

# Tesla Inc

07:11 31 Dec 2020

## Tesla Inc: Elon Musk, the Boring Company and his journey to centre of the earth (or beneath the streets of Las Vegas, at least)

Tesla Inc (NASDAQ:TSLA) joined Wall Street's prestigious S&P 500 index on December 21 as its sixth-largest member, becoming the latest tech inductee alongside the likes of Amazon, Apple and Facebook..

Here in the final instalment after parts **one** and **two** of this short preview series, our chief feature writer Oli Haill takes a closer look at Elon Musk's other business enterprises.

### Does he have the energy?

Tesla's automotive arm dominates but its energy business, which encompasses solar energy and battery storage, is not doing too badly and the company is preparing to step up its move into the UK energy market in 2021, having reportedly filed an application for a British electricity provider licence not long ago.

It is already making significant contributions to UK renewable energy projects, but by entering the UK domestic energy market, the company is likely to follow the model it has used in Australia. This involves supporting the grid with its battery technology and its Autobidder energy management software. This set-up means it sits between energy producers and households, allowing people to switch their energy tariffs automatically onto the cheapest renewable source, based on the market price. This sort of localised power setup is just the ticket for the new regulatory regime, according to Ofgem's latest declaration.

In the third quarter of 2020, the company, which sells varying sizes of domestic and industrial battery, from the wall-mounted Powerwall up to the Powerpack and Megapack, shipped 759 megawatt-hours worth of batteries, an 81% increase from the second quarter.

### READ PART I OF THE SERIES: A new year for Tesla but the same old shorts for Elon?

In the past year, Tesla also unveiled a project for its 'solar roof' to power a new suburban housing estate in Mississippi, linked to the company's Powerwall batteries and other energy-efficient equipment and appliances. Construction is scheduled to begin in early 2021.

The energy piece could eventually be worth \$500bn alone, Goldman Sachs reckons, based on extrapolating Tesla's North American opportunity to the rest of the world, based on selling 5mln solar roofs and Powerwalls a year - even though 5mln rooves would represent the entire annual US replacement market plus new homes.

### Musk's SpaceX will also be busy

Away from Tesla, finally, and Elon Musk privately-owned aerospace business, Space Exploration Technologies Corp, or

**Price:** 682.22

**Market Cap:** \$654.83 billion

#### 1 Year Share Price Graph



#### Share Information

**Code:** TSLA

**Listing:** NASDAQ

**52 week High Low**  
900.265 70.102

**Sector:** Manufacturing & engineering

**Website:** www.tesla.com

#### Company Synopsis:

*Tesla Inc. was founded in 2003 by a group of Silicon Valley engineers who set out to develop a new electric vehicle company. Tesla Inc. uses proprietary technology, world-class design and state-of-the-art manufacturing processes to create a new generation of highway capable electric vehicles. We utilize an innovative distribution model based on company-owned sales and service centers.*

action@proactiveinvestors.com

SpaceX, has been holding talks with investors about new fundraising, after drumming up over US\$2.4bn in 2020 and on track to have completed 25 orbital launches by the end of December.

The rocket company's valuation in August was put at US\$46bn as 75 investors bought shares.

Musk recently said SpaceX could send its first uncrewed spacecraft to Mars by 2022, with astronauts flying to the red planet within the next four to six years. Noting that trips to Mars depend upon a two-year cycle of the planet's orbit lining up with Earth's, he said the next windows were in 2022, 2024 and 2026.

He said he was "highly confident" of SpaceX astronauts flying to Mars in 2026. "If we get lucky, maybe four years. And then we're going to try and send a vehicle there in two years," he said.

Closer to our home planet, there is plenty on the horizon for SpaceX, including the first orbital flight of the fully reusable Starship and several launches of its Falcon 9 rocket in the first quarter alone, including various 'rideshare' missions and to deploy the company's Starlink mini-satellites. Starlink's internet service will begin wide-scale public beta testing in late January or early February 2021.

For October, Musk is even aiming to race a pair of remote-controlled cars on the surface of the Moon, with plans to launch the vehicles aboard a SpaceX Falcon 9 rocket and carried to the moon in a Nova-C lunar lander made by another company called Intuitive Machines.

## **Boring!**

Musk other side-project, the Boring Company, in December was given approval to extend its big tunnel under Las Vegas, known as the Vegas Loop project.

While the Boring Co is focused on its mass-transit Hyperloop idea, the Sin City project is in construction with the aim of, get this, allowing cars to drive underground between various casinos and resorts with The Strip, local sports stadium and local airport. Maybe the traffic there is especially bad.

Next year may bring some more excitement for the Boring team, with permission pending for two major projects: one is a similar tunnel to give baseball fans and concertgoers a short-cut under Los Angeles to the Dodger Stadium from East Hollywood, the other is a proposed Loop autonomous vehicles transport system on the East Coast, connecting downtown Washington DC to Baltimore.

## **...and Musk's wealth**

Musk, who owns around 20% of Tesla shares, in the past year, moved up to second in the Bloomberg Billionaires index, overtaking Microsoft founder Bill Gates.

Although he is spending some of his cash on getting to Mars, Musk's net worth was nearing US\$130bn in early December.

A US\$3.5bn stock option award in October after Tesla met the target of maintaining a six-month average market value of over \$250bn was one of three giant stock option packages that form part of his controversial performance-based compensation plan agreed in 2018.

This 10-year award program could mean Musk is eligible to receive a total of US\$56bn worth of stock options over the period if he meets various lofty goals, including growing and maintaining the company's market cap above US\$650bn by 2028, a level that has already been breached.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.