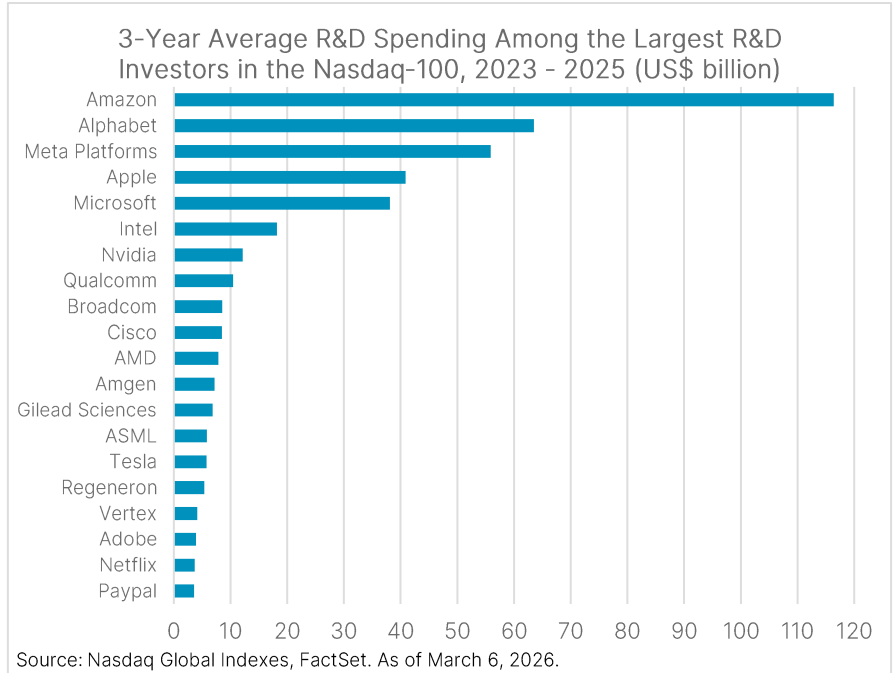


# Nasdaq-100®: Q4 2025 Earnings Update

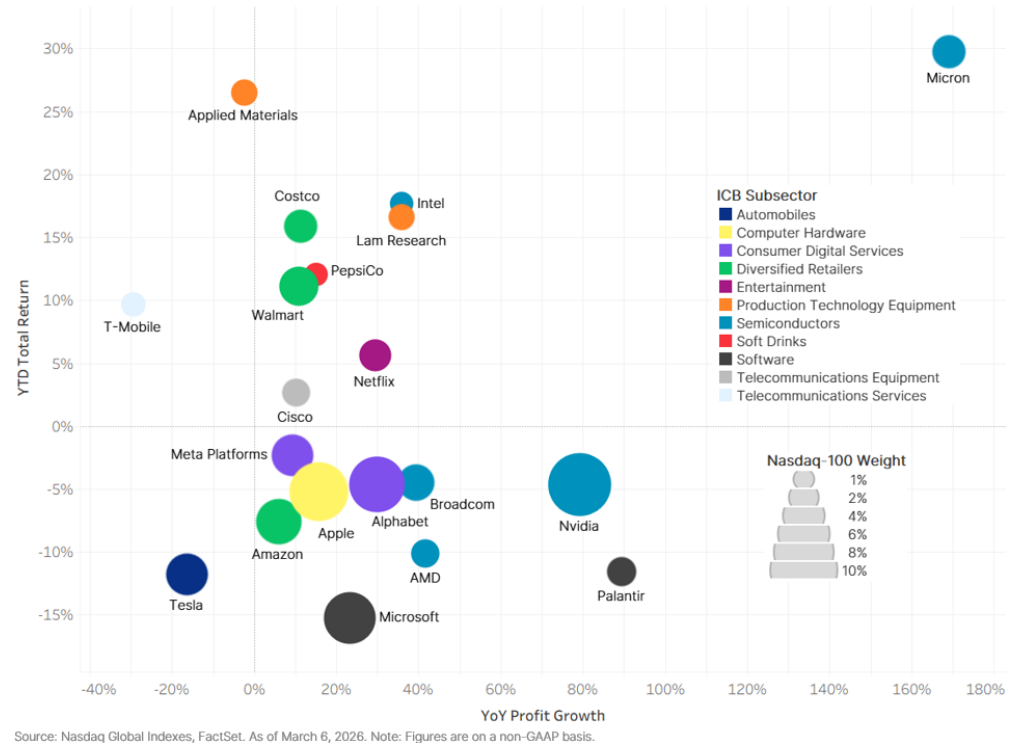
David Tsoi, CFA, CAIA, FRM, CESGA, CAMS, *Head of Index Insights, APAC*

- The software sector's recent underperformance largely reflects broad investor concerns that AI could disrupt or cannibalize traditional software business models. The selloff embeds expectations that profit growth may decelerate if AI agents increasingly become the primary user interface for knowledge workers. At this stage, however, there is limited evidence that AI is broadly undermining established software moats, although specific vendors may face heightened competitive pressure. Core application software that is deeply embedded in enterprise workflows and anchored by proprietary data remains the most defensible.

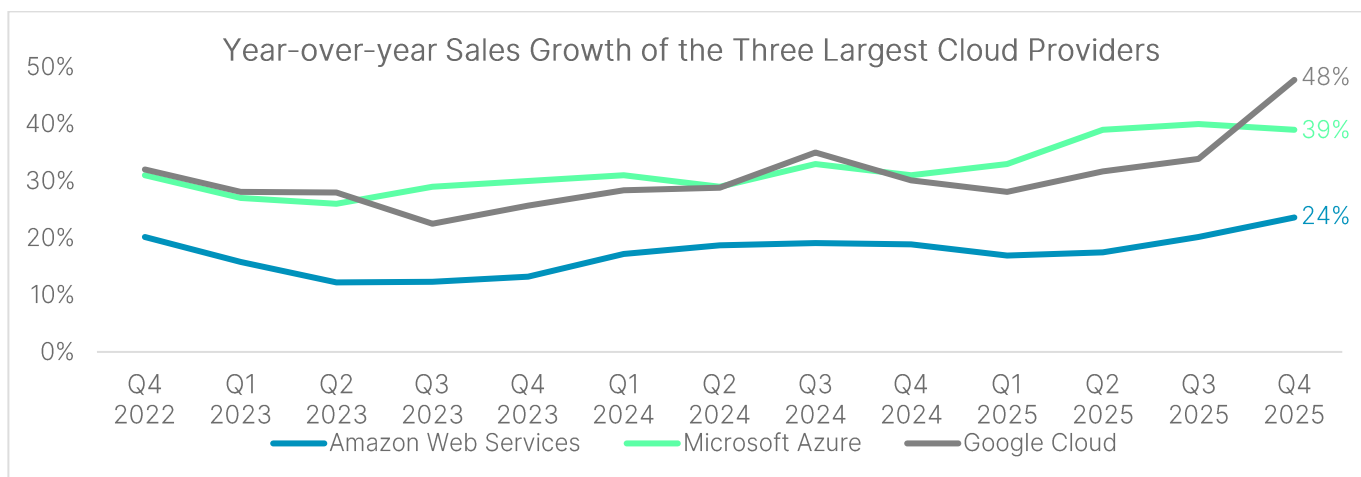


- AI will reshape the productivity landscape, and companies that aggressively harness it are likely to experience relative operational advantages over time. However, periods of elevated volatility are likely as each wave of AI capability rapidly surpasses the last. Large-cap leaders, along with chipmakers across the AI supply chain, are structurally positioned to absorb and deploy AI-related capital at scale, supported by balance-sheet strength, technological depth and ecosystem relevance. Although they have been caught in the software-led pullback, they stand to be the primary long-term beneficiaries.

Q4 2025 Profit Growth and YTD 2026 Total Return of Major Companies in Nasdaq-100

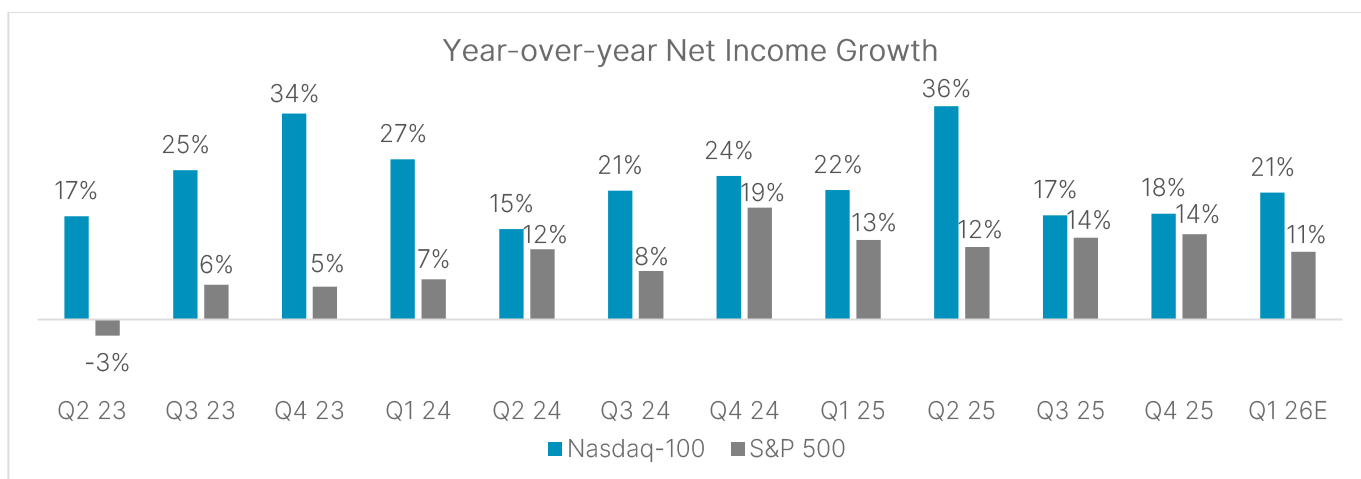


- Among the top 20 constituents of the **Nasdaq-100**, Micron (+169%), Palantir (+89%) and Nvidia (+79%) posted the strongest adjusted net income growth in Q4. Tight memory supply, driven by surging AI infrastructure demand, is fueling exceptional pricing conditions for Micron and its memory chip peers. This dynamic is translating into meaningful margin and profit expansion. While concerns over AI's potential to disrupt the broader software industry help explain part of Palantir's pullback from record levels, the company is widely regarded as a key AI beneficiary, a view reinforced by its latest strong earnings results. There are also no signs of slowdown at Nvidia, as revenue growth is accelerating from recent quarters, driven by substantial increases in AI-related capital spending announced by hyperscalers.
- 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. Collectively, the "Big Three" hyperscalers now account for 63% of the rapidly expanding cloud market.<sup>1</sup>



Source: Bloomberg, company filings.

- 85% of Nasdaq-100 constituents exceeded analysts' earnings expectations on an index-weighted basis.<sup>2</sup> The Nasdaq-100 delivered 18% year-over-year net income growth in Q4, marking the eleventh straight quarter of expansion above 15% and outperforming the S&P 500. Analysts see this strength carrying forward, projecting earnings to accelerate to 21% growth in Q1 2026.<sup>3</sup>



Source: FactSet. Data as of March 6, 2026.

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

<sup>2</sup> Source: Nasdaq Global Indexes, FactSet. As of March 6, 2026.

<sup>3</sup> Source: FactSet. As of March 6, 2026.

## Q4 Earnings Update for Major Nasdaq-100 Constituents<sup>4</sup>

- **Nvidia** delivered a strong Q4, posting a 79% increase in adjusted net income to US\$39.6 billion and 73% revenue growth to US\$68.1 billion, comfortably exceeding expectations. Networking emerged as a key driver within its data center platform, generating US\$11.0 billion in revenue, up 263% year over year. Q1 revenue guidance of US\$78 billion surpassed consensus. Inference-led compute demand continues to accelerate, with agentic AI emerging as a powerful new growth vector as token generation scales exponentially. This surge in token volumes is translating directly into revenue expansion for hyperscalers and AI labs, which remain tightly aligned with Nvidia through multi-year, multi-generation infrastructure deployments. Nvidia is committing US\$30 billion to OpenAI's latest funding round, reinforcing its strategic positioning at the center of the AI ecosystem.
- **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 to 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.

<sup>4</sup> Source: Company filings, FactSet. As of March 6, 2026.

- **Meta** 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.
- **Broadcom** delivered 29% revenue growth for the quarter, with sales reaching US\$19.3 billion. Semiconductor revenue, accounting for 65% of total sales, surged 52% year-over-year to US\$12.5 billion. This strength was underpinned by AI semiconductor revenue of US\$8.4 billion, which increased 106% year-over-year, with management guiding to a further acceleration to 140% growth, or US\$10.7 billion, in the next quarter. The custom accelerator business, now supporting six major customers, expanded 140% year-over-year in Q4. Infrastructure software revenue rose 1% to US\$6.8 billion, supported by 13% growth in VMware revenue.

Name of Company	Revenue Growth (yoy)	Profit Growth (yoy)	Q4 Revenue Beat/Miss%	Q4 EPS Beat/Miss %
Nvidia	73%	79%	3%	6%
Apple	16%	16%	4%	6%
Alphabet	18%	30%	2%	7%
Microsoft	17%	23%	1%	6%
Amazon	14%	6%	1%	-1%
Meta	24%	9%	2%	8%
Tesla	-3%	-16%	1%	15%
Broadcom	29%	30%	0.3%	1%

Source: Nasdaq Global Indexes, FactSet, company filings.

- On average, Nasdaq-100 firms beat their revenue and earnings estimates for the quarter by 2.0% and 2.3%, respectively, with 70 companies (83% by weight) exceeding both top-line and bottom-line expectations.
- Both top- and bottom-line beat rates on a weighted basis decline 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	84 / 94.0%	2.7%	15 / 5.6%	-1.9%
Q4 2025 Earnings	77 / 85.0%	7.9%	22 / 14.6%	-18.0%

Source: Nasdaq Global Indexes, FactSet. Data as of March 6, 2026.

Note: PDD, with a 0.4% index weight, is expected to report its Q4 results on March 20, 2026.

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