

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025  
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, Inc.**

(Exact name of registrant as specified in its charter)

Texas  
(State or other jurisdiction of  
incorporation or organization)

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

1 Tesla Road  
Austin, Texas  
(Address of principal executive offices)

78725  
(Zip Code)

(512) 516-8177  
(Registrant's telephone number, including area code)  
Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|-------------------------------------------|
| Common stock        | TSLA              | The Nasdaq Global Select Market           |

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐  
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
| Emerging growth company | <input type="checkbox"/>            |                           |                          |

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. ☐  
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒  
As of April 16, 2025, there were 3,220,956,211 shares of the registrant's common stock outstanding.

TESLA, INC.

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2025

INDEX

|                                             | <u>Page</u> |
|---------------------------------------------|-------------|
| <b><u>PART I. FINANCIAL INFORMATION</u></b> |             |
| Item 1.                                     | 4           |
|                                             | 4           |
|                                             | 5           |
|                                             | 6           |
|                                             | 7           |
|                                             | 8           |
|                                             | 9           |
| Item 2.                                     | 25          |
| Item 3.                                     | 33          |
| Item 4.                                     | 33          |
| <b><u>PART II. OTHER INFORMATION</u></b>    |             |
| Item 1.                                     | 34          |
| Item 1A.                                    | 34          |
| Item 2.                                     | 34          |
| Item 3.                                     | 35          |
| Item 4.                                     | 35          |
| Item 5.                                     | 35          |
| Item 6.                                     | 35          |
| <u>Signatures</u>                           | 36          |

## **Forward-Looking Statements**

*The discussions in this Annual Report on Form 10-Q contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future and management's current expectations, involve certain risks and uncertainties and are not guarantees. These forward-looking statements include, but are not limited to, statements concerning supply chain constraints, our strategy, competition, future operations and production capacity, future financial position, future revenues, projected costs, profitability, expected cost reductions, capital adequacy, expectations regarding demand and acceptance for our technologies, growth opportunities and trends in the markets in which we operate, prospects and plans and objectives of management. The words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," "predicts" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Future results may differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" of the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and that are otherwise described or updated from time to time in our other filings with the Securities and Exchange Commission (the "SEC"). The discussion of such risks is not an indication that any such risks have occurred at the time of this filing. We do not assume any obligation to update any forward-looking statements.*

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**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

**Tesla, Inc.**  
**Consolidated Balance Sheets**  
(in millions, except per share data)  
(unaudited)

|                                                                                                                                                                  | March 31,<br>2025 | December 31,<br>2024 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|
| <b>Assets</b>                                                                                                                                                    |                   |                      |
| Current assets                                                                                                                                                   |                   |                      |
| Cash and cash equivalents                                                                                                                                        | \$ 16,352         | \$ 16,139            |
| Short-term investments                                                                                                                                           | 20,644            | 20,424               |
| Accounts receivable, net                                                                                                                                         | 3,782             | 4,418                |
| Inventory                                                                                                                                                        | 13,706            | 12,017               |
| Prepaid expenses and other current assets                                                                                                                        | 4,905             | 5,362                |
| Total current assets                                                                                                                                             | 59,389            | 58,360               |
| Operating lease vehicles, net                                                                                                                                    | 5,477             | 5,581                |
| Solar energy systems, net                                                                                                                                        | 4,855             | 4,924                |
| Property, plant and equipment, net                                                                                                                               | 37,088            | 35,836               |
| Operating lease right-of-use assets                                                                                                                              | 5,330             | 5,160                |
| Digital assets, net                                                                                                                                              | 951               | 1,076                |
| Intangible assets, net                                                                                                                                           | 144               | 150                  |
| Goodwill                                                                                                                                                         | 248               | 244                  |
| Deferred tax assets                                                                                                                                              | 6,687             | 6,524                |
| Other non-current assets                                                                                                                                         | 4,942             | 4,215                |
| <b>Total assets</b>                                                                                                                                              | <b>\$ 125,111</b> | <b>\$ 122,070</b>    |
| <b>Liabilities</b>                                                                                                                                               |                   |                      |
| Current liabilities                                                                                                                                              |                   |                      |
| Accounts payable                                                                                                                                                 | \$ 13,471         | \$ 12,474            |
| Accrued liabilities and other                                                                                                                                    | 10,802            | 10,723               |
| Deferred revenue                                                                                                                                                 | 3,243             | 3,168                |
| Current portion of debt and finance leases                                                                                                                       | 2,237             | 2,456                |
| Total current liabilities                                                                                                                                        | 29,753            | 28,821               |
| Debt and finance leases, net of current portion                                                                                                                  | 5,292             | 5,757                |
| Deferred revenue, net of current portion                                                                                                                         | 3,610             | 3,317                |
| Other long-term liabilities                                                                                                                                      | 11,038            | 10,495               |
| <b>Total liabilities</b>                                                                                                                                         | <b>49,693</b>     | <b>48,390</b>        |
| Commitments and contingencies (Note 10)                                                                                                                          |                   |                      |
| Redeemable noncontrolling interests in subsidiaries                                                                                                              | 62                | 63                   |
| <b>Equity</b>                                                                                                                                                    |                   |                      |
| Stockholders' equity                                                                                                                                             |                   |                      |
| Preferred stock; \$0.001 par value; 100 shares authorized; no shares issued and outstanding                                                                      | —                 | —                    |
| Common stock; \$0.001 par value; 6,000 shares authorized; 3,220 and 3,216 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively | 3                 | 3                    |
| Additional paid-in capital                                                                                                                                       | 39,456            | 38,371               |
| Accumulated other comprehensive loss                                                                                                                             | (424)             | (670)                |
| Retained earnings                                                                                                                                                | 35,618            | 35,209               |
| Total stockholders' equity                                                                                                                                       | 74,653            | 72,913               |
| Noncontrolling interests in subsidiaries                                                                                                                         | 703               | 704                  |
| <b>Total liabilities and equity</b>                                                                                                                              | <b>\$ 125,111</b> | <b>\$ 122,070</b>    |

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Operations**  
(in millions, except per share data)  
(unaudited)

|                                                                                                             | <b>Three Months Ended March 31,</b> |                 |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------|
|                                                                                                             | <b>2025</b>                         | <b>2024</b>     |
| <b>Revenues</b>                                                                                             |                                     |                 |
| Automotive sales                                                                                            | \$ 12,925                           | \$ 16,460       |
| Automotive regulatory credits                                                                               | 595                                 | 442             |
| Automotive leasing                                                                                          | 447                                 | 476             |
| Total automotive revenues                                                                                   | 13,967                              | 17,378          |
| Energy generation and storage                                                                               | 2,730                               | 1,635           |
| Services and other                                                                                          | 2,638                               | 2,288           |
| Total revenues                                                                                              | 19,335                              | 21,301          |
| <b>Cost of revenues</b>                                                                                     |                                     |                 |
| Automotive sales                                                                                            | 11,461                              | 13,897          |
| Automotive leasing                                                                                          | 239                                 | 269             |
| Total automotive cost of revenues                                                                           | 11,700                              | 14,166          |
| Energy generation and storage                                                                               | 1,945                               | 1,232           |
| Services and other                                                                                          | 2,537                               | 2,207           |
| Total cost of revenues                                                                                      | 16,182                              | 17,605          |
| <b>Gross profit</b>                                                                                         | 3,153                               | 3,696           |
| <b>Operating expenses</b>                                                                                   |                                     |                 |
| Research and development                                                                                    | 1,409                               | 1,151           |
| Selling, general and administrative                                                                         | 1,251                               | 1,374           |
| Restructuring and other                                                                                     | 94                                  | —               |
| Total operating expenses                                                                                    | 2,754                               | 2,525           |
| <b>Income from operations</b>                                                                               | 399                                 | 1,171           |
| Interest income                                                                                             | 400                                 | 350             |
| Interest expense                                                                                            | (91)                                | (76)            |
| Other (expense) income, net                                                                                 | (119)                               | 443             |
| <b>Income before income taxes</b>                                                                           | 589                                 | 1,888           |
| Provision for income taxes                                                                                  | 169                                 | 483             |
| <b>Net income</b>                                                                                           | 420                                 | 1,405           |
| Net income attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries | 11                                  | 15              |
| <b>Net income attributable to common stockholders</b>                                                       | <u>\$ 409</u>                       | <u>\$ 1,390</u> |
| Net income per share of common stock attributable to common stockholders                                    |                                     |                 |
| Basic                                                                                                       | <u>\$ 0.13</u>                      | <u>\$ 0.45</u>  |
| Diluted                                                                                                     | <u>\$ 0.12</u>                      | <u>\$ 0.41</u>  |
| Weighted average shares used in computing net income per share of common stock                              |                                     |                 |
| Basic                                                                                                       | <u>3,218</u>                        | <u>3,186</u>    |
| Diluted                                                                                                     | <u>3,521</u>                        | <u>3,484</u>    |

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Comprehensive Income**  
**(in millions)**  
**(unaudited)**

|                                                                                                                             | <b>Three Months Ended March 31,</b> |                 |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------|
|                                                                                                                             | <b>2025</b>                         | <b>2024</b>     |
| <b>Net income</b>                                                                                                           | <b>\$ 420</b>                       | <b>\$ 1,405</b> |
| Other comprehensive income (loss):                                                                                          |                                     |                 |
| Foreign currency translation adjustment                                                                                     | 251                                 | (252)           |
| Unrealized net loss on investments, net of tax                                                                              | (5)                                 | (4)             |
| <b>Total other comprehensive income (loss):</b>                                                                             | <b>246</b>                          | <b>(256)</b>    |
| <b>Comprehensive income</b>                                                                                                 | <b>666</b>                          | <b>1,149</b>    |
| Less: Comprehensive income attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries | 11                                  | 15              |
| <b>Comprehensive income attributable to common stockholders</b>                                                             | <b>\$ 655</b>                       | <b>\$ 1,134</b> |

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Redeemable Noncontrolling Interests and Equity**  
(in millions)  
(unaudited)

| Three Months Ended March 31,<br>2025                 | Redeemable<br>Noncontrolling<br>Interests | Common Stock |             | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Loss | Retained<br>Earnings | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests in<br>Subsidiaries | Total<br>Equity  |
|------------------------------------------------------|-------------------------------------------|--------------|-------------|----------------------------------|-----------------------------------------------|----------------------|----------------------------------|------------------------------------------------|------------------|
|                                                      |                                           | Shares       | Amount      |                                  |                                               |                      |                                  |                                                |                  |
| <b>Balance as of December 31, 2024</b>               | \$ 63                                     | 3,216        | \$ 3        | \$ 38,371                        | \$ (670)                                      | \$ 35,209            | \$ 72,913                        | \$ 704                                         | \$ 73,617        |
| Issuance of common stock for equity incentive awards | —                                         | 4            | —           | 313                              | —                                             | —                    | 313                              | —                                              | 313              |
| Stock-based compensation                             | —                                         | —            | —           | 662                              | —                                             | —                    | 662                              | —                                              | 662              |
| Distributions to noncontrolling interests            | (2)                                       | —            | —           | —                                | —                                             | —                    | —                                | (11)                                           | (11)             |
| Shareholder settlement, net                          | —                                         | —            | —           | 110                              | —                                             | —                    | 110                              | —                                              | 110              |
| Net income                                           | 1                                         | —            | —           | —                                | —                                             | 409                  | 409                              | 10                                             | 419              |
| Other comprehensive income                           | —                                         | —            | —           | —                                | 246                                           | —                    | 246                              | —                                              | 246              |
| <b>Balance as of March 31, 2025</b>                  | <b>\$ 62</b>                              | <b>3,220</b> | <b>\$ 3</b> | <b>\$ 39,456</b>                 | <b>\$ (424)</b>                               | <b>\$ 35,618</b>     | <b>\$ 74,653</b>                 | <b>\$ 703</b>                                  | <b>\$ 75,356</b> |

  

| Three Months Ended March 31,<br>2024                                | Redeemable<br>Noncontrolling<br>Interests | Common Stock |             | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Loss | Retained<br>Earnings | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests in<br>Subsidiaries | Total<br>Equity  |
|---------------------------------------------------------------------|-------------------------------------------|--------------|-------------|----------------------------------|-----------------------------------------------|----------------------|----------------------------------|------------------------------------------------|------------------|
|                                                                     |                                           | Shares       | Amount      |                                  |                                               |                      |                                  |                                                |                  |
| <b>Balance as of December 31, 2023</b>                              | \$ 242                                    | 3,185        | \$ 3        | \$ 34,892                        | \$ (143)                                      | \$ 27,882            | \$ 62,634                        | \$ 733                                         | \$ 63,367        |
| Adjustments for prior periods from adopting ASU 2023-08, net of tax | —                                         | —            | —           | —                                | —                                             | 236                  | 236                              | —                                              | 236              |
| Issuance of common stock for equity incentive awards                | —                                         | 4            | —           | 251                              | —                                             | —                    | 251                              | —                                              | 251              |
| Stock-based compensation                                            | —                                         | —            | —           | 578                              | —                                             | —                    | 578                              | —                                              | 578              |
| Distributions to noncontrolling interests                           | (6)                                       | —            | —           | —                                | —                                             | —                    | —                                | (16)                                           | (16)             |
| Buy-outs of noncontrolling interests                                | (166)                                     | —            | —           | 42                               | —                                             | —                    | 42                               | —                                              | 42               |
| Net income                                                          | 3                                         | —            | —           | —                                | —                                             | 1,390                | 1,390                            | 12                                             | 1,402            |
| Other comprehensive loss                                            | —                                         | —            | —           | —                                | (256)                                         | —                    | (256)                            | —                                              | (256)            |
| <b>Balance as of March 31, 2024</b>                                 | <b>\$ 73</b>                              | <b>3,189</b> | <b>\$ 3</b> | <b>\$ 35,763</b>                 | <b>\$ (399)</b>                               | <b>\$ 29,508</b>     | <b>\$ 64,875</b>                 | <b>\$ 729</b>                                  | <b>\$ 65,604</b> |

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Cash Flows**  
(in millions)  
(unaudited)

|                                                                                   | <b>Three Months Ended March 31,</b> |             |
|-----------------------------------------------------------------------------------|-------------------------------------|-------------|
|                                                                                   | <b>2025</b>                         | <b>2024</b> |
| <b>Cash Flows from Operating Activities</b>                                       |                                     |             |
| Net income                                                                        | \$ 420                              | \$ 1,405    |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                     |             |
| Depreciation, amortization and impairment                                         | 1,447                               | 1,246       |
| Stock-based compensation                                                          | 573                                 | 524         |
| Inventory and purchase commitments write-downs                                    | 112                                 | 68          |
| Foreign currency transaction net unrealized loss (gain)                           | 30                                  | (63)        |
| Deferred income taxes                                                             | (43)                                | 63          |
| Non-cash interest and other operating activities                                  | 46                                  | (5)         |
| Digital assets loss (gain), net                                                   | 125                                 | (335)       |
| Changes in operating assets and liabilities:                                      |                                     |             |
| Accounts receivable                                                               | 630                                 | (422)       |
| Inventory                                                                         | (1,704)                             | (2,697)     |
| Operating lease vehicles                                                          | (76)                                | (12)        |
| Prepaid expenses and other assets                                                 | (419)                               | (972)       |
| Accounts payable, accrued and other liabilities                                   | 706                                 | 1,247       |
| Deferred revenue                                                                  | 309                                 | 195         |
| Net cash provided by operating activities                                         | 2,156                               | 242         |
| <b>Cash Flows from Investing Activities</b>                                       |                                     |             |
| Purchases of property and equipment excluding finance leases, net of sales        | (1,492)                             | (2,777)     |
| Purchases of investments                                                          | (6,015)                             | (6,622)     |
| Proceeds from maturities of investments                                           | 5,856                               | 4,315       |
| Net cash used in investing activities                                             | (1,651)                             | (5,084)     |
| <b>Cash Flows from Financing Activities</b>                                       |                                     |             |
| Proceeds from issuances of debt                                                   | 625                                 | 776         |
| Repayments of debt                                                                | (1,301)                             | (591)       |
| Proceeds from exercises of stock options and other stock issuances                | 313                                 | 251         |
| Principal payments on finance leases                                              | (48)                                | (106)       |
| Proceeds received from directors in shareholder settlement                        | 277                                 | —           |
| Payment of legal fees associated with shareholder settlement                      | (176)                               | —           |
| Debt issuance costs                                                               | —                                   | (3)         |
| Distributions paid to noncontrolling interests in subsidiaries                    | (22)                                | (30)        |
| Payments for buy-outs of noncontrolling interests in subsidiaries                 | —                                   | (101)       |
| Net cash (used in) provided by financing activities                               | (332)                               | 196         |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash  | 40                                  | (79)        |
| Net increase (decrease) in cash and cash equivalents and restricted cash          | 213                                 | (4,725)     |
| Cash and cash equivalents and restricted cash, beginning of period                | 17,037                              | 17,189      |
| Cash and cash equivalents and restricted cash, end of period                      | \$ 17,250                           | \$ 12,464   |
| <b>Supplemental Non-Cash Investing and Financing Activities</b>                   |                                     |             |
| Acquisitions of property and equipment included in liabilities                    | \$ 1,581                            | \$ 1,431    |
| Leased assets obtained in exchange for finance lease liabilities                  | \$ —                                | \$ 20       |
| Leased assets obtained in exchange for operating lease liabilities                | \$ 342                              | \$ 406      |

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Notes to Consolidated Financial Statements**  
**(unaudited)**

**Note 1 – Summary of Significant Accounting Policies**

*Unaudited Interim Financial Statements*

The consolidated financial statements of Tesla, Inc. (“Tesla”, the “Company”, “we”, “us” or “our”), including the consolidated balance sheet as of March 31, 2025, the consolidated statements of operations, the consolidated statements of comprehensive income, the consolidated statements of redeemable noncontrolling interests and equity, and the consolidated statements of cash flows for the three months ended March 31, 2025 and 2024, as well as other information disclosed in the accompanying notes, are unaudited. The consolidated balance sheet as of December 31, 2024 was derived from the audited consolidated financial statements as of that date. The interim consolidated financial statements and the accompanying notes should be read in conjunction with the annual consolidated financial statements and the accompanying notes contained in our Annual Report on Form 10-K for the year ended December 31, 2024.

The interim consolidated financial statements and the accompanying notes have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the results of operations for the periods presented. The consolidated results of operations for any interim period are not necessarily indicative of the results to be expected for the full year or for any other future years or interim periods.

*Reclassifications*

Certain prior period balances have been reclassified to conform to the current period presentation in the consolidated financial statements and the accompanying notes.

*Revenue Recognition*

*Revenue by source*

The following table disaggregates our revenue by major source (in millions):

|                                        | <b>Three Months Ended March 31,</b> |                  |
|----------------------------------------|-------------------------------------|------------------|
|                                        | <b>2025</b>                         | <b>2024</b>      |
| Automotive sales                       | \$ 12,925                           | \$ 16,460        |
| Automotive regulatory credits          | 595                                 | 442              |
| Energy generation and storage sales    | 2,621                               | 1,522            |
| Services and other                     | 2,638                               | 2,288            |
| Total revenues from sales and services | 18,779                              | 20,712           |
| Automotive leasing                     | 447                                 | 476              |
| Energy generation and storage leasing  | 109                                 | 113              |
| Total revenues                         | <u>\$ 19,335</u>                    | <u>\$ 21,301</u> |

*Automotive Segment*

Automotive Sales

Deferred revenue related to the access to our Full Self Driving (“FSD”) (Supervised) features and their ongoing maintenance, internet connectivity, free Supercharging programs and over-the-air software updates primarily on automotive sales amounted to \$3.60 billion as of March 31, 2025 and December 31, 2024.

Deferred revenue is equivalent to the total transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, as of the balance sheet date. Revenue recognized from the deferred revenue balances as of December 31, 2024 and 2023 was \$258 million and \$281 million for the three months ended March 31, 2025 and 2024, respectively. Of the total deferred revenue balance as of March 31, 2025, we expect to recognize \$780 million of revenue in the next 12 months. The remaining balance will be recognized at the time of transfer of control of the product or over the performance period.

We have financing receivables on our consolidated balance sheets related to loans we provide for financing our automotive deliveries. As of March 31, 2025 and December 31, 2024, we had current net financing receivables of \$243 million and \$247 million, respectively, in Accounts receivable, net, and \$747 million and \$821 million, respectively, in Other non-current assets for the long-term portion.

We offer resale value guarantees to our commercial banking partners in connection with certain vehicle leasing programs. Under these programs, we originate the lease with our end customer and immediately transfer the lease and the underlying vehicle to our commercial banking partner, with the transaction being accounted for as a sale under ASC 606, *Revenue from Contracts with Customers*.

We receive upfront payment for the vehicle, do not bear casualty and credit risks during the lease term, and we provide a guarantee capped to a limit if they are unable to sell the vehicle at or above the vehicle's contractual or determined residual value at the end of the lease term. We estimate a guarantee liability in accordance with ASC 460, *Guarantees* and record it within other liabilities on our consolidated balance sheets. On a quarterly basis, we assess the estimated market value of vehicles sold under these programs to determine whether there have been changes to the amount of expected resale value guarantee liabilities. As we accumulate more data related to the resale values of our vehicles or as market conditions change, there may be material changes to their estimated values. The total recorded guarantee liabilities on vehicles sold under these programs were immaterial as of March 31, 2025 and December 31, 2024. Our maximum exposure on the guarantees we provide if they are unable to sell the vehicle at or above the vehicle's contractual residual value at the end of the lease term was \$1.90 billion and \$1.45 billion as of March 31, 2025 and December 31, 2024, respectively.

#### Automotive Regulatory Credits

As of March 31, 2025, total transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied for contracts with an original expected length of more than one year was \$4.58 billion. Of this amount, we expect to recognize \$1.46 billion in the next 12 months and the rest over the remaining performance obligation period. Additionally, changes in regulations on automotive regulatory credits may significantly impact our remaining performance obligations and revenue to be recognized under these contracts.

#### Automotive Leasing Revenue

##### Direct Sales-Type Leasing Program

Lease receivables relating to sales-type leases are presented on the consolidated balance sheets as follows (in millions):

|                                           | March 31, 2025 | December 31, 2024 |
|-------------------------------------------|----------------|-------------------|
| Gross lease receivables                   | \$ 430         | \$ 484            |
| Unearned interest income                  | (31)           | (38)              |
| Allowance for expected credit losses      | (6)            | (6)               |
| Net investment in sales-type leases       | \$ 393         | \$ 440            |
| <b>Reported as:</b>                       |                |                   |
| Prepaid expenses and other current assets | \$ 151         | \$ 152            |
| Other non-current assets                  | 242            | 288               |
| Net investment in sales-type leases       | \$ 393         | \$ 440            |

## Energy Generation and Storage Segment

### Energy Generation and Storage Sales

We record as deferred revenue any non-refundable amounts that are primarily related to prepayments from customers, which is recognized as revenue as or when the performance obligations are satisfied. As of March 31, 2025 and December 31, 2024, deferred revenue related to such customer payments amounted to \$2.09 billion and \$1.77 billion, respectively, mainly due to contractual payment terms. Revenue recognized from the deferred revenue balances as of December 31, 2024 and 2023 was \$623 million and \$417 million for the three months ended March 31, 2025 and 2024, respectively. We have elected the practical expedient to omit disclosure of the amount of the transaction price allocated to remaining performance obligations for contracts with an original expected contract length of one year or less. As of March 31, 2025, total transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied for contracts with an original expected length of more than one year was \$9.95 billion. Of this amount, we expect to recognize \$4.71 billion in the next 12 months and the rest over the remaining performance obligation period. Changes in government and economic incentives or tariffs may impact the transaction price or our ability to execute these existing contracts.

We have financing receivables on our consolidated balance sheets related to loans we provide for financing our energy products. As of March 31, 2025 and December 31, 2024, we had current net financing receivables of \$35 million and \$34 million, respectively, in Accounts receivable, net, and \$668 million and \$658 million, respectively, in Other non-current assets for the long-term portion.

### Income Taxes

We are subject to income taxes in the U.S. and in many foreign jurisdictions. Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets that are not more likely than not to be realized. We monitor the realizability of our deferred tax assets taking into account all relevant factors at each reporting period. In completing our assessment of realizability of our deferred tax assets, we consider our history of income (loss) measured at pre-tax income (loss) adjusted for permanent book-tax differences on a jurisdictional basis, volatility in actual earnings, excess tax benefits related to stock-based compensation in recent prior years and impacts of the timing of reversal of existing temporary differences. We also rely on our assessment of the Company's projected future results of business operations, including uncertainty in future operating results relative to historical results, volatility in the market price of our common stock and its performance over time, variable macroeconomic conditions impacting our ability to forecast future taxable income, and changes in business that may affect the existence and magnitude of future taxable income. Our valuation allowance assessment is based on our best estimate of future results considering all available information.

Our provision for income taxes for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment.

### Net Income per Share of Common Stock Attributable to Common Stockholders

The following table presents the reconciliation of net income attributable to common stockholders to net income used in computing basic and diluted net income per share of common stock (in millions):

|                                                                                     | Three Months Ended March 31, |          |
|-------------------------------------------------------------------------------------|------------------------------|----------|
|                                                                                     | 2025                         | 2024     |
| Net income attributable to common stockholders (1)                                  | \$ 409                       | \$ 1,390 |
| Less: Buy-outs of noncontrolling interest                                           | —                            | (42)     |
| Net income used in computing basic and diluted net income per share of common stock | \$ 409                       | \$ 1,432 |

- (1) As a result of the adoption of ASU No. 2023-08, *Accounting for and Disclosure of Crypto Assets*, the previously reported quarterly period in 2024 has been recast. See *Recent Accounting Pronouncements* below for further details.

The following table presents the reconciliation of basic to diluted weighted average shares used in computing net income per share of common stock attributable to common stockholders (in millions):

|                                                                                         | Three Months Ended March 31, |       |
|-----------------------------------------------------------------------------------------|------------------------------|-------|
|                                                                                         | 2025                         | 2024  |
| Weighted average shares used in computing net income per share of common stock, basic   | 3,218                        | 3,186 |
| Add:                                                                                    |                              |       |
| Stock-based awards                                                                      | 303                          | 286   |
| Convertible senior notes                                                                | —                            | 1     |
| Warrants                                                                                | —                            | 11    |
| Weighted average shares used in computing net income per share of common stock, diluted | 3,521                        | 3,484 |

The following table presents the potentially dilutive shares that were excluded from the computation of diluted net income per share of common stock attributable to common stockholders, because their effect was anti-dilutive (in millions):

|                    | Three Months Ended March 31, |      |
|--------------------|------------------------------|------|
|                    | 2025                         | 2024 |
| Stock-based awards | 13                           | 23   |

#### Restricted Cash

Our total cash and cash equivalents and restricted cash, as presented in the consolidated statements of cash flows, was as follows (in millions):

|                                                                       | March 31,<br>2025 | December 31,<br>2024 | March 31,<br>2024 | December 31,<br>2023 |
|-----------------------------------------------------------------------|-------------------|----------------------|-------------------|----------------------|
| Cash and cash equivalents                                             | \$ 16,352         | \$ 16,139            | \$ 11,805         | \$ 16,398            |
| Restricted cash included in prepaid expenses and other current assets | 415               | 494                  | 363               | 543                  |
| Restricted cash included in other non-current assets                  | 483               | 404                  | 296               | 248                  |
| Total as presented in the consolidated statements of cash flows       | \$ 17,250         | \$ 17,037            | \$ 12,464         | \$ 17,189            |

#### Accounts Receivable and Allowance for Doubtful Accounts

Depending on the day of the week on which the end of a fiscal quarter falls, our accounts receivable balance may fluctuate as we are waiting for certain customer payments to clear through our banking institutions and receipts of payments from our financing partners, which can take up to approximately two weeks based on the contractual payment terms with such partners. Our accounts receivable balances associated with sales of energy storage products are dependent on billing milestones and payment terms negotiated for each contract, and our accounts receivable balances associated with our sales of regulatory credits are dependent on contractual payment terms. Additionally, government rebates can take up to a year or more to be collected depending on the customary processing timelines of the specific jurisdictions issuing them. These various factors may have a significant impact on our accounts receivable balance from period to period. As of March 31, 2025 and December 31, 2024, government rebates receivable was \$232 million and \$315 million, respectively, in Accounts receivable, net for the current portion and immaterial amounts in Other non-current assets for the long-term portion in our consolidated balance sheets.

#### Financing Receivables

As of March 31, 2025 and December 31, 2024, the vast majority of our financing receivables were at current status with an immaterial balance being past due. As of March 31, 2025 and December 31, 2024, the majority of our financing receivables, excluding MyPower notes receivable, were originated in 2023 and 2022.

As of March 31, 2025 and December 31, 2024, the total outstanding balance of MyPower customer notes receivable, net of allowance for expected credit losses, was \$245 million and \$248 million, respectively, of which \$5 million and \$4 million were due in the next 12 months as of March 31, 2025 and December 31, 2024, respectively. As of March 31, 2025 and December 31, 2024, the allowance for expected credit losses was \$33 million.

#### Concentration of Risk

##### Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk consist of cash, cash equivalents, investments, restricted cash, accounts receivable and other finance receivables. Our cash and investments balances are primarily on deposit at high credit quality financial institutions or invested in highly rated, investment-grade securities. These deposits are typically in excess of insured limits. As of March 31, 2025 and December 31, 2024, no entity represented 10% or more of our total receivables balance.

##### Supply Risk

We are dependent on our suppliers, including single source suppliers, and the inability of these suppliers to deliver necessary components of our products in a timely manner at prices, quality levels and volumes acceptable to us, or our inability to efficiently manage these components from these suppliers, could have a material adverse effect on our business, prospects, financial condition and operating results.

#### Warranties

Accrued warranty activity consisted of the following (in millions):

|                                                                                                         | Three Months Ended March 31, |                 |
|---------------------------------------------------------------------------------------------------------|------------------------------|-----------------|
|                                                                                                         | 2025                         | 2024            |
| Accrued warranty - beginning of period                                                                  | \$ 6,716                     | \$ 5,152        |
| Warranty costs incurred                                                                                 | (392)                        | (328)           |
| Net changes in liability for pre-existing warranties, including expirations and foreign exchange impact | 347                          | (18)            |
| Provision for warranty                                                                                  | 543                          | 547             |
| Accrued warranty - end of period                                                                        | <u>\$ 7,214</u>              | <u>\$ 5,353</u> |

#### Recent Accounting Pronouncements

##### Recently issued accounting pronouncements not yet adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective for annual periods beginning after December 15, 2024, and will likely result in the required additional disclosures being included in our consolidated financial statements on either a prospective or retrospective basis, once adopted.

In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses (Subtopic 220-40). The ASU requires the disaggregated disclosure of specific expense categories, including purchases of inventory, employee compensation, depreciation, and amortization, within relevant income statement captions. This ASU also requires disclosure of the total amount of selling expenses along with the definition of selling expenses. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Adoption of this ASU can either be applied prospectively to consolidated financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the consolidated financial statements. Early adoption is also permitted. This ASU will likely result in the required additional disclosures being included in our consolidated financial statements, once adopted. We are currently evaluating the provisions of this ASU.

### Recently adopted accounting pronouncements

#### ASU 2023-08

In December 2023, the FASB issued ASU No. 2023-08, Accounting for and Disclosure of Crypto Assets (Subtopic 350-60) (“new crypto assets standard”). The new crypto assets standard requires certain crypto assets to be measured at fair value separately on the balance sheet with changes reported in the statement of operations each reporting period. The new crypto assets standard also enhances the other intangible asset disclosure requirements by requiring the name, cost basis, fair value, and number of units for each significant crypto asset holding. During the fourth quarter of 2024, we adopted the new crypto assets standard on a modified retrospective approach effective January 1, 2024. As such, the previously reported consolidated financial statements for the three months ended March 31, 2024 have been recast to reflect the adoption of the new crypto assets standard. The following table presents the effects of these changes on the Company’s consolidated financial statements:

| Consolidated Balance Sheets (unaudited): | As of March 31, 2024   |                                                             |             |
|------------------------------------------|------------------------|-------------------------------------------------------------|-------------|
|                                          | As Previously Reported | Adjustments from Adoption of the New Crypto Assets Standard | As Adjusted |
| <b>Assets</b>                            |                        |                                                             |             |
| Digital assets, net                      | \$ 184                 | \$ 638                                                      | \$ 822      |
| Deferred tax assets                      | \$ 6,769               | \$ (141)                                                    | \$ 6,628    |
| <b>Stockholders' equity</b>              |                        |                                                             |             |
| Retained earnings                        | \$ 29,011              | \$ 497                                                      | \$ 29,508   |

  

| Condensed Consolidated Statements of Operations (unaudited): | Three Months Ended March 31, 2024 |                                                             |             |
|--------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------|-------------|
|                                                              | As Previously Reported            | Adjustments from Adoption of the New Crypto Assets Standard | As Adjusted |
| Other income (expense), net                                  | \$ 108                            | \$ 335                                                      | \$ 443      |
| Provision for income taxes                                   | \$ 409                            | \$ 74                                                       | \$ 483      |
| Net income attributable to common stockholders               | \$ 1,129                          | \$ 261                                                      | \$ 1,390    |
| Net income per share attributable to common stockholders:    |                                   |                                                             |             |
| Basic                                                        | \$ 0.37                           | \$ 0.08                                                     | \$ 0.45     |
| Diluted                                                      | \$ 0.34                           | \$ 0.07                                                     | \$ 0.41     |

#### Note 2 – Fair Value of Financial Instruments

ASC 820, *Fair Value Measurements* (“ASC 820”) states that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. The three-tiered fair value hierarchy, which prioritizes which inputs should be used in measuring fair value, is comprised of: (Level I) observable inputs such as quoted prices in active markets; (Level II) inputs other than quoted prices in active markets that are observable either directly or indirectly and (Level III) unobservable inputs for which there is little or no market data. The fair value hierarchy requires the use of observable market data when available in determining fair value. Our assets and liabilities that were measured at fair value on a recurring basis were as follows (in millions):

|                                           | March 31, 2025   |                 |                  |             | December 31, 2024 |                 |                  |             |
|-------------------------------------------|------------------|-----------------|------------------|-------------|-------------------|-----------------|------------------|-------------|
|                                           | Fair Value       | Level I         | Level II         | Level III   | Fair Value        | Level I         | Level II         | Level III   |
| Certificates of deposit and time deposits | \$ 13,287        | \$ —            | \$ 13,287        | \$ —        | \$ 12,767         | \$ —            | \$ 12,767        | \$ —        |
| Commercial paper                          | 3,295            | —               | 3,295            | —           | 3,919             | —               | 3,919            | —           |
| U.S. government securities                | 3,984            | —               | 3,984            | —           | 3,620             | —               | 3,620            | —           |
| Corporate debt securities                 | 78               | —               | 78               | —           | 118               | —               | 118              | —           |
| Money market funds                        | 1,452            | 1,452           | —                | —           | 1,753             | 1,753           | —                | —           |
| Digital assets (1)                        | 951              | 951             | —                | —           | 1,076             | 1,076           | —                | —           |
| <b>Total</b>                              | <b>\$ 23,047</b> | <b>\$ 2,403</b> | <b>\$ 20,644</b> | <b>\$ —</b> | <b>\$ 23,253</b>  | <b>\$ 2,829</b> | <b>\$ 20,424</b> | <b>\$ —</b> |

(1) As of March 31, 2025 and December 31, 2024, the majority of our digital assets were comprised of 11,509 units of Bitcoin held, at a cost of \$386 million.

Our assets classified within Level I of the fair value hierarchy were valued using quoted prices in active markets and our assets classified within Level II of the fair value hierarchy utilized the market approach to determine fair value of the investments.

Our cash, cash equivalents and investments classified by security type as of March 31, 2025 and December 31, 2024 consisted of the following (in millions):

|                                                                | March 31, 2025   |                        |                         |                  |                           |                        |
|----------------------------------------------------------------|------------------|------------------------|-------------------------|------------------|---------------------------|------------------------|
|                                                                | Adjusted Cost    | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value       | Cash and Cash Equivalents | Short-Term Investments |
| Cash                                                           | \$ 14,900        | \$ —                   | \$ —                    | \$ 14,900        | \$ 14,900                 | \$ —                   |
| Certificates of deposit and time deposits                      | 13,285           | 2                      | —                       | 13,287           | —                         | 13,287                 |
| Commercial paper                                               | 3,291            | 4                      | —                       | 3,295            | —                         | 3,295                  |
| U.S. government securities                                     | 3,984            | 2                      | (2)                     | 3,984            | —                         | 3,984                  |
| Corporate debt securities                                      | 78               | —                      | —                       | 78               | —                         | 78                     |
| Money market funds                                             | 1,452            | —                      | —                       | 1,452            | 1,452                     | —                      |
| <b>Total cash, cash equivalents and short-term investments</b> | <b>\$ 36,990</b> | <b>\$ 8</b>            | <b>\$ (2)</b>           | <b>\$ 36,996</b> | <b>\$ 16,352</b>          | <b>\$ 20,644</b>       |

|                                                                | December 31, 2024 |                        |                         |                  |                           |                        |
|----------------------------------------------------------------|-------------------|------------------------|-------------------------|------------------|---------------------------|------------------------|
|                                                                | Adjusted Cost     | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value       | Cash and Cash Equivalents | Short-Term Investments |
| Cash                                                           | \$ 14,386         | \$ —                   | \$ —                    | \$ 14,386        | \$ 14,386                 | \$ —                   |
| Certificates of deposit and time deposits                      | 12,767            | —                      | —                       | 12,767           | —                         | 12,767                 |
| Commercial paper                                               | 3,908             | 11                     | —                       | 3,919            | —                         | 3,919                  |
| U.S. government securities                                     | 3,618             | 3                      | (1)                     | 3,620            | —                         | 3,620                  |
| Corporate debt securities                                      | 117               | 1                      | —                       | 118              | —                         | 118                    |
| Money market funds                                             | 1,753             | —                      | —                       | 1,753            | 1,753                     | —                      |
| <b>Total cash, cash equivalents and short-term investments</b> | <b>\$ 36,549</b>  | <b>\$ 15</b>           | <b>\$ (1)</b>           | <b>\$ 36,563</b> | <b>\$ 16,139</b>          | <b>\$ 20,424</b>       |

As of March 31, 2025, the majority of our short-term investments had contractual maturity dates within one year.

#### Disclosure of Fair Values

Our financial instruments that are not re-measured at fair value include accounts receivable, financing receivables, other receivables, accounts payable, accrued liabilities, customer deposits and debt. The carrying values of these financial instruments materially approximate their fair values.

#### Note 3 – Inventory

Our inventory consisted of the following (in millions):

|                    | March 31,<br>2025 | December 31,<br>2024 |
|--------------------|-------------------|----------------------|
| Raw materials      | \$ 5,100          | \$ 5,242             |
| Work in process    | 2,024             | 1,532                |
| Finished goods (1) | 5,247             | 3,940                |
| Service parts      | 1,335             | 1,303                |
| Total              | <u>\$ 13,706</u>  | <u>\$ 12,017</u>     |

(1) Finished goods inventory includes products-in-transit to fulfill customer orders, new vehicles, used vehicles and energy products available for sale.

We write-down inventory for any excess or obsolete inventory or when we believe that the net realizable value of inventory is less than the carrying value. During the three months ended March 31, 2025 and 2024, we recorded write-downs of \$79 million and \$39 million, respectively, in Cost of revenues in the consolidated statements of operations.

#### Note 4 – Property, Plant and Equipment, Net

Our property, plant and equipment, net, consisted of the following (in millions):

|                                                     | March 31,<br>2025 | December 31,<br>2024 |
|-----------------------------------------------------|-------------------|----------------------|
| Machinery, equipment, vehicles and office furniture | \$ 18,789         | \$ 18,339            |
| Land and buildings                                  | 10,914            | 10,677               |
| AI infrastructure                                   | 5,420             | 5,152                |
| Tooling                                             | 4,427             | 3,883                |
| Leasehold improvements                              | 3,883             | 3,688                |
| Computer equipment, hardware and software           | 3,010             | 2,902                |
| Construction in progress                            | 7,313             | 6,783                |
|                                                     | 53,756            | 51,424               |
| Less: Accumulated depreciation                      | (16,668)          | (15,588)             |
| Total                                               | <u>\$ 37,088</u>  | <u>\$ 35,836</u>     |

Construction in progress is primarily comprised of ongoing construction and expansion of our facilities, equipment and tooling related to the manufacturing of our products as well as AI-related assets which have not yet been placed in service.

Depreciation expense during the three months ended March 31, 2025 and 2024 was \$1.15 billion and \$929 million, respectively.

**Note 5 – Accrued Liabilities and Other**

Our accrued liabilities and other current liabilities consisted of the following (in millions):

|                                              | March 31,<br>2025 | December 31,<br>2024 |
|----------------------------------------------|-------------------|----------------------|
| Accrued purchases (1)                        | \$ 2,414          | \$ 2,253             |
| Accrued warranty reserve, current portion    | 2,053             | 1,917                |
| Payroll and related costs                    | 1,612             | 1,532                |
| Taxes payable (2)                            | 1,176             | 1,367                |
| Customer deposits                            | 1,013             | 993                  |
| Operating lease liabilities, current portion | 842               | 807                  |
| Sales return reserve, current portion        | 340               | 305                  |
| Other current liabilities                    | 1,352             | 1,549                |
| <b>Total</b>                                 | <b>\$ 10,802</b>  | <b>\$ 10,723</b>     |

- (1) Accrued purchases primarily reflects receipts of goods and services for which we had not yet been invoiced. As we are invoiced for these goods and services, this balance will reduce and accounts payable will increase.
- (2) Taxes payable primarily includes value added tax, income tax, sales tax, property tax and use tax payables.

**Note 6 – Other Long-Term Liabilities**

Our other long-term liabilities consisted of the following (in millions):

|                                          | March 31,<br>2025 | December 31,<br>2024 |
|------------------------------------------|-------------------|----------------------|
| Accrued warranty reserve                 | \$ 5,161          | \$ 4,799             |
| Operating lease liabilities              | 4,757             | 4,603                |
| Other non-current liabilities            | 1,120             | 1,093                |
| <b>Total other long-term liabilities</b> | <b>\$ 11,038</b>  | <b>\$ 10,495</b>     |

**Note 7 – Debt**

The following is a summary of our debt and finance leases as of March 31, 2025 (in millions):

|                                      | Net Carrying Value |                 | Unpaid<br>Principal<br>Balance | Unused<br>Committed<br>Amount (1) | Contractual<br>Interest Rates | Contractual<br>Maturity Date |
|--------------------------------------|--------------------|-----------------|--------------------------------|-----------------------------------|-------------------------------|------------------------------|
|                                      | Current            | Long-Term       |                                |                                   |                               |                              |
| <b>Recourse debt:</b>                |                    |                 |                                |                                   |                               |                              |
| RCF Credit Agreement                 | \$ —               | \$ —            | \$ —                           | \$ 5,000                          | Not applicable                | January 2028                 |
| Other                                | 4                  | 2               | 6                              | —                                 | 4.70-5.75%                    | April 2025-January 2031      |
| Total recourse debt                  | 4                  | 2               | 6                              | 5,000                             |                               |                              |
| <b>Non-recourse debt:</b>            |                    |                 |                                |                                   |                               |                              |
| Automotive Asset-backed Notes        | 2,083              | 1,620           | 3,715                          | —                                 | 2.96-6.57%                    | June 2026-June 2035          |
| China Working Capital Facility       | —                  | 2,755           | 2,755                          | —                                 | 1.92-2.11%                    | April 2025-March 2026 (2)    |
| Energy Asset-backed Notes            | 47                 | 413             | 464                            | —                                 | 4.83-6.25%                    | December 2025-June 2050      |
| Cash Equity Debt                     | 30                 | 290             | 328                            | —                                 | 5.25-5.81%                    | July 2033-January 2035       |
| Total non-recourse debt              | 2,160              | 5,078           | 7,262                          | —                                 |                               |                              |
| Total debt                           | 2,164              | 5,080           | \$ 7,268                       | \$ 5,000                          |                               |                              |
| Finance leases                       | 73                 | 212             |                                |                                   |                               |                              |
| <b>Total debt and finance leases</b> | <b>\$ 2,237</b>    | <b>\$ 5,292</b> |                                |                                   |                               |                              |

The following is a summary of our debt and finance leases as of December 31, 2024 (in millions):

|                                | Net Carrying Value |           | Unpaid Principal Balance | Unused Committed Amount (1) | Contractual Interest Rates | Contractual Maturity Date |
|--------------------------------|--------------------|-----------|--------------------------|-----------------------------|----------------------------|---------------------------|
|                                | Current            | Long-Term |                          |                             |                            |                           |
| <b>Recourse debt:</b>          |                    |           |                          |                             |                            |                           |
| RCF Credit Agreement           | \$ —               | \$ —      | \$ —                     | 5,000                       | Not applicable             | January 2028              |
| Other                          | 4                  | 3         | 7                        | —                           | 4.70-5.75%                 | March 2025-January 2031   |
| Total recourse debt            | 4                  | \$ 3      | 7                        | 5,000                       |                            |                           |
| <b>Non-recourse debt:</b>      |                    |           |                          |                             |                            |                           |
| Automotive Asset-backed Notes  | 2,255              | 2,059     | 4,329                    | —                           | 3.45-6.57%                 | September 2025-June 2035  |
| China Working Capital Facility | —                  | 2,740     | 2,740                    | —                           | 1.92%                      | April 2025 (2)            |
| Energy Asset-backed Notes      | 54                 | 434       | 493                      | —                           | 4.80-6.25%                 | December 2025-June 2050   |
| Cash Equity Debt               | 30                 | 299       | 338                      | —                           | 5.25-5.81%                 | July 2033-January 2035    |
| Total non-recourse debt        | 2,339              | 5,532     | 7,900                    | —                           |                            |                           |
| Total debt                     | 2,343              | 5,535     | \$ 7,907                 | \$ 5,000                    |                            |                           |
| Finance leases                 | 113                | 222       |                          |                             |                            |                           |
| Total debt and finance leases  | \$ 2,456           | \$ 5,757  |                          |                             |                            |                           |

- (1) There are no restrictions on draw-down or use for general corporate purposes with respect to any available committed funds under our RCF Credit Agreement, except certain specified conditions prior to draw-down. Refer to the notes to the consolidated financial statements included in our reporting on Form 10-K for the year ended December 31, 2024 for the terms of the facility.
- (2) As we have the intent and ability to refinance the loan on a long-term basis, we recorded it in Debt and finance leases, net of current portion in the consolidated balance sheets.

Recourse debt refers to debt that is recourse to our general assets. Non-recourse debt refers to debt that is recourse to only assets of our subsidiaries. The differences between the unpaid principal balances and the net carrying values are due to debt discounts or deferred issuance costs. As of March 31, 2025, we were in material compliance with all financial debt covenants.

### China Working Capital Facility

In March 2025, the China Working Capital Facility was amended to extend the availability of funds through April 2028. In addition, the maturity date for each borrowing is the earlier of one year from the date the funds are drawn or April 2029. Borrowings will bear interest at a rate equal to the Loan Prime Rate published by the People's Bank of China minus 0.99%.

### Note 8 – Equity Incentive Plans

#### Performance-Based Grants

From time to time, the Compensation Committee of our Board of Directors grants certain employees performance-based restricted stock units and stock options.

As of March 31, 2025, we had unrecognized stock-based compensation expense of \$466 million under these grants to purchase or receive an aggregate 5.1 million shares of our common stock. For awards probable of achievement, we estimate the unrecognized stock-based compensation expense of \$397 million will be recognized over a weighted-average period of 3.9 years.

For the three months ended March 31, 2025 and 2024, stock-based compensation expense related to these grants, net of forfeitures, were immaterial.

## Summary Stock-Based Compensation Information

The following table summarizes our stock-based compensation expense by line item in the consolidated statements of operations (in millions):

|                                     | Three Months Ended March 31, |        |
|-------------------------------------|------------------------------|--------|
|                                     | 2025                         | 2024   |
| Cost of revenues                    | \$ 209                       | \$ 202 |
| Research and development            | 277                          | 212    |
| Selling, general and administrative | 87                           | 110    |
| Total                               | \$ 573                       | \$ 524 |

## Note 9 – Income Taxes

Our effective tax rate was 29% for the three months ended March 31, 2025, compared to 26% for the three months ended March 31, 2024. The change in our effective tax rate was primarily due to the changes in the mix of our jurisdictional earnings.

Our effective tax rates for the first three months of 2025 and 2024 as compared to the U.S. federal statutory rate of 21% were primarily impacted by the mix of our jurisdictional earnings subject to different tax rates, valuation allowances on our deferred tax assets and benefits from our U.S. tax credits and the Inflation Reduction Act of 2022 (“IRA”) manufacturing credits.

## Note 10 – Commitments and Contingencies

### Operating Lease Arrangements in Buffalo, New York and Shanghai, China

For a description of our operating lease arrangements in Buffalo, New York, and Shanghai, China, refer to Note 14, *Commitments and Contingencies*, in our Annual Report on Form 10-K for the year ended December 31, 2024. As of March 31, 2025, we have met and expect to meet the requirements under these arrangements, as may be modified and discussed from time to time, based on our current and anticipated level of operations.

### Legal Proceedings

#### Litigation Relating to 2018 CEO Performance Award

On June 4, 2018, a purported Tesla stockholder filed a putative class and derivative action in the Delaware Court of Chancery against Elon Musk and the members of Tesla’s board of directors as then constituted, alleging corporate waste, unjust enrichment and that such board members breached their fiduciary duties by approving the stock-based compensation plan awarded to Elon Musk in 2018 (the “2018 CEO Performance Award”). Trial was held November 14-18, 2022. On January 30, 2024, the Court issued an opinion finding that the 2018 CEO Performance Award should be rescinded. Plaintiff’s counsel filed a brief seeking a fee award of 29,402,900 Tesla shares, plus expenses of \$1,120,115.50. Tesla opposed the fee request, and at Tesla’s 2024 Annual Meeting of Stockholders, 72% of the disinterested voting shares of Tesla, excluding shares owned by Mr. Musk and Kimbal Musk, voted to ratify the 2018 CEO Performance Award. Because Tesla’s disinterested stockholders voted to ratify the 2018 CEO Performance Award, Mr. Musk and the other director defendants, joined by Tesla, filed a brief seeking to revise the Court’s January 30, 2024 opinion. On December 2, 2024, the Court issued an opinion denying the motion to revise the Court’s January 30, 2024 opinion and awarded Plaintiff’s counsel fees in the amount of \$345 million. A final judgment was entered by the Court, and the director defendants and Tesla appealed the decisions to the Delaware Supreme Court. Tesla and the Director Defendants filed their response briefs on March 11, 2025. Plaintiff’s opening brief is due on April 25, 2025, and reply briefs are due on May 16, 2025. If the appeal to the Delaware Supreme Court were unsuccessful, it could result in a material adverse impact on our business and reported earnings due to the uncertainty and potentially significant costs associated with replacing or revising Mr. Musk’s compensation package, the types of which were described in our 2024 proxy statement.

#### Litigation Related to Directors’ Compensation

On June 17, 2020, a purported Tesla stockholder filed a derivative action in the Delaware Court of Chancery, purportedly on behalf of Tesla, against certain of Tesla’s current and former directors regarding compensation awards granted to Tesla’s directors, other than Elon Musk, between 2017 and 2020. The suit asserts claims for breach of fiduciary duty and unjust enrichment and seeks declaratory and injunctive relief, unspecified damages and other relief. Defendants filed their answer on September 17, 2020.

On July 14, 2023, the parties filed a Stipulation and Agreement of Compromise and Settlement, which does not involve an admission of any wrongdoing by any party. Pursuant to the terms of the agreement, Tesla provided notice of the proposed settlement to stockholders of record as of July 14, 2023. The Court held a hearing regarding the settlement on October 13, 2023, after which it took the settlement and Plaintiff's counsel fees request under advisement. On January 8, 2025, the Court approved the settlement and awarded Plaintiff's counsel fees in the amount of approximately \$176 million. A final judgment was entered by the Court on January 13, 2025.

The Company disagrees with the amount of attorneys' fees awarded by the court. On February 10, 2025, Tesla appealed the attorneys' fee award amount to the Delaware Supreme Court. Tesla did not appeal the Delaware Court of Chancery's approval of the underlying settlement. Also on February 10, 2025, a single shareholder appealed the approval of the settlement. This shareholder's appeal does not seek to alter any material terms (e.g., financial contributions or the defendants' obligations under the Settlement Agreement). The Delaware Court of Chancery had previously rejected this shareholder's objections when approving the Settlement Agreement.

Because neither Tesla's appeal nor the shareholder's appeal seeks to vacate the Settlement Agreement or materially modify its terms, the Company expects to implement the provisions of the Settlement Agreement in May 2025 by cancelling the options requiring cancellation under its terms.

In connection with the settlement, Tesla received \$277 million from certain directors and paid Plaintiff's counsel fees of \$176 million (which, as noted above, the Company is appealing) in the three months ended March 31, 2025. We have recorded a \$31 million reversal of previously recognized stock-based compensation expense in association with the returned awards and increased our provision for income taxes in relation to the return of directors' compensation. As the settlement was an equity transaction, the net impact to additional paid-in-capital was \$110 million in the three months ended March 31, 2025.

#### *Litigation Relating to Potential Going Private Transaction*

Between October 17, 2018 and March 8, 2021, seven derivative lawsuits were filed in the Delaware Court of Chancery, purportedly on behalf of Tesla, against Mr. Musk and the members of Tesla's board of directors, as constituted at relevant times, in relation to statements made and actions connected to a potential going private transaction, with certain of the lawsuits challenging additional Twitter posts by Mr. Musk, among other things. Several of those actions were consolidated, and all have been stayed. In addition to these cases, two derivative lawsuits were filed on October 25, 2018 and February 11, 2019 in the U.S. District Court for the District of Delaware, purportedly on behalf of Tesla, against Mr. Musk and the members of the Tesla board of directors as then constituted. Those cases have also been consolidated.

On October 21, 2022, a lawsuit was filed in the Delaware Court of Chancery by a purported shareholder of Tesla alleging, among other things, that board members breached their fiduciary duties in connection with their oversight of the Company's 2018 settlement with the SEC, as amended. Among other things, the plaintiff seeks reforms to the Company's corporate governance and internal procedures, unspecified damages, and attorneys' fees. The lawsuit has been stayed.

#### *Certain Derivative Lawsuits in Delaware*

Before converting from a Delaware to Texas corporation on June 13, 2024, three separate derivative actions brought by purported Tesla stockholders were filed in the Delaware Court of Chancery on May 24, June 10 and June 13, 2024, purportedly on behalf of Tesla, against current and former directors regarding topics involving Elon Musk and others, X Corp. (formerly Twitter) and xAI. These suits assert various claims, including breach of fiduciary duty and breach of contract, and seek unspecified damages and other relief. On August 6, 2024, the plaintiffs in these three actions moved to consolidate the matters into a single case. The Court consolidated two of the three cases. Tesla and the directors filed motions to dismiss on April 4, 2025.

#### *Litigation and Investigations Relating to Alleged Discrimination and Harassment*

On February 9, 2022, the California Civil Rights Department ("CRD," formerly "DFEH") filed a civil complaint against Tesla in Alameda County, California Superior Court, alleging systemic race discrimination, hostile work environment and pay equity claims, among others. CRD's amended complaint seeks monetary damages and injunctive relief. The case is currently in discovery. Trial is scheduled for September 15, 2025.

Additionally, on June 1, 2022 the Equal Employment Opportunity Commission ("EEOC") issued a cause finding against Tesla that closely parallels the CRD's allegations. On September 28, 2023, the EEOC filed a civil complaint against Tesla in the United States District Court for the Northern District of California asserting claims for race harassment and retaliation and seeking, among other things, monetary and injunctive relief.

On June 16, 2022, two Tesla stockholders filed separate derivative actions in the U.S. District Court for the Western District of Texas, purportedly on behalf of Tesla, against certain of Tesla's current and former directors. Both suits assert claims for breach of fiduciary duty, unjust enrichment, and violation of the federal securities laws in connection with alleged race and gender discrimination and sexual harassment. Among other things, plaintiffs seek declaratory and injunctive relief, unspecified damages payable to Tesla, and attorneys' fees. On July 22, 2022, the Court consolidated the two cases and on September 6, 2022, plaintiffs filed a consolidated complaint. On November 7, 2022, the defendants filed a motion to dismiss the case and on September 15, 2023, the Court dismissed the action but granted plaintiffs leave to file an amended complaint. On November 2, 2023, plaintiff filed an amended complaint purportedly on behalf of Tesla, against Elon Musk. On December 19, 2023, the defendants moved to dismiss the amended complaint, which the Court granted on April 12, 2024, with leave for plaintiffs to amend. On May 15, 2024, plaintiffs filed a second amended consolidated complaint purportedly on behalf of Tesla, against Mr. Musk. On July 1, 2024, the defendants moved to dismiss the second amended consolidated complaint. On March 12, 2025, the Court granted the motion to dismiss, dismissing the plaintiffs' complaint with prejudice.

#### *Other Litigation Related to Our Products and Services*

We are also subject to various lawsuits that seek monetary and other injunctive relief. These lawsuits include proposed class actions and other consumer claims that allege, among other things, purported defects and misrepresentations related to our products and services. For example, on September 14, 2022, a proposed class action was filed against Tesla, Inc. and related entities in the U.S. District Court for the Northern District of California, alleging various claims about the Company's driver assistance technology systems under state and federal law. This case was later consolidated with several other proposed class actions, and a Consolidated Amended Complaint was filed on October 28, 2022, which seeks damages and other relief on behalf of all persons who purchased or leased from Tesla between January 1, 2016, to the present. On October 5, 2022, a proposed class action complaint was filed in the U.S. District Court for the Eastern District of New York asserting similar state and federal law claims against the same defendants. On September 30, 2023, the Court dismissed this action with leave to amend the complaint. On November 20, 2023, the plaintiff moved to amend the complaint, which Tesla opposed. On August 8, 2024, the Court denied the plaintiff's motion for leave to file an amended complaint and entered judgment for Tesla. On September 5, 2024, the plaintiff filed a notice of appeal to United States Court of Appeals for the Second Circuit, and oral argument occurred on March 20, 2025. On March 22, 2023, the plaintiffs in the Northern District of California consolidated action filed a motion for a preliminary injunction to order Tesla to (1) cease using the term "Full Self-Driving Capability" (FSD Capability), (2) cease the sale and activation of FSD Capability and deactivate FSD Capability on Tesla vehicles, and (3) provide certain notices to consumers about proposed court-findings about the accuracy of the use of the terms Autopilot and FSD Capability. Tesla opposed the motion. On September 30, 2023, the Court denied the request for a preliminary injunction, compelled four of five plaintiffs to arbitration, and dismissed the claims of the fifth plaintiff with leave to amend the complaint. On October 31, 2023, the remaining plaintiff in the Northern District of California action filed an amended complaint, which Tesla moved to dismiss, and on May 15, 2024, the Court granted in part and denied in part Tesla's motion. On October 2, 2023, a similar proposed class action was filed in San Diego County Superior Court in California. Tesla subsequently removed the San Diego County case to federal court and on January 8, 2024, the federal court granted Tesla's motion to transfer the case to the U.S. District Court for the Northern District of California. Tesla moved to compel arbitration, which the plaintiff did not oppose, and on June 27, 2024, the Court stayed the case pending arbitration.

On February 27, 2023, a proposed class action was filed in the U.S. District Court for the Northern District of California against Tesla, Inc., Elon Musk and certain current and former Company executives. The complaint alleges that the defendants made material misrepresentations and omissions about the Company's Autopilot and FSD Capability technologies and seeks money damages and other relief on behalf of persons who purchased Tesla stock between February 19, 2019, and February 17, 2023. An amended complaint was filed on September 5, 2023, naming only Tesla, Inc. and Elon Musk as defendants. On November 6, 2023, Tesla moved to dismiss the amended complaint. On September 30, 2024, the Court granted Tesla's motion to dismiss without prejudice. On November 26, 2024, the court issued a final judgment in Tesla's favor, and on December 23, 2024, the plaintiffs filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit.

On March 14, 2023, a proposed class action was filed against Tesla, Inc. in the U.S. District Court for the Northern District of California. Several similar complaints were also filed in the same court and these cases have now all been consolidated. These complaints allege that Tesla violates federal antitrust and warranty laws through its repair, service, and maintenance practices and seeks, among other relief, damages for persons who paid Tesla for repairs services or Tesla compatible replacement parts from March 2019 to March 2023. On July 17, 2023, these plaintiffs filed a consolidated amended complaint. On September 27, 2023, the court granted Tesla's motion to compel arbitration as to three of the plaintiffs, and on November 17, 2023, the court granted Tesla's motion to dismiss without prejudice. The plaintiffs filed a Consolidated Second Amended Complaint on December 12, 2023, which Tesla moved to dismiss. Plaintiffs also appealed the court's arbitration order, which was denied. On June 17, 2024, the Court granted in part and denied in part Tesla's motion to dismiss the Consolidated Second Amended Complaint. On February 18, 2025, the plaintiffs filed a Third Consolidated Amended Class Action Complaint that removed the claims for monetary damages.

The Company intends to vigorously defend itself in these matters; however, we cannot predict the outcome or impact. We are unable to reasonably estimate the possible loss or range of loss, if any, associated with these claims, unless noted.

#### *Certain Investigations and Other Matters*

We regularly receive requests for information, including subpoenas, from regulators and governmental authorities such as the National Highway Traffic Safety Administration, the National Transportation Safety Board, the Securities and Exchange Commission ("SEC"), the Department of Justice ("DOJ"), and various local, state, federal, and international agencies. The ongoing requests for information include topics such as operations, technology (e.g., vehicle functionality, vehicle incidents, Autopilot and FSD Capability), compliance, finance, data privacy, and other matters related to Tesla's business, its personnel, and related parties. We routinely cooperate with such formal and informal requests for information, investigations, and other inquiries. To our knowledge no government agency in any ongoing investigation has concluded that any wrongdoing occurred. We cannot predict the outcome or impact of any ongoing matters. Should the government decide to pursue an enforcement action, there exists the possibility of a material adverse impact on our business, results of operation, prospects, cash flows, financial position or brand.

We are also subject to various other legal proceedings, risks and claims that arise from the normal course of business activities. For example, during the second quarter of 2023, a foreign news outlet reported that it obtained certain misappropriated data including, purportedly non-public Tesla business and personal information. Tesla has made notifications to potentially affected individuals (current and former employees) and regulatory authorities and we are working with certain law enforcement and other authorities. On August 5, 2023, a putative class action was filed in the United States District Court for the Northern District of California, purportedly on behalf of all U.S. individuals impacted by the data incident, followed by several additional lawsuits, that each assert claims under various state laws and seeks monetary damages and other relief. If an unfavorable ruling or development were to occur in these or other possible legal proceedings, risks and claims, there exists the possibility of a material adverse impact on our business, results of operations, prospects, cash flows, financial position or brand.

**Note 11 – Variable Interest Entity Arrangements**

The aggregate carrying values of the variable interest entities' assets and liabilities, after elimination of any intercompany transactions and balances, in the consolidated balance sheets were as follows (in millions):

|                                                 | March 31,<br>2025 | December 31,<br>2024 |
|-------------------------------------------------|-------------------|----------------------|
| <b>Assets</b>                                   |                   |                      |
| Current assets                                  |                   |                      |
| Cash and cash equivalents                       | \$ 47             | \$ 49                |
| Accounts receivable, net                        | 20                | 18                   |
| Prepaid expenses and other current assets       | 288               | 276                  |
| Total current assets                            | 355               | 343                  |
| Operating lease vehicles, net                   | 358               | 392                  |
| Solar energy systems, net                       | 2,273             | 2,310                |
| Other non-current assets                        | 184               | 183                  |
| Total assets                                    | <u>\$ 3,170</u>   | <u>\$ 3,228</u>      |
| <b>Liabilities</b>                              |                   |                      |
| Current liabilities                             |                   |                      |
| Accrued liabilities and other                   | \$ 22             | \$ 32                |
| Deferred revenue                                | 6                 | 6                    |
| Current portion of debt and finance leases      | 1,946             | 2,114                |
| Total current liabilities                       | 1,974             | 2,152                |
| Deferred revenue, net of current portion        | 67                | 71                   |
| Debt and finance leases, net of current portion | 1,450             | 1,834                |
| Total liabilities                               | <u>\$ 3,491</u>   | <u>\$ 4,057</u>      |

**Note 12 – Segment Reporting and Information about Geographic Areas**

We have two operating and reportable segments: (i) automotive and (ii) energy generation and storage. The following table presents revenues, cost of revenues and gross profit by reportable segment (in millions):

|                                              | Three Months Ended March 31, |           |
|----------------------------------------------|------------------------------|-----------|
|                                              | 2025                         | 2024      |
| <b>Automotive segment</b>                    |                              |           |
| Revenues                                     | \$ 16,605                    | \$ 19,666 |
| Cost of revenues (1)                         | \$ 14,237                    | \$ 16,373 |
| Gross profit                                 | \$ 2,368                     | \$ 3,293  |
| <b>Energy generation and storage segment</b> |                              |           |
| Revenues                                     | \$ 2,730                     | \$ 1,635  |
| Cost of revenues (2)                         | \$ 1,945                     | \$ 1,232  |
| Gross profit                                 | \$ 785                       | \$ 403    |

- (1) Depreciation and amortization included in Cost of revenues for the automotive segment for the three months ended March 31, 2025 and 2024 was \$954 million and \$879 million, respectively.
- (2) Depreciation and amortization included in Cost of revenues for the energy generation and storage segment for the three months ended March 31, 2025 and 2024 was \$83 million and \$91 million, respectively.

The following table presents revenues by geographic area based on the sales location of our products (in millions):

|                     | Three Months Ended March 31, |                  |
|---------------------|------------------------------|------------------|
|                     | 2025                         | 2024             |
| United States       | \$ 10,333                    | \$ 9,762         |
| China               | 4,303                        | 4,592            |
| Other international | 4,699                        | 6,947            |
| Total               | <u>\$ 19,335</u>             | <u>\$ 21,301</u> |

The following table presents long-lived assets by geographic area (in millions):

|                     | March 31,<br>2025 | December 31,<br>2024 |
|---------------------|-------------------|----------------------|
|                     |                   |                      |
| United States       | \$ 33,234         | \$ 32,461            |
| Germany             | 4,467             | 4,175                |
| Other international | 4,242             | 4,124                |
| Total               | <u>\$ 41,943</u>  | <u>\$ 40,760</u>     |

The following table presents inventory by reportable segment (in millions):

|                               | March 31,<br>2025 | December 31,<br>2024 |
|-------------------------------|-------------------|----------------------|
|                               |                   |                      |
| Automotive                    | \$ 11,562         | \$ 9,988             |
| Energy generation and storage | 2,144             | 2,029                |
| Total                         | <u>\$ 13,706</u>  | <u>\$ 12,017</u>     |

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q.*

### Overview

Our mission is to accelerate the world's transition to sustainable energy. We design, develop, manufacture, lease and sell high-performance fully electric vehicles, solar energy generation systems and energy storage products. We also offer maintenance, installation, operation, charging, insurance, financial and other services related to our products. Additionally, we are increasingly focused on products and services based on AI, robotics and automation.

As a result of rapidly evolving trade policy, uncertainty in the automotive and energy markets continues to increase, posing risks to our global supply chain and cost structure which could have a meaningfully adverse impact on demand for our products and our profitability. The current tariff regime will have a relatively larger impact on our energy generation and storage business compared to our automotive business. While we prepare for near-term challenges to our business under current policies, we are focused on long-term growth opportunities as we continue to make prudent investments.

In 2025, we produced approximately 363,000 consumer vehicles and delivered approximately 337,000 consumer vehicles through the first quarter. We are focused on profitable growth, including by leveraging existing factories and production lines to introduce new and more affordable products, further improving and deploying our FSD (Supervised) capabilities, including future autonomous capabilities through our purpose-built Robotaxi product, Cybercab, reducing costs, increasing vehicle production, utilized capacity and delivery capabilities, improving and developing our vehicles and battery technologies, vertically integrating and localizing our supply chain, and expanding our global infrastructure, including our service and charging infrastructure.

In 2025, we deployed 10.4 GWh of energy storage products through the first quarter. We are focused on ramping the production and increasing the market penetration of our energy storage products.

During the three months ended March 31, 2025, we recognized total revenues of \$19.34 billion, representing a decrease of \$1.97 billion compared to the same period in the prior year. During the three months ended March 31, 2025, our net income attributable to common stockholders was \$409 million, representing a decrease of \$981 million compared to the same period in the prior year. We continue to ramp production and build and optimize our manufacturing capacity, expand our operations while focusing on further cost reductions and operational efficiencies to enable increased deliveries and deployments of our products, and invest in research and development to accelerate our AI, software, and fleet-based profits for further revenue growth.

We ended the first quarter of 2025 with \$37.00 billion in cash and cash equivalents and investments, representing an increase of \$433 million from the end of 2024. Our cash flows provided by operating activities were \$2.16 billion during the three months ended March 31, 2025, compared to \$242 million during the same period ended March 31, 2024, representing an increase of \$1.91 billion. Capital expenditures amounted to \$1.49 billion during the three months ended March 31, 2025, compared to \$2.78 billion during the same period ended March 31, 2024, representing a decrease of \$1.29 billion. Overall growth has allowed our business to generally fund itself, and we will continue to make critical high-value investments while maintaining a strong balance sheet.

## Management Opportunities, Challenges and Uncertainties and 2025 Outlook

### Automotive—Production

The following is a summary of the status of production of each of our announced vehicle models in production and under development, as of the date of this Quarterly Report on Form 10-Q:

| Production Location            | Vehicle Model(s)  | Production Status |
|--------------------------------|-------------------|-------------------|
| Fremont Factory                | Model S / Model X | Active            |
|                                | Model 3 / Model Y | Active            |
| Gigafactory Shanghai           | Model 3 / Model Y | Active            |
| Gigafactory Berlin-Brandenburg | Model Y           | Active            |
| Gigafactory Texas              | Model Y           | Active            |
|                                | Cybertruck        | Active            |
|                                | Cybercab          | Construction      |
| Gigafactory Nevada             | Tesla Semi        | Construction      |
| TBD                            | Roadster          | In development    |

We are focused on growing our manufacturing capacity, which includes capacity for manufacturing newer vehicle models such as our Cybertruck, Tesla Semi and future vehicles utilizing aspects of our next generation platform, and ramping the production at our Gigafactories to their installed production capacities as well as increasing production rate and efficiency at our current factories. In the first quarter of 2025, we accomplished an industry first - simultaneously changing over production lines across all factories for our New Model Y. While there were several weeks of lost production in the quarter from this changeover, we successfully ramped our production lines across four factories while managing supply chains across three continents without any major disruptions, demonstrating the advancement of our operational and supply chain management capabilities. As we continue to ramp production of the New Model Y, we are also preparing our factories for the launch of new models later this year. The next phase of production growth will be initiated by advances in autonomy and the introduction of new products, including those built on our next generation vehicle platform, as well as our ability to add to our available sources of battery cell supply by manufacturing our own cells that we are developing to have high-volume output, lower capital and production costs and longer range. Our goals are to improve vehicle performance, decrease production costs and increase affordability and customer awareness.

These plans are subject to uncertainties inherent in establishing and ramping manufacturing operations, which may be exacerbated by new product and manufacturing technologies we introduce, the number of concurrent international projects, any industry-wide component constraints, labor shortages and any future impact from events outside of our control. For example, changes to trade policy with respect to tariffs, export controls and other restrictions may impact our global supply chain cost structure and availability, affecting not only vehicle production, but also facility expansions. Moreover, we have set ambitious technological targets with our plans for battery cells as well as for iterative manufacturing and design improvements for our vehicles with each new factory expansion.

### Automotive—Demand, Sales, Deliveries and Infrastructure

Our cost reduction efforts, cost innovation strategies, and additional localized procurement and manufacturing are key to our vehicles' affordability and have allowed us to competitively price our vehicles. We will also continue to generate demand by improving our vehicles' performance and functionality, including through product offerings and features utilizing artificial intelligence such as Autopilot, FSD (Supervised), and other software, and delivering new vehicles and vehicle options, such as our launch of the updated Model 3 in 2024, and the New Model Y in the first quarter of 2025. In addition, we have been increasing awareness, and expanding our vehicle financing programs, including attractive leasing terms for our customers.

However, we operate in a cyclical industry that is sensitive to shifting consumer trends, political and regulatory uncertainty, including with respect to trade and the environment, all of which can be compounded by inflationary pressures, rising energy prices, interest rate fluctuations and the liquidity of enterprise customers. For example, as inflationary pressures increased across the markets in which we operate, central banks in developed countries raised interest rates rapidly and substantially, which impacted the affordability of vehicle lease and finance arrangements. Further, sales of vehicles in the automotive industry also tend to be cyclical in many markets, which may expose us to increased volatility as we expand and adjust our operations. Moreover, as additional competitors enter the marketplace and help bring the world closer to sustainable transportation, we will have to adjust and continue to execute well to maintain our momentum. Additionally, our suppliers' liquidity and allocation plans may be affected by current challenges in the North American automotive industry, which could reduce our access to components or result in unfavorable changes to cost. These macroeconomic and industry trends have had, and will likely continue to have, an impact on the pricing of, and order rate for our vehicles, and in turn our operating margin.

Changes in government and economic policies, incentives or tariffs may also impact our production, cost structure and the competitive landscape. While the final scope and application of recently announced changes in trade policy remain uncertain at this time, higher tariffs on imports and subsequent retaliatory tariffs could adversely impact consumer spending and demand for durable goods and related services. We will continue to adjust accordingly to such developments, and we believe our ongoing cost reduction efforts, including through production innovation, process improvements and logistics optimization, and focus on operating leverage, vertical integration and supply chain localization will continue to benefit us in relation to our competitors. Our new products, which will include more affordable options, and our advances in autonomy, position us for future growth.

As our production increases, we must work constantly to similarly increase vehicle delivery capability so that it does not become a bottleneck on our total deliveries. We are also committed to reducing the percentage of vehicles delivered in the third month of each quarter, which will help to reduce the cost per vehicle. As we expand our manufacturing operations globally, we will also have to continue to increase and staff our delivery, servicing and charging infrastructure accordingly, maintain our vehicle reliability and optimize our Supercharger locations to ensure cost effectiveness and customer satisfaction. In particular, as other automotive manufacturers have announced their adoption of the North American Charging Standard ("NACS") and agreements with us to utilize our Superchargers, we must correspondingly expand our network in order to ensure adequate availability to meet customer demands. We also remain focused on continued enhancements of the capability and efficiency of our servicing operations.

#### *Energy Generation and Storage Demand, Production and Deployment*

The long-term success of this business is dependent upon incremental volume growth. We continue to increase the production and capabilities of our energy storage products to meet high levels of demand, including the introduction of Powerwall 3 in 2024, and the ramps of our Megafactories in Shanghai and Lathrop, California. For Megapack, energy storage deployments can vary meaningfully quarter to quarter depending on the timing of specific project milestones and logistics. As these product lines grow, we will have to maintain adequate battery cell supply for our energy storage products. At the same time, changes in government and economic incentives or tariffs may also impact our sales, cost structure and the competitive landscape. For instance, the recently announced import tariffs by the US government could significantly increase battery cell expenses, negatively impacting consumer demand. Despite these challenges, as AI infrastructure drives rapid load growth, we see opportunities for our energy storage products to stabilize the grid, shift energy when it is needed most and provide additional power capacity.

#### *Cash Flow and Capital Expenditure Trends*

Our capital expenditures are typically difficult to project beyond the short-term given the number and breadth of our core projects at any given time, and may further be impacted by uncertainties in future global market conditions and shifting global trade policy. We are simultaneously developing and ramping new products, building or ramping manufacturing facilities on three continents, piloting the development and manufacture of new battery cell technologies, expanding our Supercharger network and investing in autonomy and other artificial intelligence enabled training and products, and the pace of our capital spend may vary depending on overall priority among projects, the pace at which we meet milestones, production adjustments to and among our various products, increased capital efficiencies and the addition of new projects. While we prepare for near-term challenges to our business under current policies, we are focused on long-term growth opportunities as we continue to make critical, high-value investments while maintaining a strong balance sheet. Owing and subject to the foregoing as well as the pipeline of announced projects under development, all other continuing infrastructure growth and varying levels of inflation, we currently expect our capital expenditures to exceed \$10.00 billion in 2025. Changes in trade policy may necessitate adjustments to our project timelines, potentially impacting our capital expenditure expectations.

Our business has generally been consistently generating cash flow from operations in excess of our level of capital spend, and with better working capital management resulting in shorter days sales outstanding than days payable outstanding, our sales growth is also generally facilitating positive cash generation. We have and will continue to utilize such cash flows, among other things, to invest in autonomy, further vertically integrate our supply chain, expand our product roadmap and provide financing options to our customers. At the same time, we are likely to see heightened levels of capital expenditures during certain periods depending on the specific pace of our capital-intensive projects and other potential variables such as rising material prices and increases in supply chain and labor expenses resulting from changes in global trade conditions and labor availability. Overall, we expect our ability to be self-funding to continue as long as macroeconomic factors support current trends in our sales.

### Critical Accounting Policies and Estimates

For a description of our critical accounting policies and estimates, refer to Part II, Item 7, *Critical Accounting Policies and Estimates* in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes to our critical accounting policies and estimates since our Annual Report on Form 10-K for the year ended December 31, 2024.

### Recent Accounting Pronouncements

See Note 1, *Summary of Significant Accounting Policies*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### Results of Operations

#### Revenues

|                                                       | Three Months Ended March 31, |           | Change     |       |
|-------------------------------------------------------|------------------------------|-----------|------------|-------|
|                                                       | 2025                         | 2024      | \$         | %     |
| (Dollars in millions)                                 |                              |           |            |       |
| Automotive sales                                      | \$ 12,925                    | \$ 16,460 | \$ (3,535) | (21)% |
| Automotive regulatory credits                         | 595                          | 442       | 153        | 35 %  |
| Automotive leasing                                    | 447                          | 476       | (29)       | (6)%  |
| Total automotive revenues                             | 13,967                       | 17,378    | (3,411)    | (20)% |
| Services and other                                    | 2,638                        | 2,288     | 350        | 15 %  |
| Total automotive & services and other segment revenue | 16,605                       | 19,666    | (3,061)    | (16)% |
| Energy generation and storage segment revenue         | 2,730                        | 1,635     | 1,095      | 67 %  |
| Total revenues                                        | \$ 19,335                    | \$ 21,301 | \$ (1,966) | (9)%  |

#### Automotive & Services and Other Segment

Automotive sales revenue decreased \$3.54 billion, or 21%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, due to a decrease of approximately 51,000 combined Model 3 and Model Y cash deliveries in part from bringing down all of our vehicle factories simultaneously for the changeover to New Model Y. Additionally, we had a lower average selling price per unit driven by sales mix, higher customer incentives such as attractive financing options, and a negative impact from the strengthening of the United States dollar when compared to foreign currencies year over year, as well as a decrease of 5,000 deliveries of other models.

Automotive regulatory credits revenue increased \$153 million, or 35%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. This increase was driven by demand for credits in North America as other automobile manufacturers have scaled back on their battery electric vehicle plans.

Services and other revenue increased \$350 million, or 15%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The increase was primarily due to increases in paid Supercharging revenue, insurance services revenue, non-warranty maintenance services and collision revenue, used vehicle revenue and part sales revenue.

### Energy Generation and Storage Segment

Energy generation and storage revenue increased \$1.10 billion, or 67%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The increase was primarily due to increases in Megapack and Powerwall deployments compared to the prior year, partially offset by a decrease in average selling price of Megapack.

### Cost of Revenues and Gross Margin

| (Dollars in millions)                                          | Three Months Ended March 31, |           | Change     |       |
|----------------------------------------------------------------|------------------------------|-----------|------------|-------|
|                                                                | 2025                         | 2024      | \$         | %     |
| <b>Cost of revenues</b>                                        |                              |           |            |       |
| Automotive sales                                               | \$ 11,461                    | \$ 13,897 | \$ (2,436) | (18)% |
| Automotive leasing                                             | 239                          | 269       | (30)       | (11)% |
| Total automotive cost of revenues                              | 11,700                       | 14,166    | (2,466)    | (17)% |
| Services and other                                             | 2,537                        | 2,207     | 330        | 15 %  |
| Total automotive & services and other segment cost of revenues | 14,237                       | 16,373    | (2,136)    | (13)% |
| Energy generation and storage segment                          | 1,945                        | 1,232     | 713        | 58 %  |
| Total cost of revenues                                         | \$ 16,182                    | \$ 17,605 | \$ (1,423) | (8)%  |
| Gross profit total automotive                                  | \$ 2,267                     | \$ 3,212  |            |       |
| Gross margin total automotive                                  | 16.2 %                       | 18.5 %    |            |       |
| Gross profit total automotive & services and other segment     | \$ 2,368                     | \$ 3,293  |            |       |
| Gross margin total automotive & services and other segment     | 14.3 %                       | 16.7 %    |            |       |
| Gross profit energy generation and storage segment             | \$ 785                       | \$ 403    |            |       |
| Gross margin energy generation and storage segment             | 28.8 %                       | 24.6 %    |            |       |
| Total gross profit                                             | \$ 3,153                     | \$ 3,696  |            |       |
| Total gross margin                                             | 16.3 %                       | 17.4 %    |            |       |

### Automotive & Services and Other Segment

Cost of automotive sales revenue decreased \$2.44 billion, or 18%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 due to the decreases in deliveries year over year as discussed above. Additionally, there was a decrease in the average cost per unit of our vehicles primarily from lower raw material costs and a positive impact from the strengthening of United States dollar when compared to foreign currencies year over year, partially offset by sales mix.

Cost of services and other revenue increased \$330 million, or 15%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The increase in cost of services and other revenue is generally in line with the changes in services and other revenue as described above.

Gross margin for total automotive decreased from 18.5% to 16.2% in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to lower average selling price per unit, partially offset by lower average cost per unit and an increase in regulatory credits revenue, as discussed above.

Gross margin for total automotive & services and other segment decreased from 16.7% to 14.3% in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The change in gross margin is primarily due to the automotive gross margin factors discussed above.

### Energy Generation and Storage Segment

Cost of energy generation and storage revenue increased \$713 million, or 58%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The increase in cost of revenues was primarily due to increases in Megapack and Powerwall deployments compared to the prior year. Additionally, average cost per unit for Megapack and Powerwall both decreased primarily from lower raw material costs.

Gross margin for energy generation and storage increased from 24.6% to 28.8% in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The increase was primarily due to a higher proportion of our storage business, which operated at a higher gross margin, within the segment as compared to the prior period.

### Research and Development Expense

| (Dollars in millions)       | Three Months Ended March 31, |          | Change |      |
|-----------------------------|------------------------------|----------|--------|------|
|                             | 2025                         | 2024     | \$     | %    |
| Research and development    | \$ 1,409                     | \$ 1,151 | \$ 258 | 22 % |
| As a percentage of revenues | 7 %                          | 5 %      |        |      |

Research and development (“R&D”) expenses increased \$258 million, or 22%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to an increase in AI programs and related costs. R&D expenses as a percentage of revenue increased from 5% to 7% in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to higher R&D expenses and lower total revenues in the current period.

### Selling, General and Administrative Expense

| (Dollars in millions)               | Three Months Ended March 31, |          | Change   |      |
|-------------------------------------|------------------------------|----------|----------|------|
|                                     | 2025                         | 2024     | \$       | %    |
| Selling, general and administrative | \$ 1,251                     | \$ 1,374 | \$ (123) | (9)% |
| As a percentage of revenues         | 6 %                          | 6 %      |          |      |

Selling, general and administrative (“SG&A”) expenses decreased \$123 million, or 9%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 driven by a \$52 million decrease in employee and labor costs, including professional services, a \$30 million decrease in facilities related expenses, a \$22 million decrease in stock-based compensation and a \$19 million decrease in marketing expenses.

### Interest Income

| (Dollars in millions) | Three Months Ended March 31, |        | Change |      |
|-----------------------|------------------------------|--------|--------|------|
|                       | 2025                         | 2024   | \$     | %    |
| Interest income       | \$ 400                       | \$ 350 | \$ 50  | 14 % |

Interest income increased \$50 million, or 14%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The increase was primarily due to higher interest earned on our cash and cash equivalents and short-term investments compared to the prior period due to an increase in our average portfolio balance, partially offset by a lower average interest rate.

### Other (Expense) Income, Net

| (Dollars in millions)       | Three Months Ended March 31, |        | Change   |                |
|-----------------------------|------------------------------|--------|----------|----------------|
|                             | 2025                         | 2024   | \$       | %              |
| Other (expense) income, net | \$ (119)                     | \$ 443 | \$ (562) | Not meaningful |

Other (expense) income, net, changed unfavorably by \$562 million in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The unfavorable change was primarily due a \$125 million mark-to-market loss in the current period compared to a \$335 million mark-to-market gain on our bitcoin digital assets in the prior period. Additionally, there were unfavorable fluctuations in foreign currency exchange rates on our intercompany balances. As our intercompany balances are significant in nature and we do not typically hedge foreign currency risk, we can experience significant fluctuations in foreign currency exchange rate gains and losses from period to period.

### Provision for Income Taxes

| (Dollars in millions)      | Three Months Ended March 31, |        | Change   |       |
|----------------------------|------------------------------|--------|----------|-------|
|                            | 2025                         | 2024   | \$       | %     |
| Provision for income taxes | \$ 169                       | \$ 483 | \$ (314) | (65)% |
| Effective tax rate         | 29 %                         | 26 %   |          |       |

Our provision for income taxes decreased by \$314 million in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily due to the change in our pre-tax income year over year. Our effective tax rate increased from 26% to 29% in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily due to the changes in the mix of our jurisdictional earnings.

See Note 9, *Income Taxes*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

### Liquidity and Capital Resources

We expect to continue to generate net positive operating cash flow. The cash we generate from our core operations enables us to fund ongoing operations and production, our research and development projects for new products and technologies including our proprietary battery cells, additional manufacturing ramps at existing manufacturing facilities, the construction of future factories, and the continued expansion of our retail and service locations, body shops, Mobile Service fleet, Supercharger, including to support NACS, energy product installation capabilities and autonomy and other artificial intelligence enabled products.

In addition, because a large portion of our future expenditures will be to fund our growth, we expect that if needed we will be able to adjust our capital and operating expenditures by operating segment. For example, if our near-term manufacturing operations decrease in scale or ramp more slowly than expected, including due to global economic or business conditions, we may choose to correspondingly slow the pace of our capital expenditures. Finally, we continually evaluate our cash needs and may decide it is best to raise additional capital or seek alternative financing sources to fund the rapid growth of our business, including through drawdowns on existing or new debt facilities or financing funds. Conversely, we may also from time to time determine that it is in our best interests to voluntarily repay certain indebtedness early.

Accordingly, we believe that our current sources of funds will provide us with adequate liquidity during the 12-month period following March 31, 2025, as well as in the long-term.

See the sections below for more details regarding the material requirements for cash in our business and our sources of liquidity to meet such needs.

### Material Cash Requirements

From time to time in the ordinary course of business, we enter into agreements with vendors for the purchase of components and raw materials to be used in the manufacture of our products. However, due to contractual terms, variability in the precise growth curves of our development and production ramps, and opportunities to renegotiate pricing, we generally do not have binding and enforceable purchase orders under such contracts beyond the short-term, and the timing and magnitude of purchase orders beyond such period is difficult to accurately project.

As discussed in and subject to the considerations referenced in Part I, Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations—Management Opportunities, Challenges and Uncertainties and 2025 Outlook—Cash Flow and Capital Expenditure Trends* in this Quarterly Report on Form 10-Q, we currently expect our capital expenditures to support our projects globally to exceed \$10.00 billion in 2025. Changes in trade policy may necessitate adjustments to our project timelines, potentially impacting our capital expenditure expectations.

As of March 31, 2025, we and our subsidiaries had outstanding \$7.27 billion in aggregate principal amount of indebtedness, of which \$2.17 billion is current. For details regarding our indebtedness, refer to Note 7, *Debt*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

#### *Sources and Conditions of Liquidity*

Our sources to fund our material cash requirements are predominantly from our deliveries and servicing of new and used vehicles, sales and installations of our energy storage products, interest income, and proceeds from debt facilities and equity offerings, when applicable.

As of March 31, 2025, we had \$16.35 billion and \$20.64 billion of cash and cash equivalents and short-term investments, respectively. Balances held in foreign currencies had a U.S. dollar equivalent of \$2.81 billion and consisted primarily of Chinese yuan and euros. We had \$5.00 billion of unused committed credit amounts as of March 31, 2025. For details regarding our indebtedness, refer to Note 7, *Debt*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

We continue adapting our strategy to meet our liquidity and risk objectives, such as investing in U.S. government securities and other investments, investing in autonomy, further vertically integrating our supply chain, expanding our product roadmap and providing financing options to our customers.

#### *Summary of Cash Flows*

| (Dollars in millions)                               | Three Months Ended March 31, |            |
|-----------------------------------------------------|------------------------------|------------|
|                                                     | 2025                         | 2024       |
| Net cash provided by operating activities           | \$ 2,156                     | \$ 242     |
| Net cash used in investing activities               | \$ (1,651)                   | \$ (5,084) |
| Net cash (used in) provided by financing activities | \$ (332)                     | \$ 196     |

#### *Cash Flows from Operating Activities*

Net cash provided by operating activities increased by \$1.91 billion to \$2.16 billion during the three months ended March 31, 2025 from \$242 million during the three months ended March 31, 2024. This increase was primarily due to favorable changes in net operating assets and liabilities of \$2.11 billion, partially offset by a decrease in net income excluding non-cash expenses, gains and losses of \$193 million.

#### *Cash Flows from Investing Activities*

Net cash flows from investing activities and their variability across each period related primarily to capital expenditures, which were \$1.49 billion and \$2.78 billion for the three months ended March 31, 2025 and 2024, respectively, mainly for AI-related capital expenditures, global factory expansion, machinery and equipment as we expand and enhance our product roadmap. We also purchased \$159 million and \$2.31 billion of short-term investments, net of proceeds from maturities and sales, for the three months ended March 31, 2025 and 2024, respectively.

#### *Cash Flows from Financing Activities*

Net cash flows from financing activities changed by \$528 million to \$332 million net cash outflows during the three months ended March 31, 2025 from \$196 million net cash inflows during the three months ended March 31, 2024. The decrease was primarily due to a \$710 million increase in repayments of debt and a \$151 million decrease in proceeds from issuances of debt. See Note 7, *Debt*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details regarding our debt obligations. Additionally, the decrease was partially offset by a \$101 million decrease in payments for buy-outs of noncontrolling interests in subsidiaries and \$101 million of proceeds received from directors in shareholder settlement net of payment for related legal fees during the three months ended March 31, 2025.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Foreign Currency Risk**

We transact business globally in multiple currencies and hence have foreign currency risks related to our revenue, costs of revenue and operating expenses denominated in currencies other than the U.S. dollar (primarily the Chinese yuan and euro in relation to our current year operations). In general, we are a net receiver of currencies other than the U.S. dollar for our foreign subsidiaries. Accordingly, changes in exchange rates affect our operating results as expressed in U.S. dollars as we do not typically hedge foreign currency risk.

We have also experienced, and will continue to experience, fluctuations in our net income as a result of gains (losses) on the settlement and the re-measurement of monetary assets and liabilities denominated in currencies that are not the local currency (primarily consisting of our intercompany and cash and cash equivalents balances).

We considered the historical trends in foreign currency exchange rates and determined that it is reasonably possible that adverse changes in foreign currency exchange rates of 10% for all currencies could be experienced in the near-term. These changes were applied to our total monetary assets and liabilities denominated in currencies other than our local currencies at the balance sheet date to compute the impact these changes would have had on our net income before income taxes. These changes would have resulted in a gain or loss of \$1.14 billion at March 31, 2025 and \$1.15 billion at December 31, 2024, assuming no foreign currency hedging.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that our management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2025, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

#### *Changes in Internal Control over Financial Reporting*

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2025, which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

For a description of our material pending legal proceedings, please see Note 10, *Commitments and Contingencies*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **ITEM 1A. RISK FACTORS**

Our operations and financial results are subject to various risks and uncertainties, including the factors discussed in Part I, Item 1A, *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2024, which could adversely affect our business, financial conditions and future results. Other than the risk factors set forth below, there have been no material changes from the risk factors discussed in our Annual Report.

***We face risks associated with maintaining and expanding our international operations, including unfavorable and uncertain regulatory, political, economic, tax, tariff, export controls and labor conditions.***

We are subject to legal and regulatory requirements, political uncertainty and social, environmental and economic conditions in numerous jurisdictions, including markets in which we generate significant sales. We have little control over these matters which are inherently unpredictable. Our operations in such jurisdictions, particularly as a company based in the U.S., with additional manufacturing operations in China and Europe, create risks relating to conforming our products to regulatory and safety requirements and charging and other electric infrastructures; organizing local operating entities; establishing, staffing and managing foreign business locations; attracting local customers; navigating U.S. and foreign government taxes, regulations and permit requirements; enforceability of our contractual rights; trade restrictions, customs regulations, tariffs and price or exchange controls; and preferences in foreign nations for domestically manufactured products. For example, we monitor tax legislation changes on a global basis, including changes arising as a result of the Organization for Economic Cooperation and Development's multi-jurisdictional plan of action to address base erosion and profit shifting. Further, the United States has recently announced changes to U.S. trade policy, including increasing tariffs on imports, in many cases significantly, and potentially renegotiating or terminating existing trade agreements. The exact scope of any such tariffs that will ultimately be implemented is not known at this time, and the impacts on our business and costs of our products is uncertain. Retaliatory tariffs imposed by other countries on U.S. exports, further increases in U.S. tariffs, and the uncertainties surrounding domestic and foreign tariffs could also adversely impact demand for our products. We cannot predict whether, and to what extent, there may be changes to international trade agreements, such as those with China, or whether, or to what extent, quotas, duties, additional tariffs, export controls or other restrictions will be changed or imposed by the United States or by other countries. Historically, past U.S. special tariff actions have increased our costs for vehicles manufactured in the United States and increased costs for those same vehicles when exported from the United States. Further, as it pertains to electric vehicles and lithium-ion batteries for our energy storage products, while the Company has continuously aimed for a strong domestic supply chain, certain parts and components are difficult or impossible to source within the United States. A change on any of these conditions may increase our costs, impact our ability to sell our products and require significant management attention, and may harm our business, prospects, financial condition and operating results if we are unable to manage them effectively.

***We will need to maintain public credibility and confidence in our long-term business prospects in order to succeed.***

In order to maintain and grow our business, we must maintain credibility and confidence among customers, suppliers, analysts, investors, ratings agencies and other parties in our long-term financial viability and business prospects. Maintaining such confidence may be challenging due to our limited operating history relative to established competitors; customer unfamiliarity with our products; any delays we may experience in scaling manufacturing, delivery and service operations to meet demand; competition and uncertainty regarding the future of electric vehicles or our other products and services; our quarterly production and sales performance compared with market expectations; and other factors including those over which we have no control. In particular, Tesla's products, business, results of operations, and statements and actions of Tesla and its management are subject to significant amounts of commentary by a range of third parties. Such attention can include criticism, which may be exaggerated or unfounded, such as speculation regarding the sufficiency or stability of our management team, and has incited protests, some escalating to violence targeting our operations, products and personnel. Any such negative perceptions, whether caused by us or not, may harm our brand and our business (including sales) and make it more difficult to raise additional funds if needed.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None of the Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended March 31, 2025, as such terms are defined under Item 408(a) of Regulation S-K.

The Board has not yet established the date of the 2025 annual meeting of shareholders. When the date is established, the Company will announce it in its filings made with the Securities and Exchange Commission.

Additionally, the Company's Board of Directors has established a Special Committee to consider certain compensation matters involving Mr. Musk.

**ITEM 6. EXHIBITS**

See Index to Exhibits at the end of this Quarterly Report on Form 10-Q for the information required by this Item.

**INDEX TO EXHIBITS**

| Exhibit Number | Exhibit Description                                                                                                                  | Incorporated by Reference |          |         |             | Filed Herewith |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------|---------|-------------|----------------|
|                |                                                                                                                                      | Form                      | File No. | Exhibit | Filing Date |                |
| 31.1           | <a href="#">Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Executive Officer</a>                                            | —                         | —        | —       | —           | X              |
| 31.2           | <a href="#">Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Financial Officer</a>                                            | —                         | —        | —       | —           | X              |
| 32.1*          | <a href="#">Section 1350 Certifications</a>                                                                                          | —                         | —        | —       | —           |                |
| 101.INS        | Inline XBRL Instance Document                                                                                                        | —                         | —        | —       | —           | X              |
| 101.SCH        | Inline XBRL Taxonomy Extension Schema Document                                                                                       | —                         | —        | —       | —           | X              |
| 101.CAL        | Inline XBRL Taxonomy Extension Calculation Linkbase Document.                                                                        | —                         | —        | —       | —           | X              |
| 101.DEF        | Inline XBRL Taxonomy Extension Definition Linkbase Document                                                                          | —                         | —        | —       | —           | X              |
| 101.LAB        | Inline XBRL Taxonomy Extension Label Linkbase Document                                                                               | —                         | —        | —       | —           | X              |
| 101.PRE        | Inline XBRL Taxonomy Extension Presentation Linkbase Document                                                                        | —                         | —        | —       | —           | X              |
| 104            | Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101) |                           |          |         |             |                |

\* Furnished herewith

† Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv)

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Tesla, Inc.

Date: April 22, 2025

/s/ Vaibhav Taneja

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Vaibhav Taneja  
Chief Financial Officer  
(Principal Financial Officer and  
Duly Authorized Officer)