Tesla

Tesla, Inc. · TSLA · NASDAQ

Q3 revenue was flat and operating margin fell to 2.6%, yet $28.8B of net cash and autonomy hopes hold up a 180.3x forward P/E

Overall Verdict
HOLD
Bull 3 · Bear 4 · Deferred 0

Price at Issue	External Average Target Price	52-Week Low · High	Next Earnings
$378.05	**$412.48**	**$297.38 ~ $498.83**	**TBD**
Nov 9, 2026 close · +5.5%	+9.1% · 40 analysts	vs. high −24.2%	Q4 2026 earnings

01 4 Key Data Points

Q3 operating margin 2.6%
Down from 6.6% a year ago · operating income $0.72B on flat revenue of $28.05B

−10.8% plunge on Nov 5
SpaceX merger talk and politics · 5.3 points worse than the Nasdaq, then a 10% rebound

Q3 capex $4.73B
2.1x last year's $2.25B · funded within operating cash flow of $6.26B

Cybertruck ends, Cybercab takes over
Musk confirmed the Texas plant switch (reports) · about 2M cumulative unsupervised robotaxi miles (reports)

02 Research Team Debate — 6 Issues

Autonomy pivot ×2	Bear	The question is whether investment returns as revenue and profit. Operating cash flow held, but revenue is flat and margin fell from 6.6% to 2.6%, so growth spending is not yet visible in results. Until the 2027 robotaxi contribution is confirmed, the verdict goes to Bear.
China sales	Bull	The question is whether the sales gain is a real recovery. Factory sales are above last year's and cumulative volume of 810,889 units does not look like collapsing demand. The domestic low is a concern, but on factory sales the verdict goes to Bull.
Valuation	Bear	The question is whether growth supports the multiple. With expected earnings growth of 25.2% and a PEG of 6.9, the stock is expensive for its growth and far above the peer forward P/E of 6.3x. Until autonomy profit that explains the gap is visible, the verdict goes to Bear.
Cash and balance sheet	Bull	The question is whether investment can be funded internally. Q2 free cash flow was negative, but it turned positive in Q3 and $28.77B of net cash provides a buffer. The verdict goes to Bull.
Price targets	Bull	The question is the direction of target changes. Four brokers raised right after results and only Jefferies cut (per headline), so the direction is up. The verdict goes to Bull.
SpaceX merger review and politics	Bear	The question is whether the plunge was temporary. The price has recovered, but the merger review and political risks are unresolved, and that uncertainty weighs on a multiple as high as 180.3x forward earnings. The verdict goes to Bear.

The overall verdict is HOLD. Cash and target raises favor Bull, but falling margins, the 180.3x forward P/E and merger and political uncertainty favor Bear; the call reopens when Q4 2026 results show whether margins recover.

03 Conditions That Change the Verdict

▲ Upgrade Conditions

Q4 2026 results
Operating margin recovers to 4% or more and revenue returns to growth

Robotaxi expansion
Unsupervised service expands to new cities and the cost target is shown to be met

Price recovery
The close reclaims the 20-day average of $380.42 and the 200-day

▼ Downgrade Conditions

Q4 2026 results
Operating margin falls below 2.6% or capex exceeds operating cash flow

Merger and politics
Merger terms look unfavorable or investigations involving Musk become concrete

Nov 5 low
The close falls below the Nov 5 close of $343.69

04 Quarterly Results Unit: $B

	Q3 2025	Q4	Q1 2026	Q2	Q3
Revenue	28.1	24.9	22.4	28.2	**28**
Operating Income	1.9	1.6	0.9	0.4	**0.7**
Net Income	1.4	0.8	0.5	1.1	**0.8**
Operating Margin	6.6%	6.3%	4.2%	1.4%	**2.6%**

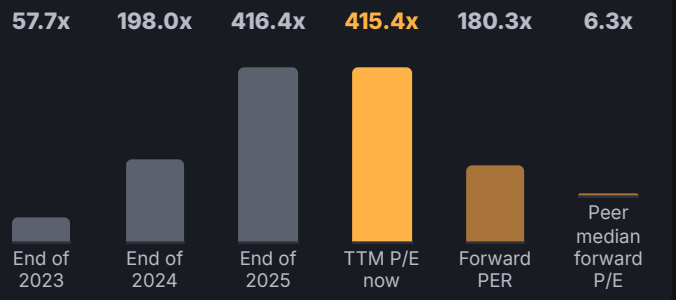
Operating margin
2.6%
Year ago 1.4%

Net margin
2.8%
Year ago 3.9%

Free cash flow margin
5.5%
Year ago −3.9%

Gross margin
19.6%
Year ago 16.8%

05 P/E trend



06 Street Opinions

Buy 21 Hold 21 Sell 2

Avg $412.48 · High $600.00 · Low $128.11

Barclays	450	Upgrade, target raised
Canaccord Genuity	442	Target raised
UBS	425	Target raised
CLSA	400	Upgrade, target raised

07 Financial Strength

Cash & short-term investments (9/30)
$45.22B
$44.06B → +2.6%

Total debt (9/30)
$16.45B
$14.72B → +11.7%

Equity (9/30)
$89.29B
$82.14B → +8.7%

Shares outstanding (9/30)
3.95B shares
3.75B shares → +5.4%

08 Recent News

11/9 Stock +5.5% on Nov 9; Cybertruck wind-down reports came Nov 10
The stock closed up 5.5% on Nov 9, a day the Dow gained 1,132 points. Reports that Musk discussed ending Cybertruck production and refunding deposits (Benzinga, Fortune) carry Nov 10 headlines, so they are not asserted as the cause of the Nov 9 move.

11/5 −10.8% on merger talk and politics
Per heygotrade, Musk said on SpaceX's earnings call that a combination would be a good idea, and concerns about the regulatory path after the Nov 3 midterms were cited. The Nasdaq fell 5.5% the same day.

10/26 Barclays upgrade to Buy, $450 target
Barclays moved to Overweight from Neutral and raised its target to $450 from $370; the stock closed up 5.2%. The upgrade is not asserted as the sole cause.

09 Upcoming Events

Nov 11 (Wed) · Near-term options expiry
Max pain $372.5, open interest 45.9K calls and 55.7K puts · the Nov 13 expiry is $362.5

Nov 20 (Fri) · Monthly options expiry
Max pain $375, open interest 281K calls and 266K puts

TBD · Q4 2026 earnings
Date not yet announced by the company · Yahoo estimates Jan 27, 2027; consensus EPS $0.50

10 Key Risks

High multiple (180.3x forward P/E vs peers' 6.3x)
Impact High · Likelihood High · Watch Q4 2026 results

Margin decline (operating margin 6.6% → 2.6%)
Impact High · Likelihood High · Watch Q4 2026 results

Rising capex (Q3 $4.73B, 2.1x)
Impact Medium · Likelihood Medium · Watch Quarterly cash flow

11 Checkpoints

★★★ Q4 2026 operating margin
Watch whether margin recovers from 2.6% and how operating cash flow ($6.26B) covers capex.

★★★ Robotaxi and Cybercab expansion
Check new-city launches and the Cybercab production changeover schedule.

★★☆ Merger and political risk
Watch progress in SpaceX merger talks and whether congressional