

# TESLA MOTORS INC Announces New Financing Product - Conference Call

## Company Participants

- Elon Musk, Chairman, CEO, Chief Product Architect
- Sarah Meron, Head of Communications

## Other Participants

- Damon Lavrinc, Media, Wired
- Dana Hull, Media, San Jose Mercury
- David Baker, Media, San Francisco Chronicle
- Jacob Brown, Media, Source Interlink Media
- Jim Motavalli, Media, Car Talk
- Joe White, Media, Wall Street Journal
- Julia Pyper, Media, ClimateWire
- Mark Rogowski, Media, Forbes
- Matt DeBord, Media, Southern California Public Radio
- Michael Bettencourt, Media, Globe and Mail
- Mikhail Sabat, Media, AOL Auto
- Nichola Groom, Media, Thomson Reuters
- Phil LeBeau, Media, CNBC

## Presentation

### Operator

Good day, ladies and gentlemen and welcome to the Tesla Motors conference call.

(Operator Instructions) I would now like to introduce the host for today's call, Sarah Meron. Please go ahead.

### Sarah Meron {BIO 17693920 <GO>}

Thank you, Patrick and good afternoon, everyone. This is Sarah Meron, Head of Communications for Tesla Motors. Welcome to the call with Elon Musk, Tesla's Chairman, CEO and Chief Product Architect, for a question-and-answer session regarding today's announcement. The press release for the announcement is available at [www.teslamotors.com\press](http://www.teslamotors.com\press) and a webcast of this Q&A is available on the Tesla website as well. Today's call is for your questions. But we would like to keep

it to about 45 minutes. Elon will begin with a few brief remarks and then we will conduct the Q&A session live. (Operator Instructions)

During the course of this call, we may discuss our business outlook and make forward-looking statements. Such statements are predictions based on management's current expectations. Actual events or results could differ materially due to a number of risks and uncertainties, including those mentioned in our most recent 10-K filed with the SEC. Such forward-looking statements represent our views as of today and should not be relied upon after today. We also disclaim any obligation to update these forward-looking statements. And now I will turn it over to Elon.

## **Elon Musk** {BIO 1954518 <GO>}

Thank you. So I know a lot of people are wondering what today's announcement was going to be about and it's -- a lot of people are thinking, well, is it that we are going to announce something revolutionary about service or some huge expansion of superchargers or maybe something else that is pretty amazing that is right under your nose if you are driving a Model S. We will make those announcements. But not today.

We are going to put out a new announcement probably every week or two from here on out. But today's talk is really about financing. It is about trying to figure out how we combine the best of ownership and leasing and we are really thinking like there has got to be some better way than the traditional approach. And that is what we are able to do working with Wells Fargo and US Bank was to come up with something where essentially net of the tax credit, you can buy a Model S for no money down net of the tax credit and around \$500 a month. It can actually be less than that depending upon what sort of tax deductions and what time savings you gain. And I think that really makes it affordable to a much broader audience than people currently think is the case.

I know that when we did this with SolarCity, when we transitioned from a purchase model to a finance model, it had a tremendous effect on customer adoption and I anticipate a similar effect with Tesla.

Then we wanted to address -- in addition to addressing this sort of question of affordability, we also wanted to address the longer-term question of residual value or peace of mind in buying an electric car. Because a lot of people think, well, what is going to happen to an electric car? Is the battery going to depreciate much faster than they expect? There is a lot of uncertainty.

So we wanted to eliminate that uncertainty. We felt the best way to eliminate that uncertainty was to say, okay, we will match the residual value -- guarantee the residual value of the Model S proportionate to that of a Mercedes S class, which is made by our partner and investor, Daimler and that is an iconic car, it is one of the most respected premium sedans in the world.

So you see guaranteed to be on par in terms of residual value with one of the best cars in the world. And not only is Tesla standing behind that. But I am personally standing behind that to illustrate the level of confidence I have in the long-term value of the Model S. So really the goal there is to give customers complete peace of mind. Like you do not have to worry about buying a car. Then to match the convenience of a lease, you can just give us the car back after three years and we will take it and either trade it in for another Model S or give you cash.

So you have all the convenience of a lease. But all the value of ownership because, unlike a lease, you are not obligated to give us back the car for that amount. You are welcome to retain it. So the car has greater value in that, which I think will. You have the option to hang on to it if you would like. And so it gives you the right to give it back to us. But not the obligation.

We are really trying to figure what is the best possible thing that we could give, if we were a customer out there, what is the thing that we would want. And that is what we are trying to construct here. And there may be some continued refinements over time as we try to make it even better. But I think we (inaudible) pretty great and I am really excited about how people will respond to it. So with that, we can jump to the questions.

## Questions And Answers

### Operator

Damon Lavrinc, Wired.

### Q - Damon Lavrinc

Thank you. I was hoping to get a rough estimate on what we are looking at as far as a monthly payment is concerned? I realize that the partnership between the two banks is going to consume some of that initial cost. What are we looking at as far as monthly payments are concerned?

### A - Elon Musk {BIO 1954518 <GO>}

Yes. Absolutely. It is always important to look at net out-of-pocket. That is the thing that really matters and this is where electric vehicles really shine because the cost of electricity is maybe 10% to 20% that of gasoline per mile. So you actually -- if this was your daily driver, that is where it really comes into play. The savings in gasoline per month plus other factors like getting oil changes, smog checks, filters changed, brake pads changed, on the Model S, for example, you never need to change the brake pads because most of the braking is done regeneratively with the electric motor.

There are actually huge savings that one experiences there and by having a monthly payment, you actually really do see that difference. Whereas, if you acquire the car, you still see that difference. But it is over a longer period of time. So effectively, your

net cost of ownership is maybe \$500 or \$600 a month and in fact, in some circumstances, can be quite a bit less than that.

And I should mention we have a calculator on our website that you can then customize as a consumer and say, okay, well this applies to me or this doesn't apply to me and just basically adjust it to what your actual circumstances are and get a very accurate number for what the net -- the true net out-of-pocket cost is per month for a Model S. So we are trying to make it such that you can just -- you can just answer the questions -- how do you -- how do you conduct your car ownership experience and get a personalized number that applies to you.

## Operator

Dana Hull, San Jose Mercury.

### Q - Dana Hull {BIO 18985841 <GO>}

Yes, hi, thanks for taking my question. What kind of credit score do you need to qualify for this lease and can existing reservation holders convert their reservation to the lease model?

### A - Elon Musk {BIO 1954518 <GO>}

The credit score information is something that is proprietary to the banks. There is -- you do need to be considered quite a good credit, I know, for the best terms. But we see certainly a majority of our customers. And I think perhaps the super majority qualifying for these loans. And unfortunately, this does not apply to prior purchases of the car and because of the residual value guarantee, it only applies on a go-forward basis. If we were to apply it retroactively, it would affect the accounting in past quarters.

So this is planned on a go-forward basis. But I should mention that our expectation is that the residual value is for all Model Ses is in excess of what we are guaranteeing. So the guarantee is really just there to give people peace of mind. Our expectation is that the value of the car will actually be in excess of that number, all cars.

### Q - Dana Hull {BIO 18985841 <GO>}

Okay. Thanks.

## Operator

Nichola Groom, Reuters.

### Q - Nichola Groom

Hi, thank you. I was wondering if you could just say why this was important to do? You have always had a lengthy reservation list for your Model S and there seems to be plenty of demand for it without this financing product. Why was this important to do?

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**A - Elon Musk** {BIO 1954518 <GO>}

Well I mean it is true. We do have plenty of demand for the car, even without a finance product. But as much as possible, I would like to broaden the affordability of the car. It has always been my goal from the beginning of the Company to try to make -- mass-market cars. I wish we could've done a mass-market affordable car as our first car. It simply wasn't possible because it is going to take at least three major iterations of the technology to get there.

However, by providing a compelling financing solution for the Model S, we are helping to broaden the access of customers to the car and I think that is a good thing. So that is really our goal. We are really the business -- this announcement is about improving affordability, about giving people peace of mind and about giving people the whole convenience factor of just being able to give us back the car for a known amount of money in the future. And I think it is the right thing to do and I do expect that that demand will respond accordingly. We have quite a big factory. So we have a lot of room to grow.

**Operator**

Joe White, Wall Street Journal.

**Q - Joe White** {BIO 15094359 <GO>}

Hi, just quickly. So this looks like the kind of product that most other car companies, luxury car brands are already offering. And I am curious what happens when, if I decide I want to keep the car, what do I do? I mean keep paying on it? What happens?

**A - Elon Musk** {BIO 1954518 <GO>}

Yes, I think you hit on a key differentiator, which is that if you want to keep -- with what we are talking about here is you have the right to put the car back to Tesla at a known price, which is the same percentage of residual value of a Mercedes S class. But not the obligation. So like in contrast to a lease, if you want to buy the car at the end of that lease, you have to pay that amount because you don't actually own the car. But in our case, you can either get the preset amount, which is essentially -- which is equivalent to the residual value of the lease or you get to keep the car if it has greater value and I think it will have greater value. So that is beneficial to the end customer.

**Q - Joe White** {BIO 15094359 <GO>}

So if I make three years' worth of lease payments, I can just keep the car?

**A - Elon Musk** {BIO 1954518 <GO>}

Yes. Well you keep the car and I mean you continue paying -- it's not a lease per se. It is a financing essentially over five years. So you would continue paying your financing payments for the next couple years at which point you would have paid off

the loan and you would fully own the car. That is essentially what would happen. But like I said, you have the right at the three-year point to put the car back to us for a known amount of money or to retain it, pay off the remaining amount and own the car.

**Q - Joe White** {BIO 15094359 <GO>}

Okay, I don't want to overstate my time. But I just want to play that back to you. So basically I am signing up for what amounts to a five-year loan. At year three, I can, if for whatever reason I want to sell the car back to you, I can do that or I can just keep paying?

**A - Elon Musk** {BIO 1954518 <GO>}

That is correct. You are essentially building equity in the car and I mean it is a loan that you can collapse at any point as well. So that gives you additional flexibility. So this is a loan where you could sell the car, pay off your remaining principal at any given point in the five years and be done. You are not locked in like a lease.

**Q - Joe White** {BIO 15094359 <GO>}

Okay. All right, thanks.

**Operator**

Jim Motavalli, Car Talk.

**Q - Jim Motavalli**

Yes, Elon, you had mentioned at the beginning that this is somewhat based on the SolarCity model and I believe you are Chairman of SolarCity run by your cousin. Is it true that, in SolarCity, I believe you don't actually pay anything upfront for the lease cost. If you could just talk a little bit about how that model, how successful it has been and how that led to this model for Tesla. And also if you want to disclose your net worth, (multiple speakers).

**A - Elon Musk** {BIO 1954518 <GO>}

I'd like nothing better than disclosing my net worth. What we found at SolarCity was really pretty interesting because, in a sense, essentially the product that a customer received at the end of the day was the same. They got solar panels on the house for a particular power output. However, when we approached them and said would you like to buy this system, some of these are sort of fairly expensive, like might be \$50,000, \$60,000, people would look at that and say, well, I don't know if I want to make that investment or I don't have the cash handy and it was just a harder thing to get them to buy off on.

And we tell them that, look, this has got a payback period of five years. So within five years, you have paid it back and then it is going to keep generating electricity from there onwards. And we compare that to having a CD at the bank where somebody is earning like maybe 2% and this would be like having a CD that earned 20%

guaranteed by the utility. And yet still people would have -- they would be reluctant. It was a difficult thing to get them to fork out sort of \$50,000 in that case and so we changed the model to one where we take care of the financing and then it is a much simpler approach. And we say, look, what is your utility bill and with no money down, after the solar system is installed, your electricity bill -- your total cost of electricity goes down every month. So essentially you get more money in your pocket every month just by installing solar and you have the environmental benefits as well. And that was vastly more appealing to people even though it was essentially the same product at the end of the day.

So in that case, SolarCity worked with a number of banks, including US Bank, to provide that to people in a very seamless way and the Company's growth took off in a tremendous way. We increased sales several fold. So it was very positive.

I think going to the net worth question, well, I mean if you went to look at some of the assessments that are out there by Forbes or Fortune or whatever, they are, I suppose, not too far off. So there is certainly significant assets besides Tesla from which I can cover the guarantee that I am making and that is what I mean when I say I am putting my money where my mouth is to say that no matter what happens, people should feel confident that the residual value of their car will remain what we are committing to here. And I am essentially making myself personally liable for that because I believe so strongly in the quality of the product and the long-term value of the Model S.

**Q - Jim Motavalli**

Didn't Forbes say \$11 billion?

**A - Elon Musk** {BIO 1954518 <GO>}

If they did say \$11 billion, they are being a bit too generous. I am not familiar with that number. That sounds a bit high. Any last questions there?

**Q - Jim Motavalli**

No. I think that is it.

**A - Elon Musk** {BIO 1954518 <GO>}

Okay. Thanks.

**Operator**

Mikhail Sabat, AOL auto.

**Q - Mikhail Sabat**

Yes, I was wondering what your expected lease penetration is going to be for Model S?

**A - Elon Musk** {BIO 1954518 <GO>}

Sure. Well for our financing product, we are expecting a pretty high percentage. I would say probably a majority of our customers will end up taking this approach. That is what I would recommend as the way to go for customers and I am guessing probably at least half, maybe more. Sorry, this is with respect to the US and we will be trying to figure out something for Canada as well and then Europe and Asia as we get to those markets.

**Operator**

Jacob Brown, Source Interlink Media.

**Q - Jacob Brown** {BIO 4089786 <GO>}

I was just wondering what the interest rate for financing through Wells Fargo or US Bank would be for a well-qualified customer?

**A - Elon Musk** {BIO 1954518 <GO>}

It's just under 3%. So like 2.95% I think is what we are talking about.

**Q - Jacob Brown** {BIO 4089786 <GO>}

All right. Thank you very much.

**Operator**

Julia Pyper, ClimateWire.

**Q - Julia Pyper**

Hi there, thanks for the call. I wondered if you could say how many orders you have on the books right now and if you can say anything about number of cancellations you have had?

**A - Elon Musk** {BIO 1954518 <GO>}

Well this call is really about the financing. But I can say, as I said before, we certainly don't have a demand problem and we expect to sell about as many cars as we can efficiently make.

**Q - Julia Pyper**

Maybe on that, could you address sort of delaying the Model X and how you expect to put out this volume of cars?

**A - Elon Musk** {BIO 1954518 <GO>}

That is not for today's conference call.



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**Q - Julia Pyper**

Okay. Thanks very much.

**Operator**

Phil LeBeau, CNBC.

**Q - Phil LeBeau**

A quick question, you mentioned that you are personally standing behind this offer. Is that some kind of a guarantee separate from your word? In other words, a financial guarantee that if somebody says to you, listen, I am not happy after three years. I know you have the guarantee in there in terms of the residual value being equal to the S class. But is there something more behind that wording?

**A - Elon Musk** {BIO 1954518 <GO>}

No. I mean I think -- I don't think I could express it more clearly, which is no matter what happens to Tesla -- I mean obviously I think Tesla is going to have a very bright future. But there are some people out there who I think are pessimistic for reasons I don't entirely understand. And even in that circumstance, I will stand by the residual value if Tesla cannot with all of the assets at my disposal.

**Q - Phil LeBeau**

Thank you.

**Operator**

Mark Rogowski, Forbes.

**Q - Mark Rogowski**

What is the residual value on an S class right now after three years?

**A - Elon Musk** {BIO 1954518 <GO>}

Yes. According to the Automotive Leasing Guide, which is the sort of industry authority on leasing residual values, it is currently 43% after three years.

**Q - Mark Rogowski**

Okay. And you mentioned a five-year loan. But --.

**A - Elon Musk** {BIO 1954518 <GO>}

Just to be clear, if you take the -- at the risk of being overly precise -- essentially if you take the trailing 12 months and average the trailing 12 months for a Mercedes S550, in Automotive Leasing Guide, which is the industry standard guide, it is 43%. Sorry to be overly -- that may be too much detail. But anyway.

### **Q - Mark Rogowski**

No problem. Precision is good. And you mentioned a five-year lease. But the example on the Web calculator uses a 66-month model. So that seems to be 5.5 years if we are being precise. So is that the actual loan term that we are sort of working with or does it really depend on what you negotiate with the bank?

### **A - Elon Musk** {BIO 1954518 <GO>}

This particular offering is a 66-month offering. So however, you get to give us the car back after 36 months. So it's essentially -- we are taking, like I said, the best elements of a lease, which is the ability to just return a car after three years with no hassle and (inaudible) financing and so it is a 5.5 year loan, after which you would have paid off all the principal. However, at the three-year point, you can just say, hey, I want to get a new Model S or I want to get a different car and you can just give us back the car and be done with it.

### **Q - Mark Rogowski**

And do you guys think that if the cars are worth more at that point, you would be willing to pay more for them or are you not looking that far ahead yet? In other words, let's say the car is worth 50% of the price paid. So it is worth \$40,000 instead of \$30,000, will you help people capture that value or are they going to have to go private party to do that?

### **A - Elon Musk** {BIO 1954518 <GO>}

We will. If the residual value is higher than that and we think it will, we will pay the market rate.

### **Q - Mark Rogowski**

Okay.

### **A - Elon Musk** {BIO 1954518 <GO>}

Yes. So it should be thought of as no less than.

### **Q - Mark Rogowski**

Thank you.

### **Operator**

David Baker, San Francisco Chronicle.

### **Q - David Baker** {BIO 20814600 <GO>}

I wondered if you could just sort of walk us through the process from the very beginning and use someone in California as an example in terms of the state and federal incentives that are available here. I am a California customer, I am interested

in going with this model. Do I actually have to put any money down, how exactly does this work?

**A - Elon Musk** {BIO 1954518 <GO>}

Sure. And I encourage people to go and check it out on our website, which has gone live and has sort of the calculator and sort of figure it all out. But essentially, in California, you get, in addition to the \$7,500 federal tax credit, there is a \$2500 state tax credit and several other states also have a state credit. So let's say you bought a Model S, including options, that was \$70,000 or something like that. Then you would have the -- the tax credits in California would amount to -- state and federal would amount to \$10,000.

So you would have \$3000 left over from the tax credits and then I'm not sure what the exact monthly payment would be for a vehicle like that. But I think it would be something in the sort of \$500 or \$600 a month range. It could actually be a fair bit less than that depending upon how you value your time or how much gasoline you use because we are talking about net out-of-pocket, which is I think really what matters to consumers and so it works out I think really well. I mean you could essentially own a Model S for no money down net of the tax credits and around \$500 or \$600 a month in California.

**Q - David Baker** {BIO 20814600 <GO>}

You would still be putting money down though because the tax credits only come at a particular time, right? I mean you still have to front the money, don't you?

**A - Elon Musk** {BIO 1954518 <GO>}

Yes. It is -- there is some time delay, which can vary from three months to a year sort of thing depending upon when you buy the car versus when tax time is. But actually I think the California one is immediate. Sorry, the California one is immediate. The federal one is at tax time.

**Q - David Baker** {BIO 20814600 <GO>}

Got it. Thanks.

**Operator**

Jacob Brown, Source Interlink Media.

**Q - Jacob Brown** {BIO 4089786 <GO>}

I was just wondering what you meant by you were personally guaranteeing the value of the car and basically -- yes, that was pretty much my big question. How are you guaranteeing it? And how can you make that kind of promise?

**A - Elon Musk** {BIO 1954518 <GO>}

Yes. So essentially Tesla is sort of the first backstop on the guarantee. So Tesla is essentially saying that the value will be proportionate to that of a really awesome car, which is the Mercedes S class and then for those who still have any doubt remaining, worst-case scenario, because I know there are some people out there who are still quite pessimistic about the future of electric cars and Tesla, I mean I think that is increasingly changing, at least with respect to Tesla, that perception. But nonetheless to give people complete peace of mind, I am personally standing behind that residual value. So even if Tesla isn't able to honor it, I will personally do so.

**Q - Jacob Brown** {BIO 4089786 <GO>}

Okay. So you are willing to put your own money into it or your own investments into it to guarantee that, for some odd reason, if electric car values tank in the next five years that nobody is going to be on the hook about it?

**A - Elon Musk** {BIO 1954518 <GO>}

Exactly.

**Q - Jacob Brown** {BIO 4089786 <GO>}

Okay.

**A - Elon Musk** {BIO 1954518 <GO>}

That is what I mean by putting my money where my mouth is. And obviously I feel very confident about the future. In fact, I think residual values are going to be excellent and what we have seen with the Tesla Roadster, which is our first product, is that we have seen very good residual values. And so we do have some confidence as a function of what we have seen there.

**Q - Jacob Brown** {BIO 4089786 <GO>}

Okay. Then if the customer doesn't want to give the car back and for some odd reason -- or if the value of the car completely inflates because everybody wants a Model S, you are telling me that you don't have to give the car back for the 43% of the residual value?

**A - Elon Musk** {BIO 1954518 <GO>}

That is exactly right. And that is part of what I mean by combining the best elements of financing and leasing or ownership and leasing is you, as the consumer, have the right, you have the right but not the obligation to give the car back for a particular amount. So it is your car and so it is a one-way thing that's in the favor of the consumer and we are trying to construct essentially the most consumer-friendly financing product in existence. That is our goal here and yes.

**Q - Jacob Brown** {BIO 4089786 <GO>}

Okay. Then, I'm sorry, one last question, is there any way to find out how good your credit has to be to get this kind of financing?

**A - Elon Musk** {BIO 1954518 <GO>}

I think the banks are sort of sensitive to these requirements. You have to have a good credit rating. But what we have seen is a pretty substantial percentage, a super majority of our customers that have applied have been approved. So I think most people who apply will be approved for the best outcome and then in some cases, they might say, okay, well, there needs to be a slightly higher down payment or something like that and we are going to keep working with the banks to make them increasingly accountable over time to increase the approval rating. But what we have seen thus far, because we have been running this as kind of a -- sort of a -- I wouldn't say a secret. But as sort of a quiet trial program. In our quiet sort of trial program, we have seen a super majority of people accepted in the sort of (multiple speakers).

**Q - Jacob Brown** {BIO 4089786 <GO>}

I'm sorry, if you're financing a car, you're probably not going to have quite the net income that you would be able to buy the car outright. So would -- I mean is this going to bring a lower income buyer into Tesla?

**A - Elon Musk** {BIO 1954518 <GO>}

Yes, I think this is going to fundamentally improve the affordability of the car and yes, this is what we are trying to do is we are trying to make the car more broadly affordable to people and we are going to keep working it to make it better and better in that regard.

**Q - Jacob Brown** {BIO 4089786 <GO>}

Thank you.

**Operator**

Michael Bettencourt, Globe and Mail Newspaper.

**Q - Michael Bettencourt**

Yes. This is (technical difficulty) program. I am interested if there is timing already in place in terms of when it might be expanding to Canada and other programs -- in other countries, sorry -- when a similar program might be expanding up north?

**A - Elon Musk** {BIO 1954518 <GO>}

Sure. Well we have got it organized obviously for the United States and our next priority is Canada. We work with Scotiabank in Canada and we will probably be working with a few other banks. Actually I can give you a tiny point of trivia. I actually once did a summer internship for the Chairman's office of the Bank of Nova Scotia in Toronto about a zillion years ago. So I don't know if any of the guys there remember me. But --.

**Q - Michael Bettencourt**

Well they should give you a better rate than.

**A - Elon Musk** {BIO 1954518 <GO>}

It was a very interesting time. So I -- I worked for a guy by the name of Peter Nicholson at the time. He went on to be the Chief Economic Adviser of Canada. He was a great guy. Anyway, keep going. The larger point is that we are going to work with Scotiabank and others to bring this to Canada really, really soon. Yes. As soon as we can manage, hopefully within a matter of a few months.

**A - Sarah Meron** {BIO 17693920 <GO>}

And I don't want to cut this off. But we are running out of time. So we are just going to take one more question.

**Operator**

Matt DeBord, Southern California Public Radio.

**Q - Matt DeBord**

Hi, Elon, let me keep it short. You guys aren't currently doing any of your own financing, right? I should probably know this. But is that the case?

**A - Elon Musk** {BIO 1954518 <GO>}

Yes. We do not have like a captive finance arm like the big car companies. So yes, we don't have that.

**Q - Matt DeBord**

Do you anticipate that in the future given you may have taken the first step toward that by putting your considerable net worth behind this deal?

**A - Elon Musk** {BIO 1954518 <GO>}

I think we could see something like that in the future. It won't be in the near term. But it could be there in the long term. Right now, the cost of financing from the big banks is incredibly competitive. So it is not something that we could I think match with an internal system in the near term. But maybe in the long term.

**Q - Matt DeBord**

And lastly, is there a reason why you don't understand the pessimism out there even though it may be meager in nature?

**A - Elon Musk** {BIO 1954518 <GO>}

Well I could probably hazard some guesses. I mean generally the nature of the pessimism doesn't seem to be based on fundamentals. But more on the idea that while there hasn't been a new car company startup that was successful since Chrysler and that was 90 years ago. But generally when people come and do the

due diligence and actually visit our factory and see the cars being made or talk to customers or drive our car, as soon as they appreciate the actual product and really do the research on the fundamentals of the Company, then that seems to have quite a profound effect and really changes their perception substantially. So we try to encourage people to do that as often as possible.

**Q - Matt DeBord**

Okay. Thanks.

**A - Sarah Meron {BIO 17693920 <GO>}**

Great, thank you all for joining today. We really appreciate it and look forward to speaking more in the future.

**Operator**

Ladies and gentlemen, thank you for participating in today's program. This concludes the program. You may all disconnect.

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