

Tesla, Inc.
Form 10-Q
August 04, 2017

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 June 30, 2017

OR

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

Commission File Number: 001-34756

Tesla, Inc.

(Exact name of registrant as specified in its charter)

Delaware 91-2197729
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3500 Deer Creek Road

Palo Alto, California 94304
(Address of principal executive offices) (Zip Code)

(650) 681-5000

(Registrant's telephone number, including area code)

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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

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 July 31, 2017, there were 166,887,023 shares of the registrant’s common stock outstanding.

TESLA, INC.

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2017

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Forward-Looking Statements

The discussions in this Quarterly Report on Form 10-Q contain forward-looking statements reflecting our current expectations that involve risks and uncertainties. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, 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 market in which we operate, prospects and plans and objectives of management. The words “anticipates”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “might”, “plans”, “pro” “would” 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 these forward-looking statements, and you should not place undue reliance on these forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause our actual results or events to differ materially from the plans, intentions or expectations disclosed in these forward-looking statements, including, without limitation, the risks set forth in Part II, Item 1A, “Risk Factors” in this Quarterly Report on Form 10-Q and in our other filings with the Securities and Exchange Commission. We do not assume any obligation to update any forward-looking statements.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Tesla, Inc.

Consolidated Balance Sheets

(in thousands, except for par values)

(unaudited)

	June 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	\$3,035,924	\$3,393,216
Restricted cash	118,369	105,519
Accounts receivable, net	453,539	499,142
Inventory	2,438,111	2,067,454
Prepaid expenses and other current assets	313,501	194,465
Total current assets	6,359,444	6,259,796
Operating lease vehicles, net	3,600,821	3,134,080
Solar energy systems, leased and to be leased, net	6,218,504	5,919,880
Property, plant and equipment, net	8,399,229	5,982,957
Intangible assets, net	380,847	376,145
Goodwill	43,766	—
MyPower customer notes receivable, net of current portion	472,663	506,302
Restricted cash, net of current portion	358,445	268,165
Other assets	209,986	216,751
Total assets	\$26,043,705	\$22,664,076
Liabilities		
Current liabilities		
Accounts payable	\$2,359,316	\$1,860,341
Accrued liabilities and other	1,510,744	1,210,028
Deferred revenue	913,398	763,126
Resale value guarantees	342,824	179,504
Customer deposits	603,540	663,859
Current portion of long-term debt and capital leases	716,533	984,211
Current portion of solar bonds and promissory notes issued to related parties	100,000	165,936
Total current liabilities	6,546,355	5,827,005
Long-term debt and capital leases, net of current portion	7,122,862	5,860,049
Solar bonds issued to related parties, net of current portion	100	99,164
Convertible senior notes issued to related parties	2,444	10,287
Deferred revenue, net of current portion	1,035,579	851,790
Resale value guarantees, net of current portion	2,493,024	2,210,423

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Other long-term liabilities	2,259,538	1,891,449
Total liabilities	19,459,902	16,750,167
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests in subsidiaries	367,377	367,039
Convertible senior notes (Notes 11)	1,688	8,784
Equity		
Stockholders' equity		
Preferred stock; \$0.001 par value; 100,000 shares authorized; no shares		
issued and outstanding	—	—
Common stock; \$0.001 par value; 2,000,000 shares authorized; 166,863 and 161,561		
shares issued and outstanding as of June 30, 2017 and December 31, 2016,		
respectively	163	161
Additional paid-in capital	8,774,212	7,773,727
Accumulated other comprehensive gain (loss)	10,961	(23,740)
Accumulated deficit	(3,679,584)	(2,997,237)
Total stockholders' equity	5,105,752	4,752,911
Noncontrolling interests in subsidiaries	1,108,986	785,175
Total liabilities and equity	\$26,043,705	\$22,664,076

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

Tesla, Inc.

Consolidated Statements of Operations

(in thousands, except per share data)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues				
Automotive sales	\$ 2,013,852	\$ 1,030,224	\$4,048,912	\$1,932,116
Automotive leasing	272,764	151,628	527,304	