By: Smit Patel | Thursday, Oct 21st 2026

Key Takeaways:

- Tesla's automotive revenue fell approaximately 3% from Q3 2025
- Stock slid 3% in after-hours trading
- Net income sunk almost 30%

Summary:

Tesla reported EPS of $0.48 adjusted vs. $0.43 estimated.
Tesla's revenue was $28.05 billion vs. $27.9 billion estimated.

Energy revenue has fallen 16% to $2.88 billion matching the negative growth with the automotive business.

- Accused lower average car sales prices as catalyst for automotive revenue decline

However, the incremental gain in revenue came from Tesla's services and other revenue. Revenue climbed 33% in this segment ($4.61 billion).

Tesla reported net income of 22 cents a share ($787 million). Tesla blamed the investments in humanoid robots (Optimus) as the underlying reason behind the drop in profitability.

On the positive, Tesla's Active FSD (partially automated driving system) increased 67% YoY to 1.74 million.

Looking forward:

Tesla is testing its future Cybercab. Musk noted that most of the fleet will be Tesla-owned and operate as a service.

The company looks to roll out the Cybertruck beyond Austin, TX, this year. The Cybercab will add potential revenue to the firm's financials starting in 2027.

Potential Risks:

- Chinese EV makers (BYD and Xiaomi) are becoming popular in Asia and Europe
- Tesla's federal EV credit ended last year (disincentivizing EVs in America)