

## Microsoft Financial Data - FY26Q1

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We adopted new accounting standards related to revenue recognition and leases effective July 1, 2017. The prior periods presented here have been restated to reflect adoption of these new standards.

**MICROSOFT CORPORATION**

**INCOME STATEMENTS**  
(In millions, except per share amounts) (Unaudited)

|                                      | <b>Three Months Ended</b> |             |
|--------------------------------------|---------------------------|-------------|
|                                      | <b>September 30,</b>      |             |
|                                      | <b>2025</b>               | <b>2024</b> |
| Revenue:                             |                           |             |
| Product                              | <b>\$15,922</b>           | \$15,272    |
| Service and other                    | <b>61,751</b>             | 50,313      |
| Total revenue                        | <b>77,673</b>             | 65,585      |
| Cost of revenue:                     |                           |             |
| Product                              | <b>2,922</b>              | 3,294       |
| Service and other                    | <b>21,121</b>             | 16,805      |
| Total cost of revenue                | <b>24,043</b>             | 20,099      |
| Gross margin                         | <b>53,630</b>             | 45,486      |
| Research and development             | <b>8,146</b>              | 7,544       |
| Sales and marketing                  | <b>5,717</b>              | 5,717       |
| General and administrative           | <b>1,806</b>              | 1,673       |
| Operating income                     | <b>37,961</b>             | 30,552      |
| Other expense, net                   | <b>(3,660)</b>            | (283)       |
| Income before income taxes           | <b>34,301</b>             | 30,269      |
| Provision for income taxes           | <b>6,554</b>              | 5,602       |
| Net income                           | <b>\$27,747</b>           | \$24,667    |
| Earnings per share:                  |                           |             |
| Basic                                | <b>\$3.73</b>             | \$3.32      |
| Diluted                              | <b>\$3.72</b>             | \$3.30      |
| Weighted average shares outstanding: |                           |             |
| Basic                                | <b>7,433</b>              | 7,433       |
| Diluted                              | <b>7,466</b>              | 7,470       |

## COMPREHENSIVE INCOME STATEMENTS

(In millions) (Unaudited)

|  | <b>Three Months Ended<br/>September 30,</b> |             |
|--|---|-------------|
|  | <b>2025</b>                                 | <b>2024</b> |
| Net income                                     | <b>\$27,747</b>                             | \$24,667    |
| Other comprehensive income (loss), net of tax: |   |             |
| Net change related to derivatives              | (3)   | (10)        |
| Net change related to investments              | 687   | 1,114       |
| Translation adjustments and other              | (98)  | 304         |
| Other comprehensive income                     | <b>586</b>                                  | 1,408       |
| Comprehensive income                           | <b>\$28,333</b>                             | \$26,075    |

**BALANCE SHEETS**  
(In millions) (Unaudited)

|  | September 30,<br>2025 | June 30,<br>2025 |
|--|-----------------------|------------------|
| <b>Assets</b>  |                       |                  |
| Current assets:  |                       |                  |
| Cash and cash equivalents  | \$28,849              | \$30,242         |
| Short-term investments   | 73,163                | 64,323           |
| Total cash, cash equivalents, and short-term investments   | <b>102,012</b>        | 94,565           |
| Accounts receivable, net of allowance for doubtful<br>accounts of <b>\$687</b> and \$944           | 52,894                | 69,905           |
| Inventories  | 1,130                 | 938              |
| Other current assets   | 33,030                | 25,723           |
| Total current assets   | <b>189,066</b>        | 191,131          |
| Property and equipment, net of accumulated<br>depreciation of <b>\$98,880</b> and \$93,653         | 230,861               | 204,966          |
| Operating lease right-of-use assets  | 24,791                | 24,823           |
| Equity and other investments   | 11,465                | 15,405           |
| Goodwill   | 119,497               | 119,509          |
| Intangible assets, net   | 21,236                | 22,604           |
| Other long-term assets   | 39,435                | 40,565           |
| Total assets   | <b>\$636,351</b>      | \$619,003        |
| <b>Liabilities and stockholders' equity</b>  |                       |                  |
| Current liabilities:   |                       |                  |
| Accounts payable   | \$32,580              | \$27,724         |
| Current portion of long-term debt  | 7,832                 | 2,999            |
| Accrued compensation   | 9,201                 | 13,709           |
| Short-term income taxes  | 3,655                 | 7,211            |
| Short-term unearned revenue  | 58,987                | 64,555           |
| Other current liabilities  | 22,741                | 25,020           |
| Total current liabilities  | <b>134,996</b>        | 141,218          |
| Long-term debt   | 35,376                | 40,152           |
| Long-term income taxes   | 26,569                | 25,986           |
| Long-term unearned revenue   | 2,546                 | 2,710            |
| Deferred income taxes  | 2,852                 | 2,835            |
| Operating lease liabilities  | 17,348                | 17,437           |
| Other long-term liabilities  | 53,588                | 45,186           |
| Total liabilities  | <b>273,275</b>        | 275,524          |
| Commitments and contingencies  |                       |                  |
| Stockholders' equity:  |                       |                  |
| Common stock and paid-in capital - shares authorized<br>24,000; outstanding <b>7,434</b> and 7,434 | 110,964               | 109,095          |
| Retained earnings  | 254,873               | 237,731          |
| Accumulated other comprehensive loss   | (2,761)               | (3,347)          |
| Total stockholders' equity   | <b>363,076</b>        | 343,479          |
| Total liabilities and stockholders' equity   | <b>\$636,351</b>      | \$619,003        |

**CASH FLOWS STATEMENTS**  
(In millions) (Unaudited)

**Three Months Ended  
September 30,  
2025                    2024**

| <b>Operations</b>   | \$27,747 | \$24,667 |
|---|----------|----------|
| Net income  | \$27,747 | \$24,667 |
| Adjustments to reconcile net income to net cash from operations:  |          |          |
| Depreciation, amortization, and other   | 13,061   | 7,383    |
| Stock-based compensation expense  | 2,983    | 2,832    |
| Net recognized gains on investments and derivatives   | (1,007)  | (125)    |
| Deferred income taxes   | 2,491    | (1,433)  |
| Changes in operating assets and liabilities:  |          |          |
| Accounts receivable   | 16,490   | 14,037   |
| Inventories   | (192)    | (373)    |
| Other current assets  | (1,162)  | (82)     |
| Other long-term assets  | (394)    | (1,761)  |
| Accounts payable  | (614)    | (916)    |
| Unearned revenue  | (5,418)  | (5,553)  |
| Income taxes  | (2,944)  | 1,016    |
| Other current liabilities   | (5,507)  | (5,479)  |
| Other long-term liabilities   | (477)    | (33)     |
| Net cash from operations  | 45,057   | 34,180   |
| <b>Financing</b>  |          |          |
| Repayments of debt, maturities of 90 days or less   | 0        | (5,746)  |
| Repayments of debt  | 0        | (966)    |
| Common stock issued   | 689      | 706      |
| Common stock repurchased  | (5,650)  | (4,107)  |
| Common stock cash dividends paid  | (6,169)  | (5,574)  |
| Other, net  | (669)    | (889)    |
| Net cash used in financing  | (11,799) | (16,576) |
| <b>Investing</b>  |          |          |
| Additions to property and equipment   | (19,394) | (14,923) |
| Acquisition of companies, net of cash acquired and divestitures, and purchases of intangible and other assets | (578)    | (1,849)  |
| Purchases of investments  | (17,671) | (1,620)  |
| Maturities of investments   | 6,031    | 2,136    |
| Sales of investments  | 3,262    | 1,968    |
| Other, net  | (6,209)  | (913)    |
| Net cash used in investing  | (34,559) | (15,201) |
| Effect of foreign exchange rates on cash and cash equivalents   | (92)     | 122      |
| Net change in cash and cash equivalents   | (1,393)  | 2,525    |
| Cash and cash equivalents, beginning of period  | 30,242   | 18,315   |
| Cash and cash equivalents, end of period  | \$28,849 | \$20,840 |

**MICROSOFT CORPORATION**

SEGMENT RESULTS  
(In millions) (Unaudited)

|  | <b>Three Months Ended</b> |             |
|--|---------------------------|-------------|
|  | <b>September 30,</b>      |             |
|  | <b>2025</b>               | <b>2024</b> |
| <b>Productivity and Business Processes</b> |                           |             |
| Revenue                                    | \$33,020                  | \$28,317    |
| Cost of revenue                            | 5,721                     | 5,294       |
| Operating expenses                         | 6,892                     | 6,507       |
| Operating income                           | <b>\$20,407</b>           | \$16,516    |
| <b>Intelligent Cloud</b>                   |                           |             |
| Revenue                                    | \$30,897                  | \$24,092    |
| Cost of revenue                            | 12,314                    | 8,614       |
| Operating expenses                         | 5,192                     | 4,975       |
| Operating income                           | <b>\$13,391</b>           | \$10,503    |
| <b>More Personal Computing</b>             |                           |             |
| Revenue                                    | \$13,756                  | \$13,176    |
| Cost of revenue                            | 6,008                     | 6,191       |
| Operating expenses                         | 3,585                     | 3,452       |
| Operating income                           | <b>\$4,163</b>            | \$3,533     |
| <b>Total</b>                               |                           |             |
| Revenue                                    | \$77,673                  | \$65,585    |
| Cost of revenue                            | 24,043                    | 20,099      |
| Operating expenses                         | 15,669                    | 14,934      |
| Operating income                           | <b>\$37,961</b>           | \$30,552    |

**Microsoft Corporation**  
**Quarterly Income Statements**  
(In millions, except per share amounts)

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|   | <b>Q1-16</b>   | <b>Q2-16</b>   | <b>Q3-16</b>   | <b>Q4-16</b>   | <b>Q1-17</b>   | <b>Q2-17</b>   | <b>Q3-17</b>   |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue:                                  |                |                |                |                |                |                |                |
| Product                                   | \$15,750       | \$19,431       | \$15,307       | \$16,848       | \$14,968       | \$18,273       | \$14,513       |
| Service and other                         | 5,160          | 5,822          | 6,210          | 6,626          | 6,960          | 7,553          | 8,699          |
| Total revenue                             | <b>20,910</b>  | <b>25,253</b>  | <b>21,517</b>  | <b>23,474</b>  | <b>21,928</b>  | <b>25,826</b>  | <b>23,212</b>  |
| Cost of revenue:                          |                |                |                |                |                |                |                |
| Product                                   | 4,035          | 6,268          | 3,801          | 3,776          | 3,581          | 5,378          | 3,075          |
| Service and other                         | 3,172          | 3,604          | 3,921          | 4,203          | 4,263          | 4,523          | 4,985          |
| Total cost of revenue                     | <b>7,207</b>   | <b>9,872</b>   | <b>7,722</b>   | <b>7,979</b>   | <b>7,844</b>   | <b>9,901</b>   | <b>8,060</b>   |
| Gross margin                              | 13,703         | 15,381         | 13,795         | 15,495         | 14,084         | 15,925         | 15,152         |
| Research and development                  | 2,962          | 2,900          | 2,980          | 3,146          | 3,106          | 3,062          | 3,355          |
| Sales and marketing                       | 3,341          | 3,954          | 3,398          | 3,942          | 3,218          | 4,079          | 3,872          |
| General and administrative                | 1,084          | 1,038          | 1,140          | 1,301          | 1,045          | 879            | 1,202          |
| Impairment and restructuring              | 0              | 0              | 0              | 1,110          | 0              | 0              | 0              |
| Operating income                          | 6,316          | 7,489          | 6,277          | 5,996          | 6,715          | 7,905          | 6,723          |
| Other income (expense), net               | (295)          | (176)          | (212)          | 244            | 112            | 117            | 371            |
| Income before income taxes                | 6,021          | 7,313          | 6,065          | 6,240          | 6,827          | 8,022          | 7,094          |
| Provision for (benefit from) income taxes | 952            | 1,375          | 1,760          | 1,013          | 1,160          | 1,755          | 1,608          |
| Net income (loss)                         | <b>\$5,069</b> | <b>\$5,938</b> | <b>\$4,305</b> | <b>\$5,227</b> | <b>\$5,667</b> | <b>\$6,267</b> | <b>\$5,486</b> |
| Earnings (loss) per share:                |                |                |                |                |                |                |                |
| Basic                                     | \$0.63         | \$0.75         | \$0.55         | \$0.67         | \$0.73         | \$0.81         | \$0.71         |
| Diluted                                   | \$0.63         | \$0.74         | \$0.54         | \$0.66         | \$0.72         | \$0.80         | \$0.70         |

| Q4-17             | Q1-18              | Q2-18                | Q3-18              | Q4-18              | Q1-19              | Q2-19              | Q3-19              | Q4-19              | Q1-20              | Q2-20              | Q3-20              | Q4-20              | Q1-21              |
|-------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$16,057<br>9,548 | \$14,298<br>10,240 | \$17,926<br>10,992   | \$15,114<br>11,705 | \$17,159<br>12,926 | \$17,299<br>11,785 | \$16,219<br>16,252 | \$15,448<br>15,123 | \$17,103<br>16,614 | \$15,768<br>17,287 | \$18,255<br>18,651 | \$15,871<br>19,150 | \$18,147<br>19,886 | \$15,803<br>21,351 |
| 25,605            | 24,538             | 28,918               | 26,819             | 30,085             | 29,084             | 32,471             | 30,571             | 33,717             | 33,055             | 36,906             | 35,021             | 38,033             | 37,154             |
| 3,141<br>5,315    | 2,980<br>5,298     | 5,498<br>5,566       | 3,425<br>5,844     | 3,517<br>6,225     | 3,649<br>6,256     | 5,885<br>6,538     | 3,441<br>6,729     | 3,298<br>7,114     | 3,305<br>7,101     | 4,966<br>7,392     | 3,376<br>7,599     | 4,370<br>7,969     | 3,597<br>7,405     |
| 8,456             | 8,278              | 11,064               | 9,269              | 9,742              | 9,905              | 12,423             | 10,170             | 10,412             | 10,406             | 12,358             | 10,975             | 12,339             | 11,002             |
| 17,149            | 16,260             | 17,854               | 17,550             | 20,343             | 19,179             | 20,048             | 20,401             | 23,305             | 22,649             | 24,548             | 24,046             | 25,694             | 26,152             |
| 3,514             | 3,574              | 3,504                | 3,715              | 3,933              | 3,977              | 4,070              | 4,316              | 4,513              | 4,565              | 4,603              | 4,887              | 5,214              | 4,926              |
| 4,292             | 3,812              | 4,562                | 4,335              | 4,760              | 4,098              | 4,588              | 4,565              | 4,962              | 4,337              | 4,933              | 4,911              | 5,417              | 4,231              |
| 1,355             | 1,166              | 1,109                | 1,208              | 1,271              | 1,149              | 1,132              | 1,179              | 1,425              | 1,061              | 1,121              | 1,273              | 1,656              | 1,119              |
| 306               | 0                  | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 7,682             | 7,708              | 8,679                | 8,292              | 10,379             | 9,955              | 10,258             | 10,341             | 12,405             | 12,686             | 13,891             | 12,975             | 13,407             | 15,876             |
| 276               | 276                | 490                  | 349                | 301                | 266                | 127                | 145                | 191                | 0                  | 194                | (132)              | 15                 | 248                |
| 7,958             | 7,984              | 9,169                | 8,641              | 10,680             | 10,221             | 10,385             | 10,486             | 12,596             | 12,686             | 14,085             | 12,843             | 13,422             | 16,124             |
| (111)             | 1,408              | 15,471               | 1,217              | 1,807              | 1,397              | 1,965              | 1,677              | (591)              | 2,008              | 2,436              | 2,091              | 2,220              | 2,231              |
| \$8,069           | \$6,576            | \$(6,302)            | \$7,424            | \$8,873            | \$8,824            | \$8,420            | \$8,809            | \$13,187           | \$10,678           | \$11,649           | \$10,752           | \$11,202           | \$13,893           |
| \$1.05<br>\$1.03  | \$0.85<br>\$0.84   | \$(0.82)<br>\$(0.82) | \$0.96<br>\$0.95   | \$1.15<br>\$1.14   | \$1.15<br>\$1.14   | \$1.09<br>\$1.08   | \$1.15<br>\$1.14   | \$1.72<br>\$1.71   | \$1.40<br>\$1.38   | \$1.53<br>\$1.51   | \$1.41<br>\$1.40   | \$1.48<br>\$1.46   | \$1.84<br>\$1.82   |

| Q2-21                        | Q3-21                        | Q4-21                        | Q1-22                        | Q2-22                        | Q3-22                        | Q4-22                        | Q1-23                        | Q2-23                        | Q3-23                        | Q4-23                        | Q1-24                        | Q2-24                        |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| \$19,460<br>23,616<br>43,076 | \$16,873<br>24,833<br>41,706 | \$18,938<br>27,214<br>46,152 | \$16,631<br>28,686<br>45,317 | \$20,779<br>30,949<br>51,728 | \$17,366<br>31,994<br>49,360 | \$17,956<br>33,909<br>51,865 | \$15,741<br>34,381<br>50,122 | \$16,517<br>36,230<br>52,747 | \$15,588<br>37,269<br>52,857 | \$16,853<br>39,336<br>56,189 | \$15,535<br>40,982<br>56,517 | \$18,941<br>43,079<br>62,020 |
| 6,058<br>8,136               | 4,277<br>8,768               | 4,287<br>9,704               | 3,792<br>9,854               | 6,331<br>10,629              | 4,584<br>11,031              | 4,357<br>12,072              | 4,302<br>11,150              | 5,690<br>11,798              | 3,941<br>12,187              | 3,871<br>12,924              | 3,531<br>12,771              | 5,964<br>13,659              |
| 14,194                       | 13,045                       | 13,991                       | 13,646                       | 16,960                       | 15,615                       | 16,429                       | 15,452                       | 17,488                       | 16,128                       | 16,795                       | 16,302                       | 19,623                       |
| 28,882                       | 28,661                       | 32,161                       | 31,671                       | 34,768                       | 33,745                       | 35,436                       | 34,670                       | 35,259                       | 36,729                       | 39,394                       | 40,215                       | 42,397                       |
| 4,899                        | 5,204                        | 5,687                        | 5,599                        | 5,758                        | 6,306                        | 6,849                        | 6,628                        | 6,844                        | 6,984                        | 6,739                        | 6,659                        | 7,142                        |
| 4,947                        | 5,082                        | 5,857                        | 4,547                        | 5,379                        | 5,595                        | 6,304                        | 5,126                        | 5,679                        | 5,750                        | 6,204                        | 5,187                        | 6,246                        |
| 1,139                        | 1,327                        | 1,522                        | 1,287                        | 1,384                        | 1,480                        | 1,749                        | 1,398                        | 2,337                        | 1,643                        | 2,197                        | 1,474                        | 1,977                        |
| 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            | 0                            |
| 17,897<br>440                | 17,048<br>188                | 19,095<br>310                | 20,238<br>286                | 22,247<br>268                | 20,364<br>(174)              | 20,534<br>(47)               | 21,518<br>54                 | 20,399<br>(60)               | 22,352<br>321                | 24,254<br>473                | 26,895<br>389                | 27,032<br>(506)              |
| 18,337<br>2,874              | 17,236<br>1,779              | 19,405<br>2,947              | 20,524<br>19                 | 22,515<br>3,750              | 20,190<br>3,462              | 20,487<br>3,747              | 21,572<br>4,016              | 20,339<br>3,914              | 22,673<br>4,374              | 24,727<br>4,646              | 27,284<br>4,993              | 26,526<br>4,656              |
| \$15,463                     | \$15,457                     | \$16,458                     | \$20,505                     | \$18,765                     | \$16,728                     | \$16,740                     | \$17,556                     | \$16,425                     | \$18,299                     | \$20,081                     | \$22,291                     | \$21,870                     |
| \$2.05<br>\$2.03             | \$2.05<br>\$2.03             | \$2.19<br>\$2.17             | \$2.73<br>\$2.71             | \$2.50<br>\$2.48             | \$2.23<br>\$2.22             | \$2.24<br>\$2.23             | \$2.35<br>\$2.35             | \$2.20<br>\$2.20             | \$2.46<br>\$2.45             | \$2.70<br>\$2.69             | \$3.00<br>\$2.99             | \$2.94<br>\$2.93             |

| <b>Q3-24</b>    | <b>Q4-24</b>    | <b>Q1-25</b>    | <b>Q2-25</b>    | <b>Q3-25</b>    | <b>Q4-25</b>    | <b>Q1-26</b>    |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$17,080        | \$13,217        | \$15,272        | \$16,219        | \$15,319        | \$17,136        | \$15,922        |
| 44,778          | 51,510          | 50,313          | 53,413          | 54,747          | 59,305          | 61,751          |
| <b>61,858</b>   | <b>64,727</b>   | <b>65,585</b>   | <b>69,632</b>   | <b>70,066</b>   | <b>76,441</b>   | <b>77,673</b>   |
|                 |                 |                 |                 |                 |                 |                 |
| 4,339           | 1,438           | 3,294           | 3,856           | 3,037           | 3,314           | 2,922           |
| 14,166          | 18,246          | 16,805          | 17,943          | 18,882          | 20,700          | 21,121          |
| <b>18,505</b>   | <b>19,684</b>   | <b>20,099</b>   | <b>21,799</b>   | <b>21,919</b>   | <b>24,014</b>   | <b>24,043</b>   |
| 43,353          | 45,043          | 45,486          | 47,833          | 48,147          | 52,427          | 53,630          |
| 7,653           | 8,056           | 7,544           | 7,917           | 8,198           | 8,829           | 8,146           |
| 6,207           | 6,816           | 5,717           | 6,440           | 6,212           | 7,285           | 5,717           |
| 1,912           | 2,246           | 1,673           | 1,823           | 1,737           | 1,990           | 1,806           |
| 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>27,581</b>   | <b>27,925</b>   | <b>30,552</b>   | <b>31,653</b>   | <b>32,000</b>   | <b>34,323</b>   | <b>37,961</b>   |
| (854)           | (675)           | (283)           | (2,288)         | (623)           | (1,707)         | (3,660)         |
| <b>26,727</b>   | <b>27,250</b>   | <b>30,269</b>   | <b>29,365</b>   | <b>31,377</b>   | <b>32,616</b>   | <b>34,301</b>   |
| 4,788           | 5,214           | 5,602           | 5,257           | 5,553           | 5,383           | 6,554           |
| <b>\$21,939</b> | <b>\$22,036</b> | <b>\$24,667</b> | <b>\$24,108</b> | <b>\$25,824</b> | <b>\$27,233</b> | <b>\$27,747</b> |
|                 |                 |                 |                 |                 |                 |                 |
| \$2.95          | \$2.96          | \$3.32          | \$3.24          | \$3.47          | \$3.66          | \$3.73          |
| \$2.94          | \$2.95          | \$3.30          | \$3.23          | \$3.46          | \$3.65          | \$3.72          |

**Microsoft Corporation**  
**Segment Results**  
(In millions)

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|  | <b>Fiscal Year</b> |              |              |              |             |
|--|--------------------|--------------|--------------|--------------|-------------|
|  | <b>Q1-25</b>       | <b>Q2-25</b> | <b>Q3-25</b> | <b>Q4-25</b> | <b>2025</b> |
| <b>Productivity and Business Processes</b> |                    |              |              |              |             |
| Revenue                                    | \$28,317           | \$29,437     | \$29,944     | \$33,112     | \$120,810   |
| Cost of revenue                            | 5,294              |              |              |              | 22,422      |
| Operating expenses                         | 6,507              |              |              |              | 28,615      |
| Operating income                           | \$16,516           | \$16,885     | \$17,379     | \$18,993     | \$69,773    |
|  |                    |              |              |              |             |
| <b>Intelligent Cloud</b>                   |                    |              |              |              |             |
| Revenue                                    | \$24,092           | \$25,544     | \$26,751     | \$29,878     | \$106,265   |
| Cost of revenue                            | 8,614              |              |              |              | 40,171      |
| Operating expenses                         | 4,975              |              |              |              | 21,505      |
| Operating income                           | \$10,503           | \$10,851     | \$11,095     | \$12,140     | \$44,589    |
|  |                    |              |              |              |             |
| <b>More Personal Computing</b>             |                    |              |              |              |             |
| Revenue                                    | \$13,176           | \$14,651     | \$13,371     | \$13,451     | \$54,649    |
| Cost of revenue                            | 6,191              |              |              |              | 25,238      |
| Operating expenses                         | 3,452              |              |              |              | 15,245      |

|                 |              |              |              | <b>Fiscal Year</b> |
|-----------------|--------------|--------------|--------------|--------------------|
| <b>Q1-26</b>    | <b>Q2-26</b> | <b>Q3-26</b> | <b>Q4-26</b> | <b>2026</b>        |
| \$33,020        |              |              |              | \$33,020           |
| 5,721           |              |              |              | 5,721              |
| 6,892           |              |              |              | 6,892              |
| <b>\$20,407</b> |              |              |              | <b>\$20,407</b>    |

|                 |              |              |              | <b>Fiscal Year</b> |
|-----------------|--------------|--------------|--------------|--------------------|
| <b>Q1-26</b>    | <b>Q2-26</b> | <b>Q3-26</b> | <b>Q4-26</b> | <b>2026</b>        |
| \$30,897        |              |              |              | \$30,897           |
| 12,314          |              |              |              | 12,314             |
| 5,192           |              |              |              | 5,192              |
| <b>\$13,391</b> |              |              |              | <b>\$13,391</b>    |

|              |              |              |              | <b>Fiscal Year</b> |
|--------------|--------------|--------------|--------------|--------------------|
| <b>Q1-26</b> | <b>Q2-26</b> | <b>Q3-26</b> | <b>Q4-26</b> | <b>2026</b>        |
| \$13,756     |              |              |              | \$13,756           |
| 6,008        |              |              |              | 6,008              |
| 3,585        |              |              |              | 3,585              |

**Microsoft Corporation**[Back to Main](#)**Revenue - Significant Product and Service Offerings**

(In millions)

| <b>Revenue</b>                                       | <b>Q1-24</b>    | <b>Q2-24</b>    | <b>Q3-24</b>    | <b>Q4-24</b>    |
|--|-----------------|-----------------|-----------------|-----------------|
| Server products and cloud services                   | \$18,062        | \$19,597        | \$20,266        | \$21,903        |
| Microsoft 365 Commercial products and cloud services | 18,044          | 18,321          | 19,712          | 20,892          |
| Gaming   | 3,919           | 7,111           | 5,451           | 5,022           |
| LinkedIn   | 3,913           | 4,195           | 4,013           | 4,251           |
| Windows and Devices                                  | 4,340           | 4,363           | 4,098           | 4,225           |
| Search and news advertising                          | 3,018           | 3,168           | 3,055           | 3,065           |
| Microsoft 365 Consumer products and cloud services   | 1,643           | 1,679           | 1,648           | 1,678           |
| Dynamics products and cloud services                 | 1,626           | 1,659           | 1,740           | 1,806           |
| Enterprise and partner services                      | 1,944           | 1,917           | 1,861           | 1,872           |
| Other  | 8               | 10              | 14              | 13              |
| <b>Total</b>   | <b>\$56,517</b> | <b>\$62,020</b> | <b>\$61,858</b> | <b>\$64,727</b> |

We have recast certain prior period amounts to conform to the way we internally manage and monitor our bu

| <b>Fiscal Year</b> | <b>Fiscal Year</b> |                 |                 |                 |                 | <b>Q1-26</b>     |
|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|------------------|
|                    | <b>2024</b>        | <b>Q1-25</b>    | <b>Q2-25</b>    | <b>Q3-25</b>    | <b>Q4-25</b>    |                  |
| \$79,828           |                    | \$22,155        | \$23,641        | \$24,761        | \$27,878        | \$98,435         |
| 76,969             |                    | 20,449          | 21,117          | 21,883          | 24,318          | 87,767           |
| 21,503             |                    | 5,621           | 6,581           | 5,721           | 5,532           | 23,455           |
| 16,372             |                    | 4,292           | 4,587           | 4,311           | 4,622           | 17,812           |
| 17,026             |                    | 4,329           | 4,512           | 4,144           | 4,329           | 17,314           |
| 12,306             |                    | 3,225           | 3,558           | 3,504           | 3,591           | 13,878           |
| 6,648              |                    | 1,727           | 1,821           | 1,821           | 2,035           | 7,404            |
| 6,831              |                    | 1,849           | 1,913           | 1,929           | 2,136           | 7,827            |
| 7,594              |                    | 1,928           | 1,892           | 1,946           | 1,994           | 7,760            |
| 45                 |                    | 10              | 10              | 46              | 6               | 72               |
| <b>\$245,122</b>   |                    | <b>\$65,585</b> | <b>\$69,632</b> | <b>\$70,066</b> | <b>\$76,441</b> | <b>\$281,724</b> |
|                    |                    |                 |                 |                 |                 | <b>\$77,673</b>  |

business, which reflects the FY25 changes to the composition of our segments announced in August 2024.

|              |              |              | <b>Fiscal Year</b> |
|--------------|--------------|--------------|--------------------|
| <b>Q2-26</b> | <b>Q3-26</b> | <b>Q4-26</b> | <b>2026</b>        |
|              |              |              | \$28,872           |
|              |              |              | 23,966             |
|              |              |              | 5,508              |
|              |              |              | 4,714              |
|              |              |              | 4,551              |
|              |              |              | 3,697              |
|              |              |              | 2,204              |
|              |              |              | 2,136              |
|              |              |              | 2,022              |
|              |              |              | 3                  |
|              |              |              | <b>\$77,673</b>    |

**Microsoft Corporation**  
**Yearly Income Statements**  
(In millions, except per share amounts)

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|                              | <b>FY16</b>     | <b>FY17</b>     | <b>FY18</b>     | <b>FY19</b>     |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| Revenue:                     |                 |                 |                 |                 |
| Product                      | \$67,336        | \$63,811        | \$64,497        | \$66,069        |
| Service and other            | 23,818          | 32,760          | 45,863          | 59,774          |
| Total revenue                | <u>91,154</u>   | <u>96,571</u>   | <u>110,360</u>  | <u>125,843</u>  |
| Cost of revenue:             |                 |                 |                 |                 |
| Product                      | 17,880          | 15,175          | 15,420          | 16,273          |
| Service and other            | 14,900          | 19,086          | 22,933          | 26,637          |
| Total cost of revenue        | <u>32,780</u>   | <u>34,261</u>   | <u>38,353</u>   | <u>42,910</u>   |
| Gross margin                 | 58,374          | 62,310          | 72,007          | 82,933          |
| Research and development     | 11,988          | 13,037          | 14,726          | 16,876          |
| Sales and marketing          | 14,635          | 15,461          | 17,469          | 18,213          |
| General and administrative   | 4,563           | 4,481           | 4,754           | 4,885           |
| Impairment and restructuring | 1,110           | 306             | 0               | 0               |
| Operating income             | 26,078          | 29,025          | 35,058          | 42,959          |
| Other income (expense), net  | (439)           | 876             | 1,416           | 729             |
| Income before income taxes   | 25,639          | 29,901          | 36,474          | 43,688          |
| Provision for income taxes   | 5,100           | 4,412           | 19,903          | 4,448           |
| Net income                   | <u>\$20,539</u> | <u>\$25,489</u> | <u>\$16,571</u> | <u>\$39,240</u> |
| Earnings per share:          |                 |                 |                 |                 |
| Basic                        | \$2.59          | \$3.29          | \$2.15          | \$5.11          |
| Diluted                      | \$2.56          | \$3.25          | \$2.13          | \$5.06          |

| <b>FY20</b>     | <b>FY21</b>     | <b>FY22</b>     | <b>FY23</b>     | <b>FY24</b>     | <b>FY25</b>      |
|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| \$68,041        | \$71,074        | \$72,732        | \$64,699        | \$64,773        | \$63,946         |
| 74,974          | 97,014          | 125,538         | 147,216         | 180,349         | 217,778          |
| <b>143,015</b>  | <b>168,088</b>  | <b>198,270</b>  | <b>211,915</b>  | <b>245,122</b>  | <b>281,724</b>   |
|                 |                 |                 |                 |                 |                  |
| 16,017          | 18,219          | 19,064          | 17,804          | 15,272          | 13,501           |
| 30,061          | 34,013          | 43,586          | 48,059          | 58,842          | 74,330           |
| <b>46,078</b>   | <b>52,232</b>   | <b>62,650</b>   | <b>65,863</b>   | <b>74,114</b>   | <b>87,831</b>    |
| 96,937          | 115,856         | 135,620         | 146,052         | 171,008         | 193,893          |
| 19,269          | 20,716          | 24,512          | 27,195          | 29,510          | 32,488           |
| 19,598          | 20,117          | 21,825          | 22,759          | 24,456          | 25,654           |
| 5,111           | 5,107           | 5,900           | 7,575           | 7,609           | 7,223            |
| 0               | 0               | 0               | 0               | 0               | 0                |
| <b>52,959</b>   | <b>69,916</b>   | <b>83,383</b>   | <b>88,523</b>   | <b>109,433</b>  | <b>128,528</b>   |
| 77              | 1,186           | 333             | 788             | (1,646)         | (4,901)          |
| <b>53,036</b>   | <b>71,102</b>   | <b>83,716</b>   | <b>89,311</b>   | <b>107,787</b>  | <b>123,627</b>   |
| 8,755           | 9,831           | 10,978          | 16,950          | 19,651          | 21,795           |
| <b>\$44,281</b> | <b>\$61,271</b> | <b>\$72,738</b> | <b>\$72,361</b> | <b>\$88,136</b> | <b>\$101,832</b> |
|                 |                 |                 |                 |                 |                  |
| \$5.82          | \$8.12          | \$9.70          | \$9.72          | \$11.86         | \$13.70          |
| \$5.76          | \$8.05          | \$9.65          | \$9.68          | \$11.80         | \$13.64          |









































**Microsoft Corporation**[Back to Main](#)**Return of Cash to Shareholders**

(In billions, except per share amounts)

|                    | FY10   | FY11   | FY12   | FY13   | FY14   |
|--------------------|--------|--------|--------|--------|--------|
| <b>Yearly</b>      |        |        |        |        |        |
| Dividend Per Share | \$0.52 | \$0.64 | \$0.80 | \$0.92 | \$1.12 |
| Total Dividends    | 4.539  | 5.403  | 6.720  | 7.695  | 9.270  |
| Share Buyback      | 10.836 | 11.458 | 4.000  | 4.607  | 6.409  |

|                    | Q2-05  | Q3-05  | Q4-05  | Q1-06  | Q2-06  |
|--------------------|--------|--------|--------|--------|--------|
| <b>Quarterly</b>   |        |        |        |        |        |
| Dividend Per Share | \$0.08 | \$0.08 | \$0.08 | \$0.08 | \$0.09 |
| Total Dividends    | 0.868  | 0.860  | 0.857  | 0.846  | 0.926  |
| Share Buyback      | 0.655  | 2.420  | 4.302  | 3.029  | 7.666  |

| FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|------|------|------|------|------|------|------|------|
|------|------|------|------|------|------|------|------|

|        |        |        |        |        |        |        |        |
|--------|--------|--------|--------|--------|--------|--------|--------|
| \$1.24 | \$1.44 | \$1.56 | \$1.68 | \$1.84 | \$2.04 | \$2.24 | \$2.48 |
| 10.050 | 11.331 | 12.048 | 12.916 | 14.101 | 15.483 | 16.871 | 18.550 |
| 13.209 | 14.800 | 10.283 | 8.600  | 16.799 | 19.688 | 22.970 | 28.033 |

| Q3-06 | Q4-06 | Q1-07 | Q2-07 | Q3-07 | Q4-07 | Q1-08 | Q2-08 |
|-------|-------|-------|-------|-------|-------|-------|-------|
|-------|-------|-------|-------|-------|-------|-------|-------|

|        |        |        |        |        |        |        |        |
|--------|--------|--------|--------|--------|--------|--------|--------|
| \$0.09 | \$0.09 | \$0.10 | \$0.10 | \$0.10 | \$0.10 | \$0.11 | \$0.11 |
| 0.916  | 0.897  | 0.980  | 0.978  | 0.952  | 0.938  | 1.034  | 1.023  |
| 4.879  | 4.175  | 6.965  | 6.037  | 6.744  | 7.367  | 2.348  | 4.081  |

| <b>FY23</b> | <b>FY24</b> | <b>FY25</b> |        |        |        |        |        |
|-------------|-------------|-------------|--------|--------|--------|--------|--------|
| \$2.72      | \$3.00      | \$3.32      |        |        |        |        |        |
| Q3-08       | Q4-08       | Q1-09       | Q2-09  | Q3-09  | Q4-09  | Q1-10  | Q2-10  |
| 20.230      | 22.295      | 24.676      |        |        |        |        |        |
| 18.400      | 11.960      | 13.000      |        |        |        |        |        |
| \$0.11      | \$0.11      | \$0.13      | \$0.13 | \$0.13 | \$0.13 | \$0.13 | \$0.13 |
| 1.020       | 0.998       | 1.157       | 1.155  | 1.158  | 1.157  | 1.152  | 1.139  |
| 1.020       | 4.975       | 5.966       | 2.234  | 0.000  | 0.000  | 1.445  | 3.583  |

| <b>Q3-10</b> | <b>Q4-10</b> | <b>Q1-11</b> | <b>Q2-11</b> | <b>Q3-11</b> | <b>Q4-11</b> | <b>Q1-12</b> | <b>Q2-12</b> |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$0.13       | \$0.13       | \$0.16       | \$0.16       | \$0.16       | \$0.16       | \$0.20       | \$0.20       |
| 1.130        | 1.118        | 1.363        | 1.349        | 1.350        | 1.341        | 1.683        | 1.683        |
| 2.000        | 3.808        | 4.000        | 5.000        | 0.827        | 1.631        | 1.000        | 1.000        |

| <b>Q3-12</b> | <b>Q4-12</b> | <b>Q1-13</b> | <b>Q2-13</b> | <b>Q3-13</b> | <b>Q4-13</b> | <b>Q1-14</b> | <b>Q2-14</b> | <b>Q3-14</b> |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$0.20       | \$0.20       | \$0.23       | \$0.23       | \$0.23       | \$0.23       | \$0.28       | \$0.28       | \$0.28       |
| 1.678        | 1.676        | 1.933        | 1.925        | 1.921        | 1.916        | 2.332        | 2.322        | 2.309        |
| 1.000        | 1.000        | 1.000        | 1.607        | 1.000        | 1.000        | 1.500        | 2.000        | 1.791        |

| <b>Q4-14</b> | <b>Q1-15</b> | <b>Q2-15</b> | <b>Q3-15</b> | <b>Q4-15</b> | <b>Q1-16</b> | <b>Q2-16</b> | <b>Q3-16</b> | <b>Q4-16</b> |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$0.28       | \$0.31       | \$0.31       | \$0.31       | \$0.31       | \$0.36       | \$0.36       | \$0.36       | \$0.36       |
| 2.307        | 2.547        | 2.532        | 2.496        | 2.475        | 2.868        | 2.842        | 2.821        | 2.800        |
| 1.118        | 2.000        | 2.000        | 5.000        | 4.209        | 4.000        | 3.600        | 3.600        | 3.600        |

| <b>Q1-17</b> | <b>Q2-17</b> | <b>Q3-17</b> | <b>Q4-17</b> | <b>Q1-18</b> | <b>Q2-18</b> | <b>Q3-18</b> | <b>Q4-18</b> | <b>Q1-19</b> |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$0.39       | \$0.39       | \$0.39       | \$0.39       | \$0.42       | \$0.42       | \$0.42       | \$0.42       | \$0.46       |
| 3.024        | 3.012        | 3.009        | 3.003        | 3.238        | 3.232        | 3.226        | 3.220        | 3.544        |
| 3.550        | 3.533        | 1.600        | 1.600        | 1.600        | 1.800        | 3.100        | 2.100        | 2.600        |

| <b>Q2-19</b> | <b>Q3-19</b> | <b>Q4-19</b> | <b>Q1-20</b> | <b>Q2-20</b> | <b>Q3-20</b> | <b>Q4-20</b> | <b>Q1-21</b> | <b>Q2-21</b> |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$0.46       | \$0.46       | \$0.46       | \$0.51       | \$0.51       | \$0.51       | \$0.51       | \$0.56       | \$0.56       |
| 3.526        | 3.521        | 3.510        | 3.886        | 3.876        | 3.865        | 3.856        | 4.230        | 4.221        |
| 6.100        | 3.899        | 4.200        | 4.000        | 4.600        | 6.000        | 5.088        | 5.270        | 5.750        |

| <b>Q3-21</b> | <b>Q4-21</b> | <b>Q1-22</b> | <b>Q2-22</b> | <b>Q3-22</b> | <b>Q4-22</b> | <b>Q1-23</b> | <b>Q2-23</b> | <b>Q3-23</b> |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$0.56       | \$0.56       | \$0.62       | \$0.62       | \$0.62       | \$0.62       | \$0.68       | \$0.68       | \$0.68       |
| 4.214        | 4.206        | 4.652        | 4.645        | 4.632        | 4.621        | 5.066        | 5.059        | 5.054        |
| 5.750        | 6.200        | 6.200        | 6.233        | 7.800        | 7.800        | 4.600        | 4.600        | 4.600        |

| <b>Q4-23</b> | <b>Q1-24</b> | <b>Q2-24</b> | <b>Q3-24</b> | <b>Q4-24</b> | <b>Q1-25</b> | <b>Q2-25</b> | <b>Q3-25</b> | <b>Q4-25</b> |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$0.68       | \$0.75       | \$0.75       | \$0.75       | \$0.75       | \$0.83       | \$0.83       | \$0.83       | \$0.83       |
| 5.051        | 5.574        | 5.573        | 5.574        | 5.574        | 6.170        | 6.169        | 6.169        | 6.168        |
| 4.600        | 3.560        | 2.800        | 2.800        | 2.800        | 2.800        | 3.500        | 3.500        | 3.200        |

**Q1-26**

\$0.91

6.765

3.955

**Microsoft Corporation**

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**Capital Expenditures Including Assets Acquired Under Capital Leases**

(In billions)

|  | <b>Q1-16</b> | <b>Q2-16</b> | <b>Q3-16</b> | <b>Q4-16</b> | <b>Fiscal Year</b> |
|--|--------------|--------------|--------------|--------------|--------------------|
|  |              |              |              |              | <b>2016</b>        |
| <b>Capital expenditures including assets<br/>acquired under capital leases</b> | \$1.5        | \$2.0        | \$2.3        | \$3.1        | \$8.9              |

| <b>Fiscal Year</b> |              |              |              |             |              |              |
|--------------------|--------------|--------------|--------------|-------------|--------------|--------------|
| <b>Q1-17</b>       | <b>Q2-17</b> | <b>Q3-17</b> | <b>Q4-17</b> | <b>2017</b> | <b>Q1-18</b> | <b>Q2-18</b> |
| \$2.3              | \$2.5        | \$2.1        | \$3.3        | \$10.2      | \$2.7        | \$3.3        |

|       |       | Fiscal Year |       |       |       |       |
|-------|-------|-------------|-------|-------|-------|-------|
| Q3-18 | Q4-18 | 2018        | Q1-19 | Q2-19 | Q3-19 | Q4-19 |
| \$3.5 | \$4.1 | \$13.6      | \$4.3 | \$3.9 | \$3.4 | \$5.3 |

| <b>Fiscal Year<br/>2019</b> |              |              |              |              | <b>Fiscal Year<br/>2020</b> |
|-----------------------------|--------------|--------------|--------------|--------------|-----------------------------|
|                             | <b>Q1-20</b> | <b>Q2-20</b> | <b>Q3-20</b> | <b>Q4-20</b> |                             |
| \$16.9                      | \$4.8        | \$4.5        | \$3.9        | \$5.8        | \$19.0                      |

| Fiscal Year |       |       |       |        |       |       |       |
|-------------|-------|-------|-------|--------|-------|-------|-------|
| Q1-21       | Q2-21 | Q3-21 | Q4-21 | 2021   | Q1-22 | Q2-22 | Q3-22 |
| \$5.5       | \$5.4 | \$6.0 | \$7.3 | \$24.2 | \$7.4 | \$6.8 | \$6.3 |

| <b>Fiscal Year</b> |             | <b>Fiscal</b> |              |              |                        |
|--------------------|-------------|---------------|--------------|--------------|------------------------|
| <b>Q4-22</b>       | <b>2022</b> | <b>Q1-23</b>  | <b>Q2-23</b> | <b>Q3-23</b> | <b>Q4-23 Year 2023</b> |
| \$8.7              | \$29.2      | \$6.6         | \$6.8        | \$7.8        | \$10.7 \$31.9          |

| Fiscal |        |        |        |           |
|--------|--------|--------|--------|-----------|
| Q1-24  | Q2-24  | Q3-24  | Q4-24  | Year 2024 |
| \$11.2 | \$11.5 | \$14.0 | \$19.0 | \$55.7    |
|        |        |        |        |           |
| Q1-25  | Q2-25  | Q3-25  |        |           |
|        |        |        | \$20.0 | \$22.6    |
|        |        |        |        | \$21.4    |

| <b>Fiscal</b> |                  | <b>Fiscal</b> |              |              |              |
|---------------|------------------|---------------|--------------|--------------|--------------|
| <b>Q4-25</b>  | <b>Year 2025</b> | <b>Q1-26</b>  | <b>Q2-26</b> | <b>Q3-26</b> | <b>Q4-26</b> |
| \$24.2        | \$88.2           |               | \$34.9       |              | \$34.9       |