

Tesla finally had a good sales quarter – it may be the last one for a while

Tesla's quarterly sales increased for the first time this year, as consumers rushed to cash in on expiring federal tax credits for electric vehicle purchases.

The company said that it produced a total of 447,450 vehicles between July–September of this year, including 435,826 Model 3 and Model Y vehicles, as well as 11,624 “other vehicles,” like the Model S, Model X, and Cybertruck. That represents a 5 percent decrease compared to the third quarter of 2024, when the company produced 469,796 vehicles.

Tesla also said that it delivered a total of 497,099 vehicles, including 481,166 Model 3 and Model Y vehicles, as well as 15,933 other vehicles – a 7.4 percent increase compared to the third quarter of 2024, when it delivered 462,890 vehicles. (For a direct-to-consumer company like Tesla, deliveries are a proxy for sales.)

Tesla was widely expected to have a relatively good quarter thanks to expiration of the \$7,500 federal EV tax credit on September 30th. The company delivered around 50,000 more vehicles than it produced, helping reduce its extra inventory that's been building up for the first half of the year.

Tesla was widely expected to have a relatively good quarter thanks to expiration of the \$7,500 federal EV tax credit on September 30th.

But while US sales likely helped buoy the company this

quarter, the situation overseas was still looking pretty grim. In Europe, Tesla is down 37 percent year to date, compared to the same period in 2024. In China, the company is also in a slump thanks to rising competition from domestic manufacturers, like BYD and Geely.

But things are likely to get worse for Tesla after this momentary bright spot. Experts predict that EV sales will drop dramatically in the US after the tax credit vanishes. Elon Musk has said that the company is in for “a few rough quarters” thanks to the expiring incentive and other macroeconomic factors. But he believes that Tesla will rebound as its AI plans come to fruition, including robotaxis and humanoid robots. Musk has said that 50 percent of the US population will have access to Tesla’s robotaxis by the end of 2025. So far, the vehicles are only available in Austin and San Francisco.

The sales report comes on the heels of a proposed new pay package for Musk, which if approved could make him the world’s first trillionaire. Musk would need to meet a series of ambitious milestones to receive the compensation, including producing over a million robots, a million robotaxis, and creating \$7.5 trillion in value for Tesla’s shareholders. Tesla is holding a shareholder meeting on November 6th to vote on the proposal.

But those shifts are likely years away – if they come at all – leaving Tesla to struggle in the current environment with an aging lineup and a battered brand image. The company has said it plans on releasing a cheaper version of its top-selling Model Y, which was supposed to go into volume production in the second half of 2025 – though still no word there.

<https://www.theverge.com/news/790046/tesla-q3-2025-sales-production-delivery>