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# Tesla profit tanked 46% in 2025

Sean O'Kane 1:16 PM PST · January 28, 2026

Tesla's profit fell 46% in 2025 compared to the prior year, as CEO Elon Musk assumed a role in the Trump administration and federal electric vehicle subsidies were killed off by Congress, causing sales to plummet.

The electric vehicle company reported Wednesday that it recorded just \$3.8 billion in profit across 2025, its lowest tally in years. Total revenue from car sales fell 11% year-over-year, too. Tesla already revealed that it shipped 1.63 million vehicles in 2025. The company's 2025 marks the second time its annual profit has declined, after Microsoft's 2024 annual growth of 11%.

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The company revealed it had invested \$2 billion in the startup xAI, part of a [round](#).

Revenue from Tesla's solar and energy storage businesses also grew 25% compared to 2024, and services revenue (which includes payments for Full Self-Driving software, insurance, parts, and Supercharging) grew 18%. The company was even able to grow its gross margin compared to prior quarters.

Long-awaited projects like the Tesla Semi (first revealed in 2017) and the Cybercab (which debuted in 2024, but has been teased for years) are supposed to enter production in the first half of this year, according to Tesla.

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Tesla has a *lot* of other projects on its plate, which were detailed in the shareholder letter. The company has started pilot production at its lithium refinery in Texas. It's developing new in-house inference chips for its autonomy and robotics programs. And it plans to reveal the third-generation version of its Optimus robot in the first quarter of this year.

*This story is developing ...*

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