Apple, Amazon and Google all offer gloomy outlooks in quarterly results

Three of Silicon Valley's largest companies posted disappointing financial results on Thursday, compounding concerns about a slowdown in the tech sector.

Recession fears have hit both corporate and consumer spending globally, leading to the likes of Apple, Alphabet and Amazon all signalling a tough recovery from the highs of 2021.

Alphabet, the parent company of Google, reported subdued quarterly revenues as spending on digital advertising was reduced amid economic uncertainty.

Revenue from Google's advertising business, which includes Search and YouTube, dropped from £52bn to £48bn. Shares in the company fell by more than 5% in after-hours trading.

Last month, **Alphabet announced 12,000 workers would be made redundant** globally.

The "difficult news" about the job losses – about 6% of the total workforce – was revealed by Alphabet chief executive Sundar Pichai in an email to employees.

Similarly, Apple missed both sales and profits targets in the last quarter, hampered by production issues and lower demand for the company's flagship iPhone.

The company's sales dropped by 5% to £95bn, and were down across all product categories except iPads and services, which saw modest growth.

Apple also missed its first Wall Street profits forecast since 2016, delivering earnings per share of £1.54 against analyst estimates of £1.59 per share.

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Meta reveals 55% drop in profits after mass layoffs
Google job fears in UK and Ireland as parent firm slashes 12,000 staff globally

But there was one silver lining for the company: chief executive Tim Cook said production was now "back where we want it to be" following the **relaxing of China's zero-COVID policies**.

Meanwhile, e-commerce giant Amazon posted a positive quarter for the holiday period, but issued a warning about the pace of growth in its critical cloud computing division.

The company, **which cut 18,000 jobs at the beginning of January**, defied Wall Street expectations and reported sales of £121bn, a jump of 9% compared to the same period last year.

It also predicted that sales for the current quarter would be in line with analyst estimates.

But more concerningly, Amazon's long-time profit engine has started to show signs of a sharp slowdown.

Amazon Web Services sales growth slowed to 20% in the last three months, the lowest rate of expansion since the company began publishing numbers on the division.

After exploding in popularity during the pandemic and hiring some additional 800,000 workers, the current chief executive Andy Jassy has tried to sharply reduce spending, cutting non-essential business arms and slowing hiring, after Amazon's share price fell by nearly 50% last year.

The drop wiped about £678bn from the company's market valuation.