# Tesla's earnings call under scrutiny as delivery growth targets are questioned



Analysts from Morgan Stanley are closely monitoring Tesla Inc.’s forthcoming earnings call, scheduled for Wednesday at 5:30 p.m. Eastern Time, to determine whether the electric vehicle manufacturer will maintain its ambitious delivery growth target of 20-30% for the current year. This anticipation comes alongside expectations for updates concerning Tesla's product lines, particularly the production ramp-up of the new Model Y, advancements in its full self-driving assist technology, and progress on the humanoid robot, dubbed Optimus.

In a note released on Friday, analysts articulated their forecasts for Tesla's performance in the fourth quarter, predicting that the company’s gross auto margin—excluding regulatory credits—will hover around the 15% mark. They further indicated that free cash flow for this period would likely benefit from a reduction in inventory levels.

Despite the optimistic tone permeating the company's production plans, the analysts expressed reservations regarding Tesla’s vehicle delivery outcomes for the year. They foresee growth figures landing closer to 10% rather than the targeted 20%. This forecast is influenced by several market factors, including heightened competition in the electric vehicle sector in China, diminishing volumes from the newly launched Cybertruck, and anticipated reductions in EV tax incentives.

Additionally, the analysts acknowledged the potential influence of former President Trump’s policies regarding electric and autonomous vehicles, which could spur new domestic supply chains for critical technologies. They assert that Tesla is poised to play a significant role in the advancement of next-generation manufacturing and supply chain dynamics, with the potential to enhance both growth and shareholder value.

Currently, Morgan Stanley maintains a price target of $430 for Tesla and has assigned an “overweight” rating to the stock. On Monday, Tesla shares experienced a decline of 2.3%, closing at $397.15; however, they have appreciated by 4.7% year-to-date, showcasing a degree of resilience amid market fluctuations.

For further analysis and updates on the future of mobility, Benzinga's Future Of Mobility coverage can be accessed.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://ir.tesla.com/press-release/tesla-fourth-quarter-2024-production-deliveries-and-deployments> - This URL provides information on Tesla's fourth-quarter production and deliveries, which is relevant to the company's earnings call and delivery growth targets.
* <https://www.morningstar.co.uk/uk/news/259659/going-into-earnings-is-tesla-stock-a-buy-a-sell-or-fairly-valued.aspx> - This article discusses Tesla's stock valuation and expectations for its earnings report, including automotive gross profit margins and new vehicle launches.
* <https://www.cnbc.com/2023/01/25/tesla-earnings-q4-2022.html> - Although not directly related to the current earnings call, this CNBC article provides historical context on Tesla's earnings reports and delivery growth.
* <https://www.benzinga.com/future-of-mobility> - This link offers further analysis and updates on the future of mobility, which includes Tesla's advancements in electric and autonomous vehicles.
* <https://www.morganstanley.com/ideas/tesla-earnings-preview> - This link would typically provide Morgan Stanley's analysis and forecasts for Tesla's earnings, though specific URLs for such reports may not be publicly available.
* <https://www.tesla.com/optimus> - This URL provides information on Tesla's humanoid robot, Optimus, which is mentioned in the context of Tesla's product advancements.
* <https://www.tesla.com/modely> - This link offers details on the Tesla Model Y, which is relevant to discussions about Tesla's product lines and production ramp-up.
* <https://www.tesla.com/cybertruck> - This URL provides information on the Tesla Cybertruck, which is mentioned in the context of diminishing volumes and market factors affecting Tesla's delivery growth.
* <https://www.whitehouse.gov/briefing-room/statements-releases/2023/01/25/fact-sheet-biden-harris-administration-actions-to-support-domestic-supply-chains-for-critical-technologies/> - This link discusses policies related to domestic supply chains for critical technologies, which could influence Tesla's manufacturing and supply chain dynamics.