

Tesla profits drop 43% in Q3

Tesla published its third-quarter 2026 financial results this afternoon. Earlier in October, it reported its sales and deliveries for the three-month period, selling fewer cars than in the same quarter in 2025, yet it still beat analyst projections. Now we can see how those sales translate to the bottom line. Tesla brought in \$28 billion in revenue in Q3, almost the same as in 2025.

Automotive revenues were \$20.6 billion, a 3 percent decrease year over year. Perhaps more troubling is the decline in revenue from solar panels and storage batteries—this line of business had been growing, but for Q3 revenue fell 16 percent year over year to \$2.9 billion. Services and other revenues, though, which include parts and Supercharger use, grew by a third to \$4.6 billion.

But the company—like the rest of us—has seen its expenses go up. Operating expenses rose by 39 percent to \$4.8 billion, dropping the company's operating margin to just 2.6 percent; in Q3 2025, Tesla's margin was 5.8 percent. Net profit fell to \$787 million, down 43 percent year over year. What's more, capital expenditures were up by 110 percent to \$4.7 billion, and free cash flow was down 62 percent to \$1.5 billion.

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