

This Is How Tesla Will Die

The vultures are circling the tech giant.



[Will Lockett](#)

It's fair to say that Tesla isn't doing so well. Thanks to an ageing lineup and a ket-fuelled, government-destroying, Nazi-saluting CEO, Tesla sales are plummeting across the entire globe. Their revolutionary 4680 battery has failed to materialise and is now obsolete. Their Cybertruck is such a sales flop that they are already pulling its manufacturing capacity. Thanks to Musk's dogmatic "vision only" approach to self-driving, Tesla FSD is far from being an industry leader and miles away from being functionally safe. As a result, Tesla's Cybercab and self-driving revolution is now all but confirmed as vapourware. Everything that once made Tesla one of the highest-valued companies is falling apart. It looks like Tesla is spiralling towards death. But can such a giant really die? Oh yes, and this is how.

Let's start with the reality of Tesla.

In 2024, Tesla's annual net income was only \$12.6 billion (though some sources put it as low as \$7 billion). The vast majority of this was from their car sales. However, as of the time of writing, Tesla is valued at \$852.43 billion! That means its P/E ratio (a ratio of company value to its net income, used to determine if the company is over or undervalued) is a staggering 67.65!



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Let's compare that to Toyota. They are far larger than Tesla and have far more impactful upcoming EV and self-driving technology than Tesla. Last financial year, their net income was a massive \$29 billion! However, they have a much more realistic value of \$243.56 billion, giving them a P/E ratio of 8.40, which is close to the average for the automotive world.

By comparison, Tesla's value makes no sense. It offers nothing that Toyota doesn't also offer. The only reason Tesla is so stupidly valuable is because it is treated as a speculative meme stock.

But, as we have seen in recent weeks, the reality of Tesla's sales slipping cuts through this speculation and causes mass stock sell-offs. This, in turn, diminishes its ability to be seen as a speculative stock and forces many investors to reevaluate their position based on reality.

So, how much would Tesla be worth if it was valued realistically by the end of 2025?

Currently, its sales are down 45% in the EU and 49% in China, and these numbers are predicted to fall even further. So, let's be generous and say that over the course of this year, Tesla's sales and net income will fall by 45%. Let's also be generous and say that it is valued at the same P/E ratio as Toyota, even

though Toyota is larger, has a bigger cash surplus, better upcoming technology, a stronger market share, etc.

This would give Tesla a net income of \$6.93 billion and a total valuation of \$55.44 billion. That is just 6% of what Tesla is worth at the time of writing, and it has already lost over a third of its value over the past few months. This is not some hypothetical pessimistic projection; it is a realistic valuation based on optimistic numbers for Tesla.

This valuation would be catastrophic for any investors, but it also would be a death knell for Tesla itself.

You see, Tesla's insane valuation over the past few years has enabled the company to take on a ridiculous amount of debt.

As of writing, Tesla has at least \$48.39 billion in debt.

However, Musk has also used his Tesla stock as collateral for SpaceX, Twitter, and Tesla loans. Before he bought Twitter, over half of his shares were collateralised; now, that figure is far, far higher. Again, let's be generous and assume only 70% of his 12.8% stake in Tesla is collateralised in this way, with a third of these loans for Tesla. That would mean Musk has \$71.68 billion in personal loans, with \$23.89 billion for Tesla.

These loans aren't accounted towards the company's liabilities, as they are technically part of the debt owner's—in this case, Musk's—personal liabilities.

In other words, Tesla actually has \$72.28 billion in debt. That is more than the company is realistically worth!

And it gets worse. If a collateralised stock loses too much of its value, the lender can issue a "margin call" and recall the loan. After all, the security for the loan no longer exists. This would happen if Tesla lost 94% of its value, and Musk would have to rustle up all that \$71.68 billion debt.

But how can he pay for that? Twitter is already in negative equity, in that it owes more than it is worth. He could sell his SpaceX shares, valued at roughly \$147 billion, but SpaceX isn't doing so well either, with Starlink being far from breaking even and Starship being a total mess. Not to mention that many of these shares are likely collateralised too. On top of all that, if Musk sold a considerable stake in SpaceX, its value would plummet. It's not guaranteed Musk can pull enough equity out of SpaceX to pay for all of this. It goes without saying that if Tesla were valued properly, it would also be in negative equity.

Musk would have no way of paying for any of this. He would either need to be bailed out by a private investor or let the banks liquidate the assets of these companies. After his bullshittery in the White House and apparent ineptitude at running his companies, do you really think a private investor would want to bail out this mess?

This is how Tesla and Musk's entire empire dies.

Firstly, Tesla sales dramatically drop globally, tanking the stock price.

Then, one of three options occurs: Tesla fails to deliver the Cybercab, Tesla delivers a Cybercab that is wildly dangerous, or a superior competitor beats Tesla to the market, causing the speculative value of Tesla to disappear.

After that, Tesla's value plummets to a realistic level, roughly 94% lower than it is today, putting Tesla into negative equity.

Musk's collateralised loans are called, as lenders worry that their billions of dollars are at stake.

Musk can't pay, and private investors won't raise enough to bail him out.

The banks force liquidation of all of Musk's companies, including Tesla.

How realistic is this prediction? It's hard to say. In our modern, unreal economy, Musk's collateralised loans might not be called if Tesla lost that much value. Moreover, some investors see Musk as a point of control, not a point of profit, so they are happy to back him even if it loses them huge piles of money. The investors might not want to force a liquidation, as they will only get a fraction of their money back. Heck, Trump might even step in and bail out Musk as his cars and rockets are "vital to America." But, even if these factors managed to prevent the total failure of Tesla, the company would have still died. The hope, optimism, and hype it once thrived on will be gone, and because Musk can't make billions from Tesla speculation, he will lose interest and let the company rot.

Either way, this shows that Musk isn't really the wealthiest man on the planet. A single dose of optimistic reality and his entire empire comes crumbling down. The emperor has no clothes. Do you see why he is distracting you? Why he looks so frantic? Musk is terrified of reality because it means the end for him.