

# Tesla surprises with profit in third quarter

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Following the announcement of building self-driving technology into all of its electric cars, Tesla reports a growth in revenue of 145 percent from a year ago to \$2.3 billion now

Electric carmaker Tesla on Wednesday announced a profit for the third quarter and said it sees more positive results ahead as it ramps up production of new models.

The company, known for heavy investments which have led to consistent losses, said its net profit amounted to \$22 million in the past quarter, as

it reported record revenues and deliveries. That compared with a \$230 million loss in the same period last year.

Total revenues grew 145 percent from a year ago to \$2.3 billion, as it delivered 24,821 vehicles, helped by the Model X [sport utility vehicle](#) added last year to its lineup.

The better-than-expected results, with only its second profitable quarter as a public company, lifted Tesla shares 5.5 percent in after-hours trade on Wall Street.

Company founder Elon Musk said in a letter to shareholders he expects profitability in the fourth quarter too as Tesla expands its global sales and refines its [self-driving technology](#) that is being offered—but not activated—on its vehicles.

"New product launches, increased store efficiency and new store openings drove year-on-year order growth in the third quarter, while self-driving hardware and other product enhancements position Tesla for additional market share gains," Musk said in the letter with chief finance officer Jason Wheeler.

The letter said the company expects more than 25,000 deliveries in the fourth quarter to bring the total for the second half of the year to some 50,000 "despite the challenges of winter weather and the holiday season."

Tesla, known for its high-end cars which sell for upwards of \$70,000, is also working on a more affordable model at about half the price which is aimed at expanding the market for electric vehicles, as it seeks to boost the range between charges.

Tesla announced last week it will build self-driving technology into all

the electric cars it makes, running it in "shadow" mode to gather data on whether it is safer than having people in control.

Musk referred to the hardware as "basically a super-computer in a car," different from its auto-pilot technology to date.

It will be up to regulators and the public as to when the self-driving capabilities will actually be put to use on roads, according to Musk.

Tesla will be facing competition from other [electric vehicles](#) including the Chevrolet Bolt from General Motors, hitting the marketplace soon.

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