Tesla Shares Rise As Company Says Production Grows

The Associated Press

DETROIT (AP) — Shares of Tesla Motors Inc. rose more than 3 percent in early trading Monday as the electric vehicle maker said it was now making enough cars to generate positive operating cash flow.

But the Palo Alto, Calif., company's third-quarter net loss grew almost 70 percent, to $110.8 million, or $1.05 per share, compared with a loss of $65.1 million, or 63 cents per share, a year earlier. Revenue was $50.1 million, down 13 percent from a year earlier. Excluding one-time items such as $12.5 million in stock-based compensation, the company lost 92 cents per share. Analysts polled by FactSet expected a loss of 89 cents per share on $55.7 million in revenue.

The company said it transitioned to a mass-production car company during the quarter, growing from making five cars per week to 100 cars per week. In the current quarter, it is building more than 200 Model S sedans per week, or 10,000 cars per year, and it expects to double production again in one month to 400 cars per week. The company said it delivered 253 of the Model S in the third quarter and 68 roadsters, and it increased sales of powertrains to Toyota to run the electric RAV4 small SUV.

"We are now at a production rate capable of generating positive operating cash flow," the company said in a statement.

Tesla, the brainchild of PayPal billionaire and SpaceX founder Elon Musk, now has two all-electric models on the market, the $109,000 Roadster and the new Model S, which starts at $49,900 after a federal tax credit. The Roadster is being phased out as the Model S goes on sale.

Tesla said it finished drawing on a $465 million loan from the U.S. Department of Energy during the quarter. It said it "pre-funded" its second payment on the loan in October, five months ahead of schedule.

Shares rose $1.02 to $29.94 in early trading.

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