

Tesla - Q1 2023 Financial Report

Metric	Value
Revenue	\$47,838,716.00
Growth Rate	18.3%
Profit Margin	27.4%

****Tesla, Inc. - Q1 2023 Financial Report**** ****Executive Summary:**** Tesla (TSLA) achieved a mixed performance in Q1 2023, navigating a complex macroeconomic environment and intensified competition. While revenue growth continued, profitability was impacted by price adjustments implemented to maintain market share and drive volume. We achieved revenue of \$23.33 billion, a 24% increase year-over-year, but gross profit margins contracted to 19.3% due to pricing pressures and increased raw material costs. We remain committed to long-term growth and technological innovation.

****Revenue and Growth:**** Automotive revenue reached \$20.43 billion, driven primarily by Model 3 and Model Y deliveries. Energy generation and storage revenue contributed \$1.53 billion, demonstrating continued growth in this vital sector. Services and other revenue accounted for the remaining \$1.37 billion. While vehicle deliveries grew by 36% year-over-year, the average selling price of our vehicles decreased due to strategic price adjustments intended to broaden accessibility and capture a larger market share. Regionally, North America continues to be our largest market, with significant growth also observed in Europe and China.

****Key Business Highlights:**** During Q1, Tesla continued its expansion of Supercharger network, exceeding 45,000 stalls globally. Production ramp-up at Gigafactory Texas and Gigafactory Berlin-Brandenburg progressed according to plan, contributing to overall production capacity. We also made strides in Full Self-Driving (FSD) software development and are actively expanding the FSD Beta program. Moreover, we continue to invest significantly in research and development, focusing on next-generation vehicles, battery technology, and AI capabilities.

****Market Conditions and Competitive Landscape:**** The Electric Vehicle (EV) market is experiencing rapid growth, but is also becoming increasingly competitive. Incumbent automakers and new entrants are introducing a growing number of EV models, putting pressure on pricing and market share. Macroeconomic headwinds, including inflation and interest rate hikes, are impacting consumer demand and affordability. The clean energy sector is also experiencing increased competition, particularly in the residential solar and energy storage markets.

****Forward-Looking Statements and Guidance:**** Tesla remains focused on increasing production capacity, driving down costs, and expanding its product portfolio. We reiterate our long-term target of 50% average annual growth in vehicle deliveries, though short-term growth may fluctuate due to macroeconomic factors and supply chain constraints. We are investing heavily in future technologies and believe that our superior technology, manufacturing capabilities, and brand strength will allow us to maintain a leadership position in the EV and clean energy markets. We anticipate gross margins to improve in the second half of the year as we realize cost efficiencies and new product offerings.