



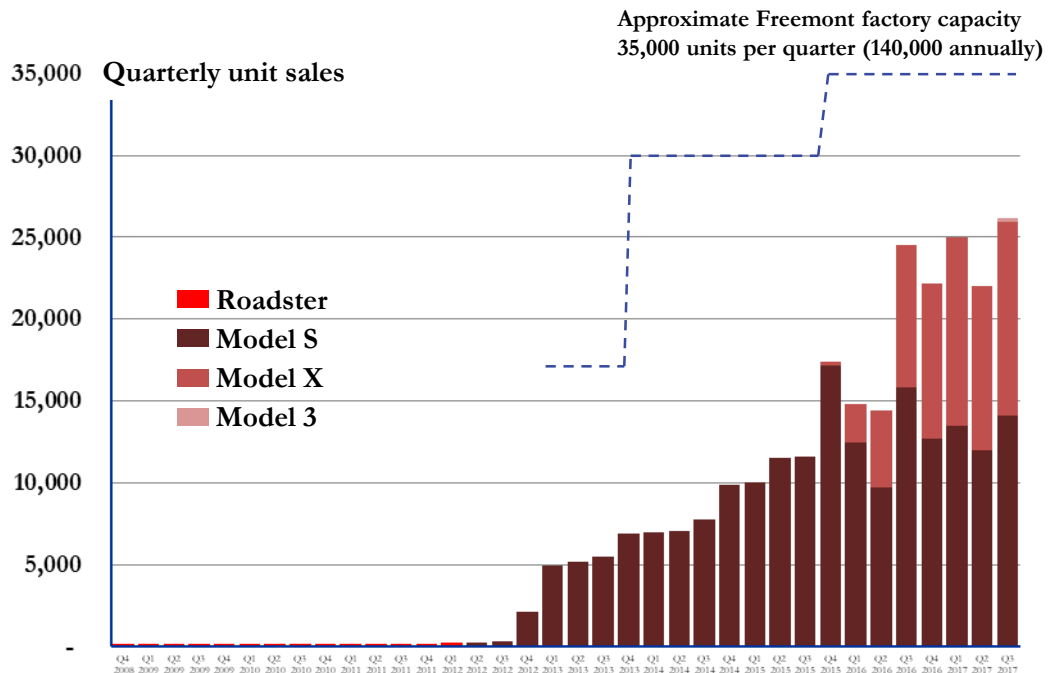
HOW BIG WILL  
THEY GET?

# An Alternative View Of Tesla's Volume Outlook

- **The sales rate of Model S and Model X has largely stabilised, as has relative mix**
  - Sales are consistently well below capacity, suggesting little pent-up demand
- **Model 3 annual sales of 500,000 not impossible -- would be segment leader**
- **Model 3 appears to have a healthy order bank -- over 450,000 reservations**
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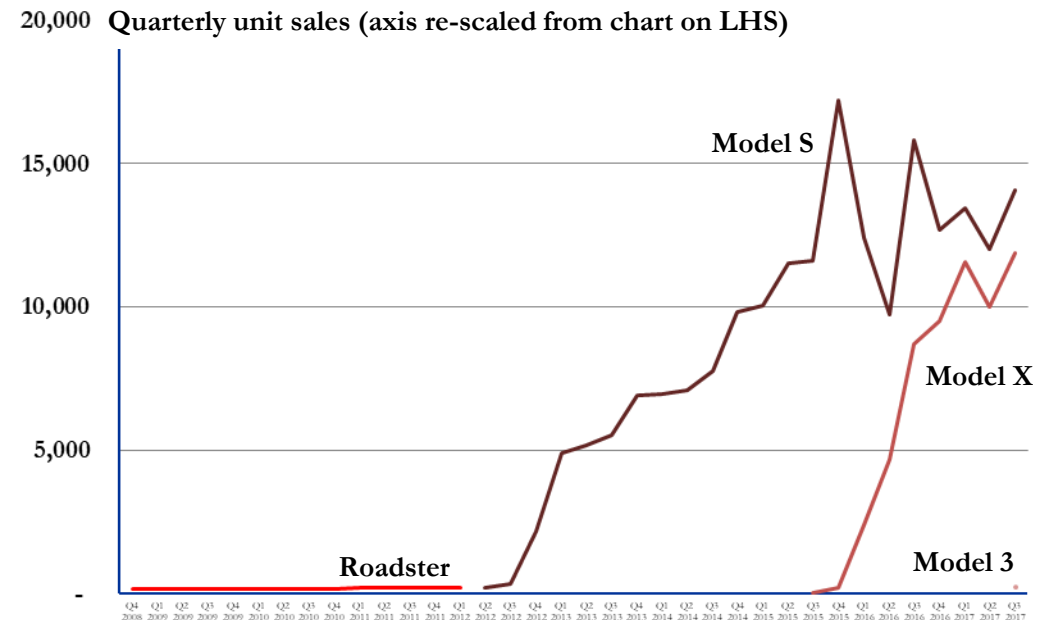
# TESLA SALES RATE OVER TIME

## SALES BY QUARTER -- GLOBAL



Source: Ad Punctum Analysis, Company Reports

## SALES BY QUARTER -- GLOBAL

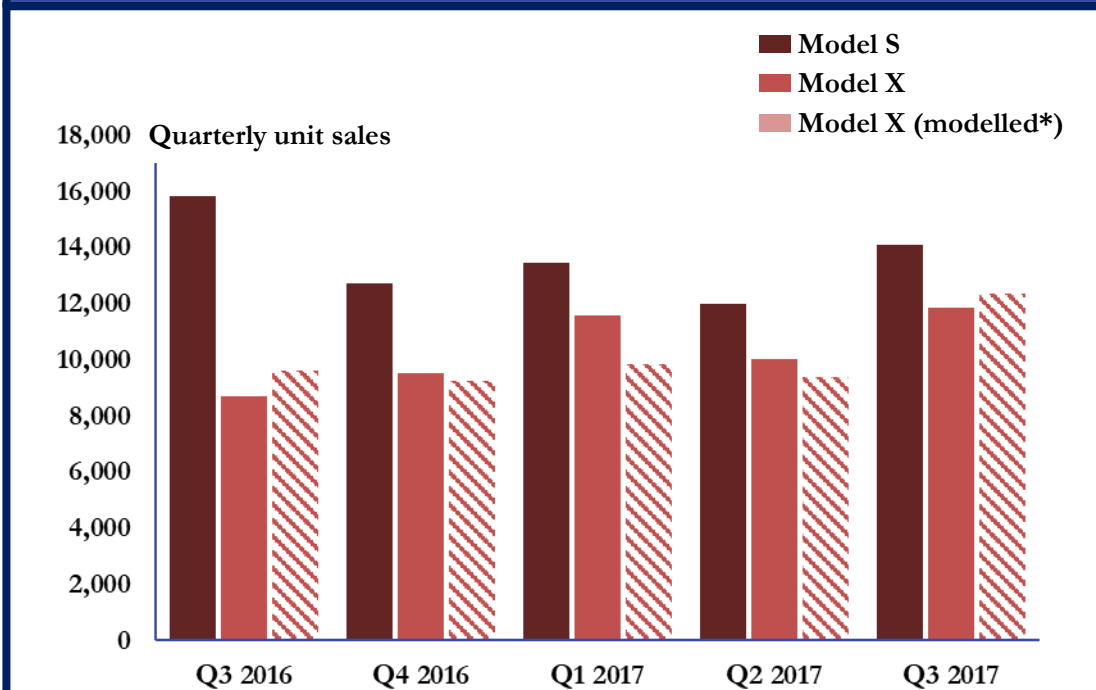


Source: Ad Punctum Analysis, Company Reports

Tesla's Quarterly Sales Have Continued To Grow As Portfolio Expands. Model S and Model X Volumes Are Stabilising And Below Capacity.

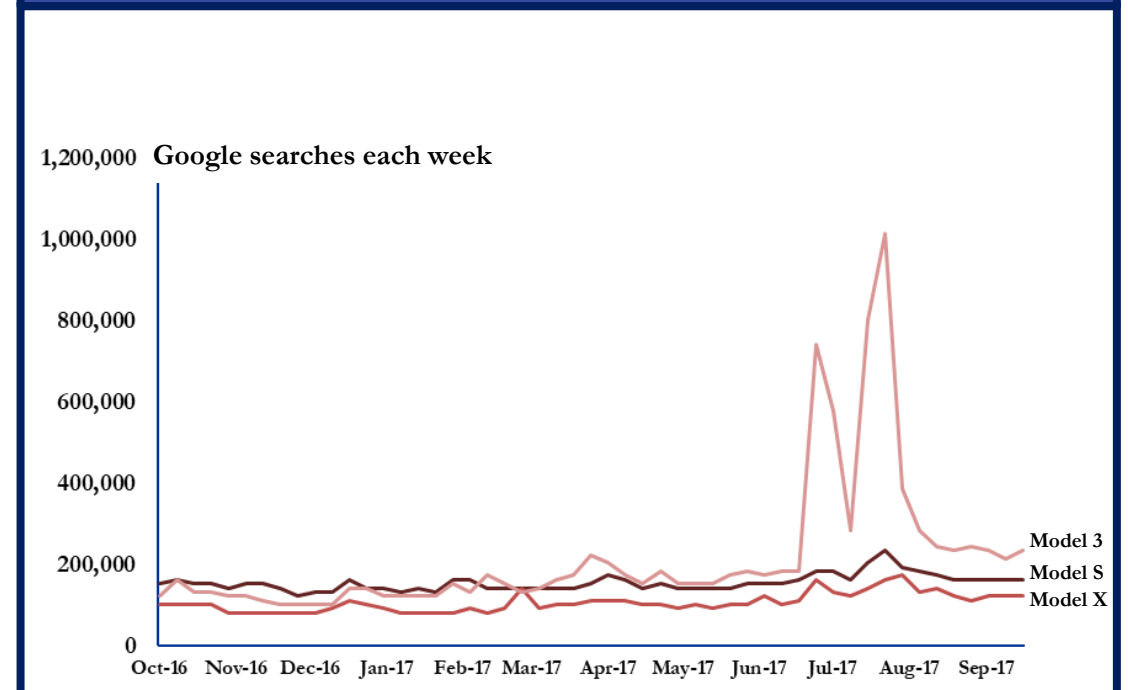
# VOLUME COMPARED WITH WEB INTEREST

## RELATIVE SALES



Source: Ad Punctum Analysis \* Model S volume multiplied by relative searches of Model X vs Model S

## RELATIVE SEARCH VOLUME

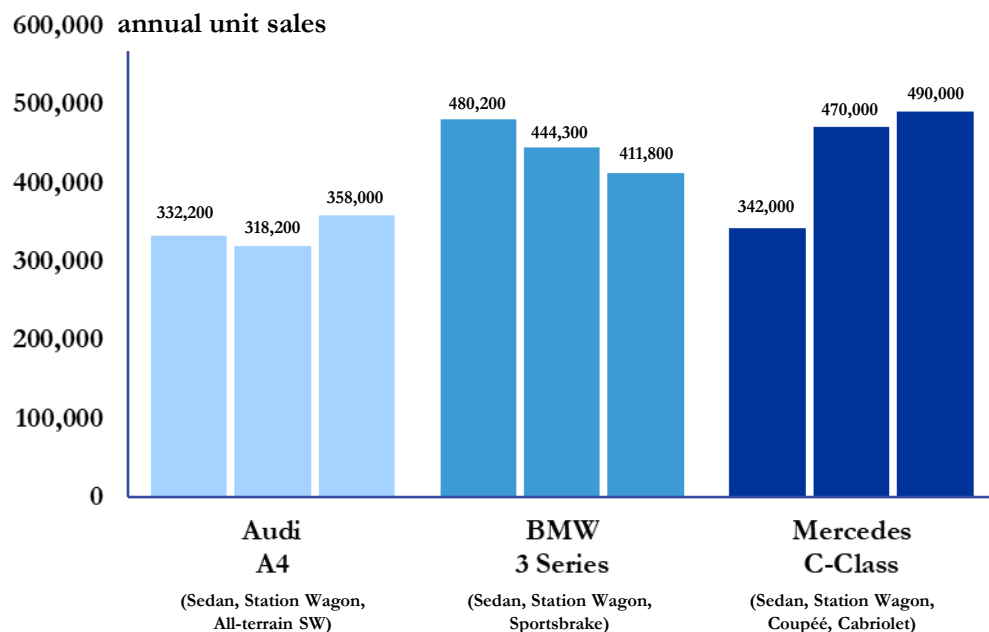


Source: Ad Punctum Analysis, Google Trends

Sales For Models S And X Consistent With Relative Search Volumes.  
An Irrelevant Correlation Or Reflecting Web-Savvy Consumers?

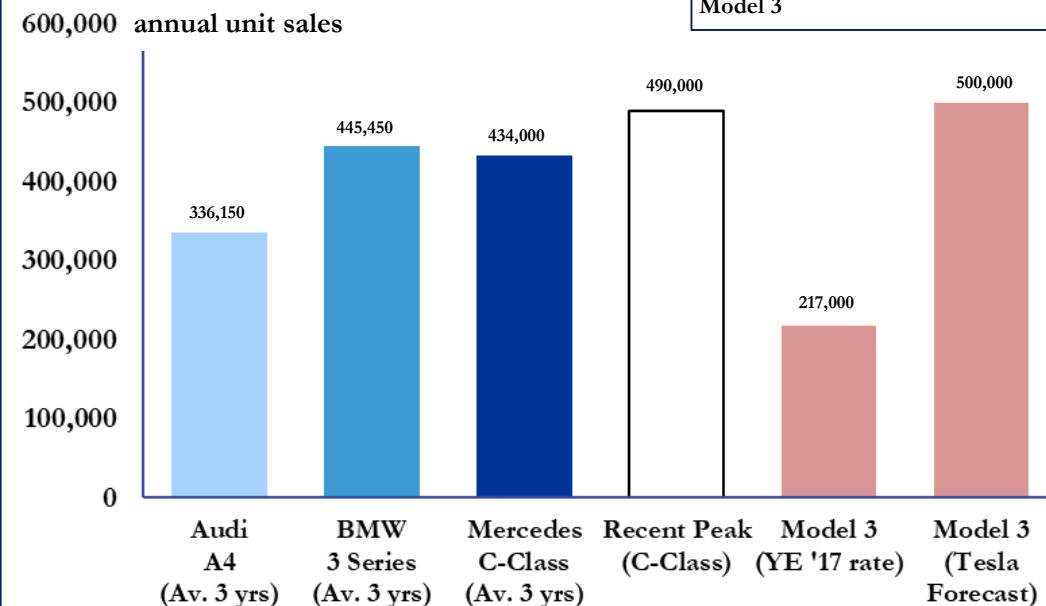
# THE KEY COMPETITOR SET -- MODEL 3

## SALES OVER LAST THREE YEARS



Source: Ad Punctum Research, Company Reports

## COMPARISON TO MODEL 3

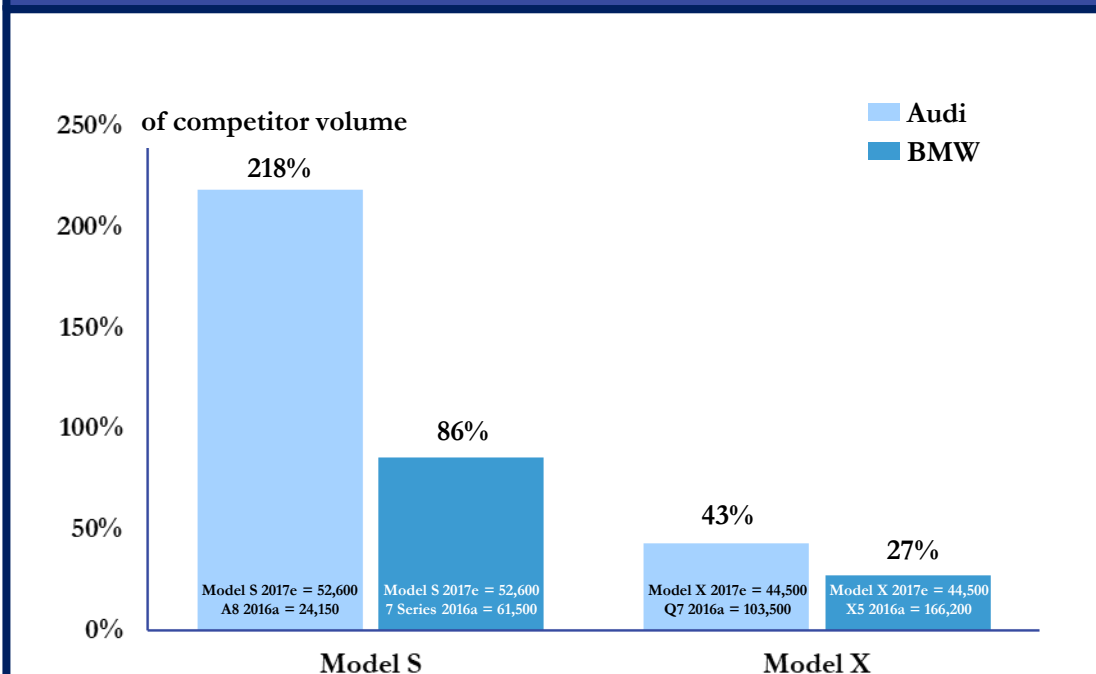


Source: Ad Punctum Research, Company Statements

Annual Sales Of 500,000 Not Impossible; Would Be Segment Leader.  
Tesla Has Far Fewer Dealer Points And Almost Non-Existent Fleet Volume.

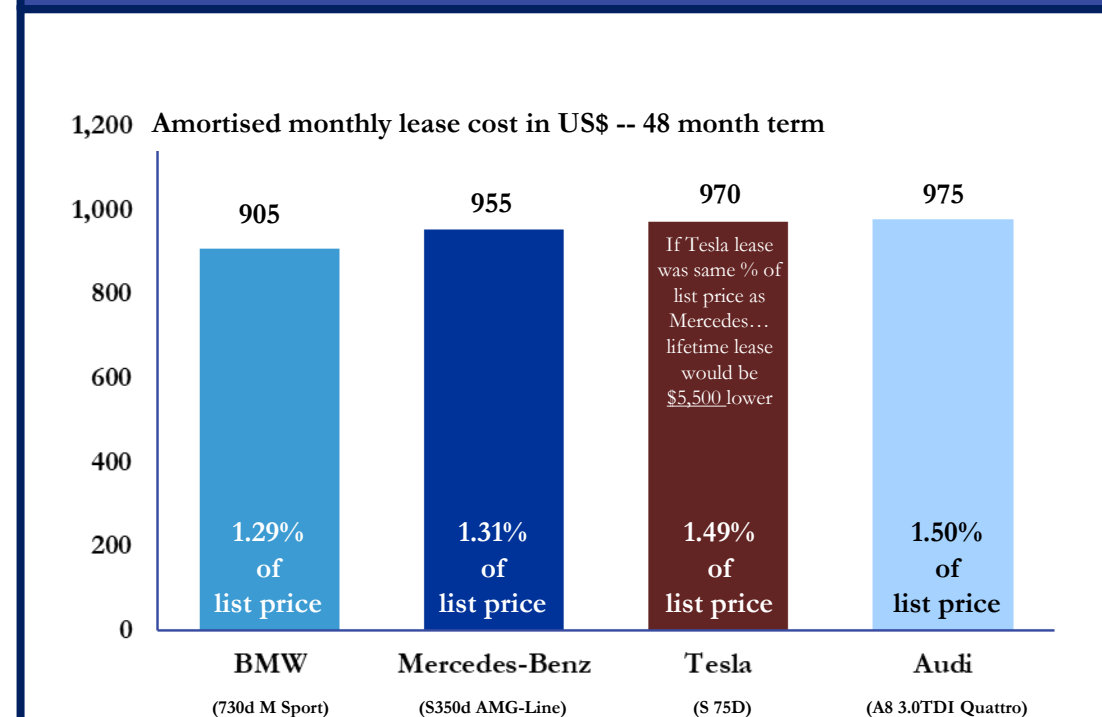
# THE KEY COMPETITOR SET -- MODELS S AND X

## RELATIVE SALES



Source: Ad Punctum Analysis, Company Reports

## LEASING OFFERS -- MODEL S

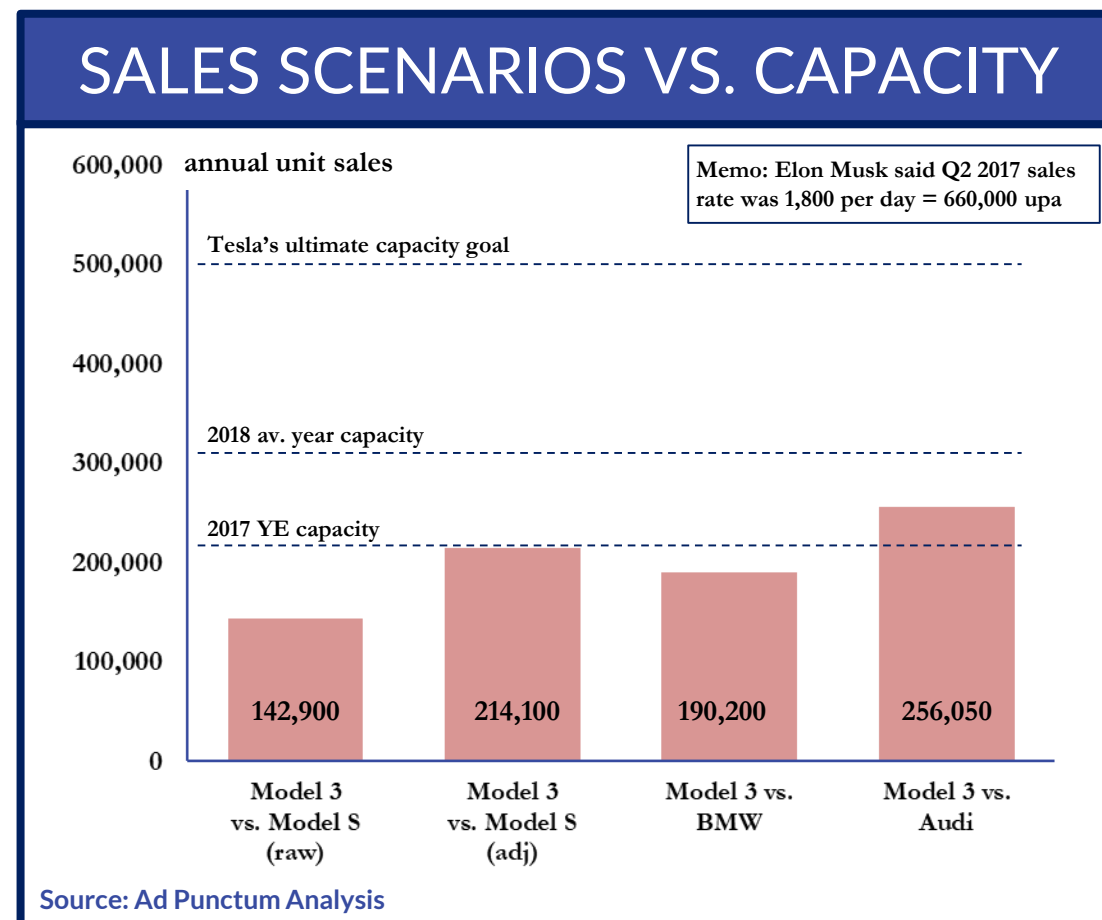


Source: Ad Punctum Analysis (UK data set -- deposit amortised in monthly lease)

**Models S And X Do Not Consistently Outsell Competition Globally.  
Lease Rates For Model S Are At The Higher End Of The Competitive Set.**

# TRIANGULATING MODEL 3 VOLUMES

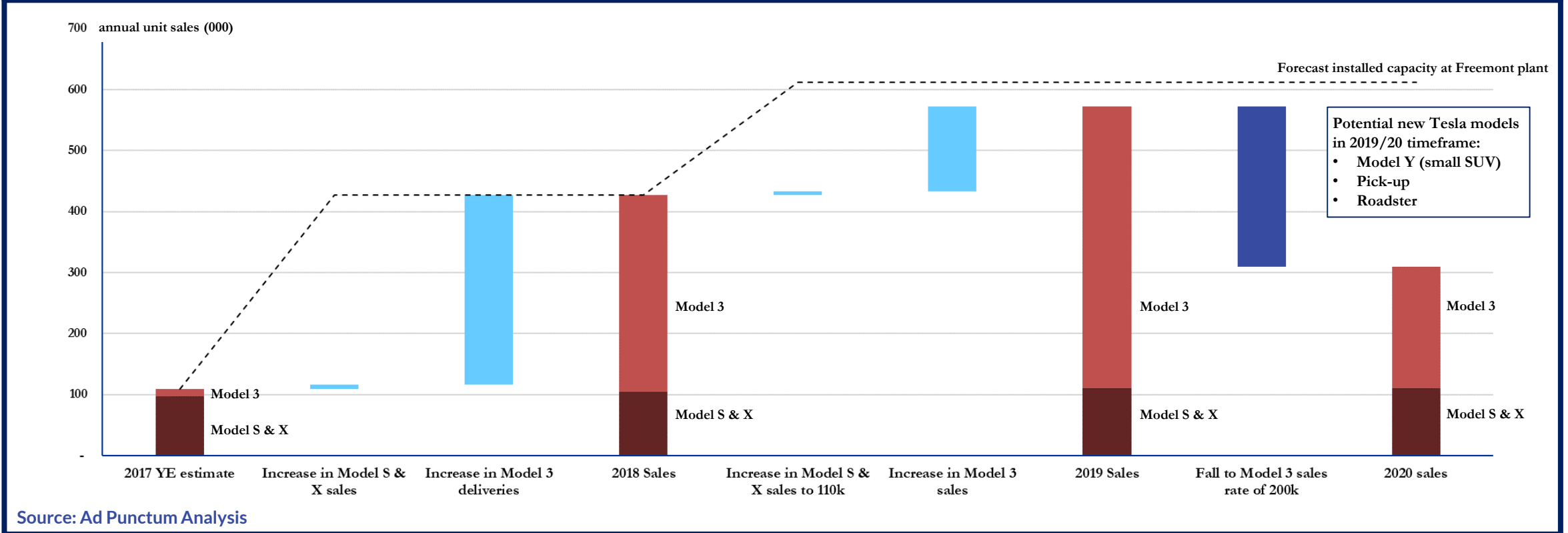
- **Model 3 search vs. Model S (raw)**
  - Based on the same correlation we found for Model S versus X
- **Model 3 search vs. Model S (segment adjusted)**
  - Adjusting for higher search / sales rate for compact executive segment over large SUV
- **Model 3 as % of BMW 3 series**
  - Based on Model S and X vs BMW products
- **Model 3 as % of Audi A4**
  - Based on Model S and X vs Audi products



**Analysis Indicates Tesla Sales Rate Will Be Below 2018 Capacity;  
Due To Large Existing Order Bank, Problems May Not Appear until 2019.**

# WE MIGHT SEE SOMETHING LIKE THIS...

## CHANGE IN TESLA VOLUME OVER TIME (000)



Due To Large Order Bank, Even At 200,000 Sales Rate, Tesla Could Have Substantial Volume Increases In 2018 And 2019 As The Backlog Is Cleared.



# HOW TESLA CAN INCREASE VOLUME POTENTIAL

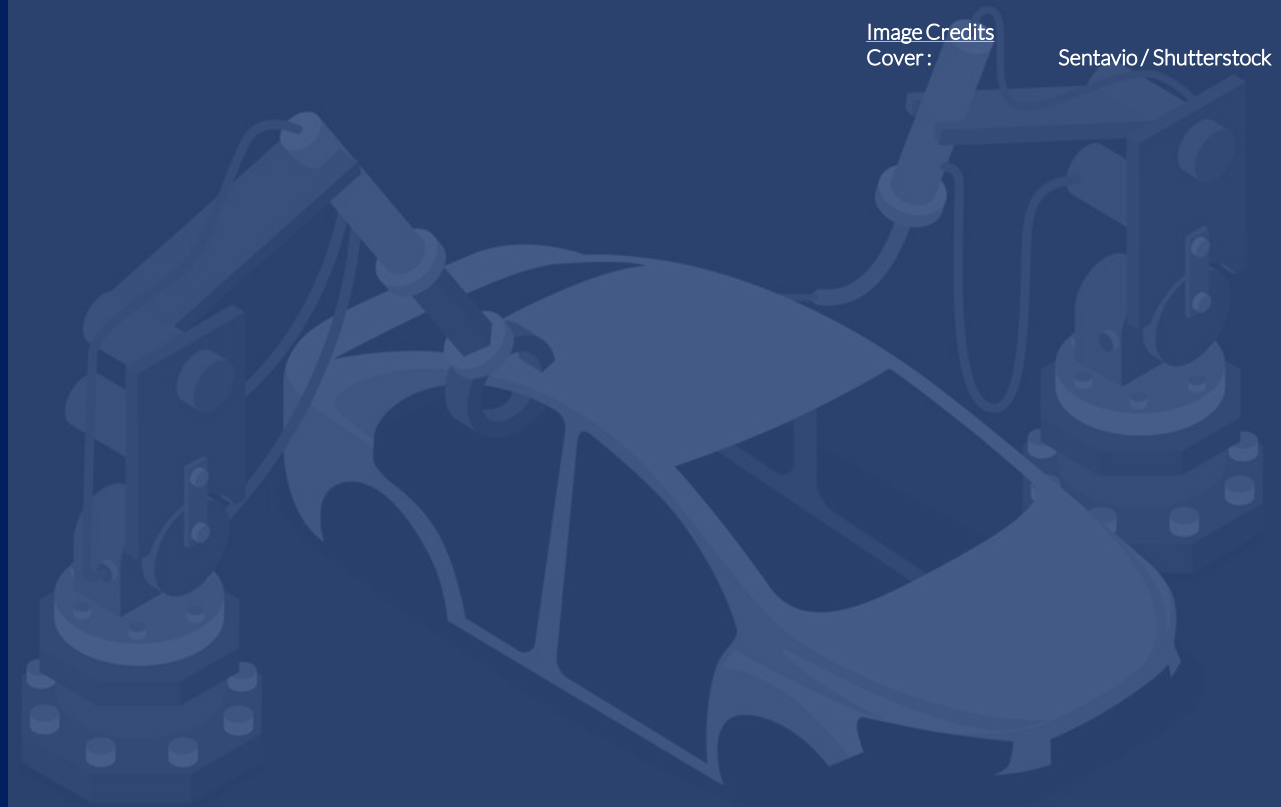
- **Considerable increase in sales network**
  - Need a sales network that reaches the mass-market, not just early adopters
- **Massive expansion of fleet business -- typically >50% of sales in this segment**
  - Requires a specialist sales force
  - Many fleets use 3<sup>rd</sup> party lease co's -- weakens Tesla's control of used vehicles
- **Lower the price / improve the lease offering (reduce the rates)**
  - Buyers of compact executive vehicles are price conscious -- especially fleets
  - May require a captive finance arm -- 3<sup>rd</sup> parties are wary of used value risk
- **Add a station wagon derivative (yes I said it)**
- **Deliver autonomous drive capability that turns Model 3 into a robo taxi**

# VALID OBJECTIONS TO THIS ANALYSIS

- The sample set is too small to draw these type of conclusions
- Your backwards-looking comparison to search volume is meaningless
- Model 3 is a unique moment in history, defying comparison to any benchmark
- You haven't reflected that Model 3 blows the competition out of the water
  - Memo: it needs to have a higher “blowing out of the water” factor than Model S and X because we did look at these versus the competition
  - Also memo: it comes in fewer bodystyles than the competition (unlike S / X)
- Correlation of Model S to X sets no precedent for Model S to Model 3
- You're an idiot / stuck in the past / don't understand Tesla customers

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- Consultancy and research firm founded by an ex-automotive OEM insider
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