

# Tesla Motors Investor Presentation

January 2014



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# Safe Harbor Statement

Certain statements in this presentation, including statements relating to Model S demand, market share and gross margin; future manufacturing expansion, future store, service center and Supercharger network opening and expansion plans; and statements regarding future vehicles such as Model X and Gen III 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: delays in the ramping of production capacity and delivery of Model S, including the ability of suppliers to supply parts at desired quality levels and quantities; market acceptance of electric vehicles in general and new Tesla vehicle models, specifically Model S, Model X and Gen III; Tesla’s ability to control the costs associated with our business; Tesla’s ability to establish, maintain and strengthen the Tesla brand; Tesla’s ability to execute on its retail strategy and for new store, service center and Supercharger openings; potential difficulties in finding suitable Tesla store, service center and Supercharger sites as well as the risks and uncertainties identified under the section captioned “Risk Factors” in our quarterly report on Form 10-Q filed with the SEC on November 8, 2013. Except as required by law, Tesla disclaims any obligation to update information contained in these forward-looking statements.





**Introduction**

*“Our goal when we created Tesla a decade ago was the same as it is today: to drive the world’s transition to electric mobility by bringing a full range of increasingly affordable electric cars to market.”*

*-Elon Musk | CEO*



# Corporate Overview

Founded: **2003**

Employees: **≈6,000**

Retail Locations: **100+**

Tesla Electric Miles Driven: **190 million**



**Headquarters**  
Palo Alto, California



**Tesla Factory**  
Fremont, California



**Tesla Assembly**  
Tilburg, Netherlands



**Design / Advanced Eng.**  
Hawthorne, California



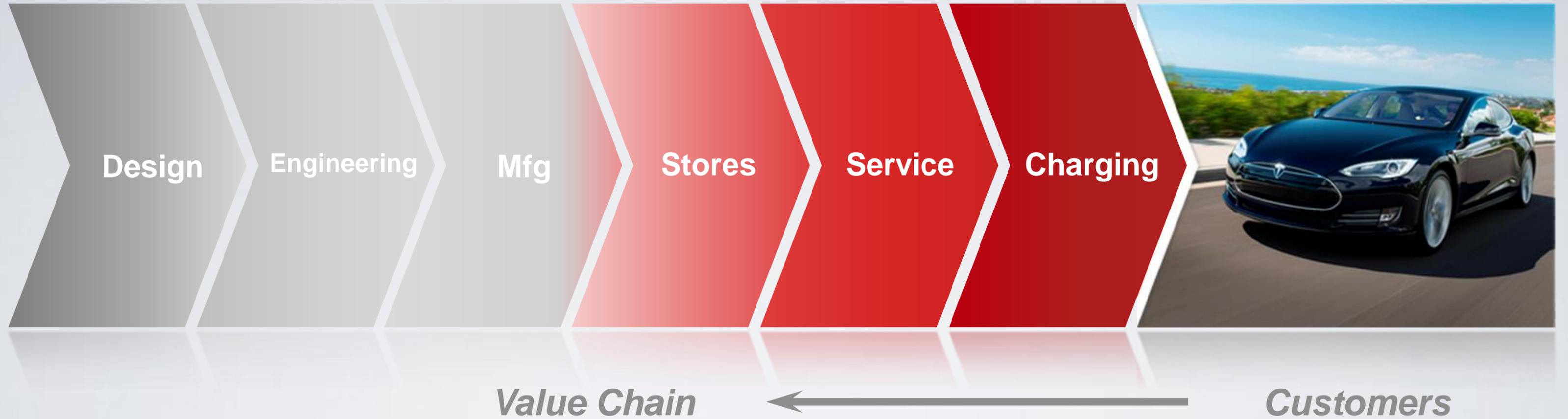
# Solid Foundation

*For Future Success*



# Comprehensive Capabilities

*Direct feedback loop accelerates development*



# Tesla Culture

*Our Greatest Asset*

***Move Fast***

***Do the Impossible***

***Constantly Innovate***

***Reason from “First Principles”***

***Think Like Owners***

***We are ALL IN***





**Roadmap**

# Culture Drives Success

*Proven by Model S*

## 1. Streamlined Development

- *Developed in  $\approx$ 2 years*
- *Cost to market  $\approx$ \$650 million*

## 2. Better vehicles

- *“The best car we have ever tested”*

Consumer Reports

## 3. Superior Economics

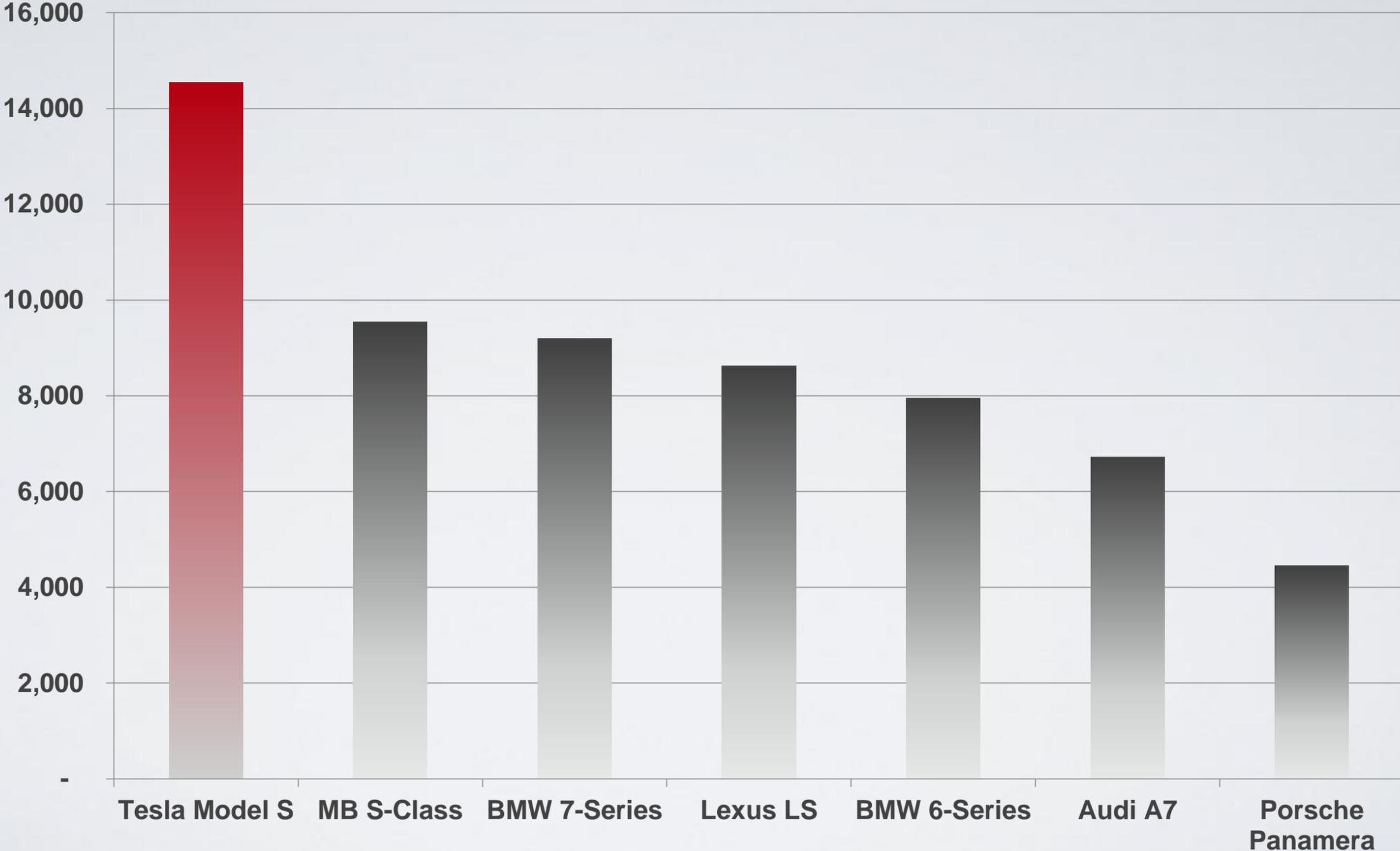
- *Profitable on low volume*
- *25%+ gross margin (LT target)*

***Market share gains are the evidence***



# Leading F-Segment Vehicles

US Units Sold YTD thru Q3'13



## **Invest to Grow**

*Vehicles, Production, Customer Support*

*Vehicles*

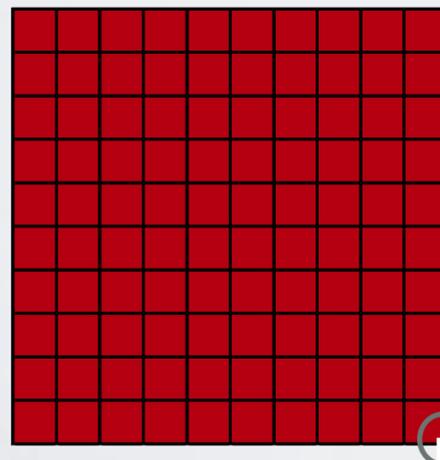
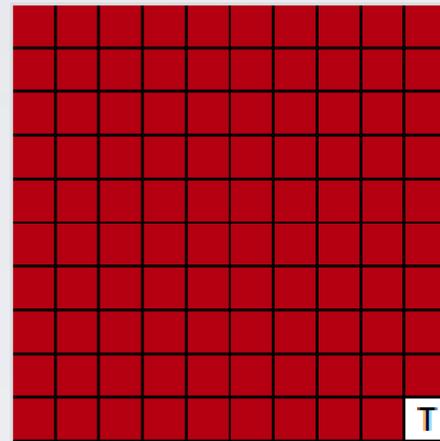
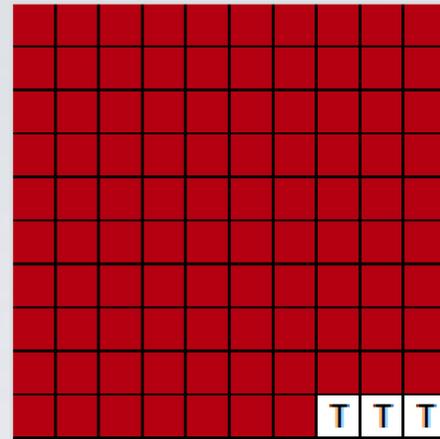
*Production*

*Customer Support*



# Strong Growth Potential

## Tesla 2013 Market Share

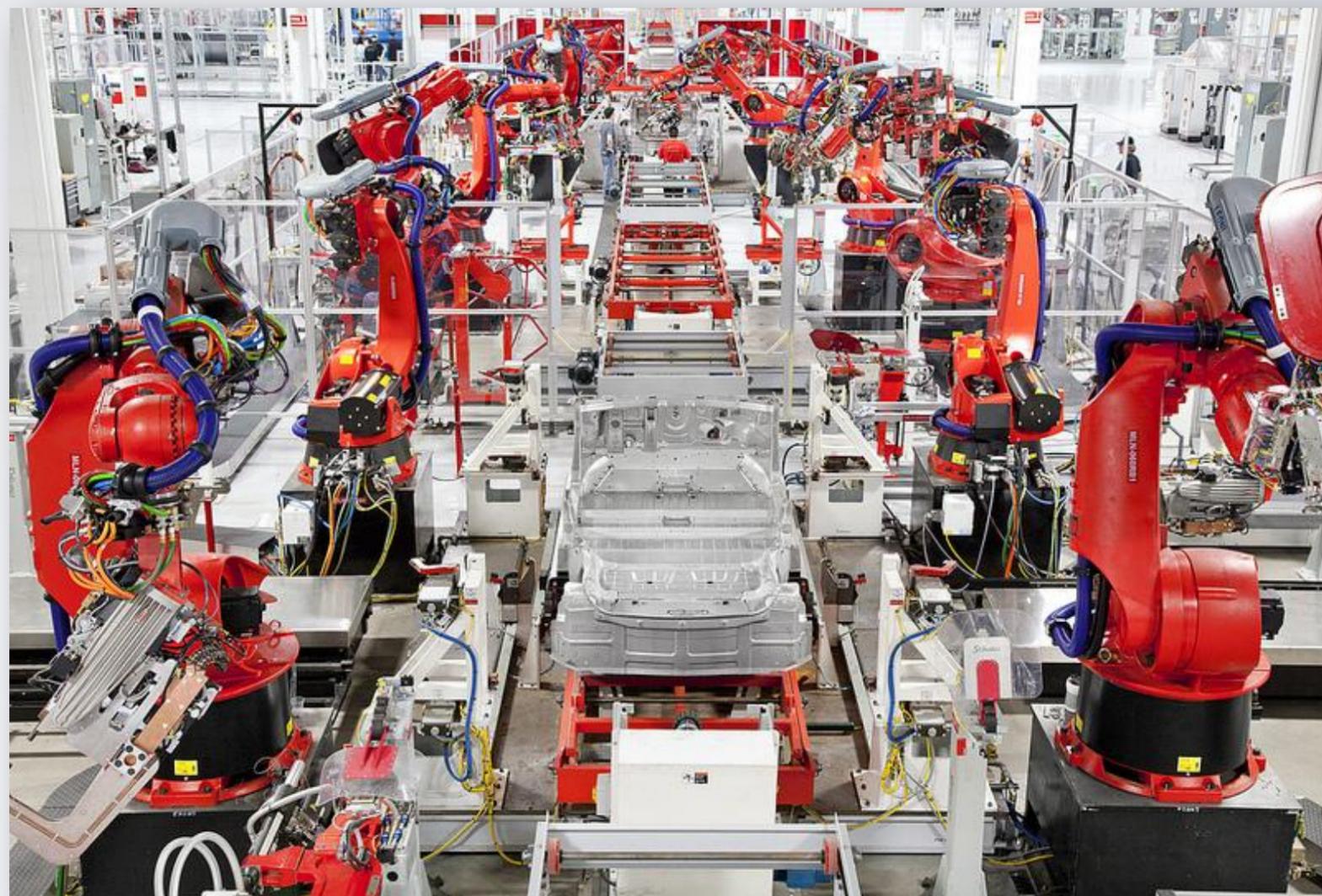


# Expand Production

*Supply Chain & Capacity*



*Suppliers*



*Production Capacity*



# **Customer Support**

## **Stores & Service**

***55 retail outlets in North America***

***24 in Europe***

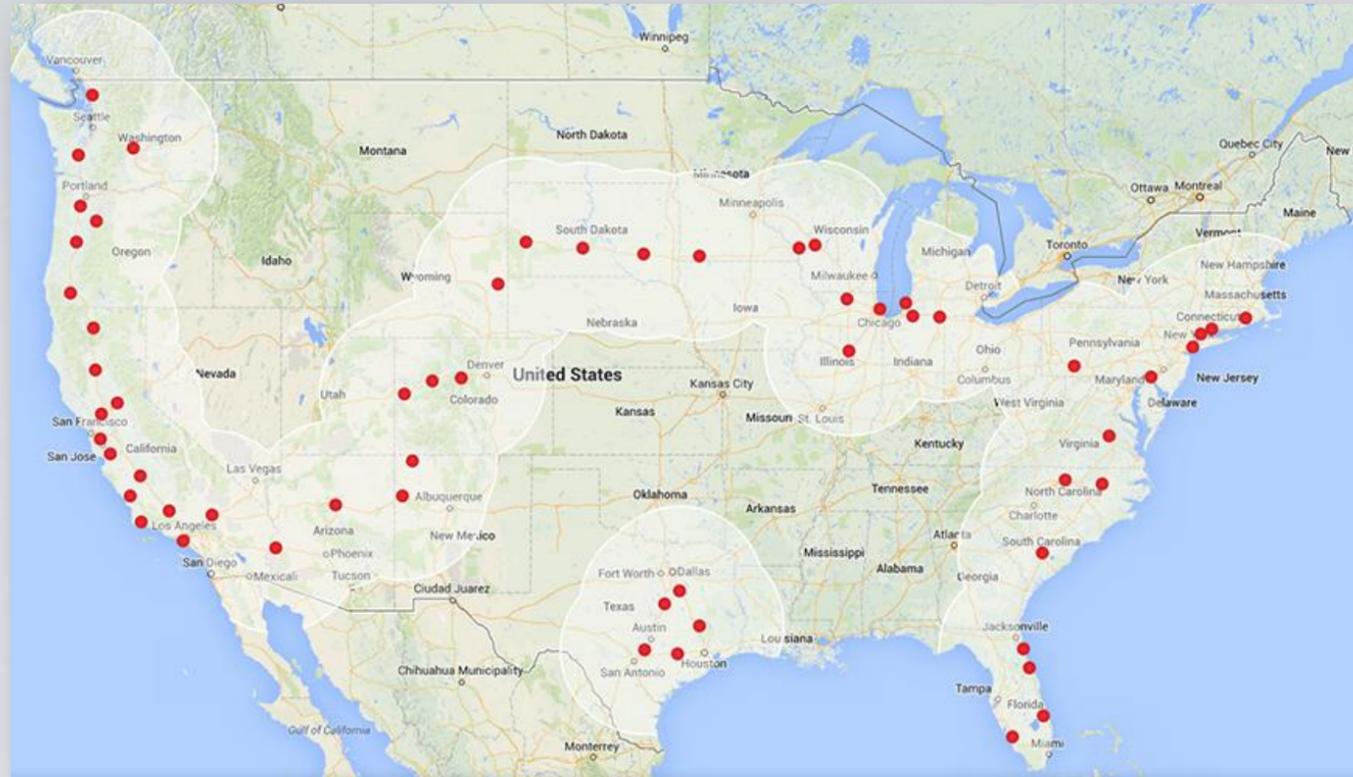
***4 in Asia***

***More stores & service centers coming***



# Customer Support

## Supercharging



Today



2015

*Free long distance driving, forever*



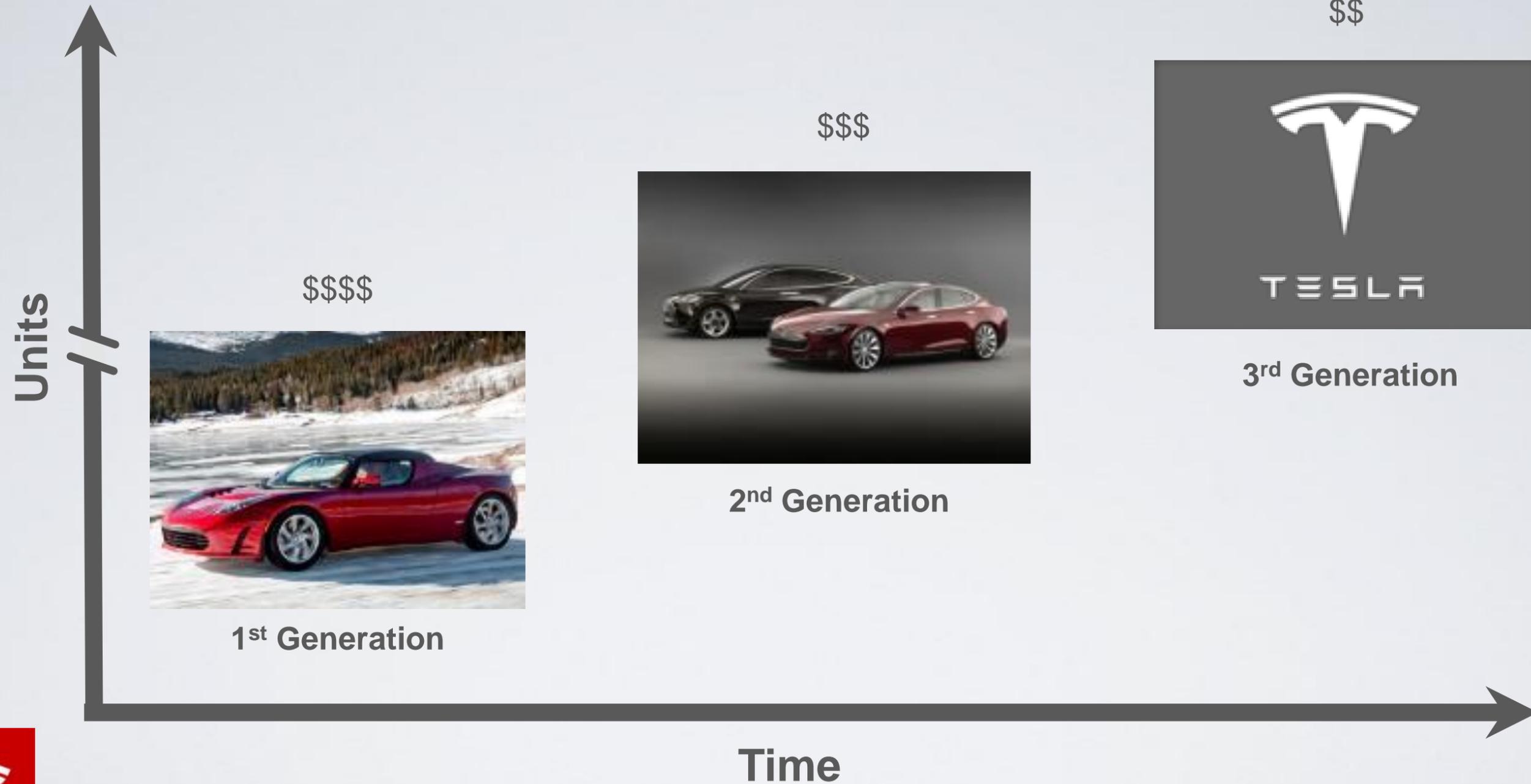


**Vehicles**



# Tesla Product Strategy

*Better Driving at a Lower Price*



# Roadster



0 - 60mph: **3.7 seconds** • EPA Driving Range: **244 miles** • Base Price: **\$109,000**

Model S - Most Awarded Car of 2013

Popular Mechanics

TIME

MEN'S JOURNAL



YAHOO!

POPSCI

Automobile

ConsumerReports®



## Your Only Car

*Most Capable & Convenient*

*Over 80% of Tesla owners use Model S as their primary vehicle*



# Model X

*A New Vehicle Category*

Functionality, style & performance

Dual motor AWD

Starts production late 2014



## **Gen 3**

### *Next Vehicle Platform Targets*

*D-segment sedan*

*Available in  $\approx 3$  years*

*Base price \$30-35K*

*Tesla performance & range*

*Category-leading gross margin*





**Corporate Capabilities**

## Design

Inspired by the endurance athlete

Blend of aerodynamics and beautiful design

Incredible interior utility and cargo space

Details: Door Handles, Charge Port, Key, Panoramic Roof



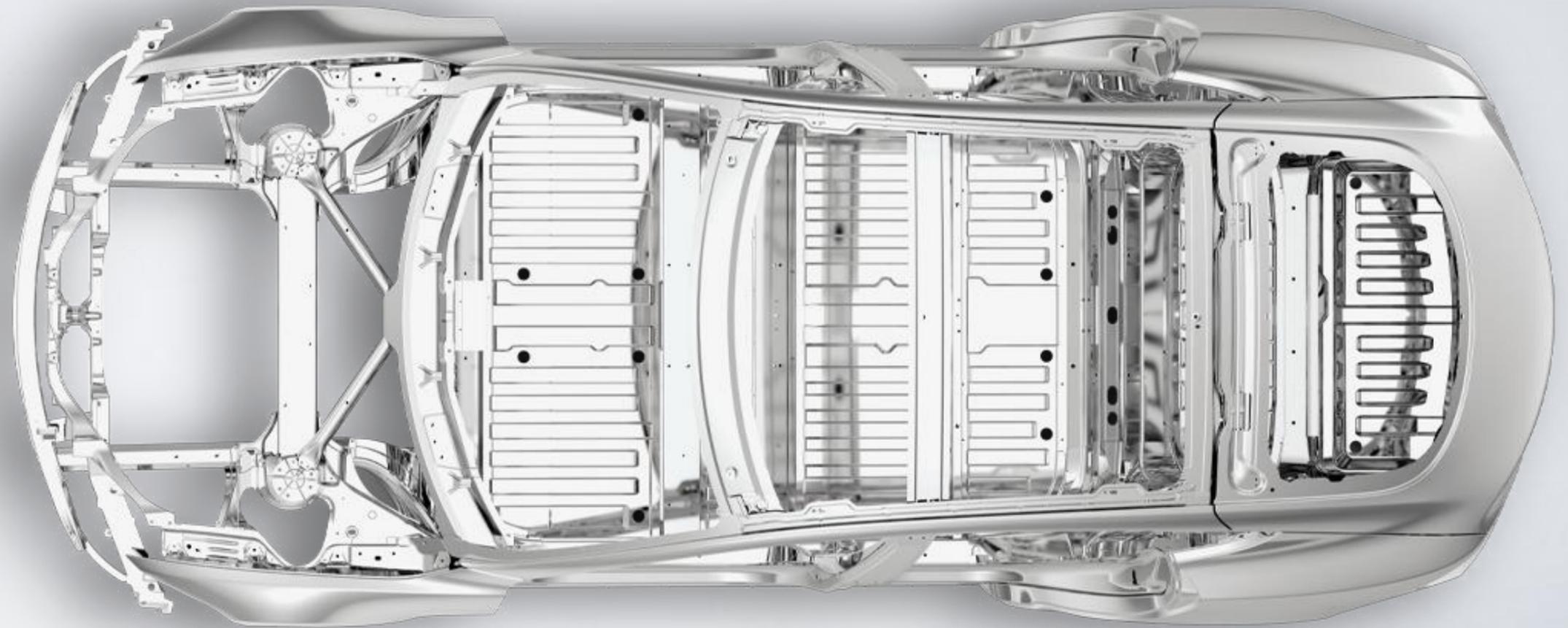
# Vehicle Engineering

Entirely in-house team

All aluminum chassis construction (Extrusions, stampings, and castings)

Lightweight, low center of gravity & high torsional rigidity

5-star NHTSA rating



# Powertrain Engineering

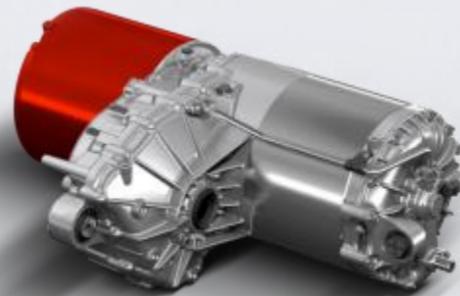
Integration Value: A system that is greater than the sum of its parts



Small Cells



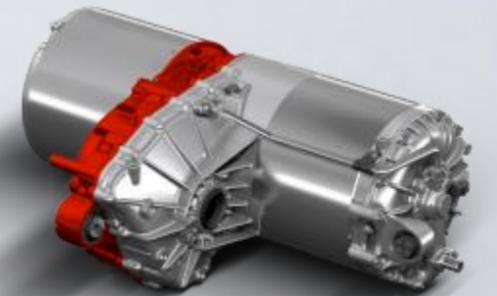
Battery



Inverter



Motor



Gear Box



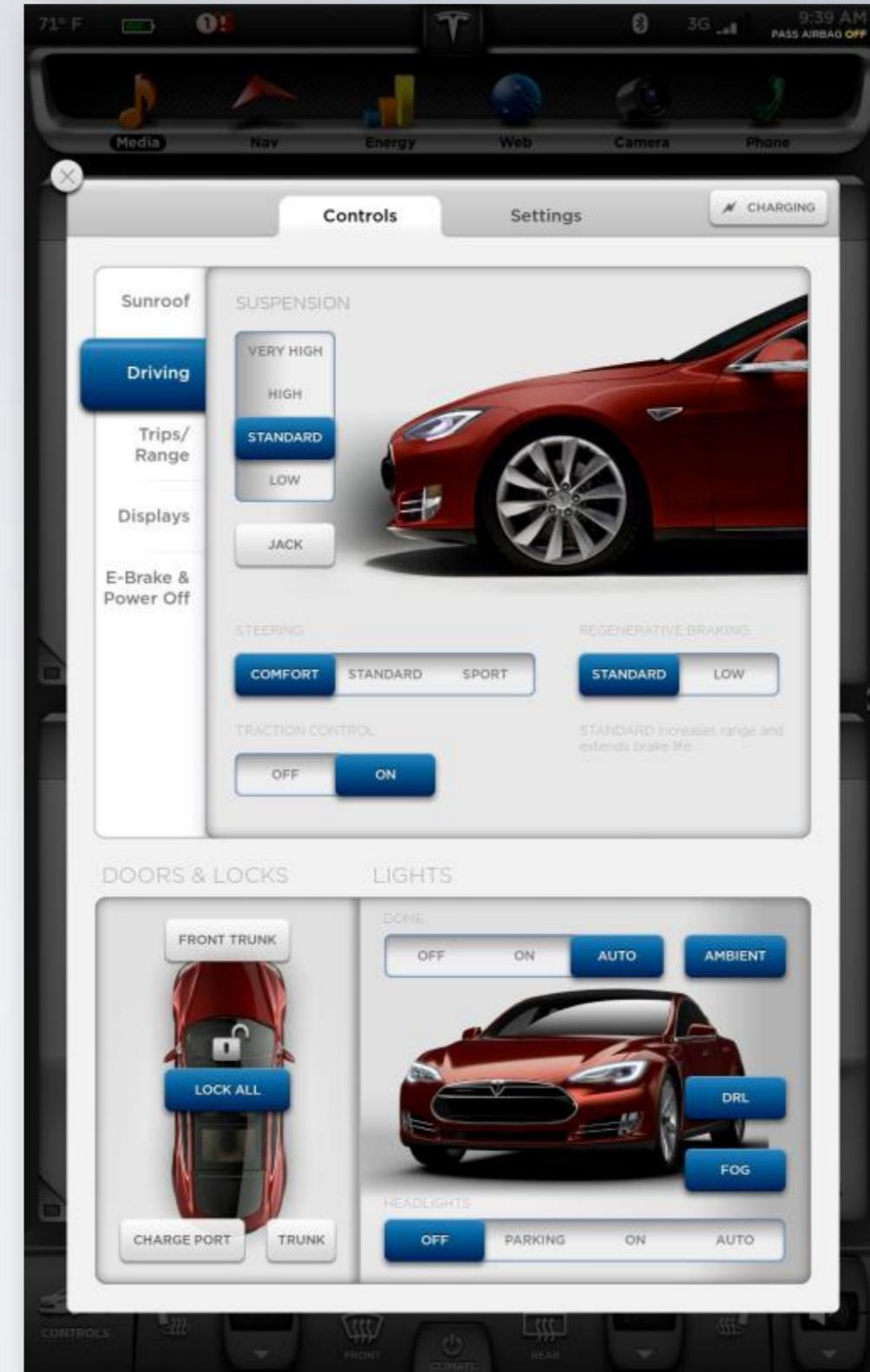
# Software Engineering

Advanced software

Core focus and Tesla DNA

- Battery Management
- Motor Control
- Diagnostics
- Touchscreen
- Traction and Stability Control

Customizable and upgradable

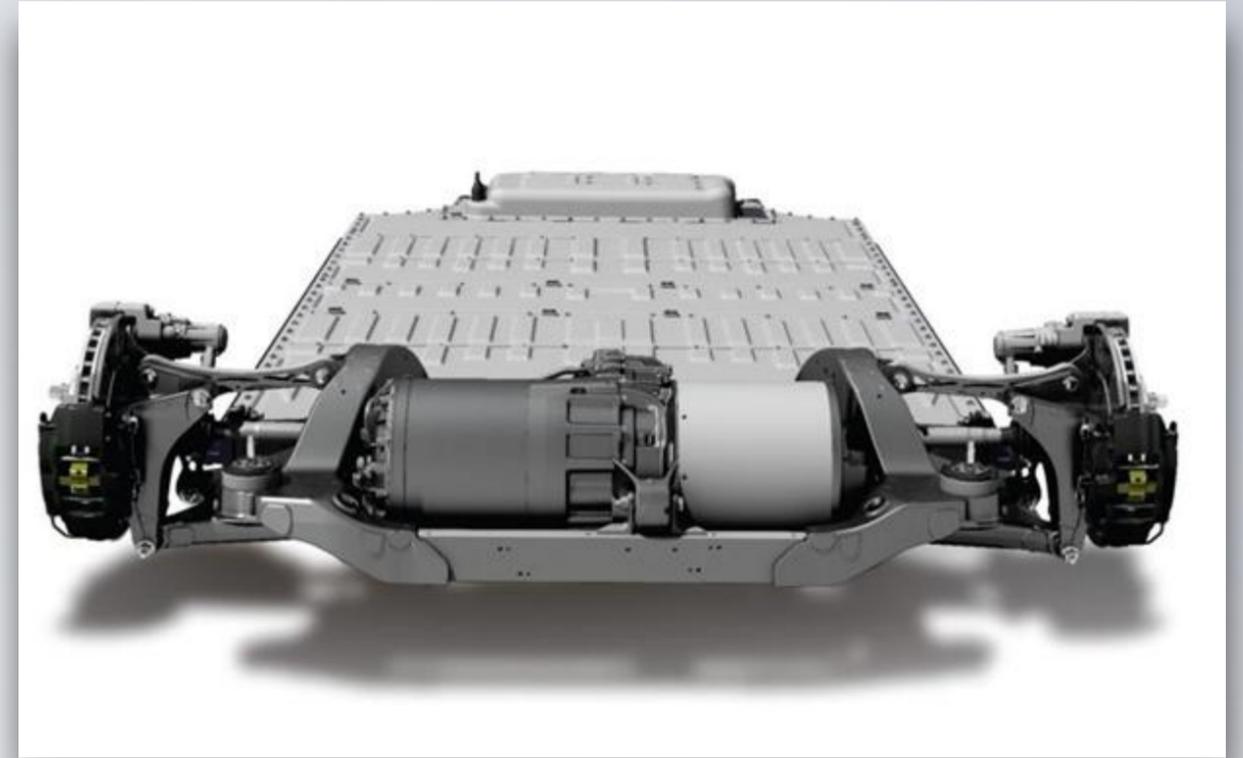


## Powertrain Manufacturing

Highly scalable

Superior cost dynamics

Trade secret methodologies

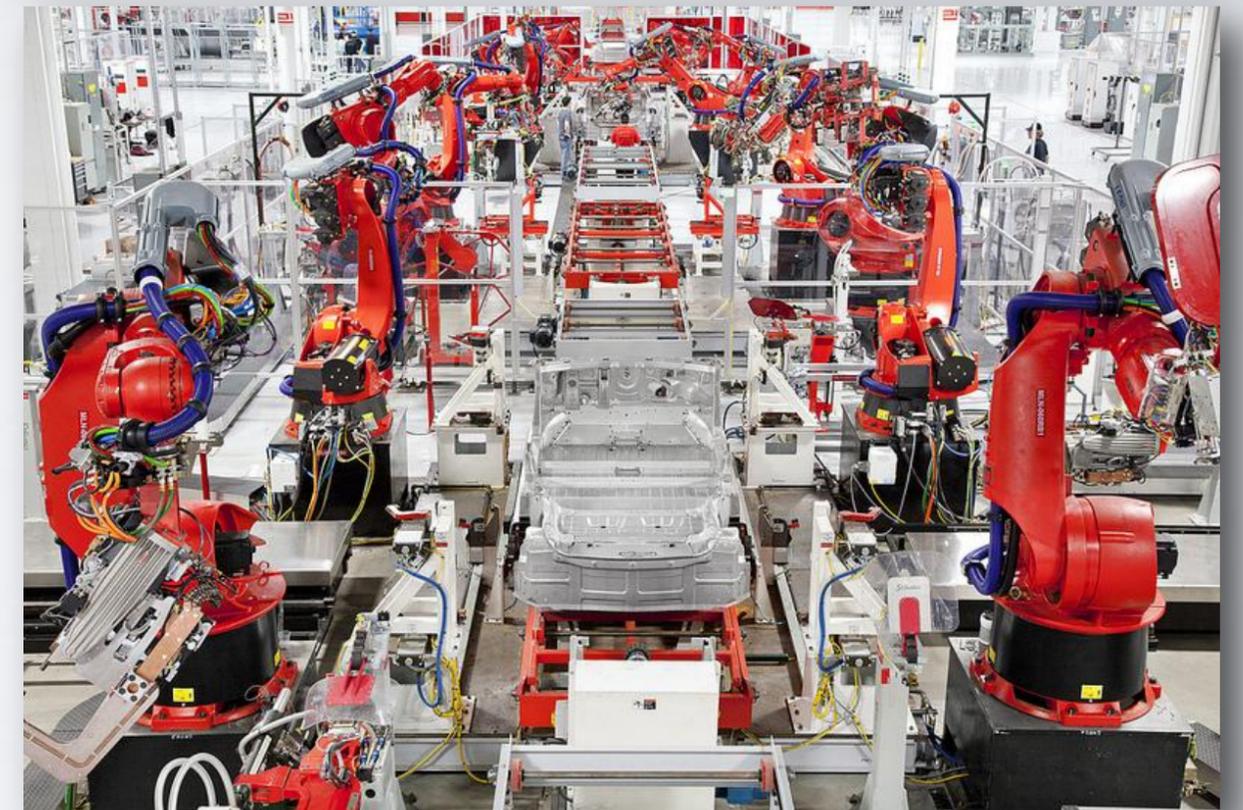


## Vehicle Manufacturing

Efficient

Multi-platform

Superior ECO throughput



# Reinventing Sales

*Distribution & Marketing Combined*

Superior customer experience

Streamlined purchase process

Direct relationship

Capture retail mark-up

More efficient



*Santa Monica Store*

# Reinventing Service

*Best Service is No Service*



*No Scheduled Maintenance*



*Valet Loaner Service*



*Ranger Remote Service*





**Questions?**