



Second Quarter Fiscal Year 2026 Outlook

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FY26 Q2 Outlook

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| 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

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| 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

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| 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

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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-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 |

