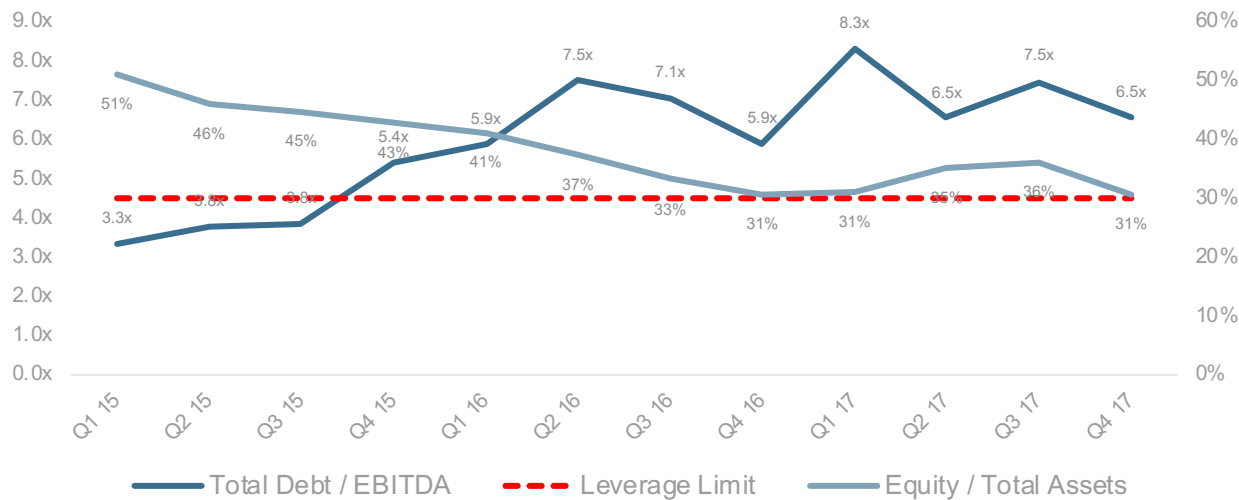


# Microsoft's - Leverage

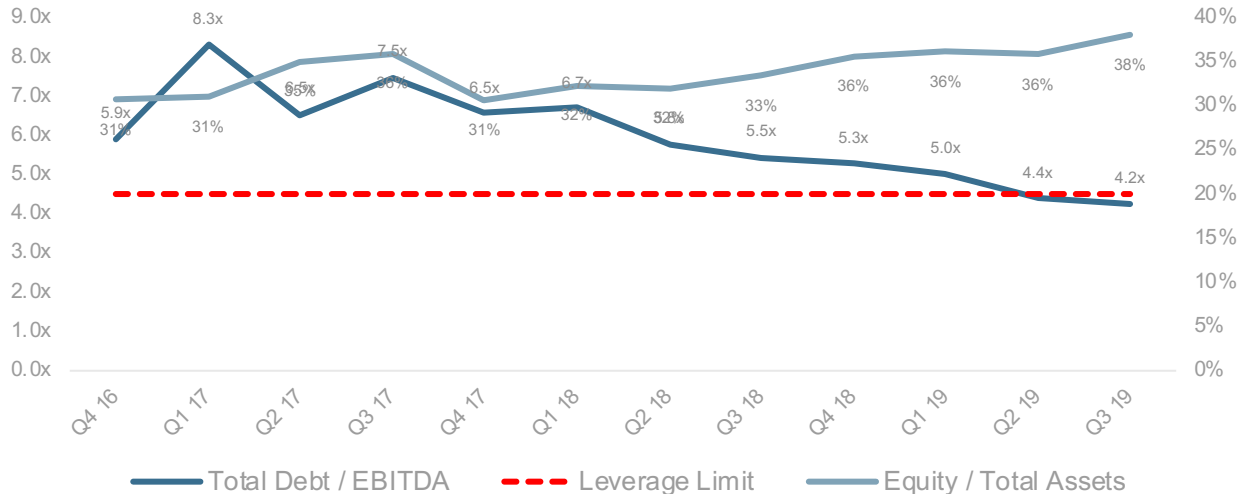
Microsoft's Leverage



<sup>1</sup> Total Debt / EBITDA and Leverage Limit are on the left vertical axis. Equity / Total Assets is on the right vertical axis

## UPDATED CHART: Microsoft's - Leverage

Microsoft's Leverage

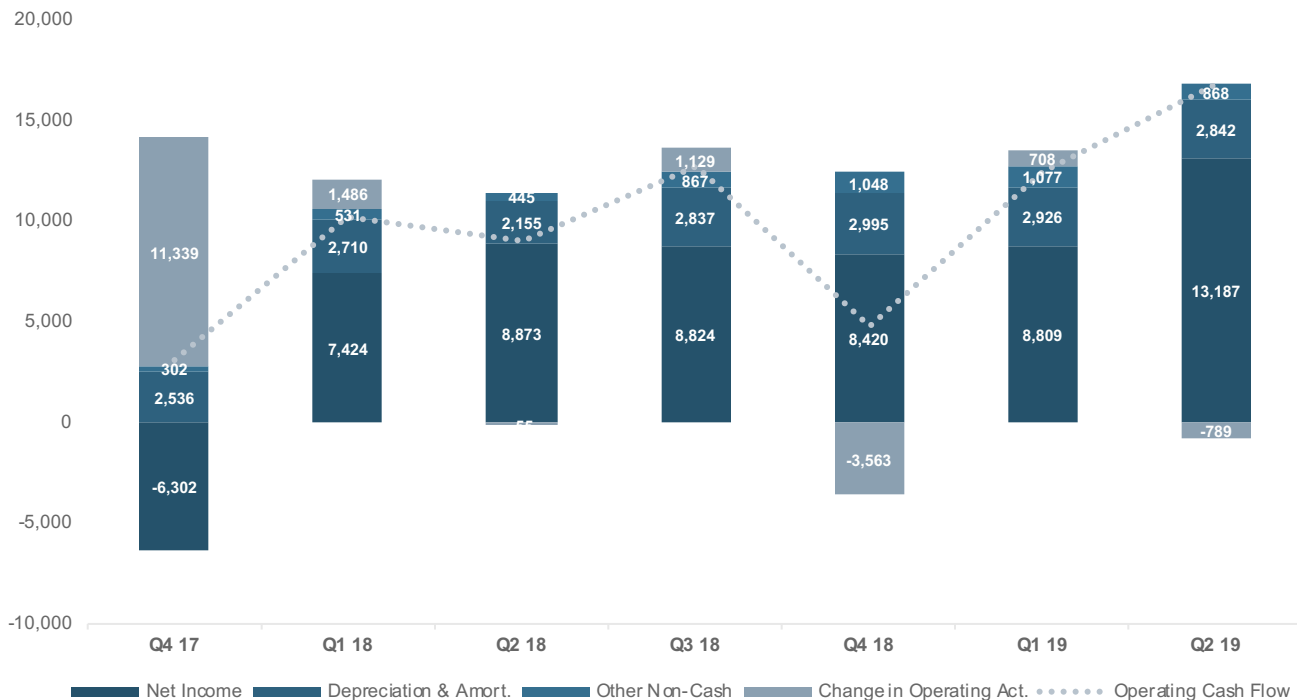


<sup>1</sup> Total Debt / EBITDA and Leverage Limit are on the left vertical axis. Equity / Total Assets is on the right vertical axis

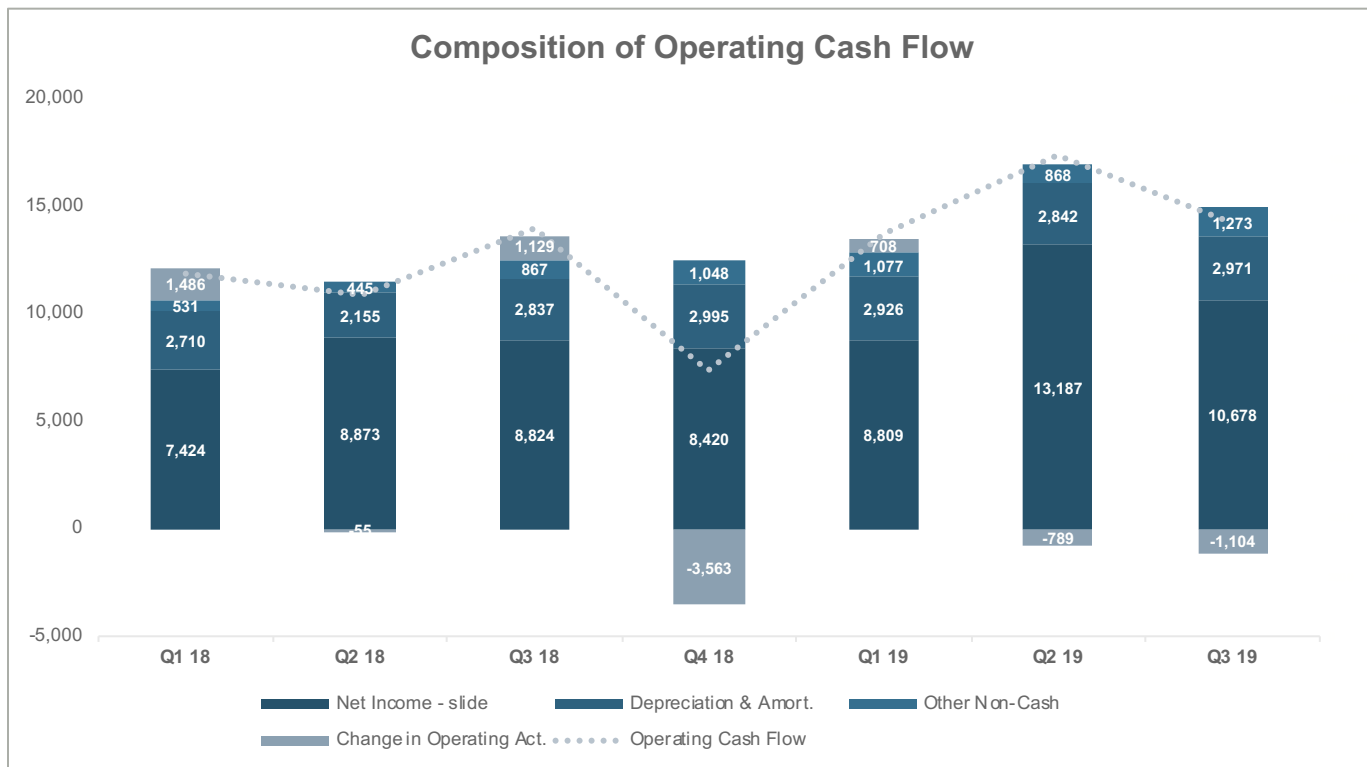
- What got updated?
  - Updated dates and data from the previous slide
  - Notice the previous slide dates ranged from 2015 - 2017, compared to 2016 - 2019 in this slide. The purpose of this is to show flexibility in terms of what numbers are updated. We did more than simply updating the chart by one period (i.e. moving from 2015 data to 2016 data).

# FCF, Net M&A, Share Repurchases, Dividends

## Composition of Operating Cash Flow



## UPDATED CHART: FCF, Net M&A, Share Repurchases, Dividends



- What got updated?
  - Updated all the data and dates by one period (i.e. from Q2 '19 to Q3 '19)
  - Also, notice this is plot is a combined chart (i.e. has bar plots and a line graph)

## Key Metrics

\$ Millions								
EBITDA								
Levered FCF								
Leverage								

## Key Metrics

\$ Millions	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
EBITDA	9,176	11,644	10,207	11,215	11,002	12,534	12,792	13,253
Levered FCF	9,176	11,644	10,207	11,215	11,002	12,534	12,792	13,253
Leverage	8.0x	7.0x	7.0x	7.0x	7.0x	6.0x	5.0x	5.0x

- What got updated?
  - Everything