

# ValuationBot.ai

## **Tesla, Inc.** (TSLA)

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## 1. Executive summary

**Company:** Tesla, Inc.

**Ticker:** TSLA

**Recommendation:** Strong Sell

**Current price:** US\$449.06

**Estimated value:** US\$25.83

**Upside:** -94.2%

**Expected IRR:** 4.7%

I believe Tesla is overvalued at \$449. The market is pricing in a step-change business model with 34.1% long-run revenue growth, a 25.6% stable net income margin, and a 29.9% stable return on equity, which requires rapid scaling of autonomy-led software and robotaxi economics while auto price pressure fades and capital intensity falls. I see a different picture. The evidence points to more industrial fundamentals, with 2024 total gross margin at 17.9% and Q3 2025 GAAP operating margin at 5.8%, alongside sustained spend and capex that management guides to exceed \$11bn annually in 2025–2027, which makes my 16.0% growth, 12.0% net margin, and 14.0% ROE more realistic for a maturing, capex-heavy manufacturer with improving energy mix. Tesla also trades at extreme valuations versus peers at 15.3x sales, 156.2x earnings, and 17.1x book, each around the 90th percentile of the peer set, which looks hard to defend unless the market-implied margin and growth path materialises. I estimate fair value at about \$26 per share, with most outcomes far below today's price and the 90th percentile of simulated intrinsic values at \$65. That implies 94% downside from today's price. Key events such as the Q1 2026 results and 2026 guidance on autonomy monetisation, capex, and margin trajectory will test this view. The main risks are faster-than-expected robotaxi and Full Self-Driving supervised monetisation and a sharper margin recovery from energy and software mix. Taking all this together, I rate the shares a Strong Sell over the next 12 months.

## 2. Overview

<b>Company</b>	Tesla, Inc.
<b>Ticker</b>	TSLA
<b>Analysis date</b>	Jan 25, 2026
<b>Expected IRR</b>	4.7%
<b>Latest filing</b>	10-Q, Oct 22, 2025
<b>Industry</b>	Auto – Manufacturers
<b>Sector</b>	Consumer Cyclical
<b>Recommendation</b>	Strong Sell
<b>Upside potential</b>	-94.2%
<b>Exchange</b>	NASDAQ
<b>Market cap</b>	\$1.49trn
<b>Current price</b>	US\$449.06
<b>Estimated value</b>	US\$25.83

### 3. Investment summary

**Recommendation:** Strong Sell TSLA (Tesla, Inc.) shares at \$449.

**Thesis:** The market prices Tesla as a software platform that will sustain software-like growth, margins, and returns, but the current profit engine remains a competitive auto and energy manufacturer with heavy ongoing capex and operating spend. I expect energy, services, and software to improve the mix, but not enough to support 34.1% growth, 25.6% net margin, and 29.9% ROE in steady state.

**Catalysts:** Quarterly results and 2026 guidance should force investors to choose between a platform narrative and an industrial reality. If Tesla cannot show clear autonomy monetisation and margin progress consistent with a path to 25.6% net margin and 29.9% ROE, the multiple should compress and the shares should re-rate lower.

**Valuation:** My intrinsic value range is about \$20–\$42 per share, centred on \$26, versus the current \$449. That implies about 91%–96% downside and supports a Strong Sell.

**Risks:** The key risk is that autonomy, robotaxi, and software scale quickly enough to lift growth towards 34.1% and margins towards 25.6%, which would also pull ROE towards 29.9%. In that case, the stock could hold extreme multiples for longer even if it still looks stretched versus peer-based implied price anchors.

### 4. Company background

#### Industry

Auto – Manufacturers

#### Description

Tesla designs and sells battery electric vehicles and sells energy generation and storage systems. It earns most revenue from automotive sales and leasing, with smaller but growing contributions from energy storage, solar, charging, and services. It invests heavily in autonomy, artificial intelligence, and robotics, which management positions as future growth engines.

#### Key products

Model 3, Model Y, Model S, Model X, Cybertruck, Semi; Full Self-Driving supervised software; Supercharger network; Megapack and Powerwall; solar products; insurance and servicing.

#### Business model

Value proposition: Integrated EV, charging, energy storage, and software ecosystem.

Revenue engine: Vehicle sales and leasing, energy storage deployments, charging and services, and software features.

Cost drivers and investment focus: Battery and manufacturing costs, tariffs, and sustained R&D plus capex for AI compute and energy capacity.

#### Unit economics

Key unit: Vehicle delivered.

Revenue per unit: About \$43k automotive revenue per vehicle in 2024.

Cost per unit: About \$35k automotive cost of revenue per vehicle in 2024.

Contribution margin: About 18.4% automotive gross margin in 2024, with energy at 26.2%.

#### Competitive landscape

Direct competitors: Direct competitors: BYD, Volkswagen, General Motors, and other global OEMs.

Relative positioning: Relative positioning: Strong brand, direct sales, charging scale, and energy storage footprint, but weaker pricing power as rivals scale.

Key threat/trend: China-led price competition and tariff or subsidy shifts that compress auto margins.

### Operating segments

Automotive (79%): Vehicle sales and leasing, credits, charging, and in-app upgrades tied to the fleet

Services and other (11%): Maintenance, repairs, used vehicles, insurance, retail, and charging-related services

Energy generation and storage (10%): Megapack, Powerwall, solar, and related installation and services

### Geographic segments

United States (45%): Largest profit pool and key policy exposure

China (22%): High competition and pricing pressure from local OEMs

Europe (20%): Tariff and incentive sensitivity and slower demand periods

Rest of World (13%): Earlier-stage penetration and higher logistics complexity

## 5. Financial summary

All financial figures in \$ millions

Fiscal year	2024	2023	2022	2021	2020
Revenue	97,690	96,773	81,462	53,823	31,536
YoY growth	0.9%	18.8%	51.3%	70.7%	28.3%
Adjusted net profit	9,564	17,260	14,062	7,626	1,268
Margin	9.8%	17.8%	17.3%	14.2%	4.0%
Reinvestment	10,805	17,960	14,603	8,333	13,537
FCFE	(1,241)	(700)	(541)	(707)	(12,269)
Adjusted equity	87,584	74,870	54,680	38,685	28,619
Return on equity (ROE)	10.9%	23.1%	25.7%	19.7%	4.4%
Sales to equity ratio	1.12	1.29	1.49	1.39	1.10

## 6. Investment thesis

The market prices Tesla as a software platform that will sustain software-like growth, margins, and returns, but the current profit engine remains a competitive auto and energy manufacturer with heavy ongoing capex and operating spend. I expect energy, services, and software to improve the mix, but not enough to support 34.1% growth, 25.6% net margin, and 29.9% ROE in steady state.

**Growth hopes rely on a fast shift to robotaxi and software:** The market's 34.1% implied growth assumes Tesla adds large, high-growth software and robotaxi revenue on top of strong vehicle and energy growth. The recent run-rate looks more like late growth, with nine-month 2025 revenue down about 3% year on year, which does not support a rapid step-change without clear new revenue streams. I forecast 16.0% growth because energy storage, services, and some software can lift the mix, but autos still dominate and

grow more slowly as competition intensifies. BYD's scale and aggressive pricing raise the bar for sustained unit growth and make 30%+ long-run growth hard to sustain.

**A 25% net margin assumes software-like economics that Tesla has not shown:** The market's 25.6% stable net margin implies Tesla regains and holds exceptional profitability as pricing stabilises and high-margin software scales. Current evidence points to a lower margin structure, with 2024 total gross margin at 17.9% and Q3 2025 GAAP operating margin at 5.8%, while tariffs and higher R&D and selling costs weigh on earnings. I model a 12.0% stable net margin because energy and software improve the mix, but auto remains cyclical, credits fade, and sustained capex and AI investment lift depreciation and operating costs. This margin path fits a strong manufacturer with mix benefits, not a durable software outlier.

**Tesla has a moat but not a steady 30% ROE machine:** The market's 29.9% implied ROE assumes Tesla sustains platform-like pricing and capital efficiency over time. Tesla has real advantages in brand, charging, software, and an energy platform, but it also runs a capital-heavy manufacturing and infrastructure model and management expects capex to exceed \$11bn annually in 2025–2027. I forecast 14.0% stable ROE because Tesla can earn above its stable cost of equity through scale and mix shift, but returns should normalise as growth slows and equity builds. Ongoing stock-based pay and reinvestment needs also make sustained near-30% ROE less likely.

## 7. Catalysts

**Q1 2026 results should test the 34% growth narrative:** Tesla should report Q1 2026 results in April 2026 based on its usual pattern, but the exact date is unconfirmed. If Tesla shows that energy and services growth does not offset slower automotive momentum and autonomy revenue remains small, investors should move long-run growth expectations closer to 16.0% rather than 34.1%. A growth reset should compress the sales premium, and the peer-based implied price ranges of \$42 at the 50th percentile and \$112 at the 75th percentile of implied prices provide plausible de-rating waypoints. That still sits above my DCF base case, but it implies large downside from \$449.

**2026 cost and capex guidance should challenge the 25.6% net margin assumption:** Across 2026 quarterly earnings, Tesla should update capex and operating cost guidance, but exact dates are unconfirmed. If Tesla reiterates capex above \$11bn and continues to fund autonomy, AI compute, and robotics, it will be hard to underwrite a fast margin lift towards a 25.6% steady net margin. That evidence should push investors towards a mid-teens to low-teens margin view closer to my 12.0% forecast. A margin de-rating typically hits earnings multiples hardest, and the 50th to 75th percentile of implied prices on P/E at \$35–\$83 shows the scale of downside if the market drops the software-like margin anchor.

**Autonomy unit economics will decide whether 29.9% ROE is real:** Tesla has discussed milestones such as Optimus V3 in Q1 2026 and production start towards end-2026, and Cybercab production in 2026, but unit economics and dates remain unconfirmed. If Tesla cannot show credible evidence that autonomy and robotics can add profit without a similar increase in invested capital, investors should revise stable ROE expectations down towards a mid-teens outcome like my 14.0% forecast rather than 29.9%. That shift should reduce willingness to pay top-decile P/B multiples, with implied

price anchors of \$30 at the 50th percentile and \$72 at the 75th percentile of implied prices. This is a direct test of the market-implied platform return profile embedded in the stock.

## 8. Valuation

**Current price:** US\$449.06

**Base case value:** US\$25.83

**Upside potential:** -94.2%

**Expected IRR:** 4.7%

**Currency:** USD

**Report date:** Jan 25, 2026

**Latest annual financials:** Dec 31, 2024

[Base case assumptions](#)   [DCF model](#)   [Bull/Bear scenarios](#)

### Story:

Tesla sits in a late growth stage. It grows revenue mainly through energy storage scale, services and charging, and gradual software take-up, while automotive unit growth slows and pricing stays competitive. Margins recover only slowly because Tesla keeps spending heavily on AI, autonomy, and new product ramps, and because tariffs and incentives create noise in near-term profitability. The base case assumes Tesla keeps a brand and ecosystem edge, but it shares more of the EV profit pool with global rivals as the market matures.

### Multiples snapshot

Peer valuations look rich versus history, but Tesla still sits at the top of the peer set, with P/S of 15.3x, P/E of 156.2x, and P/B of 17.1x, each around the 90th percentile of comparable companies. The market gives Tesla this premium because it expects a rapid shift to software-like growth and profitability, yet reported profitability looks closer to industrial economics and management signals sustained reinvestment, which supports my lower steady-state assumptions of 16.0% growth, 12.0% net margin, and 14.0% ROE. A fairer outcome is closer to the peer median, which maps to implied prices of \$42 on P/S, \$35 on P/E, and \$30 on P/B, and points to a blended fair multiple outcome well below \$100 per share. Even the 75th percentile of implied prices at \$112 on P/S, \$83 on P/E, and \$72 on P/B requires a much faster improvement than I expect. This multiples cross-check reinforces my Strong Sell rating at \$449.

**Price-to-sales:** 15.3x ("e90th percentile vs. peers) with implied share prices from US\$14 to US\$311 across the revenue-weighted peer set.

**Price-to-earnings:** 156.2x ("e90th percentile vs. peers) with implied share prices from US\$18 to US\$279 across the revenue-weighted peer set.

**Price-to-book:** 17.1x ("e90th percentile vs. peers) with implied share prices from US\$10 to US\$123 across the revenue-weighted peer set.

## 9. Risks

**Robotaxi and software create the 34.1% growth path:** Tesla could launch robotaxi services faster than I expect in 2026 and convert more of the fleet to paid Full Self-Driving supervised features. That could lift growth materially above my 16.0% forecast and move it

closer to the market's 34.1% assumption by adding recurring service revenue. If investors accept that growth profile, the stock could defend a very high P/S for longer and trade nearer the 90th percentile of implied prices on P/S at \$311. That would still be below \$449, but it would reduce near-term downside and delay the de-rating.

**Mix shift lifts net margins towards 25.6%:** Margins could improve faster if energy storage scales and software revenue grows with limited incremental cost, while auto pricing stabilises and tariffs ease. That could push steady net margins well above my 12.0% forecast and closer to the market's 25.6% assumption. If that happens, investors could keep paying extreme earnings multiples, with the 90th percentile of implied prices on P/E at \$279 as a reference point. This scenario would weaken my Strong Sell case, but it still does not justify \$449 unless margins and growth both overshoot peer top-decile outcomes.

**Capital discipline and buybacks lift ROE towards 29.9%:** Tesla could improve capital efficiency through a stronger services mix, tighter working capital, and capital allocation such as buybacks once free cash flow rises. That could lift ROE above my 14.0% forecast and closer to the market's 29.9% expectation by reducing the equity base while sustaining earnings. If the market sees a durable platform-like return profile, it may support top-decile P/B valuations, with the 90th percentile of implied prices on P/B at \$123 as an anchor. This risk matters, but it also highlights how far \$449 sits above the valuation support suggested by peer multiples.

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## 10. Appendix

### 10.1 Base case assumptions

#### Valuation story

Tesla sits in a late growth stage. It grows revenue mainly through energy storage scale, services and charging, and gradual software take-up, while automotive unit growth slows and pricing stays competitive. Margins recover only slowly because Tesla keeps spending heavily on AI, autonomy, and new product ramps, and because tariffs and incentives create noise in near-term profitability. The base case assumes Tesla keeps a brand and ecosystem edge, but it shares more of the EV profit pool with global rivals as the market matures.

#### Revenue growth rate

Value: 16.0%

Explanation: I treat Tesla as a late growth firm that now grows more through mix shift than pure unit growth. The analyst revenue path implies a move from roughly \$95bn to about \$206bn over five years, which supports a mid-teens five-year growth rate despite tougher EV competition and weaker pricing power. I set growth at a level that allows energy storage, services, and software to lift the blended top line while automotive growth slows versus the earlier hyper-growth phase.

#### Stable growth rate

Value: 3.5%

Explanation: I assume Tesla matures into a large global manufacturer and energy platform, so long-run growth should track the wider economy rather than keep compounding at high rates. I keep terminal growth below the 3.927% risk-free rate to respect the hard constraint and to reflect market saturation in autos. The remaining upside then comes mainly from profitability and mix, not perpetual high growth.

#### Years to stability

Value: 10.0

Explanation: I use a 10-year fade because Tesla already operates at global scale, but it still has credible medium-term runway in energy storage and software. With  $Y=10$ , the first-half horizon is five years, and the analyst revenue trajectory supports a plausible five-year mid-teens CAGR before growth tapers. This also fits the competitive reality that EV demand and pricing will normalise as rivals scale.

#### Sales-to-equity ratio

Value: 1.3

Explanation: Tesla has stayed around 1.1–1.5 historically on an intangible-adjusted basis, and the industry median sits near 1.19. I assume modest improvement from better asset turns and more software and services revenue, but I do not assume an extreme jump because management signals heavy capex for AI infrastructure and energy capacity. That mix makes the business only moderately capital-light even after capitalising intangibles.

#### Stable net profit margin

Value: 12.0%

Explanation: I expect margins to recover from the recent trough but not return to the prior peak because EV price pressure looks structural and regulatory credits fade over time. Energy storage and software raise blended margins, and Tesla has scale benefits, but autos still dominate revenue and stay cyclical. A 12% steady margin sits below Tesla's best recent adjusted level and aligns with a premium position versus the industry median

without assuming a permanent outlier outcome.

### **FY+1 net profit margin**

Value: 7.5%

Explanation: Analyst net income for the next year implies a much lower reported margin than the adjusted 2024 level, and the qualitative notes point to near-term pressure from pricing, ramp costs, tariffs, and elevated AI spend. I set FY+1 adjusted margin below 2024 to reflect that squeeze while still allowing some benefit from restructuring and energy mix. This creates a credible bridge toward recovery rather than an immediate snap-back.

### **Margin convergence**

Value: 6.0

Explanation: I assume a multi-year repair cycle because Tesla must work through product ramp inefficiencies, higher depreciation from new investment, and ongoing AI and autonomy spending. Energy storage scale and services growth should lift margins gradually, but competitive pricing in autos limits the speed of recovery. Six years gives time for mix shift to matter while staying within the 10-year growth fade.

### **Stable ROE**

Value: 14.0%

Explanation: I assume Tesla sustains value creation because its ecosystem, charging network, and energy platform support returns above the stable cost of equity. However, I also expect ROE to settle well below the recent peak because margins and growth both normalise and equity continues to build. A 14% stable ROE stays above the 9.65% stable cost of equity and sits around the upper quartile for the industry without assuming a permanent superstar outcome.

### **Credit rating**

Value: A3/A-

Explanation: Tesla has strong liquidity, modest net leverage, and flexibility to fund investment even with volatile free cash flow timing. The business risk remains higher than a classic A-rated industrial due to cyclical and policy exposure, but the balance sheet strength supports an upper-medium grade rating in the base case. I avoid AA because earnings and margins show more volatility than typical high-grade defensives.

### **Recovery ratio**

Value: 55.0%

Explanation: I assume a mid-range recovery because Tesla holds meaningful tangible assets in plants, equipment, and energy infrastructure, but much of the competitive edge sits in software and brand which recover less well in distress. The direct-sales model and integrated ecosystem can preserve some going-concern value, yet autos remain cyclical and inventory can lose value quickly. A 55% ratio reflects that balance.

## 10.2 DCF model

All financial data in US\$ millions unless stated otherwise

	Base year	FY+1	FY+2	FY+3	FY+4	FY+5	FY+6
Revenue	97,690	113,320	131,452	152,484	176,881	205,182	232,882
YoY growth, %	0.9%	16.0%	16.0%	16.0%	16.0%	16.0%	13.5%
All expenses	88,126	104,821	120,607	138,760	159,635	183,638	206,683
Net profit	9,564	8,499	10,845	13,724	17,246	21,544	26,199
Net margin, %	9.8%	7.5%	8.2%	9.0%	9.8%	10.5%	11.3%
Reinvestment	10,805	12,504	14,505	16,826	19,518	22,641	22,160
Invested equity	87,584	100,088	114,593	131,419	150,937	173,578	195,737
ROE, %	10.9%	8.5%	9.5%	10.4%	11.4%	12.4%	13.4%
S/E ratio, x	1.1	1.3	1.3	1.3	1.3	1.3	1.3
FCFE	-1,241	-4,005	-3,660	-3,102	-2,272	-1,097	4,040
<b>Stable value</b>							
FCFs to discount		-4,005	-3,660	-3,102	-2,272	-1,097	4,040
Discount factor		1.0	0.9	0.8	0.8	0.7	0.6
Cost of equity, %	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
PV of FCFE		-4,005	-3,338	-2,580	-1,724	-759	2,549
	...		<b>FY+7</b>	<b>FY+8</b>	<b>FY+9</b>	<b>FY+10</b>	<b>Stability</b>
Revenue			258,499	280,471	297,300	307,705	318,475
YoY growth, %			11.0%	8.5%	6.0%	3.5%	3.5%
All expenses			227,479	246,815	261,624	270,781	280,258
Net profit			31,020	33,657	35,676	36,925	38,217
Net margin, %			12.0%	12.0%	12.0%	12.0%	12.0%
Reinvestment			20,494	17,578	13,463	8,324	9,554
Invested equity			216,231	233,809	247,271	255,596	
ROE, %			14.3%	14.4%	14.4%	14.4%	14.0%
S/E ratio, x			1.3	1.3	1.3	1.3	1.3
FCFE			10,526	16,079	22,213	28,600	28,663
<b>Stable value</b>							
FCFs to discount			10,526	16,079	22,213	28,600	466,395
Discount factor			0.6	0.5	0.5	0.4	0.4
Cost of equity, %			9.6%	9.6%	9.6%	9.6%	9.6%
PV of FCFE			6,058	8,439	10,634	12,487	203,626
Sum of PV of FCFE							231,386.3
Less: Distress adjustments							2,565.0
Distress likelihood, %							1.4%
Recovery ratio, %							55.0%
Value of common equity							228,821.3
Less: Employee options							142,663.4
Less: Unfunded liabilities							248.1
Value of common shareholders' equity							85,909.8
Divide: Share count							3,325.8
Equity value per share							US\$25.83

## 10.3 Scenarios

### Bear case

Value: US\$-21.67

Upside: -100.0%

Story: I assume Tesla shifts into early maturity under pressure. Competition forces deeper

and longer price cuts, and policy support for electric vehicles and energy credits weakens, so growth slows and becomes more cyclical. Tesla keeps investing heavily in artificial intelligence and new product ramps, but software take-up and robotaxi revenue arrive later than hoped, so costs stay high while revenue mix improves only slowly. Energy storage still grows, but it cannot fully offset weaker automotive profitability, so Tesla settles into average-to-good industry economics rather than a sustained standout.

Revenue growth rate: 8.0%

Stable growth rate: 3.2%

FY+1 net margin: 5.0%

Stable net margin: 7.5%

Sales-to-equity ratio: 1.0

Years to stability: 8.0

Stable ROE: 10.0%

### **Bull case**

Value: US\$105.23

Upside: -76.6%

Story: Tesla stays in a late growth stage, but it executes better than the market expects. It scales energy storage faster and holds strong segment margins, helped by manufacturing learning and incentives, while services and charging expand as the fleet grows. It monetises Full Self-Driving software and other subscriptions more effectively, so recurring revenue becomes a material profit driver rather than a side line. This outcome remains plausible because Tesla already shows rising energy mix, large deferred revenue and long-duration energy obligations, and it has the liquidity to fund the AI and capacity build needed to capture the upside.

Revenue growth rate: 21.0%

Stable growth rate: 3.8%

FY+1 net margin: 9.0%

Stable net margin: 14.5%

Sales-to-equity ratio: 1.4

Years to stability: 12.0

Stable ROE: 18.0%

## **10.4 Other claims**

(in US\$ millions unless stated)

### **Employee stock options**

Number of stock options: 344.5

Weighted avg. strike price: 40.41

Weighted avg. maturity: 3.5

Assumed volatility: 59.0%

Assumed dividend yield: 0.0%

Value of options: 142,663.4

### **Unfunded liabilities**

Pension obligations: 0.0

Post-retirement benefits: 0.0

Healthcare liabilities: 0.0

Deferred compensation: 0.0

Lawsuit contingencies: 156.1 – I used the \$345m court-awarded plaintiff counsel fee from the Delaware Court of Chancery opinion dated December 2nd 2024 and applied a 45% probability because Tesla appealed. I treated this as a non-operating legal contingency and set the expected value to \$155.3m, rounded to \$156.1m.

Environmental liabilities: 0.0

Other: 92.0 – I used the \$176m plaintiff counsel fee awarded on January 8th 2025 for the directors' compensation derivative case and applied a 52% probability because Tesla stated it intends to appeal the fee award. I set the expected value to \$91.5m, rounded to \$92.0m.

Total liabilities: 248.1

## 10.5 Cost of equity

### Inputs for risk-free rate

Ten-year bond yield, %	4.2%
Bond yield country	United States of America
Default spread, %	0.3%
Risk-free rate, %	3.9%

### Beta calculation

Operating segment	Sales	MC/Sales	Weight, %	Equity beta
Automobile Manufacturers	77,070	0.8	47.4%	1.2
Consumer Finance	10,534	3.2	25.6%	1.2
Renewable Electricity	10,086	3.5	27.1%	0.9

**Equity beta** 1.10

### Equity risk premium (ERP) calculation

Geographic segment	Sales	Weight, %	ERP, %	Tax rate, %
China	20,944	21.4%	5.1%	25.0%
United States of America	47,725	48.9%	4.3%	21.0%
Global (ex United States)	29,021	29.7%	6.7%	25.6%

**Company ERP, %** 5.2%

### Cost of equity calculation

Risk-free rate, %	3.9%
Beta x ERP	5.7%
Equity beta	1.1
Equity risk premium, %	5.2%
Cost of equity, %	9.6%

### Stable cost of equity calculation

Risk-free rate, %	3.9%
Beta x ERP	5.7%
Stable beta (clamped)	1.1
Equity risk premium, %	5.2%
Stable cost of equity, %	9.6%

## 10.6 Reverse DCF

**Expected IRR** 4.7%

Driver	Base value	Market-implied value	Difference
Stable net profit margin, %	12.0%	25.6%	+13.6

## Reverse DCF (continued)

<b>Driver</b>	<b>Base value</b>	<b>Market-implied value</b>	<b>Difference</b>
Revenue growth rate, %	16.0%	34.1%	+18.1
Stable ROE, %	14.0%	29.9%	+15.9

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