

Nasdaq-100 Index[®]: Q3 2024 Earnings Updates

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- Tech giants are maintaining their high AI spending this season. Amazon, Microsoft, Alphabet and Meta invested a record US\$59 billion in capital expenditures in the third quarter, while also committing to significantly increase their spending next year. AI adoption and monetization are accelerating.
- While [Alphabet](#) beat its consensus estimates for EPS by 15%, its cloud revenues jumped 35% and better than analysts had projected. Besides, Google is making progress in addressing investor concerns about the huge spending on AI infrastructure. The firm reduced the cost of producing AI answers in search queries by over 90% in 18 months, while over a quarter of all new code at Google is now generated by AI.
- [Tesla](#)'s shares surged the most in more than 11 years on October 24th after the automaker reported surprisingly strong earnings and forecast. With 8% jump in earnings, Tesla beat analysts' average estimates for the first time in five quarters. Its expectation of slight growth in vehicle deliveries this year is another positive surprise compared to expectations.
- [Amazon](#)'s net income surpassed analysts' estimates by 25% and grew by 55% year-on-year. The operating profit margin of Amazon Web Services, a key profit driver, reached 38%, up from 30% in the same period last year. The firm expects around US\$75 billion in capital spending this year.
- [Microsoft](#)'s profit increased by 11%, beating estimates by 6%. The firm expects its AI business to be on track to surpass annual sales of US\$10 billion next quarter, which will make it the fastest growing business in its history to reach such milestone.
- Even as infrastructure expense growth continues, [Meta](#)'s profit rose 35%, beating estimates by 15%. Given that its AI tools can display more content aligned with users' interests, Meta is well-positioned to extract more revenue from users even as user growth decelerates.
- While [Apple](#)'s revenue slightly surpassed projections, its net income declined due to a one-time charge from a European tax decision. Its services division, boasting a 74% gross margin compared to the overall 46%, achieved a record high in revenue with an annual run rate of US\$100 billion. Yet, the recovery in consumer tech demand remains sluggish.

Name of Company	Revenue growth (yoy)	Profit growth (yoy)	Q3 Revenue Beat/Miss%	Q3 EPS Beat/Miss %
Apple	6%	(36%)	0.4%	(39.4%)
Microsoft	15%	11%	1.6%	6.4%
Alphabet	15%	34%	2.2%	14.9%
Meta	19%	35%	0.7%	14.9%
Amazon	11%	55%	1.0%	25.4%
Tesla	8%	8%	(0.7%)	23.0%

Source: FactSet, company filings.

- 75 companies in the Nasdaq-100® (70% by weight) have reported their quarterly earnings since October 1st. Overall, these firms beat their revenue and earnings estimates for the quarter by an average of 1.6% and 7.2%, respectively, with 45 of them (44% by weight) exceeding both top and bottom-line estimates.
- The rate of beats so far (by index constituent count and index weight) on the top-line is slightly better than that of the prior quarter, while ticking down a bit by index weight on the bottom-line.

Fundamental Metric	# of Beats / % Weight	# of Misses / % Weight	Average Beat %	Average Miss %
Q3 24 Revenues	51 / 57.0%	24 / 13.3%	3.2%	(1.6%)
Q3 24 Earnings	62 / 54.9%	13 / 15.4%	10.5%	(8.8%)

Source: Nasdaq Global Indexes, FactSet. Data as of November 8, 2024.

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