

A complete guide to how Elon Musk has raised, and then spent, billions of dollars.

 animation showing Elon Musk throwing dollar bills into flames of Boring Company flamethrowers

The company that Elon Musk built to usher in the electric-car future might not have enough cash to make it through the calendar year.

*The anxieties that lurk beneath the tremendous ambition of Tesla Inc. moved into the forefront in recent weeks. The company again **fell far short** of its own production targets for the mass-market Model 3 sedan, another person **died in a crash** involving its assisted-driving feature and Musk entered into **a public dispute** with federal safety regulators. Tesla's once high-flying stock, buffeted by a downgrade from credit analysts, has dropped 24 percent from its peak in September.*

*There's a good reason to worry: No one has raised or spent money the way Elon Musk has. Nor has any other chief executive officer of a public company made a **bankruptcy joke** on Twitter at a time when so much seemed to be unraveling.*

*Tesla is going through money so fast that, without additional financing, there is now a genuine risk that the 15-year-old company could run out of cash in 2018. The company burns through more than \$6,500 every minute, according to **data compiled by Bloomberg**. Free cash flow—the amount of cash a company generates after accounting for capital expenditures—has been negative for five consecutive quarters. That will be a key figure to watch when Tesla reports earnings May 2.*

Read the full story here:

<https://www.bloomberg.com/graphics/2018-tesla-burns-cash/>

In years to come, we will all look back and wonder how so many people were taken in by this shyster, who makes Enron look honest.

A lot of Musk's money has been extracted from suckers, who think he is God's gift, as Bloomberg report:

One of Tesla's greatest strengths is its ability to monetize the patience and goodwill of its customers and loyal fans. The company is sitting on a staggering \$854 million in customer deposits as of the end of 2017.

Since Tesla sells its products direct to consumers, without relying on a dealer network, customer deposits are cash payments that essentially serve as interest-free loans—and these loans can stretch on for years. If Tesla were to go bankrupt, those deposit holders would likely be wiped out.

Tesla is holding customer deposits for two vehicles that aren't even in production yet: an electric Tesla Semi (\$20,000 deposit) and a next-generation Roadster (either \$50,000 down or the \$250,000 retail price paid up front to reserve a limited edition). Even customers interested in installing an array of solar roof panels or the company's Powerwall home battery must hand over \$1,000 to place an order.

*Tesla doesn't break out deposit numbers by car, but the vast majority comes from \$1,000 reservations for the Model 3. When Musk first introduced the lower-priced sedan in March 2016, fans stood in long lines at Tesla stores. Two years later, the **slower-than-expected pace of production** means that most of the more than 400,000 reservation holders are still waiting. And new people appear to be joining the queue: As of April, the company reported "net Model 3 reservations remained stable."*

There's an additional source of free money from loyal believers: An unknown number of customers have paid up for vehicle features—

\$3,000 for “Full Self Driving” capability, for example—that Tesla thus far hasn’t figured out or released to anyone.

The consumer psychology that sees hundreds of thousands of people essentially extending an interest-free loan to a public company is unusual, to say the least. Consider the devotion of Bruce Sidlinger, a 60-year-old aerospace engineer who lives in Flagstaff, Arizona:

“The morning after the Roadster was announced, I put a deposit down. Putting down \$50,000 for a Roadster that won’t be out for a few years is kind of like buying a bond that returns zero. Elon Musk is one of our planet’s great hopes. I would offer a kidney to him if he needed it.”

Keep in mind that Sidlinger already owns both a Model S and a Model X. He drove across the country to Florida earlier this year in a car made by one Musk company so he could watch a rocket made by another Musk company take flight for the first time.

I think the phrase “more money than sense” rather sums it up