

Tesla posts \$438M 1Q profit on strong electric vehicle sales

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In this Monday, April 5, 2021 file photo, a Tesla electric vehicle charges at a station in Topeka, Kan. With strong sales of its electric cars and SUVs, Tesla on Monday, April 26, 2021 posted its seventh-straight profitable quarter. (AP Photo/Orlin Wagner)

Charged up by strong sales of its electric cars and SUVs, Tesla on Monday posted its seventh-straight profitable quarter.

The [company](#) made \$438 million in the three-month period that ended March 31, as sales more than doubled the same period last year to nearly 185,000 vehicles.

Tesla said adjusted net income, excluding stock-based compensation, passed \$1 billion for the first time in company history.

The company also said that there is evidence that a person was behind the wheel of a Tesla that crashed in Texas earlier this month, killing two men. But authorities near Houston said investigators are sure that no one was driving the car when it missed a curve, hit a tree and went off the road.

The April 17 crash near Houston has brought [renewed scrutiny](#) of Tesla and its Autopilot partially automated driving system. Two [federal agencies](#) are joining local authorities in investigating.

Excluding stock-based compensation and non-recurring items, Tesla made 93 cents per share. That beat Wall Street estimates of 75 cents per share, according analysts polled by data provider FactSet. First-quarter revenue rose 74% to \$10.39 billion, but it was just shy of the \$10.48 billion expected by analysts.

Once again the company needed regulatory credits purchased by other automakers in order to make a profit. Without \$518 million in credits for the quarter, Tesla would have lost money. Other automakers buy the credits when they can't meet emissions and fuel economy standards.

The company, which also makes solar panels and batteries, made only \$16 million in the first quarter of 2020.

Tesla, which now has the sixth-largest market value of all companies in the S&P 500 at \$708.56 billion, saw its shares fall about 2.5% in extended trading Monday. The company released numbers just after the markets closed.

Tesla said its cash position fell by \$2.24 billion in the quarter to \$17.14 billion, due mainly to bitcoin purchases and \$1.2 billion in debt and finance lease payments. That was offset by \$293 million in free cash flow, which is operating cash flow minus capital expenditures.

The company said it sold about 10% of its \$1.5 billion bitcoin stake, making about \$101 million. Tesla said it has sufficient liquidity to fund its new products and factory growth.

CEO Elon Musk got \$299 million during the quarter for hitting market value and operational milestones,

the company said.

Tesla said that over a "multi-year horizon," it expects vehicle deliveries to grow on average by 50% per year, with some years, like 2021, growing faster than others.

"The rate of growth will depend on our equipment capacity, operational efficiency and capacity, and stability of the supply chain," the company said in its quarterly letter to investors.

Factories in Berlin and Austin, Texas, are on track to start producing this year, and the company said production of its Semi will start in 2021. Also, first deliveries of the new Model S should start shortly. Musk said.

The company said that ultimately it will use only cameras as sensors for its fully autonomous driving system, making radar unnecessary. Musk said the company is on its way toward using artificial intelligence to solve problems with its cars' eight cameras.

The system is "like having eyes in the back of your head, the side of your head" that can process data "at a speed that is super-human."

Even before eliminating radar, critics have said Tesla lacks laser sensors needed to do autonomous driving safely.

In the Texas crash, authorities in Harris County, Texas, said one man was found in the passenger seat, while another was in the back. They're issuing search warrants in the probe, which will determine whether the Tesla's Autopilot partially automated system was in use. Autopilot can keep a car centered in its lane, keep a distance from cars in front of it, and can even change lanes automatically in some circumstances.

Lars Moravy, Tesla's vice president of vehicle engineering, told analysts that an inspection of the badly burned car found that the steering wheel was deformed, "so it was leading to a likelihood that someone was in the driver's seat at the time of the crash." He said all seat belts were found unbuckled.

He said an automatic steering function could not engage on the road where the crash happened.

Last week Musk wrote on Twitter that data logs "recovered so far" show the Tesla in the Texas crash did not have Autopilot turned on, and "Full Self-Driving" was not purchased for the vehicle. The company has said despite the name Autopilot, it is a driver-assist system and drivers must be ready to take over at any moment.

The National Highway Traffic Safety Administration and the National Transportation Safety board sent teams to investigate the crash.

Critics have said that Tesla's system for monitoring drivers to make sure they're paying attention is easily fooled. Consumer Reports last week [was able to trick a Tesla](#) into driving on Autopilot with no one in the driver's seat.

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