

Key Takeaways From Tesla Q1 2021 Earnings Call

- 1/ Tesla is fundamentally an AI & Robotics company: Their core competency is engineering and manufacturing
- 2/ Model Y will become best-selling vehicle of any kind in the world by revenue and possibly units (in 2022 or 2023)
- 3/ FSD seems to be progressing a bit slower than anticipated. Major architectural changes still underway (removal of radar, creation of Dojo). Tesla still miles ahead due to fleet advantage & cutting-edge software/hardware. Who else is building what Tesla is building?
- 4/ Major supply chain challenges with shortages and port capacities. Tesla's resourcefulness ("raiding all electronics stores in Bay Area for USB cables") might be a major competitive advantage.
- 5/ Ramp-up of new S & X versions more challenging than expected. Volume production expected for Q3 2021.
- 6/ Tesla will become a major decentralized utility by bundling solar with Powerwall, and will help utilities to stabilize the grid. This opportunity is underappreciated.
- 7/ The entire US can be powered with a 100 mile by 100 mile grid of solar. Transitioning the world to renewable energy is possible with current technology & lithium-ion batteries. We just need to scale what we have.
- 8/ Similar to why alcohol & tobacco is taxed, we should tax carbon. We need to fix the unpriced negative externality.
- 9/ Iron-based batteries will be the primary chemistry used for stationary storage. There is no fundamental shortages for iron-based batteries. There is both enough iron & lithium.
- 10/ 4680 will be ready for volume production in 12 to 18 months. There is still major work to be done. Battery production equipment for both Berlin & Austin has been ordered.
- 11/ Tesla will purchase as many battery cells from suppliers as suppliers can produce. Tesla will purchase 100% more cells from suppliers in 2022 compared to 2021.
- 12/ Tesla aiming for comparable margins in both auto and energy business. Which is very exciting. Energy business will be hugely profitable.
- 13/ Tesla will release FSD subscription soon. It appears that subscription might become the primary business model for FSD. High margin recurring revenues!
- 14/ Overall super exciting, although with major challenges and headwinds remaining. It remains a marathon, and not a sprint.
- 15/ I particularly loved that the gross margin question was answered by engineers instead of the CFO. It shows that margins are an engineering task (reducing costs through innovation) and not done in a spreadsheet.

Supercut of Tesla Q1 Earnings Call

Here's a supercut of the Tesla Q1 2021 Earnings Call. I've cut out all the fillers, pauses and fluff. It's 24 minutes shorter without any loss of information. Enjoy!

[This list has originally been published as a Twitter thread on April 28, 2021.](#)