

Tesla shares fall after surprise CFO exit

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Shares of Tesla declined following the surprise replacement of its chief financial officer.

Shares of electric carmaker Tesla Motors were under pressure Thursday following the surprise replacement of the company's chief financial officer.

Chief Executive Elon Musk announced the shift in the final moments of an earnings conference call on Wednesday night, saying Deepak Ahuja, 56, would be replaced by Zach Kirkhorn, currently a vice president in finance.

Ahuja's departure follows other executive turnover at the hard-charging Musk's electric car company.

Tesla shares were down 0.4 percent at \$307.42 at mid-morning after falling as much as 4.8 percent earlier in the session.

A note from JPMorgan Chase highlighted the exit as a key disappointment following Tesla's mixed results, citing the outgoing executive's "long automotive industry experience" and 11 years at the company.

Ahuja "provided relative stability to the firm's finance staff that has otherwise seen a great deal of churn," the JPMorgan note said.

A Canaccord Genuity note said Ahuja's exit was "likely to stir investor concerns around corporate culture of Tesla, which has been a concern in the past."

Kirkhorn, 34, who started at Tesla in 2010 and returned after a stint at Harvard Business School, told analysts the company was in a "strong" financial position.

"We have enough cash to continue launching new programs and developing new technologies and we're able to service upcoming debt obligations with our forecasted cash flows," he said.

Tesla on Wednesday reported fourth-quarter profits of \$139.6 million, up from a loss of \$675.4 million in the year-ago period.

Revenues more than doubled to \$7.2 billion, reflecting the ramp-up of the company's Model 3 sedan.

Musk remained upbeat about the company's prospects and sales, saying that while 2018 was a challenging year, it also was the most successful.

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