



First Quarter Fiscal Year 2026 Outlook

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This presentation contains forward-looking statements, which are any predictions, projections, or other statements about future events.

These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could materially differ because of factors discussed in today's earnings press release, in the comments made during the conference call, and in the Risk Factors section and other sections of our Form 10-K, Forms 10-Q, and other reports and filings with the Securities and Exchange Commission.

We do not undertake any duty to update forward-looking statements.

FY26 Q1 Outlook

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|-------------------------------------|---|
| Foreign currency impact | <ul style="list-style-type: none">• Increase to total revenue growth of 2 points, with roughly 3 points in Productivity and Business Processes, and roughly 1 point in Intelligent Cloud and More Personal Computing• Increase to COGS growth and Opex growth of roughly 1 point |
| Productivity and Business Processes | <ul style="list-style-type: none">• Revenue of \$32.2 to \$32.5 billion |
| Intelligent Cloud | <ul style="list-style-type: none">• Revenue of \$30.1 to \$30.4 billion |
| More Personal Computing | <ul style="list-style-type: none">• Revenue of \$12.4 to \$12.9 billion |
| Cost of revenue | <ul style="list-style-type: none">• COGS of \$24.3 to \$24.5 billion |
| Operating expenses | <ul style="list-style-type: none">• Expenses of \$15.7 to \$15.8 billion |
| Other income and expense | <ul style="list-style-type: none">• Expected to be roughly \$(1.3) billion |
| Effective tax rate | <ul style="list-style-type: none">• Between 19% and 20% |

FY26 Q1 Outlook Detail

Commercial Business

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| Commercial bookings | Healthy growth on a growing expiry base |
| Microsoft Cloud gross margin percentage | Roughly 67% |

Productivity and Business Processes

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| Microsoft 365 Commercial cloud revenue | Growth of 13% to 14% in constant currency |
| Microsoft 365 Commercial products revenue | Growth in mid- to high-single digits |
| Microsoft 365 Consumer cloud revenue | Growth in low-twenties |
| LinkedIn revenue | Growth in high-single digits |
| Dynamics 365 revenue | Growth in high-teens |

Intelligent Cloud

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| Azure and other cloud services revenue | Growth of approximately 37% in constant currency |
| Server products revenue | Decline in low- to mid-single digits |

More Personal Computing

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| Windows OEM and Devices revenue | Decline in mid- to high-single digits |
| Search and news advertising revenue (ex TAC) | Growth in low- to mid-teens |
| Gaming revenue | Decline in mid- to high-single digits |
| Xbox content and services revenue | Decline in mid-single digits |

FY26 Full Year Outlook

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|-------------------------|--|
| Foreign currency impact | <ul style="list-style-type: none">• Increase to total revenue growth of approximately 2 points• Increase to COGS growth of approximately 2 points and an increase to Opex growth of 1 point |
| Revenue | <ul style="list-style-type: none">• Total revenue expected to grow double-digits |
| Capital expenditures | <ul style="list-style-type: none">• Expect FY26 capital expenditures growth to moderate compared to FY25 with a greater mix of short-lived assets |
| Operating income | <ul style="list-style-type: none">• Operating income expected to grow double-digits• Operating margins expected to be relatively unchanged year-over-year |
| Effective tax rate | <ul style="list-style-type: none">• Between 19% and 20% |

