



GLOBAL UPDATE



TESLA

TSLA:NASDAQ



July 2025

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GLOBAL RECOMMENDATION

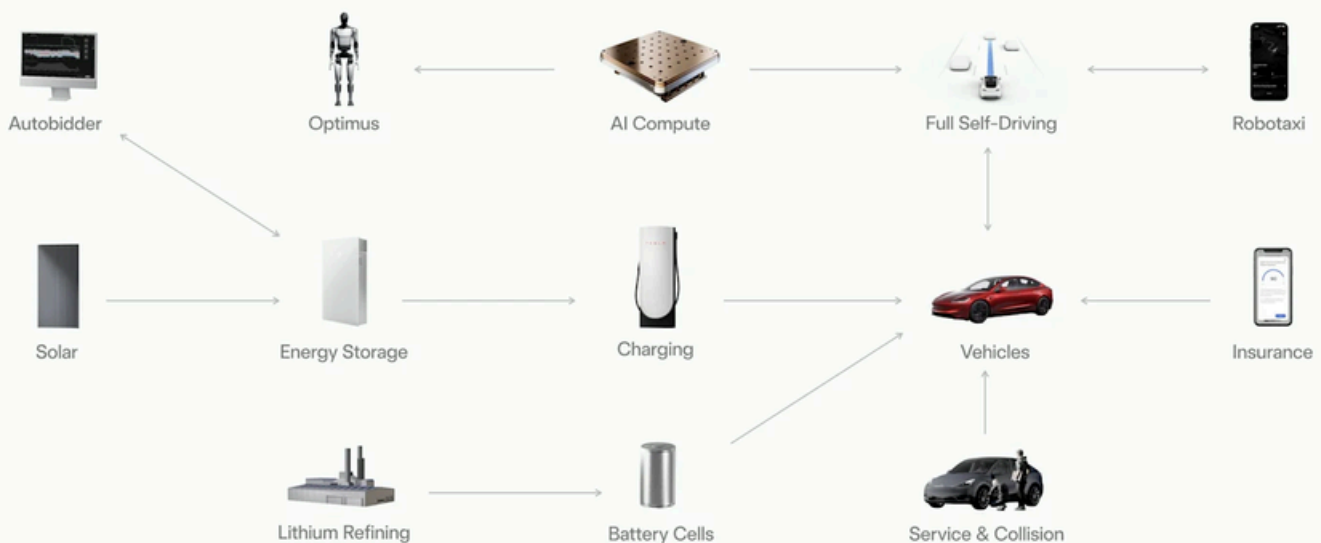
Tesla Inc TSLA:NASDAQ

Tesla Inc. (NASDAQ: TSLA) presents a powerful long-term investment opportunity for the “believers”, particularly for investors with a high tolerance for volatility and a belief in transformative technologies. This year, Tesla stock has declined around 25% amid competitive pressures in the EV market, Elon Musk venture into politics and macroeconomic uncertainties.

However, the company's pivot toward high-margin, scalable businesses in robotics, robotaxis, drones, and AI integration positions it to capture massive addressable markets that could dwarf its current automotive revenue. Elon Musk's vision of Tesla as an AI and robotics powerhouse, combined with recent advancements like the Optimus humanoid robot, the upcoming robotaxi launch, and Grok AI integration, underscores its potential for exponential growth.

Tesla's core strengths—vertical integration in manufacturing, expertise in battery technology, and a vast data advantage from its vehicle fleet—provide a moat in these emerging sectors. While near-term risks include execution challenges, regulatory hurdles, and competition (e.g., from BYD in EVs or Waymo in autonomy), the long-term bull case is driven by multi-trillion-dollar opportunities. Analysts maintain a consensus “buy” rating, with a median price target of \$303 but highs up to \$550, reflecting optimism around non-automotive growth. If Tesla captures even a modest share of these markets, its valuation could surge to \$1-2 trillion by 2030, implying significant upside from current levels. We recommend buying TSLA for portfolios focused on innovation, with a 5-10 year horizon.

We Are Building Sustainable Abundance



NEW MARKETS

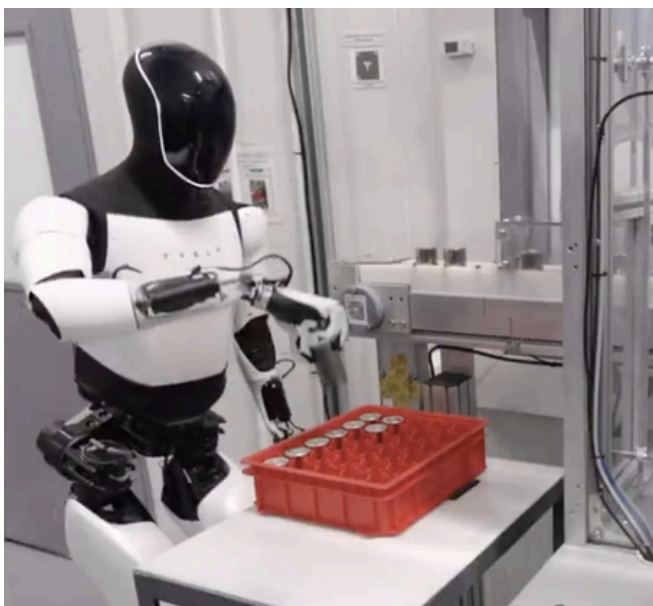
Robotics

Robotics: A Core Pillar for Manufacturing and Beyond

Tesla's robotics division, led by the Optimus humanoid robot, is poised to disrupt labor-intensive industries like manufacturing, logistics, mining, and retail. The provided documents highlight Tesla's aggressive targets: producing 10,000 Optimus units in 2025, scaling to 100,000 per month by 2026, and reaching 100 million units by 2035. This could generate \$10-30 trillion in long-term annual revenue potential (bull case), with Tesla aiming for 25% market share within five years of commercial launch. Profit margins are estimated at 40% (pre-depreciation), driven by cost reductions to under \$20,000 per unit at scale. The PDF emphasizes robotics as a key strength, with advancements noted in the Q1 2025 earnings call, including plans for 1 million Optimus units annually by the 2030s.

Broader market projections align with this optimism. The global robotics market (including humanoid and industrial segments) is expected to grow rapidly due to automation demands. Conservative estimates peg the humanoid robotics TAM at \$38 billion by 2035, while overall robotics could reach \$375 billion by 2035 (CAGR of 17.33% from 2024). Mobile robotics alone may hit \$150 billion by 2035..com Bullish forecasts, such as Morgan Stanley's \$5 trillion humanoid market by 2050, suggest even larger upside if Tesla dominates.

For Tesla, robotics could reduce internal manufacturing costs while creating external sales opportunities, potentially adding billions in high-margin revenue by the late 2020s.



Tesla Optimus is already working autonomously in Tesla Factories

NEW MARKETS

RoboTaxis

Robotaxis: Revolutionizing Mobility as a Service

Tesla's robotaxi initiative, set for launch in Austin in June 2025 (initially with 10 vehicles, scaling to 1,000+ by year-end), represents a shift from vehicle sales to recurring, software-driven revenue. The documents project the global robotaxi market at \$8-10 trillion by 2030, with ARK Invest forecasting \$2.4 trillion in Tesla-specific revenue and up to \$34 trillion in enterprise value by 2030 (accounting for ~90% of Tesla's value). Operating costs could drop to \$0.20-0.25 per mile, undercutting competitors and enabling profit-sharing with vehicle owners. The PDF's earnings call highlights significant progress in Full Self-Driving (FSD) and autonomy, with millions of vehicles targeted.

Market data supports explosive growth. The robotaxi market is projected to reach \$45.7 billion by 2030 (CAGR of 91.8% from 2023) and up to \$450 billion by 2033. Another estimate puts it at \$40 billion by 2030 (CAGR >60% from 2025). Broader autonomous vehicles could add \$300-400 billion by 2035. If successful, robotaxis could disrupt ride-hailing (e.g., Uber) and even air travel, generating stable cash flows for Tesla.



Drones and eVTOL: Expanding into Aerial Autonomy

While not yet officially launched, Tesla's potential entry into drones and electric vertical takeoff and landing (eVTOL) vehicles leverages its battery, AI, and manufacturing expertise. The documents estimate a \$9 trillion TAM by 2050, with Tesla positioned to address U.S. dependence on foreign manufacturers (e.g., DJI). Internal use of drones for warehouse management at Giga Berlin demonstrates proof-of-concept, and analysts see \$100-1,000 per share upside if Tesla captures market share.

Projections indicate strong growth. The global drone market is forecast to reach \$57.8 billion by 2030 (CAGR 7.9% for commercial segment) and up to \$89.7 billion by 2030 (CAGR 13.9%). eVTOL specifically could hit \$4.67 billion by 2030 (CAGR 35.3%). By 2035, combined drone/eVTOL markets may exceed \$100-150 billion, driven by logistics, surveillance, and urban air mobility. Tesla's entry could focus on autonomous drones for delivery or mining, adding diversified revenue.

FUTURE ADDRESSABLE MARKET

Total Addressable Market (TAM) Estimates

Combining these sectors, the total TAM for Tesla's focus areas is enormous, with conservative and bullish ranges based on sources. We aggregate robotics, robotaxis, drones/eVTOL, and AI integration (focusing on autonomous/enabling AI).

Year	Conservative TAM Estimate	Bullish TAM Estimate	Key Drivers
2030	\$200-500 billion	\$10-12 trillion	Robotics (\$100-200B), Robotaxis (\$40-450B), Drones/eVTOL (\$50-90B), AI Integration (\$50-100B in autonomous systems). Bullish reflects ARK's mobility forecasts and Tesla's internal projections.
2035	\$500-1 trillion	\$20-30 trillion	Robotics (\$200-400B, with humanoid scaling), Robotaxis (\$500B+), Drones/eVTOL (\$100-200B), AI (\$100-500B). Bullish includes \$10-30T robotics revenue potential and \$9T drone long-term.

Tesla could capture 10-25% of these markets, implying \$20-75 billion in 2030 revenue from these segments alone (conservative) to multi-trillion in bullish scenarios.

Potential Revenue CAGR Range

Tesla's overall revenue CAGR from 2025-2035 could range from 20-60%, driven by these high-growth areas. Current projections: 20%+ over the next 5-6 years (analyst consensus, including robotaxi contributions). Bullish models forecast 40-60% CAGR if robotics and robotaxis scale, with \$75 billion in robotaxi revenue by 2030 alone. Gross margins could rise to 50% by 2030 from AI/software focus. Conservative: 20-30% (EV stabilization + gradual adoption); Optimistic: 40-60% (disruptive success in multiple segments).

In summary, Tesla's exposure to these mega-markets justifies a long-term buy. Investors should monitor milestones like the robotaxi rollout and Grok integration for confirmation of execution. Diversify to mitigate risks, but the reward potential is transformative.

RISKS

1. Execution and Operational Risks

- **Product Launch Delays:** Robotaxi and Optimus robot timelines face technical and supply chain hurdles, risking missed targets. Drones/eVTOL entry remains speculative.
- **Weak Vehicle Sales:** Q2 2025 deliveries (~384,000) were flat, with sharp sales drops in Europe, China, and Germany. Delay of affordable models to 2026 keeps revenue exposed.
- **Supply Chain Issues:** Heavy reliance on Chinese suppliers makes Tesla vulnerable to tariffs and disruptions, pressuring margins.

2. Financial and Valuation Risks

- **Cash Flow Concerns:** Flat deliveries, margin pressure, and high AI/robotics investment could turn free cash flow negative. Profitability is at risk without regulatory credits.
- **Capital Strain:** Scaling new products demands large investments, potentially stressing finances if sales lag.

3. Regulatory and Political Risks

- **Subsidy and Contract Risks:** Loss of EV incentives (ending Sept 2025) or federal contracts—especially amid political tensions—could hurt operations.

4. Leadership and Reputational Risks

- **Musk's Controversies:** Political activism and public disputes have led to boycotts, vandalism, and brand damage. Investor concerns over distractions and leadership stability persist.

5. Competitive and Market Risks

- **Rising Competition:** Rivals like BYD and legacy automakers are eroding market share, especially in China and Europe. Autonomous driving competitors are ahead in deployment.

Risk Category	Potential Impact	Mitigation Factors	Example Downside Scenario
Execution/Operational	High (Delays could delay revenue ramps)	Tesla's vertical integration and data advantage	Robotaxi limited to supervised mode, pushing unsupervised FSD to 2027+
Financial/Valuation	High (Stock could drop 50-80% in bear market)	Energy storage growth (record Q1 profits)	Negative FCF in 2025, forcing dilution
Regulatory/Political	Very High (Policy changes could wipe billions)	Musk's influence in D.C.	Loss of subsidies/contracts, stock craters 20-30%
Leadership/Reputational	Medium-High (Musk is Tesla's X-factor)	Strong retail base	Political feud escalates, boycotts cut sales 10-20%
Competitive/Market	Medium (EV slowdowns)	Diversification into AI/robotics	BYD overtakes globally, Tesla deliveries fall below 1.6M in 2025

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Our Commitment

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