



Company	Ticker	Sector	Industry
Microsoft Corporation	MSFT-US	Information Technology	Software

Business Description

Microsoft Corp. engages in the development and support of software, services, devices, and solutions. It operates through the following business segments: Productivity and Business Processes, Intelligent Cloud, and More Personal Computing. The Productivity and Business Processes segment consists of Office Commercial (Office 365 subscriptions, the Office 365 portion of Microsoft 365 Commercial subscriptions, and Office licensed on-premises), Exchange, SharePoint, Microsoft Teams, Office 365 Security and Compliance, and Skype for Business, Office Consumer, including Microsoft 365 Consumer subscriptions, Office licensed on-premises, and other Office services, LinkedIn, including Talent Solutions, Marketing Solutions, Premium Subscriptions, Sales Solutions, and Learning Solutions, Dynamics business solutions, including Dynamics 365, comprising a set of intelligent, cloud-based applications across ERP, CRM, Customer Insights, Power Apps, and Power Automate, and on-premises ERP and CRM applications. The Intelligent Cloud segment consists of Server products and cloud services, including Azure and other cloud services, SQL Server, Windows Server, Visual Studio, System Center, and related Client Access Licenses (CALs), and Nuance and GitHub, Enterprise Services, including Enterprise Support Services, Microsoft Consulting Services, and Nuance professional services. The More Personal Computing segment consists of Windows, including Windows OEM licensing and other non-volume licensing of the Windows

Price Chart

Key Info & Metrics



Empirical Research Rank:	7
Date Purchased:	11/01/2019
Price:	\$267.56
52-Week Range:	\$214.25 - \$315.41
Dividend Yield:	0.95%
Market Cap (\$M):	\$1,991,664
Forward Price-to-Earnings:	26
Total Return	
Year-to-Date:	11.6%
1 Year:	-10.3%
3 Year:	49.7%
5 Year:	217.1%

Investment Case - Updated: November 6, 2022

In 2014, Satya Nadella replaced Steve Ballmer as CEO of Microsoft. Formerly the head of the Server & Tools Division, Mr. Nadella enacted a new strategy for Microsoft that revolved around subscription software and cloud computing. Today, the Commercial Cloud business is growing more than twice as fast as the rest of the company and makes up nearly half of total revenue. Switching to a subscription business model has also driven growth in the Microsoft Windows (operating system) and the Microsoft Office (productivity suite) businesses—even though both have existed since the mid-1980s! Mr. Nadella has also elevated several key peripheral businesses like gaming (Xbox), web search (Bing), social networking (LinkedIn), and virtual reality (HoloLens). The focus on cutting-edge tech trends has driven solid growth in revenue and profit. The global pandemic also accelerated many clients' shift toward cloud computing. Microsoft is well positioned to continue its streak of exemplary growth.

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