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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-34756

Tesla Motors, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3500 Deer Creek Road
Palo Alto, California
(Address of principal executive offices)

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

94304
(Zip Code)

(650) 681-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.001 par value	The NASDAQ Stock Market LLC
Securities registered pursuant to Section 12(g) of the Act:	
None	

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant, as of June 30, 2014, the last day of registrant's most recently completed second fiscal quarter, was \$22,968,512,773 (based on the closing price for shares of the registrant's Common Stock as reported by the NASDAQ Global Select Market on June 30, 2014). Shares of Common Stock held by each executive officer, director, and holder of 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of January 31, 2015, there were 125,762,835 shares of the registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2015 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2014.

Furthermore, significant judgment is required in evaluating our tax positions. In the ordinary course of business, there are many transactions and calculations for which the ultimate tax settlement is uncertain. As a result, we recognize the effect of this uncertainty on our tax attributes based on our estimates of the eventual outcome. These effects are recognized when, despite our belief that our tax return positions are supportable, we believe that it is more likely than not that those positions may not be fully sustained upon review by tax authorities. We are required to file income tax returns in the United States and various foreign jurisdictions, which requires us to interpret the applicable tax laws and regulations in effect in such jurisdictions. Such returns are subject to audit by the various federal, state and foreign taxing authorities, who may disagree with respect to our tax positions. We believe that our accounting consideration is adequate for all open audit years based on our assessment of many factors, including past experience and interpretations of tax law. We review and update our estimates in light of changing facts and circumstances, such as the closing of a tax audit, the lapse of a statute of limitations or a material change in estimate. To the extent that the final tax outcome of these matters differs from our expectations, such differences may impact income tax expense in the period in which such determination is made. The eventual impact on our income tax expense depends in part if we still have a valuation allowance recorded against our deferred tax assets in the period that such determination is made.

Results of Operations

Revenues

Automotive Sales

Automotive sales, which include vehicle, options and related sales, and powertrain component and related sales, consisted of the following for the periods presented (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Vehicle, options and related sales	\$ 3,079,415	\$ 1,952,684	\$ 354,344
Powertrain component and related sales	113,308	45,102	31,355
Total automotive sales	<u>\$ 3,192,723</u>	<u>\$ 1,997,786</u>	<u>\$ 385,699</u>

Vehicle, options and related sales primarily represent revenues related to deliveries of Model S, including vehicle options, accessories and destination charges, vehicle service and sales of regulatory credits to other automotive manufacturers. Powertrain component and related sales represent the sales of electric vehicle powertrain components and systems, such as battery packs and drive units, to other manufacturers.

Vehicle, options and related sales during the years ended December 31, 2014, 2013, and 2012 were \$3.08 billion, \$1.95 billion, and \$354 million. The significant increases in vehicle, options and related sales was primarily driven by the ramp in Model S deliveries, including the commencement of deliveries to Europe in August 2013 and China in April 2014. Deliveries of Model S vehicles were 31,655 in 2014, 22,477 in 2013, and 2,636 in 2012 following the commencement of our Model S deliveries in June 2012. The increase also resulted from higher sales of regulatory credits year-over-year. During the years ended December 31, 2014, 2013, and 2012 regulatory credit sales were \$216.3 million, \$194.4 million, and \$40.5 million.

In April 2013, we launched our resale value guarantee program. During the year ending December 31, 2014, we delivered 5,224 cars and recognized \$128.2 million revenue under this program. During 2013 we delivered 5,179 under this program and recognized \$29.1 million of revenue. As of December 31, 2014, we recorded \$373.5 million in deferred revenues and \$487.9 million in resale value guarantee related to Model S deliveries with the resale value guarantee. As of December 31, 2013, we recorded \$230.9 million in deferred revenues and \$236.3 million in resale value guarantee related to Model S deliveries with the resale value guarantee.

Powertrain component and related sales for the periods presented were related to powertrain component sales to Daimler under the Mercedes-Benz B-Class Electric Drive program which commenced in April 2014 and to Toyota under the RAV4 EV program. Powertrain component and related sales for the years ended December 31, 2014, 2013 and 2012 were \$113.3 million, \$45.1 million and \$31.4 million. During the third quarter of 2014, we completed the RAV4 EV program.

EX-99.1 2 d106308dex991.htm EX-99.1

Exhibit 99.1

TESLA DELIVERS 17,400 VEHICLES IN Q4 2015; TOTAL 2015 DELIVERIES WERE 50,580

SUNDAY, JANUARY 3, 2016

Q4 deliveries consisted of 17,192 Model S vehicles and 208 Model X vehicles. (507 Model X vehicles were produced during Q4 with the remainder to be delivered in early Q1.)

Q4 Model S deliveries were approximately 48% more than our prior quarterly record and approximately 75% more than Q4 last year. Model X deliveries are in line with the very early stages of our Model X production ramp as we prioritize quality above all else. That ramp has been increasing exponentially, with the daily production rate in the last week of the year tracking to production of 238 Model X vehicles per week.

There may be small changes to this delivery count (usually well under 1%), as Tesla only counts a delivery if it is transferred to the end customer and all paperwork is correct.

Our vehicle deliveries represent only one measure of our financial performance and should not be relied on as an indicator of our quarterly financial results, which depend on a variety of factors, including the cost of sales, foreign exchange movements and mix of directly leased vehicles.

Press Contact

press@teslamotors.com

Investor Relations Contact

ir@teslamotors.com

Tesla Q4 2016 Production and Deliveries

Tesla produced 24,882 vehicles in Q4, resulting in total 2016 production of 83,922 vehicles. This was an increase of 64% from 2015.

Tesla delivered approximately 22,200 vehicles in Q4, of which 12,700 were Model S and 9,500 were Model X. When added to the rest of the year, total 2016 deliveries were approximately 76,230. Our Q4 delivery count should be viewed as slightly conservative, as we only count a car as delivered if it is transferred to the customer and all paperwork is correct.

Because of short-term production challenges starting at the end of October and lasting through early December from the transition to new Autopilot hardware, Q4 vehicle production was weighted more heavily towards the end of the quarter than we had originally planned. We were ultimately able to recover and hit our production goal, but the delay in production resulted in challenges that impacted quarterly deliveries, including, among other things, cars missing shipping cutoffs for Europe and Asia. Although we tried to recover these deliveries and expedite others by the end of the quarter, time ran out before we could deliver all customer cars. In total, about 2,750 vehicles missed being counted as deliveries in Q4 either due to last-minute delays in transport or because the customer was unable to physically take delivery. Even where these customers had already fully paid for their vehicle, we still did not count these as deliveries in Q4.

In addition to Q4 deliveries, about 6,450 vehicles were in transit to customers at the end of the quarter. These will be counted as deliveries in Q1 2017.

Vehicle demand in Q4 was particularly strong. Q4 net orders for Model S and X, which were an all-time record for us, were 52% higher than Q4 2015 and 24% higher than our previous record quarter in Q3 2016.

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Tesla vehicle deliveries represent only one measure of the company's financial performance and should not be relied on as an indicator of quarterly financial results, which depend on a variety of factors, including the cost of sales, foreign exchange movements and mix of directly leased vehicles.

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

FORM 8-K

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

Date of Report (Date of earliest event reported)
January 3, 2018

Tesla, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-34756
(Commission File Number)

91-2197729
(IRS Employer
Identification No.)

3500 Deer Creek Road
Palo Alto, California 94304
(Address of principal executive offices, including zip code)

(650) 681-5000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

Item 7.01 Regulation FD Disclosure.

On January 3, 2018, Tesla, Inc. published the press release which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information is intended to be furnished under Items 2.02 and 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
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99.1	<u>Press Release of Tesla, Inc., dated January 3, 2018.</u>
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TESLA, INC.

By: /s/ Deepak Ahuja
Deepak Ahuja
Chief Financial Officer

Date: January 3, 2018

Exhibit 99.1

Tesla Q4 2017 Vehicle Production and Deliveries

In Q4, Tesla delivered 29,870 vehicles, of which 15,200 were Model S, 13,120 were Model X, and 1,550 were Model 3. This was once again our all-time best quarter for combined Model S and X deliveries, representing a 27% increase over Q4 2016, and a 9% increase over Q3 2017, our previous best quarter.

In total, we exceeded our previously announced guidance by delivering 101,312 Model S and X vehicles in 2017. This was a 33% increase over 2016.

In addition to Q4 deliveries, about 2,520 Model S and X vehicles and 860 Model 3 vehicles were in transit to customers at the end of the quarter. These will be counted as deliveries in Q1 2018.

Q4 production totaled 24,565 vehicles, of which 2,425 were Model 3. As we previously indicated, we slightly reduced Model S and X production in Q4 because of the reallocation of some of the manufacturing workforce towards Model 3 production, which also caused inventory to decline.

During Q4, we made major progress addressing Model 3 production bottlenecks, with our production rate increasing significantly towards the end of the quarter. In the last seven working days of the quarter, we made 793 Model 3's, and in the last few days, we hit a production rate on each of our manufacturing lines that extrapolates to over 1,000 Model 3's per week. As a result of the significant growth in our production rate, we made as many Model 3's since December 9th as we did in the more than four months of Model 3 production up to that point. This is why we were not able to deliver many of these cars during the holiday season, just before the quarter ended. Model 3 deliveries to non-employee customers are now accelerating rapidly, and we're confident our customers will love them.

As we continue to focus on quality and efficiency rather than simply pushing for the highest possible volume in the shortest period of time, we expect to have a slightly more gradual ramp through Q1, likely ending the quarter at a weekly rate of about 2,500 Model 3 vehicles. We intend to achieve the 5,000 per week milestone by the end of Q2.

We're very grateful to everyone at Tesla who has poured their heart and soul into helping with the Model 3 ramp and creating the progress we are seeing. We're also very appreciative of our Model 3 customers, who continue to stick by us while patiently waiting for their cars.

Our delivery count should be viewed as slightly conservative, as we only count a car as delivered if it is transferred to the customer and all paperwork is correct. Final numbers could vary by up to 0.5%. Tesla vehicle deliveries represent only one measure of the company's financial performance and should not be relied on as an indicator of quarterly financial results, which depend on a variety of factors, including the cost of sales, foreign exchange movements and mix of directly leased vehicles.

Forward-Looking Statements

Certain statements herein, including statements regarding future production of Model 3, are "forward-looking statements" that are subject to risks and uncertainties. These forward-looking statements are based on management's current expectations. Various important factors could cause actual results to differ materially, including the risks identified in our SEC filings. Tesla disclaims any obligation to update this information.

Tesla Q4 2018 Vehicle Production & Deliveries, Also Announcing \$2,000 Price Reduction in US

In Q4, we produced and delivered at the rate of nearly 1,000 vehicles per day, setting new company records for both production and deliveries.

Production in Q4 grew to 86,555 vehicles, 8% more than our prior all-time high in Q3. This included:

- 61,394 Model 3 vehicles, in line with our guidance and 15% more than Q3.
- 25,161 Model S and X vehicles, consistent with our long-term run rate of approximately 100,000 per year.

Q4 deliveries grew to 90,700 vehicles, which was 8% more than our prior all time-high in Q3. This included 63,150 Model 3 (13% growth over Q3), 13,500 Model S, and 14,050 Model X vehicles.

In 2018, we delivered a total of 245,240 vehicles: 145,846 Model 3 and 99,394 Model S and X. To put our growth into perspective, we delivered almost as many vehicles in 2018 as we did in all prior years combined.

Our Q4 Model 3 deliveries were limited to mid- and higher-priced variants, cash/loan transactions, and North American customers only. More than three quarters of Model 3 orders in Q4 came from new customers, rather than reservation holders.

There remain significant opportunities to continue to grow Model 3 sales by expanding to international markets, introducing lower-priced variants and offering leasing. International deliveries in Europe and China will start in February 2019. Expansion of Model 3 sales to other markets, including with a right-hand drive variant, will occur later in 2019.

1,010 Model 3 vehicles and 1,897 Model S and X vehicles were in transit to customers at the end of Q4, and will be delivered in early Q1 2019. Our inventory levels remain the smallest in the automotive industry, and we were able to reduce vehicles in transit to customers by significantly improving our logistics system in North America.

Moving beyond the success of Q4, we are taking steps to partially absorb the reduction of the federal EV tax credit (which, as of January 1st, dropped from \$7,500 to \$3,750). Starting today, we are reducing the price of Model S, Model X and Model 3 vehicles in the U.S. by \$2,000. Customers can apply to receive the \$3,750 federal tax credit for new deliveries starting on January 1, 2019, and may also be eligible for several state and local electric vehicle and utility incentives, which range up to \$4,000. Combined with the reduced costs of maintenance and of charging a Tesla versus paying for gas at the pump – which can result in up to \$100 per month or more in savings – this means our vehicles are even more affordable than similarly priced gasoline vehicles.

Tesla's achievements in 2018 likely represent the biggest single-year growth in the history of the automotive industry. We started the year with a delivery run rate of about 120,000 vehicles per year and ended it at more than 350,000 vehicles per year – an increase of almost 3X. As a result, we're starting to make a tangible impact on accelerating the world to sustainable energy. Additionally, 2018 was the first time in decades that an American car – the Model 3 – was the best-selling premium vehicle in the U.S. for the full year, with U.S. sales of Model 3 roughly double those of the runner up.

We want to thank our customers, suppliers, investors, and especially our employees, who worked so hard to accomplish this.

Our net income and cash flow results will be announced along with the rest of our financial performance when we announce Q4 earnings. Our delivery count should be viewed as slightly conservative, as we only count a car as delivered if it is transferred to the customer and all paperwork is correct. Final numbers could vary by up to 0.5%. Tesla vehicle deliveries represent only one measure of the company's financial performance and should not be relied on as an indicator of quarterly financial results, which depend on a variety of factors, including the cost of sales, foreign exchange movements and mix of directly leased vehicles.

Forward-Looking Statements

Certain statements herein, including statements regarding growing the addressable market for Model 3, such as our plans and timing for international expansion, are "forward-looking statements" that are subject to risks and uncertainties. These forward-looking statements are based on management's current expectations. Various important factors could cause actual results to differ materially, including the risks identified in our SEC filings. Tesla disclaims any obligation to update this information.