

Big Tech earnings reports warn of looming uncertainty

Article

The news: Big Tech companies **Google, Meta, and Apple** completed quarterly earnings calls last week with their CEOs warning of headwinds and looming slowdowns in the US economy.

Tech CEOs weigh in: The earnings calls revealed tech monoliths are hunkering down in the face of inflation, COVID-19 closures in China, and the effects of Russia's Ukraine invasion on business. All are casting a pall of uncertainty.

- Apple CEO **Tim Cook** said, “this is a time of significant challenge around the world.” Apple, which can't secure enough parts to build Mac computers, saw sales drop 10%.
- **Alphabet CEO Sundar Pichai** said the company's challenge was “working through the macro uncertainty everyone is dealing with.”
- **Meta CEO Mark Zuckerberg**, whose **Facebook sales dropped** for the first time ever last quarter, said, “I think that the situation seems worse than it did a quarter ago.” He stressed Meta's imminent austerity measures. “I expect us to get more done with fewer resources.”
- For ad-supported businesses like Google, **Snap**, **Twitter**, and Meta, this leads to a reduction in sales on top of existing challenges, such as Apple changing its privacy policy, which disrupted targeted ad tracking on devices.

What's next? Big Tech will continue to weather the economic downturn, but there's growing concern for many that pandemic-era consumer spending is slowing down considerably. This will result in reduced investments, hiring freezes, and even layoffs as Big Tech scrambles to adjust.