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

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**FORM 8-K**

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

**Date of report (Date of earliest event reported): October 19, 2022**

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**Tesla, Inc.**  
(Exact Name of Registrant as Specified in Charter)

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Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-34756  
(Commission  
File Number)

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

**1 Tesla Road  
Austin, Texas 78725**  
(Address of Principal Executive Offices, and Zip Code)

**(512) 516-8177**  
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. ☐

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

On October 19, 2022, Tesla, Inc. released its financial results for the quarter ended September 30, 2022 by posting its Third Quarter 2022 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.

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	<a href="#">Tesla, Inc. Third Quarter 2022 Update, dated October 19, 2022.</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: October 19, 2022

Exhibit 99.1

Q3 2022 Update

T E S L A

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## HIGHLIGHTS

**Cash** Operating cash flow less capex (free cash flow) of \$3.3B in Q3  
\$2.2B increase in our cash and marketable securities<sup>1</sup> in Q3 to \$21.1B

**Profitability** \$3.7B GAAP operating income; 17.2% operating margin in Q3  
\$3.3B GAAP net income; \$3.7B non-GAAP net income (ex-SBC<sup>2</sup>) in Q3  
27.9% GAAP Automotive gross margin in Q3

**Operations** Record Energy Storage deployments of 2.1 GWh in Q3  
Initiated transition to smoother delivery and production mix

## SUMMARY

The third quarter of 2022 was another strong quarter with record revenue, operating profit and free cash flow. In the last 12 months, our free cash flow exceeded \$8.9B. Our operating margin reached 17.2% in Q3.


We achieved an industry-leading operating margin<sup>3</sup> while encountering material headwinds YoY. Raw material cost inflation impacted our profitability along with ramp inefficiencies from Gigafactory Berlin-Brandenburg, Gigafactory Texas and 4680 cell production. Also, the U.S. Dollar (USD) continued to strengthen compared to all other major currencies in our markets.

Additionally, as illustrated on page 21, we are reaching such significant delivery volumes in the final weeks of each quarter that transportation capacity is becoming expensive and difficult to secure. As a result, we began transitioning to a smoother delivery pace, leading to more vehicles in transit at the end of the quarter. We expect that smoothing our outbound logistics throughout the quarter will improve cost per vehicle.

We remain focused on increasing vehicle production as quickly as possible, by increasing our weekly build rate in Fremont and Shanghai and progressing steadily through the production ramps in Berlin and Texas. Logistics volatility and supply chain bottlenecks remain immediate challenges, although improving. We continue to believe that battery supply chain constraints will be the main limiting factor to EV market growth in the medium and long terms. Despite these challenges, we expect to continue to deliver every vehicle produced while maintaining strong operating margins.

<sup>(1)</sup> Includes cash, cash equivalents and short-term marketable securities.

<sup>(2)</sup> SBC = stock-based compensation.

<sup>(3)</sup> Among all volume OEMs, based on the latest available data. 

FINANCIAL SUMMARY  
(Unaudited)

(\$ in millions, except percentages and per share data)	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022	YoY
Automotive revenues	12,057	15,967	16,861	14,602	18,692	55%
of which regulatory credits	279	314	679	344	286	3%
Automotive gross profit	3,673	4,882	5,539	4,081	5,212	42%
Automotive gross margin	30.5%	30.6%	32.9%	27.9%	27.9%	-258 bp
Total revenues	13,757	17,719	18,756	16,934	21,454	56%
Total gross profit	3,660	4,847	5,460	4,234	5,382	47%
Total GAAP gross margin	26.6%	27.4%	29.1%	25.0%	25.1%	-152 bp
Operating expenses	1,656	2,234	1,857	1,770	1,694	2%
Income from operations	2,004	2,613	3,603	2,464	3,688	84%
Operating margin	14.6%	14.7%	19.2%	14.6%	17.2%	262 bp
Adjusted EBITDA	3,203	4,090	5,023	3,791	4,968	55%
Adjusted EBITDA margin	23.3%	23.1%	26.8%	22.4%	23.2%	-13 bp
Net income attributable to common stockholders (GAAP)	1,618	2,321	3,318	2,259	3,292	103%
Net income attributable to common stockholders (non-GAAP)	2,093	2,879	3,736	2,620	3,654	75%
EPS attributable to common stockholders, diluted (GAAP) <sup>(1)</sup>	0.48	0.68	0.95	0.65	0.95	98%
EPS attributable to common stockholders, diluted (non-GAAP) <sup>(1)</sup>	0.62	0.85	1.07	0.76	1.05	69%
Net cash provided by operating activities	3,147	4,585	3,995	2,351	5,100	62%
Capital expenditures	(1,819)	(1,810)	(1,767)	(1,730)	(1,803)	-1%
Free cash flow	1,328	2,775	2,228	621	3,297	148%
Cash, cash equivalents and marketable securities	16,095	17,707	18,013	18,915	21,107	31%

<sup>(1)</sup>EPS = earnings per share. Prior period results have been retroactively adjusted to reflect the three-for-one stock split effected in the form of a stock dividend in August 2022.

## FINANCIAL SUMMARY

### Revenue

Total revenue grew 56% YoY in Q3 to \$21.5B. YoY, revenue was impacted by the following items:

- + growth in vehicle deliveries
- + increased ASP YoY; ASP declined sequentially as the prior quarter's ASP was driven by limited Shanghai production in Q2
- + growth in other parts of the business
- negative FX impact

### Profitability

Our operating income improved YoY to \$3.7B in Q3, resulting in a 17.2% operating margin. YoY, operating income was primarily impacted by the following items:

- + increased ASP
- + growth in vehicle deliveries
- + profit growth in other parts of the business
- higher raw material, commodity, logistics, warranty and expedite costs
- negative FX impact of ~\$250M
- cost of production ramp at Gigafactory Texas and Berlin-Brandenburg and ramp of 4680 cells (material margin impact, smaller profit impact)

### Cash

Quarter-end cash, cash equivalents and short-term marketable securities increased sequentially by \$2.2B to \$21.1B in Q3, driven mainly by free cash flow of \$3.3B, partially offset by debt repayments of \$0.9B.

OPERATIONAL SUMMARY  
(Unaudited)

	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022	YoY
Model S/X production	8,941	13,109	14,218	16,411	19,935	123%
Model 3/Y production	228,882	292,731	291,189	242,169	345,988	51%
<b>Total production</b>	<b>237,823</b>	<b>305,840</b>	<b>305,407</b>	<b>258,580</b>	<b>365,923</b>	<b>54%</b>
Model S/X deliveries	9,289	11,766	14,724	16,162	18,672	101%
Model 3/Y deliveries	232,102	296,884	295,324	238,533	325,158	40%
<b>Total deliveries</b>	<b>241,391</b>	<b>308,650</b>	<b>310,048</b>	<b>254,695</b>	<b>343,830</b>	<b>42%</b>
of which subject to operating lease accounting	16,658	16,160	12,167	9,227	11,004	-34%
Total end of quarter operating lease vehicle count	108,757	120,342	128,402	131,756	135,054	24%
Global vehicle inventory (days of supply) <sup>(1)</sup>	6	4	3	4	8	33%
Solar deployed (MW)	83	85	48	106	94	13%
Storage deployed (MWh)	1,295	978	846	1,133	2,100	62%
Store and service locations	630	655	673	687	728	16%
Mobile service fleet	1,190	1,281	1,372	1,453	1,532	29%
Supercharger stations	3,254	3,476	3,724	3,971	4,283	32%
Supercharger connectors	29,281	31,498	33,657	36,165	38,883	33%

6 <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

In Q3, each of our vehicle factories produced a record number of vehicles. While availability of components posed less of an issue in the quarter, vehicle transportation capacity during peak delivery periods became increasingly challenging. We are gradually shifting towards a more even regional mix of both production and deliveries.

US: Texas, California and Nevada

We continue to implement solutions to further increase the production rate in Fremont. The production rate of Model Ys made in Texas continued to increase in each month of the quarter. The total number of 4680 cells produced (cells sent to formation) increased 3x sequentially in Q3. The initial phase of Tesla Semi deliveries is scheduled to begin in December 2022.

China: Shanghai

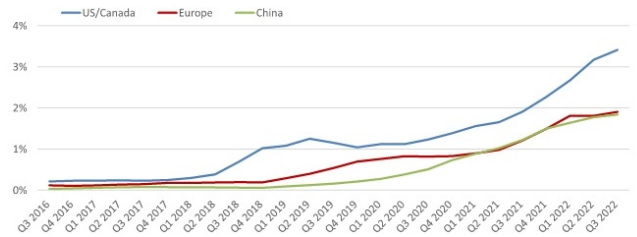
After a production slowdown in Q2, the Q3 production rate in Shanghai surpassed previous quarterly records. Our factory in Shanghai remains our main export hub, supplying vehicles to most markets outside of North America.

Europe: Berlin-Brandenburg

Thanks to a strong production rate improvement towards the end of Q3, our team in Germany produced more than 2,000 Model Y vehicles in a single week using 2170 cells. Production rate progress at the factory is aligned with our expectations.

Installed Annual Vehicle Capacity			
Region	Model	Capacity	Status
California	Model S / Model X	100,000	Production
	Model 3 / Model Y	550,000	Production
Shanghai	Model 3 / Model Y	>750,000	Production
Berlin	Model Y	>250,000	Production
Texas	Model Y	>250,000	Production
	Cybertruck	-	Tooling
Nevada	Tesla Semi	-	Early production
TBD	Roadster	-	In development
	Robotaxi & Others	-	In development

Installed capacity ≠ current production rate, and there may be limitations discovered as production rates approach capacity. Production rates depend on a variety of factors, including equipment uptime, component supply, downtime related to factory upgrades, regulatory considerations and other factors.



Market share of Tesla vehicles by region (TTM)

Source: Tesla estimates based on ACEA; Autonews.com; CAAM – light-duty vehicles only  
TTM = Trailing twelve months

Autopilot and Full Self-Driving (FSD)

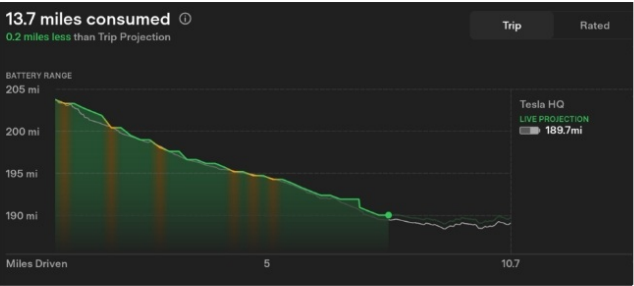
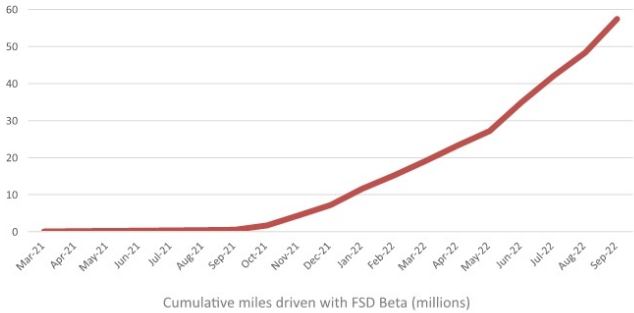
In late September, we hosted our 2<sup>nd</sup> AI Day, where we provided an update on the latest development of FSD, the Dojo training computer and Optimus Robot. Once again, AI Day resulted in a significant spike in applications for AI-related roles. As of the end of Q3, approximately 160,000 Tesla drivers in North America had access to FSD Beta.

Vehicle Software

Customers are beginning to enjoy a seamless transition among vehicles in their account with Tesla Profiles, which automatically synchronizes seat, mirror and steering wheel positions, as well as preferences for climate control, navigation and media. We also released a rich new energy consumption view with personalized suggestions for more efficient energy use.

Battery, Powertrain & Manufacturing

At Gigafactory Texas, we have begun production of Model Ys since early this year that use front and rear body castings in conjunction with a structural battery pack. Castings of this size have never been mass-produced before in any industry by anyone except Tesla in our Fremont and Shanghai factories. Part of the challenge of making such large castings (thus eliminating >170 separate components) is that all the aluminum needs to be injected into a die in about one tenth of a blink of an eye, through a single point of entry, without solidifying or distorting. We plan to introduce front castings and structural battery packs at Gigafactory Berlin-Brandenburg before the end of this year.



Trip Projection tool for range estimation dependent on conditions

OTHER HIGHLIGHTS

Energy Storage

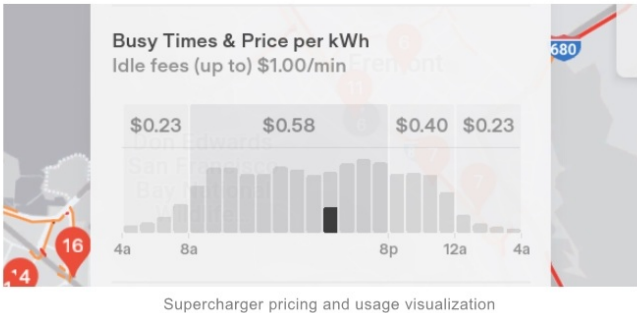
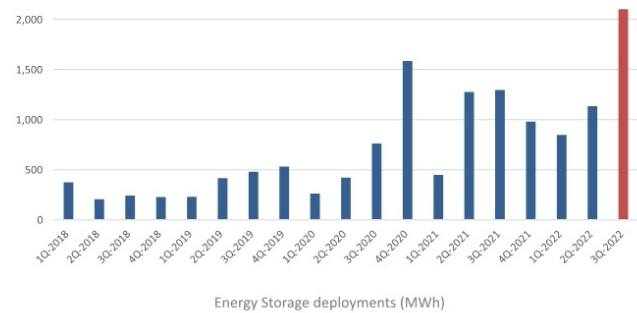
Energy storage deployments increased by 62% YoY in Q3 to 2.1 GWh, by far the highest level we have ever achieved. This level of growth was accomplished despite semiconductor challenges continuing to have a greater impact on our Energy business than our Automotive business. Demand for our storage products remains in excess of our ability to supply. We are in the process of ramping production at our dedicated 40 GWh Megapack factory in Lathrop, California to address the growing demand.

Solar

Solar deployments increased by 13% YoY in Q3 to 94 MW, one of the strongest quarters in recent years. While our commercial project deployment can be volatile and was lower YoY, we continued to see YoY growth of our residential projects in Q3. Our solar installation team continues to improve installation efficiency, enabling higher volumes and stronger economics.

Services and Other

Revenue from Services and Other reached an all-time high. Paid supercharging grew to more than 3x compared to the prior year and we are working to further accelerate our deployments. Services and Other gross profit also reached a record level in Q3, impacted by used car and part sales. We continue to expand Supercharging pricing from fixed to variable to better manage vehicle flow through our network.



## OUTLOOK

<b>Volume</b>	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. The rate of growth will depend on our equipment capacity, factory uptime, operational efficiency and the capacity and stability of the supply chain.
<b>Cash</b>	We have sufficient liquidity to fund our product roadmap, long-term capacity expansion plans and other expenses.
<b>Profit</b>	While we continue to execute on innovations to reduce the cost of manufacturing and operations, over time, we expect our hardware-related profits to be accompanied with an acceleration of software-related profits.
<b>Product</b>	The pace of production ramps in Texas and Berlin-Brandenburg will be influenced by the successful introduction of many new product and manufacturing technologies in new locations and ongoing supply chain related challenges. Factory ramps take time, and Gigafactory Texas and Gigafactory Berlin-Brandenburg will be no different. We are making progress on the industrialization of Cybertruck, which is currently planned for Texas production subsequent to Model Y ramp. The initial phase of Tesla Semi deliveries is scheduled to begin in December 2022.



## PHOTOS & CHARTS

TESLA

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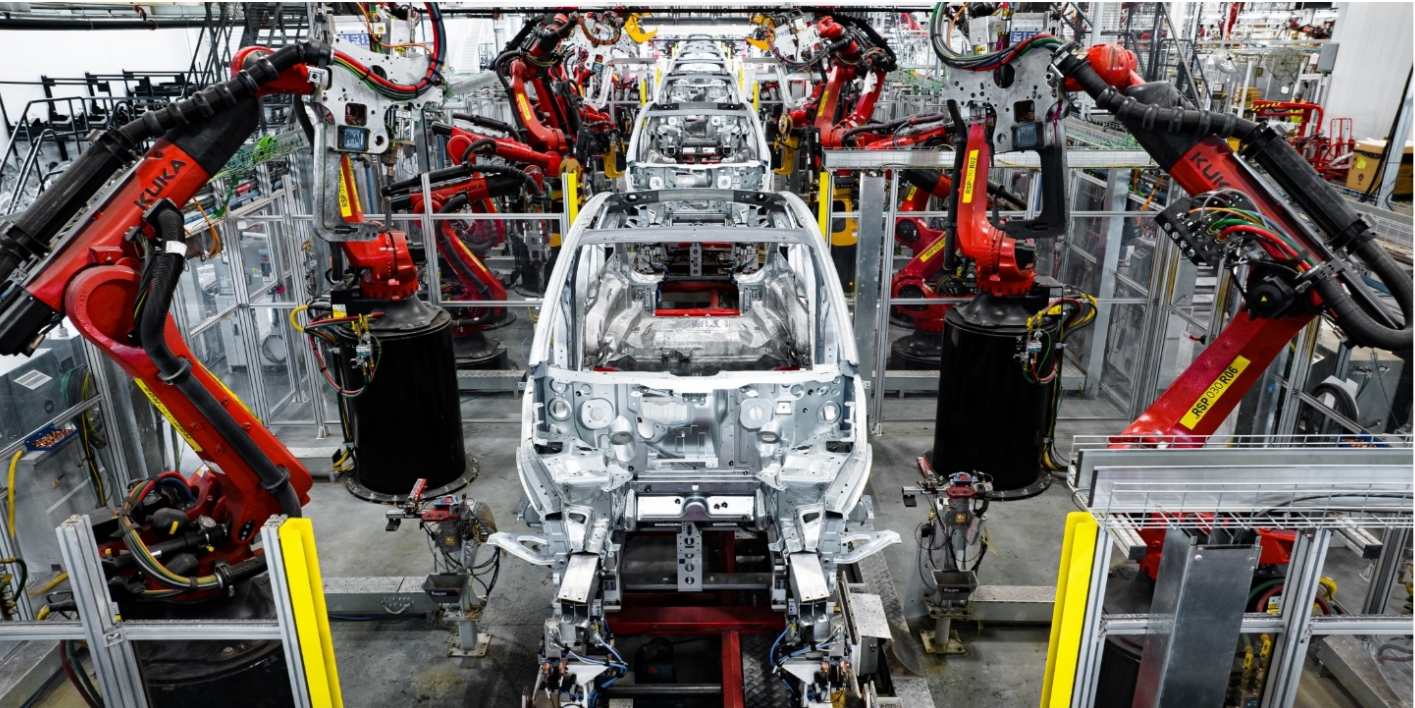








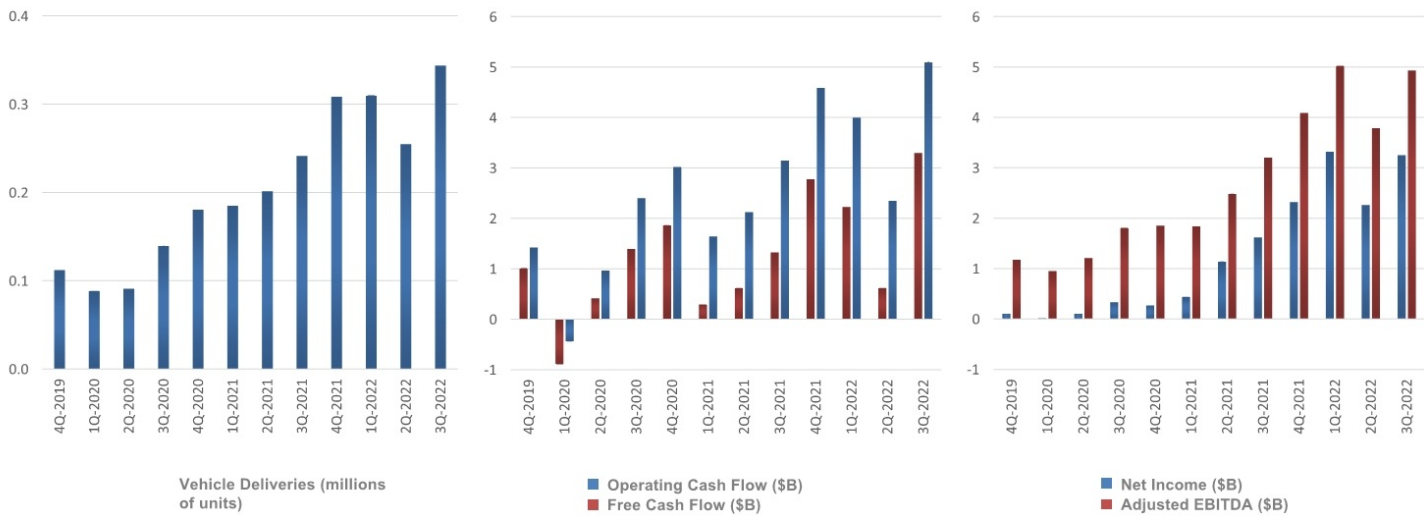




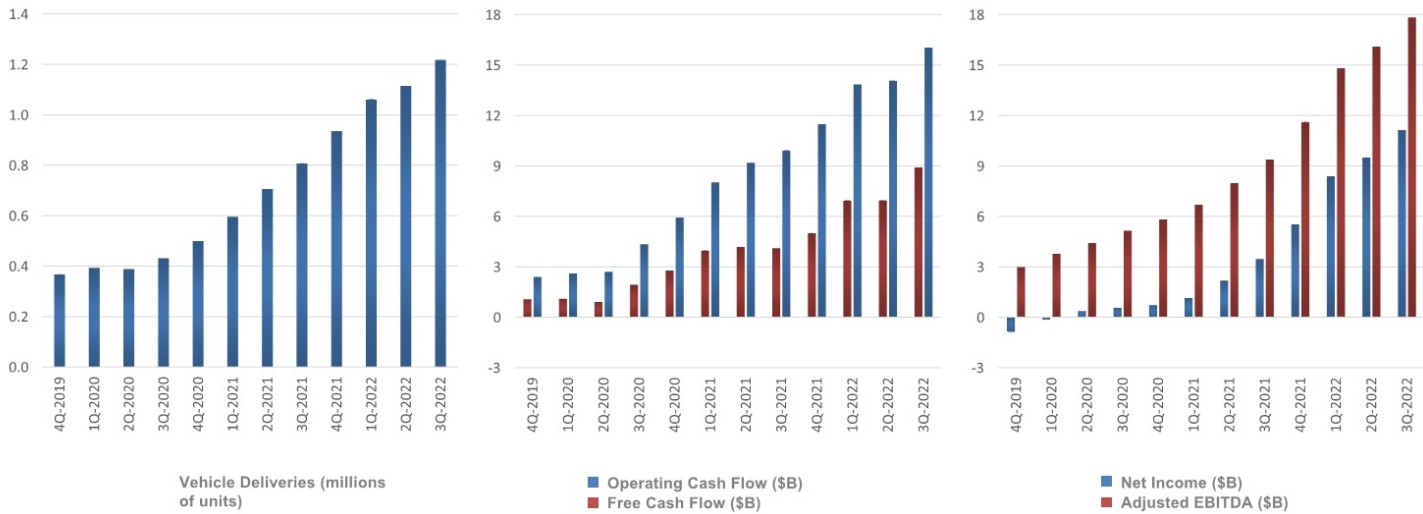




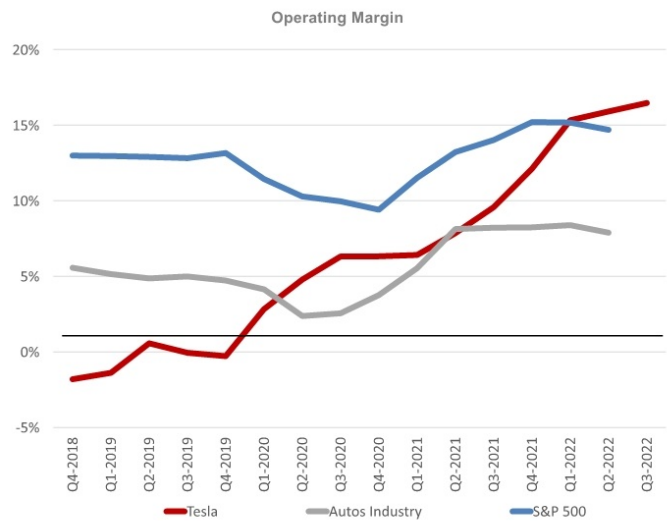
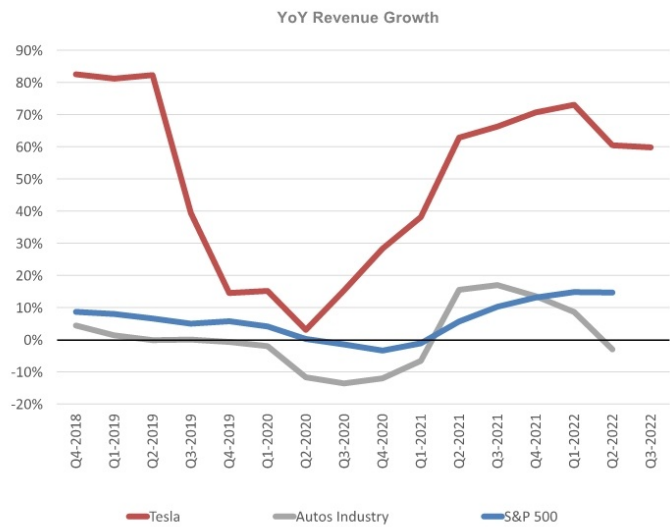
KEY METRICS QUARTERLY  
(Unaudited)



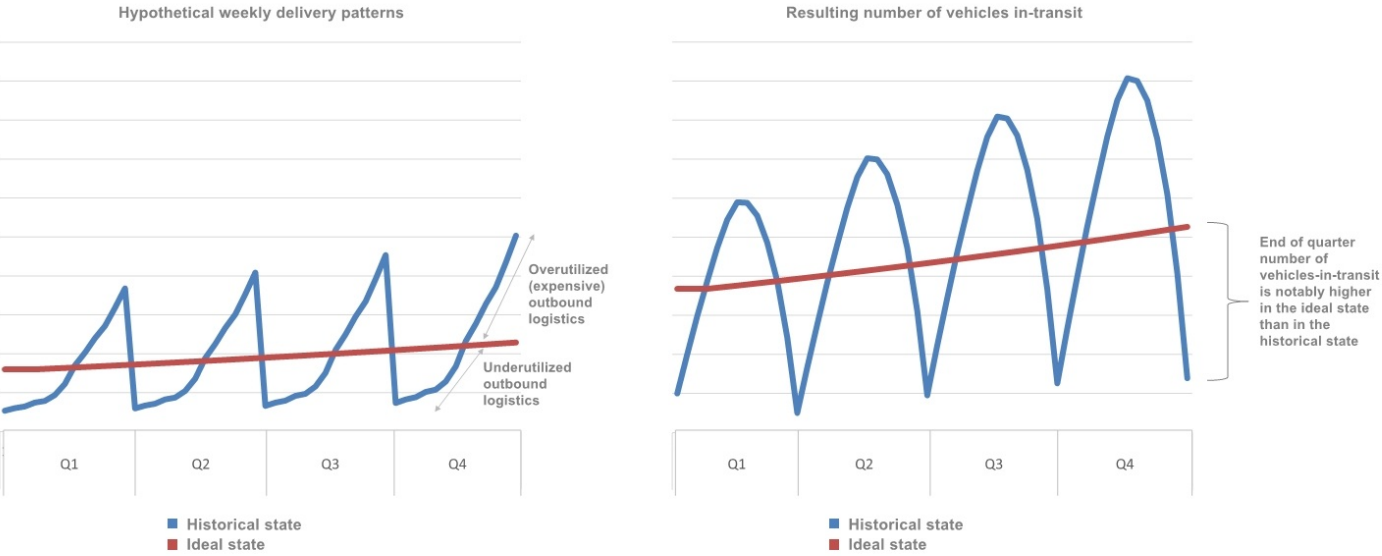
KEY METRICS TRAILING 12 MONTHS (TTM)  
(Unaudited)



KEY METRICS TRAILING 12 MONTHS (TTM)  
(Unaudited)



Source: OEM financial disclosures, Bloomberg  
Autos Industry includes: Tesla, BMW, Daimler, Ford, GM, Honda, Hyundai, Nissan, Toyota and VW. Stellantis is excluded given limited historical disclosures due to the recent merger between FCA and PSA.  
Autos Industry operating margin is calculated by dividing the sum of USD equivalent operating profits for the entire industry by their USD equivalent revenues for respective periods.



# FINANCIAL STATEMENTS

T E S L A

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STATEMENT OF OPERATIONS  
(Unaudited)

In millions of USD or shares as applicable, except per share data	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
<b>REVENUES</b>					
Automotive sales	11,393	15,025	15,514	13,670	17,785
Automotive regulatory credits	279	314	679	344	286
Automotive leasing	385	628	668	588	621
Total automotive revenue	12,057	15,967	16,861	14,602	18,692
Energy generation and storage	806	688	616	866	1,117
Services and other	894	1,064	1,279	1,466	1,645
<b>Total revenues</b>	<b>13,757</b>	<b>17,719</b>	<b>18,756</b>	<b>16,934</b>	<b>21,454</b>
<b>COST OF REVENUES</b>					
Automotive sales	8,150	10,689	10,914	10,153	13,099
Automotive leasing	234	396	408	368	381
Total automotive cost of revenues	8,384	11,085	11,322	10,521	13,480
Energy generation and storage	803	739	688	769	1,013
Services and other	910	1,048	1,286	1,410	1,579
Total cost of revenues	10,097	12,872	13,296	12,700	16,072
<b>Gross profit</b>	<b>3,660</b>	<b>4,847</b>	<b>5,460</b>	<b>4,234</b>	<b>5,382</b>
<b>OPERATING EXPENSES</b>					
Research and development	611	740	865	667	733
Selling, general and administrative	994	1,494	992	961	961
Restructuring and other	51	—	—	142	—
Total operating expenses	1,656	2,234	1,857	1,770	1,694
<b>INCOME FROM OPERATIONS</b>	<b>2,004</b>	<b>2,613</b>	<b>3,603</b>	<b>2,464</b>	<b>3,688</b>
Interest income	10	25	28	26	86
Interest expense	(126)	(71)	(61)	(44)	(53)
Other (expense) income, net	(6)	68	56	28	(85)
<b>INCOME BEFORE INCOME TAXES</b>	<b>1,882</b>	<b>2,635</b>	<b>3,626</b>	<b>2,474</b>	<b>3,636</b>
Provision for income taxes	223	292	346	205	305
<b>NET INCOME</b>	<b>1,659</b>	<b>2,343</b>	<b>3,280</b>	<b>2,269</b>	<b>3,331</b>
Net income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries	41	22	(38)	10	39
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>1,618</b>	<b>2,321</b>	<b>3,318</b>	<b>2,259</b>	<b>3,292</b>
<b>Net income per share of common stock attributable to common stockholders <sup>(1)</sup></b>					
Basic	\$ 0.54	\$ 0.76	\$ 1.07	\$ 0.73	\$ 1.05
Diluted	\$ 0.48	\$ 0.68	\$ 0.95	\$ 0.65	\$ 0.95
<b>Weighted average shares used in computing net income per share of common stock <sup>(1)</sup></b>					
Basic	2,993	3,044	3,103	3,111	3,146
Diluted	3,369	3,406	3,472	3,464	3,468

<sup>(1)</sup> Prior period results have been retroactively adjusted to reflect the three-for-one stock split effected in the form of a stock dividend in August 2022.

## BALANCE SHEET

(Unaudited)

In millions of USD	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22	30-Sep-22
<b>ASSETS</b>					
Current assets					
Cash, cash equivalents and marketable securities	16,095	17,707	18,013	18,915	21,107
Accounts receivable, net	1,962	1,913	2,311	2,081	2,192
Inventory	5,199	5,757	6,691	8,108	10,327
Prepaid expenses and other current assets	1,746	1,723	2,035	2,118	2,364
Total current assets	25,002	27,100	29,050	31,222	35,990
Operating lease vehicles, net	4,167	4,511	4,745	4,782	4,824
Solar energy systems, net	5,821	5,765	5,686	5,624	5,562
Property, plant and equipment, net	17,298	18,884	20,027	21,093	21,926
Operating lease right-of-use assets	1,962	2,016	2,181	2,185	2,251
Digital assets, net	1,260	1,260	1,261	218	218
Goodwill and intangible assets, net	470	457	454	437	419
Other non-current assets	1,854	2,138	2,634	2,952	3,236
<b>Total assets</b>	<b>57,834</b>	<b>62,131</b>	<b>66,038</b>	<b>68,513</b>	<b>74,426</b>
<b>LIABILITIES AND EQUITY</b>					
Current liabilities					
Accounts payable	8,260	10,025	11,171	11,212	13,897
Accrued liabilities and other	5,443	5,719	5,906	6,037	6,246
Deferred revenue	1,801	1,447	1,594	1,858	1,928
Customer deposits	831	925	1,125	1,182	1,083
Current portion of debt and finance leases (1)	1,716	1,589	1,659	1,532	1,457
Total current liabilities	18,051	19,705	21,455	21,821	24,611
Debt and finance leases, net of current portion (1)	6,438	5,245	3,153	2,898	2,096
Deferred revenue, net of current portion	1,365	2,052	2,185	2,210	2,265
Other long-term liabilities	3,486	3,546	3,839	3,926	4,330
<b>Total liabilities</b>	<b>29,340</b>	<b>30,548</b>	<b>30,632</b>	<b>30,855</b>	<b>33,302</b>
Redeemable noncontrolling interests in subsidiaries	605	568	459	421	421
Total stockholders' equity	27,053	30,189	34,085	36,376	39,851
Noncontrolling interests in subsidiaries	836	826	862	861	852
<b>Total liabilities and equity</b>	<b>57,834</b>	<b>62,131</b>	<b>66,038</b>	<b>68,513</b>	<b>74,426</b>
(1) Breakdown of our debt is as follows:					
<b>Vehicle and energy product financing (non-recourse)</b>	<b>4,531</b>	<b>3,952</b>	<b>3,333</b>	<b>3,086</b>	<b>2,335</b>
Other non-recourse debt	14	14	14	13	11
Recourse debt	2,101	1,376	74	53	51
<b>Total debt excluding vehicle and energy product financing</b>	<b>2,115</b>	<b>1,390</b>	<b>88</b>	<b>66</b>	<b>63</b>
Days sales outstanding	14	10	10	12	9
Days payable outstanding	72	65	72	80	72

STATEMENT OF CASH FLOWS  
(Unaudited)

In millions of USD	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income	1,659	2,343	3,280	2,269	3,331
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and impairment	761	848	880	922	956
Stock-based compensation	475	558	418	361	362
Other	253	(19)	19	145	220
Changes in operating assets and liabilities, net of effect of business combinations	(1)	855	(602)	(1,346)	231
<b>Net cash provided by operating activities</b>	<b>3,147</b>	<b>4,585</b>	<b>3,995</b>	<b>2,351</b>	<b>5,100</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Capital expenditures	(1,819)	(1,810)	(1,767)	(1,730)	(1,803)
Purchases of solar energy systems, net of sales	(6)	(4)	(5)	—	—
Proceeds from sales of digital assets	—	—	—	936	—
Purchases of marketable securities	(30)	(102)	(386)	(90)	(991)
Proceeds from maturities of marketable securities	—	—	—	—	3
Purchase of intangible assets	—	—	(9)	—	—
<b>Net cash used in investing activities</b>	<b>(1,855)</b>	<b>(1,916)</b>	<b>(2,167)</b>	<b>(884)</b>	<b>(2,791)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net cash flows from other debt activities	(2,091)	(860)	(1,436)	(154)	(133)
Collateralized lease repayments	(1)	—	—	—	—
Net borrowings (repayments) under vehicle and energy product financing	562	(596)	(632)	(248)	(766)
Net cash flows from noncontrolling interests – Solar	(43)	(63)	(48)	(47)	(42)
Other	192	262	202	43	229
<b>Net cash used in financing activities</b>	<b>(1,381)</b>	<b>(1,257)</b>	<b>(1,914)</b>	<b>(406)</b>	<b>(712)</b>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(42)	38	(18)	(214)	(335)
Net (decrease) increase in cash and cash equivalents and restricted cash	(131)	1,450	(104)	847	1,262
Cash and cash equivalents and restricted cash at beginning of period	16,825	16,694	18,144	18,040	18,887
Cash and cash equivalents and restricted cash at end of period	16,694	18,144	18,040	18,887	20,149

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

In millions of USD or shares as applicable, except per share data	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
<b>Net income attributable to common stockholders (GAAP)</b>	<b>1,618</b>	<b>2,321</b>	<b>3,318</b>	<b>2,259</b>	<b>3,292</b>
Stock-based compensation expense	475	558	418	361	362
<b>Net income attributable to common stockholders (non-GAAP)</b>	<b>2,093</b>	<b>2,879</b>	<b>3,736</b>	<b>2,620</b>	<b>3,654</b>
Less: Buy-out of noncontrolling interest	—	(5)	5	3	—
Less: Dilutive convertible debt	(1)	(1)	(0)	(0)	(0)
<b>Net income used in computing diluted EPS attributable to common stockholders (non-GAAP)</b>	<b>2,094</b>	<b>2,885</b>	<b>3,731</b>	<b>2,617</b>	<b>3,654</b>
<b>EPS attributable to common stockholders, diluted (GAAP)<sup>(1)</sup></b>	<b>0.48</b>	<b>0.68</b>	<b>0.95</b>	<b>0.65</b>	<b>0.95</b>
Stock-based compensation expense per share <sup>(1)</sup>	0.14	0.17	0.12	0.11	0.10
<b>EPS attributable to common stockholders, diluted (non-GAAP)<sup>(1)</sup></b>	<b>0.62</b>	<b>0.85</b>	<b>1.07</b>	<b>0.76</b>	<b>1.05</b>
Shares used in EPS calculation, diluted (GAAP and non-GAAP) <sup>(1)</sup>	3,369	3,406	3,472	3,464	3,468
<b>Net income attributable to common stockholders (GAAP)</b>	<b>1,618</b>	<b>2,321</b>	<b>3,318</b>	<b>2,259</b>	<b>3,292</b>
Interest expense	126	71	61	44	53
Provision for income taxes	223	292	346	205	305
Depreciation, amortization and impairment	761	848	880	922	956
Stock-based compensation expense	475	558	418	361	362
<b>Adjusted EBITDA (non-GAAP)</b>	<b>3,203</b>	<b>4,090</b>	<b>5,023</b>	<b>3,791</b>	<b>4,968</b>
Total revenues	13,757	17,719	18,756	16,934	21,454
<b>Adjusted EBITDA margin (non-GAAP)</b>	<b>23.3%</b>	<b>23.1%</b>	<b>26.8%</b>	<b>22.4%</b>	<b>23.2%</b>
<b>Automotive gross margin (GAAP)</b>	<b>30.5%</b>	<b>30.6%</b>	<b>32.9%</b>	<b>27.9%</b>	<b>27.9%</b>
Less: Total regulatory credit revenue recognized	1.7%	1.4%	2.9%	1.7%	1.1%
<b>Automotive gross margin excluding regulatory credit sales (non-GAAP)</b>	<b>28.8%</b>	<b>29.2%</b>	<b>30.0%</b>	<b>26.2%</b>	<b>26.8%</b>

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

In millions of USD	1Q-2019	2Q-2019	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021	2Q-2021	3Q-2021	4Q-2021	1Q-2022	2Q-2022	3Q-2022
Net cash (used in) provided by operating activities (GAAP)	(640)	864	756	1,425	(440)	964	2,400	3,019	1,641	2,124	3,147	4,585	3,995	2,351	5,100
Capital expenditures	(280)	(250)	(385)	(412)	(455)	(546)	(1,005)	(1,151)	(1,348)	(1,505)	(1,819)	(1,810)	(1,767)	(1,730)	(1,803)
Free cash flow (non-GAAP)	(920)	614	371	1,013	(895)	418	1,395	1,868	293	619	1,328	2,775	2,228	621	3,297
In millions of USD	1Q-2019	2Q-2019	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021	2Q-2021	3Q-2021	4Q-2021	1Q-2022	2Q-2022	3Q-2022
Net (loss) income attributable to common stockholders (GAAP)	(702)	(408)	143	105	16	104	331	270	438	1,142	1,618	2,321	3,318	2,259	3,292
Interest expense	158	172	185	170	169	170	163	246	99	75	126	71	61	44	53
Provision for income taxes	23	19	26	42	2	21	186	83	69	115	223	292	346	205	305
Depreciation, amortization and impairment	468	579	530	577	553	567	584	618	621	681	761	848	880	922	956
Stock-based compensation expense	208	210	199	281	211	347	543	633	614	474	475	558	418	361	362
Adjusted EBITDA (non-GAAP)	155	572	1,083	1,175	951	1,209	1,807	1,850	1,841	2,487	3,203	4,090	5,023	3,791	4,968
In millions of USD				4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021	2Q-2021	3Q-2021	4Q-2021	1Q-2022	2Q-2022	3Q-2022
Net cash provided by operating activities – TTM (GAAP)				2,405	2,605	2,705	4,349	5,943	8,024	9,184	9,931	11,497	13,851	14,078	16,031
Capital expenditures – TTM				(1,327)	(1,502)	(1,798)	(2,418)	(3,157)	(4,050)	(5,009)	(5,823)	(6,482)	(6,901)	(7,126)	(7,110)
Free cash flow – TTM (non-GAAP)				1,078	1,103	907	1,931	2,786	3,974	4,175	4,108	5,015	6,950	6,952	8,921
In millions of USD				4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021	2Q-2021	3Q-2021	4Q-2021	1Q-2022	2Q-2022	3Q-2022
Net (loss) income attributable to common stockholders – TTM (GAAP)				(862)	(144)	368	556	721	1,143	2,181	3,468	5,519	8,399	9,516	11,190
Interest expense – TTM				685	696	694	672	748	678	583	546	371	333	302	229
Provision for income taxes – TTM				110	89	91	251	292	359	453	490	699	976	1,066	1,148
Depreciation, amortization and impairment – TTM				2,154	2,239	2,227	2,281	2,322	2,390	2,504	2,681	2,911	3,170	3,411	3,606
Stock-based compensation expense – TTM				898	901	1,038	1,382	1,734	2,137	2,264	2,196	2,121	1,925	1,812	1,699
Adjusted EBITDA – TTM (non-GAAP)				2,985	3,781	4,418	5,142	5,817	6,707	7,985	9,381	11,621	14,803	16,107	17,872

## ADDITIONAL INFORMATION

### WEBCAST INFORMATION

Tesla will provide a live webcast of its third quarter 2022 financial results conference call beginning at 4:30 p.m. CT on October 19, 2022 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 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. Average cost per vehicle is cost of automotive sales divided by new vehicle deliveries (excluding leases). "Days sales outstanding" is equal to (i) average accounts receivable, net for the period divided by (ii) total revenues and multiplied by (iii) the number of days in the period. "Days payable outstanding" is equal to (i) average accounts payable for the period divided by (ii) total cost of revenues and multiplied by (iii) the number of days in the period. "Days of supply" is calculated by dividing new car ending inventory by the relevant quarter's deliveries and using 75 trading days.

### 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 attributable to common stockholders, non-GAAP net income attributable to common stockholders on a diluted per share basis (calculated using weighted average shares for GAAP diluted net income 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, ramp, production capacity and output rates, production process, supply chain, demand and market growth, deliveries, deployment, availability 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, Cybertruck, our Autopilot, Full Self-Driving and other vehicle software, energy storage and solar products, our Supercharger network, and the battery and powertrain technologies we are developing; statements regarding operating margin, operating profits, spending and liquidity; and statements regarding expansion, improvements and/or ramp and related timing at the California Factory, Gigafactory Shanghai, Gigafactory Berlin-Brandenburg, Gigafactory Texas and Megapack factory 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 and Gigafactory Shanghai; our ability to ramp Gigafactory Shanghai, Gigafactory Berlin-Brandenburg 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 quarterly report on Form 10-Q filed with the SEC on July 25, 2022. 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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