



Deep Dive into Tesla stock (NYSE: TSLA) (Jan-Mar 2025)

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Week 1: Company Introduction

One of the most influential automotive companies of our decade is Tesla Motors, one of the most important car firms of the last ten years. Its electric vehicle manufacture and CEO, Elon Musk, are what people recognize it for the most. Tesla has earned worldwide recognition for producing clean-energy and autonomous vehicles, as well as energy storage systems and solar products. Its lineup of four sleek, high-tech car models, including the Model Y, the world's best-selling car in 2023, has helped the brand appeal to a wide range of consumers.

With Tesla being a moderately accessible car to the general public, this company is reaching target customers that haven't been prioritized in the last decades. Tesla reaches innovative, technologically advanced, and clean energy transition-inclined car buyers. The company is one of the earliest to begin delivering high-performing, fully electric vehicles with early stages of full self-driving and a widespread supercharging network of chargers across the U.S. Tesla is more than just a car company. Its mission is to accelerate the world's transition to sustainable energy, one vehicle at a time.

During the COVID-19 pandemic (an important era to mention for any company), instead of slowing Tesla's growth, it actually fueled investor confidence in early 2020. While traditional automakers were struggling, and even while Tesla was navigating how to manufacture at a large scale, the company's focus on technology, business-to-consumer sales, and strong production targets convinced investors that it was well-positioned for the future, causing its stock price to skyrocket in March of that year.

Week 2: Key ratios, company evaluation, revenue channels

Tesla's P/E ratio is 200.30, which is approximately six times higher than the industry average, meaning it's valued significantly higher than the market. In 2024, Tesla's net income fell 53% to \$7.1 billion, with a net margin of around 7.3%. This was lower than the market average, which showed they may be less efficient at turning revenue into profit. However, while most of Tesla's revenue comes from selling electric cars, it also comes from energy products such as solar panels and battery storage, as well as from selling regulatory credits to other automakers. In 2024, its energy generation and storage segment grew 67%, generating \$10.1 billion. Overall, Tesla's stock remains highly priced compared to its earnings and sales, meaning it is considered overvalued.

Week 3: Options trade simulation



I began tracking Tesla on January 26, 2025, when its stock was around \$390. In theory, if I had bought a call option, then I would have bought one with a \$400 strike price expiring on February 2, 2025. The premium for this option was \$10 per share, and since one contract covers 100 shares, the total cost would be \$1,000. It turned out that over the next week, Tesla's stock rose, closing at \$404.60 on January 31st. However, selling the option then would yield about \$4.60 per share in intrinsic value, making it a loss, since I paid \$10 per share. However, if the stock climbed to \$411 or higher by expiration, my profit would be \$5 per share, or \$500 total, and if it stayed below \$400, I'd lose the entire investment. This example shows how options can be risky, but also potentially profitable if the stock moves in the right direction.

Week 4: Asset Classes, Beta

Tesla stock (NYSE: TSLA) has made many individuals a lot of money, but long-term investors should focus on diversifying their investments to ensure long-term success.

For example, retail investors seeking to diversify beyond stocks can explore alternative asset classes such as real estate, commodities, and mutual funds. Real estate investments can be made through publicly traded Real Estate Investment Trusts (REITs), available via brokerage accounts, or through crowdfunding platforms that merge investor funds for specific projects. In terms of investing, a beta usually shows how much a stock's price moves compared to the overall market and tells investors the level of risk they are taking on. A higher beta means the stock is more volatile and carries more risk (Kenton). Public REITs generally have a beta near 1, while private real estate tends to have lower beta values due to weaker correlation with the stock market.

Commodities like gold, oil, and agricultural products can be accessed through commodity ETFs (Exchange Traded Funds) or higher-risk futures contracts, which require margin accounts. Commodities often have low or negative beta values, making them valuable for diversification.

Mutual funds are available through brokers, banks, or fund providers that pool together investor capital to buy diversified portfolios whose beta depends on what they hold.

Equity-based funds often stay close to 1, while bond or balanced funds usually come in lower.

Understanding these beta levels helps investors measure volatility and shape portfolios for stronger risk-adjusted returns.

Week 5: Conclusion

Overall, Tesla shows how technology, innovation, and sustainability can work together to make a real difference. From its electric cars and energy products to its presence in the stock market, the company has made an impact on both its average customer and investors. Even though its stock can be risky and controversial, there's no denying that Tesla has grown and become successful since it debuted on the New York Stock Exchange in 2010.

References:

<https://www.cnbc.com/quotes/TSLA>



Kenton, Will. "What Beta Means for Investors." *Investopedia*, Investopedia, www.investopedia.com/terms/b/beta.asp. Accessed 21 Sept. 2025.