

## Company Analysis: Microsoft Corporation

### Company Summary:

Company Name:	Microsoft Corporation
Company Symbol:	MSFT
Market Cap:	3,097,668,403,200
Beta:	0.90
Currency:	USD
ISIN:	US5949181045
CUSIP:	594918104
Exchange:	NASDAQ Global Select
Industry:	Software - Infrastructure
Sector:	Technology
Country:	US
No. Employees:	228,000
IPO Date:	1986-03-13
CEO:	Mr. Satya Nadella
Website:	<a href="https://www.microsoft.com">https://www.microsoft.com</a>

Microsoft Corporation develops, licenses, and supports software, services, devices, and solutions worldwide. The company operates in three segments: Productivity and Business Processes, Intelligent Cloud, and More Personal Computing. The Productivity and Business Processes segment offers Office, Exchange, SharePoint, Microsoft Teams, Office 365 Security and Compliance, Microsoft Viva, and Skype for Business; Skype, Outlook.com, OneDrive, and LinkedIn; and Dynamics 365, a set of cloud-based and on-premises business solutions for organizations and enterprise divisions. The Intelligent Cloud segment licenses SQL, Windows Servers, Visual Studio, System Center, and related Client Access Licenses; GitHub that provides a collaboration platform and code hosting service for developers; Nuance provides healthcare and enterprise AI solutions; and Azure, a cloud platform. It also offers enterprise support, Microsoft consulting, and nuance professional services to assist customers in developing, deploying, and managing Microsoft server and desktop solutions; and training and certification on Microsoft products. The More Personal Computing segment provides Windows original equipment manufacturer (OEM) licensing and other non-volume licensing of the Windows operating system; Windows Commercial, such as volume licensing of the Windows operating system, Windows cloud services, and other Windows commercial offerings; patent licensing; and Windows Internet of Things. It also offers Surface, PC accessories, PCs, tablets, gaming and entertainment consoles, and other devices; Gaming, including Xbox hardware, and Xbox content and services; video games and third-party video game royalties; and Search, including Bing and Microsoft advertising. The company sells its products through OEMs, distributors, and resellers; and directly through digital marketplaces, online stores, and retail stores. Microsoft Corporation was founded in 1975 and is headquartered in Redmond, Washington.

## Company Analysis: Microsoft Corporation

### Financial statements:

Amounts in \$ USD (Millions)

Year	2020	2021	2022	2023	2024
Revenue	143,015	168,088	198,270	211,915	245,122
Cost Of Revenue	46,078	52,232	62,650	65,863	74,114
Gross Profit	96,937	115,856	135,620	146,052	171,008
Operating Expenses	43,978	45,940	52,237	57,529	61,575
Operating Income	52,959	69,916	83,383	88,523	109,433
Net Income	44,281	61,271	72,738	72,361	88,136

Year	2020	2021	2022	2023	2024
Revenue	100%	100%	100%	100%	100%
Cost Of Revenue	32%	31%	32%	31%	30%
Gross Profit	68%	69%	68%	69%	70%
Operating Expenses	31%	27%	26%	27%	25%
Operating Income	37%	42%	42%	42%	45%
Net Income	31%	36%	37%	34%	36%

Year	2020	2021	2022	2023	2024
Cur Assets	181,915	184,406	169,684	184,257	159,734
LT Asset	119,396	149,373	195,156	227,719	352,429
Total Assets	301,311	333,779	364,840	411,976	512,163
Cur Liabilities	72,310	88,657	95,082	104,149	125,286
LT Liabilities	110,697	103,134	103,216	101,604	118,400
Total Liab	183,007	191,791	198,298	205,753	243,686
SH Equity	118,304	141,988	166,542	206,223	268,477

Year	2020	2021	2022	2023	2024
Cur Assets	60%	55%	47%	45%	31%
LT Asset	40%	45%	53%	55%	69%
Total Assets	100%	100%	100%	100%	100%
Cur Liabilities	24%	27%	26%	25%	24%
LT Liabilities	37%	31%	28%	25%	23%
Total Liab	61%	57%	54%	50%	48%
SH Equity	39%	43%	46%	50%	52%

Year	2020	2021	2022	2023	2024
CF Operating Activities	60,675	76,740	89,035	87,582	118,548
CF Investing Activities	-12,223	-27,577	-30,311	-22,680	-96,970
CF Financing Activities	-46,031	-48,486	-58,876	-43,935	-37,757
Change in cash	2,220	648	-293	20,773	-16,389
Cash end of period	13,576	14,224	13,931	34,704	18,315
Cash beginning of period	11,356	13,576	14,224	13,931	34,704

\*Data provided by Financial Modeling Prep

## Company Analysis: Microsoft Corporation

### Financial Summary:

#### Debt Ratios

Date	2020	2021	2022	2023	2024
Debt Assets Ratio	0.2	0.2	0.1	0.1	0.1
Debt Equity Ratio	0.5	0.4	0.3	0.2	0.2
Current Ratio	2.5	2.1	1.8	1.8	1.3
Quick Ratio	2.5	2.1	1.7	1.7	1.3
Cash Ratio	0.2	0.2	0.1	0.3	0.1
Opp Cashflow to Debt	1.0	1.3	1.8	1.9	2.3
Interest Coverage	20.4	29.8	40.4	45.0	37.3

#### Profit Ratios

Date	2020	2021	2022	2023	2024
Gross Margin	0.68	0.69	0.68	0.69	0.70
Operating Margin	0.37	0.42	0.42	0.42	0.45
Net Profit Margin	0.31	0.36	0.37	0.34	0.36
Effective Tax Rate	0.17	0.14	0.13	0.19	0.18
Return on Assets	0.15	0.18	0.20	0.18	0.17
Return on Equity	0.37	0.43	0.44	0.35	0.33

#### Efficiency Ratios

Date	2020	2021	2022	2023	2024
Days of Sales Outstanding	82	83	81	84	85
Days of Payables Outstanding	99	106	111	100	108
Days of Inventory Outstanding	15	18	22	14	6
Days of Operating Cycle	97	101	103	98	91
Cash Conversion Cycle	-3	-5	-7	-3	-17
Receivables Turnover	4.5	4.4	4.5	4.4	4.3
Payables Turnover	3.7	3.4	3.3	3.6	3.4
Inventory Turnover	24.3	19.8	16.7	26.3	59.5
Fixed Asset Turnover	2.7	2.4	2.3	1.9	1.6
Asset Turnover	0.5	0.5	0.5	0.5	0.5

## Company Analysis: Microsoft Corporation

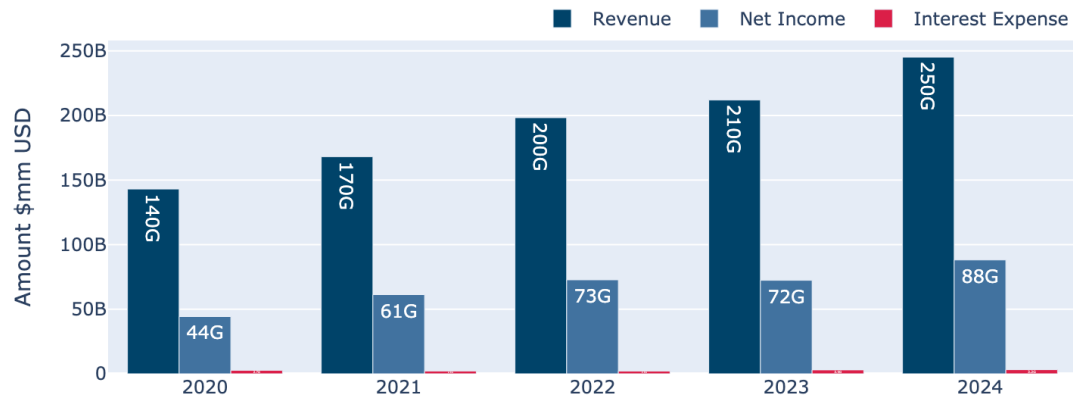
### Financial Summary:

Market Ratios	Date	2020	2021	2022	2023	2024
Price to Book Ratio		13	14	12	12	13
Price to Sales Ratio		11	12	10	12	14
Price to Earnings Ratio		35	33	26	35	39
Price to Operating Cashflow Ratio		26	27	22	29	29
Enterprise Value Multiple		24	25	20	25	26
Price to Fair Value		13	14	12	12	13
Dividend Yield		1.0%	0.8%	0.9%	0.8%	0.6%
Earnings Yield		2.9%	3.0%	3.8%	2.9%	2.6%

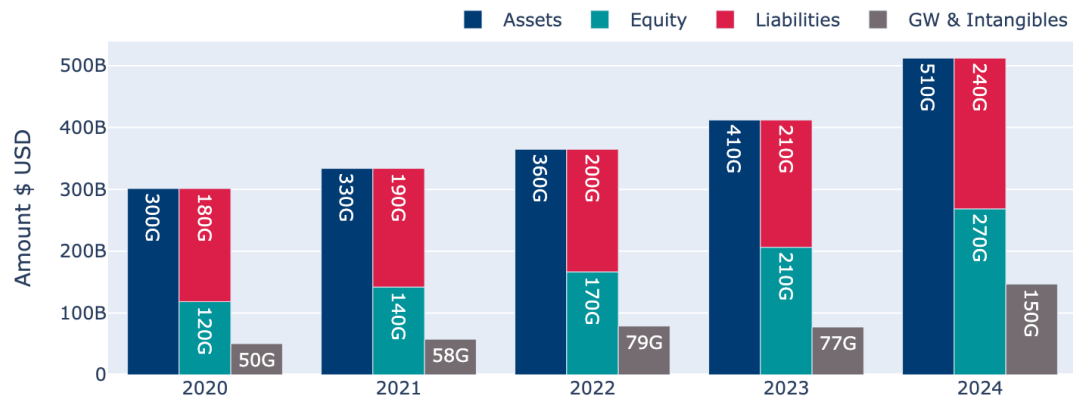
### Key Metrics

	Date	2020	2021	2022	2023	2024
Market Cap (millions)		1,548,711	2,044,482	1,925,198	2,535,661	3,393,961
Net Income per share		6	8	10	10	12
Free Cash Flow per share		6	7	9	8	10
Book value per share		16	19	22	28	36
Capex to Revenue		11%	12%	12%	13%	18%
Capex to Depreciation		121%	176%	165%	203%	200%
Capex to Operating CashFlow		25%	27%	27%	32%	38%
Graham Number		45	59	70	78	98
Graham Net Net		-3	-4	-8	-8	-17

### Income Statement for: MSFT



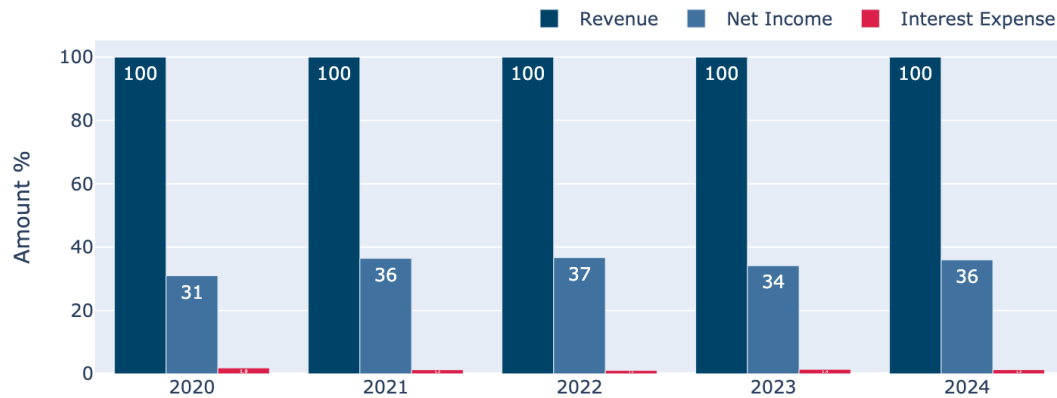
### Balance Sheet for: MSFT



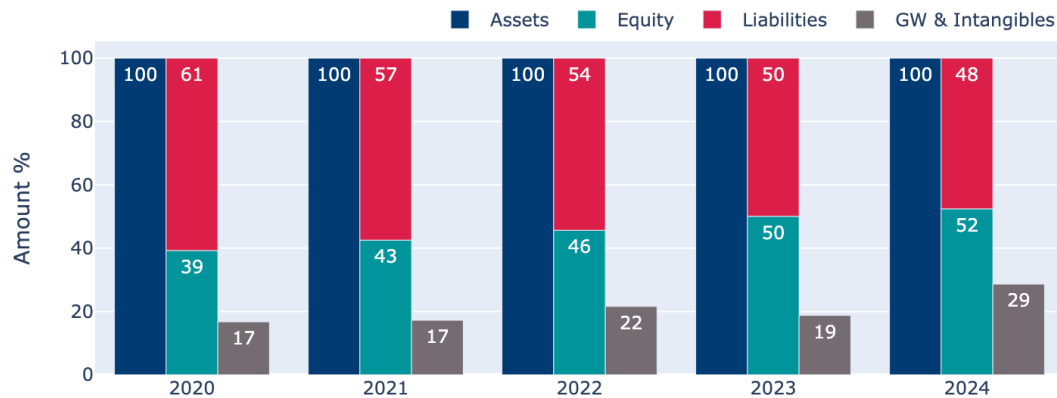
### Cash Flow Statement for: MSFT



### Common Size Income Statement for: MSFT



### Common Size Balance Sheet for: MSFT



### Equity Uses for: MSFT

