

Tesla builds 100th sedan, but steep production ramp looms

September 13 2012, by Troy Wolverton



Tesla S

Tesla has built its 100th Model S sedan.

That may not seem like a lot, but it's an indication that the electric car company is - as it said in a blog post on Aug. 21 announcing the milestone - starting to ramp up production.



Palo Alto-based <u>Tesla</u>'s last production update came about a month ago, when it announced its second-quarter results. At that point, the company had made 40 cars total and had delivered none to customers other than the first 10 it delivered in a highly publicized "launch" event June 22.

That means the company has increased the total number of Model S vehicles it has made to date by 150 percent. Tesla made about 60 cars in less than a month, or about two a day. In mid-July, Tesla officials said the company was making one to two cars a day.

<u>Investors</u> and industry watchers have been keenly focused on Tesla's production numbers. The money-losing company has set some ambitious production goals that it has to reach to start operating in the black. The company's plan is to be profitable next year when it expects to be in full production of the new sedan.

But it's a long way from the company's current production rate to its goals. Tesla has said it plans to make 500 Model S vehicles by the end of the third quarter. Over the next 40 days or so, it needs to make 400 vehicles - or about 10 a day - to reach that target.

Tesla expects to make 4,500 Model S's in the <u>fourth quarter</u>. To hit that, it will have to make 50 a day on average in that period.

Tesla officials have said that production of the Model S is on target to meet those goals and that the company expects its production numbers to ramp up exponentially in coming months in a sharp "S" curve. But some analysts are dubious that the company will be able to hit its targets.

Separately, the <u>company</u> said Tuesday that it will open its first standalone service center in the Bay Area this fall in San Rafael.

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Distributed by MCT Information Services

Citation: Tesla builds 100th sedan, but steep production ramp looms (2012, September 13)

retrieved 23 April 2024 from

https://phys.org/news/2012-09-tesla-100th-sedan-steep-production.html

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