Tesla Inc

3Q26 Deliveries Slightly Ahead of JPMe and Well Above Consensus; ESS Shipments Below; Maintain Below-Consensus EPS on Lower Auto GM/Higher Opex; Maintain Neutral, $415 PT

Neutral

TSLA, TSLA US
Price (01 Oct 26):$354.11
Price Target (Dec-27):$415.00

Autos & Auto Parts

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***Quick take*:** TSLA's 3Q sales were ahead of expectations, powered by RoW (ex-China/US) and better-than-expected trends in Europe, where FSD approvals and rollouts remain in their early innings, with broader market approvals and a prospective EU-wide approval still pending, as a bloc-wide vote has now slipped to December from the previously expected October timeline. South Korea and Australia continue to serve as useful proxies for the demand lift that FSD activations can deliver once rolled out more broadly. 3Q deliveries came in ~2% lower y/y vs. record levels in 3Q25 (aided by the pre-buy surge in the US ahead of the tax credit expiry), with comps set to ease in the quarters ahead. Separately, the robotaxi fleet, specifically Cybercab units, continues to scale in Texas, with registered units now tracking 100+, though the active fleet remains smaller, and updates on the pending rollout of FSD v15 will be a key focus heading into 3Q earnings on 10/21. ESS deployments tracked at ~13.7 GWh, tracking below projections (JPMe 15.0 GWh, company-compiled consensus of 15.9 GWh and BBG consensus of 15.3 GWh), and offset some of the upside in our model from better deliveries. We maintain our Neutral rating and Dec 2027 price target of $415.

Deliveries recap and other developments: TSLA delivered ~486.5K vehicles in 3Q26, tracking ~1% above JPMe and ~3%/5% above BBG/company-compiled consensus, with the beat split ~65%/35% between Model 3/Y deliveries and other models. Specifically, Model 3/Y deliveries came in at ~478.2K units, ~1% above JPMe, ~6% above company-compiled consensus and ~3% above BBG consensus, while other models tracked at ~8.3K units vs. JPMe ~6.5K units, albeit below company-compiled consensus of 11.3K and BBG consensus of 9.8K units. Monthly data, including preliminary September figures, continue to highlight strong trends in the European market, aided by prior FSD approvals with recent regulatory approvals in Croatia, Slovenia and Czech Republic likley to provide further upside impetus. Individual market approvals will likely remain the key upside catalysts in the near term as the broader EU-wide FSD approval vote through the EU Technical Committee on Motor Vehicles is pushed out to a potential outcome in December, following the non-inclusion of a vote in the agenda of the upcoming October meeting. Vehicle production tracked at ~464.4K units in 3Q, up +4% y/y and indicating a release of inventory in 3Q.

- **Estimate changes.** Our 3Q/2026/2027 EPS forecasts remain unchanged at $0.36/$1.43/$1.45 (consensus $0.42/$1.65/$2.23), reflecting stronger 3Q deliveries, offset by softer energy storage deployments. Our 2030 EPS forecast of $6.00, off of which we base our P/E based valuation (~50% component of our overall valuation methodology with the remaining ~50% being a SoTP based), remains unchanged, and our Dec 2027 price target also remains unchanged at $415.
- **September-specific datapoints.** In Europe, TSLA sales tracked +128% y/y in Portugal, +62% y/y in France, +47% y/y in Italy,+38% y/y in Sweden, +25% y/y in Spain, +3% y/y in Norway and +2% y/y in Denmark. TSLA UK sales were also solid, up +99% y/y during a high-volume plate change month.

Quarterly Forecasts (FYE Dec)

Adj. EPS ($)

	2025A	2026E	2027E
Q1	0.27	0.41A	0.24
Q2	0.40	0.33A	0.37
Q3	0.50	0.36	0.44
Q4	0.50	0.33	0.40
FY	1.66	1.43	1.45

Style Exposure

Quant Factors	Current %Rank	Hist %Rank (1=Top) 6M	1Y	3Y	5Y
Value	97	97	94	93	92
Growth	73	61	42	48	58
Momentum	71	18	24	30	31
Quality	64	58	66	21	44
Low Vol	59	77	85	78	75
ESGQ	68	41	27	72	41

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

See page 7 for analyst certification and important disclosures.

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Price Performance



	YTD	1m	3m	12m
Abs	-21.3%	-0.6%	-16.7%	-22.9%
Rel	-34.4%	3.3%	-9.9%	-37.8%

Company Data

Shares O/S (mn)	3,950
52-week range ($)	498.83-297.38
Market cap ($ mn)	1,398,574.00
Exchange rate	1.00
Free float (%)	89.5%
3M ADV (mn)	38.48
3M ADV ($ mn)	13,754.7
Volatility (90 Day)	54
Index	RUSSELL 2000
BBG ANR (Buy | Hold | Sell)	29|24|8

Key Metrics (FYE Dec)

$ in millions	FY25A	FY26E	FY27E	FY28E
Financial Estimates				
Revenue	94,827	108,151	123,894	146,379
Adj. EBITDA	10,503	8,232	9,519	14,477
Adj. EBIT	4,355	1,423	1,319	5,177
Adj. net income	5,858	5,066	5,266	7,980
Net margin	6.2%	4.7%	4.3%	5.5%
Adj. EPS	1.66	1.43	1.45	2.15
BBG EPS	1.61	1.65	2.22	3.16
Cashflow from operations	14,747	12,317	11,654	15,422
FCFF	7,200	(9,956)	(11,913)	(9,519)
Margins and Growth				
Revenue Growth Y/Y (%)	(2.9%)	14.1%	14.6%	18.1%
EBITDA margin	11.1%	7.6%	7.7%	9.9%
EBITDA Growth Y/Y (%)	(15.6%)	(21.6%)	15.6%	52.1%
EBIT margin	4.6%	1.3%	1.1%	3.5%
Adj. EPS growth	NM	NM	1.5%	48.2%
Ratios				
Adj. tax rate	27.0%	22.7%	25.5%	25.2%
Interest cover	-	-	-	-
Net debt/Equity	NM	0.0	0.2	0.2
Net debt/EBITDA	NM	0.4	1.6	1.7
ROCE	3.7%	1.1%	0.8%	2.8%
ROE	7.5%	5.9%	5.6%	7.9%
Valuation				
FCFF yield	0.6%	(0.8%)	(0.9%)	(0.7%)
Dividend yield	-	-	-	-
EV/EBITDA	132.2	170.3	148.6	98.3
EV/Revenue	14.6	13.0	11.4	9.7
Adj. P/E	213.2	248.1	244.5	164.9

Summary Investment Thesis and Valuation

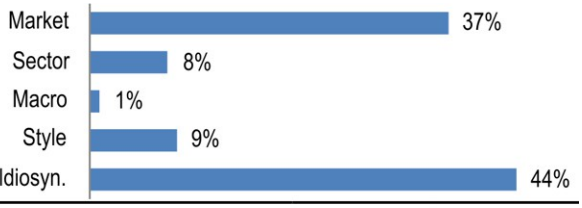
Investment Thesis

TSLA sits at the forefront of physical AI entering uncharted TAMs where execution will be key to accelerating adoption and expanding those TAMs (the Jevons paradox). Its under-appreciated edge is deep vertical integration across hardware + software, paired with speed of technology development: using factories as a test bed for Optimus should lower auto COGS and validate Humanoids at industrial scale (US/Global TAM of ~5 mn/30 mn by 2040E), a flywheel analogous to AWS/Kiva at AMZN. In robotaxi, >10 bn miles recorded and 9 mn personal fleet on road today should drive network-effects across robo-taxi and FSD adoption (35 mn personal TSLA fleet and 40 mn robotaxis by 2040E), while Energy Storage benefits from data center and grid tailwinds, and the base infrastructure can be monetized via FSD/Optimus licensing, distributed inference, Cortex compute, and supercharger usage. We see EPS inflection in 2028+ and a 50%+ growth CAGR through 2030 and beyond, with implied SoTP of $3.9T by 2035E. Valuation on near-term earnings is lofty, but we think TSLA deserves the benefit of the doubt on LT earnings given new TAMs are unlikely to inflect until 2029+, with shares in the interim likely tied to robotaxi/ Optimus data points and potential index diversification offering a better entry point.

Valuation

We rate TSLA shares Neutral with a $415 December 2027 price target.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI US	0.60	0.61
Sect: Cons Discretionary	0.34	0.37
Ind: Automobiles & Comp	1.00	1.00
Macro:		
US 10yr Breakeven	-0.18	-0.13
US 10yr yield	-0.11	-0.11
Crude Oil	-0.08	-0.10
Quant Styles:		
Quality	-0.31	-0.26
LowVol	-0.20	-0.23
Growth	0.22	0.16

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

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Elsewhere, in Taiwan, TSLA sales were up +15% y/y and up +21% y/y in Australia, another market where FSD roll-out has compounded brand appeal and accelerated sales trajectory. The US remains a drag, with sales down -26% y/y, albeit comps ease meaningfully into 4Q as the industry laps pre-buy demand associated with the phase out of federal tax credits in September 2025.

Table 1: TSLA 3Q Deliveries and Energy Storage Deployment vs. JPMe and Consensus

	Actual	JPMe	*Actual vs. JPMe*	Company compiled consensus	*Actual vs. Company compiled consensus*	BBG consensus	*Actual vs. BBG consensus*
Model 3/Y deliveries	478,237	475,000	*1%*	450,712	*6%*	462,078	*3%*
All other models	8,295	6,500	*28%*	11,285	*-26%*	9,759	*-15%*
Total deliveries	**486,532**	**481,500**	***1%***	**461,997**	***5%***	**471,837**	***3%***
Energy Storage Deployments (GWh)	**13.7**	**15.0**	***-9%***	**15.9**	***-14%***	**15.3**	***-11%***

Source: Company reports, Bloomberg Finance L.P. and J.P. Morgan estimates.

Table 2: TSLA Summary Model

$ mn except per share and deliveries

Summary P&L	2019	2020	2021	2022	2023	2024	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	2027E	2028E	2029E	2030E
Automotive Revenues	20,821	27,236	47,232	71,462	82,419	77,070	69,526	16,234	20,516	20,484	19,650	76,884	82,795	91,804	100,646	108,031
Service Revenues	2,226	2,306	3,802	6,091	8,319	10,534	12,530	3,745	4,581	5,039	4,972	18,337	25,672	36,989	55,484	83,617
Solar and Energy Storage Revenues	1,531	1,994	2,789	3,909	6,035	10,086	12,771	2,408	3,139	3,556	3,827	12,930	15,427	17,586	19,213	20,990
Total Revenues	**24,578**	**31,536**	**53,823**	**81,462**	**96,773**	**97,690**	**94,827**	**22,387**	**28,236**	**29,078**	**28,449**	**108,151**	**123,894**	**146,379**	**175,343**	**212,638**
Total COGS	20,509	24,906	40,217	60,609	79,113	80,240	77,733	17,667	23,485	24,280	23,613	89,045	101,375	117,602	138,564	163,188
Total Gross Profit	**4,069**	**6,630**	**13,606**	**20,853**	**17,660**	**17,450**	**17,094**	**4,720**	**4,751**	**4,798**	**4,836**	**19,105**	**22,519**	**28,777**	**36,779**	**49,451**
Gross Margin	***17%***	***21%***	***25%***	***26%***	***18%***	***18%***	***18%***	***21%***	***17%***	***17%***	***17%***	***18%***	***18%***	***20%***	***21%***	***23%***
Research and Development	1,343	1,491	2,593	3,075	3,969	4,540	6,411	1,946	2,371	2,600	2,700	9,617	11,800	13,400	14,500	14,800
SG&A	2,646	3,145	4,517	3,946	4,800	5,150	5,834	1,833	1,982	2,100	2,150	8,065	9,400	10,200	10,475	10,150
Operating income/(loss)	**-69**	**1,994**	**6,523**	**13,656**	**8,891**	**7,076**	**4,355**	**941**	**398**	**98**	**-14**	**1,423**	**1,319**	**5,177**	**11,804**	**24,501**
Total EBIT Margin	***0%***	***6%***	***12%***	***17%***	***9%***	***7%***	***5%***	***4%***	***1%***	***0%***	***0%***	***1%***	***1%***	***4%***	***7%***	***12%***
Interest Income/(expense)	-640	-718	-315	106	910	1,219	1,342	342	341	342	280	1,305	580	80	80	160
Other (loss)/gain	45	(122)	135	(43)	172	695	(419)	(535)	590	0	0	55	0	0	0	0
Pre-tax Income/(loss)	**(665)**	**1,154**	**6,343**	**13,719**	**9,973**	**8,990**	**5,278**	**748**	**1,329**	**440**	**266**	**2,783**	**1,899**	**5,257**	**11,884**	**24,661**
Add: Non-cash Stock Based Compensation	898	1,734	2,121	1,560	1,812	1,328	2,012	803	989	978	978	3,747	3,910	4,106	4,311	4,526
Non-GAAP Net Income	**36**	**2,424**	**7,640**	**14,116**	**10,882**	**8,419**	**5,858**	**1,453**	**1,155**	**1,295**	**1,163**	**5,066**	**5,266**	**7,980**	**13,223**	**22,950**
Weighted average number of shares - Diluted	901	3,194	3,383	3,470	3,483	3,495	3,526	3,538	3,540	3,548	3,573	3,550	3,636	3,717	3,773	3,823
Non-GAAP Diluted EPS	**$0.04**	**$0.76**	**$2.26**	**$4.07**	**$3.12**	**$2.41**	**$1.66**	**$0.41**	**$0.33**	**$0.36**	**$0.33**	**$1.43**	**$1.45**	**$2.15**	**$3.50**	**$6.00**
Summary of Free Cash Flows	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
GAAP Net Income/(loss)	(775)	862	5,644	12,587	14,974	7,153	3,855	491	1,128	317	186	2,122	1,356	3,874	8,913	18,423
Depreciation & Amortization	2,154	2,322	2,911	3,747	4,667	5,368	6,148	1,590	1,619	1,750	1,850	6,809	8,200	9,300	10,100	10,900
Stock-based compensation	898	1,734	2,121	1,560	1,812	1,999	2,825	1,030	1,151	1,150	1,150	4,481	4,600	4,830	5,072	5,325
Change in working capital	(698)	368	1,036	(7,816)	(17,194)	2,232	6,468	(29,358)	(16,078)	2,232	6,468	4,558	5,006	650	(5,400)	(11,307)
Change in collateralized lease borrowing	(389)	(240)	(9)	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow from operations	**2,016**	**5,703**	**11,488**	**14,724**	**13,256**	**14,923**	**14,747**	**3,937**	**4,697**	**1,337**	**2,346**	**12,317**	**11,654**	**15,422**	**19,805**	**30,216**
Capital Expenditure	(1,327)	(3,157)	(6,482)	(7,158)	(8,898)	(11,339)	(8,527)	(2,493)	(5,789)	(7,000)	(8,000)	(23,282)	(24,000)	(25,000)	(25,000)	(23,000)
Free Cash Flow (FCF)	**689**	**2,546**	**5,006**	**7,566**	**4,358**	**3,584**	**6,220**	**1,444**	**(1,092)**	**(5,663)**	**(5,654)**	**(10,965)**	**(12,346)**	**(9,578)**	**(5,195)**	**7,216**
Summary of Balance Sheet Data	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Gross Debt	13,419	11,688	6,837	3,099	5,230	8,213	6,736	7,782	7,924	7,924	12,924	12,924	32,924	37,924	37,924	32,924
Gross Cash (including shor-term investments)	6,514	19,622	17,707	22,185	29,094	36,563	44,059	44,743	43,524	37,861	37,207	37,207	44,861	40,283	35,087	37,304
Net Debt	**6,905**	**(7,934)**	**(10,870)**	**(19,086)**	**(23,864)**	**(28,350)**	**(37,323)**	**(36,961)**	**(35,600)**	**(29,937)**	**(24,283)**	**(24,283)**	**(11,937)**	**(2,359)**	**2,837**	**(4,380)**
Operating Metrics	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Total Deliveries (000 units)	**368**	**500**	**936**	**1,314**	**1,809**	**1,789**	**1,636**	**358**	**480**	**487**	**466**	**1,790**	**1,945**	**2,144**	**2,359**	**2,534**
Energy Storage Deployments (GWh)	2	3	4	7	15	31	47	9	14	14	15	51	64	76	88	101
Automotive Gross Margin ex-Reg Credits (%)	*19%*	*21%*	*27%*	*27%*	*18%*	*15%*	*15%*	*19%*	*16%*	*16%*	*16%*	*17%*	*18%*	*19%*	*20%*	*21%*

Source: Company reports and J.P. Morgan.

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Investment Thesis, Valuation and Risks

Tesla Inc *(Neutral; Price Target: $415.00)*

Investment Thesis

TSLA sits at the forefront of physical AI entering uncharted TAMs where execution will be key to accelerating adoption and expanding those TAMs (the Jevons paradox). Its under-appreciated edge is deep vertical integration across hardware + software, paired with speed of technology development: using factories as a test bed for Optimus should lower auto COGS and validate Humanoids at industrial scale (US/Global TAM of ~5 mn/30 mn by 2040E), a flywheel analogous to AWS/Kiva at AMZN. In robotaxi, >10 bn miles recorded and 9 mn personal fleet on road today should drive network-effects across robotaxi and FSD adoption (35 mn personal TSLA fleet and 40 mn robotaxis by 2040E), while Energy Storage benefits from data center and grid tailwinds, and the base infrastructure can be monetized via FSD/Optimus licensing, distributed inference, Cortex compute, and supercharger usage. We see EPS inflection in 2028+ and a 50%+ growth CAGR through 2030 and beyond, with implied SoTP of $3.9T by 2035E. Valuation on near-term earnings is lofty, but we think TSLA deserves the benefit of the doubt on LT earnings given new TAMs are unlikely to inflect until 2029+, with shares in the interim likely tied to robotaxi/Optimus data points and potential index diversification offering a better entry point.

Valuation

We maintain our Neutral rating and Dec 2027 PT of $415. We use a weighted average of P/E-based approach (on 2030E EPS) and SoTP on 2035E, both discounted back. For P/E, we apply a ~75x multiple on 2030E EPS as the forecast margin and revenue near an inflection with potential for 50%+ EPS CAGR for several years. On SoTP, we value individual TAMs separately, applying a higher EV/revenue multiple to new and high-margin TAMs and more mature multiples to existing ones. As such, we arrive at a blended ~5.0x EV/revenue multiple on estimated 2035 revenue.

TSLA Implied Value/Share

$ per share

JPM Implied Value/Share	Weightage	Value
SoTP Based	50%	$476
P/E Based	50%	$354
Total		**$415**

Source: J.P. Morgan estimates.

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TSLA SoTP Valuation Analysis

$ billion

Segment SoTP	Revenue ($ bn, 2035)	EV/Revenue	EV ($ bn)	Valuation Benchmarks
Automotive	246	2.0x	481	<<Global peer average, adjusted for growth and margin levers
Energy storage	31	2.5x	77	<<Median average of global peers + cost advantage, cell IP
Robotaxi	319	5.0x	1578	<<Premium to Uber/Lyft due to cost and Vertical integration advantage
FSD Subscription	21	12.5x	258	<<High-margin SaaS
Optimus (Humanoid Robotics)	47	15.0x	705	<<Few public comps, large TAM, SaaS component, licensing
Other Licensing (FSD, Inference, AI Compute)	80	10.0x	797	<<Cloud/compute offering, high margin, high ROIC
Total	**744**	**5.2x**	**3896**	
Discount Rate			13%	
Discounted 2027-end			**1687**	
Net Cash/(Debt) 2027-end			**12**	
Equity Value			**1699**	
Implied Value/Share			**$476**	

Source: J.P. Morgan estimates.

TSLA P/E Based Valuation Analysis

$ million, excluding share count, valuation multiples and EPS

Price-to-Earnings-based Analysis	2026E	2027E	2028E	2029E	2030E	Comment
EPS	$1.43	$1.45	$2.15	$3.50	$6.00	
JPM P/E Multiple					75.0x	<< 50%+ EPS CAGR, growth adjusted P/E
Implied Value/Share					$450	
Discounted 2027-end					**$354**	
Current Value per Share					$372	
Upside vs. Current					-5%	
Memo:						
(-) Net Cash/(Debt), inc. ST Investments	37,323	24,331	12,046	2,510	-2,659	
Equity Value	1,316,897	1,329,549	1,366,760	1,385,366	1,403,971	
Enterprise Value	1,279,574	1,305,218	1,354,714	1,382,855	1,406,630	
Diluted Share Count	3,539	3,573	3,673	3,723	3,773	
JPM EBITDAP	8,242	9,549	14,483	21,886	35,389	
EV/EBITDAP	***155.3x***	***136.7x***	***93.5x***	***63.2x***	***39.7x***	*<< Based on current price*
Sales	108,293	124,103	146,531	175,504	213,218	
EV/Sales	***11.8x***	***10.5x***	***9.2x***	***7.9x***	***6.6x***	*<< Based on current price*

Source: Bloomberg Finance L.P., company reports, and J.P. Morgan estimates.

Risks to Rating and Price Target

Upside risks include: (1) Recent uptick in gas prices could drive a greater-than-expected increase in industry BEV demand; (2) faster-than-expected FSD adoption as safety metrics improve; (3) faster-than-expected deployment of Optimus in factories that could drive a faster reduction in COGS and also accelerate commercial adoption; (4) favorable regulatory backdrop that could drive a faster rollout of robotaxi than expected; (5) faster-than-expected leverage on R&D spend as robotaxi and Optimus deployment ramps.

Downside risks include: (1) Further deterioration in brand perception given CEO's involvement in politics; (2) execution risks tied to launch of Optimus and pace of safety progress for robotaxis; (3) slower-than-anticipated regulatory approvals for robotaxis; (4) near-term retail and institutional shareholder diversification due to large anticipated AI-related IPOs; (5) competitors iterate at a faster pace across all product lines; (6) near-term EPS revision risk from higher D&A tied to ramped-up capex and spending on Optimus/ robotaxi roll-out; (7) key man risk – TSLA would be a fundamentally different company without Mr. Musk as the valuation reflects his strategic leadership and distinctive execution capability.

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J.P.Morgan

Tesla Inc: Summary of Financials

Income Statement - Annual	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**97,690**	**94,827**	**108,151**	**123,894**	**146,379**
COGS	(74,872)	(71,585)	(82,236)	(93,175)	(108,302)
Gross profit	**17,450**	**17,094**	**19,105**	**22,519**	**28,777**
SG&A	(5,150)	(5,834)	(8,065)	(9,400)	(10,200)
Adj. EBITDA	**12,444**	**10,503**	**8,232**	**9,519**	**14,477**
D&A	(5,368)	(6,148)	(6,809)	(8,200)	(9,300)
Adj. EBIT	**7,076**	**4,355**	**1,423**	**1,319**	**5,177**
Net Interest	1,219	1,342	1,305	580	80
Adj. PBT	**8,990**	**5,278**	**2,783**	**1,899**	**5,257**
Tax	(1,837)	(1,423)	(631)	(483)	(1,323)
Minority Interest	(62)	(61)	(56)	(60)	(60)
Adj. Net Income	**8,419**	**5,858**	**5,066**	**5,266**	**7,980**
Reported EPS	2.41	1.66	1.43	1.45	2.15
Adj. EPS	**2.41**	**1.66**	**1.43**	**1.45**	**2.15**
DPS	**-**	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-	-
Shares outstanding	3,495	3,526	3,550	3,636	3,717

Income Statement - Quarterly	1Q26A	2Q26A	3Q26E	4Q26E
Revenue	**22,387A**	**28,236A**	**29,078**	**28,449**
COGS	(16,077)A	(21,866)A	(22,530)	(21,763)
Gross profit	**4,720A**	**4,751A**	**4,798**	**4,836**
SG&A	(1,833)A	(1,982)A	(2,100)	(2,150)
Adj. EBITDA	**2,531A**	**2,017A**	**1,848**	**1,836**
D&A	(1,590)A	(1,619)A	(1,750)	(1,850)
Adj. EBIT	**941A**	**398A**	**98**	**(14)**
Net Interest	342A	341A	342	280
Adj. PBT	**748A**	**1,329A**	**440**	**266**
Tax	(257)A	(201)A	(108)	(65)
Minority Interest	(14)A	(12)A	(15)	(15)
Adj. Net Income	**1,453A**	**1,155A**	**1,295**	**1,163**
Reported EPS	0.41A	0.33A	0.36	0.33
Adj. EPS	**0.41A**	**0.33A**	**0.36**	**0.33**
DPS	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-
Shares outstanding	3,538A	3,540A	3,548	3,573

Balance Sheet & CashFlow Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	16,139	16,513	9,661	17,315	12,737
Accounts receivable	4,418	4,576	4,326	4,956	5,855
Inventories	12,017	12,392	15,138	15,206	17,640
Other current assets	25,292	35,161	33,494	34,236	35,450
Current assets	**57,866**	**68,642**	**62,619**	**71,713**	**71,683**
PP&E	35,836	40,643	58,655	74,455	90,155
LT investments	-	-	-	-	-
Other non current assets	28,368	28,521	34,194	37,747	41,628
Total assets	**122,070**	**137,806**	**155,468**	**183,915**	**203,466**
Short term borrowings	-	-	-	-	-
Payables	22,204	26,650	29,721	32,212	38,059
Other short term liabilities	0	0	0	0	0
Current liabilities	**22,204**	**26,650**	**29,721**	**32,212**	**38,059**
Long-term debt	8,213	6,736	12,924	32,924	37,924
Other long term liabilities	17,973	21,555	22,501	22,501	22,501
Total liabilities	**48,390**	**54,941**	**65,146**	**87,637**	**98,484**
Shareholders' equity	73,680	82,865	90,322	96,278	104,982
Minority interests	-	-	-	-	-
Total liabilities & equity	**122,070**	**137,806**	**155,468**	**183,915**	**203,466**
Net debt/(cash)	(7,926)	(9,777)	3,263	15,609	25,187
Cash flow from operating activities	**14,923**	**14,747**	**12,317**	**11,654**	**15,422**
o/w Depreciation & amortization	5,368	6,148	6,809	8,200	9,300
o/w Changes in working capital	-	-	-	-	-
Cash flow from investing activities	**(34,762)**	**(15,478)**	**(23,949)**	**(24,000)**	**(25,000)**
o/w Capital expenditure	(11,339)	(8,527)	(23,282)	(24,000)	(25,000)
as % of sales	*11.6%*	*9.0%*	*21.5%*	*19.4%*	*17.1%*
Cash flow from financing activities	**0**	**0**	**0**	**0**	**0**
o/w Dividends paid	-	-	-	-	-
o/w Net debt issued/(repaid)	0	0	5,000	20,000	5,000
o/w Share Repurchases	-	-	-	-	-
Net change in cash	**(19,839)**	**(731)**	**(11,632)**	**(12,346)**	**(9,578)**
Adj. Free cash flow to firm	**4,554**	**7,200**	**(9,956)**	**(11,913)**	**(9,519)**

Ratio Analysis	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	17.9%	18.0%	17.7%	18.2%	19.7%
EBITDA margin	12.7%	11.1%	7.6%	7.7%	9.9%
EBIT margin	7.2%	4.6%	1.3%	1.1%	3.5%
Net profit margin	8.6%	6.2%	4.7%	4.3%	5.5%
ROE	12.3%	7.5%	5.9%	5.6%	7.9%
ROA	7.4%	4.5%	3.5%	3.1%	4.1%
ROCE	7.5%	3.7%	1.1%	0.8%	2.8%
SG&A/Sales	5.3%	6.2%	7.5%	7.6%	7.0%
Net debt/equity	NM	NM	0.0	0.2	0.2
Net debt/EBITDA	NM	NM	0.4	1.6	1.7
P/E (x)	147.0	213.2	248.1	244.5	164.9
P/BV (x)	16.8	15.1	13.9	13.4	12.5
EV/EBITDA (x)	111.8	132.2	170.3	148.6	98.3
Dividend Yield	-	-	-	-	-
Sales/Assets (x)	0.9	0.7	0.7	0.7	0.8
Interest cover (x)	-	-	-	-	-
Operating leverage	(2154.3%)	1312.1%	(479.1%)	(50.5%)	1612.0%
Revenue y/y Growth	0.9%	(2.9%)	14.1%	14.6%	18.1%
EBITDA y/y Growth	(8.2%)	(15.6%)	(21.6%)	15.6%	52.1%
Tax rate	20.4%	27.0%	22.7%	25.5%	25.2%
Adj. Net Income y/y Growth	(22.6%)	(30.4%)	(13.5%)	3.9%	51.5%
EPS y/y Growth	NM	NM	NM	1.5%	48.2%
DPS y/y Growth	-	-	-	-	-

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which