



Second Quarter Fiscal Year 2026 Outlook

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FY26 Q2 Outlook

Foreign currency impact	<ul style="list-style-type: none">• Increase to total company revenue growth of 2 points, with 2 points in Productivity and Business Processes and Intelligent Cloud, and 1 point in More Personal Computing• Increase to COGS growth and Opex growth of 1 point
Total Company	<ul style="list-style-type: none">• Revenue of \$79.5 to \$80.6 billion
Productivity and Business Processes	<ul style="list-style-type: none">• Revenue of \$33.3 to \$33.6 billion
Intelligent Cloud	<ul style="list-style-type: none">• Revenue of \$32.25 to \$32.55 billion
More Personal Computing	<ul style="list-style-type: none">• Revenue of \$13.95 to \$14.45 billion
Cost of revenue	<ul style="list-style-type: none">• COGS of \$26.35 to \$26.55 billion
Operating expenses	<ul style="list-style-type: none">• Expenses of \$17.3 to \$17.4 billion
Other income and expense	<ul style="list-style-type: none">• Expected to be roughly \$100 million excluding any impact from our investments in OpenAI
Effective tax rate	<ul style="list-style-type: none">• Approximately 19%

FY26 Q2 Outlook Detail

Commercial Business

Commercial bookings	Healthy growth in the core business on a low expiry base when adjusting for OpenAI contracts in the prior year
Microsoft Cloud gross margin percentage	Roughly 66%

Productivity and Business Processes

Microsoft 365 Commercial cloud revenue	Growth of 13% to 14% in constant currency
Microsoft 365 Commercial products revenue	Growth in low- to mid-single digits
Microsoft 365 Consumer cloud revenue	Growth in mid-twenties
LinkedIn revenue	Growth of approximately 10%
Dynamics 365 revenue	Growth in mid- to high-teens

Intelligent Cloud

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

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

