle Manufacturing industry group of the North American Industry Classification System or NAICS. More precisely, a significant portion of company activities involve Automobile Manufacturing.

TheStreet Quant Ratings is currently tracking 2269 companies in the Manufacturing sector that total around \$26,793 billion in market capitalization as well as \$11,116 billion in annual sales.

The Transportation Equipment Manufacturing subsector accounts for 14.9% of those revenues.

Industries in the Transportation Equipment Manufacturing subsector produce equipment for transporting people and goods. Transportation equipment is a type of machinery. An entire subsector is devoted to this activity because of the significance of its economic size in all three North American countries. Establishments in this subsector utilize production processes similar to those of other machinery manufacturing establishments – bending, forming, welding, machining, and assembling metal or plastic parts into components and finished products. However, the assembly of components and subassemblies and their further assembly into finished vehicles tends to be a more common production process in this subsector than in the Machinery Manufacturing subsector. NAICS has industry groups for the manufacture of equipment for each mode of transport – road, rail, air, and water. Parts for motor vehicles warrant a separate industry group because of their importance and because they require less assembly than complete vehicles. Land use motor vehicle equipment not designed for highway operation (e.g., agricultural equipment, construction equipment, and material handling equipment) is classified in the appropriate NAICS subsector based on the type and use of the equipment.

PEER GROUP: Transportation Equipment Manufacturing

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
TESLA	TESLA INC	255.90	811,076	75.26	86,035.00	11,751.00
HMC	HONDA MOTOR CO LTD	32.00	57,966	10.39	127,185.49	5,230.03
F	FORD MOTOR CO	14.45	56,787	20.35	165,055.00	2,886.00
RACE	FERRARI NV	306.11	55,598	53.05	5,680.53	1,053.44
TM	TOYOTA MOTOR CORP	168.18	549,619	12.98	264,582.00	17,753.00
GM	GENERAL MOTORS CO	38.03	52,866	5.88	160,741.00	9,390.00
LI	LI AUTO INC	34.46	29,480	NM	6,566.00	-291.75
NIO	NIO INC	9.79	15,114	NM	7,143.30	-2,110.93
RIVN	RIVIAN AUTOMOTIVE INC	15.24	14,196	NM	2,224.00	-6,508.00
XPEV	XPENG INC	11.59	13,882	NM	3,304.94	-1,396.97
LCID	LUCID GROUP INC	6.59	12,088	NM	699.94	-2,002.70

The peer group comparison is based on Major Transportation Equipment Manufacturing companies of comparable size.

TheStreet Quant Ratings

Sector: Manufacturing | Motor Vehicle Manufacturing

Annual Dividend Rate NA	Annual Dividend Yield NA	Beta 2.01	Market Capitalization \$811.1 Billion	52-Week Range \$101.81-\$314.67	Price as of 6/15/2023 \$255.90
-----------------------------------	------------------------------------	---------------------	---	---	--

COMPANY DESCRIPTION

Tesla, Inc. designs, develops, manufactures, leases, and sells electric vehicles, and energy generation and storage systems in the United States, China, and internationally. It operates in two segments, Automotive, and Energy Generation and Storage. The Automotive segment offers electric vehicles, as well as sells automotive regulatory credits; and non-warranty after-sales vehicle, used vehicles, retail merchandise, and vehicle insurance services. This segment also provides sedans and sport utility vehicles through direct and used vehicle sales, a network of Tesla Superchargers, and in-app upgrades; purchase financing and leasing services; services for electric vehicles through its company-owned service locations and Tesla mobile service technicians; and vehicle limited warranties and extended service plans. The Energy Generation and Storage segment engages in the design, manufacture, installation, sale, and leasing of solar energy generation and energy storage products, and related services to residential, commercial, and industrial customers and utilities through its website, stores, and galleries, as well as through a network of channel partners; and provision of service and repairs to its energy product customers, including under warranty, as well as various financing options to its solar customers. The company was formerly known as Tesla Motors, Inc. and changed its name to Tesla, Inc. in February 2017. Tesla, Inc. was incorporated in 2003 and is headquartered in Austin, Texas.

TESLA INC
1 Tesla Road
Austin, TX 78725
USA
Phone: 512 516 8177
<http://www.tesla.com>
Employees: 128000

STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of TSLA shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
Growth	5.0 out of 5 stars	★	★	★	★	★
Measures the growth of both the company's income statement and cash flow. On this factor, TSLA has a growth score better than 90% of the stocks we rate.		weak				strong
Total Return	4.0 out of 5 stars	★	★	★	★	☆
Measures the historical price movement of the stock. The stock performance of this company has beaten 70% of the companies we cover.		weak				strong
Efficiency	5.0 out of 5 stars	★	★	★	★	★
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 90% of the companies we review.		weak				strong
Price volatility	2.0 out of 5 stars	★	★	☆	☆	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 30% of the stocks we monitor.		weak				strong
Solvency	4.5 out of 5 stars	★	★	★	★	☆
Measures the solvency of the company based on several ratios. The company is more solvent than 80% of the companies we analyze.		weak				strong
Income	0.5 out of 5 stars	☆	☆	☆	☆	☆
Measures dividend yield and payouts to shareholders. This company pays no dividends.		weak				strong

THESTREET QUANT RATINGS RESEARCH METHODOLOGY

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

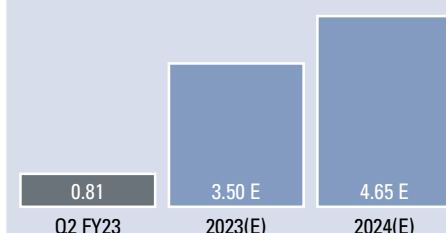
TheStreet Quant Ratings

Sector: Manufacturing | Motor Vehicle Manufacturing

Annual Dividend Rate NA	Annual Dividend Yield NA	Beta 2.01	Market Capitalization \$811.1 Billion	52-Week Range \$101.81-\$314.67	Price as of 6/15/2023 \$255.90
-----------------------------------	------------------------------------	---------------------	---	---	--

Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial



INCOME STATEMENT

	Q1 FY23	Q1 FY22
Net Sales (\$mil)	23,329.00	18,756.00
EBITDA (\$mil)	3,710.00	4,483.00
EBIT (\$mil)	2,664.00	3,603.00
Net Income (\$mil)	2,513.00	3,318.00

BALANCE SHEET

	Q1 FY23	Q1 FY22
Cash & Equiv. (\$mil)	22,888.00	18,310.00
Total Assets (\$mil)	86,833.00	66,038.00
Total Debt (\$mil)	5,574.00	7,025.00
Equity (\$mil)	48,054.00	34,085.00

PROFITABILITY

	Q1 FY23	Q1 FY22
Gross Profit Margin	23.82%	33.80%
EBITDA Margin	15.90%	23.90%
Operating Margin	11.42%	19.21%
Sales Turnover	0.99	0.94
Return on Assets	13.53%	12.71%
Return on Equity	24.45%	24.64%

DEBT

	Q1 FY23	Q1 FY22
Current Ratio	1.57	1.35
Debt/Capital	0.10	0.17
Interest Expense	29.00	61.00
Interest Coverage	91.86	59.07

SHARE DATA

	Q1 FY23	Q1 FY22
Shares outstanding (mil)	3,169	3,108
Div / share	0.00	0.00
EPS	0.73	0.95
Book value / share	15.16	10.97
Institutional Own %	NA	NA
Avg Daily Volume	133,260,098	181,530,922

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

FINANCIAL ANALYSIS

TESLA INC's gross profit margin for the first quarter of its fiscal year 2023 has significantly decreased when compared to the same period a year ago. Even though sales increased, the net income has decreased, representing a decrease to the bottom line. TESLA INC has weak liquidity. Currently, the Quick Ratio is 0.95 which shows a lack of ability to cover short-term cash needs. The liquidity decreased from the same period a year ago, despite already having weak liquidity to begin with. This would indicate deteriorating cash flow.

At the same time, stockholders' equity ("net worth") has greatly increased by 40.98% from the same quarter last year. Overall, the key liquidity measurements indicate that the company is in a position in which financial difficulties could develop in the future.

STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

TheStreet Quant Ratings

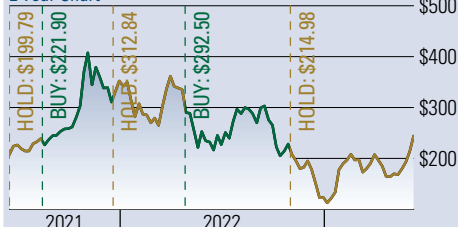
Sector: Manufacturing | Motor Vehicle Manufacturing

Annual Dividend Rate NA	Annual Dividend Yield NA	Beta 2.01	Market Capitalization \$811.1 Billion	52-Week Range \$101.81-\$314.67	Price as of 6/15/2023 \$255.90
----------------------------	-----------------------------	--------------	--	------------------------------------	-----------------------------------

RATINGS HISTORY

Our rating for TESLA INC has not changed since 11/2/2022. As of 6/15/2023, the stock was trading at a price of \$255.90 which is 18.7% below its 52-week high of \$314.67 and 151.4% above its 52-week low of \$101.81.

2 Year Chart



MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
11/2/22	\$214.98	Downgrade	Buy	Hold
4/28/22	\$292.50	Upgrade	Hold	Buy
12/21/21	\$312.84	Downgrade	Buy	Hold
8/17/21	\$221.90	Upgrade	Hold	Buy
6/15/21	\$199.79	No Change	Hold	Hold

Price reflects the closing price as of the date listed, if available

RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET RATINGS

(as of 6/15/2023)

30.91% Buy - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

29.84% Hold - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

39.26% Sell - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

The Arena Group
200 Vesey Street, 24th Floor
New York, NY 10281
www.thestreet.com

Research Contact: 212-321-5381

Sales Contact: 866-321-8726

VALUATION

HOLD. TESLA INC's P/E ratio indicates a significant premium compared to an average of 39.51 for the Transportation Equipment Manufacturing subsector and a significant premium compared to the S&P 500 average of 25.62. For additional comparison, its price-to-book ratio of 16.88 indicates a significant premium versus the S&P 500 average of 4.22 and a significant premium versus the subsector average of 7.95. The price-to-sales ratio is well above both the S&P 500 average and the subsector average, indicating a premium. Upon assessment of these and other key valuation criteria, TESLA INC proves to trade at a premium to investment alternatives.

Price/Earnings	1	2	3	4	5
	premium		discount		

TSLA 75.26 Peers 39.51

- Premium. A higher P/E ratio than its peers can signify a more expensive stock or higher growth expectations.
- TSLA is trading at a significant premium to its peers.

Price/Projected Earnings	1	2	3	4	5
	premium		discount		

TSLA 55.03 Peers 26.15

- Premium. A higher price-to-projected earnings ratio than its peers can signify a more expensive stock or higher future growth expectations.
- TSLA is trading at a significant premium to its peers.

Price/Book	1	2	3	4	5
	premium		discount		

TSLA 16.88 Peers 7.95

- Premium. A higher price-to-book ratio makes a stock less attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- TSLA is trading at a significant premium to its peers.

Price/Sales	1	2	3	4	5
	premium		discount		

TSLA 9.43 Peers 6.12

- Premium. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- TSLA is trading at a significant premium to its subsector.

Price/CashFlow	1	2	3	4	5
	premium		discount		

TSLA 61.50 Peers 31.20

- Premium. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- TSLA is trading at a significant premium to its peers.

Price to Earnings/Growth	1	2	3	4	5
	premium		discount		

TSLA NM Peers 1.10

- Neutral. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- TSLA's negative PEG ratio makes this valuation measure meaningless.

Earnings Growth	1	2	3	4	5
	lower		higher		

TSLA 38.40 Peers 29.95

- Higher. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- TSLA is expected to have an earnings growth rate that significantly exceeds its peers.

Sales Growth	1	2	3	4	5
	lower		higher		

TSLA 38.34 Peers 31.47

- Higher. A sales growth rate that exceeds the subsector implies that a company is gaining market share.
- TSLA has a sales growth rate that exceeds its peers.

DISCLAIMER:

The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but TheStreet Quant Ratings cannot guarantee its accuracy and completeness, and that of the opinions based thereon. Data is provided via the COMPUSTAT® Xpressfeed product from Standard & Poor's, a division of The McGraw-Hill Companies, Inc., as well as other third-party data providers.

TheStreet Quant Ratings is a division of TheStreet, Inc., which is a publisher. This research report contains opinions and is provided for informational purposes only. You should not rely solely upon the research herein for purposes of transacting securities or other investments, and you are encouraged to conduct your own research and due diligence, and to seek the advice of a qualified securities professional, before you make any investment. None of the information contained in this report constitutes, or is intended to constitute a recommendation by TheStreet Quant Ratings of any particular security or trading strategy or a determination by TheStreet Quant Ratings that any security or trading strategy is suitable for any specific person. To the extent any of the information contained herein may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person. Your use of this report is governed by TheStreet, Inc.'s Terms of Use found at <http://www.thestreet.com/static/about/terms-of-use.html>.

NAICS is the North American Industry Classification System which provides the Sector, Subsector, and Industry Group structure used in this report. As many companies are diversified, the companies may also operate in other industry segments than the one listed.