Description

1. Critically compare and contrast the financial performance and financial position of the two listed companies

(Daimler and Tesla) over the last FOUR years, (2015 – 2018). This should be done by using the respective tools including ratio analysis, together with vertical and horizontal analysis. The purpose of this task is to identify their financial strengths and weaknesses together with a conclusion highlighting the strongest company based on financial grounds.

2. Critically analyze the cash position of both companies over the same period of time, and write a brief report commenting on your findings.

Daimler and Tesla are today classified as two of the major players in the automotive industry. Your assignment is to carry out a detailed comparison between these two companies as specified below. The following are the links to the mentioned company’s annual reports. These reports include all the required information to complete the tasks 1. Daimler (https://www.daimler.com/downloads/en/) 2. http://ir.tesla.com/financial-information/quarterlyresults)Please use the sharing tools found via the share button at the top or side of articles.

Shareholders at Daimler on Wednesday expressed concern at the threat posed by Silicon Valley companies including Tesla, with one complaining the German group had no alternative to the electric carmaker’s models. Investors’ concerns were given extra credence by last week’s unveiling of the Model 3, Tesla’s mass-market “affordable” car scheduled for delivery late next year. Demand has surged, with almost 300,000 customers paying $1,000 to register to purchase the zero-emissions car. At Daimler’s annual shareholders’ meeting in Berlin, Ingo Speich, portfolio manager at Union Investment, said capital markets were worried that the “fat years” for premium German carmakers could soon be over.

He warned the automobile industry faced “a radical upheaval, driven by attacks from Silicon Valley”. Among other products, Alphabet is developing a self-driving car. Another Daimler shareholder complained to management: “We don’t really have a product for this competition from Tesla. In the long term we have some great vehicles. but they are virtual at this point.” A third shareholder said there was no adequate European competitor to Tesla’s latest model. He asked management: “What is the reason for that?” A fourth questioned whether Daimler, the parent company of Mercedes-Benz, disposed of its shares in Tesla too early. Daimler bought a 9.1 per cent stake in Tesla in May 2009, before it went public, for an estimated $50m. It disposed of its shares in October 2014, netting $780m. This year Tesla shares have risen about 10 per cent. Dieter Zetsche, Daimler’s chief executive, responded by saying the group was at the forefront of new technologies. He pointed out that in 2017 Mercedes will have 10 plug-in hybrid vehicles for sale and pledged to launch an all-electric car with a range of 500km, on a single charge, before the end of the decade. Tesla claims the Model 3 has a range of