

**UNIVERSIDAD DEL ROSARIO**



**Acquisition of Tesla Inc by Apple Inc**

**Final Project: International Master in Finance (2019-2020)**

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## 1. Appendix

### A. TESLA'S FINANCIAL STATEMENTS

TESLA INCOME STATEMENT					
	2019	2018	2017	2016	2015
Revenue from Business Activities - Total	24,578	21,461	11,759	7,000.1	4,046.0
Cost of Operating Revenue	20,509	17,419	9,536.3	5,400.9	3,122.5
<b>Gross Profit - Industrials/Property - Total</b>	<b>4,069.0</b>	<b>4,042.0</b>	<b>2,222.5</b>	<b>1,599.3</b>	<b>923.5</b>
Selling, General & Administrative Expenses - Total	3,989.0	4,294.9	3,854.6	2,266.6	1,640.1
<b>Operating Expenses - Total</b>	<b>24,498</b>	<b>21,714</b>	<b>13,391</b>	<b>7,667.5</b>	<b>4,762.7</b>
<b>Operating Profit before Non-Recurring Income/(Expense)</b>	<b>80.00</b>	<b>-252.8</b>	<b>-1,632.1</b>	<b>-667.3</b>	<b>-716.6</b>
<b>Non-Operating Expenses</b>					
Financing Income/(Expense) - Net - Total	-641.0	-637.0	-399.3	-164.2	-117.3
Other Non-Operating Income/(Expense) - Total	45.00	20.37	-177.7	85.17	-41.65
<b>Non-Recurring Income/Expense</b>					
Non-Recurring Income/(Expense) - Total	-149.0	-135.2			
<b>Income before Taxes</b>	<b>-665.0</b>	<b>-1,004.8</b>	<b>-2,209.0</b>	<b>-746.4</b>	<b>-875.6</b>
Income Taxes	110.0	57.84	-691.1	26.70	13.04
<b>Net Income after Tax</b>	<b>-775.0</b>	<b>-1,062.6</b>	<b>-1,517.9</b>	<b>-773.1</b>	<b>-888.7</b>
Income before Discontinued Operations & Extraordinary Items	-775.0	-1,062.6	-1,517.9	-773.1	-888.7
Extraordinary Activities - after Tax - Gain/(Loss)			-722.7		
Minority Interest	87.00	-86.49	-279.2	-98.13	
<b>Net income</b>	<b>-862.0</b>	<b>-976.1</b>	<b>-1,961.4</b>	<b>-674.9</b>	<b>-888.7</b>

Million \$USD

TESLA BALANCE SHEET					
	2019	2018	2017	2016	2015
Cash & Short-Term Investments	6,268.0	3,685.6	3,367.9	3,393.2	1,196.9
Loans & Receivables - Net - Short-Term	1,324.0	949.0	515.4	499.1	169.0
Inventories - Total	3,552.0	3,113.5	2,263.5	2,067.5	1,277.8
Prepaid Expenses - Short-Term	713.0	365.7	268.4	194.5	115.7
Other Current Assets - Total	246.0	192.6	155.3	105.5	22.63
<b>Total Current Assets</b>	<b>12,103</b>	<b>8,306.3</b>	<b>6,570.5</b>	<b>6,259.8</b>	<b>2,782.0</b>
Receivables & Loans - Long-Term	393.0	421.6	456.7	506.3	
Property, Plant & Equipment - Net - Total	20,199	19,691	20,492	15,037	5,194.7
Other Non-Current Assets - Total	1,077.0	969.9	714.9	484.9	91.20
Intangible Assets - Total - Net	537.0	350.7	421.7	376.1	
<b>Total Non-Current Assets</b>	<b>22,206</b>	<b>21,433</b>	<b>22,085</b>	<b>16,404</b>	<b>5,285.9</b>
<b>Total Assets</b>	<b>34,309</b>	<b>29,740</b>	<b>28,655</b>	<b>22,664</b>	<b>8,067.9</b>

Trade Accounts Payable & Accruals - Short-Term	6,676.0	4,699.5	3,714.8	2,917.5	1,237.7
Short-Term Debt & Current Portion of Long-Term Debt	1,785.0	2,567.7	896.6	1,150.2	627.9
Income Taxes - Payable - Short-Term		348.7	185.8	152.9	101.2
Other Current Liabilities - Total	2,206.0	2,376.3	2,877.6	1,606.5	844.2
<b>Total Current Liabilities</b>	<b>10,667</b>	<b>9,992.1</b>	<b>7,674.7</b>	<b>5,827.0</b>	<b>2,811.0</b>
Accounts Payable including Accrued Expenses - Long-Term		547.1			
Debt - Long-Term - Total	11,634	9,403.7	9,418.4	5,978.3	2,068.4
Other Non-Current Liabilities - Total	3,898.0	3,483.1	5,930.0	4,953.7	2,104.8
Minority Interest - Non-Equity	643.0	556.0	397.7	367.0	
<b>Total Non-Current Liabilities</b>	<b>16,175</b>	<b>13,990</b>	<b>15,746</b>	<b>11,299</b>	<b>4,173.2</b>
<b>Total Liabilities</b>	<b>26,842</b>	<b>23,982</b>	<b>23,421</b>	<b>17,126</b>	<b>6,984.2</b>
Shareholders' Equity - Attributable to Parent Shareholders - Total	6,618.0	4,923.2	4,237.2	4,752.9	1,083.7
Minority Interest - Equity	849.0	834.4	997.4	785.2	
<b>Total Shareholders' Equity</b>	<b>7,467.0</b>	<b>5,757.6</b>	<b>5,234.6</b>	<b>5,538.1</b>	<b>1,083.7</b>
<b>Total Liabilities &amp; Equity</b>	<b>34,309</b>	<b>29,740</b>	<b>28,655</b>	<b>22,664</b>	<b>8,067.9</b>

Million \$USD

## B. APPLE'S FINANCIAL STATEMENTS

<b>Apple Income Statement</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Revenue from Goods & Services	260,174	265,595	229,234	215,639
Cost of Revenues - Total	161,782	163,756	141,048	131,376
Cost of Revenues - Unclassified	161,782	162,746	140,171	130,607
Labor & Related Expenses including Stock-Based Compensation in Cost of Revenues		1,010.0	877.0	769.0
<b>Gross Profit - Industrials/Property - Total</b>	<b>98,392</b>	<b>101,839</b>	<b>88,186</b>	<b>84,263</b>
Selling, General & Administrative Expenses - Total	34,462	30,941	26,842	24,239
Selling, General & Administrative Expenses - Unclassified	18,245	15,043	13,597	12,642
Labor & Related Expenses including Stock-Based Compensation in Selling, General & Administrative Expenses		1,662.0	1,664.0	1,552.0
Research & Development Expense	16,217	14,236	11,581	10,045
<b>Operating Profit before Non-Recurring Income/(Expense)</b>	<b>63,930</b>	<b>70,898</b>	<b>61,344</b>	<b>60,024</b>
Financing Income/(Expense) - Net - Total	1,385.0	2,446.0	2,878.0	2,543.0
Interest Income - Non-Bank	4,961.0	5,686.0	5,201.0	3,999.0
Interest Expense - Net of Capitalized Interest	3,576.0	3,240.0	2,323.0	1,456.0
Other Non-Operating Income/(Expense) - Total	422.0	-441.0	-133.0	-1,195.0
<b>Income before Taxes</b>	<b>65,737</b>	<b>72,903</b>	<b>64,089</b>	<b>61,372</b>
Income Taxes	10,481	11,857	15,738	15,685
Income Taxes for the Year - Current	10,821	45,962	9,772.0	10,747
Income Taxes - Domestic - Current	6,859.0	41,976	8,101.0	8,642.0
Income Taxes - Foreign - Current	3,962.0	3,986.0	1,671.0	2,105.0
Income Taxes - Deferred	-340.0	-34,105	5,966.0	4,938.0
Income Taxes - Domestic - Deferred	-3,006.0	-35,286	5,982.0	4,905.0
Income Taxes - Foreign - Deferred	2,666.0	1,181.0	-16.00	33.00
<b>Net Income</b>	<b>55,256</b>	<b>61,046</b>	<b>48,351</b>	<b>45,687</b>

Million \$USD

<b>Apple Balance Sheet</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Cash & Cash Equivalents	48,844	25,913	20,289	20,484
Short-Term Investments - Total	51,713	40,388	53,892	46,671
Derivative Financial Instruments - Hedging - Short-Term				1,399.0
Trade Accounts & Trade Notes Receivable - Net	22,926	23,186	17,874	15,754
Receivables - Other - Total	22,878	25,809	17,799	13,545
Inventories - Total	4,106.0	3,956.0	4,855.0	2,132.0
Other Current Assets - Total	12,352	12,087	13,936	6,884.0
<b>Total Current Assets</b>	<b>162,819</b>	<b>131,339</b>	<b>128,645</b>	<b>106,869</b>
Investments - Long-Term	105,341	170,799	194,714	170,430
Property, Plant & Equipment - Net - Total	37,378	41,304	33,783	27,010
Restricted Accounts - Long-Term	1,357.0			
Other Non-Current Assets	31,621			
Intangible Assets - Total - Net				8,620.0
<b>Total Non-Current Assets</b>	<b>175,697</b>	<b>234,386</b>	<b>246,674</b>	<b>214,817</b>
<b>Total Assets</b>	<b>338,516</b>	<b>365,725</b>	<b>375,319</b>	<b>321,686</b>
Trade Accounts Payable & Accruals - Short-Term	46,236	55,888	44,242	58,245
Short-Term Debt & Current Portion of Long-Term Debt	16,240	20,748	18,473	11,605
Derivative Liabilities - Hedging - Short-Term				942.0
Deferred Income - Short-Term	5,522.0	5,966.0	7,548.0	8,080.0
Other Current Liabilities	37,720	33,327	30,551	134.0
<b>Total Current Liabilities</b>	<b>105,718</b>	<b>115,929</b>	<b>100,814</b>	<b>79,006</b>
Debt - Long-Term - Total	91,807	93,735	97,207	75,427
Deferred Tax & Investment Tax Credits - Long-Term			31,504	26,019
Deferred Revenue - Long-Term			2,836.0	2,930.0
Other Non-Current Liabilities	50,503	48,914	8,911.0	10,055
<b>Total Non-Current Liabilities</b>	<b>142,310</b>	<b>142,649</b>	<b>140,458</b>	<b>114,431</b>
<b>Total Liabilities</b>	<b>248,028</b>	<b>258,578</b>	<b>241,272</b>	<b>193,437</b>
Common Equity - Contributed	45,174	40,201	35,867	31,251
Equity - Non-Contributed - Reserves & Retained Earnings	45,314	66,946	98,180	96,998
<b>Total Shareholders' Equity - including Minority Interest &amp; Hybrid Debt</b>	<b>90,488</b>	<b>107,147</b>	<b>134,047</b>	<b>128,249</b>
<b>Total Liabilities &amp; Equity</b>	<b>338,516</b>	<b>365,725</b>	<b>375,319</b>	<b>321,686</b>

Million \$USD

## C. Average Exit Multiples Electric car.

### Average Exit Multiples

Exit Multiple - Average (adjusted); based on removing the top and bottom 2.5% of the original data results.

	Revenue	No.	EBITDA
Exit Multiple - Average	3.8x	<a href="#">13</a>	19.5x
Exit Multiple - Median	2.9x	<a href="#">13</a>	11.8x
Exit Multiple - Average (adjusted)	3.3x	<a href="#">11</a>	14.3x
Share Price Comparitor	1 Month Before	No.	1 Day Before
Av. Premia	20.0%	<a href="#">7</a>	18.6%
Total number of deals:	28	Total value of deals:	USD 120,148m

#### You Searched on the following Criteria:

##### Target Details

<b>Areas</b>	Americas
<b>Regions</b>	North America
<b>Countries</b>	USA
<b>States</b>	Alaska (AK), Alabama (AL), Arkansas (AR), Arizona (AZ), California (CA), Colorado (CO), Connecticut (CT), Dist. C Iowa (IA), Idaho (ID), Illinois (IL), Indiana (IN), Kansas (KS), Kentucky (KY), Louisiana (LA), Massachusetts (MA), I (MO), Mississippi (MS), Montana (MT), North Carolina (NC), North Dakota (ND), Nebraska (NE), New Hampshire (N (NY), Ohio (OH), Oklahoma (OK), Oregon (OR), Pennsylvania (PA), Rhode Island (RI), South Carolina (SC), South D Vermont (VT), Washington (WA), Wisconsin (WI), West Virginia (WV), Wyoming (WY) (Seller excluded in search)

##### Deal Details

<b>Currency</b>	USD
<b>Minimum value in millions</b>	1,000m
<b>Date Range From</b>	01/01/2018
<b>Date Range To</b>	11/04/2020
<b>Date Type</b>	Announcement date (incl lapsed/withdrawn bids)
<b>Deal Type</b>	Acquisition <b>Or</b> Merger
<b>Free Text Search</b>	electric car
<b>Free Text Type</b>	Match all words

## D. Average Exit Multiples Energy Services.

### Average Exit Multiples

Exit Multiple - Average (adjusted); based on removing the top and bottom 2.5% of the original data results.

	Revenue	No.	EBITDA
Exit Multiple - Average	46.8x	30	22.4x
Exit Multiple - Median	3.6x	30	13.3x
Exit Multiple - Average (adjusted)	4.6x	28	14.6x
Share Price Comparator	1 Month Before	No.	1 Day Before
Av. Premia	31.0%	20	34.8%
Total number of deals:	137	Total value of deals:	USD 289,955m

You Searched on the following Criteria:

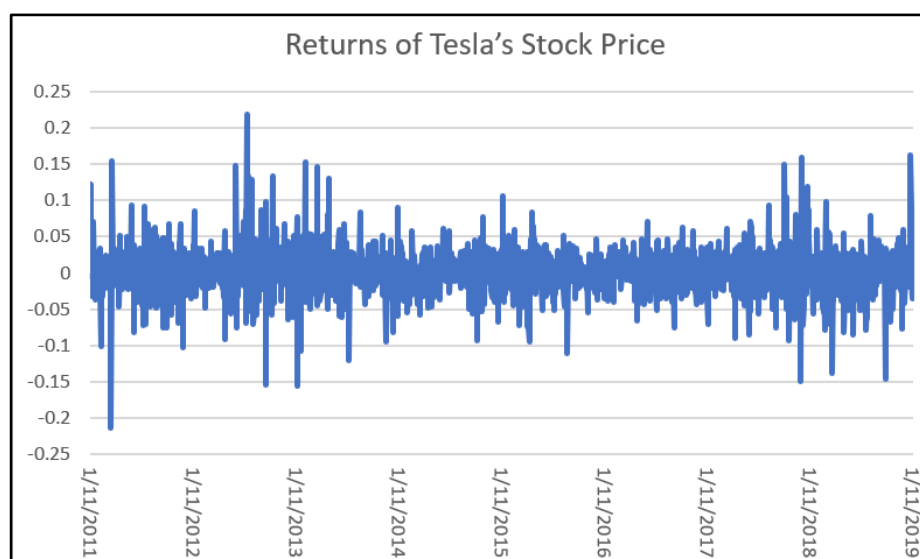
#### Target Details

<b>Industry Sector</b>	Energy
<b>Industry Sub-Sectors</b>	Electrical power generation, Electrical power transmission, Energy conservation related (Seller excluded in search)
<b>Areas</b>	Americas
<b>Regions</b>	North America
<b>Countries</b>	USA
<b>States</b>	Alaska (AK), Alabama (AL), Arkansas (AR), Arizona (AZ), California (CA), Colorado (CO), Connecticut (CT), Dist. C Iowa (IA), Idaho (ID), Illinois (IL), Indiana (IN), Kansas (KS), Kentucky (KY), Louisiana (LA), Massachusetts (MA), J (MO), Mississippi (MS), Montana (MT), North Carolina (NC), North Dakota (ND), Nebraska (NE), New Hampshire (N (NY), Ohio (OH), Oklahoma (OK), Oregon (OR), Pennsylvania (PA), Rhode Island (RI), South Carolina (SC), South D Vermont (VT), Washington (WA), Wisconsin (WI), West Virginia (WV), Wyoming (WY) (Seller excluded in search)

#### Bidder Details

<b>Areas</b>	Americas
<b>Deal Details</b>	
<b>Currency</b>	USD
<b>Minimum value in millions</b>	100m
<b>Date Range From</b>	01/01/2015
<b>Date Range To</b>	03/04/2020

## E. RETURNS OF TESLA'S STOCK PRICE



F. SYNERGIES INCLUDED IN EBIT

Tesla Forecast (USD Millions)					
Synergies included (10% EBIT)					
	2020	2021	2022	2023	2024
EBIT	1,117	2,962	3,873	5,099	6,678
D&A	2,318	2,528	2,902	2,579	2,767
Net Working	1,156	1,133	1,284	-310	-6257
Capex	2,453	3,012	3,043	2,953	3,123
FCF	-617.8	2557	4031	4421	3713
% of FCF /EBIT	-55%	86%	104%	87%	56%
<b>NEW EBIT</b>	<b>1228.7</b>	<b>3258.2</b>	<b>4260.3</b>	<b>5608.9</b>	<b>7345.8</b>
<b>NEW FCF</b>	<b>-556.06</b>	<b>2812.7</b>	<b>4434.1</b>	<b>4863.1</b>	<b>4084.3</b>

G. SYNERGIES INCLUDED IN OPERATING EXPENSES

Tesla Forecast (USD Millions)						
Synergies included (10% reduction on operating expenses)						
	2019	2020	2021	2022	2023	2024
EBIT	80	1,117	2,962	3,873	5,099	6,678
D&A		2,318	2,528	2,902	2,579	2,767
Net Working		1,156	1,133	1,284	-310	-6257
Capex		2,453	3,012	3,043	2,953	3,123
% of FCF /EBIT		-55%	86%	104%	87%	56%
<b>NEW EBIT</b>	<b>2,530</b>	<b>35,325</b>	<b>93,673</b>	<b>122,484</b>	<b>161,256</b>	<b>211,192</b>
FCF		-617.84	2557	4031	4421	3713
GROWTH FCF			514%	58%	10%	-16%
<b>NEW FCF</b>		<b>19,539</b>	<b>119,944</b>	<b>189,086</b>	<b>207,380</b>	<b>174,169</b>
GROWTH EBIT		1296%	165%	31%	32%	31%