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IDEA

*September 4, 2026 11:50 AM GMT*

## Tesla Inc | North America

# The Elusive Launch

Today Tesla is officially releasing Cybercab for public rides in Austin, marking an important step in its robotaxi rollout. While the scale of commercial operations remains unclear, signs point to broader deployment. Evidence of continued fleet expansion is key for further upside in the stock.

While the event was not live-streamed, videos have surfaced on X of the short keynote presented by the company. **Our key takeaways:**

- **Cybercab launched for the public in Austin, TX**, with customers now able to choose between the Cybercab (2-seater) and Model Y (4-seater) through the Tesla Robotaxi app.
- **The number of Cybercabs currently available for commercial rides remains unclear.** However, according to Texas DMV data, 45 Cybercabs are registered for commercial operation.
- **Tesla appears to be preparing for a larger-scale Cybercab rollout.** Based on videos circulating on X, a significant number of Cybercabs were observed driving throughout Austin this week. Again, it is unclear how many are currently available for commercial use, but the activity suggests Tesla is preparing to expand deployment.
- **Tesla has launched a page allowing customers to indicate interest in purchasing a fleet of Cybercabs.**
- **Tesla has surpassed 1mn miles of unsupervised robotaxi rides to date.** This compares to >380k as of the 2Q26 earnings call.
- **Reiterated unboxed manufacturing process**, discussed in more detail here.

We believe yesterday's stock outperformance appropriately reflects the progress the company is beginning to demonstrate in its robotaxi business. Looking ahead, we believe further evidence – through publicly available trackers – that Tesla is continuing to expand the size of its unsupervised Cybercab and Model Y fleet will be key to driving additional share outperformance.

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**Tesla Inc (TSLA.O, TSLA US)**

**Autos & Shared Mobility | United States of America**

| | |
|---|---|
| **Stock Rating** | **Equal-weight** |
| **Industry View** | **In-Line** |
| **Price target** | **$400.00** |
| Shr price, close (Sep 3, 2026) | $376.37 |
| Mkt cap, curr (mm) | $1,331,579 |
| 52-Week Range | $498.83-297.38 |

| Fiscal Year Ending | 12/25 | 12/26e | 12/27e | 12/28e |
|---|---|---|---|---|
| EPS ($)** | 1.67 | 1.70 | 2.07 | 2.69 |
| Prior EPS ($)** | - | - | - | - |
| ModelWare EPS ($) | 1.07 | 0.71 | 0.76 | 1.39 |

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
e = Morgan Stanley Research estimates

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**Exhibit 1:** Cybercab (Front) at Giga Texas




Source: Morgan Stanley Research

# Valuation Methodology and Risks

**Tesla Inc (TSLA.O)**

Our PT of $400 is comprised of 5 components: **(1)** $45/share for core Tesla Auto business on ~8.5mm units in 2040, 8.4% exit EBIT margin (ex-FSD), 10.9% WACC, and 10x 2040 exit EBITDA multiple. **(2)** Network Services at $144/share, 80% attach rate at $240/month ARPU by 2040 **(3)** Tesla Mobility at $120/share on DCF with ~5mn cars at ~$1.33/mile by 2040. **(4)** Energy at $35/share, and **(5)** Humanoids at $56/share (50% probability discount).

**Risks to Upside**

- Increased FSD attach rate / unsupervised FSD
- Cost milestones on new battery
- New model intro (Roadster, multivan)
- Robotaxi rollout
- Optimus announcement

**Risks to Downside**

- Competition: legacy OEMs/Chinese players/big tech in Autos and Robotics
- Execution risk across robotaxi/FSD/humanoid
- Regulatory
- China risk
- Dilution
- Valuation



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(as of August 31, 2026)

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| | Coverage Universe | | Investment Banking Clients (IBC) | | | Other Material Investment Services Clients (MISC) | |
|---|---|---|---|---|---|---|---|
| Stock Rating Category | Count | % of Total | Count | % of Total IBC | % of Rating Category | Count | % of Total Other MISC |
| Overweight/Buy | 1555 | 42% | 450 | 48% | 29% | 767 | 44% |
| Equal-weight/Hold | 1577 | 43% | 395 | 42% | 25% | 770 | 44% |
| Not-Rated/Hold | 3 | 0% | 1 | 0% | 33% | 1 | 0% |
| Underweight/Sell | 559 | 15% | 93 | 10% | 17% | 216 | 12% |
| Total | 3,694 | | 939 | | | 1754 | |

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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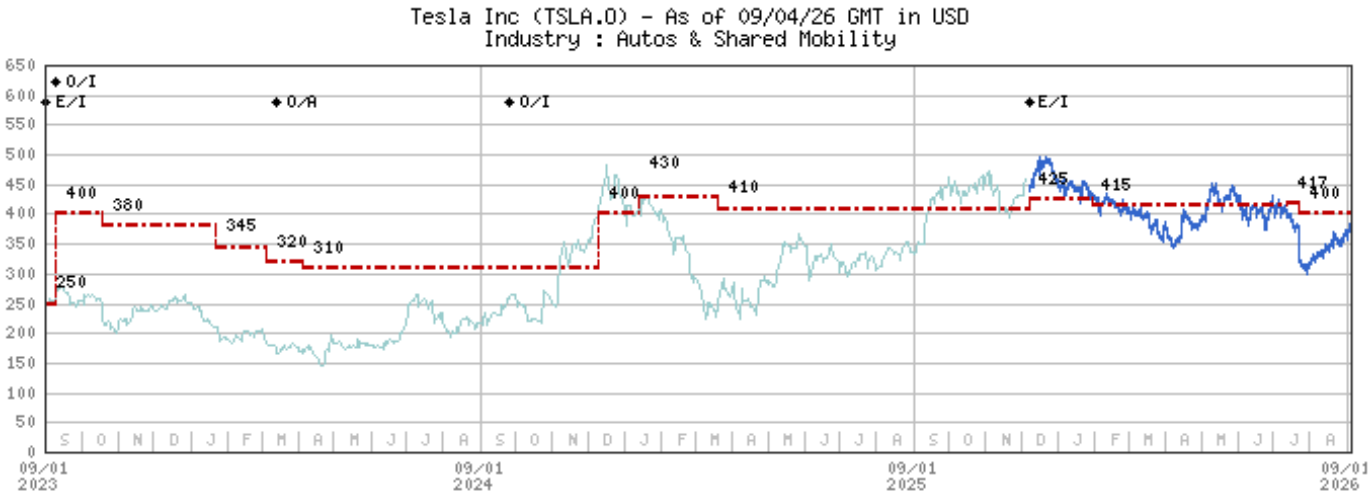
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Price Target History: 4/22/21 : 300; 10/24/21 : 400; 1/10/22 : 433.33; 6/22/22 : 400; 7/14/22 : 383.33; 8/25/22 : 383; 10/10/22 : 350; 10/24/22 : 330; 12/28/22 : 250; 1/25/23 : 220; 4/20/23 : 200; 6/22/23 : 250; 9/10/23 : 400; 10/19/23 : 380; 1/22/24 : 345; 3/5/24 : 320; 4/4/24 : 310; 12/10/24 : 400; 1/13/25 : 430; 3/20/25 : 410; 12/7/25 : 425; 1/29/26 : 415; 7/13/26 : 417; 7/23/26 : 400

Source: Morgan Stanley Research  Date Format : MM/DD/YY  Price Target  No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst)  Stock Price (Covered by Current Analyst)
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## INDUSTRY COVERAGE: Autos & Shared Mobility

| COMPANY (TICKER) | RATING (AS OF) | PRICE* (09/03/2026) |
|---|---|---|
| **Andrew S Percoco** | | |
| Adient PLC (ADNT.N) | E (12/07/2025) | $19.57 |
| Aptiv Plc (APTV.N) | E (08/04/2026) | $46.53 |
| Avis Budget Group Inc (CAR.O) | E (12/07/2025) | $138.51 |
| BorgWarner Inc. (BWA.N) | E (12/07/2025) | $65.73 |
| Dauch Corporation (DCH.N) | E (12/07/2025) | $6.67 |
| Ford Motor Company (F.N) | E (09/25/2024) | $14.41 |
| General Motors Company (GM.N) | O (12/07/2025) | $87.22 |
| Hertz Global Holdings Inc (HTZ.O) | E (02/08/2024) | $2.27 |
| Lear Corporation (LEA.N) | E (12/07/2025) | $131.05 |
| Lucid Group Inc (LCID.O) | U (12/07/2025) | $4.60 |
| Magna International Inc. (MGA.N) | E (09/25/2024) | $67.09 |
| Mobileye Global Inc (MBLY.O) | E (08/02/2024) | $8.32 |
| Quantumscape Corp (QS.O) | E (12/07/2025) | $5.45 |
| Rivian Automotive, Inc. (RIVN.O) | U (12/07/2025) | $15.91 |
| Tesla Inc (TSLA.O) | E (12/07/2025) | $376.37 |
| Versigent Plc (VGNT.N) | O (05/07/2026) | $48.42 |
| Visteon Corporation (VC.O) | E (06/01/2022) | $102.27 |
| **Daniela M Haigian** | | |
| Asbury Automotive Group Inc (ABG.N) | E (09/25/2024) | $215.41 |
| AutoNation Inc. (AN.N) | O (09/25/2024) | $207.18 |
| Carmax Inc (KMX.N) | E (11/10/2025) | $62.64 |
| Carvana Co (CVNA.N) | O (08/07/2025) | $73.43 |
| Group 1 Automotive, Inc (GPI.N) | E (08/06/2026) | $284.33 |
| Lithia Motors Inc. (LAD.N) | E (09/25/2024) | $378.98 |
| Penske Automotive Group, Inc (PAG.N) | E (07/23/2026) | $219.62 |
| Sonic Automotive Inc (SAH.N) | U (08/06/2026) | $79.42 |
| **Javier Martinez de Olcoz Cerdan** | | |

| | | |
|---|---|---|
| Goodyear Tire & Rubber Company (GT.O) | U (09/28/2025) | $6.11 |

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.

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