



Tesla (NASDAQ: TSLA) designs, builds and sells its cars and batteries itself, direct to customers with no dealers, then leans on three margin levers: regulatory credits, energy storage and software/services. FY2025 revenue was \$94.8B (–3%): automotive \$69.5B (cars \$65.8B, credits \$2.0B, leasing \$1.7B), services and other \$12.5B (+19%) and energy \$12.8B (+27%). Gross margin was 18.0%, operating income \$4.36B (4.6%) and free cash flow about \$6.2B (INFERENCE: \$14.7B operating cash flow less \$8.5B capex). The levers are lopsided: credits are almost pure margin (\$2.0B ≈ 46% of operating income, INFERENCE) but are fading (–28% in FY25, –67% in Q2 2026); energy is 13.5% of revenue but about 22% of gross profit (INFERENCE) at a 29.8% gross margin. Then the bet: Q2 2026 revenue was \$28.2B (+26%, 480,126 deliveries) but operating income only \$398M (1.4% margin) and free cash flow –\$1.1B, because R&D (+49%) and capex (\$5.8B in the quarter) are being pushed into AI, cells, chips, Cybercab and Optimus. Tesla says it expects hardware profits to be joined over time by AI, software and fleet-based profits — a goal, not yet a reported result.

BUSINESS MODEL CANVAS

Tesla

Research date: Oct 10, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Battery cell suppliers** — Panasonic and CATL named in the 10-K; limited number qualified (FACT).
- Thousands of other suppliers; some single-source components (FACT).
- **Banking partners** — buy leases with Tesla resale value guarantees; no credit risk to Tesla in those programs (FACT).
- **Credit buyers** — other automakers purchase regulatory credits under standing arrangements (FACT).
- **Charging partners** — NACS-adopting automakers; Supercharger for Business hosts who buy and install stalls (FACT).
- **Related parties** — SpaceX buys Megapacks; Redwood Materials and The Boring Company also named (FACT, 10-Q).

KEY ACTIVITIES

- **Manufacture vehicles and energy storage** — 1.66M vehicles produced and 46.7 GWh deployed in 2025 (FACT).
- **Make cells and materials** — 4680 cells (Texas, >40 GWh capacity), LFP (Nevada, 7 GWh early ramp), cathode and lithium refining in Texas (FACT, Q2 update).
- **Build and train AI** — FSD (Supervised), Robotaxi in six Texas and Florida metros, Optimus lines being installed (FACT).
- **Operate Superchargers** — 8,704 stations, 82,357 connectors at Q2 2026 (FACT).
- **Sell, deliver and service directly** — stores, website, service centers, used cars and insurance (FACT).

KEY RESOURCES

- **People** — 134,785 employees at 31 Dec 2025 (FACT).
- **Factories** — California, Shanghai, Berlin, Texas, Nevada; Megafactories in California, Shanghai, Texas (FACT).
- **Fleet and data** — 9.7M cumulative deliveries; FSD (Supervised) miles tracked by Tesla (FACT).
- **Compute** — Cortex 1 (>90 MW) and Cortex 2 (>115 MW) in Texas; Austin chip fab in early build (FACT).
- **Balance sheet** — \$43.5B cash and short-

VALUE PROPOSITIONS

- **Electric vehicles** — Model 3, Y, S, X, Cybertruck; Semi for commercial use (FACT).
- **Software that improves** — OTA updates; FSD (Supervised) active subscriptions 1.48M, +56% YoY (FACT).
- **Charging** — 8,704 Supercharger stations open also to non-Tesla EVs in supported markets (FACT).
- **Energy storage** — Powerwall for homes, Megapack for utilities and industry; 46.7 GWh in 2025 (FACT).
- **Autonomy bet** — Robotaxi service and Cybercab; Optimus robot lines being installed (FACT, outcomes unproven).

CUSTOMER RELATIONSHIPS

- **FSD (Supervised) subscriptions** — 1.48M active at Q2 2026; record attach in North America (FACT).
- **Over-the-air updates** — bundled with the car, deferred revenue \$3.9B at end 2025 for connectivity, FSD access and similar items (FACT).
- **Service and collision** — Tesla-run, non-warranty maintenance growing (FACT).
- **Insurance** — launched 2021 in select states; priced on real-time driving behavior (FACT).
- **Trade-in and used cars** — tied to new-vehicle sales (FACT).

CHANNELS

- **Website and Tesla app** — order cars, buy paid options and features (FACT).
- **Company-owned stores and galleries** — no independent dealer network (FACT).
- **Service centers and Tesla Mobile Service technicians** — Tesla-run (FACT).
- **Superchargers and Tesla Diner** — charging as a touchpoint (FACT).
- **Energy partners and PPAs** — channel partners; some commercial PPAs (FACT).

CUSTOMER SEGMENTS

- **Car buyers** — 1.64M deliveries in 2025; 480,126 in Q2 2026 (+25%) (FACT).
- **Commercial buyers** — Tesla Semi, a commercial electric truck (commissioning in Nevada, production planned for 2026) (FACT).
- **Energy customers** — homes, small and large commercial, utility and generation (FACT).
- **Other automakers** — regulatory credits and Supercharger access (FACT).
- **Robotaxi riders** — unsupervised service in Austin, Dallas, Houston, Miami, Orlando, Tampa (FACT, Q2 2026 Update).

COST STRUCTURE

- **Cost of revenues** — \$77.7B FY25 (about 82% of revenue); total gross margin 18.0% (FACT / INFERENCE).
- **R&D** — \$6.41B FY25 (+41%); \$2.37B Q2 2026 (+49%) (FACT).
- **SG&A** — \$5.83B FY25; \$1.98B Q2 2026, including CEO Performance Award stock comp (FACT).
- **Capex** — \$8.53B FY25; \$5.79B in Q2 2026 alone; \$8.28B in H1 2026; 2026 guidance raised from >\$20B (10-K) to >\$25B (10-Q) (FACT).
- Warranty, tariffs and inventory write-downs sit inside cost of revenues; Q2 2026 energy margin hit by cell warranty charges (FACT).

REVENUE STREAMS

- **Automotive sales** — \$65.8B in FY25 (–9%); \$20.0B in Q2 2026 (+27%) (FACT).
- **Regulatory credits** — \$1.99B FY25 (–28%); \$146M in Q2 2026 (–67%) (FACT).
- **Automotive leasing** — \$1.71B FY25 (–6%) (FACT).
- **Services and other** — \$12.5B FY25 (+19%); \$4.58B Q2 2026 (+50%), record 14% gross margin (FACT).
- **Energy generation and storage** — \$12.8B FY25 (+27%); \$3.14B Q2 2026 (+13%) (FACT).