# Nasdaq-100®: Preliminary Q4 2025 Earnings Update

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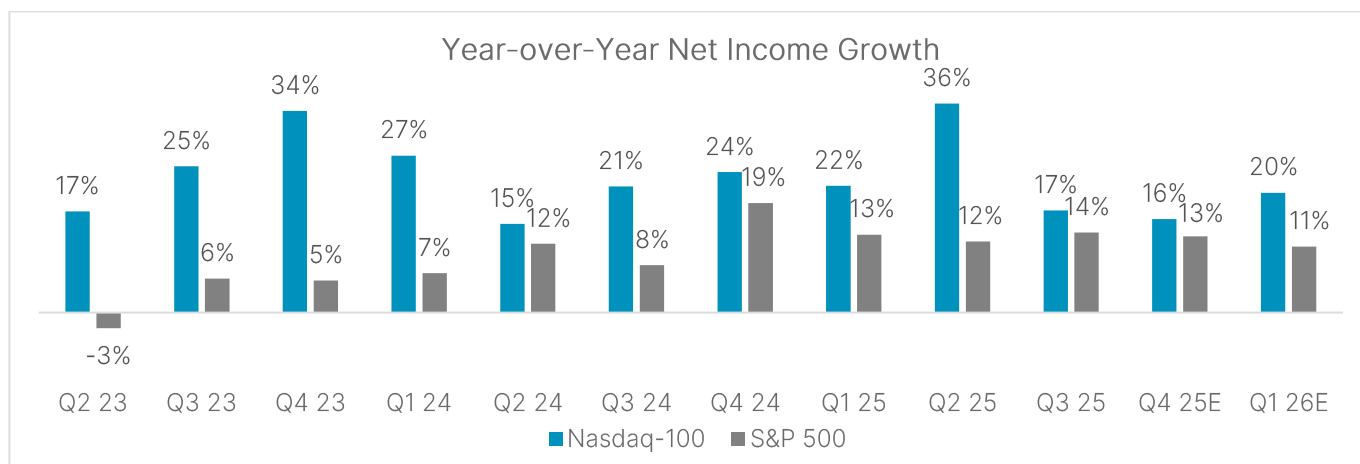
- The software sector's recent underperformance largely reflects broad concerns that AI is cannibalizing traditional software models. At this stage, there is limited evidence that AI is broadly eroding established software moats, though specific providers could see greater competitive pressure. Core application software that is deeply embedded in enterprise workflows and tied to proprietary data remains the most protected.

- AI will reshape the productivity landscape, and companies that aggressively harness it should outperform over time. However, periods of elevated volatility are likely as each wave of AI capability rapidly surpasses the last. Large-cap leaders are positioned to generate attractive returns on AI investment, along with chipmakers across the AI supply chain. Although they have been caught in the software-led pullback, they stand to be the primary long-term beneficiaries.

- Q4 enterprise spending on cloud infrastructure services rose 30% on a constant-currency basis to US$119 billion, marking a ninth consecutive quarter of accelerating year-over-year growth and the fastest expansion in more than three years. Among the leading providers, Amazon retains a commanding 28% global market share, while Microsoft (21%) and Google (14%) continue to post meaningfully faster growth (see chart below). Collectively, the "Big Three" hyperscalers now account for 63% of the rapidly expanding cloud market.[1]
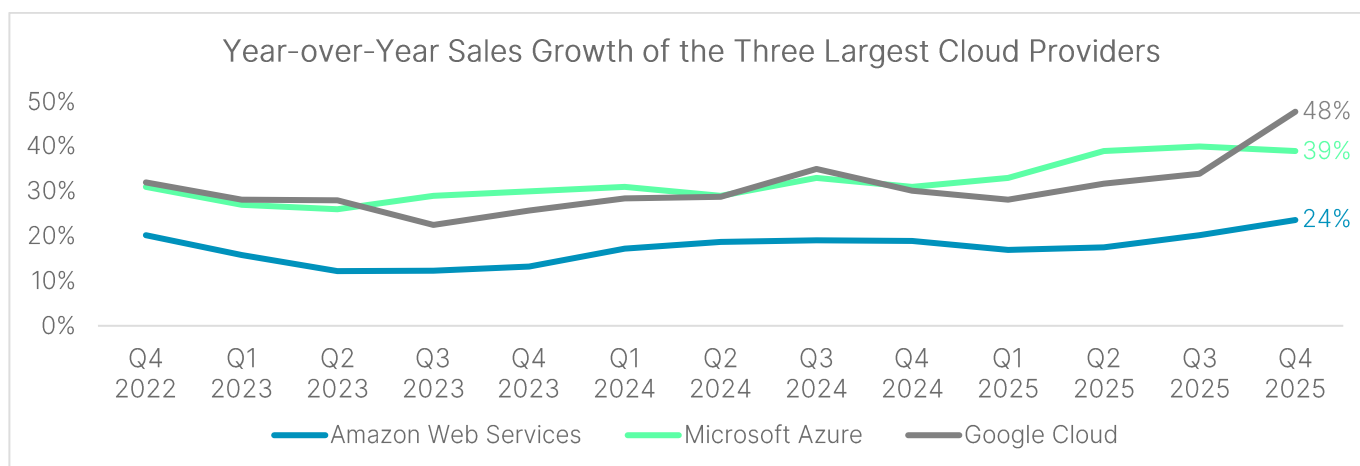
Source: Bloomberg, company filings.

- Among Nasdaq-100 constituents that have reported Q4 results, 84% exceeded analysts' earnings expectations on an index-weighted basis. Nasdaq-100 net income is on track for approximately 16% year-over-year growth in Q4, marking the 11th straight quarter of expansion above 15%, as well as outperformance versus the S&P 500. Analysts see this strength carrying forward, projecting earnings to accelerate to 20% growth in Q1 2026.

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[1] https://www.srgresearch.com/articles/genai-helps-drive-quarterly-cloud-revenues-to-119-billion-as-growth-rate-jumped-yet-again-in-q4

Year-over-Year Net Income Growth

	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25E	Q1 26E
Nasdaq-100	17%	25%	34%	27%	15%	21%	24%	22%	36%	17%	16%	20%
S&P 500	-3%	6%	5%	7%	12%	8%	19%	13%	12%	14%	13%	11%

Source: FactSet. Data as of February 11, 2026.

Q4 Earnings Update for Major Nasdaq-100 Constituents

- **Apple** posted its best-ever quarter, generating US$143.8 billion in revenue, an increase of 16% from a year earlier. Company gross margin reached 48.2%, coming in above the high end of its guidance range. A strong iPhone 17 launch drove smartphone revenue to US$85.3 billion in Q4, up 23% year-over-year, with all-time records across every geographic segment. Overall sales from Greater China rose 38% from a year ago, driven by the iPhone 17 upgrade cycle among both existing users and switchers from rival brands. Services also delivered a record US$30.0 billion in revenue, rising 14% year over year. Management forecasts 13–16% year-over-year revenue growth for the current quarter.

- **Alphabet**, Google's parent company, delivered robust Q4 results, with revenue rising 18% year-over-year to US$113.8 billion and annual sales surpassing US$400 billion for the first time. Google Search, the core driver of Alphabet's advertising franchise, grew 17% to US$63.1 billion. Amid accelerating demand for compute to train and deploy AI models, cloud revenue surged 48% to US$17.7 billion, marking its fastest growth rate since 2021. The cloud contract backlog expanded to US$240 billion by December, up 55% quarter-over-quarter. Investors also welcomed strong free cash flow, which reached US$24.6 billion in the quarter and US$73.3 billion for the full year. The Gemini app now exceeds 750 million monthly active users, up 100 million from the previous quarter. Capital expenditures (capex) are projected at US$175–185 billion for the year, well ahead of market expectations.

- **Microsoft** delivered quarterly results above the high end of guidance, with revenue rising 17% to US$81.3 billion and adjusted net income up 23% to US$30.9 billion. The operating margin expanded to 47%, surpassing forecasts. Azure remains capacity-constrained, yet both core and AI workloads posted strong momentum. Revenue from Azure and other cloud services grew 39% year-over-year, just one percentage point below the previous quarter's pace. Near-term demand signals remain solid. While OpenAI represented 45% of the backlog for future sales, the non-OpenAI portion still advanced 28% year-over-year, underscoring sustained, broad-based customer adoption across the platform.

- **Amazon**'s quarterly revenue rose 14% to US$213.4 billion, while net income reached US$21.2 billion in Q4. Amazon Web Services (AWS) delivered 24% sales growth to US$35.6 billion, its fastest pace in 13 quarters, as operating margin edged up to 35%, expanding 40 basis points year-over-year. AWS added 3.9 gigawatts of data-center capacity over the past year and reported a US$244 billion backlog. The company also announced plans to invest US$200 billion in capex in 2026 to further scale its AI infrastructure, well above prior guidance.

- **Meta Platforms** delivered a strong Q4, with revenue rising 24% to US$59.9 billion, exceeding market expectations. Ongoing AI investments continue to lift key metrics, including user engagement, advertising

efficiency and content recommendations. Meta's family of apps averaged 3.58 billion daily active users in December 2025, up 7% year-over-year. In Q4, total ad impressions across its platforms increased 18% from a year ago, while average ad pricing rose 6%. The firm expects 2026 capex to rise materially to US$115–135 billion, compared with US$72.2 billion last year.

- Tesla's Q4 adjusted net income declined 16% year-over-year to US$1.8 billion, though results still topped Wall Street expectations. After recording its first annual revenue contraction, the EV pioneer is accelerating its strategic pivot toward robotics and AI. The company plans to discontinue production of the premium Model S and X next quarter and repurpose its California facility into a manufacturing hub for Optimus robots. Tesla also intends to expand its robotaxi business to seven additional U.S. cities in the first half of 2026, following initial launches in Austin, Texas, and California's Bay Area. Global energy storage deployments reached 46.7 GWh in 2025, up 49% year-over-year.

Name of Company	Revenue Growth (yoy)	Profit Growth (yoy)	Q4 Revenue Beat/Miss %	Q4 EPS Beat/Miss %
Apple	16%	16%	4%	6%
Alphabet	18%	30%	2%	7%
Microsoft	17%	23%	1%	6%
Amazon	14%	6%	1%	-1%
Meta Platforms	24%	9%	2%	8%
Tesla	-3%	-16%	1%	15%

Source: Nasdaq Global Indexes, FactSet, company filings.

- As of February 11, 63 companies in the Nasdaq-100 (72% by weight) have reported Q4 earnings. On average, these firms beat their revenue and earnings estimates for the quarter by 1.7% and 5.3%, respectively, with 43 companies (58% by weight) exceeding both top-line and bottom-line expectations.

- Both top- and bottom-line beat rates on a weighted basis declined relative to the prior quarter. On a constituent-count basis, revenue and earnings beat rates remain below last quarter's levels.

	Beats		Misses	
	No. of firms / Index weight	Average Beat %	No. of firms / Index weight	Average Miss %
Q4 2025 Revenues	53 / 67.8%	2.3%	10 / 4.2%	-1.2%
Q4 2025 Earnings	49 / 60.5%	8.4%	14 / 11.5%	-6.3%

Source: Nasdaq Global Indexes, FactSet. Data as of February 11, 2026.

Disclaimer: