

Nasdaq-100 Index®: Q2 2025 Preliminary Earnings Updates

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- Although tariffs are creating economic headwinds, the strength of U.S. corporate earnings driven by AI innovation is prevailing. Among the Nasdaq-100® companies that have reported Q2 earnings, 86% exceeded analysts' earnings estimates. Leading U.S. tech giants, including Microsoft, Amazon, Alphabet and Meta, reaffirmed their commitment to AI by expanding their capital expenditure (capex) plans. AI is rapidly becoming a key growth driver, as new use cases emerge and monetization continues to accelerate.
- **Microsoft's** quarterly revenue surged 18% to US\$76.4 billion, marking its fastest growth in over three years. Sales from Azure and other cloud services soared 39% year-over-year, surpassing analyst expectations. Its Copilot app suite has exceeded 100 million monthly active users across commercial and consumer segments. Confronted with ongoing data center infrastructure shortages, the company is expanding capacity to support AI workloads and anticipates capex exceeding US\$30 billion in the current quarter.
- **Apple's** Q2 revenue rose 10% to US\$94.0 billion, representing its strongest growth since December 2021. iPhone sales jumped 13% to US\$44.6 billion, driven by "strong double-digit" year-over-year growth in the iPhone 16 family compared to its predecessor. The company is also making a comeback in Greater China, with sales climbing 4% to US\$15.4 billion last quarter, ending seven consecutive quarters of decline. Apple incurred US\$800 million in tariff costs in the previous quarter, lower than its earlier estimate of US\$900 million.
- **Amazon's** quarterly revenue and profit climbed 13% and 35%, respectively, both outperforming analyst projections. Amazon Web Services posted a 17% sales increase to US\$30.9 billion for the quarter, trailing Microsoft Azure and Google Cloud in growth pace. Despite ongoing tariffs and shifting trade policies, Amazon appears to have weathered these challenges more successfully than Wall Street had anticipated, with online store sales exceeding forecasts and rising 11% year-over-year. Capex reached US\$31.4 billion in Q2, a level the company considers "reasonably representative" of spending in the second half of the year.
- **Meta's** Q2 profit surged 36% to US\$18.3 billion, surpassing analyst expectations, while the company projects stronger-than-anticipated sales for the current quarter. Advertising revenue climbed 21% to US\$46.6 billion, with AI-driven improvements leading to approximately a 5% boost in ad conversions on Instagram and 3% on Facebook. Meta's family of apps recorded an average of 3.48 billion daily active users in June 2025, marking a 6% year-over-year increase. The company's Q2 results underscored AI's positive influence on user engagement and ad efficiency, enabling further investment in AI infrastructure. It increased the lower bound of its 2025 capital expenditure forecast by US\$2 billion, setting a range of US\$66 billion to US\$72 billion.
- **Alphabet**, Google's parent company, reported strong Q2 earnings with sales rising 14% year-over-year to US\$96.4 billion. Its cloud computing division delivered a 32% revenue increase to US\$13.6 billion, surpassing analysts' expectations. Google Search posted 12% growth, underscoring its resilience amid heightened competition from AI-powered rivals. The integration of new features, such as AI Overviews and AI Mode, within Google Search has been crucial for sustaining its relevance. Alphabet plans to boost capex to approximately US\$85 billion this year, US\$10 billion above its earlier forecast.

- **Tesla's** Q2 revenue declined 12% year-over-year to US\$22.5 billion, marking its steepest drop since 2012, with CEO Elon Musk cautioning about challenging times ahead. The company delivered 384,122 electric vehicles in Q2, falling short of analyst expectations and down 13% from the prior year. In June, Tesla began producing a more affordable EV model, targeting volume production in the latter half of 2025. Tariff costs added roughly US\$300 million in expenses, impacting the automotive segment by about two-thirds, with the remainder affecting the energy division.

Name of Company	Revenue growth (yoy)	Profit growth (yoy)	Q2 Revenue Beat/Miss%	Q2 EPS Beat/Miss %
Microsoft	18%	24%	3.4%	8.2%
Apple	10%	9%	4.9%	9.1%
Amazon	13%	35%	3.2%	26.5%
Alphabet	14%	19%	2.5%	5.8%
Meta	22%	36%	6.0%	21.4%
Tesla	-12%	-23%	1.9%	4.6%

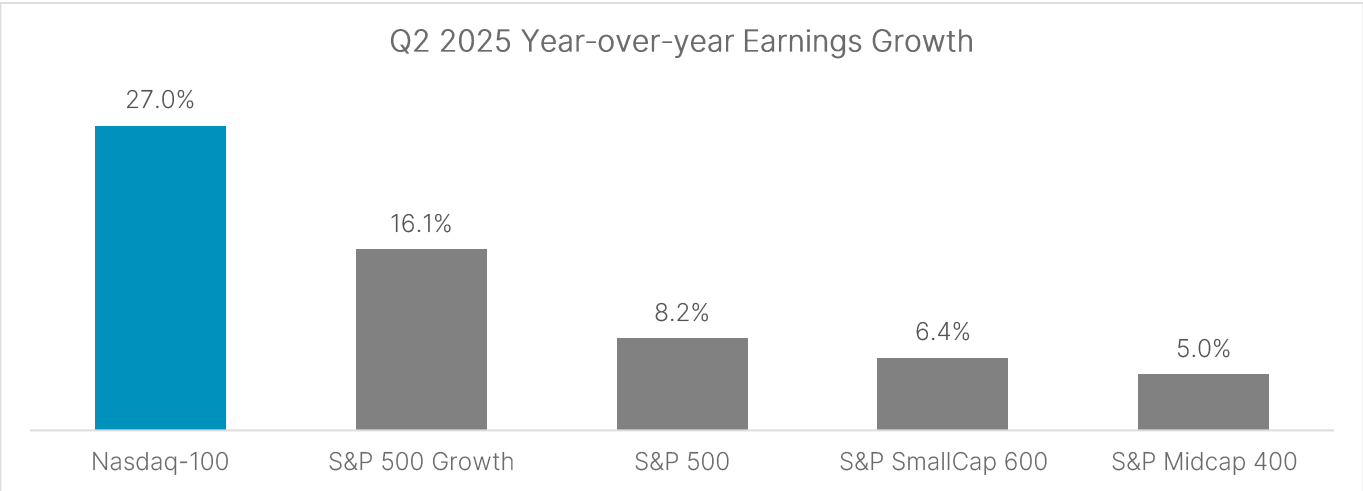
Source: Nasdaq Global Indexes, FactSet, company filings. Note: Figures are on non-GAAP basis.

- As of August 4, 58 companies in the Nasdaq-100 (62% by weight) have reported Q2 earnings. On average, these firms beat their revenue and earnings estimates for the quarter by 2.6% and 10.2%, respectively, with 47 companies (58% by weight) exceeding both top-line and bottom-line expectations.
- The rates of top-line and bottom-line beats by index weight exceed those of the previous quarter. Regarding index constituent count, both the rates of revenue and earnings beats are superior to last quarter.

	Beats		Misses	
	No. of firms / Index weight	Average Beat %	No. of firms / Index weight	Average Miss %
Q2 25 Revenues	53 / 60.5%	2.8%	5 / 1.4%	-0.3%
Q2 25 Earnings	50 / 58.9%	12.6%	8 / 3.0%	-6.5%

Source: Nasdaq Global Indexes, FactSet. Data as of August 4, 2025.

- Nasdaq-100 companies that have reported their earnings posted a remarkable 27% earnings growth in Q2, more than tripling the S&P 500's growth rate. This marks the fourth consecutive quarter of over 20% earnings growth for the Nasdaq-100. The technology sector (by ICB Industry) within the Nasdaq-100 achieved earnings growth of 31%.



Source: Nasdaq Global Indexes, FactSet. Data as of August 4, 2025.

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