

# Tesla revenues surge as it ramps for Model 3 launch

May 3 2017

---



Tesla said Wednesday that revenues more than doubled in the past quarter compared with a year ago, as the electric carmaker prepared for production of its new mass-market vehicle.

In its update for the first quarter Tesla said its Model 3 development "is nearly complete." The [company](#) expects to produce 5,000 of these cars per week at some point this year and 10,000 per week in 2018.

The California firm led by tech entrepreneur Elon Musk had previously announced first-quarter deliveries of more than 25,000 vehicles, a jump of more than 60 percent from a year ago.

But the company—which is jockeying for position with General Motors as the most valuable US carmaker—is now gearing up to compete in the mass market with a [vehicle](#) priced around \$35,000, less than half the cost of most of its previous models.

Tesla reported a net loss for the quarter for shareholders of \$330 million, wider than the \$121 million deficit a year earlier.

Total revenues more than doubled to \$2.7 billion from \$1.15 billion last year.

"We have made a solid start to what should be an exciting 2017," Musk said in a letter to shareholders with chief finance officer Deepak Ahuja.

"This year will have many major milestones for Tesla with the introduction of innovative products that advance electric transport as well as energy generation and storage."

In addition to producing vehicles, the company is building a massive battery factory and has acquired Musk-led Solar City, which develops solar energy products.

Musk said that as part of the Model 3 launch preparations, "we are significantly expanding our infrastructure to support Tesla owners by increasing the density and geographic footprint of our presence."

That will mean the addition of some 100 retail, delivery and service locations globally—an increase of 30 percent—including its first stores in Dubai and South Korea.

Musk said that Tesla would also open its body repair shops "to significantly improve the customer experience with out-of-warranty body repairs."

Musk voiced confidence in February that Tesla electric car production would climb to 500,000 next year.

The company in January began mass production of energy-saving batteries that it vows will take electric cars mainstream.

Its Nevada "gigafactory" created by Tesla and Panasonic is cranking out lithium-ion battery cells, which will be used in Tesla's energy storage products and the Model 3.

© 2017 AFP

Citation: Tesla revenues surge as it ramps for Model 3 launch (2017, May 3) retrieved 18 June 2024 from <https://phys.org/news/2017-05-tesla-revenues-surge-ramps.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.