

Tesla Inc

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Tesla launches its cross-over Model Y sports utility vehicle as electric vehicle maker builds up range

Tesla Inc (NASDAQ:TSLA) pulled the covers of its cross-over Model Y electric sports utility vehicle on Thursday evening in California.

Launching the vehicle, chief executive Elon Musk said the compact SUV, built on the same platform as the Model 3, would first debut in a long-range version, with a range of 300 miles, priced at \$47,000.

READ: Tesla to close stores as it finally cuts Model 3 starting price to US\$35k
Musk said a standard version, to be available sometime in 2021, would cost \$39,000, with a 230-mile range, adding that the vehicles can be configured to include 7 seats for an additional \$3,000.

After the short 40-minute event, held at Tesla's design studio in Hawthorne, outside Los Angeles, the carmaker's website included a page to "design and order" the more expensive, long-range version of the vehicle with rear-wheel drive, which will be available next year.

The launch event - which was streamed live online on www.tesla.com/modely - saw each of Tesla's vehicles driven onstage before the blue Model Y appeared.

Could cannibalization be an issue?

In a note commenting on the Model Y launch, analysts at RBC Capital said: "There will of course be orders and cash will come in the door. However, even though Model Y is a bigger market than M3, we believe orders could be muted."

They said: "The vehicle isn't available for nearly two years and consumers may realize that putting down money early for the Model 3 didn't yield many benefits.

"The question in our minds is how much does Model Y cannibalize Model 3? We suspect it could be significant as globally CUVs have become more popular than sedans."

"Which begs the question, why show the vehicle now?," the RBC analysts asked. "We would have thought the reveal would have been closer to start of production."

"That said, this should be a more profitable vehicle than the Model 3 (just as CUVs built off shared car platforms are more profitable for all OEMs)," the analysts concluded.

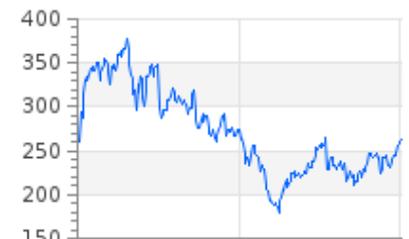
In pre-market US trading, Tesla shares were 2.7% lower at \$282.19.

-- Adds analyst comment, share price --

Price: 257.08

Market Cap: \$46.05 billion

1 Year Share Price Graph



October 2018 April 2019 October 2019

Share Information

Code: TSLA

Listing: NASDAQ

52 week	High	Low
	379.47	177

Sector: Manufacturing & engineering

Website: www.tesla.com

Company Synopsis:

Tesla Inc. was founded in 2003 by a group of Silicon Valley engineers who set out to develop a new electric vehicle company. Tesla Inc. uses proprietary technology, world-class design and state-of-the-art manufacturing processes to create a new generation of highway capable electric vehicles. We utilize an innovative distribution model based on company-owned sales and service centers.

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