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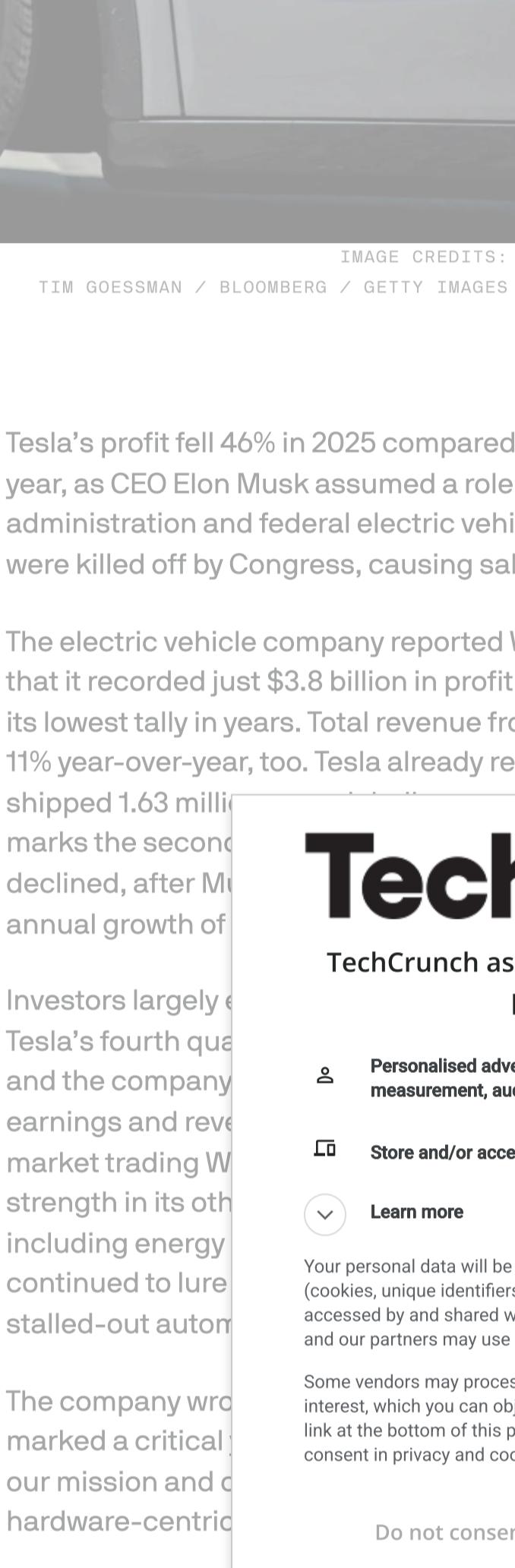
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TRANSPORTATION

Tesla profit tanked 46% in 2025

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

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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, marking the second consecutive year sales declined, after Musk's first year in charge saw annual growth of 50%.

Investors largely expected the decline. Tesla's fourth quarter earnings and revenue were lower than market trading Wednesday, though strength in its other businesses, including energy storage and solar, continued to lure in new customers. Tesla's stalled-out automaker competitors marked a critical turning point in our mission and direction, as the hardware-centric company's stock price fell 11%.

The company revenue fell 11% in 2025, invested \$2 billion in its battery and startup xAI, part of the latter's recent [Series E funding 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 Cybertruck (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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Sean O'Kane is a reporter who has spent a decade covering the rapidly-evolving business and technology of the...

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