



# EV Market Leaders

Driven by premium analytics and hedge fund actions

Stocks, ETFs, Structured Products, Call Options  
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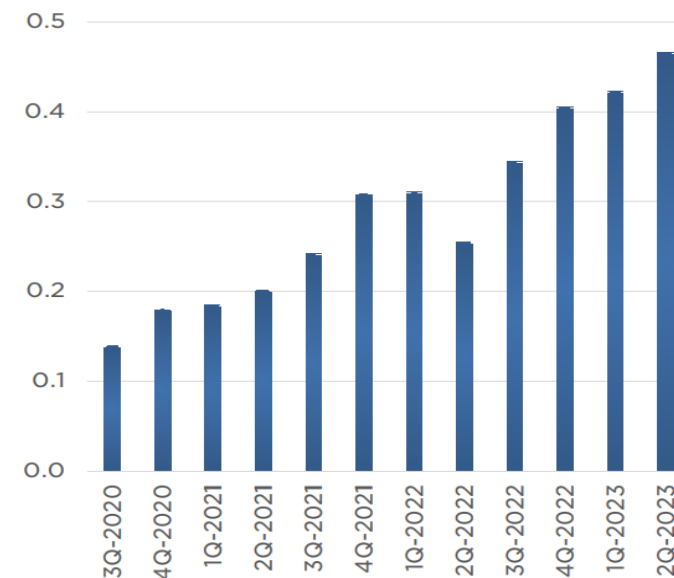


# EV market leaders

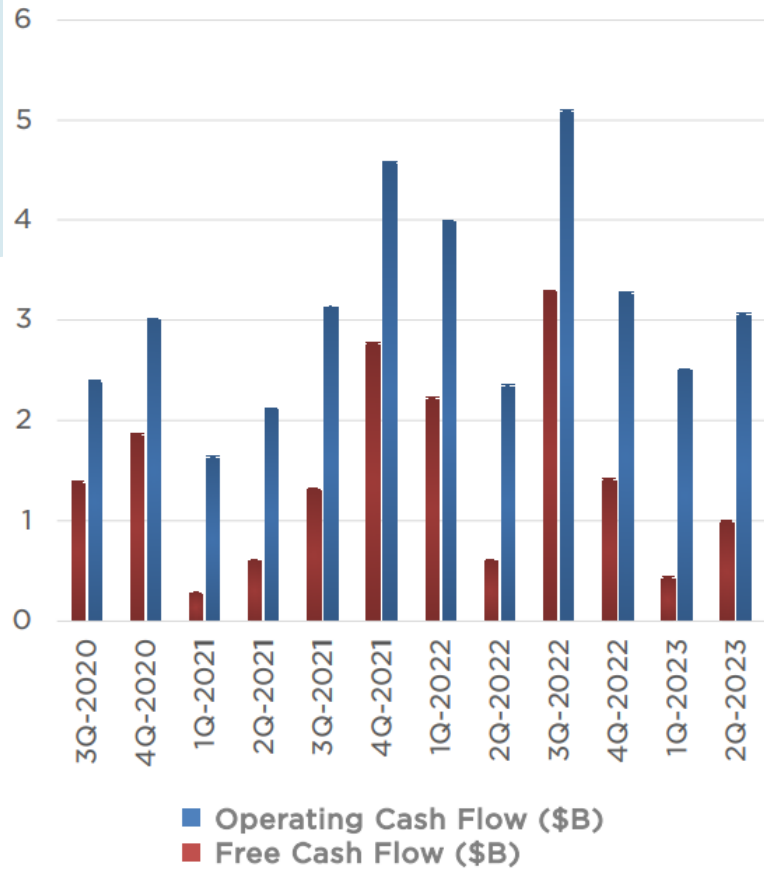
As on Aug 31, 2023

Stock	Last Price	Mcap (\$ bn)	P/E 2024E	EPS 2023 E	EPS 2024 E	Liquid cash (\$ bn)	Consensus rating	Target price
Tesla	\$258	819	55x	3.44	4.72	23.1	Hold	xxxx
BYD ADR	\$63	92	19x	2.49	3.42		Strong Buy	xxxx

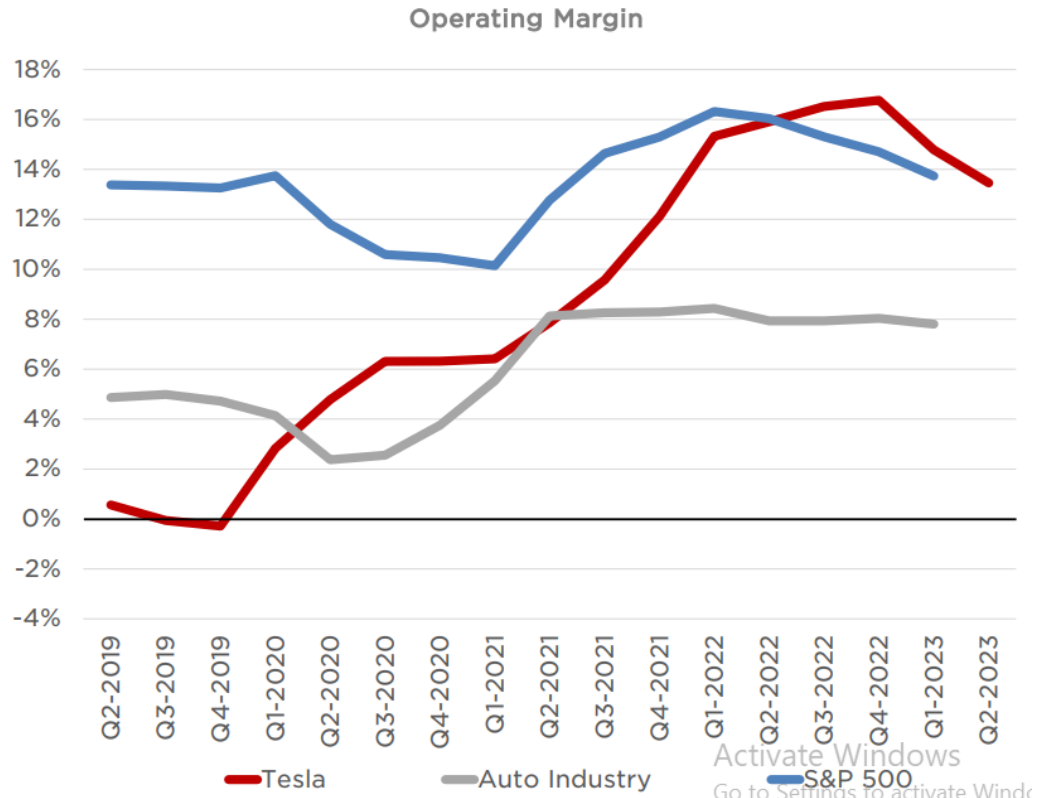
- Tesla’s sales volume is expected to increase 42% in 2023 and 24% in 2024 led by increased production of vehicles from its new factories in US and Germany. Tesla’s Model Y and Model 3 are the two bestselling EVs in the U.S. and bookings for its to-be-launched Cybertruck is robust at around 1.7 M units
- Revenue is expected to grow 24% in 2023 and 32% in 2024 driven by volume growth. Operating margin remains healthy at around 10% in Q2 2023 despite price cuts in H1 2023 owing to cost reduction, volume ramp up and strong performance of energy and other divisions.
- Free cash flow remains healthy providing enough liquidity to expand production capacity while debt is negligible.



Source: Tesla  
Vehicle Deliveries (millions of units)



Source: Tesla



Source: Tesla

# BYD – China's NEV leader

- **BYD reported a strong 66% YoY sales growth in H12023 while gross profit surged 75% YoY. Tesla reported a 35% YoY growth in sales in the corresponding period while gross profit declined 7% YoY on price cuts. BYD currently commands a 33.5% share in China's NEV market (New energy vehicles)**
- **In comparison, global BEV (Battery electric vehicles) sales grew 33% YoY. China reported a 43% YoY growth in NEV, which includes BEV and plug-in hybrids.**
- **Globally, Tesla has a 22% market share and BYD has around 16% market share in BEV as per the latest figures**
- **BYD's rising market share and a better product mix is expected to help its EPS grow at 30% CAGR in EPS during 2023-25. The stock currently trades at an attractive P/E multiple of 19x its 2024 EPS, given its high earnings growth.**

# Tesla as a portfolio holding

Stock	ETFs	Structured Products
Being the market leader by sales as well as the lowest cost producer of EVs, Tesla is a high-quality stock suitable for moderate to aggressive investors.	How to position in an ETF having a concentrated position in Tesla ?	How to position in a <b>listed</b> structured product having Tesla stock as an underlying component ?
How to position in Tesla stock ?	There are four ETFs having more than a 14% allocation in Tesla	<b>1. 15% p.a. barrier type structure on Tesla</b>
<b>Time horizon: 1-2 years</b>	<b>Time horizon: 1-2 years</b>	<b>Time horizon: 1 year</b>
Portfolio weight: Maximum 5%	Portfolio weight: Maximum 10%	Portfolio weight: Maximum 5%
Capital allocation: Invest x % at price P1	Capital allocation: Invest x % at price , P1	Coupon remaining: 14% (not callable) Max capital gain: 1%
Invest xx% of your allocation at price P2.	Invest xx% of your ETF allocation at price P2.	<b>Max return: 17% p.a.</b> Buffer: 46% Liquidity: Good

# BYD as a portfolio holding

Stock	ETFs
BYD continues to expand its market share in China's NEV while gross margin is also holding steady despite high competition. Its stock likely to outperform its automobile peers in the market	How to position in an ETF having a concentrated position in BYD ?
How to position in BYD stock ? The stock is listed in Hong Kong and in the US OTC market	There are three passive ETFs having more than a 3% allocation
<b>Time horizon: 1-2 years</b>	<b>Time horizon: 1-2 years</b>
Portfolio weight: Maximum 5%	Portfolio weight: Maximum 10%
Capital allocation: Invest x % at price P1  Invest xx% of your allocation at price P2.	Capital allocation: Invest x % at price P1  Invest xx% of your allocation at price P2.

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