

Q4 and FY2020 Update

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HIGHLIGHTS

Cash	<p>Operating cash flow less capex (free cash flow) of \$2.8B in 2020</p> <p>\$4.9B increase in our cash and cash equivalents in Q4 to \$19.4B</p> <p>Free cash flow \$1.9B in Q4</p>
Profitability	<p>\$721M GAAP net income; \$2.5B non-GAAP net income in 2020</p> <p>\$270M GAAP net income; \$903M non-GAAP net income (ex-SBC*) in Q4</p> <p>\$575M GAAP operating income; 5.4% operating margin in Q4</p> <p>SBC expense increased to \$633M in Q4</p>
Operations	<p>Half a million vehicles produced and delivered in 2020</p> <p>Model Y production at Gigafactory Shanghai started in December 2020</p> <p>Updated Model S and Model X launched in January 2021</p>

SUMMARY

This past year was transformative for Tesla. Despite unforeseen global challenges, we outpaced many trends seen elsewhere in the industry as we significantly increased volumes, profitability and cash generation.

For the full year 2020, we achieved an industry-leading¹ 6.3% operating margin (despite an increase of SBC to \$1.7B). Teams across our organization, including supply chain, manufacturing, logistics and delivery, rose to the occasion to ensure strong execution.

In addition, we continued to improve our products and make progress on our long-term roadmap. We ramped Model 3 in China to over 5,000 cars per week and started production of Model Y at Gigafactory Shanghai less than a year after breaking ground on the expansion. We also launched and ramped Model Y in Fremont in 2020.

In Berlin and Austin, we remain on track to start vehicle production this year with structural batteries leveraging in-house battery cells. Our engineering team has made significant progress on Full Self Driving (FSD) software, with a limited release to customers. Finally, we are excited to ramp the updated Model S and Model X and deliver our first Tesla Semi by the end of the year.

While 2020 was a critical year for Tesla, we believe that 2021 will be even more important. Thank you for your trust and support and for being on this journey with us.

*SBC = stock-based compensation

¹ Based on latest available trailing 12-month (Q4 '19 to Q3 '20) operating margin reported by major OEMs.

FINANCIAL SUMMARY
(Unaudited)

(\$ in millions, except percentages and per share data)	Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	YoY
Automotive revenues	6,368	5,132	5,179	7,611	9,314	46%
of which regulatory credits	133	354	428	397	401	202%
Automotive gross profit	1,434	1,311	1,317	2,105	2,244	56%
Automotive gross margin	22.5%	25.5%	25.4%	27.7%	24.1%	157 bp
Total revenues	7,384	5,985	6,036	8,771	10,744	46%
Total gross profit	1,391	1,234	1,267	2,063	2,066	49%
Total GAAP gross margin	18.8%	20.6%	21.0%	23.5%	19.2%	39 bp
Operating expenses	1,032	951	940	1,254	1,491	44%
Income from operations	359	283	327	809	575	60%
Operating margin	4.9%	4.7%	5.4%	9.2%	5.4%	49 bp
Adjusted EBITDA	1,175	951	1,209	1,807	1,850	57%
Adjusted EBITDA margin	15.9%	15.9%	20.0%	20.6%	17.2%	131 bp
Net income attributable to common stockholders (GAAP)	105	16	104	331	270	157%
Net income attributable to common stockholders (non-GAAP)	386	227	451	874	903	134%
EPS attributable to common stockholders, diluted (GAAP) ⁽¹⁾	0.11	0.02	0.10	0.27	0.24	118%
EPS attributable to common stockholders, diluted (non-GAAP) ⁽¹⁾	0.41	0.23	0.44	0.76	0.80	95%
Net cash provided by (used in) operating activities	1,425	(440)	964	2,400	3,019	112%
Capital expenditures	(412)	(455)	(546)	(1,005)	(1,151)	179%
Free cash flow	1,013	(895)	418	1,395	1,868	84%
Cash and cash equivalents	6,268	8,080	8,615	14,531	19,384	209%

4 ⁽¹⁾ Prior period results have been retroactively adjusted to reflect the five-for-one stock split effected in the form of a stock dividend in August 2020.
EPS = Earnings per share

FINANCIAL SUMMARY
(Unaudited)

(\$ in millions, except percentages and per share data)	2016	2017	2018	2019	2020	YoY
Automotive revenues	6,351	9,642	18,515	20,821	27,236	31%
of which regulatory credits	302	360	419	594	1,580	166%
Automotive gross profit	1,601	2,209	4,341	4,423	6,977	58%
Automotive gross margin	25.2%	22.9%	23.4%	21.2%	25.6%	437 bp
Total revenues	7,000	11,759	21,461	24,578	31,536	28%
Total gross profit	1,599	2,223	4,042	4,069	6,630	63%
Total GAAP gross margin	22.8%	18.9%	18.8%	16.6%	21.0%	447 bp
Operating expenses	2,267	3,855	4,430	4,138	4,636	12%
(Loss) income from operations	(667)	(1,632)	(388)	(69)	1,994	N/A
Operating margin	-9.5%	-13.9%	-1.8%	-0.3%	6.3%	660 bp
Adjusted EBITDA	832	644	2,395	2,985	5,817	95%
Adjusted EBITDA margin	11.9%	5.5%	11.2%	12.1%	18.4%	630 bp
Net (loss) income attributable to common stockholders (GAAP)	(675)	(1,962)	(976)	(862)	721	N/A
Net (loss) income attributable to common stockholders (non-GAAP)	(341)	(1,495)	(227)	36	2,455	6,719%
EPS attributable to common stockholders, diluted (GAAP) ⁽¹⁾	(0.94)	(2.37)	(1.14)	(0.98)	0.64	N/A
EPS attributable to common stockholders, diluted (non-GAAP) ⁽¹⁾	(0.47)	(1.80)	(0.27)	0.03	2.24	7,367%
Net cash (used in) provided by operating activities	(124)	(61)	2,098	2,405	5,943	147%
Capital expenditures	(1,281)	(3,415)	(2,101)	(1,327)	(3,157)	138%
Free cash flow	(1,405)	(3,476)	(3)	1,078	2,786	158%
Cash and cash equivalents	3,393	3,368	3,686	6,268	19,384	209%

5 ⁽¹⁾ Prior period results have been retroactively adjusted to reflect the five-for-one stock split effected in the form of a stock dividend in August 2020.
EPS = Earnings per share

FINANCIAL SUMMARY

Revenue	<p>Total revenue grew 46% YoY in Q4. This was primarily achieved through substantial growth in vehicle deliveries as well as growth in other parts of the business. At the same time, vehicle average selling price (ASP) declined by 11% YoY as our product mix continued to shift from Model S and Model X to the more affordable Model 3 and Model Y.</p>
Profitability	<p>Our operating income improved in Q4 compared to the same period last year to \$575M, resulting in a 5.4% operating margin. This profit level was reached while incurring SBC expense attributable to the 2018 CEO award of \$267M in Q4, driven by an increase in our market capitalization and a new operational milestone becoming probable.</p> <p>Positive impact from volume growth and regulatory credit revenue growth YoY was mainly offset by lower ASP (including price reduction of China-made Model 3 and price reductions of Model S and Model X before the introduction of updated models) but also by a series of notable items. These included a portion of Q4 SBC charges, vehicle warranty accruals, additional supply chain costs, Model S and Model X changeover costs and other items.</p>
Cash	<p>Quarter-end cash and cash equivalents increased to \$19.4B in Q4, driven mainly by our recent capital raise of \$5.0B (average price of this offering was -\$632/share) and free cash flow of \$1.9B, partially offset by early debt repayments (early conversion of convertible notes).</p>

OPERATIONAL SUMMARY
(Unaudited)

	Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	YoY
Model S/X production	17,933	15,390	6,326	16,992	16,097	-10%
Model 3/Y production	86,958	87,282	75,946	128,044	163,660	88%
Total production	104,891	102,672	82,272	145,036	179,757	71%
Model S/X deliveries	19,475	12,230	10,614	15,275	18,966	-3%
Model 3/Y deliveries	92,620	76,266	80,277	124,318	161,701	75%
Total deliveries	112,095	88,496	90,891	139,593	180,667	61%
of which subject to operating lease accounting	8,848	6,104	4,716	10,014	13,636	54%
Total end of quarter operating lease vehicle count	49,901	53,159	54,519	61,638	72,089	44%
Global vehicle inventory (days of supply) ⁽¹⁾	10	25	17	14	11	10%
Solar deployed (MW)	54	35	27	57	86	59%
Storage deployed (MWh)	530	260	419	759	1,584	199%
Store and service locations	433	438	446	466	523	21%
Mobile service fleet	743	756	769	780	823	11%
Supercharger stations	1,821	1,917	2,035	2,181	2,564	41%
Supercharger connectors	16,104	17,007	18,100	19,437	23,277	45%

⁽¹⁾ Days of supply is calculated by dividing new car ending inventory by the quarter's deliveries and using 75 trading days (aligned with Automotive News definition).

VEHICLE CAPACITY

Fremont

Over the past few weeks, we have been upgrading our Fremont Factory to launch the new Model S and Model X. These changes include a new powertrain (battery modules, battery packs, drive units), an entirely new interior, exterior updates and other improvements. Production will resume in Q1 and ramp back to full capacity over time. We also continue to increase Model Y production, including integration of the single-piece rear underbody castings, to meet customer demand.

Shanghai

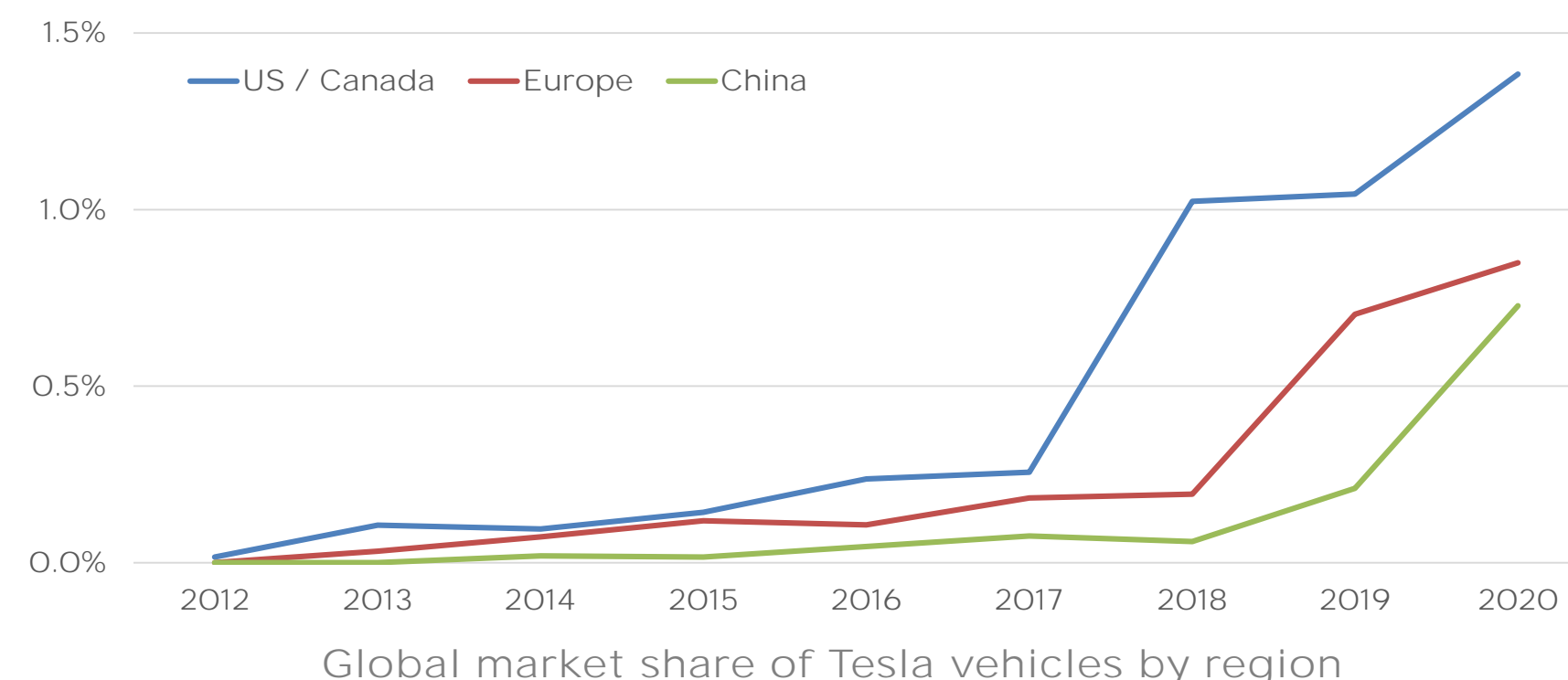
Gigafactory Shanghai has demonstrated the ability to sustain Model 3 production at or above a run rate of 250,000/year. Model Y production started in late 2020 and is in the process of ramping to full capacity. Customer response to both Model 3 and Model Y continues to be strong. We recently started shipping Model 3 vehicles from Gigafactory Shanghai to several countries in Europe and APAC, which supplements production from the Fremont Factory for those markets.

Berlin-Brandenburg

Local production and deliveries remain a key part of our growth strategy. While our total market share in Europe increased in 2020, Gigafactory Berlin should enable a significant increase in local deliveries, similar to what we saw after constructing Gigafactory Shanghai. Buildout of our Berlin factory continues as planned, and we have already started to move machinery into the building.

Installed Annual Capacity		Current	Status
Fremont	Model S / Model X	100,000	Production
	Model 3 / Model Y	500,000	Production
Shanghai	Model 3 / Model Y	450,000	Production
Berlin	Model Y	-	Construction
Texas	Model Y	-	Construction
	Cybertruck	-	In development
TBD	Tesla Semi	-	In development
	Roadster	-	In development
	Future Product	-	In development

Installed capacity ≠ Current production rate. The production rate depends on the pace of factory ramp, supply chain ramp, downtime related to factory upgrades and national holidays and other factors.



Source: Tesla estimates based on data from ACEA; Autonews.com; CAAM (light-duty vehicle only)

CORE TECHNOLOGY

Autopilot & Full Self Driving (FSD)

Over the last few months, we released multiple software updates to our FSD City Streets beta testers.¹ With each iteration, the system is becoming more robust, resulting in the widening of our user base. We continue to work on the development of our Dojo supercomputer. This computer is designed to process video data from our fleet and train our neural network at an extremely fast rate.

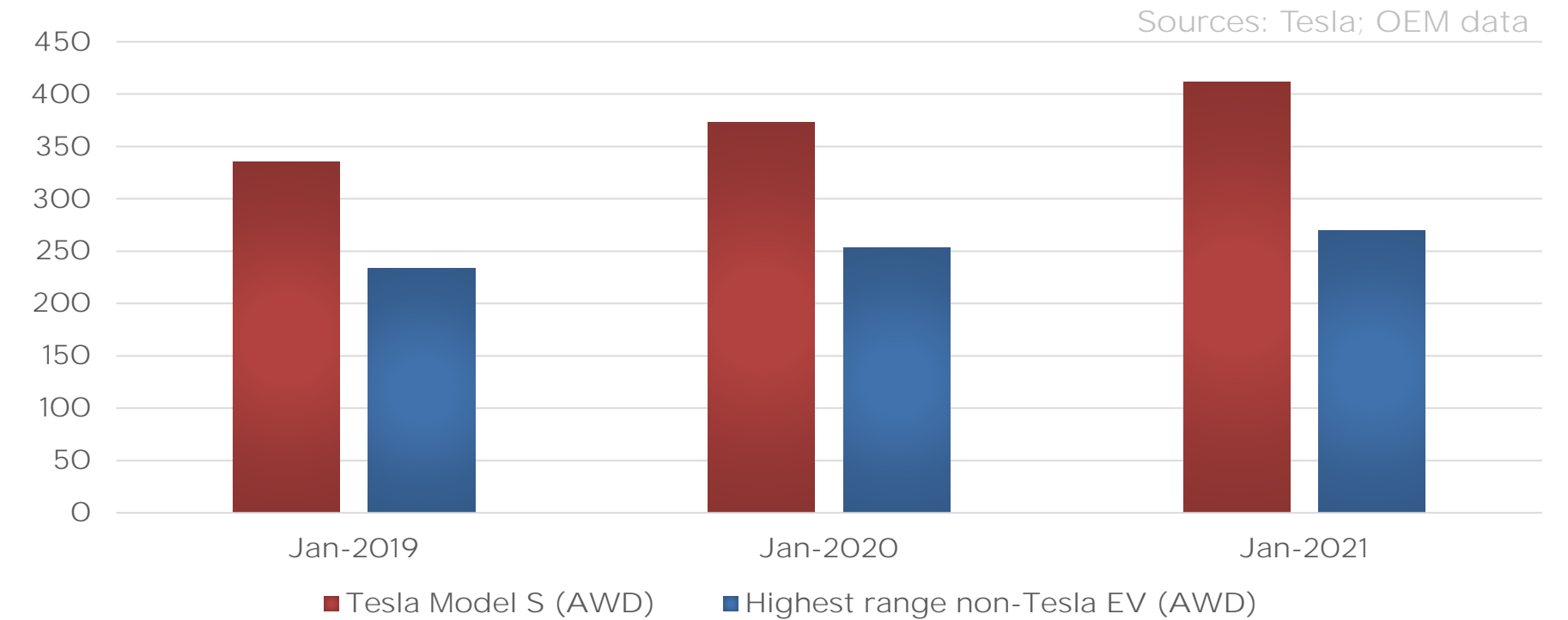
Vehicle Software

As has been the tradition in recent years, we released a holiday software update for our vehicles in December. This time, we included a variety of new games, enabled drivers to make an entrance with custom horn sounds through the external speaker and improved driving visualization among many other updates.

Battery & Powertrain

While our Model S and Model X battery module architecture evolved over the past 8 years, both the battery pack and modules have now been fully redesigned. Additionally, we have incorporated Model 3 and Model Y motor technology throughout as well as our heat pump for better winter range. These changes enable 5x more high-speed quarter-mile runs than the prior architecture, while further improving energy efficiency.

The Performance versions of Model S and Model X were replaced by Plaid, featuring a tri-motor powertrain with a unique high-speed, high-power rotor. Model S Plaid is the fastest accelerating production car ever made with a 0-60 mph time of <2.0 seconds and a quarter mile in under 9.3 seconds, faster than a Bugatti Chiron.



EPA est. range gap continues to widen

Model	0-60 mph	1/4 mile
Tesla Model S Plaid	<2.0 sec	<9.3 sec
Porsche 918 Spyder	2.1 sec	9.7 sec
Porsche 911 Turbo S (992)	2.2 sec	10.1 sec
Lamborghini Huracán Performante	2.2 sec	10.2 sec
Tesla Model S Performance	2.3 sec	10.4 sec
Dodge Challenger SRT Demon	2.3 sec	10.7 sec
Bugatti Chiron	2.4 sec	9.4 sec
Porsche Taycan Turbo S	2.4 sec	10.3 sec
Nissan GT-R Nismo	2.5 sec	10.8 sec
Bugatti Veyron	2.5 sec	9.9 sec

The fastest accelerating production cars ever made

Sources: Tesla; Auto Motor & Sport; Car and Driver; CarIndigo; Carscoops; Hot Rod, Motor Trend; Road & Track; TopSpeed

9 ¹ No revenue is recognized for software released for initial FSD City beta testers

OTHER HIGHLIGHTS

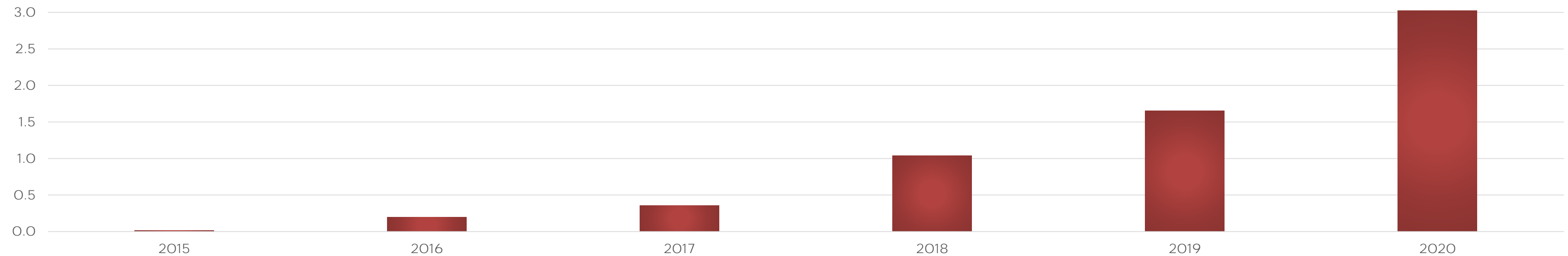
Energy Storage

Energy storage deployments grew substantially from 2019 to 2020. For the first time, our total battery deployments surpassed 3 GWh in a single year, which is an 83% increase compared to the prior year. This growth was driven mainly by the popularity of Megapack, our utility scale storage product. Powerwall demand continues to increase as the residential business continues to grow. While we have made progress on production, we should see even further increases in supply in the next few months.

Our energy storage business continues to be supply-constrained as backlog remains strong. We are looking to increase capacity both on the manufacturing equipment side as well as supply chain side, to allow us to continue to grow at a similar pace again in 2021.

Solar Retrofit and Solar Roof

In 2020, solar deployments increased to 205 MW, 18% more than the prior year. This growth is the result of meaningful improvements to our solar retrofit strategy, including product simplification, cost reduction and industry-leading pricing. We have also made great progress growing our Solar Roof deployments, as we have expanded the team while simultaneously improving our installation efficiency.



Tesla energy storage deployments in GWh

OUTLOOK

Introduction

Given the number of significant projects in the pipeline, we have simplified our approach to guidance for 2021, enabling our teams to remain focused on achieving our long-term goals.

Volume

We are planning 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. In some years we may grow faster, which we expect to be the case in 2021. The rate of growth will depend on our equipment capacity, operational efficiency and 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

We expect our operating margin will continue to grow over time, continuing to reach industry-leading levels with capacity expansion and localization plans underway.

Product

We are currently building Model Y capacity at Gigafactory Berlin and Gigafactory Texas and remain on track to start deliveries from each location in 2021. Gigafactory Shanghai will continue to expand further through the course of the year. Tesla Semi deliveries will also begin in 2021.

TESLA MODEL S - FRONT INTERIOR



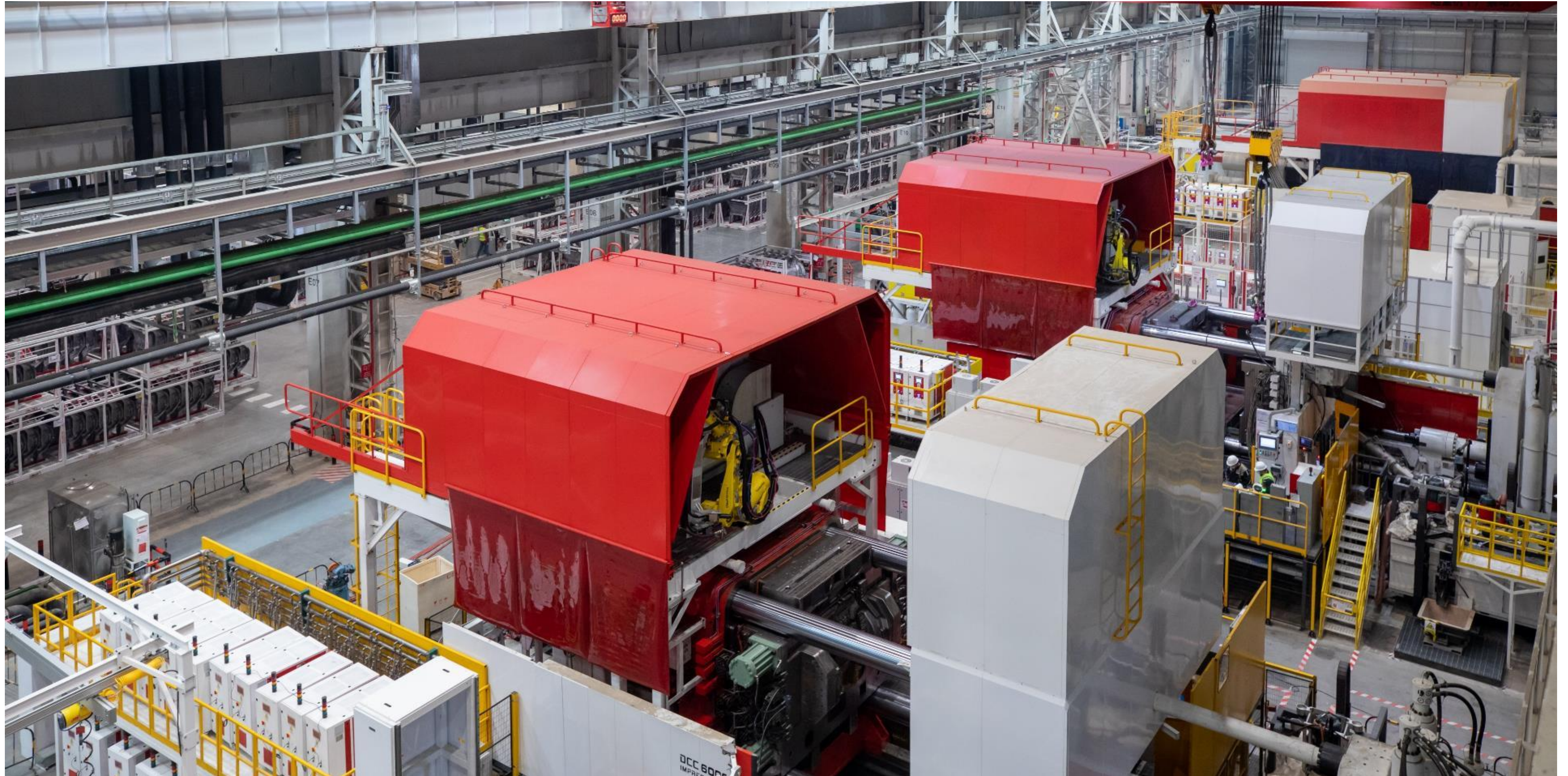
TESLA MODEL S - REAR INTERIOR



TESLA MODEL S PLAID - EXTERIOR



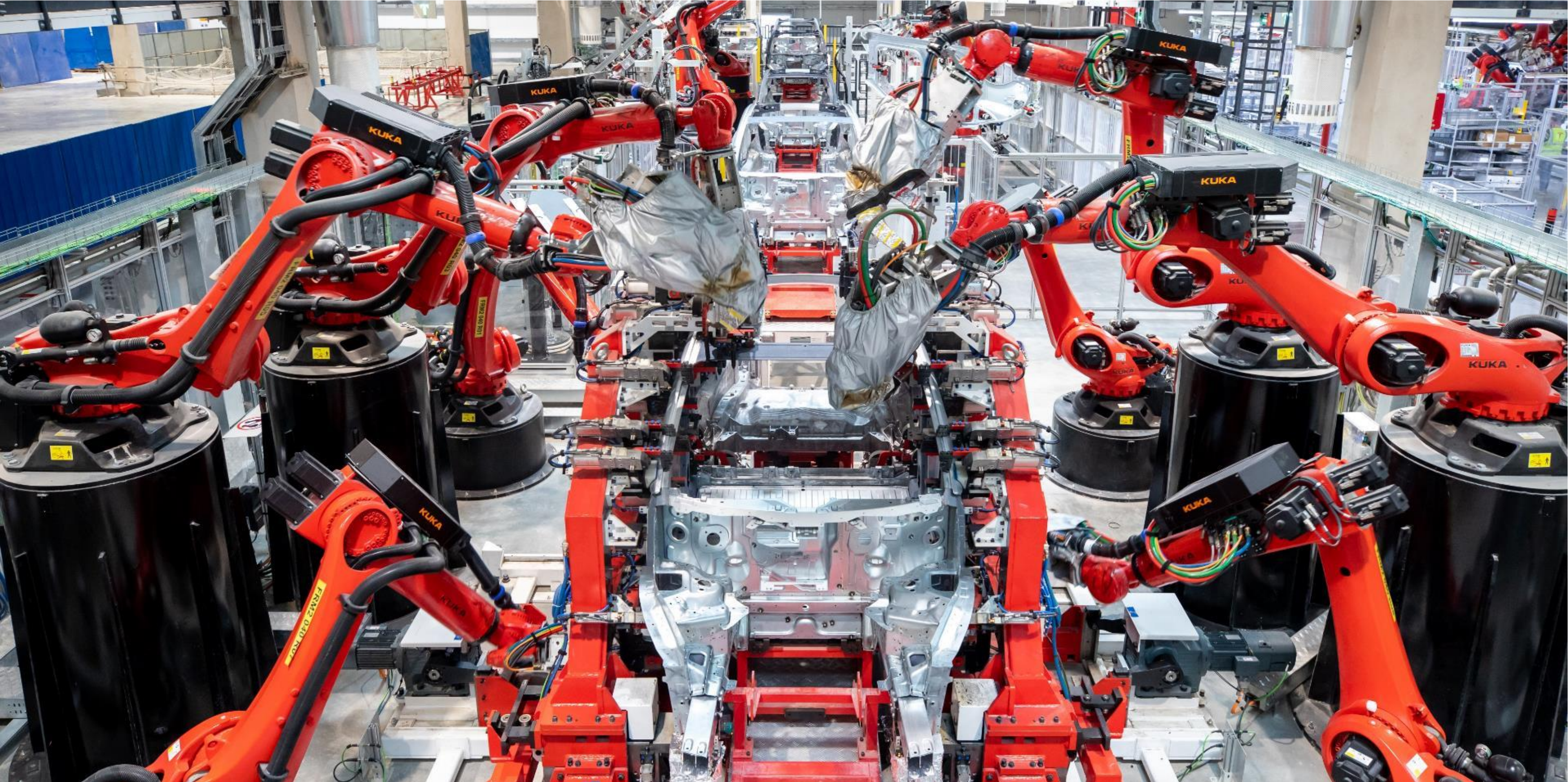
GIGAFACTORY SHANGHAI - MODEL Y DIE CAST



GIGAFACTORY SHANGHAI - MODEL Y STAMPING



GIGAFACTORY SHANGHAI - MODEL Y BODY SHOP



GIGAFACTORY SHANGHAI - MODEL Y GENERAL ASSEMBLY



GIGAFACTORY SHANGHAI - MODEL 3 FACTORY (FOREGROUND); MODEL Y FACTORY (BACKGROUND)



GIGAFACTORY BERLIN - MODEL Y FACTORY CONSTRUCTION



GIGAFACTORY BERLIN - MODEL Y FACTORY INTERIOR



GIGAFACTORY BERLIN - MODEL Y FACTORY INTERIOR



GIGAFACTORY TEXAS

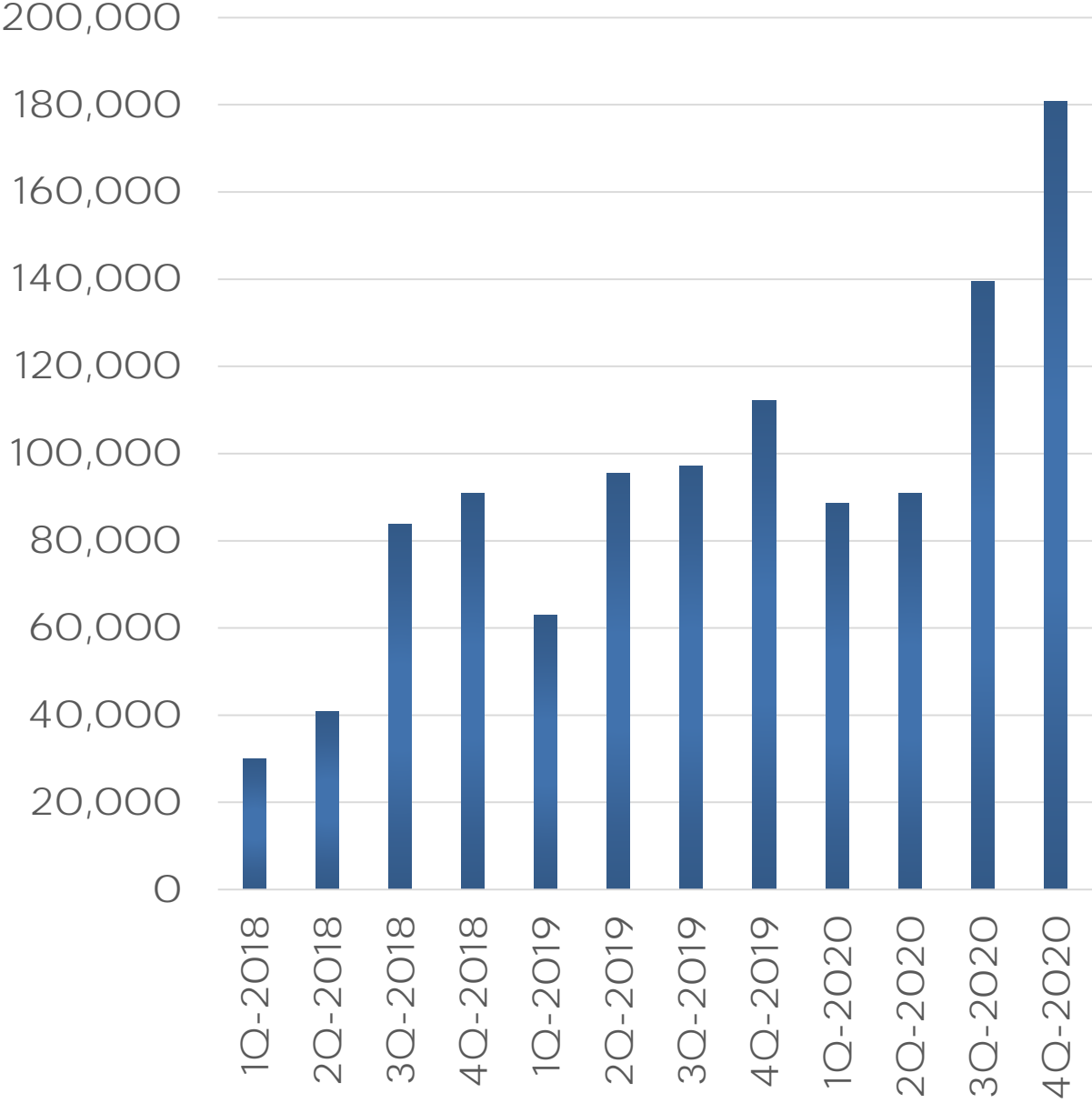


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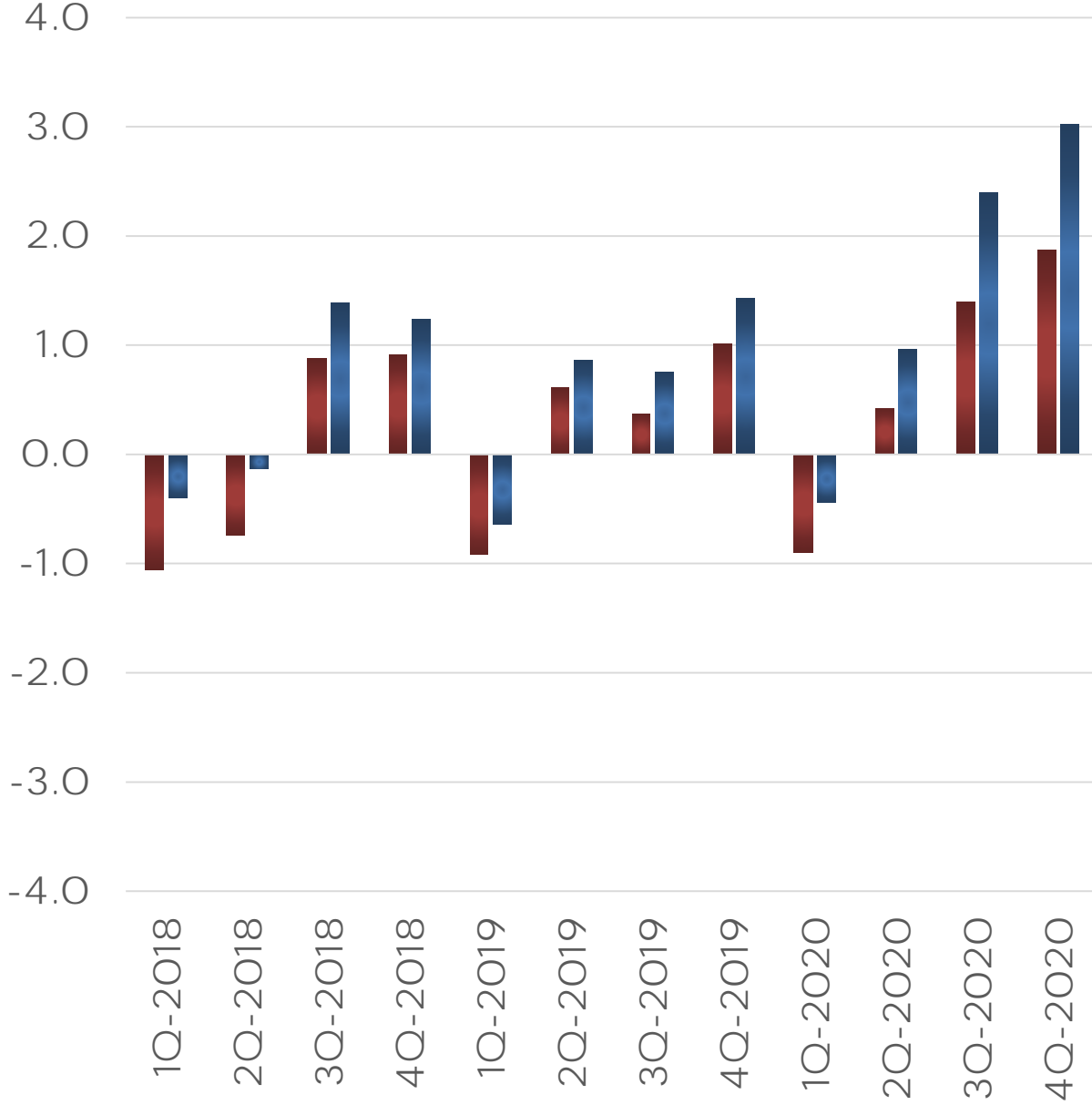


Present day

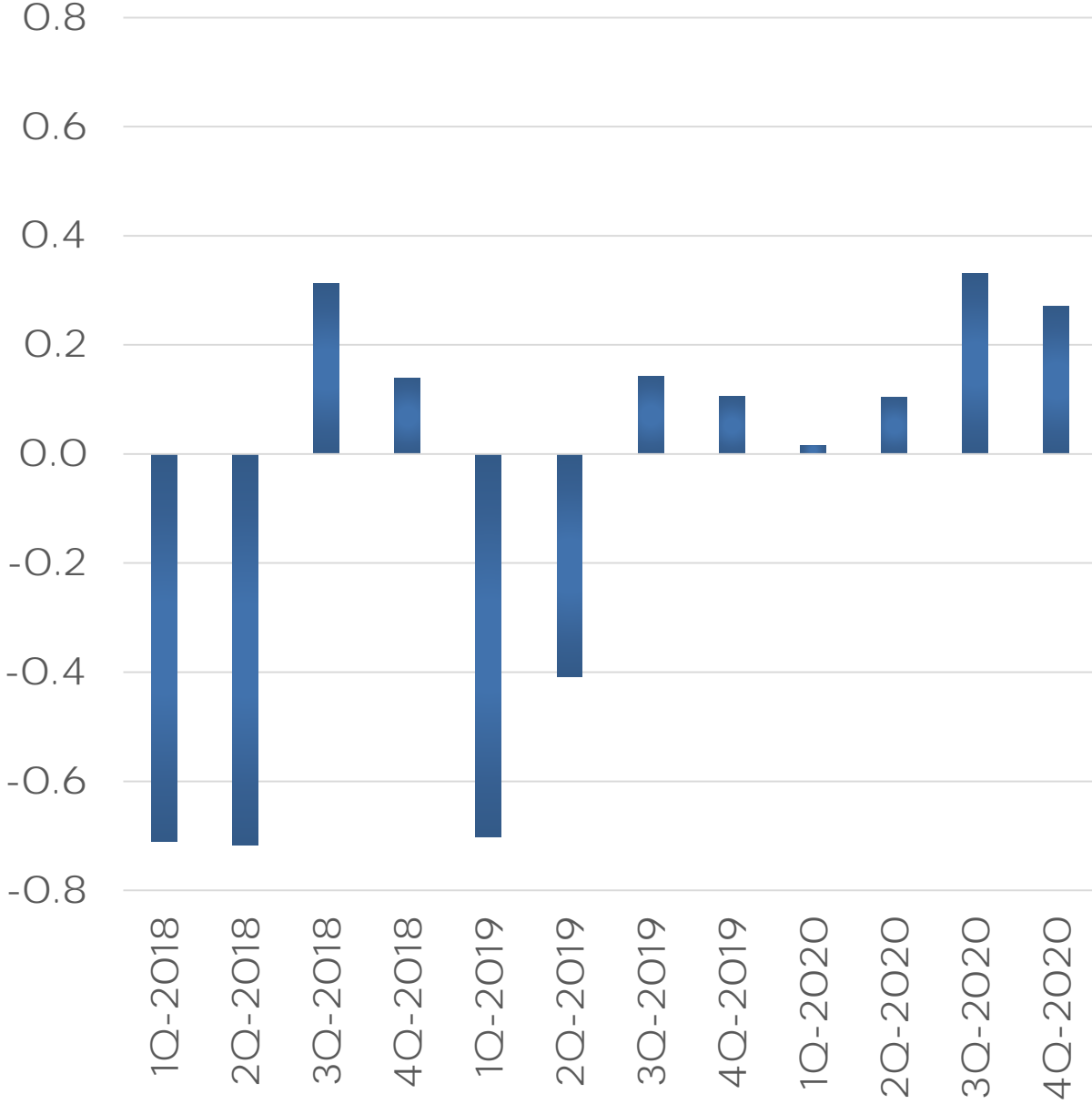
KEY METRICS QUARTERLY
(Unaudited)



Vehicle Deliveries (units)

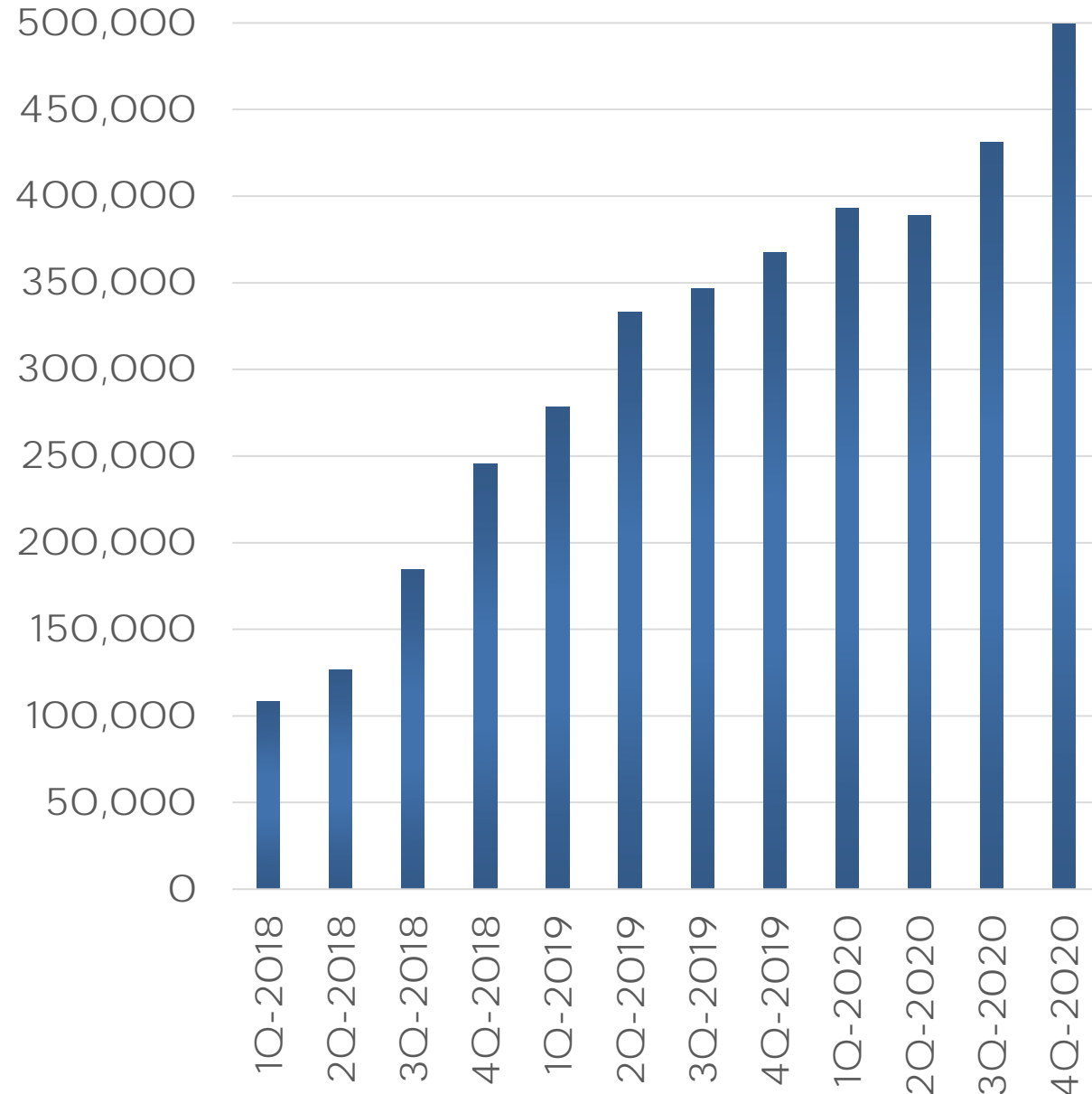


Operating Cash Flow (\$B)
Free Cash Flow (\$B)

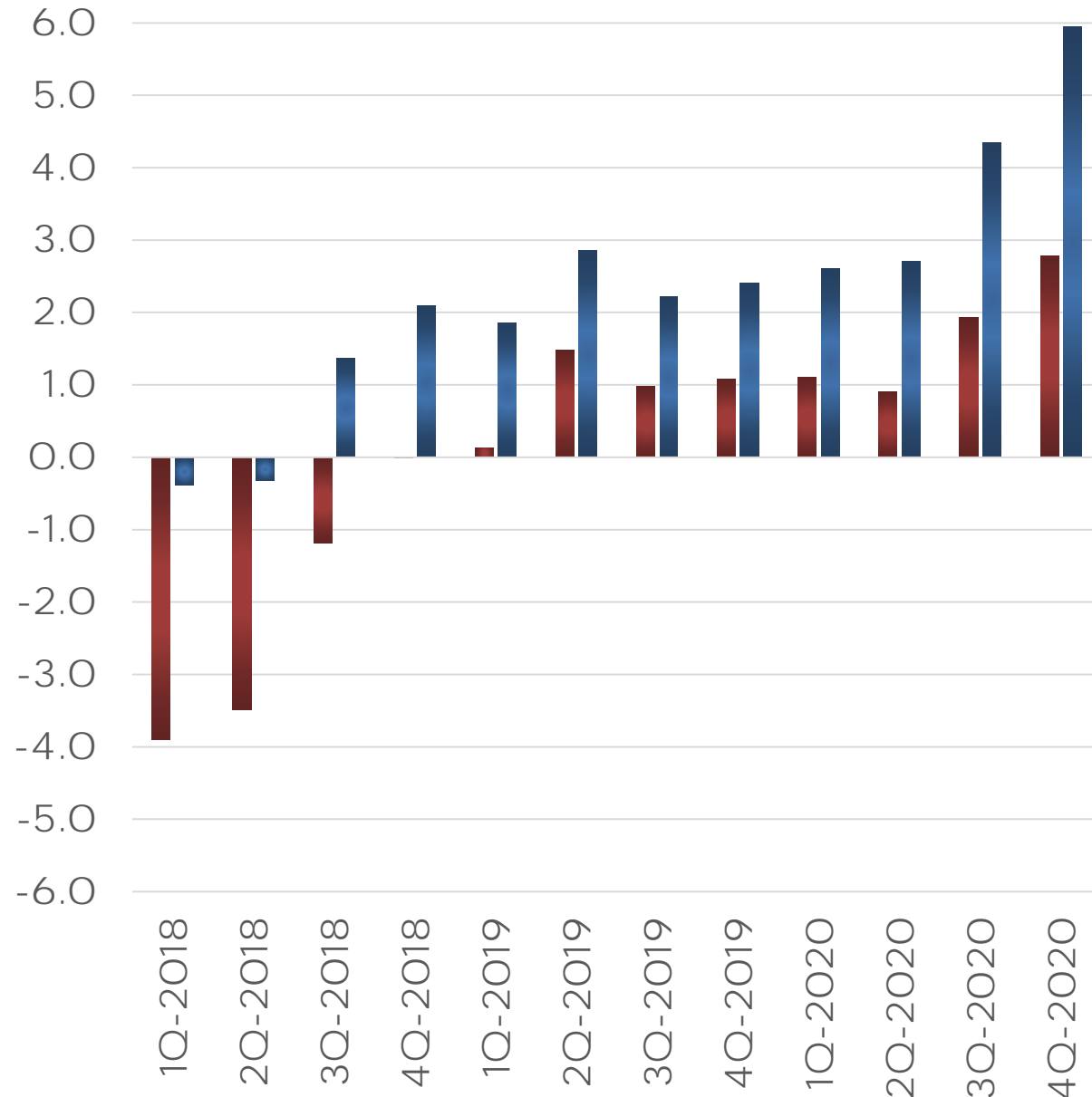


Net Income (\$B)

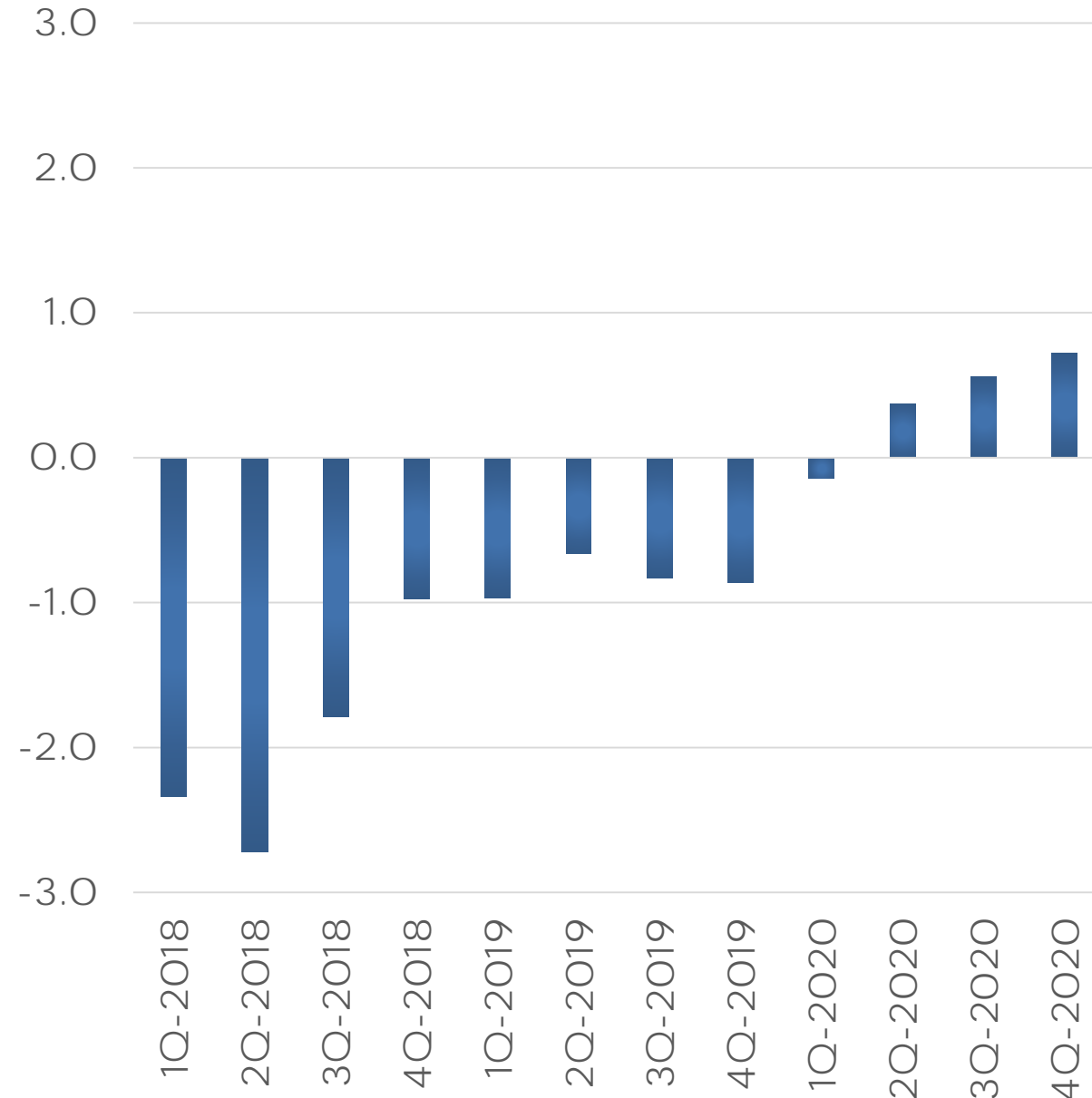
KEY METRICS TRAILING 12 MONTHS (TTM)
(Unaudited)



Vehicle Deliveries (units)



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



Net Income (\$B)

STATEMENT OF OPERATIONS
(Unaudited)

In millions of USD or shares as applicable, except per share data	Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020
REVENUES					
Automotive sales	6,143	4,893	4,911	7,346	9,034
Automotive leasing	225	239	268	265	280
Total automotive revenue	6,368	5,132	5,179	7,611	9,314
Energy generation and storage	436	293	370	579	752
Services and other	580	560	487	581	678
Total revenues	7,384	5,985	6,036	8,771	10,744
COST OF REVENUES					
Automotive sales	4,815	3,699	3,714	5,361	6,922
Automotive leasing	119	122	148	145	148
Total automotive cost of revenues	4,934	3,821	3,862	5,506	7,070
Energy generation and storage	385	282	349	558	787
Services and other	674	648	558	644	821
Total cost of revenues	5,993	4,751	4,769	6,708	8,678
Gross profit	1,391	1,234	1,267	2,063	2,066
OPERATING EXPENSES					
Research and development	345	324	279	366	522
Selling, general and administrative	699	627	661	888	969
Restructuring and other	(12)	—	—	—	—
Total operating expenses	1,032	951	940	1,254	1,491
INCOME FROM OPERATIONS	359	283	327	809	575
Interest income	10	10	8	6	6
Interest expense	(170)	(169)	(170)	(163)	(246)
Other (expense) income, net	(25)	(54)	(15)	(97)	44
INCOME BEFORE INCOME TAXES	174	70	150	555	379
Provision for income taxes	42	2	21	186	83
NET INCOME	132	68	129	369	296
Net income attributable to noncontrolling interests and redeemable noncontrolling interests	27	52	25	38	26
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	105	16	104	331	270
Less: Buy-out of noncontrolling interest	—	—	—	31	—
NET INCOME USED IN COMPUTING NET INCOME PER SHARE OF COMMON STOCK	105	16	104	300	270
Net income per share of common stock attributable to common stockholders ⁽¹⁾					
Basic	\$ 0.12	\$ 0.02	\$ 0.11	\$ 0.32	\$ 0.28
Diluted	\$ 0.11	\$ 0.02	\$ 0.10	\$ 0.27	\$ 0.24
Weighted average shares used in computing net income per share of common stock ⁽¹⁾					
Basic	902	915	928	937	951
Diluted	935	994	1,036	1,105	1,124

BALANCE SHEET
(Unaudited)

In millions of USD	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20
ASSETS					
Current assets					
Cash and cash equivalents	6,268	8,080	8,615	14,531	19,384
Accounts receivable, net	1,324	1,274	1,485	1,757	1,886
Inventory	3,552	4,494	4,018	4,218	4,101
Prepaid expenses and other current assets	959	1,045	1,218	1,238	1,346
Total current assets	12,103	14,893	15,336	21,744	26,717
Operating lease vehicles, net	2,447	2,527	2,524	2,742	3,091
Solar energy systems, net	6,138	6,106	6,069	6,025	5,979
Property, plant and equipment, net	10,396	10,638	11,009	11,848	12,747
Operating lease right-of-use assets	1,218	1,197	1,274	1,375	1,558
Goodwill and intangible assets, net	537	516	508	521	520
Other non-current assets	1,470	1,373	1,415	1,436	1,536
Total assets	34,309	37,250	38,135	45,691	52,148
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable	3,771	3,970	3,638	4,958	6,051
Accrued liabilities and other	3,222	2,825	3,110	3,252	3,855
Deferred revenue	1,163	1,186	1,130	1,258	1,458
Customer deposits	726	788	713	708	752
Current portion of debt and finance leases (1)	1,785	3,217	3,679	3,126	2,132
Total current liabilities	10,667	11,986	12,270	13,302	14,248
Debt and finance leases, net of current portion (1)	11,634	10,666	10,416	10,559	9,556
Deferred revenue, net of current portion	1,207	1,199	1,198	1,233	1,284
Other long-term liabilities	2,691	2,667	2,870	3,049	3,330
Total liabilities	26,199	26,518	26,754	28,143	28,418
Redeemable noncontrolling interests in subsidiaries	643	632	613	608	604
Convertible senior notes	—	60	44	48	51
Total stockholders' equity	6,618	9,173	9,855	16,031	22,225
Noncontrolling interests in subsidiaries	849	867	869	861	850
Total liabilities and equity	34,309	37,250	38,135	45,691	52,148
(1) Breakdown of our debt is as follows:					
Vehicle and energy product financing (non-recourse)	4,183	4,022	4,043	4,141	3,930
Other non-recourse debt	355	708	1,415	605	630
Recourse debt	7,263	7,600	7,106	7,448	5,660
Total debt excluding vehicle and energy product financing	7,618	8,308	8,521	8,053	6,290

STATEMENT OF CASH FLOWS
(Unaudited)

In millions of USD	Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	132	68	129	369	296
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation, amortization and impairment	577	553	567	584	618
Stock-based compensation	281	211	347	543	633
Other	204	175	167	269	230
Changes in operating assets and liabilities, net of effect of business combinations	231	(1,447)	(246)	635	1,242
Net cash provided by (used in) operating activities	1,425	(440)	964	2,400	3,019
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(412)	(455)	(546)	(1,005)	(1,151)
Purchases of solar energy systems, net of sales	(37)	(26)	(20)	(16)	(13)
Purchase of intangible assets	—	—	—	(5)	(5)
Receipt of government grants	46	1	—	—	122
Business combinations, net of cash acquired	—	—	—	(13)	—
Net cash used in investing activities	(403)	(480)	(566)	(1,039)	(1,047)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net cash flows from debt activities	(591)	544	164	(630)	(2,074)
Collateralized lease repayments	(87)	(97)	(71)	(56)	(16)
Net borrowings (repayments) under vehicle and solar financing	478	(160)	18	99	(215)
Net cash flows from noncontrolling interests - Auto	19	(8)	(3)	(31)	0
Net cash flows from noncontrolling interests - Solar	6	(40)	(42)	(49)	(46)
Proceeds from issuances of common stock in public offerings, net of issuance costs	—	2,309	—	4,973	4,987
Other	96	160	57	144	56
Net cash (used in) provided by financing activities	(79)	2,708	123	4,450	2,692
Effect of exchange rate changes on cash and cash equivalents and restricted cash	14	(24)	38	86	234
Net increase in cash and cash equivalents and restricted cash	957	1,764	559	5,897	4,898
Cash and cash equivalents and restricted cash at beginning of period	5,826	6,783	8,547	9,106	15,003
Cash and cash equivalents and restricted cash at end of period	6,783	8,547	9,106	15,003	19,901

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

In millions of USD or shares as applicable, except per share data	Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020
Net income attributable to common stockholders (GAAP)	105	16	104	331	270
Stock-based compensation expense	281	211	347	543	633
Net income attributable to common stockholders (non-GAAP)	386	227	451	874	903
Less: Buy-out of noncontrolling interest	—	—	—	31	—
Net income used in computing EPS attributable to common stockholders (non-GAAP)	386	227	451	843	903
EPS attributable to common stockholders, diluted (GAAP) ⁽¹⁾	0.11	0.02	0.10	0.27	0.24
Stock-based compensation expense per share ⁽¹⁾	0.30	0.21	0.34	0.49	0.56
EPS attributable to common stockholders, diluted (non-GAAP) ⁽¹⁾	0.41	0.23	0.44	0.76	0.80
Shares used in EPS calculation, diluted (GAAP and non-GAAP) ⁽¹⁾	935	994	1,036	1,105	1,124
Net income attributable to common stockholders (GAAP)	105	16	104	331	270
Interest expense	170	169	170	163	246
Provision for income taxes	42	2	21	186	83
Depreciation, amortization and impairment	577	553	567	584	618
Stock-based compensation expense	281	211	347	543	633
Adjusted EBITDA (non-GAAP)	1,175	951	1,209	1,807	1,850
Total revenues	7,384	5,985	6,036	8,771	10,744
Adjusted EBITDA margin (non-GAAP) ⁽²⁾	15.9%	15.9%	20.0%	20.6%	17.2%
Automotive gross margin (GAAP)	22.5%	25.5%	25.4%	27.7%	24.1%
Less: Total regulatory credit revenue recognized	1.6%	5.5%	6.7%	4.0%	3.4%
Automotive gross margin excluding regulatory credits (non-GAAP)	20.9%	20.0%	18.7%	23.7%	20.7%

In millions of USD	1Q-2018	2Q-2018	3Q-2018	4Q-2018	1Q-2019	2Q-2019	3Q-2019	4Q-2019	1Q-2020	2Q-2020	3Q-2020	4Q-2020
Net cash (used in) provided by operating activities (GAAP)	(398)	(130)	1,391	1,235	(640)	864	756	1,425	(440)	964	2,400	3,019
Capital expenditures	(656)	(610)	(510)	(325)	(280)	(250)	(385)	(412)	(455)	(546)	(1,005)	(1,151)
Free cash flow (non-GAAP)	(1,054)	(740)	881	910	(920)	614	371	1,013	(895)	418	1,395	1,868
Net cash (used in) provided by operating activities - TTM (GAAP)	(389)	(319)	1,373	2,098	1,856	2,850	2,215	2,405	2,605	2,705	4,349	5,943
Capital expenditures - TTM	(3,518)	(3,169)	(2,563)	(2,101)	(1,725)	(1,365)	(1,240)	(1,327)	(1,502)	(1,798)	(2,418)	(3,157)
Free cash flow - TTM (non-GAAP)	(3,907)	(3,488)	(1,190)	(3)	131	1,485	975	1,078	1,103	907	1,931	2,786

⁽¹⁾Prior period results have been retroactively adjusted to reflect the five-for-one stock split effected in the form of a stock dividend in August 2020.

⁽²⁾ Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues.

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

In millions of USD or shares as applicable, except per share data	2016	2017	2018	2019	2020
Net (loss) income attributable to common stockholders (GAAP)	(675)	(1,962)	(976)	(862)	721
Stock-based compensation expense	334	467	749	898	1,734
Net (loss) income attributable to common stockholders (non-GAAP)	(341)	(1,495)	(227)	36	2,455
Less: Buy-out of noncontrolling interest	—	—	—	8	31
Net (loss) income used in computing EPS attributable to common stockholders (non-GAAP)	(341)	(1,495)	(227)	28	2,424
EPS attributable to common stockholders, diluted (GAAP) ⁽¹⁾	(0.94)	(2.37)	(1.14)	(0.98)	0.64
Stock-based compensation expense per share ⁽¹⁾	0.47	0.57	0.87	1.01	1.60
EPS attributable to common stockholders, diluted (non-GAAP) ⁽¹⁾	(0.47)	(1.80)	(0.27)	0.03	2.24
Shares used in EPS calculation, diluted (GAAP and non-GAAP) ⁽¹⁾	721	829	853	887	1,083
Net (loss) income attributable to common stockholders (GAAP)	(675)	(1,962)	(976)	(862)	721
Interest expense	199	471	663	685	748
Provision for income taxes	27	32	58	110	292
Depreciation, amortization and impairment	947	1,636	1,901	2,154	2,322
Stock-based compensation expense	334	467	749	898	1,734
Adjusted EBITDA (non-GAAP)	832	644	2,395	2,985	5,817
Total revenues	7,000	11,759	21,461	24,578	31,536
Adjusted EBITDA margin (non-GAAP) ⁽²⁾	11.9%	5.5%	11.2%	12.1%	18.4%
Automotive gross margin (GAAP)	25.2%	22.9%	23.4%	21.2%	25.6%
Less: Total regulatory credit revenue recognized	3.7%	3.0%	1.7%	2.3%	4.6%
Automotive gross margin excluding regulatory credits (non-GAAP)	21.5%	19.9%	21.7%	18.9%	21.0%

⁽¹⁾Prior period results have been retroactively adjusted to reflect the five-for-one stock split effected in the form of a stock dividend in August 2020.

32 ⁽²⁾ Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues.

ADDITIONAL INFORMATION

WEBCAST INFORMATION

Tesla will provide a live webcast of its fourth quarter 2020 financial results conference call beginning at 3:30 p.m. PT on January 27, 2021 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.

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, production capacity and output rates, demand and market growth, deliveries, deployment, range and other features and improvements and timing of existing and future Tesla products and technologies such as Model 3, Model Y, Model S, Model X, Tesla Semi, Autopilot and Full Self Driving software and hardware, our energy storage products, the battery cells we are developing and our manufacturing technologies; statements regarding operating margin, spending and liquidity; and statements regarding construction, expansion, improvements and/or ramp and related timing at the Tesla Factory, Gigafactory Shanghai, Gigafactory Berlin and Gigafactory Texas 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; our ability to build and ramp Gigafactory Shanghai, Gigafactory Berlin 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 quarterly report on Form 10-Q filed with the SEC on October 26, 2020. Tesla disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

