Q3 2025 Cybersecurity Earnings Update

December 2025

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Rising ransomware threats, regulatory pressure, cloud adoption and generative AI risks will sustain cybersecurity investment in the near-term. The market continues to shift from best-of-breed point solutions to integrated platforms, signaling as before that scale and horizontal integration are essential. Artificial intelligence is driving spending on data protection, secure MLOPs, usage controls and governance evidence. With 85% of the index weight having reported Q3 2025 earnings as of December 5, the Nasdaq CTA Cybersecurity™ Index (NQCYBR™) has broadly exceeded earnings estimates with 25 of 29 companies reporting revenue beats and 26 of 29 reporting earnings beats.

Cisco delivered quarterly results that topped estimates amid strong demand for artificial intelligence products. Revenue climbed by 8% to $14.9 billion. AI infrastructure orders from hyperscale customers exceeded $1.3 billion, up from $800 million in the previous quarter. Product orders rose 13%, improving from 7% the previous quarter, with double-digit growth in networking orders for the fifth consecutive quarter. The company's AI business is getting boosted from a partnership with Nvidia. While the AI business exceeded expectations, security underwhelmed this quarter[1,2].

Palo Alto Networks delivered quarterly results that topped estimates, while continuing its acquisition strategy and AI-driven platform expansion. It reported revenues of $2.5 billion, up 16% year-over-year, with next-generation security ARR of $5.9 billion, up 29% year-over-year, signaling strong momentum in subscription-based offerings. Its Remaining Performance Obligations (RPO) came in at $15.5 billion, up 25% year-over-year, indicating a healthy backlog. Its operating margin of 30.2% reflected continued strength in efficiency initiatives. It announced a $3.4 billion deal to acquire Chronosphere, a cloud observability platform provider, and reaffirmed plans to close its $25 billion acquisition of CyberArk in FY 2026. These acquisitions are aimed at strengthening its AI-driven security and observability capabilities. The company saw growth in AI-powered security tools, including Prisma AIRS 2.0 and autonomous security agents[3].

CrowdStrike also delivered quarterly results that topped estimates. It reported revenues of $1.3 billion, up 22% year-over-year. Its Annual Recurring Revenue (ARR) came in at $4.9 billion, up 23%, with net new ARR coming in at $265 million, up 73% and beating estimates. Its results were powered by strong execution, rising AI traction and growth in non-EDR modules. The company capitalized on the AI-driven demand environment as customers consolidated on the Falcon platform[4,5].

1 https://www.barrons.com/articles/cisco-earnings-stock-price
2 https://www.cnbc.com/2025/11/12/cisco-csco-q1-2026-earnings-report.html
3 https://www.nasdaq.com/press-release/palo-alto-networks-reports-fiscal-first-quarter-2026-financial-results-2025-11-19
4 https://ir.crowdstrike.com/events-and-presentations
5 https://www.marketbeat.com/instant-alerts/crowdstrike-nasdaqcrwd-announces-quarterly-earnings-results-2025-12-02/

Zscaler also delivered quarterly results that topped estimates. It reported revenues of $788.1 million, up 26% year-over-year. Its Annual Recurring Revenue grew 26% year-over-year to $3.2 billion. RPO accelerated to 35% year-over-year to $5.9 billion. Operating margin of 21.8% reflected strong expense control. Emerging products showed strong traction as Zero Trust Everywhere, AI Security and Data Security realized healthy sequential growth. The company also announced an acquisition with SPLX that extends the company's AI Security Posture Management capabilities. Federal business was in-line with expectations despite the recent US government shutdown[6].

Okta delivered quarterly results that topped analyst estimates, with an upbeat full-year guidance, buoyed by strong demand from large customers and adoption of products tied to identity governance and AI security. Revenue came in at $742 million, up 12% year-over-year, while Remaining Performance Obligations (RPO) grew 17% year-over-year. The company released a capability that allows businesses to build AI agents and automate tasks during the quarter. Management noted that upside from AI agents has not been fully baked into results and could exceed Okta's core total addressable market over the next five years[7,8].

Name of Company	Revenue Growth (yoy)	Profit Growth (yoy)	Q3 Revenue Beat/Miss (%)	Q3 EPS Beat/Miss (%)
Cisco Systems	8%	9%	0.7%	1.9%
Palo Alto Networks	16%	19%	0.5%	4.3%
CrowdStrike	22%	5%	1.7%	2.2%
Zscaler	26%	28%	1.9%	12.1%
Okta	12%	26%	1.5%	8.1%

Source: Nasdaq Global Indexes, Factset, company filings. Note: Figures are on non-GAAP basis

On average, NQCYBR companies beat their revenue and earnings estimates for the quarter by 2.5% and 14.7% respectively, with 25 companies (81% by weight) exceeding top-line and 26 exceeding bottom-line expectations.

	Beats		Misses	
	No. of Firms/ Index Weight	Average Beat (%)	No. of Firms / Index Weight	Average Miss (%)
Q3 2025 Revenues	25/81%	2.5%	4/4.2%	-1.8%
Q3 2025 Earnings	26/81%	14.7%	3/4.2%	-7.4%

Source: Nasdaq Global Indexes, Factset, Data as of December 4th, 2025

Note: Two companies, Broadcom and BlackBerry, are set to report later this month and two companies, NCC Group and Thales, report on a semi-annual basis (not in calendar Q4). These four represent 14.9% of the index weight.

6 https://ir.zscaler.com/news-releases/news-release-details/zscaler-reports-first-quarter-fiscal-2026-financial-results
7 https://www.cnbc.com/2025/12/02/okta-q3-earnings-report-2026.html
8 https://investor.okta.com/news-and-events/news-releases/news-details/2025/Okta-Announces-Third-Quarter-Fiscal-Year-2026-Financial-Results/default

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