

# Q2 2022 Update

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## HIGHLIGHTS

<b>Cash</b>	<p>Operating cash flow less capex (free cash flow) of \$621M in Q2</p> <p>In total, \$0.8B increase in our cash and cash equivalents in Q2 to \$18.3B</p>
<b>Profitability</b>	<p>\$2.5B GAAP operating income; 14.6% operating margin in Q2</p> <p>\$2.3B GAAP net income; \$2.6B non-GAAP net income (ex-SBC<sup>1</sup>) in Q2</p> <p>27.9% GAAP Automotive gross margin in Q2</p>
<b>Operations</b>	<p>More than 1,000 vehicles produced in a single week at Gigafactory Berlin</p> <p>Highest solar deployment in over four years</p>

## SUMMARY

We continued to make significant progress across the business during the second quarter of 2022. Though we faced certain challenges, including limited production and shutdowns in Shanghai for the majority of the quarter, we achieved an operating margin among the highest in the industry of 14.6%, positive free cash flow of \$621M and ended the quarter with the highest vehicle production month in our history.

New factories in Berlin-Brandenburg and Austin continued to ramp in Q2. Gigafactory Berlin-Brandenburg reached an important milestone of over 1,000 cars produced in a single week while achieving positive gross margin during the quarter. From our Austin factory, the first vehicles with Tesla-made 4680 cells and structural battery packs were delivered to our U.S. customers. We are continuing to invest in capacity expansion of our factories to maximize production.

The Energy business made meaningful progress in Q2 as well, achieving higher volumes with stronger unit economics. This resulted in an overall record gross profit. Customer interest in our storage products remains strong and well above our production rate.

With each of the Fremont and Shanghai factories achieving their highest-ever production months and new factory growth, we are focused on a record-breaking second half of 2022.

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

**FINANCIAL SUMMARY**  
(Unaudited)

(\$ in millions, except percentages and per share data)	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022	YoY
Automotive revenues	10,206	12,057	15,967	16,861	14,602	43%
of which regulatory credits	354	279	314	679	344	-3%
Automotive gross profit	2,899	3,673	4,882	5,539	4,081	41%
Automotive gross margin	28.4%	30.5%	30.6%	32.9%	27.9%	-46 bp
Total revenues	11,958	13,757	17,719	18,756	16,934	42%
Total gross profit	2,884	3,660	4,847	5,460	4,234	47%
Total GAAP gross margin	24.1%	26.6%	27.4%	29.1%	25.0%	89 bp
Operating expenses	1,572	1,656	2,234	1,857	1,770	13%
Income from operations	1,312	2,004	2,613	3,603	2,464	88%
Operating margin	11.0%	14.6%	14.7%	19.2%	14.6%	358 bp
Adjusted EBITDA	2,487	3,203	4,090	5,023	3,791	52%
Adjusted EBITDA margin	20.8%	23.3%	23.1%	26.8%	22.4%	159 bp
Net income attributable to common stockholders (GAAP)	1,142	1,618	2,321	3,318	2,259	98%
Net income attributable to common stockholders (non-GAAP)	1,616	2,093	2,879	3,736	2,620	62%
EPS attributable to common stockholders, diluted (GAAP) <sup>(1)</sup>	1.02	1.44	2.05	2.86	1.95	91%
EPS attributable to common stockholders, diluted (non-GAAP) <sup>(1)</sup>	1.45	1.86	2.54	3.22	2.27	57%
Net cash provided by operating activities	2,124	3,147	4,585	3,995	2,351	11%
Capital expenditures	(1,505)	(1,819)	(1,810)	(1,767)	(1,730)	15%
Free cash flow	619	1,328	2,775	2,228	621	0%
Cash and cash equivalents	16,229	16,065	17,576	17,505	18,324	13%

<sup>(1)</sup>EPS = earnings per share.

## FINANCIAL SUMMARY

### Revenue

Total revenue grew 42% YoY in Q2 to \$16.9B. YoY, revenue was impacted by the following items:

- + growth in vehicle deliveries
- + increased average selling price (ASP)
- + growth in other parts of the business

### Profitability

Our operating income improved YoY to \$2.5B in Q2, resulting in a 14.6% 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
- + lower stock-based compensation expense
- higher raw material, commodity, logistics and expedite costs
- higher per unit fixed costs in Shanghai due to shutdowns
- negative FX impact
- Bitcoin impairment

### Cash

Quarter-end cash, cash equivalents and short-term marketable securities increased sequentially by \$902M to \$18.9B in Q2, driven mainly by free cash flow of \$621M, partially offset by debt repayments of \$402M. As of the end of Q2, we have converted approximately 75% of our Bitcoin purchases into fiat currency. Conversions in Q2 added \$936M of cash to our balance sheet.

OPERATIONAL SUMMARY  
(Unaudited)

	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022	YoY
Model S/X production	2,340	8,941	13,109	14,218	16,411	601%
Model 3/Y production	204,081	228,882	292,731	291,189	242,169	19%
<b>Total production</b>	<b>206,421</b>	<b>237,823</b>	<b>305,840</b>	<b>305,407</b>	<b>258,580</b>	<b>25%</b>
Model S/X deliveries	1,895	9,289	11,766	14,724	16,162	753%
Model 3/Y deliveries	199,409	232,102	296,884	295,324	238,533	20%
<b>Total deliveries</b>	<b>201,304</b>	<b>241,391</b>	<b>308,650</b>	<b>310,048</b>	<b>254,695</b>	<b>27%</b>
of which subject to operating lease accounting	14,492	16,658	16,160	12,167	9,227	-36%
Total end of quarter operating lease vehicle count	95,491	108,757	120,342	128,402	131,756	38%
Global vehicle inventory (days of supply) <sup>(1)</sup>	9	6	4	3	4	-56%
Solar deployed (MW)	85	83	85	48	106	25%
Storage deployed (MWh)	1,274	1,295	978	846	1,133	-11%
Store and service locations	598	630	655	673	709	19%
Mobile service fleet	1,091	1,190	1,281	1,372	1,453	33%
Supercharger stations	2,966	3,254	3,476	3,724	3,971	34%
Supercharger connectors	26,900	29,281	31,498	33,657	36,165	34%

## VEHICLE CAPACITY

In Q2, we achieved record production rates across the company. However, we saw a continuation of manufacturing challenges related to shutdowns, global supply chain disruptions, labor shortages and logistics and other complications, which limited our ability to consistently run our factories at full capacity.

### US: California and Texas

Our Fremont Factory made a record number of vehicles in Q2. We see opportunities for further production rate improvements. In Texas, we have added flexibility to produce vehicles with either a structural battery pack or legacy battery pack. The next generation of 4680 battery cell machinery has been installed in Texas and is in the process of commissioning. Factory output in Texas continues to grow.

### China: Shanghai

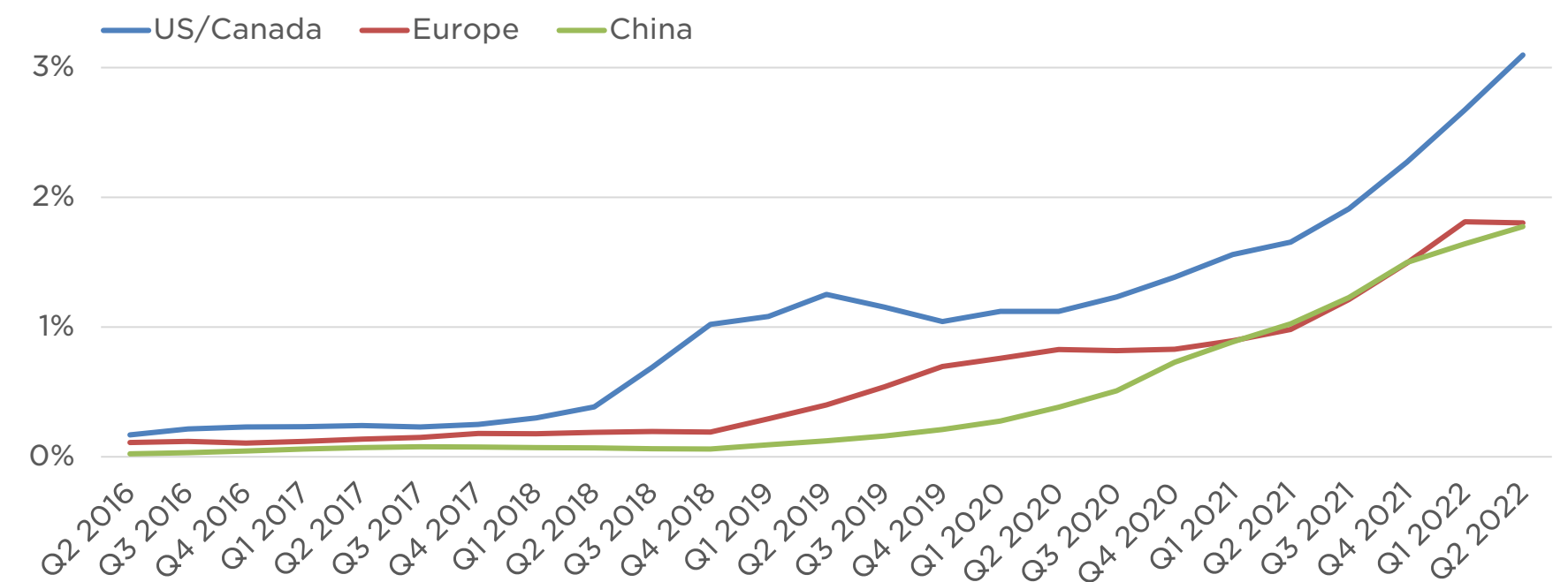
While the Shanghai factory was shut down fully and then partially for the majority of Q2, we ended the quarter with a record monthly production level. Recent equipment upgrades will enable us to continue to increase our production rate further.

### Europe: Berlin-Brandenburg

Thanks to strong production rate improvement towards the end of Q2, our team in Germany produced more than 1,000 Model Y vehicles in a single week, using 2170 cells. We expect the production rate to continue improving through the rest of the year.

Installed Annual Capacity		Current	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	-	In development
TBD	Tesla Semi	-	In development
	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

## CORE TECHNOLOGY

### Autopilot and Full Self-Driving (FSD)

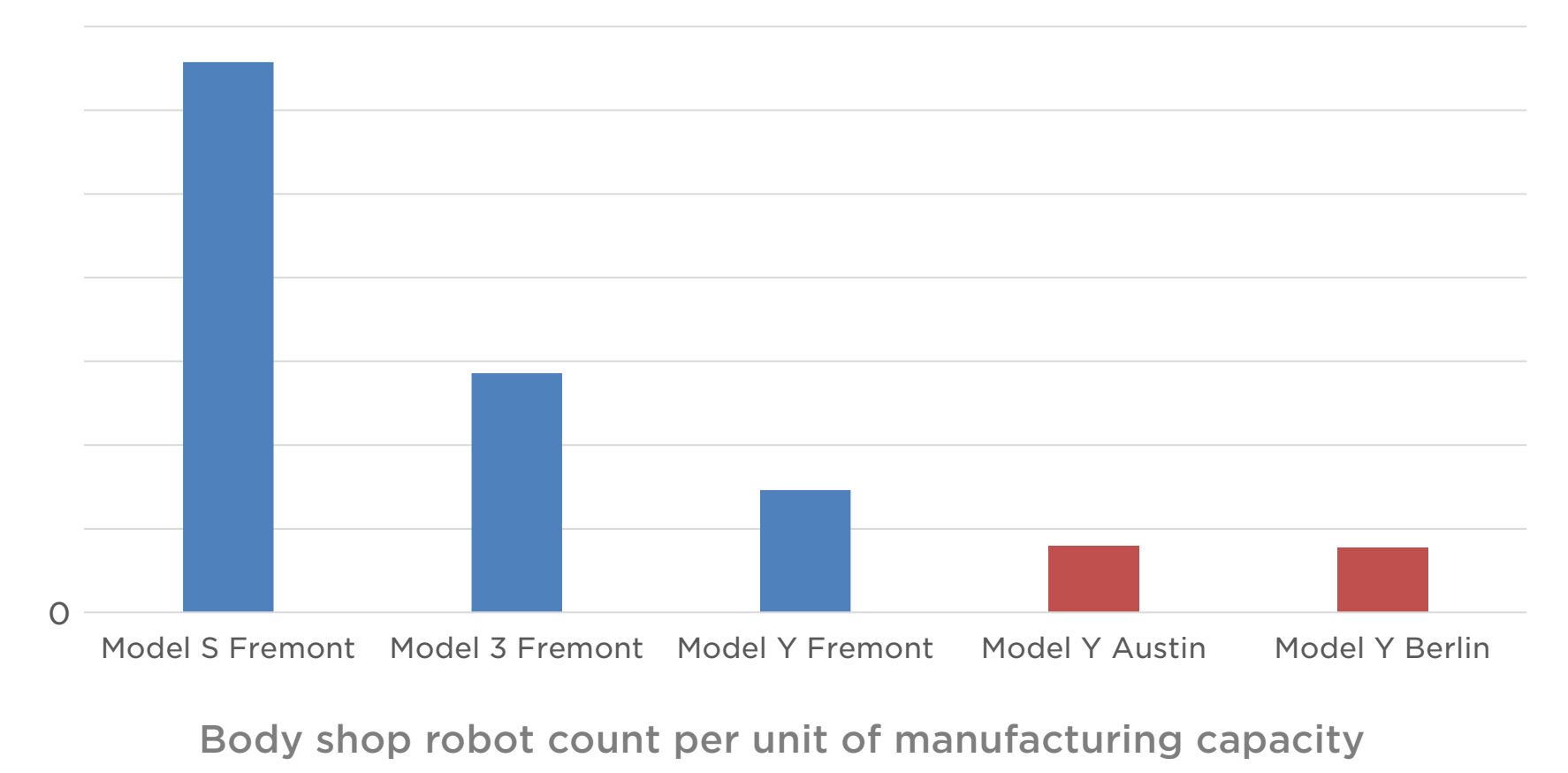
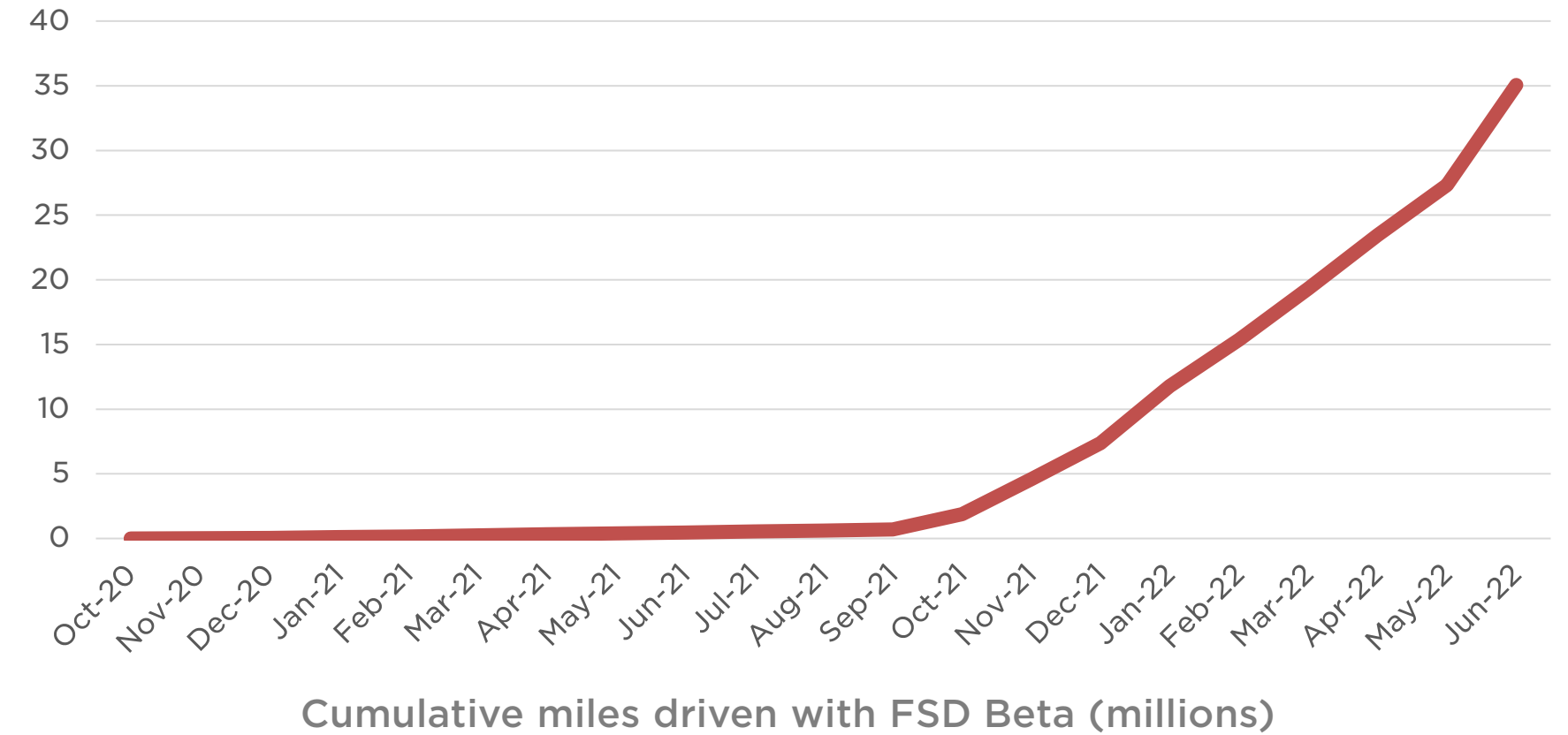
As of the end of Q2-2022, over 100,000 Tesla drivers in North America had access to FSD Beta. Cumulative miles driven by our customers using City Streets supervised autonomy continue to grow at an unprecedented scale. Fleet data is an important part of improving and expanding the system. We recently re-launched the Enhanced Autopilot option in North America, for those customers who are only interested in highway autonomy.

### Vehicle Software

Vehicles with adaptive suspension in North America can now automatically adjust to a more comfortable ride height *before* encountering a section of rough road, informed by continuously-updated data collected by our fleet. Our latest vehicles now use Tesla Vision to tighten seat belts earlier in a wider array of frontal crashes (page 19). We expanded on the UI customization introduced in V11 software update by allowing vehicle controls such as defrost, windshield wipers and seat heaters to be one touch away.

### Battery, Powertrain & Manufacturing

The architecture of electric vehicles allows us to rethink vehicle design and the manufacturing process beyond what was possible in the combustion engine era. Thanks to large castings and parts consolidation, the robot count in our body shops in new factories dropped by over 70% per unit of capacity compared to our first iteration of Model 3 Body Shop. Our quest for simplification is not over. We will continue to drive simplification further with every new product and every new factory.





## OTHER HIGHLIGHTS

### Energy Storage

Energy storage deployments decreased by 11% YoY in Q2 to 1.1 GWh, mainly due to semiconductor challenges, which are having 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 Megapack factory to address the growing demand.

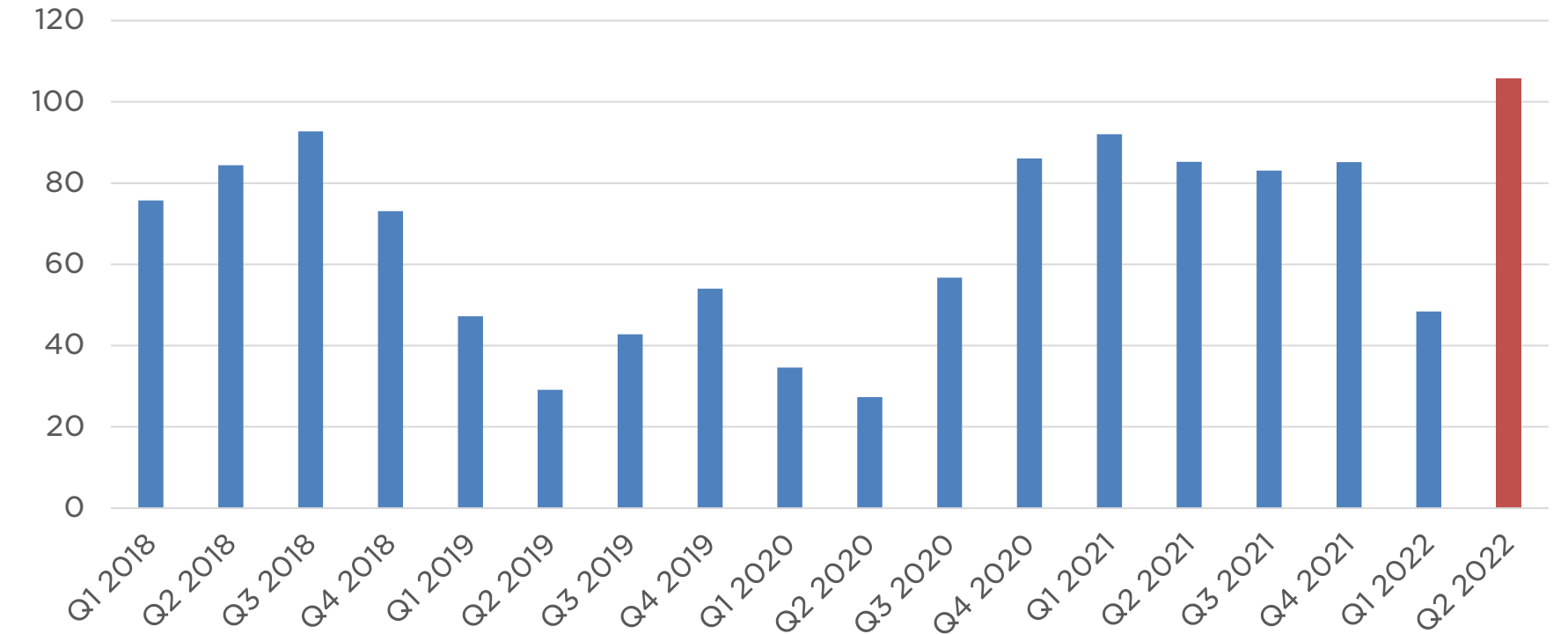
### Solar

Solar deployments increased by 25% YoY in Q2 to 106 MW, the strongest quarterly result in over four years. Although we continue to experience import delays beyond our control on certain solar components, we have expanded our supplier base to enable growth in this business. Our solar installation team continues to improve installation efficiency, enabling higher volumes and stronger economics.

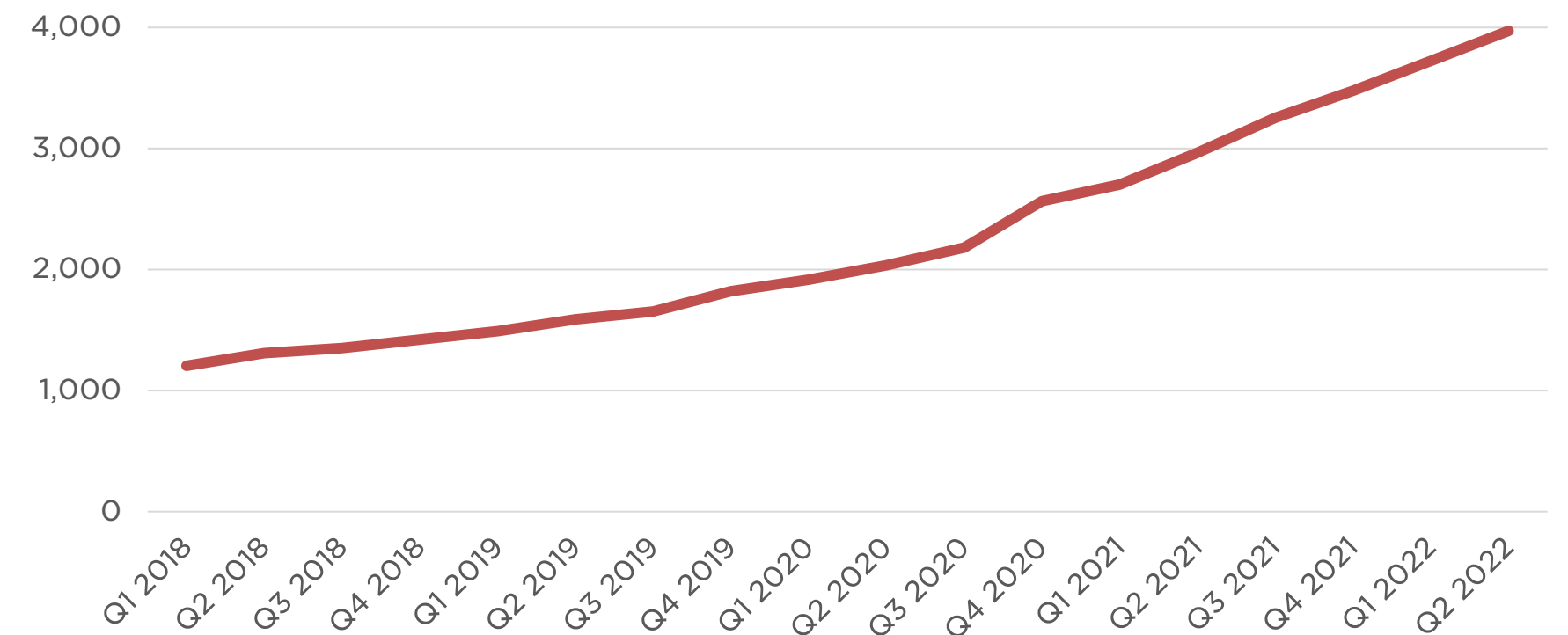
### Services and Other

In Q2, Services and Other business returned to positive gross margin. The used car business remains strong, particularly as interest in electric vehicles expands. Additionally, we are growing merchandise, Tesla-owned collision centers and related services.

The Supercharger business, which is part of Services & Other, is increasingly serving both Tesla and non-Tesla customers. To help accelerate the transition to sustainable energy even faster, we are excited to open up our global, fast-growing network to other EV customers.



Solar deployments (MW)



Global Tesla Supercharger locations

## OUTLOOK

- Volume** We plan to grow our manufacturing capacity as quickly as possible. Over a multi-year horizon, we expect to achieve 50% average annual growth in vehicle deliveries. The rate of growth will depend on our equipment capacity, factory uptime, operational efficiency and the capacity and stability of the supply chain.
- Cash** We have sufficient liquidity to fund our product roadmap, long-term capacity expansion plans and other expenses.
- Profit** 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.
- Product** The pace of production ramps in Austin 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 Austin and Gigafactory Berlin-Brandenburg will be no different. We are making progress on the industrialization of Cybertruck, which is currently planned for Austin production subsequent to Model Y ramp.



FREMONT FACTORY — 2,000,000 VEHICLES PRODUCED



GIGAFACTORY BERLIN – MODEL Y GENERAL ASSEMBLY



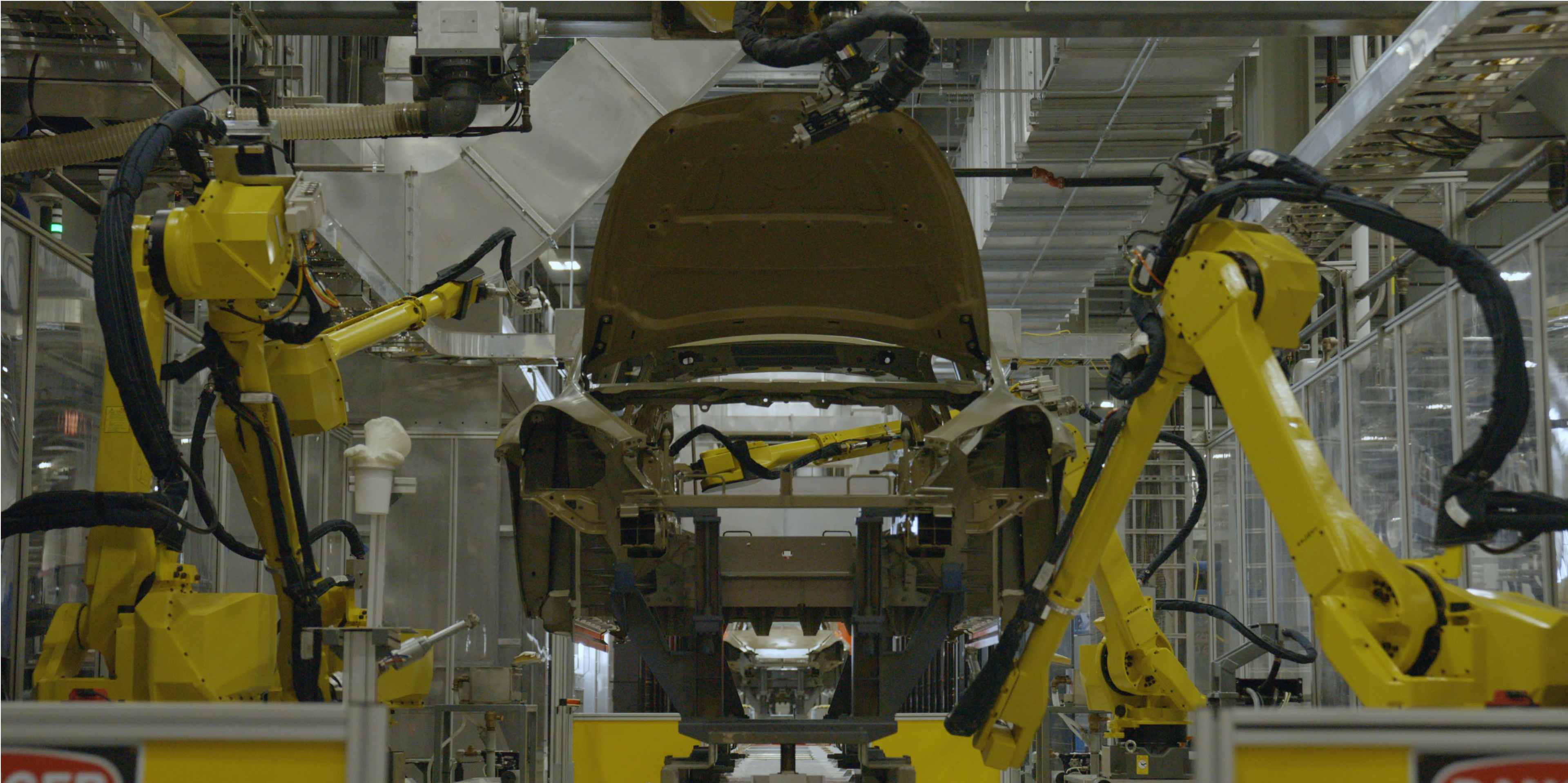
GIGAFACTORY BERLIN – MODEL Y PAINT SHOP



GIGAFACTORY TEXAS — SOLAR PANELS



GIGAFACTORY TEXAS — BODY SHOP





GIGAFACTORY SHANGHAI — EXTERIOR



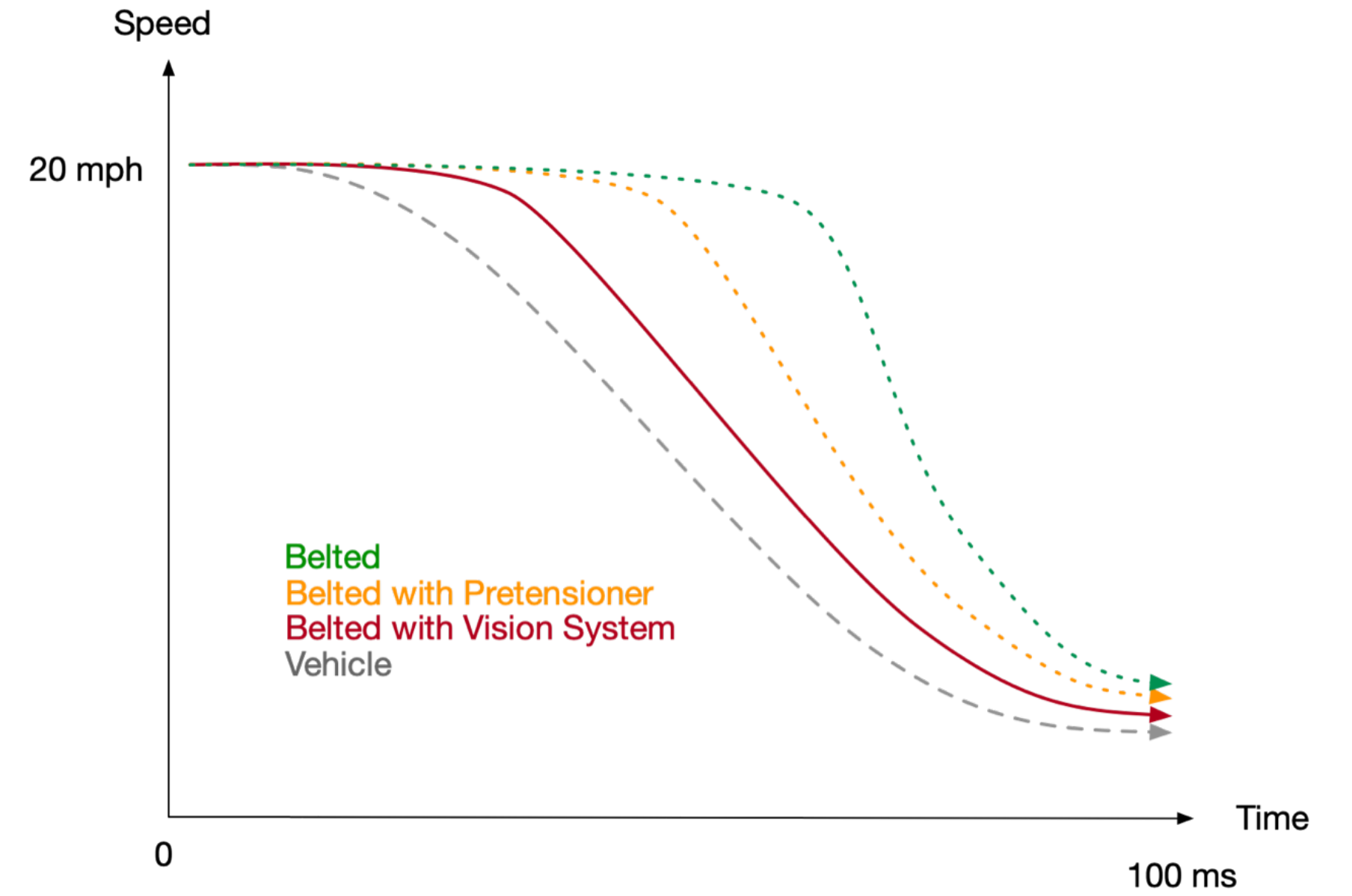
GIGAFACTORY SHANGHAI — GENERAL ASSEMBLY



# PREDICTIVE (VISION BASED) SEAT BELT TENSIONING



Faster tensioning deployment due to Tesla Vision

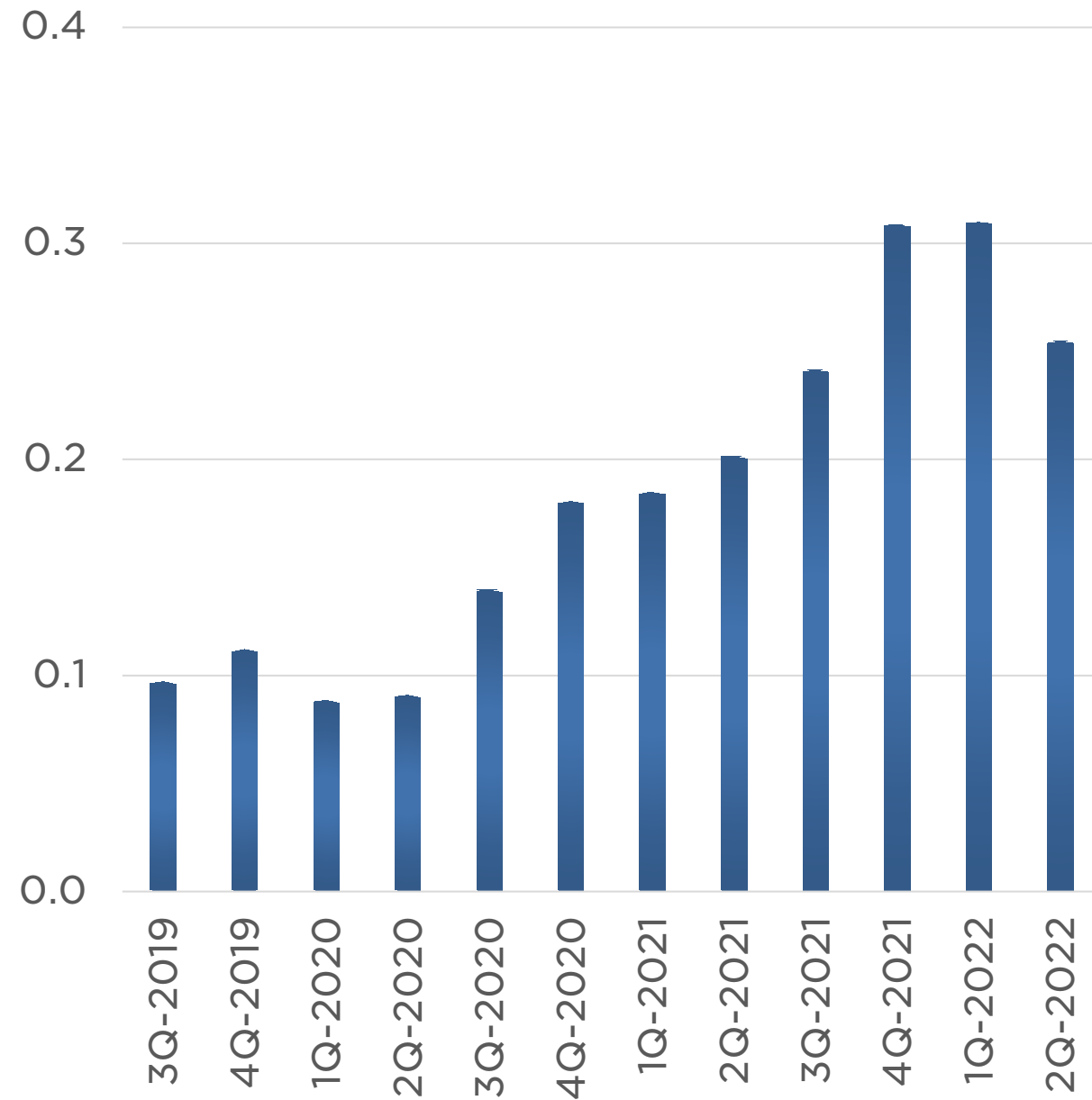


Lower occupant acceleration with Tesla Vision system

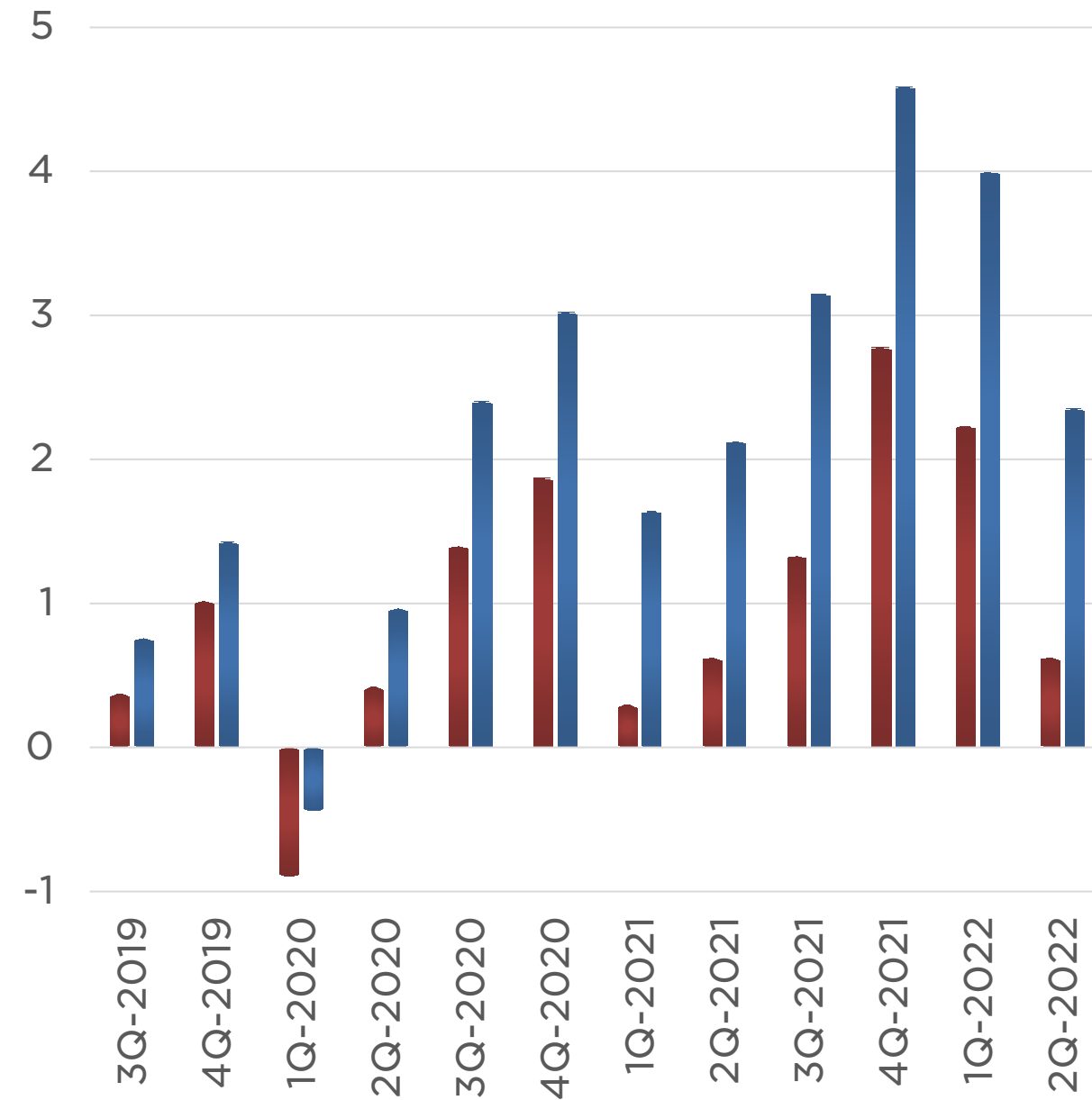


Learn more about how to vote your shares: <https://ir.tesla.com/shareholders/vote>

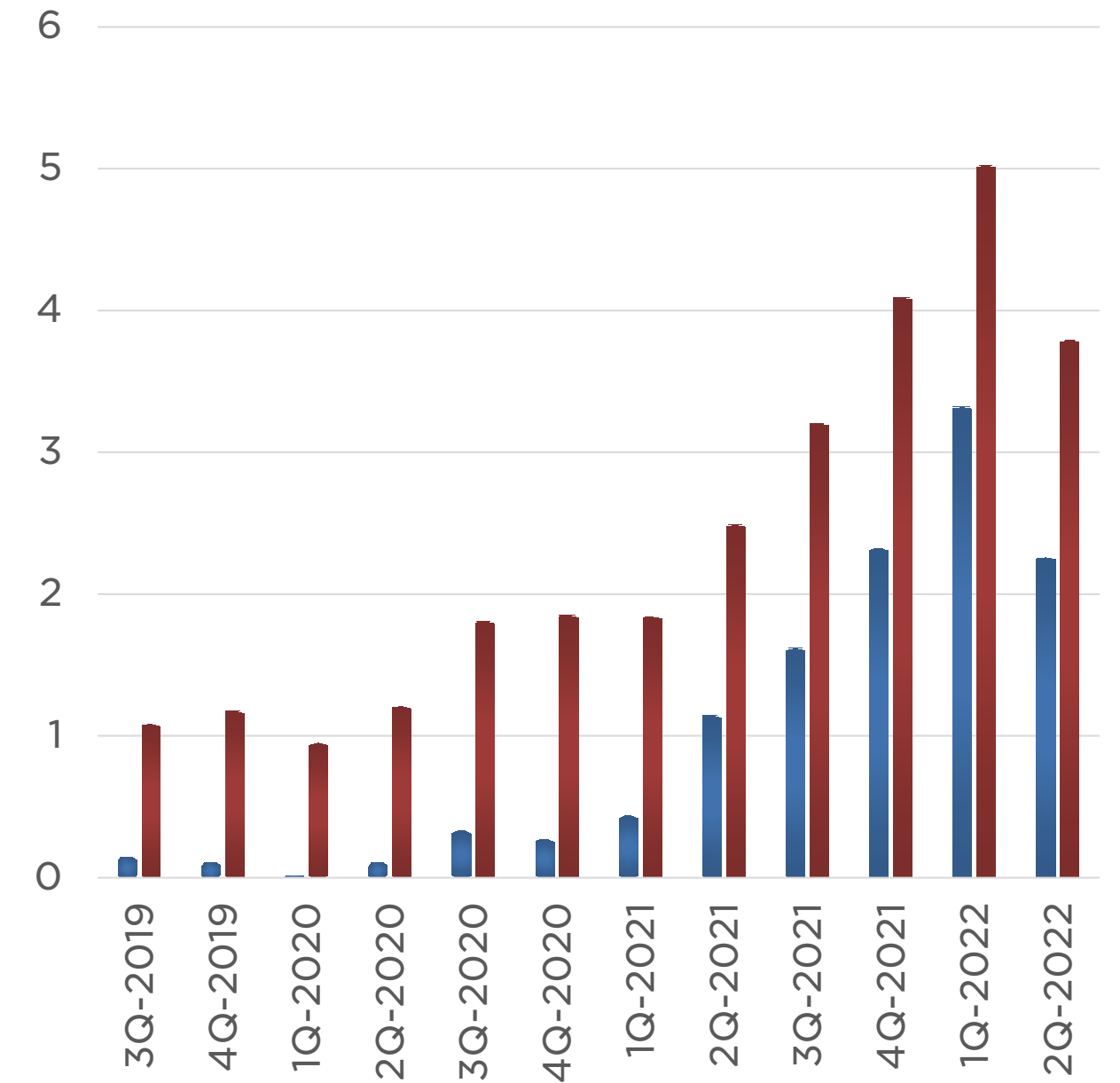
**KEY METRICS QUARTERLY**  
(Unaudited)



Vehicle Deliveries  
(millions of units)

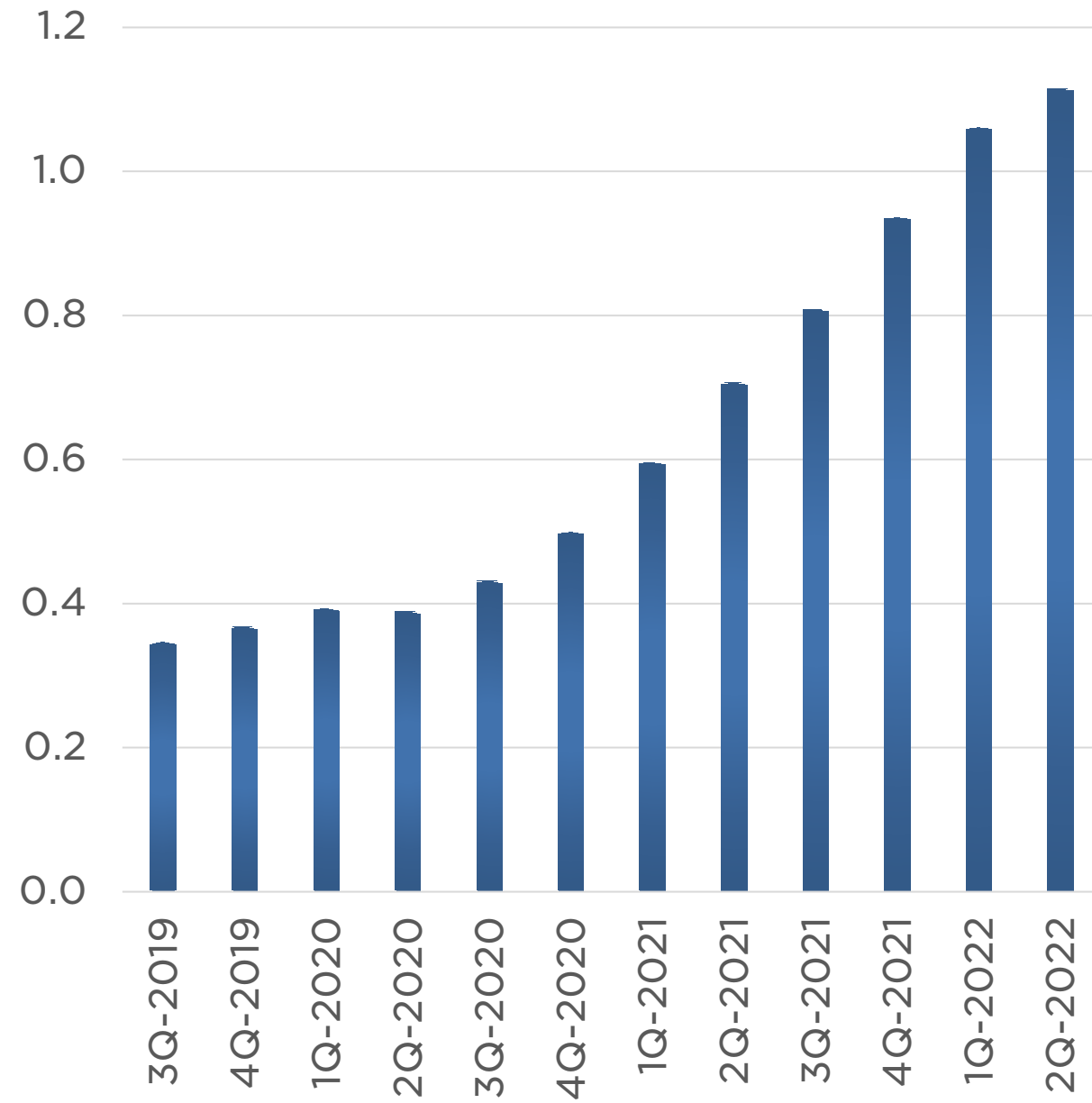


Operating Cash Flow (\$B)  
Free Cash Flow (\$B)

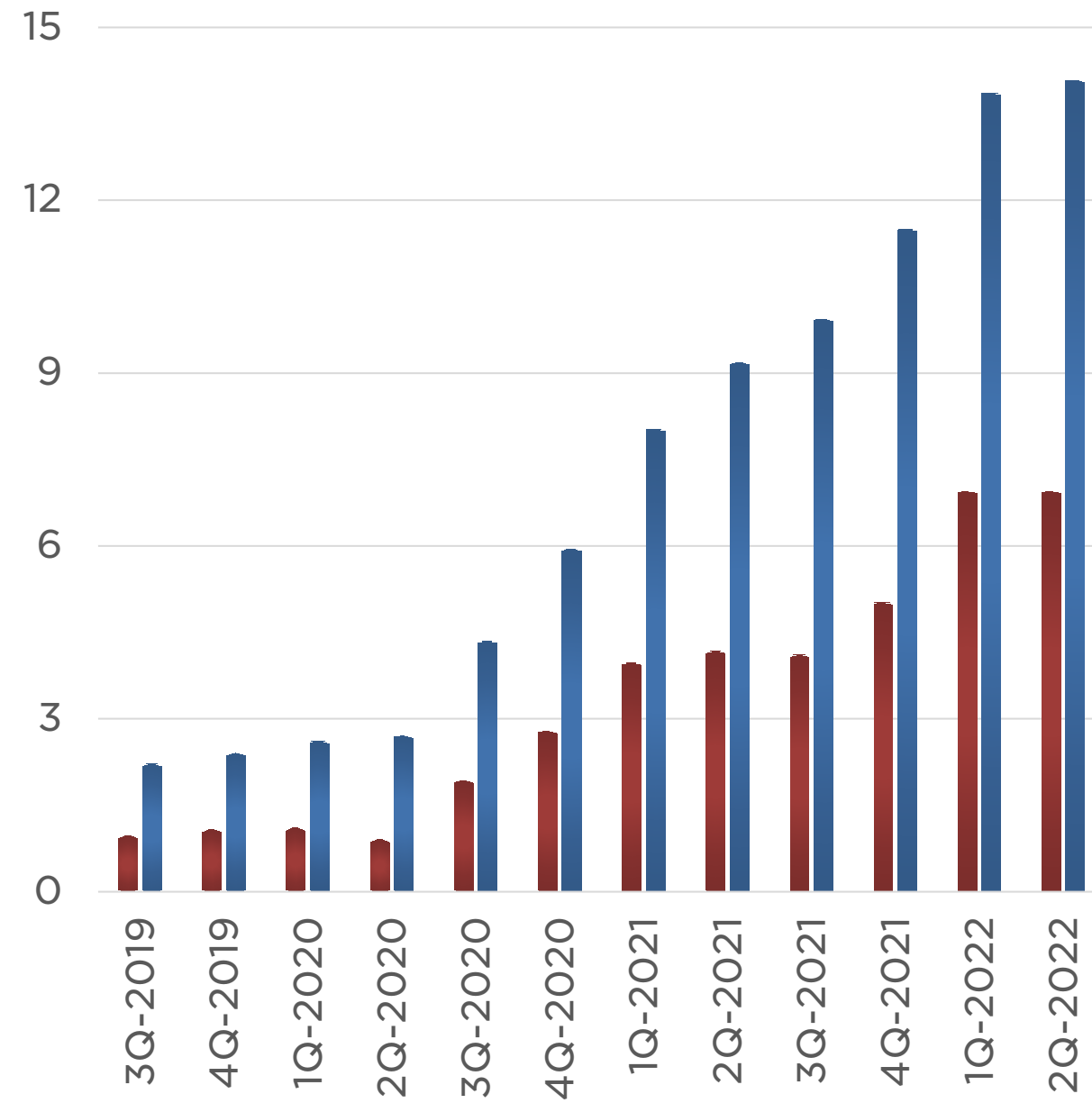


Net Income (\$B)  
Adjusted EBITDA (\$B)

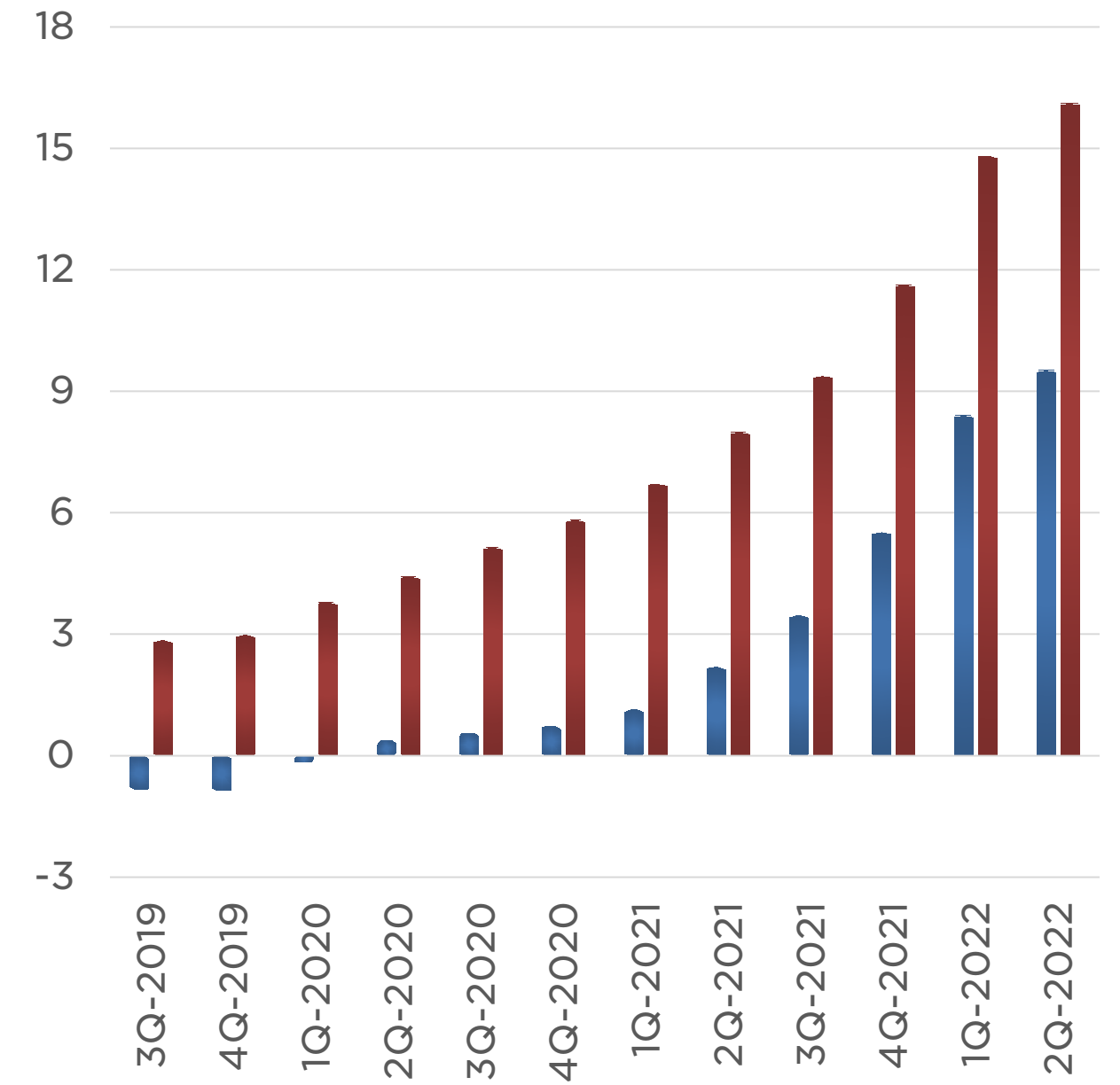
**KEY METRICS TRAILING 12 MONTHS (TTM)**  
(Unaudited)



Vehicle Deliveries  
(millions of units)



Operating Cash Flow (\$B)  
Free Cash Flow (\$B)



Net Income (\$B)  
Adjusted EBITDA (\$B)



**STATEMENT OF OPERATIONS**  
(Unaudited)

In millions of USD or shares as applicable, except per share data	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022
<b>REVENUES</b>					
Automotive sales	9,520	11,393	15,025	15,514	13,670
Automotive regulatory credits	354	279	314	679	344
Automotive leasing	332	385	628	668	588
Total automotive revenue	10,206	12,057	15,967	16,861	14,602
Energy generation and storage	801	806	688	616	866
Services and other	951	894	1,064	1,279	1,466
<b>Total revenues</b>	<b>11,958</b>	<b>13,757</b>	<b>17,719</b>	<b>18,756</b>	<b>16,934</b>
<b>COST OF REVENUES</b>					
Automotive sales	7,119	8,150	10,689	10,914	10,153
Automotive leasing	188	234	396	408	368
Total automotive cost of revenues	7,307	8,384	11,085	11,322	10,521
Energy generation and storage	781	803	739	688	769
Services and other	986	910	1,048	1,286	1,410
Total cost of revenues	9,074	10,097	12,872	13,296	12,700
<b>Gross profit</b>	<b>2,884</b>	<b>3,660</b>	<b>4,847</b>	<b>5,460</b>	<b>4,234</b>
<b>OPERATING EXPENSES</b>					
Research and development	576	611	740	865	667
Selling, general and administrative	973	994	1,494	992	961
Restructuring and other	23	51	—	—	142
Total operating expenses	1,572	1,656	2,234	1,857	1,770
<b>INCOME FROM OPERATIONS</b>	<b>1,312</b>	<b>2,004</b>	<b>2,613</b>	<b>3,603</b>	<b>2,464</b>
Interest income	11	10	25	28	26
Interest expense	(75)	(126)	(71)	(61)	(44)
Other income (expense), net	45	(6)	68	56	28
<b>INCOME BEFORE INCOME TAXES</b>	<b>1,293</b>	<b>1,882</b>	<b>2,635</b>	<b>3,626</b>	<b>2,474</b>
Provision for income taxes	115	223	292	346	205
<b>NET INCOME</b>	<b>1,178</b>	<b>1,659</b>	<b>2,343</b>	<b>3,280</b>	<b>2,269</b>
Net income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries	36	41	22	(38)	10
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>1,142</b>	<b>1,618</b>	<b>2,321</b>	<b>3,318</b>	<b>2,259</b>
<b>Net income per share of common stock attributable to common stockholders</b>					
Basic	\$ 1.18	\$ 1.62	\$ 2.29	\$ 3.20	\$ 2.18
Diluted	\$ 1.02	\$ 1.44	\$ 2.05	\$ 2.86	\$ 1.95
<b>Weighted average shares used in computing net income per share of common stock</b>					
Basic	971	998	1,015	1,034	1,037
Diluted	1,119	1,123	1,135	1,157	1,155



## BALANCE SHEET (Unaudited)

In millions of USD	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	16,229	16,065	17,576	17,505	18,324
Short-term marketable securities	—	30	131	508	591
Accounts receivable, net	2,129	1,962	1,913	2,311	2,081
Inventory	4,733	5,199	5,757	6,691	8,108
Prepaid expenses and other current assets	1,602	1,746	1,723	2,035	2,118
<b>Total current assets</b>	<b>24,693</b>	<b>25,002</b>	<b>27,100</b>	<b>29,050</b>	<b>31,222</b>
Operating lease vehicles, net	3,748	4,167	4,511	4,745	4,782
Solar energy systems, net	5,883	5,821	5,765	5,686	5,624
Property, plant and equipment, net	15,665	17,298	18,884	20,027	21,093
Operating lease right-of-use assets	1,734	1,962	2,016	2,181	2,185
Digital assets, net	1,311	1,260	1,260	1,261	218
Goodwill and intangible assets, net	486	470	457	454	437
Other non-current assets	1,626	1,854	2,138	2,634	2,952
<b>Total assets</b>	<b>55,146</b>	<b>57,834</b>	<b>62,131</b>	<b>66,038</b>	<b>68,513</b>
<b>LIABILITIES AND EQUITY</b>					
Current liabilities					
Accounts payable	7,558	8,260	10,025	11,171	11,212
Accrued liabilities and other	4,778	5,443	5,719	5,906	6,037
Deferred revenue	1,693	1,801	1,447	1,594	1,858
Customer deposits	812	831	925	1,125	1,182
Current portion of debt and finance leases (1)	1,530	1,716	1,589	1,659	1,532
<b>Total current liabilities</b>	<b>16,371</b>	<b>18,051</b>	<b>19,705</b>	<b>21,455</b>	<b>21,821</b>
Debt and finance leases, net of current portion (1)	7,871	6,438	5,245	3,153	2,898
Deferred revenue, net of current portion	1,318	1,365	2,052	2,185	2,210
Other long-term liabilities	3,336	3,486	3,546	3,839	3,926
<b>Total liabilities</b>	<b>28,896</b>	<b>29,340</b>	<b>30,548</b>	<b>30,632</b>	<b>30,855</b>
Redeemable noncontrolling interests in subsidiaries	605	605	568	459	421
Total stockholders' equity	24,804	27,053	30,189	34,085	36,376
Noncontrolling interests in subsidiaries	841	836	826	862	861
<b>Total liabilities and equity</b>	<b>55,146</b>	<b>57,834</b>	<b>62,131</b>	<b>66,038</b>	<b>68,513</b>
(1) Breakdown of our debt is as follows:					
<b>Vehicle and energy product financing (non-recourse)</b>	<b>3,969</b>	<b>4,531</b>	<b>3,952</b>	<b>3,333</b>	<b>3,086</b>
Other non-recourse debt	14	14	14	14	13
Recourse debt	3,977	2,101	1,376	74	53
<b>Total debt excluding vehicle and energy product financing</b>	<b>3,991</b>	<b>2,115</b>	<b>1,390</b>	<b>88</b>	<b>66</b>
Days sales outstanding	15	14	10	10	12
Days payable outstanding	71	72	65	72	80

**STATEMENT OF CASH FLOWS**  
(Unaudited)

In millions of USD	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income	1,178	1,659	2,343	3,280	2,269
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and impairment	681	761	848	880	922
Stock-based compensation	474	475	558	418	361
Other	115	253	(19)	19	145
Changes in operating assets and liabilities, net of effect of business combinations	(324)	(1)	855	(602)	(1,346)
<b>Net cash provided by operating activities</b>	<b>2,124</b>	<b>3,147</b>	<b>4,585</b>	<b>3,995</b>	<b>2,351</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Capital expenditures	(1,505)	(1,819)	(1,810)	(1,767)	(1,730)
Purchases of solar energy systems, net of sales	(10)	(6)	(4)	(5)	—
Proceeds from sales of digital assets	—	—	—	—	936
Purchases of marketable securities	—	(30)	(102)	(386)	(90)
Purchase of intangible assets	—	—	—	(9)	—
<b>Net cash used in investing activities</b>	<b>(1,515)</b>	<b>(1,855)</b>	<b>(1,916)</b>	<b>(2,167)</b>	<b>(884)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net cash flows from other debt activities	(1,230)	(2,091)	(860)	(1,436)	(154)
Collateralized lease repayments	(2)	(1)	—	—	—
Net (repayments) borrowings under vehicle and energy product financing	(356)	562	(596)	(632)	(248)
Net cash flows from noncontrolling interests - Solar	(31)	(43)	(63)	(48)	(47)
Other	70	192	262	202	43
<b>Net cash used in financing activities</b>	<b>(1,549)</b>	<b>(1,381)</b>	<b>(1,257)</b>	<b>(1,914)</b>	<b>(406)</b>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	42	(42)	38	(18)	(214)
Net (decrease) increase in cash and cash equivalents and restricted cash	(898)	(131)	1,450	(104)	847
Cash and cash equivalents and restricted cash at beginning of period	17,723	16,825	16,694	18,144	18,040
Cash and cash equivalents and restricted cash at end of period	16,825	16,694	18,144	18,040	18,887

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

In millions of USD or shares as applicable, except per share data	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022
<b>Net income attributable to common stockholders (GAAP)</b>	<b>1,142</b>	<b>1,618</b>	<b>2,321</b>	<b>3,318</b>	<b>2,259</b>
Stock-based compensation expense	474	475	558	418	361
<b>Net income attributable to common stockholders (non-GAAP)</b>	<b>1,616</b>	<b>2,093</b>	<b>2,879</b>	<b>3,736</b>	<b>2,620</b>
Less: Buy-out of noncontrolling interest	—	—	(5)	5	3
Less: Dilutive convertible debt	(2)	(1)	(1)	—	(0)
<b>Net income used in computing diluted EPS attributable to common stockholders (non-GAAP)</b>	<b>1,618</b>	<b>2,094</b>	<b>2,885</b>	<b>3,731</b>	<b>2,617</b>
<b>EPS attributable to common stockholders, diluted (GAAP)</b>	<b>1.02</b>	<b>1.44</b>	<b>2.05</b>	<b>2.86</b>	<b>1.95</b>
Stock-based compensation expense per share	0.43	0.42	0.49	0.36	0.32
<b>EPS attributable to common stockholders, diluted (non-GAAP)</b>	<b>1.45</b>	<b>1.86</b>	<b>2.54</b>	<b>3.22</b>	<b>2.27</b>
Shares used in EPS calculation, diluted (GAAP and non-GAAP)	1,119	1,123	1,135	1,157	1,155
<b>Net income attributable to common stockholders (GAAP)</b>	<b>1,142</b>	<b>1,618</b>	<b>2,321</b>	<b>3,318</b>	<b>2,259</b>
Interest expense	75	126	71	61	44
Provision for income taxes	115	223	292	346	205
Depreciation, amortization and impairment	681	761	848	880	922
Stock-based compensation expense	474	475	558	418	361
<b>Adjusted EBITDA (non-GAAP)</b>	<b>2,487</b>	<b>3,203</b>	<b>4,090</b>	<b>5,023</b>	<b>3,791</b>
Total revenues	11,958	13,757	17,719	18,756	16,934
<b>Adjusted EBITDA margin (non-GAAP)</b>	<b>20.8%</b>	<b>23.3%</b>	<b>23.1%</b>	<b>26.8%</b>	<b>22.4%</b>
<b>Automotive gross margin (GAAP)</b>	<b>28.4%</b>	<b>30.5%</b>	<b>30.6%</b>	<b>32.9%</b>	<b>27.9%</b>
Less: Total regulatory credit revenue recognized	2.6%	1.7%	1.4%	2.9%	1.7%
<b>Automotive gross margin excluding regulatory credit sales (non-GAAP)</b>	<b>25.8%</b>	<b>28.8%</b>	<b>29.2%</b>	<b>30.0%</b>	<b>26.2%</b>

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

In millions of USD	4Q-2018	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
Net cash provided by (used in) operating activities (GAAP)	1,235	(640)	864	756	1,425	(440)	964	2,400	3,019	1,641	2,124	3,147	4,585	3,995	2,351
Capital expenditures	(325)	(280)	(250)	(385)	(412)	(455)	(546)	(1,005)	(1,151)	(1,348)	(1,505)	(1,819)	(1,810)	(1,767)	(1,730)
Free cash flow (non-GAAP)	910	(920)	614	371	1,013	(895)	418	1,395	1,868	293	619	1,328	2,775	2,228	621

In millions of USD	4Q-2018	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
Net income (loss) attributable to common stockholders (GAAP)	140	(702)	(408)	143	105	16	104	331	270	438	1,142	1,618	2,321	3,318	2,259
Interest expense	175	158	172	185	170	169	170	163	246	99	75	126	71	61	44
Provision for income taxes	22	23	19	26	42	2	21	186	83	69	115	223	292	346	205
Depreciation, amortization and impairment	497	468	579	530	577	553	567	584	618	621	681	761	848	880	922
Stock-based compensation expense	205	208	210	199	281	211	347	543	633	614	474	475	558	418	361
Adjusted EBITDA (non-GAAP)	1,039	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

In millions of USD	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021	2Q-2021	3Q-2021	4Q-2021	1Q-2022	2Q-2022
Net cash provided by operating activities - TTM (GAAP)	2,215	2,405	2,605	2,705	4,349	5,943	8,024	9,184	9,931	11,497	13,851	14,078
Capital expenditures - TTM	(1,240)	(1,327)	(1,502)	(1,798)	(2,418)	(3,157)	(4,050)	(5,009)	(5,823)	(6,482)	(6,901)	(7,126)
Free cash flow - TTM (non-GAAP)	975	1,078	1,103	907	1,931	2,786	3,974	4,175	4,108	5,015	6,950	6,952

In millions of USD	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021	2Q-2021	3Q-2021	4Q-2021	1Q-2022	2Q-2022
Net (loss) income attributable to common stockholders - TTM (GAAP)	(827)	(862)	(144)	368	556	721	1,143	2,181	3,468	5,519	8,399	9,516
Interest expense - TTM	690	685	696	694	672	748	678	583	546	371	333	302
Provision for income taxes - TTM	90	110	89	91	251	292	359	453	490	699	976	1,066
Depreciation, amortization and impairment - TTM	2,074	2,154	2,239	2,227	2,281	2,322	2,390	2,504	2,681	2,911	3,170	3,411
Stock-based compensation expense - TTM	822	898	901	1,038	1,382	1,734	2,137	2,264	2,196	2,121	1,925	1,812
Adjusted EBITDA - TTM (non-GAAP)	2,849	2,985	3,781	4,418	5,142	5,817	6,707	7,985	9,381	11,621	14,803	16,107

## ADDITIONAL INFORMATION

### WEBCAST INFORMATION

Tesla will provide a live webcast of its second quarter 2022 financial results conference call beginning at 4:30 p.m. CT on July 20, 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 (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.

### NON-GAAP FINANCIAL INFORMATION

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

### FORWARD-LOOKING STATEMENTS

Certain statements in this update, including statements in the "Outlook" section; statements relating to the future development, ramp, production capacity and output rates, 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, 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 annual report on Form 10-Q filed with the SEC on April 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.

