

COMMERCE

Tesla bests fourth-quarter revenue targets at expense of profit margins

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Tesla CEO Elon Musk expects to increase vehicle deliveries by 37 percent in 2023. Image credit: Tesla

By LUXURY DAILY NEWS SERVICE

U.S. automaker Tesla has come out slightly ahead of projected fourth quarter sales targets on Wednesday, Jan. 25, following a series of severe price cuts.

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CEO Elon Musk set to reassure concerned investors that the company could still generate profits despite a weak economy and growing competition in the EV market, the latter of which is only expected to increase in 2023. In the face of an uncertain economy, Mr. Musk has announced plans to increase the rate of vehicle production while decreasing units' costs.

Racing ahead

In an effort to maintain its dominance in the electric vehicle market amidst rising competition, Tesla reduced sales prices worldwide this month by as much as 20 percent. This followed discounts applied in December of last year.

This move increased sales, yet as a result, drove down profit margins.

Tesla's revenue in the final three months of 2022 amounted to \$24.32 billion, just shy of analysts' estimate of \$24.16 billion.



Tesla's Model Y in motion. Image credit: Tesla

Andist increased demand for its vehicles, the brand has plans to release an electric pickup model called the Cybertruck, which is not expected to be produced at any significant rate until late 2023.

Meanwhile, Tesla expects to deliver 1.8 million vehicles in 2023, a 37 percent increase in car volume, but nonetheless a slower pace than was achieved in 2022.

According to recent findings, it is not only fellow luxury brands which pose a threat to Tesla's EV market dominance.

In December of last year, a study showed that while Tesla continued to dominate the EV market, other high-end brands such as Audi, Mercedes and BMW were gaining ground in the market.

Additionally, several sub-luxury brands have divided a smaller portion of the market equally among themselves ([see story](#)).

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