Goldman Sachs Research

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Tesla Inc. (TSLA): 3Q26 First Take

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Synopsis

We expect investors to have a positive initial view of the report given progress in several areas including autonomy (e.g. FSD attach rates on new vehicle deliveries in North America reached over 75%, and robotaxi unsupervised miles continued to grow double digits week on week), demand (e.g. comments about having strong backlog in both Auto and Energy) and gross profits (with the gross margin better than our expectation in all three segments). Opex was higher than we had estimated, Energy revenue was lower than our estimate, and the company is still iterating on Optimus, but on balance our first take is positive.

We expect key questions on the call to relate to the pace of deployments in physical AI related businesses, the trajectory of capex/FCF, and margins.

Results

Tesla (TSLA; Neutral) reported 3Q26 revenue of $28,046 mn (down 1% qoq and about flat yoy) which was 4% below GS at $29,330 mn, about in line with the Street (FactSet) at $28,057 mn, and 1% below company-compiled consensus at $28,341.

The total company gross margin (including SBC) was 19.6%, above GS at 18.5%, company-compiled consensus at 17.9%, and the Street (FactSet) at 17.5%. The 2Q26 margin was 16.8%, and 3Q25 was 18.0%.

The automotive non-GAAP gross margin (including SBC, excluding regulatory credits) was 18.1%, above both GS at 16.3% and the Street at 16.8%.

EBIT (including SBC) of ~$718 mn (2.6% of sales) was below our forecast of ~$1,043 mn (3.6% of sales), and the Street at $1,473 (5.3% of sales), and about in line with company-compiled consensus of $721 mn (2.5% of sales). The earnings deck cites higher opex and lower regulatory credit revenue as the main drivers of lower EBIT, partially offset by improved mix and growth in FSD and Services.

Company-reported non-GAAP diluted EPS (excluding SBC and non-cash mark to market adjustments) was $0.48, $0.04 above GS at $0.44 and $0.03 above both the Street and company-compiled consensus at $0.45.

Cash, cash equivalents, and investments were up by $1.9 bn qoq to $45.4 bn, with FCF of $1,531 mn in 3Q. Capex was $4.7 bn, below our estimate of $8.0 bn. Recall Tesla had expected over $25 bn of capex for the year.

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On automotive, the company highlighted its strong deliveries as being supported by record deliveries in several markets including Canada, Australia, Japan, and Taiwan. It also highlighted the start of volume production of Tesla Semi.

On FSD, Tesla FSD active subscribers grew to 1.74 mn (up 18% qoq and 67% yoy), and the company noted FSD adoption reached record attach rates of >75% on new vehicle deliveries in North America (up from >55% in 2Q). Tesla also highlighted several European approvals received for FSD in the quarter.

On Robotaxi, Tesla highlighted the roll out of its Cybercab purpose-built AV in Austin. Total paid unsupervised/fully driverless robotaxi miles were 3.1 mn as of October 18th (up from 1 mn as of September 3rd 2026 and ~380K as of the 2Q earnings call). Tesla added San Antonio and Jacksonville to its upcoming cities list (in addition to Phoenix and Las Vegas, which were previously disclosed).

On robotics, Optimus began production in Fremont on high-volume lines. Tesla believes its manufacturing process for Optimus is suitable for a commercial product, although it continues to iterate on the hardware and manufacturing process.

On Energy, Megafactory Texas started production. Recall Megafactory Texas will produce the Megablock product and Megapack.

On compute, the company expects to reach 400 MW of compute by year-end (from ~265 MW currently). Tesla also started construction on its Austin Fab with equipment commissioning expected in 2027.

On battery efforts, the company highlighted that battery availability remains a limiting factor in the global vehicle production ramp but is continuing efforts for pack capacity in Berlin, cathode production and lithium refining in Texas, and LFP cells in Nevada for Energy.

Outlook

Tesla commented that its passenger vehicle backlog is the highest in four years, and its Energy backlog is at a record high.

Tesla noted that it has begun production of Tesla Semi in Nevada and Optimus in Fremont. Additionally, capacity build-out and ramp of multi-year initiatives including compute, solar, battery material, and semiconductor manufacturing are underway.

We detail results relative to GS and Street (FactSet) expectations on key financial metrics in the tables below.



Exhibit 1: TSLA variance summary
$ mn, except for EPS and margins

	3Q26				Variance		
	Actual	GS	Street (FactSet)	Company complied consensus	vs. GS	vs. Street	vs. Company complied consensus
Model 3/Y	478,237						
Other models (i.e. S/X/Cybertruck)	8,295						
Vehicle deliveries	**486,532**						
QoQ	*1.3%*						
YoY	*(2.1%)*						
Energy Deployments (GWh)	**13.7**						
QoQ	*1.5%*						
YoY	*9.6%*						
Active FSD subscriptions (mns)	**1.74**						
QoQ	*17.6%*						
YoY	*67.3%*						
Automotive ex. regulatory credits	20,447.0	20,662.6					
Regulatory credits	113.0	400.0					
Total Automotive	20,560.0	21,062.6		20,272.0	(2.4%)		1.4%
Energy generation & storage	2,881.0	3,749.0		3,720.0	(23.2%)		(22.6%)
Service & other	4,605.0	4,518.2		4,349.0	1.9%		5.9%
Total Revenue	**28,046.0**	**29,329.9**	**28,057.0**	**28,341.0**	(4.4%)	(0.0%)	(1.0%)
QoQ	*(0.7%)*	*3.9%*	*(0.6%)*	*0.4%*			
YoY	*(0.2%)*	*4.4%*	*(0.1%)*	*0.9%*			
Automotive gross profit (inc. SBC, ex. reg credits)	**3,693.0**	**3,368.0**			9.6%		
% of sales	18.1%	16.3%	16.8%		*176 bps*	*126 bps*	
Total gross profit	**5,494.0**	**5,412.8**	**4,912.0**	**5,061.0**	1.5%	11.8%	8.6%
% margin	19.6%	18.5%	17.5%	17.9%	*113 bps*	*208 bps*	*173 bps*
Operating income (GAAP, inc. SBC)	**718.0**	**1,042.6**	**1,473.0**	**721.0**	(31.1%)	(51.3%)	(0.4%)
% margin	*2.6%*	*3.6%*	*5.3%*	*2.5%*	*-99 bps*	*-269 bps*	*2 bps*
EPS (Non-GAAP, inc. SBC)	**$0.20**	**$0.24**			($0.04)		
EPS (Non-GAAP, ex. SBC)	**$0.48**	**$0.44**	**$0.45**	**$0.45**	$0.04	$0.03	$0.03

Source: Company data, Goldman Sachs Global Investment Research, FactSet

We are Neutral rated on the stock. Our 12-month price target is $360 based on 150X applied to our Q5-Q8E EPS estimate including SBC.

Key downside risks to our view relate to potentially larger vehicle price reductions than we expect, increased competition in EVs, a larger than expected tariff impact or negative effects from government policy changes more generally, slower EV demand, delays with products/capabilities such as FSD/4680, key person risk, the internal control environment, margins, and operational risks associated with Tesla's high degree of vertical integration. Upside risks include faster EV adoption and/or share gain by Tesla, a stronger macroeconomic environment for new vehicle sales more generally, earlier new product launches than we expect, an earlier/larger impact from AI-enabled products (e.g., FSD, Optimus and robotaxis), and a smaller than expected tariff impact than we currently anticipate.

TSLA	12m Price Target: **$360.00**	Price: **$373.71**	Downside: **3.7%**

Neutral

Market cap: $1.6tr
Enterprise value: $1.6tr
3m ADTV: $13.3bn
United States
Americas Autos & Industrial Tech
M&A Rank: 3

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue ($ mn)	94,827.0	110,092.2	127,299.2	145,109.8
EBITDA ($ mn)	14,596.0	15,816.7	24,083.8	31,273.7
EBIT ($ mn)	4,355.0	3,834.7	8,449.6	12,397.6
EPS ($)	1.09	0.82	1.75	2.45
P/E (X)	NM	NM	NM	152.4
EV/EBITDA (X)	78.1	83.5	61.0	47.2
FCF yield (%)	0.5	(0.5)	(0.5)	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Net debt/EBITDA (X)	(0.8)	(1.4)	(0.6)	(0.5)

	6/26	9/26E	12/26E	3/27E
EPS ($)	0.05	0.24	0.31	0.11

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 20 Oct 2026 close.