

Tesla shares tumble after company misses delivery target

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The Tesla logo is seen at the company's store in Denver's Cherry Creek Mall on Feb. 9, 2019. Shares of Tesla tumbled Tuesday, Jan. 3, 2023, on the first full day of trading since the company announced 2022 delivery numbers that fell short of targets. Credit: AP Photo/David Zalubowski, File

Shares of Tesla tumbled more than 12% Tuesday on the first full day of

trading since the company announced 2022 delivery numbers that fell short of targets.

The electric vehicle and solar panel maker's stock closed at \$108.10, and it's down just under 70% since the start of last year. The stock hit its lowest point since August of 2020, and Tesla's [market value](#), according to FactSet, slid to \$341 billion, down from over \$1 trillion as recently as April.

Tesla said Monday that it [sold a record 1.3 million vehicles last year](#), but the number fell short of CEO Elon Musk's pledge to grow deliveries by 50% nearly every year.

The 2022 figure topped the prior record of 936,000 vehicles delivered in 2021, but it was shy of the 1.4 million needed to reach the company's 50% growth target. Sales grew 40% year over year, while production climbed 47% to 1.37 million.

The shortfall came despite a major year-end sales push that included rare [\\$7,500 discounts in the U.S.](#) on the Models Y and 3, the company's top-selling models. Analysts said that Tesla also offered discounts in China, leading some to question whether demand for the company's vehicles is softening.

Tesla Inc., based in Austin, Texas, also had to deal with rising cases of novel coronavirus in China, which hampered production at its Shanghai factory.

Cowen and Co. analyst Jeffrey Osborne expected investors to focus on missing the delivery target, but he only saw modest negative reaction "following acute weakness the past few weeks on production cuts in China and discounting."

Investors will need to see stability in [profit margins](#) despite lower prices, and demand and order trends showing resumed growth this year for the stock to get further support, Osborne wrote in a note to investors early Tuesday.

In an apparent effort to shore up the [stock price](#), Tesla announced Monday that it would hold an [investor](#) day event on March 1 at its factory near Austin. Investors will be able to see Tesla's [production line](#), discuss expansion plans and see the platform that will go beneath Tesla's next generation of vehicles.

The Tesla stock decline also has cost Musk billions, bumping him out of the top spot for the world's wealthiest person, according to Forbes.

Also playing into the stock drop is Musk's \$44 billion purchase of Twitter and his sale of Tesla [stock](#) to help fund the purchase. [Musk sold another \\$2.58 billion worth of Tesla stock last month](#) and has sold nearly \$23 billion worth of his car company's shares since April, when he started building a position in Twitter.

Many [investors](#) are worried that Musk has become too distracted as CEO of Twitter and isn't paying enough attention to the electric [vehicle](#) company. Musk has said he would step down as Twitter CEO when he finds someone to run the social media platform.

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