Symbol TSLA:xnas • ISIN US88160R1014 • Currency USD • Target market Medium risk

Tesla Inc.
Ticker: TSLA
NASDAQ (New York)
ISIN: US88160R1014

Date: 18 February 2026

Beyond the Hype:

Timing Tesla's Next move



Introduction

Tesla has evolved into a leading global player at the intersection of electric mobility, software and energy solutions. The company combines strong revenue growth, a globally recognized brand and a vertically integrated business model with continuous investments in innovation. Despite a more challenging macroeconomic environment and intensifying competition in the EV market, Tesla maintains a strong market position, driven by scale advantages, technological leadership and an expanding role beyond traditional automotive manufacturing.

Sold 1.64 million vehicles in 2025

Tesla reported approximately 418,227 vehicle deliveries in Q4 2025, a year on year decline of around 16%, contributing to full year deliveries of roughly 1.64 million vehicles in 2025 (down from 1.79 million in 2024). These delivery figures were below analyst expectations and reflect ongoing decrease in demand, pricing pressures and competitive displacement in key regions.
(source: Reuters)

Executive summary and positioning

Based on the analysis in this report, we observe a shift in the competitive landscape for Tesla, with BYD's recent overtaking in global EV volumes increasing structural pressure on growth and margins. At the same time, weakening order momentum in Europe has contributed to a more cautious near term outlook. Investor sentiment has moderated accordingly, as reflected in analyst consensus, with a growing share of Hold recommendations highlighting a more balanced risk reward profile at current valuation levels.

From a technical perspective, Tesla remains within a broad consolidation range, limiting near term upside potential. Given the softer European demand environment and increased competitive intensity, we give Tesla a Hold rating, with a target price of USD 426.86, implying a modest upside of approximately 2.70% from current levels.

For our fundamental assessment we refer you to the full research report below.

Average rating	Target price	Implied return	Analysts
Hold	426,86	2,70%	54

Rating	Analysts
Buy	17
Overweight	6
Hold	22
Underweight	1
Sell	8

Analysts consensus

Average rating: Hold

Sell | Underweight | Hold | Overweight | Buy

Target price	426,86
Implied return	2,70%

Key stats

Price / Earnings (LTM)	386,62
Dividend Yield (LTM)	–
EPS (LTM)	1,08
Volatility (30 days)	39,92%

Returns

Year to date (YTD)	-7,38%
1 Year	17,62%
3 Years	99,95%

	2025	2024	2023	2022
— Income statement				
Revenue	94,8bn USD	97,7bn USD	96,8bn USD	81,5bn USD
EBITDA	11bn USD	13,1bn USD	13,6bn USD	17,4bn USD
Net Income	3,79bn USD	7,13bn USD	15bn USD	12,6bn USD
— Balance Sheet				
Total Assets	138bn USD	122bn USD	107bn USD	82,3bn USD
Total Debt	14,7bn USD	13,6bn USD	9,57bn USD	5,75bn USD



Valuation

This section focuses on Tesla's valuation through a financial lens, assessing the company's earnings profile, cash flow generation and balance sheet strength. By analyzing recent developments in revenue, profitability and capital structure, we aim to evaluate whether the current valuation remains supported by Tesla's underlying financial performance, ahead of a broader discussion on market dynamics and competitive positioning.

Financial Position

Tesla's revenue for 2025 amounted to USD 94.8 billion, representing a decline compared to USD 97.7 billion in 2024, reflecting continued pressure on volumes and pricing. Profitability remained subdued, with net income totaling USD 3.79 billion, as margin compression persisted amid competitive intensity, pricing adjustments and a softer demand environment in key regions.

EBITDA for 2025 stood at USD 11 billion, indicating ongoing pressure on operating profitability relative to prior years. On the balance sheet, Tesla reported total assets of USD 138.0 billion and total debt of USD 14.7 billion, maintaining a moderate leverage profile despite earnings normalization.

While earnings performance has weakened compared to historical peak levels, Tesla continues to benefit from diversified revenue streams, including software-related income such as Full Self Driving (FSD) and contributions from its energy segment. Going forward, the company's ability to stabilize revenues, protect margins and improve cost efficiency will remain central to sustaining its financial positioning and valuation support.

USD bn	2022	2023	2024	2025
Revenue	81.5	96.8	97.7	94.8
EBITDA	17.4	13.6	13.1	11
Net Income	12.6	15.0	7.1	3.79
Total Assets	82.3	107.0	122.0	138.0
Total Debt	5.8	9.6	13.6	14.7

Production footprint

Tesla operates a geographically diversified production footprint, with manufacturing facilities across the United States, Europe and China.

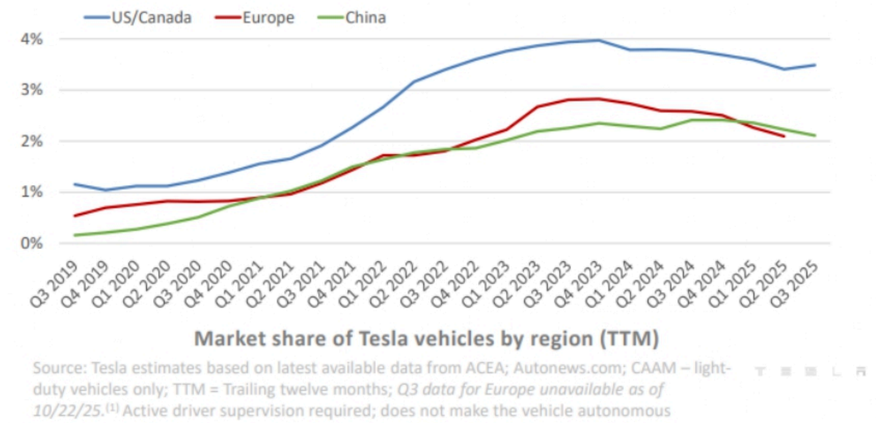
Current installed annual vehicle capacity is concentrated in Shanghai, Berlin and the United States, providing Tesla with significant scale advantages and regional supply flexibility.

The Shanghai facility remains the largest production hub, with an installed capacity exceeding 950,000 vehicles annually, serving both domestic Chinese demand and export markets. In the United States, production capacity is spread across California and Texas, while Berlin functions as Tesla's primary manufacturing base for Europe.

Current Installed Annual Vehicle Capacity

Region	Model	Capacity	Status
California	**Model S / Model X**	100,000	Production
	Model 3 / Model Y	>550,000	Production
Shanghai	**Model 3 / Model Y**	>950,000	Production
Berlin	**Model Y**	>375,000	Production
Texas	**Model Y**	>250,000	Production
	Cybertruck	>125,000	Production
	Cybercab	-	Construction
Nevada	**Tesla Semi**	-	Construction
TBD	**Roadster**	-	Design development

Installed capacity ≠ current production rate and there may be limitations discovered as production rates approach capacity. Production rates depend on a variety of factors, including equipment uptime, component supply, downtime related to factory upgrades, regulatory considerations and other factors. Construction includes factory and infrastructure buildout as well as tool installation.



Source: assets-ir.tesla.com

In addition to its existing vehicle platforms, Tesla continues to expand its manufacturing scope. Capacity for the Cybertruck is ramping in Texas, while future projects such as the Cybercab and Tesla Semi remain under construction, and the Roadster is still in the design phase. This phased expansion strategy reflects Tesla's focus on maintaining optionality while managing capital intensity and execution risk.

Overall, Tesla's global manufacturing capacity provides a solid operational foundation. However, the divergence in regional market share trends highlights growing competitive pressure and underscores the importance of efficient capacity utilization, pricing discipline and demand management going forward.

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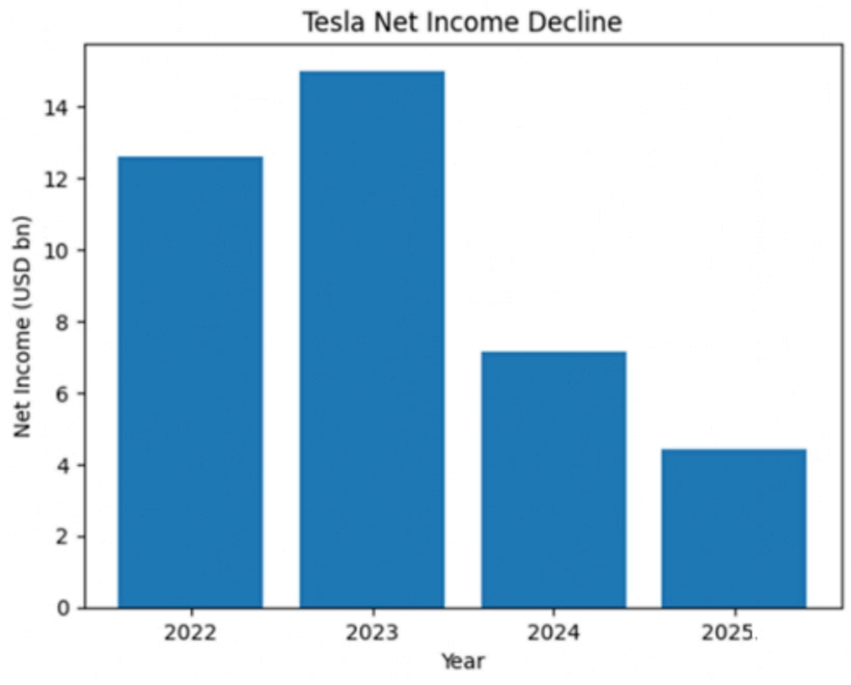
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Revenue and profitability profile

Tesla's revenue growth has moderated in recent years, reflecting a transition from rapid expansion to a more mature growth phase. After a strong increase from USD 81.5 billion in 2022 to USD 96.8 billion in 2023, revenues rose slightly to USD 97.7 billion in 2024 before declining to USD 94.8 billion in 2025, indicating softer demand conditions and continued pricing pressure across key markets.

While operational performance has remained structurally solid, profitability has declined materially. EBITDA decreased from USD 17.4 billion in 2022 to USD 13.6 billion in 2023 and USD 13.1 billion in 2024, before falling further to USD 11.0 billion in 2025, highlighting sustained margin compression driven by price reductions, rising production costs and a less favorable product mix.

Net income shows an even sharper contraction, declining from USD 15.0 billion in 2023 to USD 7.1 billion in 2024 and further to USD 3.79 billion in 2025, reflecting continued pressure on operating leverage and overall earnings quality.



The divergence between revenue stability and declining profitability underscores a structural shift in Tesla's earnings profile. Whereas previous growth phases were characterized by expanding margins and operating leverage, the current environment is marked by heightened price sensitivity and reduced margin headroom. As a result, valuation support increasingly depends not on revenue growth alone, but on Tesla's ability to restore margin discipline and operational efficiency.

Cash flow generation

Tesla's cash flow performance in 2025 reflects resilient operational activity together with continued margin pressure. In the third quarter, revenue reached USD 28.1 billion, representing a 12% year on year increase. Operating cash flow amounted to USD 6.2 billion, while free cash flow totaled USD 4.0 billion for the quarter. Cash, cash equivalents and investments increased to USD 41.6 billion at the end of Q3, rising USD 4.9 billion sequentially and reinforcing the company's strong liquidity position.

Despite solid cash generation, profitability metrics indicate persistent earnings pressure. GAAP operating income in Q3 2025 was USD 1.6 billion, down approximately 40% year on year, resulting in an operating margin of 5.8%. GAAP net income reached USD 1.4 billion, while non GAAP net income totaled USD 1.8 billion, both reflecting significant year on year declines.

The contrast between the operating cash inflows and declining profitability highlights the evolving earnings profile. While record deliveries and energy deployments supported cash generation, pricing adjustments, higher operating expenses and lower regulatory credit contributions continued to weigh on margins. Sustaining delivery volumes while improving cost efficiency remains essential to strengthening cash flow durability.

Balance sheet & liquidity

Tesla maintains a solid balance sheet with a strong liquidity position. As of fiscal year 2025, the company reported total assets of USD 138 billion and total debt of USD 14.7 billion, reflecting a moderate leverage profile relative to its asset base.

While Tesla continues to operate with a structurally sound financial position, the decline in profitability in 2025 has reduced internal earnings capacity compared to prior peak years. The balance sheet provides a degree of downside protection and financial flexibility. However, it does not materially offset ongoing margin pressure or the company's valuation sensitivity to further earnings developments.

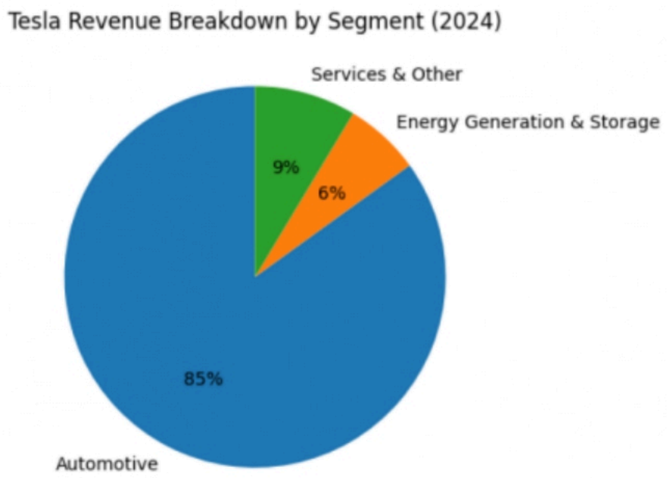
Market Picture

Tesla Inc. operates across several end markets, with differing scale, growth profiles and strategic relevance.

Automotive (vehicles & automotive software)
Tesla's core market remains the automotive industry, the production and sale of electric vehicles, automotive leasing and software related revenues. In 2024, the automotive segment generated approximately USD 78 - 80 billion, accounting for the large majority of total revenues.

Energy generation and storage
Tesla is active in energy storage solutions, including battery storage systems for residential, commercial and utility scale applications, as well as solar related activities. This segment generated approximately USD 6 billion in revenue in 2024, representing a smaller but structurally growing contribution.

Services and other activities
Services include vehicle servicing, used car sales, insurance and other after sales activities. This segment generated approximately USD 8 billion in revenue in 2024, supporting ecosystem development but remaining noncore from a valuation perspective.



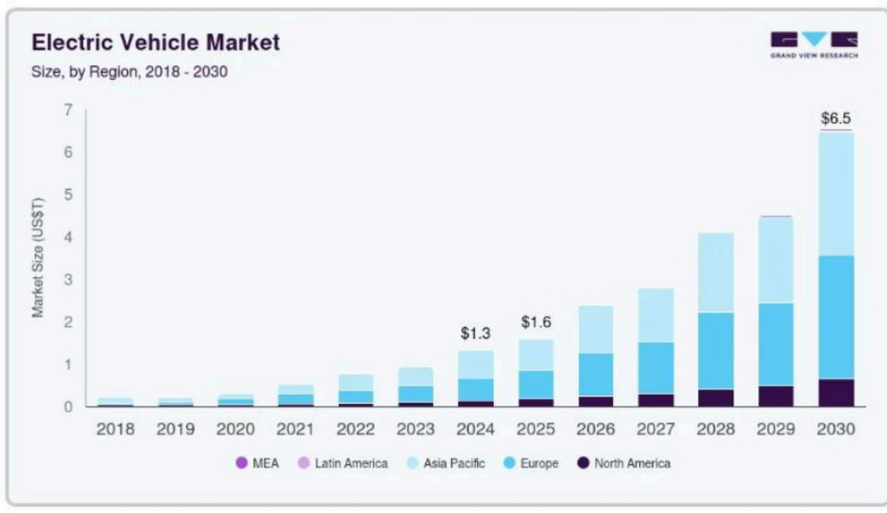
As visible the automotive segment remains Tesla's dominant business in terms of revenue, capital intensity and strategic focus. Consequently, the following market analysis concentrates on the global automotive and electric vehicle market, assessing structural trends and growth dynamics towards 2030.

Market Analyses 2030 EV

For 2030, the global electric vehicle (EV) market is projected to expand dramatically, driven by accelerating adoption, supportive regulation and declining battery costs. According to industry forecasts, the global EV market size is expected to grow from approximately USD 1,328 billion in 2024 to around USD 6,524 billion by 2030, representing a robust compound annual growth rate over the period.

EV penetration as a share of total new car sales is also forecast to increase markedly. The International Energy Agency (IEA) projects that by 2030, electric vehicles could account for more than 40 percent of global new vehicle sales, reflecting the accelerating shift away from internal combustion engine vehicles. IEA

These trends underpin the long term growth potential of the automotive industry's electrification segment, highlighting the structural opportunity, and competitive stakes as traditional and new entrant OEMs vie for leadership in a rapidly evolving market.



Source: grandviewresearch.com

Implications for Tesla
The projected expansion of the global EV market towards 2030 confirms that Tesla continues to operate within a growing market. Rising EV penetration rates and increasing total market value provide long term demand support for electric vehicles, reinforcing the strategic relevance of scale, technology and cost efficiency.

However, strong market growth does not automatically translate into superior returns for individual manufacturers. As the EV market matures, growth is increasingly accompanied by intensifying competition, pricing pressure and margin normalization.

For Tesla, this implies that future performance will be less driven by market expansion alone and more dependent on its ability to defend market share, manage pricing discipline and restore profitability.

Competition

The global electric vehicle market is dominated by a limited number of large scale manufacturers, with market share concentrating around players that combine volume, cost efficiency and vertical integration. Based on global battery electric vehicle (BEV) sales, the competitive landscape is led by a small group of manufacturers:

- **BYD:** approximately 22-23% global BEV market share.
- **Tesla:** approximately 17-18% global BEV market share.
- **SAIC Motor:** approximately 6-7%.
- **Volkswagen Group**: approximately 5-6%.
- **Geely:** approximately 5-6%

Together, these manufacturers represent close to 60% of global BEV sales, highlighting a market that is consolidating around scale driven competitors. While Tesla remains one of the leading global EV brands, competitive pressure has intensified as Chinese manufacturers expand rapidly, supported by cost advantages, broad product portfolios and strong domestic demand.

BYD overtakes Tesla in global EV sales

A shift in the global EV landscape reported last week, Chinese automaker BYD surpassed Tesla as the world's largest seller of battery electric vehicles (BEVs) for the full year 2025. BYD delivered an estimated 2.25 - 2.26 million BEVs globally last year, representing nearly 28% year on year growth, while Tesla's BEV deliveries were approximately 1.64 million units, exhibiting an 8 - 9% decline from the prior year. This milestone marked the first time Tesla has been overtaken on an annual basis in pure EV sales, underscoring intensifying competitive pressures, strong demand for lower-priced EVs from Chinese OEMs and strategic gains in Europe and Asia for BYD.
(source: financial times)

Financials of competitors

The table below provides an overview of revenue, cash position and operating margins of the major global EV manufacturers. This comparison is intended to assess relative scale, financial strength and profitability across key competitors, forming the basis for a deeper analysis of competitive positioning within the global electric vehicle market.

Company	Revenue (USD bn)	Cash & Equivalents (USD bn)	Operating Margin
BYD	85	25	6-7%
Tesla	98	42	6%
SAIC Motor	110	50	3-4%
Volkswagen Group	350	40	7-8%
Geely	75	30	4-5%

Source: Company reports, analyst estimates

Conclusion on competitors

The competitive landscape in the global EV market has shifted in recent years. While Tesla remains one of the leading global players, competition has intensified, particularly from large Chinese manufacturers that combine scale, cost efficiency and rapid product cycles. The overtaking of Tesla by BYD in global EV sales volumes underscores a broader trend towards volume driven competition, pricing pressure and margin normalization across the industry.

While legacy automakers continue to expand their EV portfolios, Chinese OEMs have emerged as structurally strong competitors, challenging Tesla's historical leadership in both growth and profitability.

Unique selling point Tesla

Tesla continues to differentiate itself through a combination of technology, integration and brand positioning. The company remains a leader in electric vehicle engineering, offering long driving ranges, high performance models and a globally recognized premium brand. Tesla's Full Self Driving (FSD) software is among the most advanced driver assistance systems currently available, providing a strategic advantage in the development of autonomous driving capabilities.

A key structural strength lies in Tesla's high degree of vertical integration. Unlike traditional automakers, Tesla controls large parts of its value chain, including battery development, powertrain technology, software and manufacturing processes. This integration supports operational efficiency and, historically, superior margins. Beyond automotive, Tesla is expanding its footprint in energy storage, solar solutions and AI driven robotics, reinforcing its positioning as a technology driven platform rather than a pure car manufacturer.

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Key drivers of the share price

The share price of Tesla Inc. is influenced by a set of fundamental, macroeconomic and sentiment driven factors that extend beyond company specific financial performance. While earnings growth and margins remain core valuation drivers, external developments increasingly shape investor perception and short term price dynamics.

Regional demand trends play a growing role in Tesla's share price performance. In Europe, consumer sentiment towards Tesla has softened due to competition, changing subsidy regimes and, in some markets, a shift in brand perception. Slowing order momentum or market share erosion in key European countries can have a impact on investor confidence, given Europe's importance as a growth region outside the United States. Similarly, developments in China, including local competition and regulatory dynamics remain a critical swing factor for volumes and margins.

Geopolitical tensions also represent a risk to Tesla's valuation. Trade frictions between the United States, China and Europe, potential tariff adjustments and broader geopolitical instability can disrupt supply chains, affect production economics and influence cross border demand. In addition, political uncertainty around industrial policy, EV subsidies and environmental regulation directly affects the long term outlook for electric vehicle adoption.



As a growth stock with a large retail investor base, Tesla often exhibits amplified price reactions during periods of elevated market volatility, rising interest rates or shifts in risk appetite. Expectations around technological leadership, autonomous driving progress and future innovation also contribute to sentiment driven valuation swings, even in the absence of near term financial impact.

Taken together, Tesla's share price reflects a combination of fundamental execution, regional demand developments, geopolitical risks and market sentiment. These factors can drive significant short-term volatility, making technical indicators an important complementary tool for assessing price trends and potential inflection points.

Technical chart analyses

Current technical indicators suggest that Tesla's share price has entered a late stage consolidation following an extended upward move. While the broader medium term structure remains constructive, momentum indicators reflect moderation, reducing the probability of an immediate upside breakout. The technical setup supports a neutral positioning rather than an aggressive directional bias.



(source: Investing.com)

Price Trend:
Tesla's share price remains elevated within its uptrend but has recently struggled to sustain higher highs. After the strong advance into the 450 - 480 area earlier in the cycle, price action has shifted into a more rangebound structure, with lower short term highs forming near resistance. Current levels around USD 410 - 415 indicate stabilization rather than renewed momentum. This is consistent with consolidation within a mature trend, where upside potential appears limited without a clear catalyst.

RSI (Relative Strength Index):
The RSI is positioned in the low 60s, below overbought peaks and trending sideways to slightly lower. This suggests fading upside momentum rather than renewed strength. The absence of extreme readings reflects a balanced technical environment, but the inability to reenter overbought territory signals reduced buying pressure. From a positioning standpoint, RSI dynamics support a neutral outlook rather than a momentum driven continuation.

MACD (Moving Average Convergence Divergence):
The MACD has turned modestly negative, with the signal lines converging and the histogram printing below the zero line. This reflects slowing momentum and the absence of strong directional conviction. While not indicative of a sharp reversal, the current MACD structure suggests limited short term upside acceleration and reinforces the view of consolidation within a broader range.

Volume Analysis:
Recent trading volumes in Tesla have moderated following earlier elevated activity. The absence of strong volume expansion on recent price movements suggests reduced directional conviction, consistent with a consolidation phase rather than the start of a renewed breakout or a broader reversal.

Short-Term Forecast:

Upside potential: 20% probability
A renewed upside move would require a strong breakout above the recent resistance zone. While broader market support and stabilizing sentiment could improve momentum, current technical indicators do not yet signal strong upside acceleration. Any advance is therefore likely to be gradual rather than impulsive.

Downside risk: 20% probability
A pullback remains plausible if macroeconomic uncertainty intensifies or earnings expectations deteriorate further. With momentum indicators moderating and price trading below recent highs, a retracement toward established support levels cannot be excluded. However, absent a material negative catalyst, structural downside risk appears contained.

Sideways movement: 60% probability
The most likely scenario over the next 4 - 6 weeks is continued consolidation within the current range. Volume moderation and weakening momentum indicators suggest equilibrium between buyers and sellers. This environment supports a neutral outlook, with limited directional conviction in the near term.

Conclusion:
Tesla's medium term trend structure remains intact, but short term momentum has softened. Current technical conditions point toward consolidation and balanced risk distribution rather than immediate directional continuation. A decisive breakout above resistance or breakdown below support will be required to establish the next sustained trend phase.

Conclusion on Tesla

Based on our analysis, we adopt a balanced medium term stance on Tesla's share price outlook. While the company maintains a strong strategic position within the global EV market, near term revenue momentum and margin development remain under pressure amid intensifying competition and softer demand conditions in key regions. Although Tesla benefits from scale advantages, technological capabilities and a solid balance sheet, earnings visibility has declined compared to prior peak periods.

From a technical perspective, the share price is currently consolidating following a strong prior rally, with key support observed around USD 400 per share. Momentum indicators suggest moderation rather than acceleration, and the risk reward profile appears more evenly distributed at current levels. The consolidation phase reflects market reassessment rather than renewed upside conviction.

Based on the combined fundamental, market and technical analysis, we arrive at the following investment view.

Action:	Hold
Price at 18-02:	412,20
Target:	426.86

Our assessment incorporates financial performance, market dynamics, competitive developments and technical indicators. While Tesla retains strong long term strategic positioning, periods of price correction are expected and should be viewed as potential buying opportunities within the broader upward trend.

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