Tesla: 12-Month Operating & Financial Outlook

Guidance Risk Drivers & Key Assumptions | April 2026

Financial Baseline & 2026 Consensus

Metric	FY 2025 Actual	2026E Consensus	Signal
Revenue	$94.8B (−3% YoY)	~$105B (+11%)	Recovery expected
GAAP Gross Margin	20.1% (Q4'25 peak)	~17.2% FY target	Margin at risk from CapEx
EPS (GAAP)	$1.09 FY'25	$1.43E (+31%)	Misses 4 straight Qs
Vehicle Deliveries	1.64M (−8.6% YoY)	~1.69M consensus	Q1'26 miss: 358K vs 366K
Energy Storage	46.7 GWh (+49% YoY)	High growth expected	Q1'26 miss: 8.8 vs 14.4 GWh
Free Cash Flow	$1.4B (Q4'25)	~$2.9B FY'26E	CapEx jump to >$20B

Key context: Tesla missed consensus on both deliveries and energy storage in Q1 2026. Production-to-delivery gap of 50K+ vehicles signals deepening inventory build. Q1 2026 earnings (April 22) will be pivotal for margin trajectory and demand visibility.

Key Catalysts & Guidance Risk Drivers

UPSIDE CATALYSTS

Cybercab Production Ramp

- Production began April 2026 at Giga Texas; first unit rolled off in Feb 2026
- Target: sub-$30K price, <$0.20/mile opex; volume ramp Q3-Q4 2026

Energy Storage Momentum

- FY'25 energy rev $12.8B (+27% YoY); Megapack 3 & Houston Megafactory scaling

FSD & Robotaxi Expansion

- 1.1M FSD subscribers (+38% YoY); unsupervised rides active in Austin; expansion to 7 cities planned H1'26

Margin Recovery

- Q4'25 gross margin hit 20.1% (2-yr high); auto margin ex-credits recovered to 17.7%

DOWNSIDE RISKS

Demand & Inventory Overhang

- Q1'26: 50K+ vehicles added to inventory; deliveries peaked at 1.81M in 2023 and have declined since
- BYD overtook Tesla as global EV leader; Europe & China share eroding

CapEx & Cash Flow Pressure

- 2026 CapEx guided >$20B (vs $8.5B in 2025); FCF could turn negative if auto sales remain weak

Regulatory & Execution Risk

- Cybercab has no steering wheel; requires FMVSS exemptions for consumer sale in U.S.
- Model S/X discontinued Q2'26; Optimus robot SoP targeted end 2026 but unproven at scale

Valuation & Sentiment

- Forward P/E ~300x; analyst consensus is "Hold"; price targets range $145 to $600

Critical Assumptions & Sources

ASSUMPTIONS THAT MATTER MOST

1. **Auto gross margin ex-credits stays above 15%**
   - A drop below 15% would signal the price war has damaged Tesla's operational foundation
2. **Cybercab reaches volume production by end 2026**
   - Early ramp is "agonizingly slow" per Musk; regulatory approvals not yet secured for consumer sales
3. **FY'26 deliveries reach ~1.69M**
   - Q1 annualized pace (~1.43M) implies significant acceleration needed in Q2-Q4
4. **Energy storage rebounds from Q1 miss**
   - Q1'26 deployed just 8.8 GWh vs 14.2 record in Q4; demand must be confirmed on April 22
5. **>$20B CapEx doesn't erode FCF below zero**

SOURCES

- Tesla Q4 2025 Quarterly Update (ir.tesla.com), Jan 28, 2026
- Tesla Q1 2026 Production, Deliveries & Deployments (ir.tesla.com), Apr 2, 2026
- Tesla Q4 2025 Earnings Call (CNBC), Jan 29, 2026
- Electrek: Tesla Q1 2026 delivery results, Apr 2, 2026
- Barchart / Yahoo Finance: Q1'26 EPS estimates, Apr 6, 2026
- JPMorgan ($145 PT), Wedbush ($600 PT) analyst notes, Apr 2026
- Motley Fool: Tesla Q1 delivery miss coverage, Apr 6, 2026
- Wikipedia: Tesla Cybercab (production timeline)

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