

# Q2 2023 Update

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## HIGHLIGHTS

**Profitability**    9.6% operating margin  
                  \$2.4B GAAP operating income  
                  \$2.7B GAAP net income  
                  \$3.1B non-GAAP net income<sup>1</sup>

**Cash**              Operating cash flow of \$3.1B  
                    Free cash flow<sup>2</sup> of \$1.0B  
                    \$0.7B increase in our cash and investments<sup>3</sup> QoQ to \$23.1B

**Operations**       Cybertruck factory tooling on track; producing RC<sup>4</sup> builds  
                    Model Y became the best-selling vehicle globally in Q1

## SUMMARY

Q2-2023 was a record quarter on many levels with our best-ever production and deliveries and revenue approaching \$25B in a single quarter. We are excited that we were able to achieve such results given the macroeconomic environment we are currently in.

Our operating margin remained healthy at approximately 10%, even with price reductions in Q1 and early Q2. This reflects our ongoing cost reduction efforts, the continued production ramp success in Berlin and Texas and the strong performance of our Energy and Services & Other businesses.

Our commitment to being at the forefront of AI development entered a new chapter with the start of production of Dojo training computers. We are hopeful that our immense neural net training needs will be satisfied using our in-house designed Dojo hardware. The better the neural net training capacity, the greater the opportunity for our Autopilot team to iterate on new solutions.

In conclusion, we are focusing on cost reduction, new product development that will enable future growth, investments in R&D, better vehicle financing options, continuous product improvement and generation of free cash flow. The challenges of these uncertain times are not over, but we believe we have the right ingredients for the long-term success of the business through a variety of high potential projects.

<sup>(1)</sup> Excludes SBC (stock-based compensation)

<sup>(2)</sup> Free cash flow = operating cash flow less capex

<sup>(3)</sup> Includes cash, cash equivalents and investments

<sup>(4)</sup> RC builds = release candidate builds

**FINANCIAL SUMMARY**  
(Unaudited)

| (\$ in millions, except percentages and per share data)                    | Q2-2022    | Q3-2022    | Q4-2022    | Q1-2023    | Q2-2023    | YoY     |
|--|------------|------------|------------|------------|------------|---------|
| Total automotive revenues  | 14,602     | 18,692     | 21,307     | 19,963     | 21,268     | 46%     |
| Energy generation and storage revenue                                      | 866        | 1,117      | 1,310      | 1,529      | 1,509      | 74%     |
| Services and other revenue   | 1,466      | 1,645      | 1,701      | 1,837      | 2,150      | 47%     |
| <br>Total revenues   | <br>16,934 | <br>21,454 | <br>24,318 | <br>23,329 | <br>24,927 | <br>47% |
| Total gross profit   | 4,234      | 5,382      | 5,777      | 4,511      | 4,533      | 7%      |
| Total GAAP gross margin  | 25.0%      | 25.1%      | 23.8%      | 19.3%      | 18.2%      | -682 bp |
| <br>Operating expenses   | <br>1,770  | <br>1,694  | <br>1,876  | <br>1,847  | <br>2,134  | <br>21% |
| Income from operations   | 2,464      | 3,688      | 3,901      | 2,664      | 2,399      | -3%     |
| Operating margin   | 14.6%      | 17.2%      | 16.0%      | 11.4%      | 9.6%       | -493 bp |
| <br>Adjusted EBITDA  | <br>3,791  | <br>4,968  | <br>5,404  | <br>4,267  | <br>4,653  | <br>23% |
| Adjusted EBITDA margin   | 22.4%      | 23.2%      | 22.2%      | 18.3%      | 18.7%      | -372 bp |
| <br>Net income attributable to common stockholders (GAAP)                  | <br>2,259  | <br>3,292  | <br>3,687  | <br>2,513  | <br>2,703  | <br>20% |
| Net income attributable to common stockholders (non-GAAP)                  | 2,620      | 3,654      | 4,106      | 2,931      | 3,148      | 20%     |
| <br>EPS attributable to common stockholders, diluted (GAAP) <sup>(1)</sup> | <br>0.65   | <br>0.95   | <br>1.07   | <br>0.73   | <br>0.78   | <br>20% |
| EPS attributable to common stockholders, diluted (non-GAAP) <sup>(1)</sup> | 0.76       | 1.05       | 1.19       | 0.85       | 0.91       | 20%     |
| <br>Net cash provided by operating activities                              | <br>2,351  | <br>5,100  | <br>3,278  | <br>2,513  | <br>3,065  | <br>30% |
| Capital expenditures   | (1,730)    | (1,803)    | (1,858)    | (2,072)    | (2,060)    | 19%     |
| Free cash flow   | 621        | 3,297      | 1,420      | 441        | 1,005      | 62%     |
| Cash, cash equivalents and investments                                     | 18,915     | 21,107     | 22,185     | 22,402     | 23,075     | 22%     |

<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 47% YoY in Q2 to \$24.9B. YoY, revenue was impacted by the following items:

- + growth in vehicle deliveries
- + growth in other parts of the business
- reduced ASP YoY (excluding FX impact)
- negative FX impact of \$0.6B<sup>1</sup>

### Profitability

Our operating income decreased slightly YoY to \$2.4B in Q2, resulting in a 9.6% operating margin. YoY, operating income was primarily impacted by the following items:

- reduced ASP due to mix and pricing
- cost of production ramp of 4680 cells and other related charges
- increase in Operating expenses driven by Cybertruck, AI and other large projects
- negative FX impact
- + growth in vehicle deliveries (despite margin headwind from underutilization of new factories)
- + lower cost per vehicle, which includes lower raw material costs and IRA credit
- + gross profit growth in Energy business as well as Services & Other

Other income (below operating income line) was positively impacted by FX movements on certain intercompany balances.

### Cash

Quarter-end cash, cash equivalents and investments increased sequentially by \$0.7B to \$23.1B in Q2, driven mainly by free cash flow of \$1.0B, partially offset by other financing activities, including debt repayments.

**OPERATIONAL SUMMARY**  
(Unaudited)

|  | Q2-2022        | Q3-2022        | Q4-2022        | Q1-2023        | Q2-2023        | YoY         |
|--|----------------|----------------|----------------|----------------|----------------|-------------|
| Model S/X production   | 16,411         | 19,935         | 20,613         | 19,437         | 19,489         | 19%         |
| Model 3/Y production   | 242,169        | 345,988        | 419,088        | 421,371        | 460,211        | 90%         |
| <b>Total production</b>  | <b>258,580</b> | <b>365,923</b> | <b>439,701</b> | <b>440,808</b> | <b>479,700</b> | <b>86%</b>  |
|  |                |                |                |                |                |             |
| Model S/X deliveries   | 16,162         | 18,672         | 17,147         | 10,695         | 19,225         | 19%         |
| Model 3/Y deliveries   | 238,533        | 325,158        | 388,131        | 412,180        | 446,915        | 87%         |
| <b>Total deliveries</b>  | <b>254,695</b> | <b>343,830</b> | <b>405,278</b> | <b>422,875</b> | <b>466,140</b> | <b>83%</b>  |
| of which subject to operating lease accounting                 | 9,227          | 11,004         | 15,184         | 22,357         | 21,883         | 137%        |
|  |                |                |                |                |                |             |
| <b>Total end of quarter operating lease vehicle count</b>      | <b>131,756</b> | <b>135,054</b> | <b>140,667</b> | <b>153,988</b> | <b>168,058</b> | <b>28%</b>  |
| <b>Global vehicle inventory (days of supply)<sup>(1)</sup></b> | <b>4</b>       | <b>8</b>       | <b>13</b>      | <b>15</b>      | <b>16</b>      | <b>300%</b> |
|  |                |                |                |                |                |             |
| Solar deployed (MW)  | 106            | 94             | 100            | 67             | 66             | -38%        |
| Storage deployed (MWh)   | 1,133          | 2,100          | 2,462          | 3,889          | 3,653          | 222%        |
|  |                |                |                |                |                |             |
| <b>Tesla locations<sup>(2)</sup></b>                           | <b>831</b>     | <b>903</b>     | <b>963</b>     | <b>1,000</b>   | <b>1,068</b>   | <b>29%</b>  |
| <b>Mobile service fleet</b>                                    | <b>1,453</b>   | <b>1,532</b>   | <b>1,584</b>   | <b>1,692</b>   | <b>1,769</b>   | <b>22%</b>  |
|  |                |                |                |                |                |             |
| <b>Supercharger stations</b>                                   | <b>3,971</b>   | <b>4,283</b>   | <b>4,678</b>   | <b>4,947</b>   | <b>5,265</b>   | <b>33%</b>  |
| <b>Supercharger connectors</b>                                 | <b>36,165</b>  | <b>38,883</b>  | <b>42,419</b>  | <b>45,169</b>  | <b>48,082</b>  | <b>33%</b>  |

## VEHICLE CAPACITY

In Q2, we produced a record number of vehicles, thanks to ongoing ramps of our new factories as well as strong performance of Shanghai and Fremont. We remain committed to smoothing deliveries throughout the quarter by reducing the percentage of vehicles delivered in the 3rd month. Vehicles in-transit, test-drive and display vehicles account for a substantive majority of our total days of supply.

### US: California, Nevada and Texas

At Gigafactory Texas, in addition to the continued success of the Model Y ramp, we are also working on equipment installation for Cybertruck production, which remains on track for initial deliveries this year. We have made notable progress on yield improvement of our 4680 cell production lines. We continue building capacity for cathode production and lithium refining in the U.S.

### China: Shanghai

Since our Shanghai factory has been successfully running near full capacity for several months, we do not expect a meaningful increase in weekly production run rate. Gigafactory Shanghai remains our main export hub.

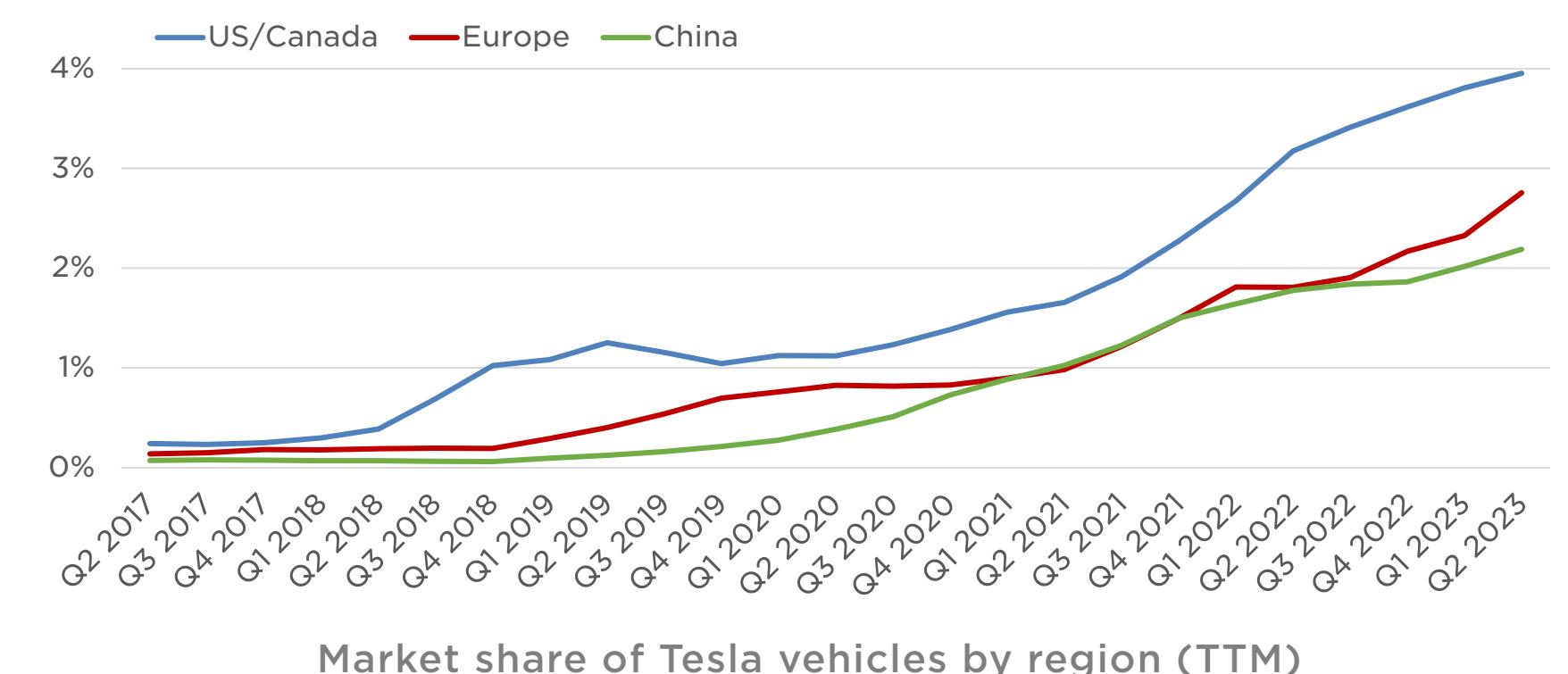
### Europe: Berlin-Brandenburg

Our factory in Germany produced standard range Model Y vehicles in Q2 for the first time. Building off momentum from its success in Q1, Model Y was the best-selling vehicle of any kind in Europe year-to-date (based on the latest available data as of May).

### 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           | 375,000  | Production       |
|            | Cybertruck        | -        | Tooling          |
| Nevada     | Tesla Semi        | -        | Pilot production |
| Various    | Next Gen Platform | -        | In development   |
| TBD        | Roadster          | -        | 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.



## CORE TECHNOLOGY

### Artificial Intelligence Software and Hardware

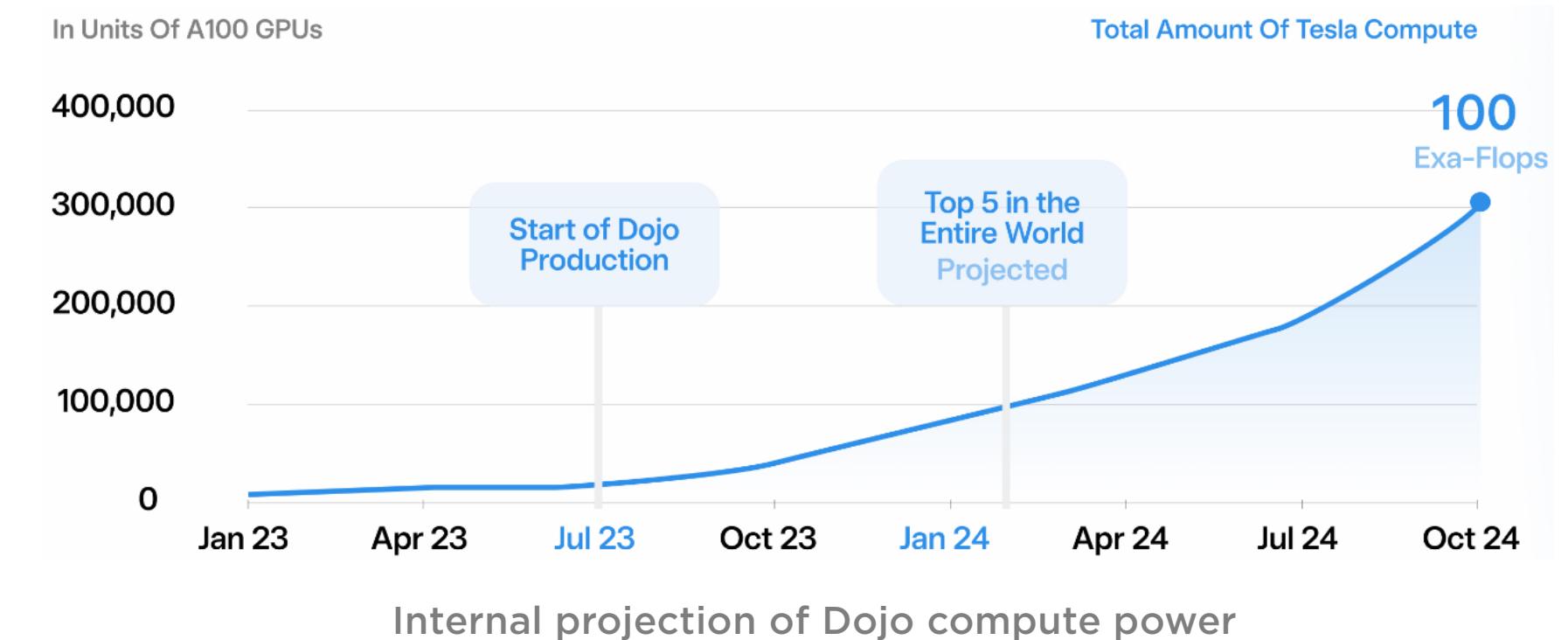
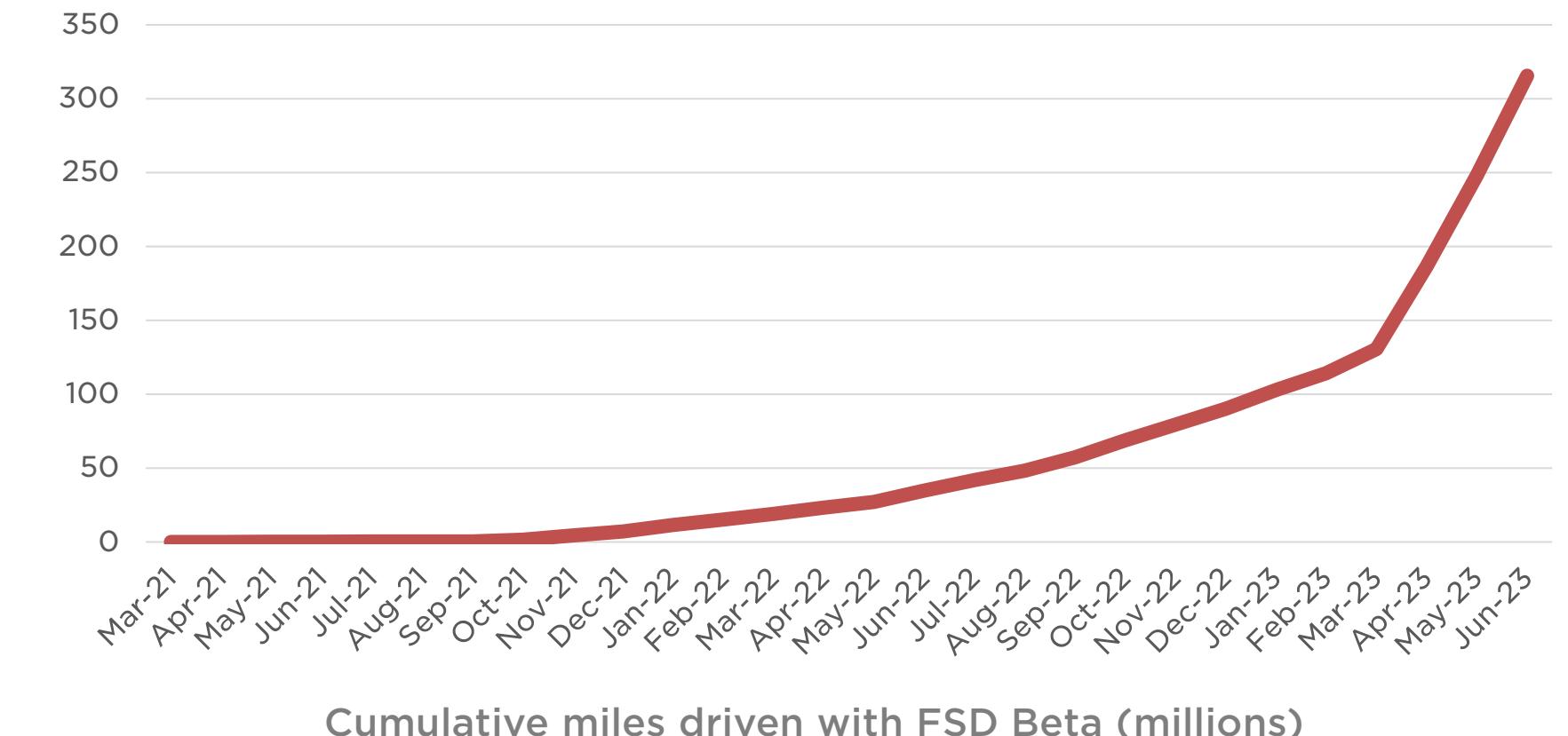
Four main technology pillars are needed to solve vehicle autonomy at scale: extremely large real-world dataset, neural net training, vehicle hardware and vehicle software. We are developing each of these pillars in-house. This month, we are taking a step towards faster and cheaper neural net training with the start of production of our Dojo training computer.

### Vehicle and Other Software

For customers getting a Model 3 or Y for the first time, we launched the “Get To Know Your Tesla” experience where users can adjust their seats, mirrors, steering wheel, set up the phone key and learn about topics such as regenerative braking. To help customers discover ongoing improvements in software updates, we now highlight new features directly in the UI, encourage users to try features they may have missed and added the ability to search Controls.

### Battery, Powertrain & Manufacturing

We are now testing Cybertruck vehicles around the world for final certification and validation. This might be the most unique vehicle product in decades; with that comes trialing and testing new technologies. As far as we know, Cybertruck will be the first sub-19 ft. truck (fitting into a garage) that has both four doors and 6+ ft. bed. Both technologically and architecturally, this vehicle will break a lot of boundaries – very much in line with how we think about vehicle engineering and manufacturing.



Source: Tesla estimates

## OTHER HIGHLIGHTS

### Energy Storage

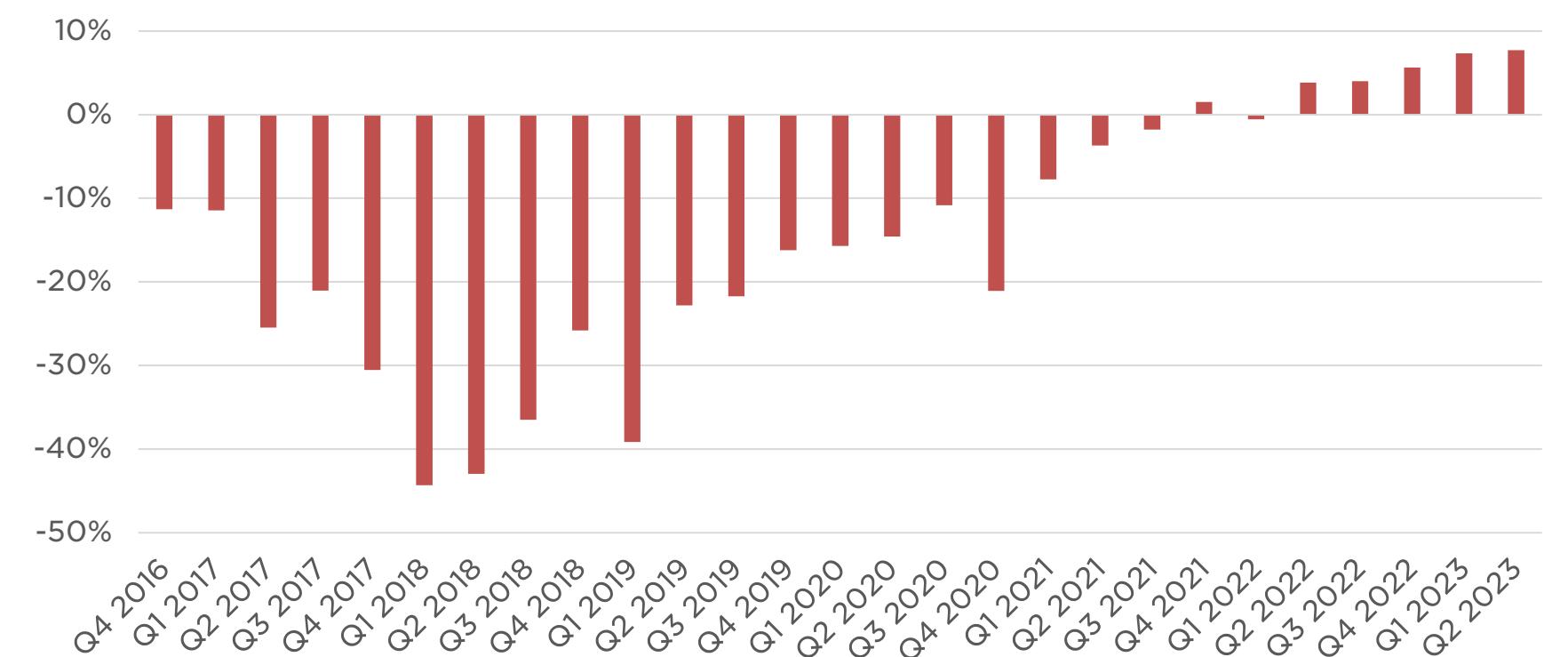
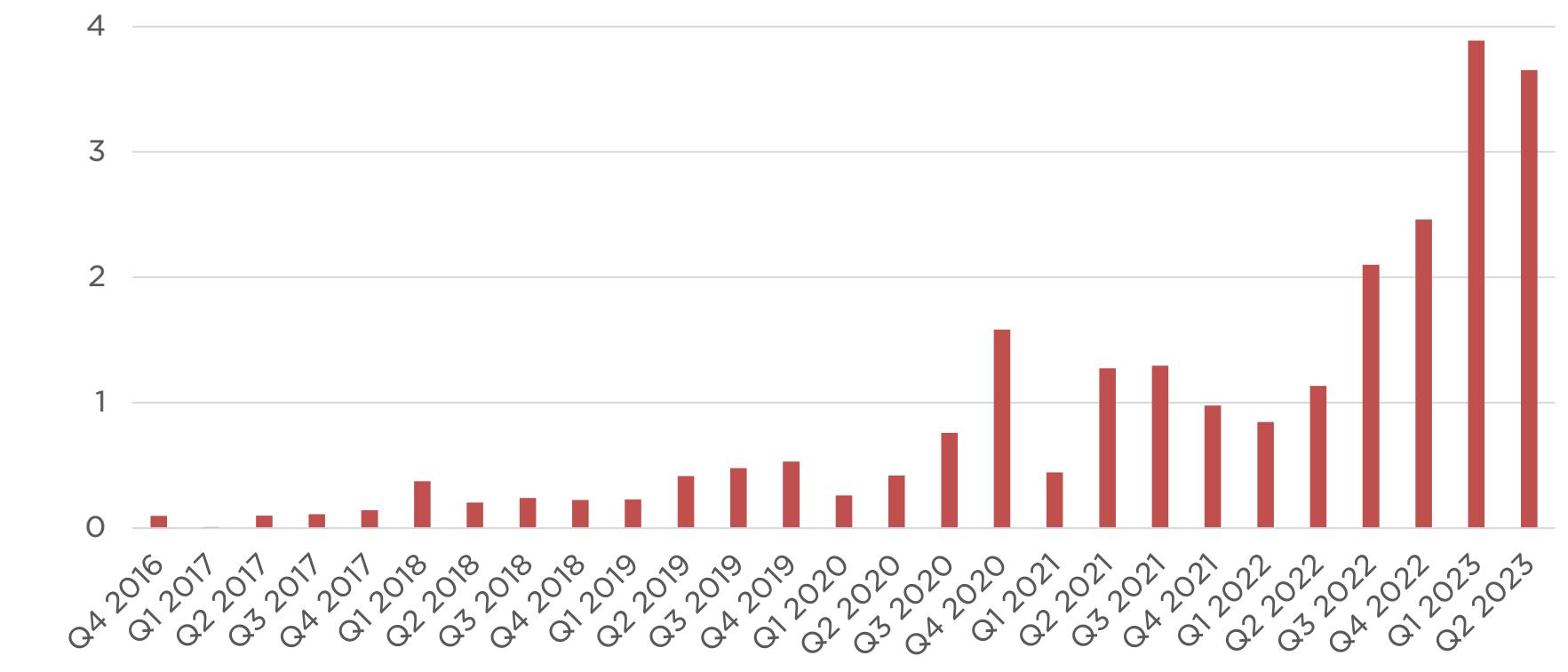
Energy storage deployments increased by 222% YoY in Q2 to 3.7 GWh, another strong quarter due to the ongoing ramp of our first dedicated Megapack factory (Megafactory) in Lathrop, CA. The ramp of this 40 GWh Megafactory – the first of many – has been successful with still more room to reach full capacity. While energy storage deployment rate can be volatile due to project timing, production rate improved further sequentially in Q2.

### Solar

Solar deployments remained roughly flat sequentially at 66 MW, declining YoY, predominantly due to a high interest rate environment that is causing postponement of solar purchasing industry-wide.

### Services and Other business

The 2<sup>nd</sup> quarter of 2023 has been the quarter of Supercharging. A significant number of companies, including Ford, GM, Mercedes, Nissan, Polestar, Rivian, Volvo and Electrify America, have announced adoption of NACS – a charging standard developed by Tesla over a decade ago – for their North American products. Further opening our charging network in 2024 will enable both faster market conversion from combustion vehicles to EVs as well as faster growth of our charging network through a larger addressable fleet.



## OUTLOOK

### Volume

We are planning to grow production as quickly as possible in alignment with the 50% CAGR target we began guiding to in early 2021. In some years we may grow faster and some we may grow slower, depending on a number of factors. For 2023, we expect to remain ahead of the long-term 50% CAGR with around 1.8 million vehicles for the year.

### Cash

We have ample liquidity to fund our product roadmap, long-term capacity expansion plans and other expenses. Furthermore, we will manage the business such that we maintain a strong balance sheet during this uncertain period.

### Profit

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 by an acceleration of AI, software and fleet-based profits.

### Product

Cybertruck remains on track to begin initial production later this year at Gigafactory Texas. In addition, we continue to make progress on our next generation platform.



CYBERTRUCK TESTING



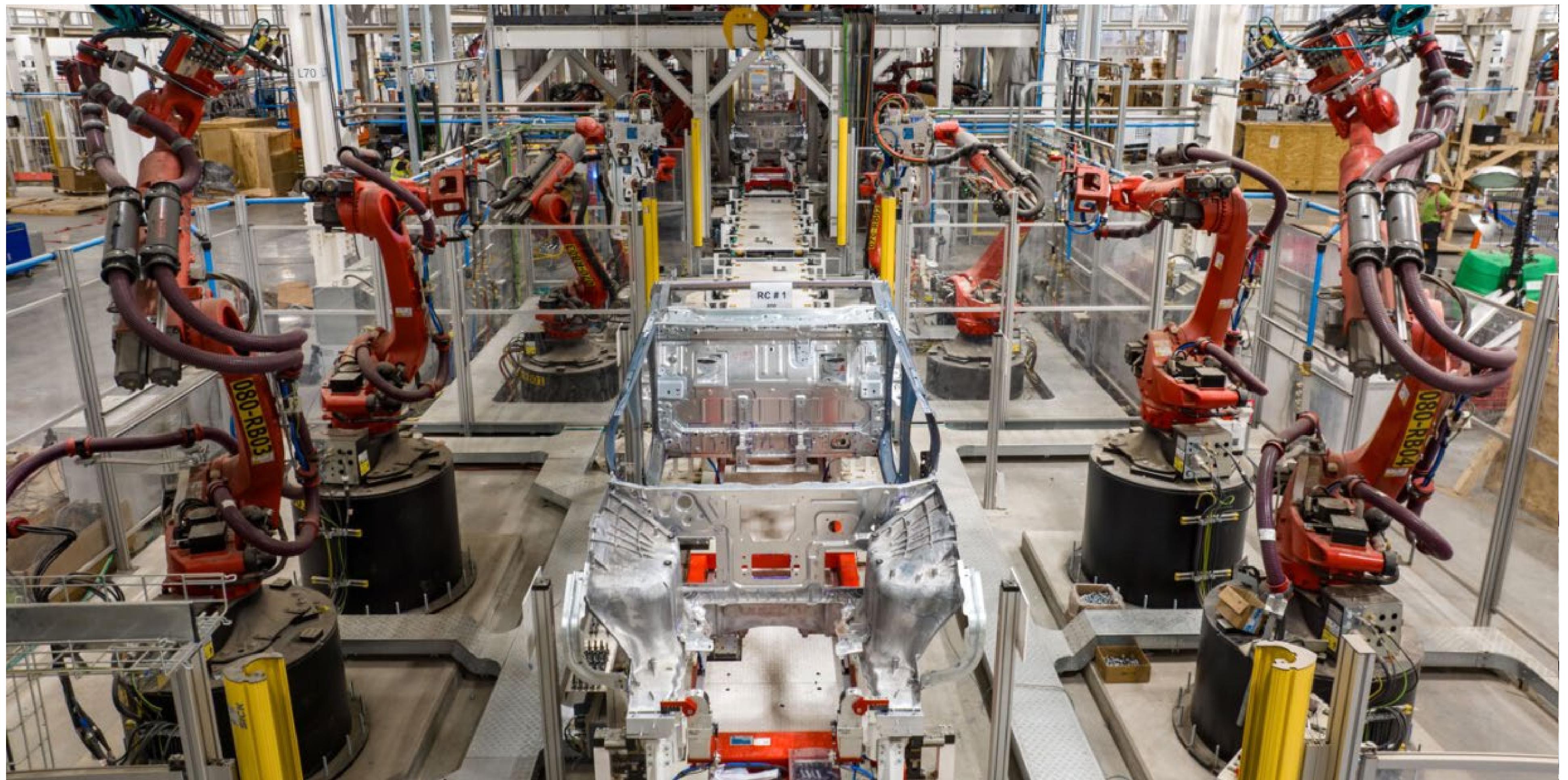
CYBERTRUCK - BUILT TO DO REAL WORK



CYBERTRUCK - PRODUCTION LINE AT GIGAFACTORY TEXAS



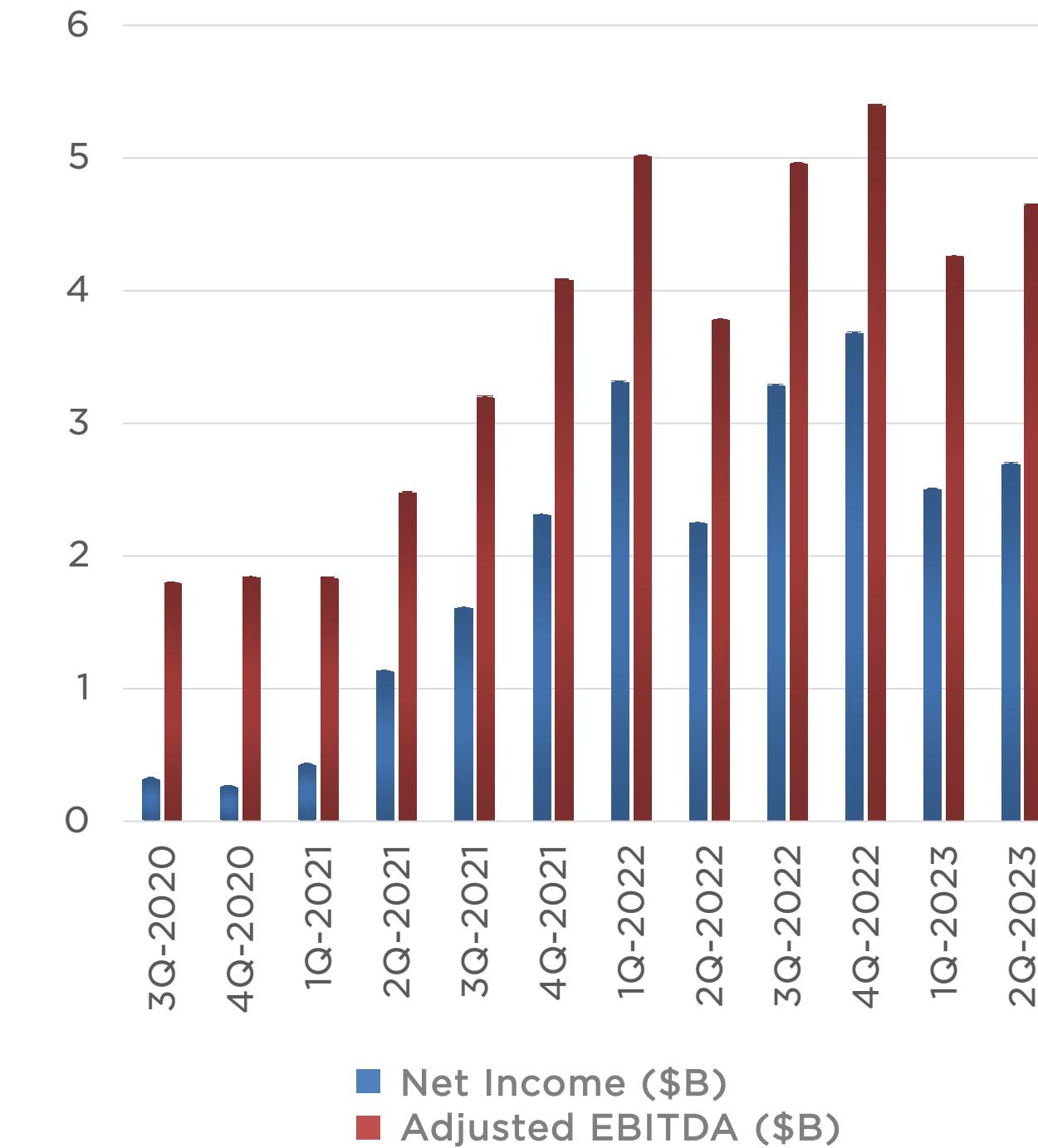
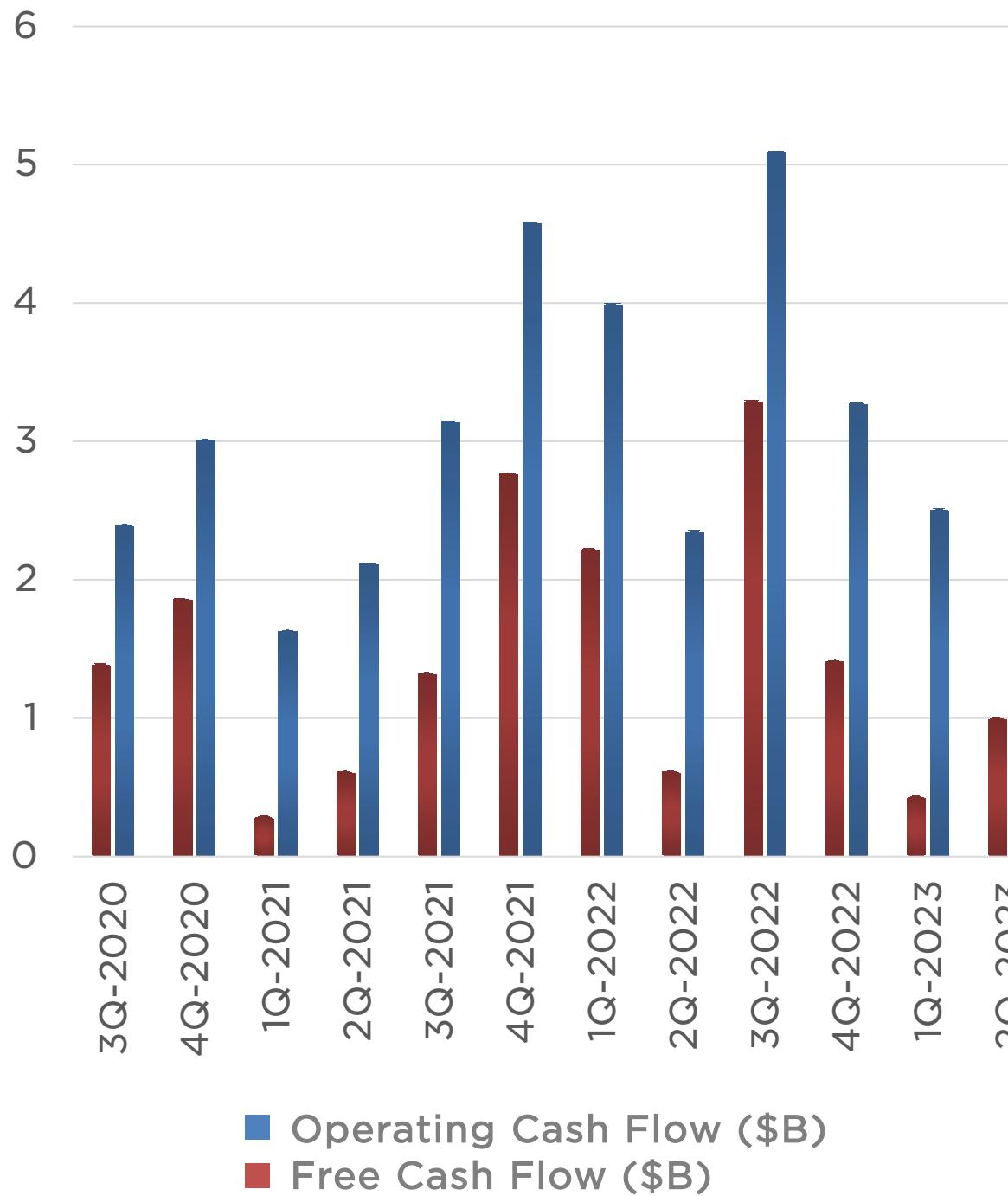
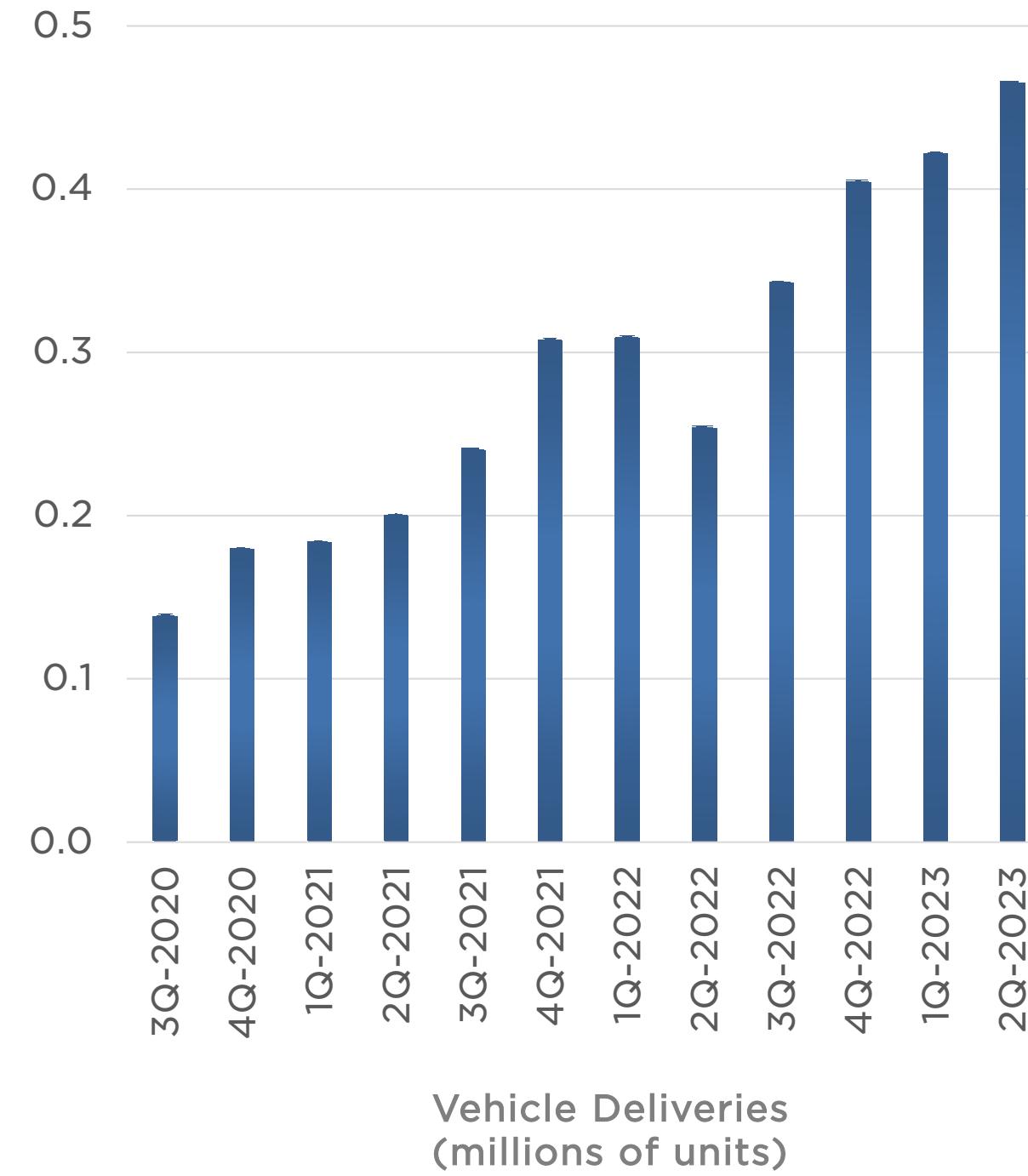
CYBERTRUCK - PRODUCTION LINE AT GIGAFACTORY TEXAS BUILDING RC UNITS



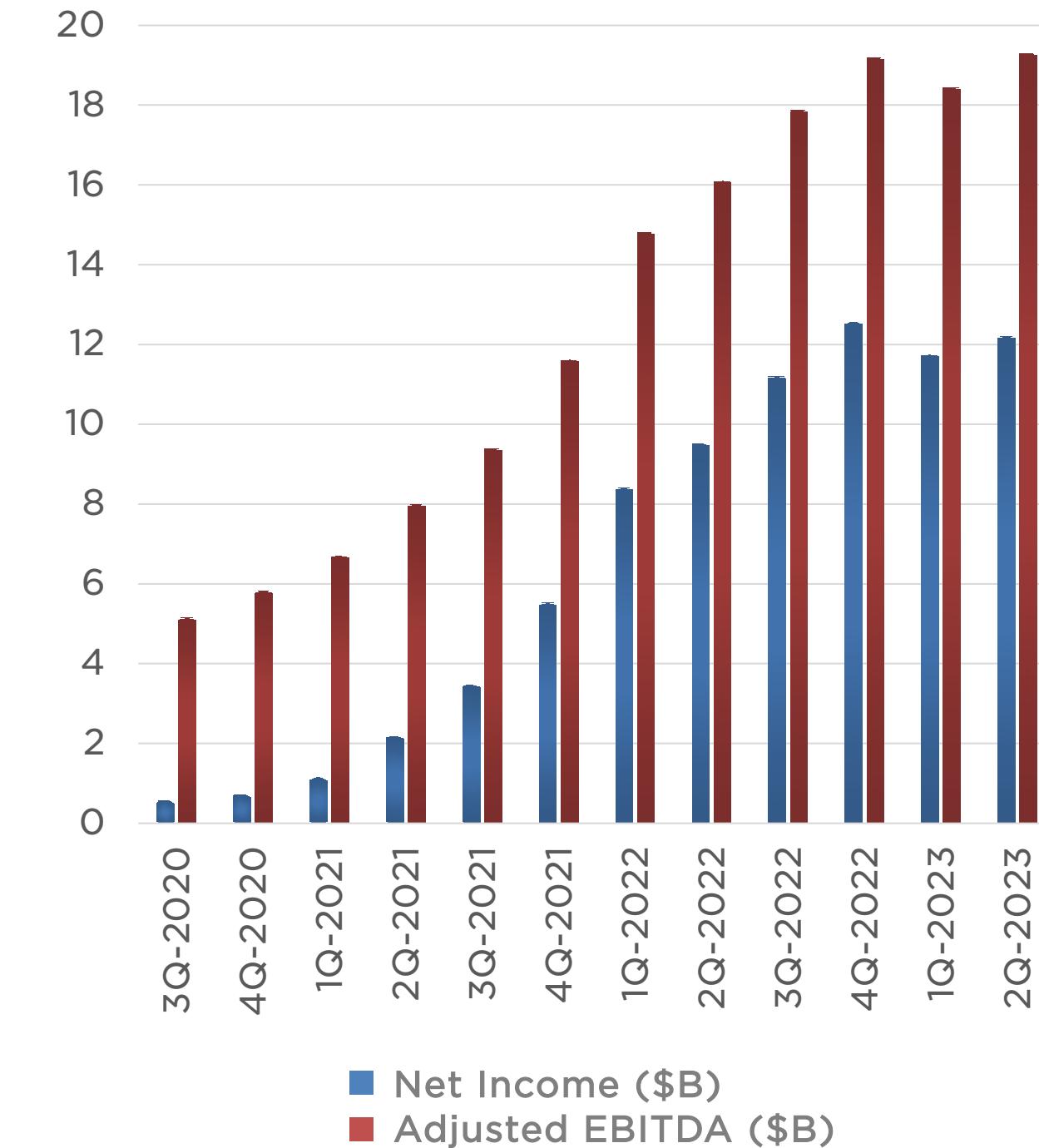
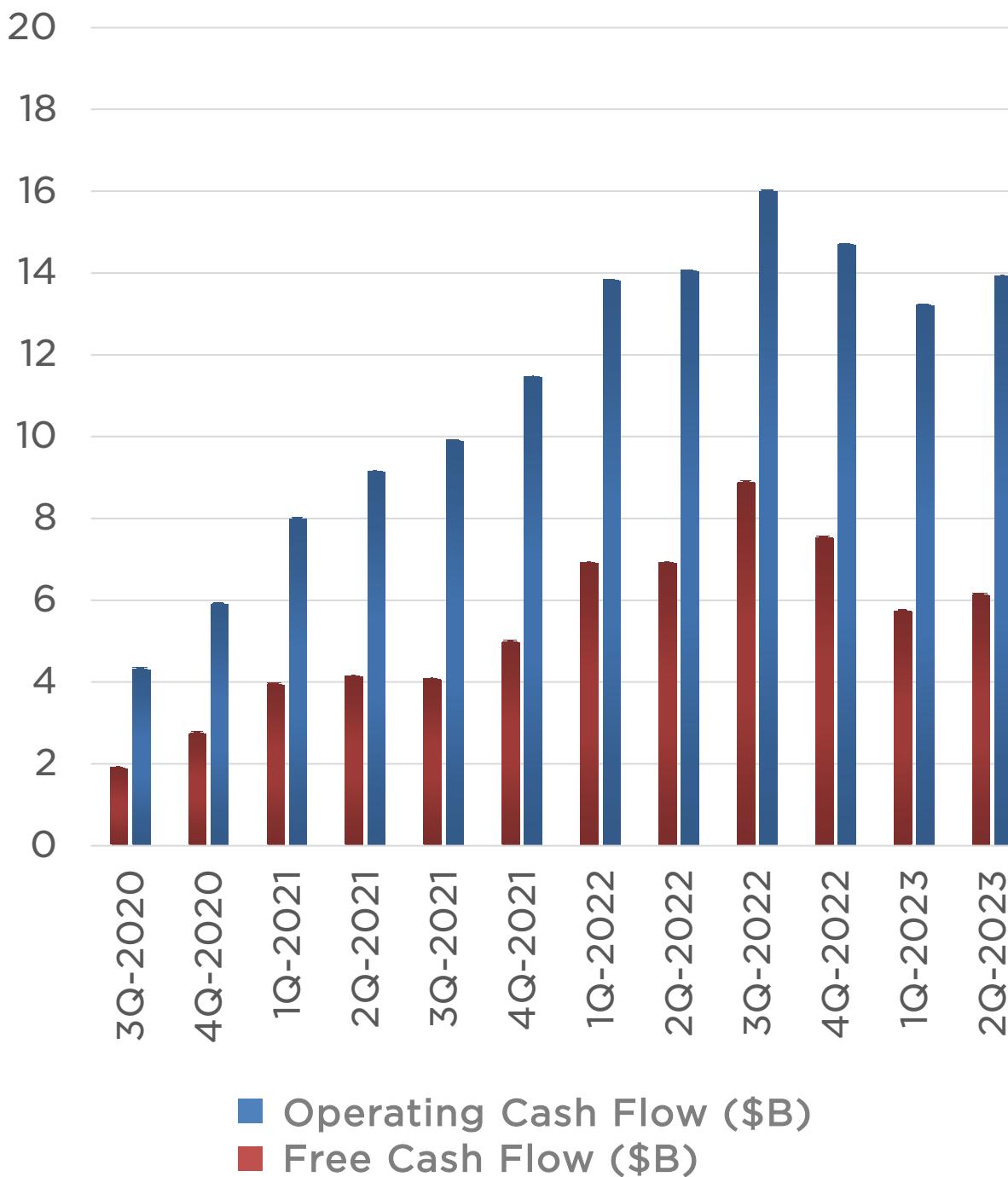
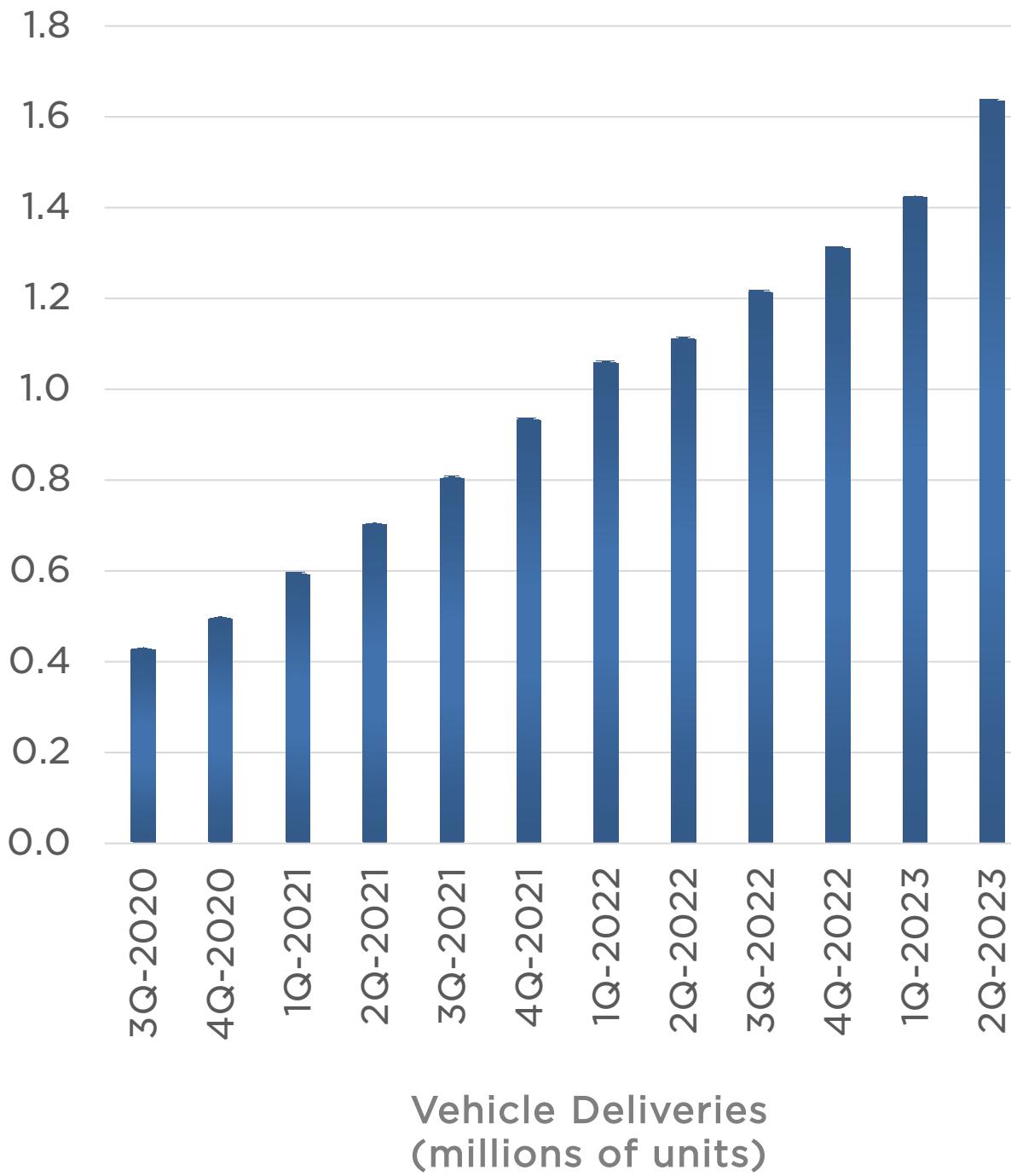
CYBERTRUCK - THE FIRST RC UNIT



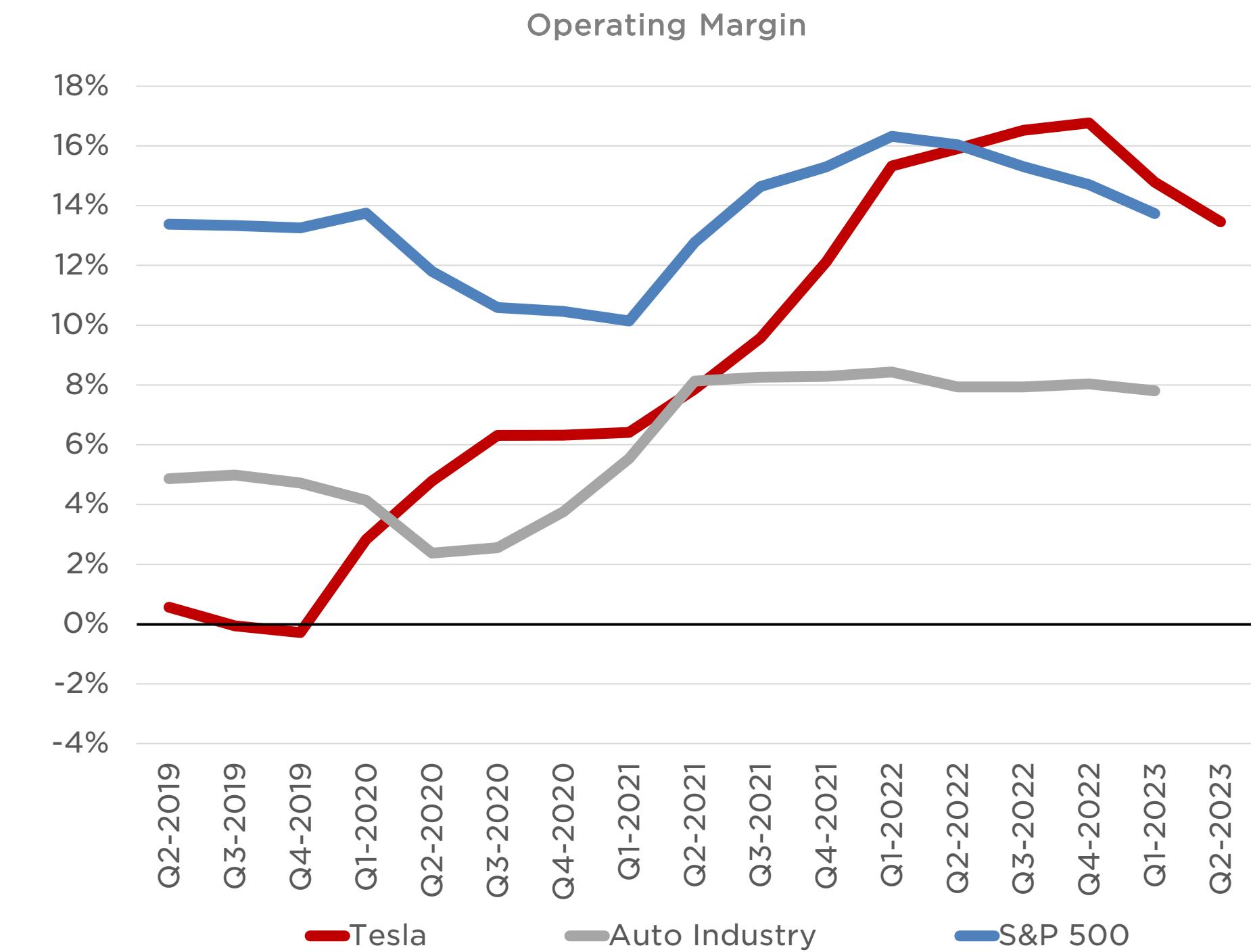
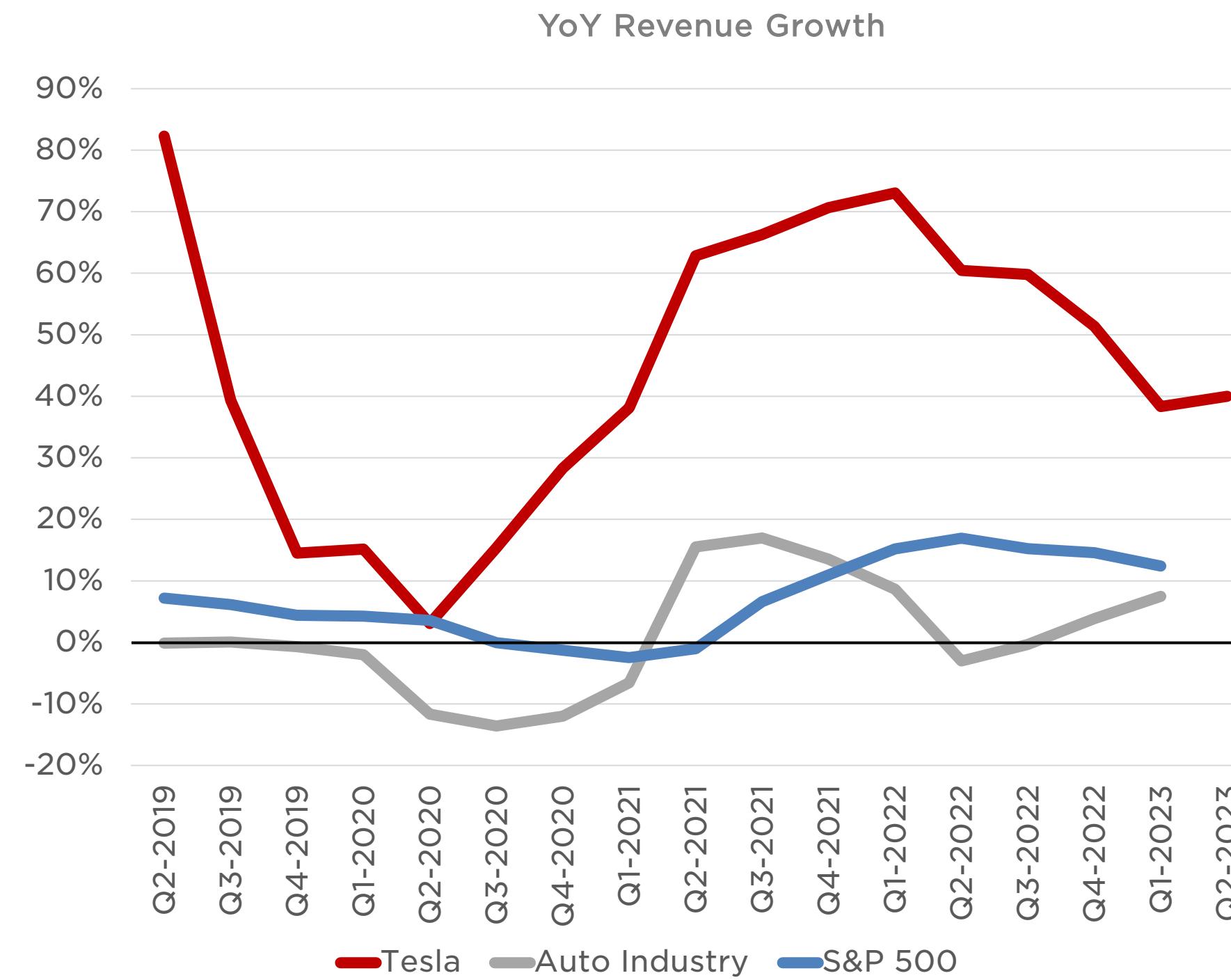
**KEY METRICS QUARTERLY**  
(Unaudited)



KEY METRICS TRAILING 12 MONTHS (TTM)  
(Unaudited)



KEY METRICS TRAILING 12 MONTHS (TTM)  
(Unaudited)



Source: OEM financial disclosures, Bloomberg

Auto Industry includes: Tesla, BMW, Mercedes-Benz, Ford, GM, Honda, Hyundai, Nissan, Toyota and VW. Stellantis is excluded given limited historical disclosures due to the recent merger between FCA and PSA.

Auto Industry operating margin is calculated by dividing the sum of USD equivalent operating profits for the entire industry by the USD equivalent revenues for respective periods.

# FINANCIAL STATEMENTS

**STATEMENT OF OPERATIONS**  
(Unaudited)

| In millions of USD or shares as applicable, except per share data  | Q2-2022       | Q3-2022       | Q4-2022       | Q1-2023       | Q2-2023       |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>REVENUES</b>  |               |               |               |               |               |
| Automotive sales   | 13,670        | 17,785        | 20,241        | 18,878        | 20,419        |
| Automotive regulatory credits  | 344           | 286           | 467           | 521           | 282           |
| Automotive leasing   | 588           | 621           | 599           | 564           | 567           |
| Total automotive revenues  | 14,602        | 18,692        | 21,307        | 19,963        | 21,268        |
| Energy generation and storage  | 866           | 1,117         | 1,310         | 1,529         | 1,509         |
| Services and other   | 1,466         | 1,645         | 1,701         | 1,837         | 2,150         |
| <b>Total revenues</b>  | <b>16,934</b> | <b>21,454</b> | <b>24,318</b> | <b>23,329</b> | <b>24,927</b> |
| <b>COST OF REVENUES</b>  |               |               |               |               |               |
| Automotive sales   | 10,153        | 13,099        | 15,433        | 15,422        | 16,841        |
| Automotive leasing   | 368           | 381           | 352           | 333           | 338           |
| Total automotive cost of revenues  | 10,521        | 13,480        | 15,785        | 15,755        | 17,179        |
| Energy generation and storage  | 769           | 1,013         | 1,151         | 1,361         | 1,231         |
| Services and other   | 1,410         | 1,579         | 1,605         | 1,702         | 1,984         |
| Total cost of revenues   | 12,700        | 16,072        | 18,541        | 18,818        | 20,394        |
| <b>Gross profit</b>  | <b>4,234</b>  | <b>5,382</b>  | <b>5,777</b>  | <b>4,511</b>  | <b>4,533</b>  |
| <b>OPERATING EXPENSES</b>  |               |               |               |               |               |
| Research and development   | 667           | 733           | 810           | 771           | 943           |
| Selling, general and administrative  | 961           | 961           | 1,032         | 1,076         | 1,191         |
| Restructuring and other  | 142           | -             | 34            | -             | -             |
| Total operating expenses   | 1,770         | 1,694         | 1,876         | 1,847         | 2,134         |
| <b>INCOME FROM OPERATIONS</b>  | <b>2,464</b>  | <b>3,688</b>  | <b>3,901</b>  | <b>2,664</b>  | <b>2,399</b>  |
| Interest income  | 26            | 86            | 157           | 213           | 238           |
| Interest expense   | (44)          | (53)          | (33)          | (29)          | (28)          |
| Other income (expense), net  | 28            | (85)          | (42)          | (48)          | 328           |
| <b>INCOME BEFORE INCOME TAXES</b>  | <b>2,474</b>  | <b>3,636</b>  | <b>3,983</b>  | <b>2,800</b>  | <b>2,937</b>  |
| Provision for income taxes   | 205           | 305           | 276           | 261           | 323           |
| <b>NET INCOME</b>  | <b>2,269</b>  | <b>3,331</b>  | <b>3,707</b>  | <b>2,539</b>  | <b>2,614</b>  |
| Net income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries | 10            | 39            | 20            | 26            | (89)          |
| <b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>  | <b>2,259</b>  | <b>3,292</b>  | <b>3,687</b>  | <b>2,513</b>  | <b>2,703</b>  |
| Net income per share of common stock attributable to common stockholders <sup>(1)</sup>                            |               |               |               |               |               |
| Basic  | \$ 0.73       | \$ 1.05       | \$ 1.18       | \$ 0.80       | \$ 0.85       |
| Diluted  | \$ 0.65       | \$ 0.95       | \$ 1.07       | \$ 0.73       | \$ 0.78       |
| Weighted average shares used in computing net income per share of common stock <sup>(1)</sup>                      |               |               |               |               |               |
| Basic  | 3,111         | 3,146         | 3,160         | 3,166         | 3,171         |
| Diluted  | 3,464         | 3,468         | 3,471         | 3,468         | 3,478         |

BALANCE SHEET  
(Unaudited)

| In millions of USD   | 30-Jun-22     | 30-Sep-22     | 31-Dec-22     | 31-Mar-23     | 30-Jun-23     |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>ASSETS</b>  |               |               |               |               |               |
| Current assets   |               |               |               |               |               |
| Cash, cash equivalents and investments                           |               |               |               |               |               |
| Cash, cash equivalents and investments                           | 18,915        | 21,107        | 22,185        | 22,402        | 23,075        |
| Accounts receivable, net   | 2,081         | 2,192         | 2,952         | 2,993         | 3,447         |
| Inventory  | 8,108         | 10,327        | 12,839        | 14,375        | 14,356        |
| Prepaid expenses and other current assets                        | 2,118         | 2,364         | 2,941         | 3,227         | 2,997         |
| Total current assets   | 31,222        | 35,990        | 40,917        | 42,997        | 43,875        |
| Operating lease vehicles, net                                    | 4,782         | 4,824         | 5,035         | 5,473         | 5,935         |
| Solar energy systems, net  | 5,624         | 5,562         | 5,489         | 5,427         | 5,365         |
| Property, plant and equipment, net                               | 21,093        | 21,926        | 23,548        | 24,969        | 26,389        |
| Operating lease right-of-use assets                              | 2,185         | 2,251         | 2,563         | 2,800         | 3,352         |
| Digital assets, net  | 218           | 218           | 184           | 184           | 184           |
| Goodwill and intangible assets, net                              | 437           | 419           | 409           | 399           | 465           |
| Other non-current assets   | 2,952         | 3,236         | 4,193         | 4,584         | 5,026         |
| <b>Total assets</b>  | <b>68,513</b> | <b>74,426</b> | <b>82,338</b> | <b>86,833</b> | <b>90,591</b> |
| <b>LIABILITIES AND EQUITY</b>                                    |               |               |               |               |               |
| Current liabilities  |               |               |               |               |               |
| Accounts payable   |               |               |               |               |               |
| Accounts payable   | 11,212        | 13,897        | 15,255        | 15,904        | 15,273        |
| Accrued liabilities and other                                    | 6,037         | 6,246         | 7,142         | 7,321         | 7,658         |
| Deferred revenue   | 1,858         | 1,928         | 1,747         | 1,750         | 2,176         |
| Customer deposits  | 1,182         | 1,083         | 1,063         | 1,057         | 1,026         |
| Current portion of debt and finance leases (1)                   | 1,532         | 1,457         | 1,502         | 1,404         | 1,459         |
| Total current liabilities  | 21,821        | 24,611        | 26,709        | 27,436        | 27,592        |
| Debt and finance leases, net of current portion (1)              | 2,898         | 2,096         | 1,597         | 1,272         | 872           |
| Deferred revenue, net of current portion                         | 2,210         | 2,265         | 2,804         | 2,911         | 3,021         |
| Other long-term liabilities                                      | 3,926         | 4,330         | 5,330         | 5,979         | 6,924         |
| <b>Total liabilities</b>   | <b>30,855</b> | <b>33,302</b> | <b>36,440</b> | <b>37,598</b> | <b>38,409</b> |
| Redeemable noncontrolling interests in subsidiaries              | 421           | 421           | 409           | 407           | 288           |
| Total stockholders' equity                                       | 36,376        | 39,851        | 44,704        | 48,054        | 51,130        |
| Noncontrolling interests in subsidiaries                         | 861           | 852           | 785           | 774           | 764           |
| <b>Total liabilities and equity</b>                              | <b>68,513</b> | <b>74,426</b> | <b>82,338</b> | <b>86,833</b> | <b>90,591</b> |
| (1) Breakdown of our debt is as follows:                         |               |               |               |               |               |
| Vehicle and energy product financing (non-recourse)              | 3,086         | 2,335         | 2,001         | 1,708         | 1,475         |
| Other non-recourse debt  | 13            | 11            | -             | -             | -             |
| Recourse debt  | 53            | 51            | 44            | 44            | 44            |
| <b>Total debt excluding vehicle and energy product financing</b> | <b>66</b>     | <b>62</b>     | <b>44</b>     | <b>44</b>     | <b>44</b>     |
| Days sales outstanding   | 12            | 9             | 10            | 11            | 12            |
| Days payable outstanding   | 80            | 72            | 72            | 75            | 70            |

**STATEMENT OF CASH FLOWS**  
(Unaudited)

| In millions of USD  | Q2-2022      | Q3-2022        | Q4-2022        | Q1-2023        | Q2-2023        |
|---|--------------|----------------|----------------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |                |                |                |                |
| Net income  | 2,269        | 3,331          | 3,707          | 2,539          | 2,614          |
| Adjustments to reconcile net income to net cash provided by operating activities:   |              |                |                |                |                |
| Depreciation, amortization and impairment   | 922          | 956            | 989            | 1,046          | 1,154          |
| Stock-based compensation  | 361          | 362            | 419            | 418            | 445            |
| Other   | 145          | 220            | 354            | 40             | (47)           |
| Changes in operating assets and liabilities, net of effect of business combinations | (1,346)      | 231            | (2,191)        | (1,530)        | (1,101)        |
| <b>Net cash provided by operating activities</b>                                    | <b>2,351</b> | <b>5,100</b>   | <b>3,278</b>   | <b>2,513</b>   | <b>3,065</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |                |                |                |                |
| Capital expenditures  | (1,730)      | (1,803)        | (1,858)        | (2,072)        | (2,060)        |
| Purchases of solar energy systems, net of sales                                     | (0)          | (0)            | (0)            | (1)            | (0)            |
| Proceeds from sales of digital assets   | 936          | —              | —              | —              | —              |
| Purchases of investments  | (90)         | (991)          | (4,368)        | (2,015)        | (5,075)        |
| Proceeds from maturities of investments   | —            | 3              | 19             | 1,604          | 3,539          |
| Proceeds from sales of investments  | —            | —              | —              | —              | 138            |
| Receipt of government grants  | —            | —              | 76             | —              | —              |
| Business combinations, net of cash acquired   | —            | —              | —              | —              | (76)           |
| <b>Net cash used in investing activities</b>  | <b>(884)</b> | <b>(2,791)</b> | <b>(6,131)</b> | <b>(2,484)</b> | <b>(3,534)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |              |                |                |                |                |
| Net cash flows from other debt activities   | (154)        | (133)          | (162)          | (127)          | (124)          |
| Net repayments under vehicle and energy product financing                           | (248)        | (766)          | (335)          | (294)          | (233)          |
| Net cash flows from noncontrolling interests – Solar                                | (47)         | (42)           | (65)           | (43)           | (34)           |
| Other   | 43           | 229            | 67             | 231            | 63             |
| <b>Net cash used in financing activities</b>  | <b>(406)</b> | <b>(712)</b>   | <b>(495)</b>   | <b>(233)</b>   | <b>(328)</b>   |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash    | (214)        | (335)          | 123            | 50             | (94)           |
| Net increase (decrease) in cash and cash equivalents and restricted cash            | 847          | 1,262          | (3,225)        | (154)          | (891)          |
| Cash and cash equivalents and restricted cash at beginning of period                | 18,040       | 18,887         | 20,149         | 16,924         | 16,770         |
| Cash and cash equivalents and restricted cash at end of period                      | 18,887       | 20,149         | 16,924         | 16,770         | 15,879         |

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

| In millions of USD or shares as applicable, except per share data                              | Q2-2022      | Q3-2022      | Q4-2022      | Q1-2023      | Q2-2023      |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Net income attributable to common stockholders (GAAP)</b>                                   | 2,259        | 3,292        | 3,687        | 2,513        | 2,703        |
| Stock-based compensation expense   | 361          | 362          | 419          | 418          | 445          |
| <b>Net income attributable to common stockholders (non-GAAP)</b>                               | 2,620        | 3,654        | 4,106        | 2,931        | 3,148        |
| Less: Buy-out of noncontrolling interest   | 3            | —            | (35)         | (5)          | —            |
| Less: Dilutive convertible debt  | 0            | 0            | 0            | 0            | 0            |
| <b>Net income used in computing diluted EPS attributable to common stockholders (non-GAAP)</b> | 2,617        | 3,654        | 4,141        | 2,936        | 3,148        |
| <br><b>EPS attributable to common stockholders, diluted (GAAP)<sup>(1)</sup></b>               | <br>0.65     | <br>0.95     | <br>1.07     | <br>0.73     | <br>0.78     |
| Stock-based compensation expense per share <sup>(1)</sup>                                      | 0.11         | 0.10         | 0.12         | 0.12         | 0.13         |
| <b>EPS attributable to common stockholders, diluted (non-GAAP)<sup>(1)</sup></b>               | <b>0.76</b>  | <b>1.05</b>  | <b>1.19</b>  | <b>0.85</b>  | <b>0.91</b>  |
| Shares used in EPS calculation, diluted (GAAP and non-GAAP) <sup>(1)</sup>                     | 3,464        | 3,468        | 3,471        | 3,468        | 3,478        |
| <br><b>Net income attributable to common stockholders (GAAP)</b>                               | <br>2,259    | <br>3,292    | <br>3,687    | <br>2,513    | <br>2,703    |
| Interest expense   | 44           | 53           | 33           | 29           | 28           |
| Provision for income taxes   | 205          | 305          | 276          | 261          | 323          |
| Depreciation, amortization and impairment  | 922          | 956          | 989          | 1,046        | 1,154        |
| Stock-based compensation expense   | 361          | 362          | 419          | 418          | 445          |
| <b>Adjusted EBITDA (non-GAAP)</b>  | <b>3,791</b> | <b>4,968</b> | <b>5,404</b> | <b>4,267</b> | <b>4,653</b> |
| Total revenues   | 16,934       | 21,454       | 24,318       | 23,329       | 24,927       |
| <b>Adjusted EBITDA margin (non-GAAP)</b>   | <b>22.4%</b> | <b>23.2%</b> | <b>22.2%</b> | <b>18.3%</b> | <b>18.7%</b> |

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

| 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 | 4Q-2022 | 1Q-2023 | 2Q-2023 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net cash provided by (used in) operating activities (GAAP)  | 1,425   | (440)   | 964     | 2,400   | 3,019   | 1,641   | 2,124   | 3,147   | 4,585   | 3,995   | 2,351   | 5,100   | 3,278   | 2,513   | 3,065   |
| Capital expenditures  | (412)   | (455)   | (546)   | (1,005) | (1,151) | (1,348) | (1,505) | (1,819) | (1,810) | (1,767) | (1,730) | (1,803) | (1,858) | (2,072) | (2,060) |
| Free cash flow (non-GAAP)                                   | 1,013   | (895)   | 418     | 1,395   | 1,868   | 293     | 619     | 1,328   | 2,775   | 2,228   | 621     | 3,297   | 1,420   | 441     | 1,005   |
| 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 | 4Q-2022 | 1Q-2023 | 2Q-2023 |
| Net income attributable to common stockholders (GAAP)       | 105     | 16      | 104     | 331     | 270     | 438     | 1,142   | 1,618   | 2,321   | 3,318   | 2,259   | 3,292   | 3,687   | 2,513   | 2,703   |
| Interest expense  | 170     | 169     | 170     | 163     | 246     | 99      | 75      | 126     | 71      | 61      | 44      | 53      | 33      | 29      | 28      |
| Provision for income taxes                                  | 42      | 2       | 21      | 186     | 83      | 69      | 115     | 223     | 292     | 346     | 205     | 305     | 276     | 261     | 323     |
| Depreciation, amortization and impairment                   | 577     | 553     | 567     | 584     | 618     | 621     | 681     | 761     | 848     | 880     | 922     | 956     | 989     | 1,046   | 1,154   |
| Stock-based compensation expense                            | 281     | 211     | 347     | 543     | 633     | 614     | 474     | 475     | 558     | 418     | 361     | 362     | 419     | 418     | 445     |
| Adjusted EBITDA (non-GAAP)                                  | 1,175   | 951     | 1,209   | 1,807   | 1,850   | 1,841   | 2,487   | 3,203   | 4,090   | 5,023   | 3,791   | 4,968   | 5,404   | 4,267   | 4,653   |
| In millions of USD  | 3Q-2020 | 4Q-2020 | 1Q-2021 | 2Q-2021 | 3Q-2021 | 4Q-2021 | 1Q-2022 | 2Q-2022 | 3Q-2022 | 4Q-2022 | 1Q-2023 | 2Q-2023 |         |         |         |
| Net cash provided by operating activities - TTM (GAAP)      |         | 4,349   | 5,943   | 8,024   | 9,184   | 9,931   | 11,497  | 13,851  | 14,078  | 16,031  | 14,724  | 13,242  | 13,956  |         |         |
| Capital expenditures - TTM                                  |         | (2,418) | (3,157) | (4,050) | (5,009) | (5,823) | (6,482) | (6,901) | (7,126) | (7,110) | (7,158) | (7,463) | (7,793) |         |         |
| Free cash flow - TTM (non-GAAP)                             |         | 1,931   | 2,786   | 3,974   | 4,175   | 4,108   | 5,015   | 6,950   | 6,952   | 8,921   | 7,566   | 5,779   | 6,163   |         |         |
| In millions of USD  | 3Q-2020 | 4Q-2020 | 1Q-2021 | 2Q-2021 | 3Q-2021 | 4Q-2021 | 1Q-2022 | 2Q-2022 | 3Q-2022 | 4Q-2022 | 1Q-2023 | 2Q-2023 |         |         |         |
| Net income attributable to common stockholders - TTM (GAAP) |         | 556     | 721     | 1,143   | 2,181   | 3,468   | 5,519   | 8,399   | 9,516   | 11,190  | 12,556  | 11,751  | 12,195  |         |         |
| Interest expense - TTM                                      |         | 672     | 748     | 678     | 583     | 546     | 371     | 333     | 302     | 229     | 191     | 159     | 143     |         |         |
| Provision for income taxes - TTM                            |         | 251     | 292     | 359     | 453     | 490     | 699     | 976     | 1,066   | 1,148   | 1,132   | 1,047   | 1,165   |         |         |
| Depreciation, amortization and impairment - TTM             |         | 2,281   | 2,322   | 2,390   | 2,504   | 2,681   | 2,911   | 3,170   | 3,411   | 3,606   | 3,747   | 3,913   | 4,145   |         |         |
| Stock-based compensation expense - TTM                      |         | 1,382   | 1,734   | 2,137   | 2,264   | 2,196   | 2,121   | 1,925   | 1,812   | 1,699   | 1,560   | 1,560   | 1,644   |         |         |
| Adjusted EBITDA - TTM (non-GAAP)                            |         | 5,142   | 5,817   | 6,707   | 7,985   | 9,381   | 11,621  | 14,803  | 16,107  | 17,872  | 19,186  | 18,430  | 19,292  |         |         |

## ADDITIONAL INFORMATION

### WEBCAST INFORMATION

Tesla will provide a live webcast of its second quarter 2023 financial results conference call beginning at 4:30 p.m. CT on July 19, 2023 at [ir.tesla.com](https://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. 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. Constant currency impacts are calculated by comparing actuals against current results converted into USD using average exchange rates from the prior period.

### 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 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, ramp, production and capacity, demand and market growth, cost, pricing and profitability, investment, 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, Cybertruck, Tesla Semi, our next generation vehicle platform, our Dojo training computers, our Autopilot, Full Self-Driving and other vehicle software and AI enabled products, our battery cells, our Supercharging network, our energy storage and solar products and our financing products; statements regarding operating margin, operating profits, spending and liquidity; and statements regarding expansion, improvements and/or ramp and related timing at our factories 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 our factories; our ability to ramp our factories 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 January 31, 2023. Tesla disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events or otherwise.

