FINANCIAL MODELING PORTFOLIO

TESLA

What drives operating value?

Five-year discounted cash flow study

An editable valuation of automotive, energy generation and storage, and services. Bear, base and bull cases test revenue growth and operating margin recovery.

The central question: how much cash can the businesses generate after the investment required to support growth?

The illustrative base case produces $10.81 per share. Its low value reflects heavy capital spending and modest operating cash generation. It excludes any separate option value for robotaxi and Optimus.

This is a retrospective educational model at December 31, 2025, using subsequently published annual results. It is not a current Tesla price target.

MODEL CONTENTS

Segment revenue forecasts / cash flow / enterprise-to-equity bridge

Editable scenarios / source references / transparent assumptions

Assumptions determine the answer

Base case: automotive growth of 3% to 10% annually; energy growth declining from 30% to 18%; services growth declining from 18% to 12%. EBIT margin rises from 5.5% to 12% by 2030.

Reinvestment: $21bn capital expenditure in 2026, then 13% of revenue. Depreciation and amortization equal 6% of revenue. Incremental working capital uses 5% of the change in revenue. These are illustrative assumptions.

Valuation: 12% assumed WACC, 3% perpetual growth and year-end discounting. A 25% cash tax rate applies to positive EBIT. Stock compensation remains an operating cost.

Case outputs: bear $0.00, base $10.81, bull $43.95 per share. These update through the same forecast when the workbook selector changes. The bear case has negative modeled equity value, so per-share value is floored at zero.

Interpretation: the base case derives approximately 297% of enterprise value from terminal value because the explicit forecast has a negative present value. This makes long-run cash conversion a major source of uncertainty.

Scope limits: no separate autonomy or robotics option value; no future share dilution; year-end shares are a proxy; minority interests use book value. Review these choices before drawing investment conclusions.

SOURCE

Tesla 2025 Form 10-K: revenue disclosures, balance sheet and debt note. Forecasts are analyst assumptions, not company guidance, except the cited capex outlook above $20bn.