

# Tesla Reports Record Q1 Deliveries, Up 36% YoY



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In a remarkable feat, Tesla has reported a new record in vehicle deliveries for Q1 of 2023, which is up by approximately 36% when compared to the same period in 2022. The American EV manufacturer has been striving to increase sales by implementing several price cuts this year, which may be partially responsible for the increase in demand. In Q1 of 2023, Tesla produced roughly 440,000 vehicles and delivered just under 423,000 vehicles, the nearest figure to sales that the company usually reports.

Although the Q1 earnings report is slated to be published later this month, analysts have indicated that the price cuts initiated by Tesla earlier this year appear to be paying off, as demand for the less expensive Model 3 and Y vehicles grew following the January cuts. However, it remains to be seen whether the increase in demand has compensated for the drop in prices.



Tesla recorded a record number of vehicle deliveries in the first quarter of 2023, up about 36% from the first quarter of 2022, driven by a series of price cuts throughout the year, partially responsible to boost sales.

However, despite the impressive numbers, the company fell short of analysts' expectations, which predicted an average of 432,000 deliveries. Still, Tesla delivered about 423,000 vehicles in the first quarter, the closest to sales the company reports.

The price cuts carried out in January this year, which reached up to 20% on Model 3 and Model Y models, may be partially responsible for the increase in sales. These models are Tesla's most popular, accounting for about 97% of Q1 deliveries.

Analysts reported in March that the price cuts appeared to be working, as demand for Tesla's cheaper models increased after the cuts. However, it is still necessary to assess whether the increase in demand has compensated for the drop in prices.

# Appraiser Blog

## Impressive numbers, but challenges ahead for Tesla

While Tesla's stock rallied throughout the first quarter, rising from a January low to around \$207 at Friday's close, the company faces a number of challenges. The release of the earnings report comes amid a federal investigation into potential accidents caused by the company's driver assistance software, as well as reports of problems with seat belts and steering wheels. In addition, the company had to recall some of its semi-electric trucks due to parking brake problems.

Not too far off, Treasury Department regulations on tax credits for electric vehicles will take effect. These rules will impact the demand and affordability of many Tesla models - and other electric vehicles - which will become ineligible for the \$7,500 tax credit. Looking ahead, it's worth thinking about how these new regulations might affect Tesla's vehicle sales.