

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): April 26, 2021**

**Tesla, Inc.**

(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-34756  
(Commission  
File Number)

91-2197729  
(I.R.S. Employer  
Identification No.)

**3500 Deer Creek Road  
Palo Alto, California 94304**  
(Address of Principal Executive Offices, and Zip Code)

**(650) 681-5000**  
Registrant's Telephone Number, Including Area Code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	TSLA	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On April 26, 2021, Tesla, Inc. released its financial results for the quarter ended March 31, 2021 by posting its First Quarter 2021 Update on its website. The full text of the update is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information is intended to be furnished under Item 2.02 of Form 8-K, "Results of Operations and Financial Condition" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Tesla, Inc. First Quarter 2021 Update, dated April 26, 2021.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**TESLA, INC.**

By: /s/ Zachary J. Kirkhorn  
**Zachary J. Kirkhorn**  
**Chief Financial**  
**Officer**

Date: April 26, 2021

Exhibit 99.1

Q1 2021 Update

T E S L A

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HIGHLIGHTS

SUMMARY

**Cash** Operating cash flow less capex (free cash flow) of \$293M in Q1  
 Debt and finance lease reduction of \$1.2B in Q1  
 Net cash outflow of \$1.2B related to Bitcoin in Q1  
 In total, \$2.2B decrease in our cash and cash equivalents in Q1 to \$17.1B

**Profitability** \$594M GAAP operating income; 5.7% operating margin in Q1  
 \$438M GAAP net income; \$1.1B non-GAAP net income (ex-SBC<sup>(1)</sup>) in Q1  
 SBC expense of \$614M in Q1

**Operations** Model 3 was the best-selling premium sedan in the world<sup>3</sup>  
 Production ramp of Model Y in Shanghai progressing well  
 Record vehicle production and deliveries in Q1

In Q1, we achieved our highest ever vehicle production and deliveries. This was in spite of multiple challenges, including seasonality, supply chain instability and the transition to the new Model S and Model X. Our GAAP net income reached \$438M, and our non-GAAP net income surpassed \$1B for the first time in our history.

While the ASP<sup>(2)</sup> of our vehicles declined in Q1, our auto gross margin increased sequentially, as our costs decreased even faster. Reducing the average cost of the vehicles we produce is essential to our mission. In 2017, as we began production of Model 3, our average cost per vehicle across the fleet was ~\$84,000. Due to the launch of new products and new factories and the reduced mix of Model S and Model X, our average cost declined to sub-\$38,000 per vehicle in Q1.

About three and a half years into its production, and even without a European factory, Model 3 was the best-selling premium sedan in the world,<sup>3</sup> outselling long-time industry leaders such as the 3 Series and E-Class. This demonstrates that an electric vehicle can be a category leader and outsell its gas-powered counterparts. We believe Model Y can become not just a category leader, but also the best-selling vehicle of any kind globally.

First deliveries of the new Model S should start very shortly, Model Y production rate in Shanghai continues to improve quickly and two new factories – Berlin and Texas – are making progress. There is a lot to be excited about in 2021.

<sup>(1)</sup> SBC = stock-based compensation  
<sup>(2)</sup> ASP = average selling price  
<sup>(3)</sup> Based on most recent comparable publicly available OEM data

FINANCIAL SUMMARY  
(Unaudited)

(\$ in millions, except percentages and per share data)	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021	YoY
Automotive revenues	5,132	5,179	7,611	9,314	9,002	75%
of which regulatory credits	354	428	397	401	518	46%
Automotive gross profit	1,311	1,317	2,105	2,244	2,385	82%
Automotive gross margin	25.5%	25.4%	27.7%	24.1%	26.5%	95 bp
<b>Total revenues</b>	<b>5,985</b>	<b>6,036</b>	<b>8,771</b>	<b>10,744</b>	<b>10,389</b>	<b>74%</b>
<b>Total gross profit</b>	<b>1,234</b>	<b>1,267</b>	<b>2,063</b>	<b>2,066</b>	<b>2,215</b>	<b>79%</b>
<b>Total GAAP gross margin</b>	<b>20.6%</b>	<b>21.0%</b>	<b>23.5%</b>	<b>19.2%</b>	<b>21.3%</b>	<b>70 bp</b>
Operating expenses	951	940	1,254	1,491	1,621	70%
Income from operations	283	327	809	575	594	110%
Operating margin	4.7%	5.4%	9.2%	5.4%	5.7%	99 bp
Net income attributable to common stockholders (GAAP)	16	104	331	270	438	2638%
Net income attributable to common stockholders (non-GAAP)	227	451	874	903	1,052	363%
EPS attributable to common stockholders, diluted (GAAP) <sup>(1)</sup>	0.02	0.10	0.27	0.24	0.39	1850%
EPS attributable to common stockholders, diluted (non-GAAP) <sup>(1)</sup>	0.23	0.44	0.76	0.80	0.93	304%
Adjusted EBITDA	951	1,209	1,807	1,850	1,841	94%
Net cash (used in) provided by operating activities	(440)	964	2,400	3,019	1,641	N/A
Capital expenditures	(455)	(546)	(1,005)	(1,151)	(1,348)	196%
Free cash flow	(895)	418	1,395	1,868	293	N/A
Cash and cash equivalents	8,080	8,615	14,531	19,384	17,141	112%

<sup>(1)</sup> Prior period results have been retroactively adjusted to reflect the five-for-one stock split effected in the form of a stock dividend in August 2020.

4 EPS = Earnings per share

1 = 2 3 4 5

## FINANCIAL SUMMARY

**Revenue** Total revenue grew 74% YoY in Q1. This was primarily achieved through substantial growth in vehicle deliveries, as well as growth in other parts of the business. At the same time, vehicle ASP declined by 13% YoY as Model S and Model X deliveries reduced in Q1 due to the product updates and as lower ASP China-made vehicles became a larger percentage of our mix.

**Profitability** Our operating income improved in Q1 compared to the same period last year to \$594M, resulting in a 5.7% operating margin. This profit level was reached while incurring SBC expense attributable to the 2018 CEO award of \$299M in Q1, driven by an increase in market capitalization and a new operational milestone becoming probable.

Year over year, positive impacts from volume growth, regulatory credit revenue growth, gross margin improvement driven by further product cost reductions and sale of Bitcoin (\$101M positive impact, net of related impairments, in "Restructuring & Other" line) were mainly offset by a lower ASP, increased SBC, additional supply chain costs, R&D investments and other items. Model S and Model X changeover costs negatively impacted both gross profit as well as R&D expenses.

**Cash** Quarter-end cash and cash equivalents decreased to \$17.1B in Q1, driven mainly by a net cash outflow of \$1.2B in cryptocurrency (Bitcoin) purchases, net debt and finance lease repayments of \$1.2B, partially offset by free cash flow of \$293M.

OPERATIONAL SUMMARY  
(Unaudited)

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021	YoY
Model S/X production	15,390	6,326	16,992	16,097	0	-100%
Model 3/Y production	87,282	75,946	128,044	163,660	180,338	107%
<b>Total production</b>	<b>102,672</b>	<b>82,272</b>	<b>145,036</b>	<b>179,757</b>	<b>180,338</b>	<b>76%</b>
Model S/X deliveries	12,230	10,614	15,275	18,966	2,030	-83%
Model 3/Y deliveries	76,266	80,277	124,318	161,701	182,847	140%
<b>Total deliveries</b>	<b>88,496</b>	<b>90,891</b>	<b>139,593</b>	<b>180,667</b>	<b>184,877</b>	<b>109%</b>
of which subject to operating lease accounting	6,104	4,716	10,014	13,636	13,602	123%
Total end of quarter operating lease vehicle count	53,159	54,519	61,638	72,089	83,032	56%
Global vehicle inventory (days of supply) <sup>(1)</sup>	25	17	14	11	8	-68%
Solar deployed (MW)	35	27	57	86	92	163%
Storage deployed (MWh)	260	419	759	1,584	445	71%
Store and service locations	438	446	466	523	561	28%
Mobile service fleet	756	769	780	823	923	22%
Supercharger stations	1,917	2,035	2,181	2,564	2,699	41%
Supercharger connectors	17,007	18,100	19,437	23,277	24,515	44%

<sup>(1)</sup> Days of supply is calculated by dividing new car ending inventory by the relevant quarter's deliveries and using 75 trading days (aligned with Automotive News definition).



VEHICLE CAPACITY

ICE vehicles comprised 97% of cars sold globally in 2020 and 98% of Tesla trade-ins.<sup>1</sup> As more OEMs join our mission by launching EVs, we believe consumer confidence in EVs continues to increase and more customers are willing to make the switch. Our Q1 order rate<sup>2</sup> was the strongest in our history and we are moving as quickly as possible to add more production capacity.

**US: California and Texas**

In Fremont, Model Y production continued to ramp successfully and is approaching full capacity. In Texas, the factory buildout continues to progress quickly, remaining on track to start production and deliveries late this year. We recently began moving equipment into the building and are in the process of commissioning them in certain areas.

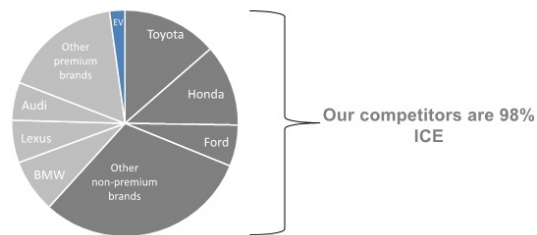
**China: Shanghai**

Model Y ramp in Shanghai is progressing well. We expect that our Shanghai factory will continue to increase quarterly production output through the year. We recently improved our domestic supply sourcing ratio to over 90%. Vehicle exports to Europe and APAC continue to progress as planned.

**Europe: Berlin-Brandenburg**

In Europe, buildout of Gigafactory Berlin is continuing to move forward, with production and deliveries remaining on track for late 2021. Machinery for paint, stamping, castings, etc., continues to be moved into the building. In the meantime, we will continue to increase import volumes to Europe.

What cars do Tesla buyers trade in?<sup>1</sup>



Installed Annual Capacity		Current	Status
California	Model S / Model X	100,000	Production
	Model 3 / Model Y	500,000	Production
Shanghai	Model 3 / Model Y	450,000	Production
Berlin	Model Y	-	Construction
Texas	Model Y	-	Construction
	Cybertruck	-	In development
TBD	Tesla Semi	-	In development
	Roadster	-	In development
	Future Product	-	In development

Installed capacity ≠ Current production rate. Production rate depends on pace of factory ramp, supply chain ramp, downtime related to factory upgrades, national holidays and other factors.

<sup>1</sup> Trade-ins for Model 3 and Model Y in the US over the past 2 years, excluding Tesla trade-ins

<sup>2</sup> Net orders for vehicles in production

**Autopilot and Full Self Driving (FSD)**

Our team continues to focus on the V9 version of FSD City Streets beta, which will soon become more widely available in the United States.

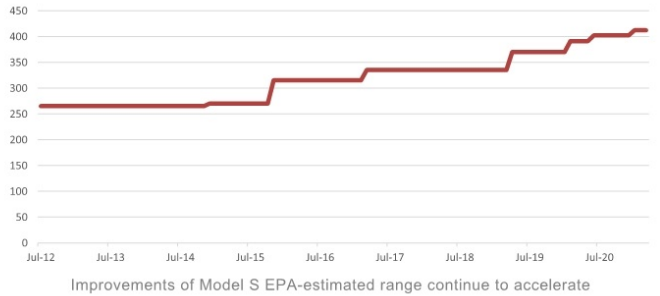
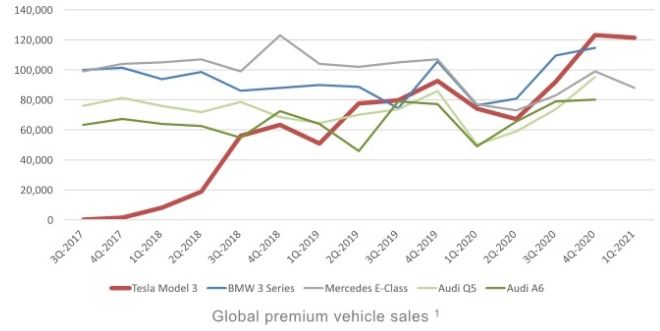
We believe that a vision-only system is ultimately all that is needed for full autonomy. Our AI-based software architecture has been increasingly reliant on cameras, to the point where radar is becoming unnecessary earlier than expected. As a result, our FSD team is fully focused on evolving to a vision-based autonomous system and we are nearly ready to switch the US market to Tesla Vision.

**Vehicle Software**

While over-the-air software updates of maps and infotainment systems are becoming more common, firmware updates remain rare in the automotive industry. In Q1, we were able to navigate through global chip supply shortage issues in part by pivoting extremely quickly to new microcontrollers, while simultaneously developing firmware for new chips made by new suppliers.

**Battery and Powertrain**

The range of our vehicles has increased significantly over the years and will continue to increase thanks to improvements in cell chemistry, cell design, battery pack architecture, powertrain efficiency, new thermal systems and vehicle platform design. Because achieving longer range is essential for converting more ICE vehicle owners to EVs, range improvements remain one of our main priorities.



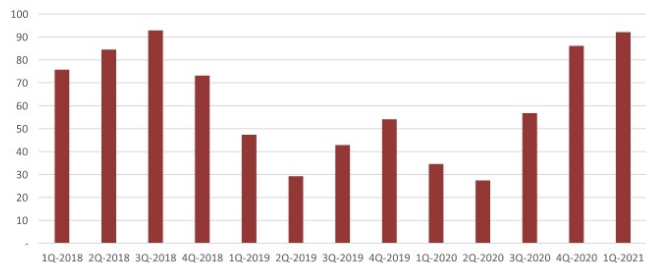
<sup>(1)</sup> Reflects currently publicly available data from OEMs

OTHER HIGHLIGHTS

**Energy Storage**

Energy storage deployments grew 71% YoY in Q1, mainly driven by the popularity of Powerwall. Demand for Powerwall continues to far exceed our production rate. As a result, we recently shifted Powerwall deliveries to solar customers only. As we increase our production rate, we may make it available once again as a stand-alone product. The recent snowstorm in Texas and other blackout events continue to drive customers toward home energy storage solutions.

Energy storage deployments can vary meaningfully quarter to quarter depending on the timing of specific project milestones, which is the driver behind the sequential decline in MWh. Production of energy storage products improved further sequentially as our backlog remains long.

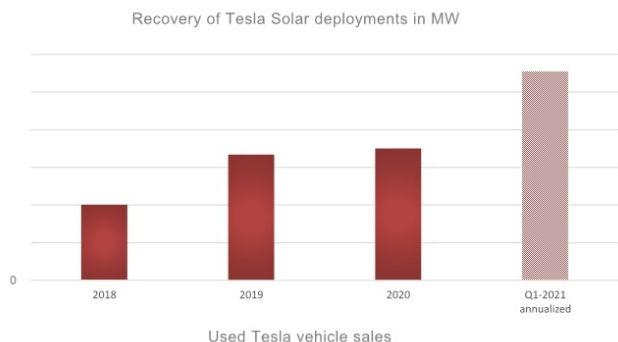


**Solar Retrofit and Solar Roof**

Solar deployments reached 92 MW in Q1 — our strongest quarter in 2.5 years. Solar Roof deployments grew 9x compared to the same period last year.

**Service and Other**

Our used Tesla vehicle business continues to grow in total volume and improve financially. The volume in this business is a function of historical new car deliveries, which suggests our used car business has a strong foundation for growth. Additionally, we remain focused on global growth in service capacity, reduced customer wait times and improved operational efficiency.



## OUTLOOK

### **Volume**

We plan to grow our manufacturing capacity as quickly as possible. Over a multi-year horizon, we expect to achieve 50% average annual growth in vehicle deliveries. In some years we may grow faster, which we expect to be the case in 2021. The rate of growth will depend on our equipment capacity, operational efficiency and capacity and stability of the supply chain.

### **Cash**

We have sufficient liquidity to fund our product roadmap, long-term capacity expansion plans and other expenses.

### **Profit**

We expect our operating margin will continue to grow over time, continuing to reach industry-leading levels with capacity expansion and localization plans underway.

### **Product**

We are currently building Model Y capacity at Gigafactory Berlin and Gigafactory Texas and remain on track to start production and deliveries from each location in 2021. Gigafactory Shanghai will continue to expand further over time. Tesla Semi deliveries will also begin in 2021.

PHOTOS

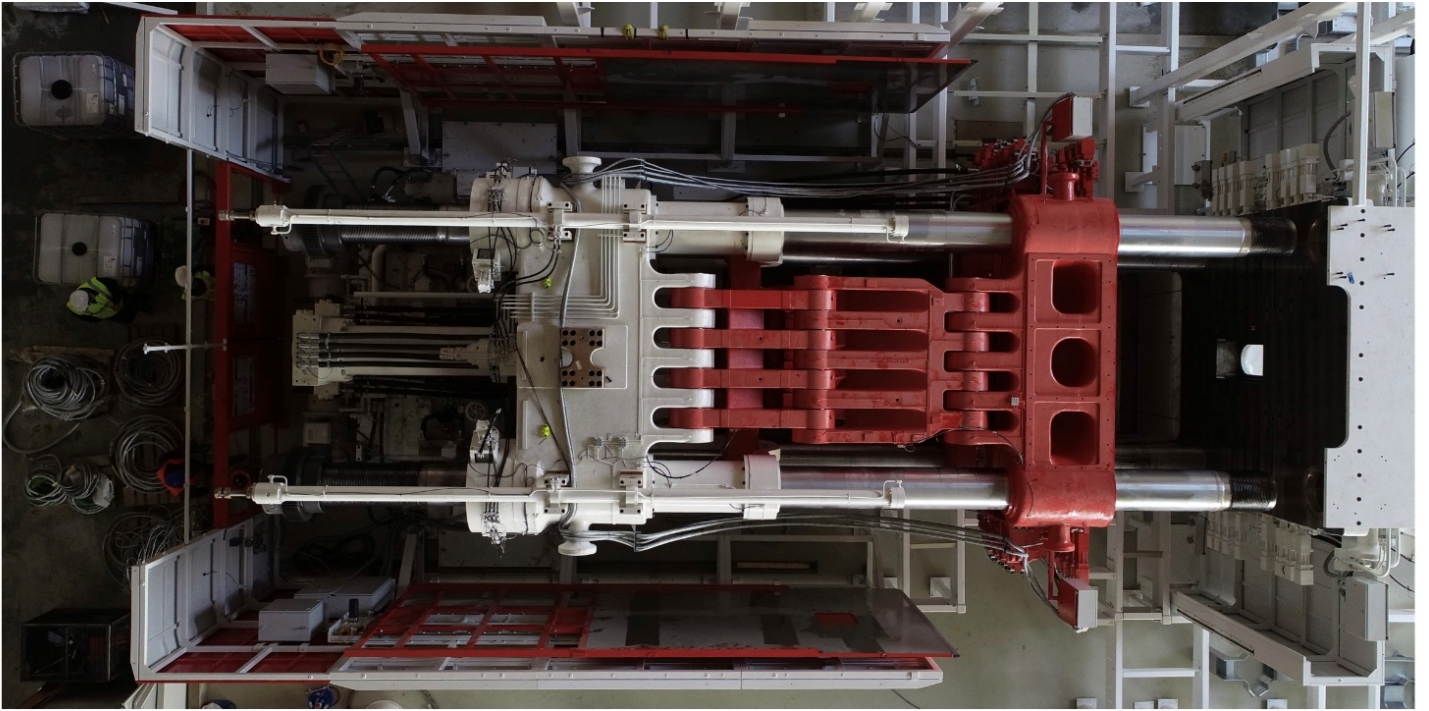
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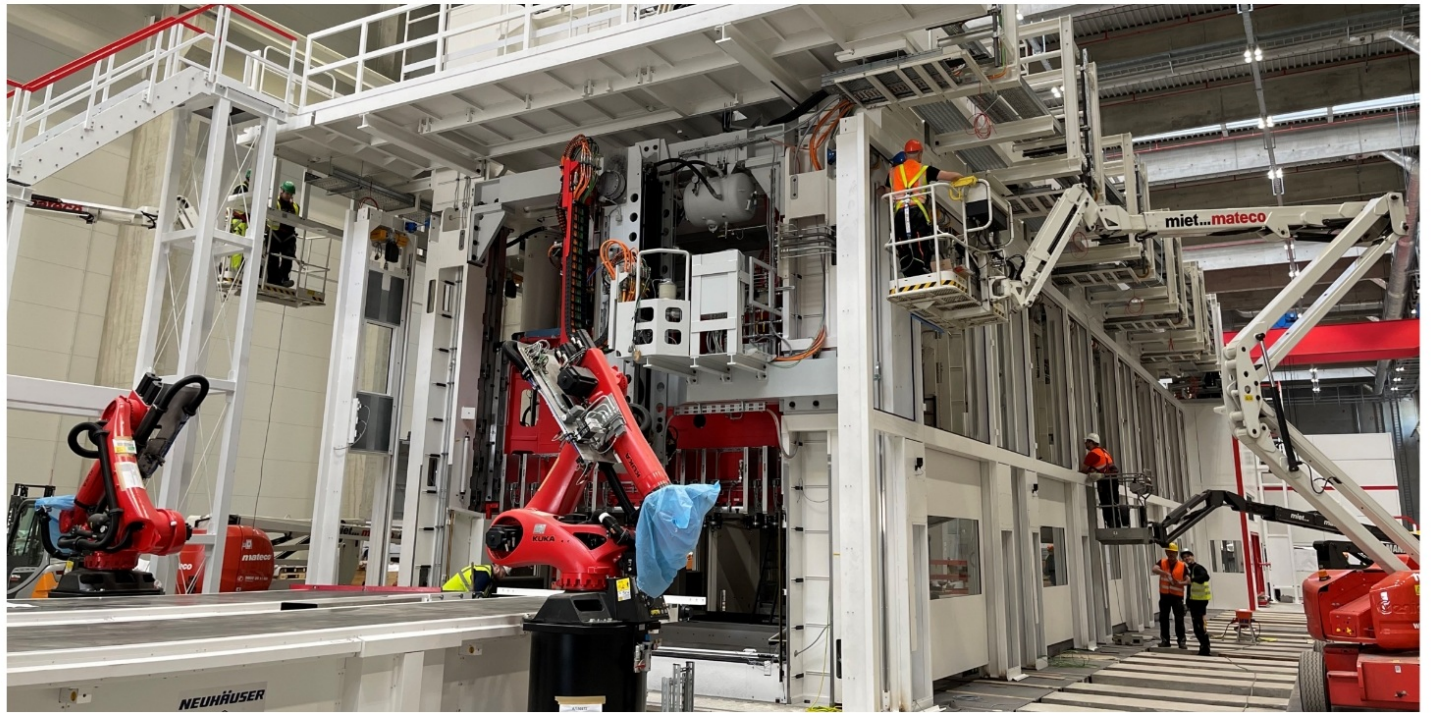
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GIGAFACTORY BERLIN - MODEL Y FACTORY CONSTRUCTION





















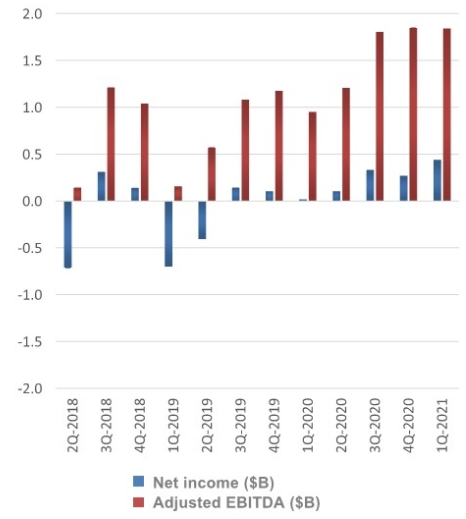
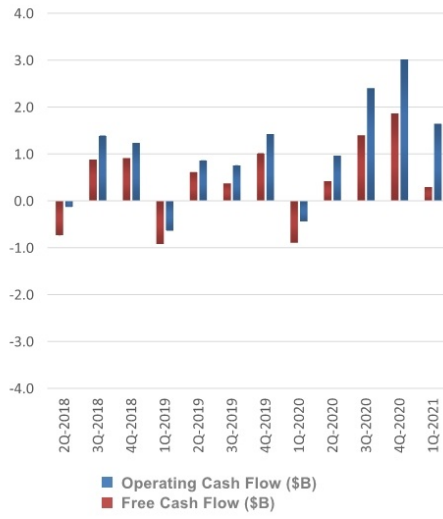
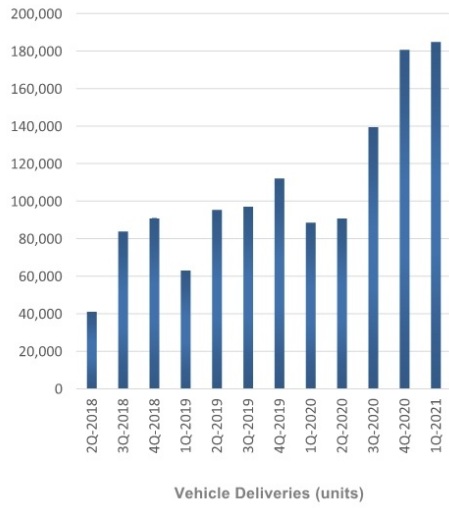


GIGAFACTORY SHANGHAI - EXPANSION CONTINUES

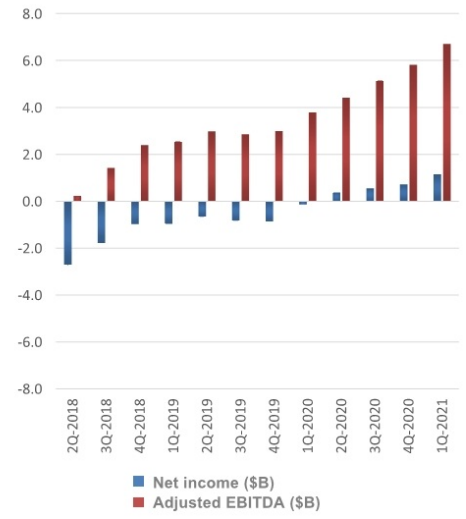
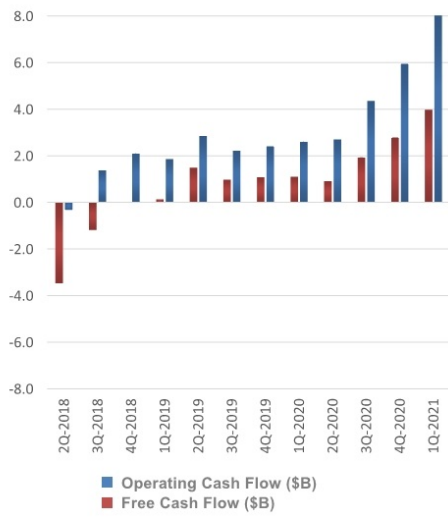
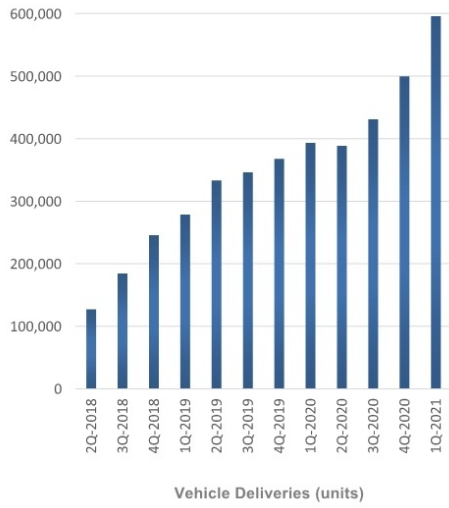




**KEY METRICS QUARTERLY**  
(Unaudited)



**KEY METRICS TRAILING 12 MONTHS (TTM)**  
(Unaudited)





FINANCIAL STATEMENTS

STATEMENT OF OPERATIONS  
(Unaudited)

In millions of USD or shares as applicable, except per share data	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021
<b>REVENUES</b>					
Automotive sales	4,893	4,911	7,346	9,034	8,705
Automotive leasing	239	268	265	280	297
Total automotive revenue	5,132	5,179	7,611	9,314	9,002
Energy generation and storage	293	370	579	752	494
Services and other	560	487	581	678	893
Total revenues	5,985	6,036	8,771	10,744	10,389
<b>COST OF REVENUES</b>					
Automotive sales	3,699	3,714	5,361	6,922	6,457
Automotive leasing	122	148	145	148	160
Total automotive cost of revenues	3,821	3,862	5,506	7,070	6,617
Energy generation and storage	282	349	558	787	595
Services and other	648	558	644	821	962
Total cost of revenues	4,751	4,769	6,708	8,678	8,174
Gross profit	1,234	1,267	2,063	2,066	2,215
<b>OPERATING EXPENSES</b>					
Research and development	324	279	366	522	666
Selling, general and administrative	627	661	888	969	1,056
Restructuring and other	—	—	—	—	(101)
Total operating expenses	951	940	1,254	1,491	1,621
<b>INCOME FROM OPERATIONS</b>	283	327	809	575	594
Interest income	10	8	6	6	10
Interest expense	(169)	(170)	(163)	(246)	(99)
Other (expense) income, net	(54)	(15)	(97)	44	28
<b>INCOME BEFORE INCOME TAXES</b>	70	150	555	379	533
Provision for income taxes	2	21	186	83	69
<b>NET INCOME</b>	68	129	369	296	464
Net income attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries	52	25	38	26	26
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	16	104	331	270	438
Less: Buy-out of noncontrolling interest	—	—	31	—	—
<b>NET INCOME USED IN COMPUTING NET INCOME PER SHARE OF COMMON STOCK</b>	16	104	300	270	438
Net income per share of common stock attributable to common stockholders <sup>(1)</sup>					
Basic	\$ 0.02	\$ 0.11	\$ 0.32	\$ 0.28	\$ 0.46
Diluted	\$ 0.02	\$ 0.10	\$ 0.27	\$ 0.24	\$ 0.39
Weighted average shares used in computing net income per share of common stock <sup>(1)</sup>					
Basic	915	928	937	951	961
Diluted	994	1,036	1,105	1,124	1,133

24 <sup>(1)</sup>Prior period results have been retroactively adjusted to reflect the five-for-one stock split effected in the form of a stock dividend in August 2020.

BALANCE SHEET  
(Unaudited)

In millions of USD	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	8,080	8,615	14,531	19,384	17,141
Accounts receivable, net	1,274	1,485	1,757	1,886	1,890
Inventory	4,494	4,018	4,218	4,101	4,132
Prepaid expenses and other current assets	1,045	1,218	1,238	1,346	1,542
Total current assets	14,893	15,336	21,744	26,717	24,705
Operating lease vehicles, net	2,527	2,524	2,742	3,091	3,396
Solar energy systems, net	6,106	6,069	6,025	5,979	5,933
Property, plant and equipment, net	10,638	11,009	11,848	12,747	13,868
Operating lease right-of-use assets	1,197	1,274	1,375	1,558	1,647
Digital assets, net	—	—	—	—	1,331
Goodwill and intangible assets, net	516	508	521	520	505
Other non-current assets	1,373	1,415	1,436	1,536	1,587
<b>Total assets</b>	<b>37,250</b>	<b>38,135</b>	<b>45,691</b>	<b>52,148</b>	<b>52,972</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Accounts payable	3,970	3,638	4,958	6,051	6,648
Accrued liabilities and other	2,825	3,110	3,252	3,855	4,073
Deferred revenue	1,186	1,130	1,258	1,458	1,592
Customer deposits	788	713	708	752	745
Current portion of debt and finance leases (1)	3,217	3,679	3,126	2,132	1,819
Total current liabilities	11,986	12,270	13,302	14,248	14,877
Debt and finance leases, net of current portion (1)	10,666	10,416	10,559	9,556	9,053
Deferred revenue, net of current portion	1,199	1,198	1,233	1,284	1,294
Other long-term liabilities	2,667	2,870	3,049	3,330	3,283
Total liabilities	<b>26,518</b>	<b>26,754</b>	<b>28,143</b>	<b>28,418</b>	<b>28,507</b>
Redeemable noncontrolling interests in subsidiaries	632	613	608	604	601
Convertible senior notes	60	44	48	51	—
Total stockholders' equity	9,173	9,855	16,031	22,225	23,017
Noncontrolling interests in subsidiaries	867	869	861	850	847
<b>Total liabilities and equity</b>	<b>37,250</b>	<b>38,135</b>	<b>45,691</b>	<b>52,148</b>	<b>52,972</b>
(1) Breakdown of our debt is as follows:					
<b>Vehicle and energy product financing (non-recourse)</b>	<b>4,022</b>	<b>4,043</b>	<b>4,141</b>	<b>3,930</b>	<b>4,323</b>
Other non-recourse debt	708	1,415	605	630	628
Recourse debt	7,600	7,106	7,448	5,660	4,483
<b>Total debt excluding vehicle and energy product financing</b>	<b>8,308</b>	<b>8,521</b>	<b>8,053</b>	<b>6,290</b>	<b>5,111</b>
Days sales outstanding	20	21	17	16	17
Days payable outstanding	75	73	60	59	71

STATEMENT OF CASH FLOWS  
(Unaudited)

In millions of USD	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income	68	129	369	296	464
Adjustments to reconcile net income to net cash (used in) provided by operating activities:					
Depreciation, amortization and impairment	553	567	584	618	621
Stock-based compensation	211	347	543	633	614
Other	175	167	269	230	(46)
Changes in operating assets and liabilities, net of effect of business combinations	(1,447)	(246)	635	1,242	(12)
Net cash (used in) provided by operating activities	(440)	964	2,400	3,019	1,641
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Capital expenditures	(455)	(546)	(1,005)	(1,151)	(1,348)
Purchases of solar energy systems, net of sales	(26)	(20)	(16)	(13)	(12)
Purchase of intangible assets	—	—	(5)	(5)	—
Receipt of government grants	1	—	—	122	6
Purchases of digital assets	—	—	—	—	(1,500)
Proceeds from sales of digital assets	—	—	—	—	272
Business combinations, net of cash acquired	—	—	(13)	—	—
Net cash used in investing activities	(480)	(566)	(1,039)	(1,047)	(2,582)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net cash flows from other debt activities	544	164	(630)	(2,074)	(1,557)
Collateralized lease repayments	(97)	(71)	(56)	(16)	(6)
Net (repayments) borrowings under vehicle and solar financing	(160)	18	99	(215)	396
Net cash flows from noncontrolling interests - Auto	(8)	(3)	(31)	—	—
Net cash flows from noncontrolling interests - Solar	(40)	(42)	(49)	(46)	(32)
Proceeds from issuances of common stock in public offerings, net of issuance costs	2,309	—	4,973	4,987	—
Other	160	57	144	56	183
Net cash provided by (used in) financing activities	2,708	123	4,450	2,692	(1,016)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(24)	38	86	234	(221)
Net increase (decrease) in cash and cash equivalents and restricted cash	1,764	559	5,897	4,898	(2,178)
Cash and cash equivalents and restricted cash at beginning of period	6,783	8,547	9,106	15,003	19,901
Cash and cash equivalents and restricted cash at end of period	8,547	9,106	15,003	19,901	17,723

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (Unaudited)

In millions of USD or shares as applicable, except per share data	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021
<b>Net income attributable to common stockholders (GAAP)</b>	<b>16</b>	<b>104</b>	<b>331</b>	<b>270</b>	<b>438</b>
Stock-based compensation expense	211	347	543	633	614
<b>Net income attributable to common stockholders (non-GAAP)</b>	<b>227</b>	<b>451</b>	<b>874</b>	<b>903</b>	<b>1,052</b>
Less: Buy-out of noncontrolling interest	—	—	31	—	—
Less: Dilutive convertible debt	—	—	—	—	(5)
<b>Net income used in computing diluted EPS attributable to common stockholders (non-GAAP)</b>	<b>227</b>	<b>451</b>	<b>843</b>	<b>903</b>	<b>1,057</b>
<b>EPS attributable to common stockholders, diluted (GAAP)<sup>(1)</sup></b>	<b>0.02</b>	<b>0.10</b>	<b>0.27</b>	<b>0.24</b>	<b>0.39</b>
Stock-based compensation expense per share <sup>(1)</sup>	0.21	0.34	0.49	0.56	0.54
<b>EPS attributable to common stockholders, diluted (non-GAAP)<sup>(1)</sup></b>	<b>0.23</b>	<b>0.44</b>	<b>0.76</b>	<b>0.80</b>	<b>0.93</b>
Shares used in EPS calculation, diluted (GAAP and non-GAAP) <sup>(1)</sup>	994	1,036	1,105	1,124	1,133
<b>Net income attributable to common stockholders (GAAP)</b>	<b>16</b>	<b>104</b>	<b>331</b>	<b>270</b>	<b>438</b>
Interest expense	169	170	163	246	99
Provision for income taxes	2	21	186	83	69
Depreciation, amortization and impairment	553	567	584	618	621
Stock-based compensation expense	211	347	543	633	614
<b>Adjusted EBITDA (non-GAAP)</b>	<b>951</b>	<b>1,209</b>	<b>1,807</b>	<b>1,850</b>	<b>1,841</b>
<b>Automotive gross margin (GAAP)</b>	<b>25.5%</b>	<b>25.4%</b>	<b>27.7%</b>	<b>24.1%</b>	<b>26.5%</b>
Less: Total regulatory credit revenue recognized	5.5%	6.7%	4.0%	3.4%	4.5%
<b>Automotive gross margin excluding regulatory credits (non-GAAP)</b>	<b>20.0%</b>	<b>18.7%</b>	<b>23.7%</b>	<b>20.7%</b>	<b>22.0%</b>

<sup>(1)</sup> Prior period results have been retroactively adjusted to reflect the five-for-one stock split effected in the form of a stock dividend in August 2020

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (Unaudited)

In millions of USD	3Q-2017	4Q-2017	1Q-2018	2Q-2018	3Q-2018	4Q-2018	1Q-2019	2Q-2019	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021
Net cash (used in) provided by operating activities (GAAP)	(301)	510	(398)	(130)	1,391	1,235	(640)	864	756	1,425	(440)	964	2,400	3,019	1,641
Capital expenditures	(1,116)	(787)	(656)	(610)	(510)	(325)	(280)	(250)	(385)	(412)	(455)	(546)	(1,005)	(1,151)	(1,348)
Free cash flow (non-GAAP)	(1,417)	(277)	(1,054)	(740)	881	910	(920)	614	371	1,013	(895)	418	1,395	1,868	293

In millions of USD	3Q-2017	4Q-2017	1Q-2018	2Q-2018	3Q-2018	4Q-2018	1Q-2019	2Q-2019	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021
Net (loss) income attributable to common stockholders (GAAP)	(619)	(675)	(709)	(718)	311	140	(702)	(408)	143	105	16	104	331	270	438
Interest expense	117	146	149	164	175	175	158	172	185	170	169	170	163	246	99
Provision for income taxes	—	(9)	5	14	17	22	23	19	26	42	2	21	186	83	69
Depreciation, amortization and impairment	401	470	416	485	503	497	468	579	530	577	553	567	584	618	621
Stock-based compensation expense	113	134	142	197	205	205	208	210	199	281	211	347	543	633	614
Adjusted EBITDA (non-GAAP)	12	66	3	142	1,211	1,039	155	572	1,083	1,175	951	1,209	1,807	1,850	1,841

In millions of USD	2Q-2018	3Q-2018	4Q-2018	1Q-2019	2Q-2019	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021
Net cash (used in) provided by operating activities - TTM (GAAP)	(319)	1,373	2,098	1,856	2,850	2,215	2,405	2,605	2,705	4,349	5,943	8,024
Capital expenditures - TTM	(3,169)	(2,563)	(2,101)	(1,725)	(1,365)	(1,240)	(1,327)	(1,502)	(1,798)	(2,418)	(3,157)	(4,050)
Free cash flow - TTM (non-GAAP)	(3,488)	(1,190)	(3)	131	1,485	975	1,078	1,103	907	1,931	2,786	3,974

In millions of USD	2Q-2018	3Q-2018	4Q-2018	1Q-2019	2Q-2019	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021
Net (loss) income attributable to common stockholders - TTM (GAAP)	(2,721)	(1,791)	(976)	(969)	(659)	(827)	(862)	(144)	368	556	721	1,143
Interest expense - TTM	576	634	663	672	680	690	685	696	694	672	748	678
Provision for income taxes - TTM	10	27	58	76	81	90	110	89	91	251	292	359
Depreciation, amortization and impairment - TTM	1,772	1,874	1,901	1,953	2,047	2,074	2,154	2,239	2,227	2,281	2,322	2,390
Stock-based compensation expense - TTM	586	678	749	815	828	822	898	901	1,038	1,382	1,734	2,137
Adjusted EBITDA - TTM (non-GAAP)	223	1,422	2,395	2,547	2,977	2,849	2,985	3,781	4,418	5,142	5,817	6,707

## ADDITIONAL INFORMATION

### **WEBCAST INFORMATION**

Tesla will provide a live webcast of its first quarter 2021 financial results conference call beginning at 2:30 p.m. PT on April 26, 2021 at ir.tesla.com. This webcast will also be available for replay for approximately one year thereafter.

### **CERTAIN TERMS**

When used in this update, certain terms have the following meanings. Our vehicle deliveries include only vehicles that have been transferred to end customers with all paperwork correctly completed. Our energy product deployment volume includes both customer units installed and equipment sales; we report installations at time of commissioning for storage projects or inspection for solar projects, and equipment sales at time of delivery. "Adjusted EBITDA" is equal to (i) net income (loss) attributable to common stockholders before (ii)(a) interest expense, (b) provision for income taxes, (c) depreciation, amortization and impairment and (d) stock-based compensation expense, which is the same measurement for this term pursuant to the performance-based stock option award granted to our CEO in 2018. "Free cash flow" is operating cash flow less capital expenditures. "Net orders" means configured orders for vehicles in production minus cancellations. Average cost per vehicle is cost of revenues – automotive sales divided by vehicle deliveries (excluding leases).

### **NON-GAAP FINANCIAL INFORMATION**

Consolidated financial information has been presented in accordance with GAAP as well as on a non-GAAP basis to supplement our consolidated financial results. Our non-GAAP financial measures include non-GAAP automotive gross margin, non-GAAP net income (loss) attributable to common stockholders, non-GAAP net income (loss) attributable to common stockholders on a diluted per share basis (calculated using weighted average shares for GAAP diluted net income (loss) attributable to common stockholders), Adjusted EBITDA, Adjusted EBITDA margin and free cash flow. These non-GAAP financial measures also facilitate management's internal comparisons to Tesla's historical performance as well as comparisons to the operating results of other companies. Management believes that it is useful to supplement its GAAP financial statements with this non-GAAP information because management uses such information internally for its operating, budgeting and financial planning purposes. Management also believes that presentation of the non-GAAP financial measures provides useful information to our investors regarding our financial condition and results of operations, so that investors can see through the eyes of Tesla management regarding important financial metrics that Tesla uses to run the business and allowing investors to better understand Tesla's performance. Non-GAAP information is not prepared under a comprehensive set of accounting rules and therefore, should only be read in conjunction with financial information reported under U.S. GAAP when understanding Tesla's operating performance. A reconciliation between GAAP and non-GAAP financial information is provided above.

### **FORWARD-LOOKING STATEMENTS**

Certain statements in this update, including statements in the "Outlook" section; statements relating to the future development, production capacity and output rates, demand and market growth, deliveries, deployment, availability, range and other features and improvements and timing of existing and future Tesla products and technologies such as Model 3, Model Y, Model X, Model S, Tesla Semi, Autopilot and Full Self Driving software, hardware and equipment, our energy storage products and the battery and powertrain technologies we are developing; statements regarding operating margin, spending and liquidity; and statements regarding construction, expansion, improvements and/or ramp and related timing at the Tesla Factory, Gigafactory Shanghai, Gigafactory Berlin and Gigafactory Texas are "forward-looking statements" that are subject to risks and uncertainties. These forward-looking statements are based on management's current expectations, and as a result of certain risks and uncertainties, actual results may differ materially from those projected. The following important factors, without limitation, could cause actual results to differ materially from those in the forward-looking statements: uncertainties in future macroeconomic and regulatory conditions arising from the current global pandemic; the risk of delays in launching and manufacturing our products and features cost-effectively; our ability to grow our sales, delivery, installation, servicing and charging capabilities and effectively manage this growth; consumers' demand for electric vehicles generally and our vehicles specifically; the ability of suppliers to deliver components according to schedules, prices, quality and volumes acceptable to us, and our ability to manage such components effectively; any issues with lithium-ion cells or other components manufactured at Gigafactory Nevada; our ability to build and ramp Gigafactory Shanghai, Gigafactory Berlin and Gigafactory Texas in accordance with our plans; our ability to procure supply of battery cells, including through our own manufacturing; risks relating to international expansion; any failures by Tesla products to perform as expected or if product recalls occur; the risk of product liability claims; competition in the automotive and energy product markets; our ability to maintain public credibility and confidence in our long-term business prospects; our ability to manage risks relating to our various product financing programs; the status of government and economic incentives for electric vehicles and energy products; our ability to attract, hire and retain key employees and qualified personnel and ramp our installation teams; our ability to maintain the security of our information and production and product systems; our compliance with various regulations and laws applicable to our operations and products, which may evolve from time to time; risks relating to our indebtedness and financing strategies; and adverse foreign exchange movements. More information on potential factors that could affect our financial results is included from time to time in our Securities and Exchange Commission filings and reports, including the risks identified under the section captioned "Risk Factors" in our annual report on Form 10-K filed with the SEC on February 8, 2021. Tesla disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

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