

**BUSINESS & FINANCIAL OVERVIEW**

## Tesla's Elon Musk unveils Model Y crossover, with \$47,000 price tag

Tesla Inc. unveiled the highly anticipated Model Y crossover SUV on Thursday night, which Chief Executive Elon Musk predicted would sell better than the Model X and Model 3 combined.

Speaking to a crowd of fans at Tesla's design center in Hawthorne, Calif., Musk touted the Model Y's expected safety and performance, and said the crossover will have "the functionality of an SUV, but ride like a sports car."

The long-range Model Y, with a battery range of about 300 miles, will be available first and have a starting price of \$47,000. Production is expected to begin in late 2020. Musk said a cheaper, standard-range model will be available in spring 2021 for about \$39,000. Tesla's website said the Model Y is now available to pre-order, along with a \$2,500 deposit.

Musk said the Model Y will come with Tesla's Autopilot features, and seat up to seven people.

The crossover is aimed at the growing part of the U.S. population favoring SUVs in recent years. The emergence of compact SUVs is a large part of the body style's sales success, thanks to their lower price tag and fuel consumption.

The Model Y's "big brother," the Model X SUV, arrived in the fall of 2015 after being promised for late 2013. Tesla first showed a concept for the seven-seat, gull-wing vehicle in 2012.

In numerous calls with analysts and other occasions, Musk has blamed what he deemed Tesla's overly ambitious plans for the Model X for the delays, and vowed to make a simpler Model Y.

For starters, the compact SUV would share most of its components with the Model 3 in hopes of streamlining its production ramp. According to a report earlier this month, Tesla has not yet decided where it will build the Model Y.

The compact SUV arrives as Wall Street is worried about Tesla's liquidity, demand and margins. Musk announced the Model Y unveiling date only days after Tesla announced its \$35,000 Model 3 sedan.

A new product could further weigh on the Model 3 demand, analysts have said. Others have greeted the arrival of the Model Y as boost for Tesla once it goes into full production next year.

Tesla shares TSLA, +0.35% rose 0.4% on Thursday but are off more than 9% this month. The stock is down 11% in the past 12 months, contrasting with gains around 2% for the S&P 500 index SPX, -0.09% over that time.

