

Tesla Inc

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Tesla shares dip as RBC lowers price target to \$210, citing Model 3 delivery outlook

Tesla Inc (NASDAQ:TSLA) shares declined Monday after RBC Capital Markets lowered its share price target to \$210 from \$245 on concern that the company will produce fewer Model 3s.

For the first quarter of 2019, RBC analyst Joseph Spak now expects the electric-car maker will produce 52,500 Model 3s, down from the bank's prior outlook of 57,000. The bank lowered its first-quarter production estimate for the Model S/X from 22,500 to 19,200, which is below consensus expectations of 20,700.

Shares of Tesla declined 1.3% to \$261.14 in Monday's early-afternoon trading as RBC reiterated an Underperform rating.

READ: Tesla Inc shares headed towards vital \$250 mark, but they've been there before

RBC's Model 3 gross-margin forecast for 2019 is now 17%, down from the prior 19.5%.

For 2019, RBC forecasts 261,000 Model 3s, down from its prior estimate of 268,000. RBC's 2020 outlook of 347,500 remains unchanged.

RBC expects Tesla will report on first-quarter deliveries in early April.

"We see muted growth over the next few years as 2019 and 2020 revenue are likely to be below the fourth-quarter of 2018 run-rate," Spak wrote in a research note. "The back-and-forth on strategy as well as potential legal overhangs are also impediments for incremental buyers of the stock."

The Securities and Exchange Commission has said Tesla CEO Elon Musk's tweets on projected production violated an October settlement.

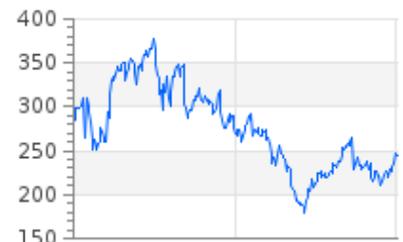
-Updates share prices-

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Price: \$245.20

Market Cap: \$43.92 billion

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: TSLA

Listing: NASDAQ

| 52 week | High | Low |
|---------|--------|-----|
| | 379.47 | 177 |

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.

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