



Elon Musk Tesla Compensation Package

Tesla's shareholders approved a 10-year compensation plan for Elon Musk back in 2018. According to the document released by Tesla, Elon Musk could receive options worth up to 12% of the outstanding shares as of 01/21/2018. The compensation plan has 12 steps in total, and Musk would receive 1% for every step met.

There are 2 targets in every step, market capitalization and operations. The operation targets to meet are either revenue **OR** Adjusted EBITDA. If the company performance meets the market cap target and one of the operation targets, Musk would be eligible to receive options that worth 1% of the outstanding shares.

Market Capitalization Targets

Market Cap (Billion USD)

1	2	3	4	5	6	7	8	9	10	11	12
\$100	\$150	\$200	\$250	\$300	\$350	\$400	\$450	\$500	\$550	\$600	\$650

Operations Targets (Revenue or Adjusted EBITDA)

Revenue (Billion USD)

1	2	3	4	5	6	7	8
\$20	\$35	\$55	\$75	\$100	\$125	\$150	\$175

Adjusted EBITDA (Billion USD)

1	2	3	4	5	6	7	8
\$1.5	\$3	\$4.5	\$6	\$8	\$10	\$12	\$14

Tesla's revenue for 2019 is expected to hit 24 billion USD; adjusted EBITDA is also expected to hit \$2 billion USD, so either revenue or adjusted EBITDA could count towards the first step of the compensation plan.

As of 1/14/2020, Tesla's stock price hits \$540, with the 180 million outstanding shares, it would make the market cap \$97.2 billion USD. The first market cap target of \$100 billion is expected to be met when the stock price hits \$555.

By meeting both targets, Musk would be eligible for the first step, which would earn him options equaling 1.7 million shares of stock.