

## Tesla Stock Is the Cheapest Ever After This Year's 52% Slump

- Tesla trades at 30 times forward earnings, its lowest level
- Stock could drop to \$150 before becoming attractive: Maley

By Subrat Patnaik

(Bloomberg) --

Tesla Inc. shares are trading at their cheapest-ever level, as the electric-car maker's stock slumps more than 50% this year.

Chief Executive Elon Musk's focus on his recent acquisition of Twitter is among a few headwinds the stock faces, with some bears saying that the world's most valuable automaker should see more declines.

Tesla is now trading at 30 times projected earnings, its lowest ever, and well above the benchmark S&P 500 Index's 17 times forecast earnings. Meanwhile, the company is grappling with a broad array of challenges, including the risks from its billionaire CEO's association with Twitter to falling demand in China, the world's largest car market.

"My biggest concern is the slowdown they're seeing in China," Matt Maley, chief market strategist at Miller Tabak + Co. said, adding that "as long as Elon Musk is spending a lot of time with Twitter, it's going to keep a lid on the stock."

Bloomberg News reported Friday that Tesla plans to suspend output in stages at its Shanghai electric car factory from the end of the month until as long as early January, amid production line upgrades and slowing consumer demand.

Meanwhile, Twitter is more than a distraction. Musk's bankers are considering replacing some of the high-interest debt he layered on Twitter with new margin loans backed by Tesla, people with knowledge of the matter told Bloomberg.

The reopening in China might help investor sentiment, said Maley, although sales there remain a concern. "Between the issues with Twitter and the slowdown in demand, Tesla could fall as low as \$150 before it becomes attractive to most investors," he said.

Tesla shares were up 3.6% at about \$173, rising along with fellow tech and EV stocks on Tuesday, as China removes more Covid Zero restrictions and data on consumer prices rose less than expected in November.

(Updates to market open.)

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