

Tesla shares dive as deliveries hit low end of forecast

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Tesla shares careened sharply lower Monday after the US luxury electric-car maker reported deliveries at the bottom end of its forecast for the 2015 fourth quarter.

The tepid deliveries raised alarms on Wall Street about the production capacity of Tesla's California plant, which only has one factory building for its two models.

Tesla said it had delivered 17,400 vehicles in the October-December period, barely above its November prediction of 17,000-19,000 units.

For the full year, deliveries totaled 50,580 vehicles, also at the low end of its forecast of 50,000-52,000 cars.

Tesla shares tumbled 7.8 percent to \$221.28 in morning trade.

In the [fourth quarter](#), Tesla delivered 17,192 Model S vehicles, its premium sedan with a price tag of \$70,000 and up, an increase of about 75 percent from the year-ago quarter.

Deliveries of Model X, its new crossover sport utility vehicle, totaled 208. The company said it had produced 507 Model X vehicles in the fourth quarter and the remainder would be delivered in the current first quarter.

The Model X, the company's third vehicle, which has a starting price of

\$80,000, was launched in September amid reportedly high demand.

"Model X deliveries are in line with the very early stages of our Model X production ramp as we prioritize quality above all else," Tesla said in a statement.

"That ramp has been increasing exponentially," it said, the production rate in the last week of the year hitting 238 units per week.

Trip Chowdhry at Global Equities Research hailed Tesla's Model X production ramp-up as "very impressive", and noted the company had a \$4 billion backorder for the new SUV.

Tesla "fundamentals are strong," he said, forecasting a share price target of \$385 over the next 12 to 18 months.

Safety questions about Tesla's lithium ion batteries flared anew last week after a fire destroyed a Tesla being recharged in Norway.

The cause of the fire remained unknown, according to local media reports. No one was hurt in the incident.

In 2013, the US National Highway Traffic Safety Administration opened an investigation into fires in the Tesla Model S that occurred when road debris struck the underbody of two of the vehicles.

The NHTSA closed the probe in March 2014 saying that Tesla had taken steps to increase underbody production.

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