

# TESLA, INC.

Equity Research | Nasdaq: TSLA | Automotive, energy storage and autonomy | 23 September 2026

|                                        |                                                 |                                          |
|----------------------------------------|-------------------------------------------------|------------------------------------------|
| <b>AVOID</b><br>RECOMMENDATION         | <b>UNCHANGED</b><br>RATING CHANGE               | <b>48 / 100</b><br>INVESTMENT SCORE      |
| <b>\$378.90</b><br>Close, 22 September | <b>\$327.75</b><br>Weighted fair value (-13.5%) | <b>195.9x</b><br>Forward P/E, was 187.5x |

The Cybercab launched on 3 September in Austin with 45 authorised vehicles, no disclosed pricing and no production figures. The shares fell 6.4% on the reviews and have since risen to 6.1% above their pre-event level. The forward multiple has expanded again, the expected return has moved from minus 5.1% to minus 13.5%, and the rating is unchanged.

*Valuation is struck on the 22 September 2026 closing price of \$378.90 (Alpha Vantage GLOBAL\_QUOTE, confirmed by StockAnalysis.com). The most recent results are the second quarter reported on 22 July 2026; the next are due on 21 October 2026. No trade plan is published, because this is not a Buy call. Informed professionals currently hold targets on this stock spanning \$130 to \$480. Figures described as this report's calculation are derived rather than company-reported.*

## Company developments

| Development                           | Status and date                             | What is known                                                                                                                                                                                                                                                                                                                                                                                                                 | What is forecast (and by whom)                                                                                                                                                                                                                                                  | Impact |
|---------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Cybercab public launch, Austin        | Launched, 3 September 2026                  | Paying passengers can ride the Cybercab, a two-seat vehicle with no steering wheel and no pedals. Forty-five Cybercabs were authorised for commercial robotaxi use in Texas at launch. The service area is the one already used by the Model Y robotaxi fleet in Austin. Tesla disclosed no ride pricing, no vehicle price, no production figure and no expansion timeline. The launch was a closed event with no livestream. | Musk indicated an under-\$30,000 vehicle price in 2024 and volume production before 2027; neither has been confirmed since. Goldman Sachs estimates the Cybercab could undercut Waymo by up to 30 cents a mile (8 September) while keeping a Neutral rating and a \$360 target. | High   |
| Regulator questions on human controls | Open inquiry, reported 15-16 September 2026 | The National Highway Traffic Safety Administration is pressing Tesla on whether the Cybercab may need an option for human control, per Wall Street Journal reporting.                                                                                                                                                                                                                                                         | No finding, order or timetable has been published. The outcome is unknown.                                                                                                                                                                                                      | Medium |
| Cybercab China tour                   | Under way, from 18 September 2026           | The Cybercab began a domestic tour in China.                                                                                                                                                                                                                                                                                                                                                                                  | No regulatory approval, launch date or volume has been announced for China.                                                                                                                                                                                                     | Medium |
| Roadster reservations reopened        | Announced, 22 September 2026                | Reservations reopened with a \$50,000 deposit. Pricing is unannounced.                                                                                                                                                                                                                                                                                                                                                        | No delivery date. Reported FAA airspace restriction at 10,000 feet has prompted speculation about the demonstration; that is speculation, not fact.                                                                                                                             | Low    |

| Development                                     | Status and date              | What is known                                                               | What is forecast (and by whom)                                                                            | Impact |
|-------------------------------------------------|------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------|
| Full self-driving licensing to other makers     | Stated, 22 September 2026    | Musk says Tesla has offered FSD to legacy automakers and none has accepted. | Commentary (Gary Black, 23 September) holds that incumbents will build in-house instead. That is opinion. | Medium |
| Energy storage: 580 MW California grid dispatch | Announced, 21 September 2026 | A record dispatch achieved with Sunrun.                                     | No revenue figure disclosed.                                                                              | Low    |

## The Cybercab launched. That is the whole of it.

**What is known.** On 3 September 2026 Tesla began carrying paying passengers in the Cybercab in Austin. The vehicle has no steering wheel and no pedals. Forty-five Cybercabs were authorised for commercial robotaxi operation in Texas at launch, and the service area is the one the Model Y robotaxi fleet already covers. Tesla disclosed no ride price, no vehicle price, no production rate and no expansion schedule, and the launch itself was a closed event without the livestream many had expected. On 18 September the vehicle began a tour in China. Between those two dates the Wall Street Journal reported that the National Highway Traffic Safety Administration is pressing Tesla on whether the Cybercab may need an option for human control.

**Why it matters here.** It is rated High because it is the binary event on the core thesis: autonomy is the entire distance between Tesla's automotive economics and Tesla's multiple. The previous report set an explicit test for improving the autonomy score, being robotaxi scale beyond the Sun Belt with monitor-free mileage up an order of magnitude from 380,000. The launch meets neither half. Austin is not beyond the Sun Belt, and 45 vehicles in one city is the same demonstration fleet the last report described three weeks before the event. The China tour is a promotional exercise with no approval, date or volume attached. What the launch establishes is that the product exists and carries passengers, which is genuinely more than could be said in August. What it does not establish is a business.

**Sizing it.** It cannot be sized, and saying so is the honest answer. Tesla published no ride price, no vehicle price, no fleet plan and no utilisation figure, so there is no disclosed input from which to derive a revenue contribution. Forty-five vehicles against trailing revenue of \$103.62 billion is not a rounding error, it is below one. The only quantified outside estimate in the period is Goldman Sachs's view that the Cybercab could run up to 30 cents a mile cheaper than Waymo, which is a unit-cost claim about a vehicle rather than a revenue forecast, and Goldman holds a Neutral rating and a \$360 target alongside it. This report therefore assumes, as its predecessor did, that robotaxi revenue stays immaterial through 2027, and says plainly that the assumption rests on the absence of disclosure rather than on a model.

**What it changes in the numbers.** One thing, and it is in the probabilities rather than the values. The previous report raised the bull weight from 22% to 24% specifically to reflect a real near-term catalyst that had not yet occurred. That catalyst has now occurred and delivered 45 cars in one city with no pricing. The weight returns to 20% and the difference goes to the bear case, which moves from 32% to 35% on the regulator's question about human controls in a vehicle designed without them. The three scenario values are unchanged because no financial statement has been published. Probability-weighted fair value falls from \$338.80 to \$327.75. No factor score moves: the launch is better than a cancelled launch and worse than a scaled one, and it lands in the same place the 7 out of 10 growth score already sat.

**What the price already assumes, and what happens if this fails.** At \$378.90 the shares carry 195.9 times forward earnings against 187.5 times three weeks ago and roughly 170 times in August, on estimates that have not moved. On trailing earnings the multiple is 393 times, on earnings per share of \$1.08 that fell 35.6% year on year. A multiple at that level is not paying for the car business; it is paying for autonomy, and the launch has now given the market its first look at what autonomy actually looks like at Tesla today. The market's answer was a 6.4% fall on 4 September followed by a full recovery and more. If the regulator requires human controls, the vehicle as designed does not exist and the timeline resets; that risk sits in the bear case and cannot be sized from any published source, because no finding has been issued.

**What is still unknown.** Ride pricing, vehicle pricing, production rate, expansion cities, monitor-free mileage since the launch, and the regulator's conclusion. The next scheduled disclosure that could answer any of them is third-quarter results on 21 October 2026.

## Testing the conditions the last report set

| Condition set on 3 September                                                                                           | Status          | Evidence                                                                                              |
|------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------|
| Toward Hold: automotive gross margin ex-credits recovering toward 20% while volume holds                               | Pending         | No disclosure since 22 July. Reports 21 October.                                                      |
| Toward Hold: free cash flow clearly positive with capital expenditure still elevated                                   | Pending         | No disclosure since 22 July.                                                                          |
| Toward Hold: robotaxi scaling beyond the Sun Belt with monitor-free mileage up an order of magnitude                   | Not met         | The Cybercab launched in Austin with 45 authorised vehicles. Neither half of the test is met.         |
| Toward Hold: a forward P/E returning to double digits, or an autonomy revenue line large enough to anchor the multiple | Moved away      | Forward P/E expanded from 187.5x to 195.9x. No autonomy revenue line was disclosed at the launch.     |
| Toward Strong Avoid: a second consecutive quarter of operating margin near 1.4% with negative free cash flow           | Not met         | No disclosure since 22 July. This is why the rating is not lowered.                                   |
| Toward Strong Avoid: a serious robotaxi safety incident or a regulatory reversal in a core market                      | Not met         | The regulator has asked a question about human controls. A question is not a reversal.                |
| Toward Avoid: further monthly declines in China volume alongside renewed price cuts                                    | Not established | No further monthly CPCA figure has been confirmed in the period from a primary or established source. |

## Valuation

At \$378.90 Tesla carries a market capitalisation of \$1.50 trillion across 3.95 billion shares, on trailing revenue of \$103.62 billion growing 11.8% and trailing net income of \$3.81 billion, 35.3% lower than a year ago. Trailing earnings per share are \$1.08. That produces 393 times trailing and 195.9 times forward earnings. The 43-analyst consensus target of \$396.94 sits 4.8% above the market and spans a range from \$130 to \$480, which is a wider professional disagreement than exists on almost any other company of this size.

The argument this coverage has made since August is unchanged and has now been tested a second time. In August the shares had fallen 17% and the forward multiple had not fallen with the margins, so the stock had become more expensive as it declined. Three weeks ago the shares had risen 8.7% into the Cybercab event and the multiple had expanded from 170 times to 187.5 times on estimates that had not moved. The event has now happened, produced 45 vehicles in one city and no pricing, and the multiple has expanded again to 195.9 times. Across seven weeks and two directions of price movement, the multiple has gone one way only, and no reported figure has changed. That is the case, and it is falsifiable on 21 October.

The macro variables here are consumer credit conditions, because Tesla sells a financed discretionary durable, and the policy rate path, because it sets the cost of that financing. Both moved against the shares in the period. The Federal Open Market Committee raised its target range 25 basis points to 3.75% to 4.00% on 16 September, unanimously and for the first time in three years, with projections carrying at least one more increase before year-end, and the ten-year Treasury sits near 4.94%. Higher auto financing costs raise the effective price of every vehicle Tesla sells without raising its revenue per unit. The offsetting reading is that the consumer is stronger than feared: August retail sales rose

1.2% against a 0.8% forecast and non-farm payrolls added 162,000 against 58,000 expected. Demand is not the immediate problem. The price of that demand is.

## Scenario analysis

| Case | Prob. | Fair value     | Outline                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------|-------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bull | 20%   | \$520 (+37.2%) | Margins recover through the second half as the cost curve catches the discounting, the Cybercab converts into a scaling network beyond the Sun Belt, full self-driving attach accelerates, and Optimus shows credible early commercialisation. Weight cut from 24% to 20%: the near-term catalyst that justified the earlier increase has occurred and delivered 45 vehicles in one city. Assumes the success case on the Cybercab. |
| Base | 45%   | \$330 (-12.9%) | Volume growth continues at the cost of price, margins stabilise near depressed levels, capital expenditure stays above \$5bn a quarter, and the robotaxi expands city by city while staying immaterial to revenue through 2027. Energy compounds steadily. Assumes the base case on the Cybercab, which is what the launch showed.                                                                                                  |
| Bear | 35%   | \$215 (-43.3%) | Price competition persists and operating margin stays near 1%, free cash flow deteriorates, the autonomy timeline slips again in October, the regulator requires human controls and the design resets, and the market begins pricing Tesla closer to a premium growth-auto and energy business with a smaller option attached. Weight raised from 32% to 35% on the regulator's question. Assumes the failure case on the Cybercab. |

Probabilities sum to 100%. Probability-weighted fair value:  $0.20 \times \$520 + 0.45 \times \$330 + 0.35 \times \$215 = \$327.75$ , computed in code, which sits 13.5% below the \$378.90 close against 5.1% below in the previous report and 1.6% above it in August. The scenario values are unchanged because no financial statement has been published since 22 July. What moved the expected return further into negative territory was the price and the resolution of a catalyst, not the accounts. The distribution remains extremely wide, roughly 37% of upside against 43% of downside, and an asset with that spread and a negative expected return is not compensating its holder for the volatility it delivers.

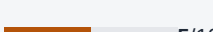
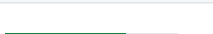
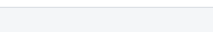
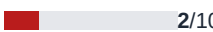
## Sentiment and technicals

| Indicator                     | Reading                                                        | Interpretation                                                            |
|-------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|
| Close of record, 22 September | \$378.90                                                       | Up 6.1% since the last report, through a 6.4% fall on the launch reviews. |
| SMA 20 / 50                   | \$361.72 / \$349.28                                            | Price is 4.7% and 8.5% above both. The short-term trend is intact.        |
| SMA 100 / 200                 | \$379.46 / \$396.72                                            | Price sits exactly on the 100-day and 4.5% below the 200-day.             |
| RSI 14                        | 60.1                                                           | Neutral with an upward bias. No extreme.                                  |
| MACD                          | 5.57; signal 4.19; hist. +1.38                                 | Positive and above signal, as it was three weeks ago.                     |
| ATR 14                        | \$12.86, or 3.4% of price                                      | Consistent with a 1.84 beta.                                              |
| Volume, 20-day vs 50-day      | 38.8m vs 38.2m, up 1.7%                                        | Participation flat. The launch did not bring new volume.                  |
| Structural levels             | \$298-\$310 support; \$340-\$380 range; 200-day at \$396.72    | The price sits at the top of the range, under the 200-day.                |
| Analyst consensus             | Buy, \$396.94 average across 43 analysts, range \$130 to \$480 | 4.8% average upside on an extraordinary spread.                           |

*Computed from 300 completed, split-adjusted Twelve Data sessions to 22 September 2026. Distances are measured against the \$378.90 price of record. Moving averages are recomputed each report rather than carried forward; the 200-day is \$396.72 against \$399.97 three weeks ago.*

Institutional positioning is mixed and is omitted from the verdict for the reason it is always omitted: it is not a scored input. It is recorded here because the size of the retail following makes the professional register worth stating. Reported holdings show a net addition of 0.66% of reported shares over four quarters, with 43 managers adding and 25 cutting, quarterly flows staying within 1.4% and the largest single move at 0.2%. Passive ownership fell from 46.9% to 42.8% and active from 13.1% to 11.6%. The breadth leans positive and the size is too small to call. Positioning is as of 30 June 2026, filings through 19 August 2026, so it predates the Cybercab launch entirely. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure.

## Scorecard

| Factor                  | Score                                                                                    | Weight | What moved                                                                                                                              |
|-------------------------|------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Business Quality        |  6/10   | 13%    | Unchanged. Strong brand and a real energy business against thin automotive margins.                                                     |
| Financial Strength      |  7/10   | 13%    | Unchanged. A large net cash position and positive trailing free cash flow.                                                              |
| Competitive Advantage   |  5/10   | 13%    | Unchanged. A credible Cybercab cost position against no legacy maker taking an FSD licence.                                             |
| Management              |  5/10   | 11%    | Unchanged. The launch shipped; it shipped small, closed and without pricing.                                                            |
| Growth Potential        |  7/10   | 14%    | Unchanged. A 45-vehicle fleet in one city is where the score already sat.                                                               |
| Valuation               |  2/10   | 20%    | Held at 2. 187.5x to 195.9x is worse but not a change of category; the deterioration is recorded in the expected return.                |
| Risk (10 = lowest risk) |  2/10 | 10%    | Unchanged at very high risk. A regulator questioning human controls in a vehicle built without them is inside an already extreme score. |
| Technical Setup         |  6/10 | 6%     | Unchanged. Above the 20-day and 50-day, stalled on the 100-day, below the 200-day.                                                      |

Scored 1-10, where 10 is always best, including Risk. A Risk score of 2 denotes a very high-risk holding, consistent with the discussion above. Weighted score = 48/100 against 48 in the previous report, computed in code. That report had already restated its own predecessor's Risk score onto this scale, so the 2 compared against here is like for like and no further restatement was needed. Weights: Valuation 20, Growth Potential 14, Business Quality 13, Financial Strength 13, Competitive Advantage 13, Management 11, Risk 10, Technical Setup 6.

## Recommendation: Avoid

The rating is unchanged and so is the reasoning, for the third report running. The scorecard has not moved a point. What has moved is the price, and with it the expected return, which is now minus 13.5% against minus 5.1% three weeks ago and plus 1.6% in August.

The previous report was published on the eve of the Cybercab launch and said explicitly that it was a statement about fresh money at 187.5 times forward earnings rather than a prediction about what would happen in Austin. The event has happened. Forty-five vehicles, one city, no steering wheel, no ride price, no vehicle price, no production rate, no livestream. That is not a failure and it is not a scandal; it is simply a great deal less than the price already assumed. The shares fell 6.4% on the reviews, recovered inside a fortnight, and now trade at 195.9 times forward earnings.

What an Avoid rating says has not changed either. It says that putting new money in at \$378.90 is not compensated. It does not say the shares will fall, it is not a short recommendation, and it is not a view that autonomy will fail. An existing holder with genuine conviction, an appropriate position size and a multi-year horizon is making a coherent bet, and the launch is a point in that bet's favour: the vehicle is real and it carries paying passengers. The distinction between declining to start a position and recommending an exit remains, and this rating remains the former.

This is not a downgrade to Strong Avoid because the specific triggers for one have not fired. There has been no safety incident, no regulatory reversal, and no second quarter of collapsed margin, because there has been no quarter at all. The regulator's question about human controls is the nearest thing to a new negative and it is a question rather than a finding. Reserving Strong Avoid for evidence rather than for price action is what makes the scale mean anything. The price at which this becomes a Hold is the base-case fair value of \$330 or below, which is 12.9% beneath the market, and it becomes interesting in earnest at a forward multiple in double digits.

Two things to watch, both on 21 October. The operating margin line, because a second quarter near 1.4% with weak free cash flow would move this rating to Strong Avoid on evidence rather than on price. And any disclosure attached to the Cybercab: a ride price, a fleet number, a city list, a utilisation figure. Seven weeks after the launch, the absence of all four would say more than the launch did.

### What would change the view

| Condition                                                                                                                                                                                                                                                                                              | Consequence                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Automotive gross margin ex-credits recovering toward 20% on 21 October while volume holds                                                                                                                                                                                                              | Upgrade to Hold. It would establish that the discounting was cyclical rather than structural.                                            |
| Free cash flow clearly positive with capital expenditure still elevated                                                                                                                                                                                                                                | Upgrade. It would show the autonomy build is affordable out of operations rather than out of the cash pile.                              |
| Robotaxi scaling beyond the Sun Belt with monitor-free mileage up an order of magnitude                                                                                                                                                                                                                | Upgrade, potentially by more than one notch. This is the condition that carries the most weight, and the Austin launch did not touch it. |
| A forward P/E returning to double digits, or a disclosed autonomy revenue line large enough to anchor the multiple                                                                                                                                                                                     | Upgrade. Either a lower price or a real number attached to the option would do it. The base-case value is \$330.                         |
| A second consecutive quarter of operating margin near 1.4% with free cash flow negative                                                                                                                                                                                                                | Downgrade to Strong Avoid. This converts the datapoint into a trend.                                                                     |
| The regulator requiring human controls, a serious robotaxi safety incident, or a regulatory reversal in a core market                                                                                                                                                                                  | Downgrade to Strong Avoid. It would strike the thesis rather than delay it.                                                              |
| Further monthly declines in China volume alongside renewed price cuts                                                                                                                                                                                                                                  | Downgrade. One month broke a streak; a quarter would convert growth into share defence.                                                  |
| No entry, stop or target levels are published, because this is not a Buy call. The levels worth monitoring are the \$298-\$310 support band, the \$340-\$380 range the price sits at the top of, and the 200-day average at \$396.72. Dated milestone ahead: third-quarter results on 21 October 2026. |                                                                                                                                          |

### Sources

|                                                                                  |                                       |
|----------------------------------------------------------------------------------|---------------------------------------|
| Cybercab public launch, fleet size, specification and reception (3 Sep 2026)     | forbes.com, Brooke Crothers           |
| Regulator questions on Cybercab human controls (15 Sep 2026)                     | The Wall Street Journal, as reported  |
| Cybercab unit-cost estimate versus Waymo, and Neutral rating (8 and 16 Sep 2026) | Goldman Sachs, via the research feed  |
| Price of record, 22 September close                                              | alphavantage.co, GLOBAL_QUOTE         |
| Key statistics, consensus rating and target                                      | stockanalysis.com/stocks/tsla/        |
| Daily price history for technical calculations                                   | twelvedata.com                        |
| Market news, notices and research feed                                           | ai-news-search.moomoo.com/news_search |

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**Macroeconomic context, 4 to 17 September 2026****[beatingthebull.com/blog/](https://beatingthebull.com/blog/)**

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