# Microsoft and Meta report robust financial gains thanks to AI advancements



In a show of robust financial performance for the third quarter, two technology giants, Microsoft and Meta, reported significant increases in profit and revenue, largely attributing their success to advancements in artificial intelligence (AI).

Microsoft Corporation, headquartered in Redmond, Washington, announced a profit increase of 11% for the period from July to September. The company reported a net income of $24.7 billion, with earnings amounting to $3.30 per share, exceeding Wall Street analysts' expectations, who had anticipated $3.10 per share. Microsoft's revenue saw a 16% uptick, reaching $65.6 billion, surpassing the forecasted $64.6 billion.

While Microsoft does not disclose revenue figures specifically associated with AI products, the integration of AI technology, notably their AI assistant Copilot, has been introduced across all business segments. This is particularly reflected in their Azure cloud computing contracts, emphasising the company's strategic focus on AI-driven solutions.

Meanwhile, Meta, formerly known as Facebook, also exhibited robust quarterly results, marking double-digit growth in both revenue and profit. The company's revenue for the third quarter reached $40.6 billion, a 19% increase from the previous year, outperforming Wall Street's prediction of $40.2 billion. Meta reported a profit surge of 35%, achieving $15.7 billion compared to last year's $11.6 billion.

Meta attributed its financial boost to advancements in AI, which enhanced its advertisement targeting systems and the display of relevant posts and videos to its user base. Despite these gains, Meta is prone to continue its substantial investment in AI, having spent $23.2 billion on costs and expenses and an additional $9.2 billion in capital expenditures during the third quarter. This spending includes investments in computing infrastructure for AI and the development of the metaverse, a virtual reality space for users to interact in an immersive environment.

Notably, Meta has adjusted its annual spending forecast, now anticipating expenses between $38 billion to $40 billion, slightly up from the previous projection of $37 billion to $40 billion indicated in July.

Both Microsoft and Meta's results underscore the pivotal role that AI and related technological innovations are playing in shaping the business models and financial trajectories of leading technology companies. They reflect a shared commitment to investing heavily in future technologies that promise to redefine various aspects of user interaction and corporate operations. As these companies advance their AI capabilities, the financial markets are closely monitoring their spending and the resulting impacts on profitability and growth.

Source: [Noah Wire Services](https://www.noahwire.com)

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