Tesla stock leaps again on unexpectedly strong delivery numbers

Enlarge / A Tesla facility in Lathrop, CA.
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Tesla has surprised Wall Street again with better-than-expected delivery numbers. The electric carmaker delivered 90,650 vehicles in the second quarter of 2020, up slightly from the 88,400 vehicles delivered in the first quarter. This despite the fact that Tesla's main factory in Fremont, California, was shut down by county officials for the first half of the quarter.

Tesla's stock leapt at the news. After closing at a record high of $1,120 yesterday, Tesla's shares rose above $1,200 in pre-market trading on Thursday morning.

While Tesla's Q2 deliveries were up from the previous quarter, they're down slightly from the 95,200 vehicles produced in the second quarter of 2019. Tesla also delivered more cars in Q3 and Q4 of 2019 than it did last quarter. That presumably reflects the effects of the coronavirus over the last two quarters, as well as the phaseout of the federal tax credit for purchasing a Tesla. The credit fell by half on June 30, 2019 and phased out completely on December 31.

Tesla’s 5 percent decline in year-over-year deliveries compares favorably to other carmakers. GM suffered a 34 percent year-over-year sales decline in the second quarter of 2020. Fiat Chrysler saw sales fall 39 percent year over year. Other carmakers that have reported so far have seen year-over-year declines ranging between 9 percent and 58 percent.

Tesla produced 82,272 vehicles in the second quarter, 8,400 fewer than it delivered—which means that Tesla has been drawing down inventories built up prior to the pandemic. Tesla says it has now ramped up production to pre-pandemic levels, setting the stage for growth in Q3.

Model S and Model X sales continue to slump

In 2018, Tesla delivered almost 25,000 Model S and Model X (combined) per quarter. In 2019, this fell to around 17,000.

In the first quarter of 2020, Model S and Model X deliveries were at 12,200. In the second quarter, the number was 10,600.

Cooling interest in these high-end cars likely reflects the fact that Tesla hasn’t done a major refresh of either model in several years. That makes it hard for consumers to justify paying a big premium over the newer Model 3 and Model Y, which accounted for the bulk of Tesla’s sales last quarter.

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