UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) September 2, 2026

Microsoft Corporation

Washington	001-37845	91-1144442
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Microsoft Way, Redmond, Washington **98052-6399**

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www.microsoft.com/investor

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common stock, $0.00000625 par value per share	MSFT	NASDAQ
3.125% Notes due 2028	MSFT	NASDAQ
2.625% Notes due 2033	MSFT	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01. Regulation FD Disclosure

On September 2, 2026, Microsoft Corporation (the "Company") posted presentation materials to its Investor Relations website titled "FY27 Segments and Investor Metrics" announcing a change in reportable segments and investor metrics. Beginning in fiscal year 2027, the Company will manage its operations under this updated reporting structure and report its financial performance based on two reportable segments: (1) Agents and Infra and (2) Devices and Consumer. A copy of the presentation materials is furnished as Exhibit 99.1 to this report.

The exhibit furnished on this report under Regulation FD provides a description of our updated reporting structure and presents summary financial information and historical data on a basis consistent with the updated reporting structure.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits:

99.1	Investor Presentation, dated September 2026, titled "FY27 Segments and Investor Metrics"
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	MICROSOFT CORPORATION (Registrant)
Date: September 2, 2026	/s/ ALICE L. JOLLA
	Alice L. Jolla Corporate Vice President and Chief Accounting Officer

Exhibit 99.1

Microsoft

FY27 Segments and Investor Metrics

September 2026

This presentation contains forward-looking statements, which are any predictions, projections, or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could materially differ because of factors discussed in the Risk Factors section and other sections of our Form 10-K, Forms 10-Q, and other reports and filings with the Securities and Exchange Commission. We do not undertake any duty to update forward-looking statements.

Agenda

A note from Satya

Updates for FY27

- Segment Structure
- Metric Changes
- Restated Historical Financials
- FY27 Q1 Adjusted Outlook

All growth comparisons in this presentation relate to the corresponding period of last fiscal year unless otherwise noted. Numbers may not foot due to rounding.

Our updated segment reporting

Satya Nadella, Chairman and Chief Executive Officer of Microsoft

There's no question AI represents a profound shift in both technology and business. It is changing what we build and how we operate, and it is blurring the boundaries between our products and reshaping our business models.

To reflect this and provide increased transparency to investors, we are updating our financial reporting to mirror how the business is operating, how we allocate resources, and where we are headed.

Beginning with FY27, we will transition from our current three reporting segments, Productivity and Business Processes, Intelligent Cloud, and More Personal Computing, to two segments: **Agents and Infra** and **Devices and Consumer**. Within each of these segments, you will have full transparency of quarterly revenue across each of our key businesses, including Azure, M365 Cloud, Industry solutions, and ads.

We will continue to focus on security, quality, and innovation in everything we do. We want every organization to own its own continuous learning loop so it retains its core IP, and to ensure AI empowers every person, amplifying their agency and ambition. That is what we mean by a frontier ecosystem, ensuring value flows and accrues across people, companies, industries, and countries, thereby leading to broad-based economic growth.

As we build this ecosystem, the layers of our stack are not separate opportunities but reinforce each other. Investing in one strengthens the others and allows us to deliver customer value in a differentiated way.

Our updated segment reporting

Satya Nadella, Chairman and Chief Executive Officer of Microsoft

Our **Agents and Infra** segment brings together our high-value apps and agents, including Microsoft 365 and GitHub, our multi-model system grounded in rich-enterprise context, and global-scale Azure infrastructure.

Under this reporting structure, Azure becomes more purely our consumption-based platform and infrastructure business. Microsoft 365 Cloud brings together our high-value apps and agents across knowledge work, code, and security (Security has largely been part of this business already; the new structure makes that alignment clearer). We are also bringing together the reporting of all our business process solutions as part of the new Industry solutions metric.

This integrated architecture across agents and infra is how we think about engaging with customers and driving their outcomes, building products, and monetization. It's no longer about building or selling one app or service, but about connecting the entire trajectory of a "job to be done."

This expands our opportunity across every layer of the stack, from apps and agents that compress and complete tasks, workflows, and processes; to model systems that power agent reasoning and actions; to infrastructure that trains and serves those models and agent loops in the most efficient way.

Our **Devices and Consumer** segment is where we bring ubiquitous intelligence to billions of people every day, with expansive TAMs across search and advertising, XBOX, and Windows.

This reporting structure brings our advertising businesses together better reflecting their shared economics and the increasingly connected experiences across search, browsing, content discovery, and transactions.

Across our tech stack, business models, and go-to-market, we are well positioned to generate high returns on invested capital because of the built-in diversification of our businesses, architectural coherence of our stack, and operational synergies. I have never been more confident in the opportunity ahead.

Thank you for your continued investment in Microsoft.

Satya

Segment Structure

FY27 Segment changes and resulting new product and service reporting updates

We will transition to two reporting segments for FY27. **Agents and Infra** will include the Microsoft Cloud, productivity and server licensing, and our consulting and support businesses. **Devices and Consumer** will include our Windows, XBOX, and advertising businesses. With these segment changes and to provide transparency to investors, we are updating our product and services reporting definitions to better represent the businesses as we manage them today, which will be used in our SEC filings going forward.

Agents and Infra

- **Azure** has been updated to reflect the move of GitHub cloud and other developer cloud services as well as Security Copilot to Microsoft 365 cloud. Healthcare and Life Sciences cloud will move to the new Industry solutions cloud metric.
- **Microsoft 365 cloud** now brings together our productivity, developer, and security app offerings across commercial and consumer including:
  - Microsoft 365 commercial cloud will now include GitHub cloud and other developer cloud services as well as Security Copilot which were previously reported in Azure
  - Microsoft 365 consumer cloud is unchanged
- **Productivity and server licensing** brings together licensing offerings across our products including:
  - Server products now excludes the on-premises portion of GitHub and other developer services which has moved to Microsoft 365 commercial products as well as the on-premises portion of the Healthcare and Life Sciences business which has moved to Industry Solutions
  - Microsoft 365 commercial products will now include the on-premises portion of GitHub and other developer services which were previously reported in Server products
  - Microsoft 365 consumer products was previously reported as Office consumer products, but is otherwise unchanged
- **Industry solutions** brings together our vertical commercial offerings across Dynamics, LinkedIn, and Healthcare including:
  - Industry solutions cloud, which is formed from Dynamics 365, LinkedIn Talent Solutions and Sales Solutions, previously reported in LinkedIn, and Healthcare and Life Sciences cloud, previously reported in Azure
  - Industry solutions products, which is the on-premises portion of these businesses
- **Frontier and support services** was previously reported as Enterprise and Partner services, but is otherwise unchanged

The product and service offerings referenced above will be reported in our SEC filings

FY27 Segment changes and resulting new product and service reporting updates

Devices and Consumer

- **Search and advertising** brings together our advertising businesses by adding LinkedIn Marketing Solutions, along with LinkedIn Premium Subscriptions, to the prior Search advertising disclosure
- **XBOX** is unchanged
- **Windows OEM and devices** was previously reported as Windows and Devices, but is otherwise unchanged, except for the inclusion of a small amount of revenue previously reported in Other

The product and service offerings referenced above will be reported in our SEC filings

Segment Structure

FY26 Segment Structure

Productivity and Business Processes

Microsoft 365 commercial products and cloud services	Microsoft 365 commercial cloud
	Microsoft 365 commercial products
Microsoft 365 consumer products and cloud services	Microsoft 365 consumer cloud
	Office consumer products
Dynamics products and cloud services	Dynamics 365
	Dynamics products
LinkedIn	

Intelligent Cloud

Server products and cloud services	Azure and other cloud services
	Server products
Enterprise and partner services	

More Personal Computing

Search advertising	
XBOX	XBOX content and services
	XBOX hardware
Windows and devices	Windows OEM and devices
	Windows other

FY27 Segment Structure

Agents and Infra

Azure	
Microsoft 365 cloud	Microsoft 365 commercial cloud
	Microsoft 365 consumer cloud
Productivity and server licensing	Server products
	Microsoft 365 commercial products
	Microsoft 365 consumer products
Industry solutions	Industry solutions cloud
	Industry solutions products
Frontier and support services	

Devices and Consumer

Search and advertising	
XBOX	XBOX content and services
	XBOX hardware
Windows OEM and devices	

Metric Changes

FY27 Metric Updates

As a result of the product and service reporting updates, the following metrics have been updated:

Azure revenue growth metric definition has been updated to reflect the move of GitHub cloud and other developer cloud services revenue, and the move of Security Copilot revenue to Microsoft 365 commercial cloud, as well as the move of Healthcare and Life Sciences cloud revenue to Industry solutions cloud

Microsoft 365 commercial cloud revenue growth metric definition has been updated to include revenue from GitHub cloud and other developer cloud services, as well as Security Copilot, which were previously reported in Azure

Microsoft 365 commercial seat growth metric definition has been updated to include paid GitHub seats

Industry solutions cloud revenue growth metric is created by combining revenue from Dynamics 365 together with revenue from LinkedIn Talent Solutions and Sales Solutions, which were previously reported in LinkedIn, as well as Healthcare and Life Sciences cloud which was previously reported in Azure

Search and advertising revenue (ex TAC) growth metric definition has been updated to include revenue from LinkedIn Marketing Solutions (ex TAC) and Premium Subscriptions which were previously reported in LinkedIn

Only metrics with material changes are listed on this slide. See slide 13 for a full list of metric definitions.

Investor Metrics

FY26 Investor Metrics	FY27 Investor Metrics
Commercial; Intelligent Cloud; Productivity & Business Processes	**Agents and Infra**
Commercial bookings growth	Commercial bookings growth
Commercial remaining performance obligation	Commercial remaining performance obligation
Microsoft Cloud revenue and revenue growth	Microsoft Cloud revenue and revenue growth
Microsoft Cloud gross margin percentage	Microsoft Cloud gross margin percentage
Azure and other cloud services revenue growth	Azure revenue growth
Microsoft 365 commercial cloud revenue growth	Microsoft 365 commercial cloud revenue growth
Microsoft 365 commercial seat growth	Microsoft 365 commercial seat growth
Microsoft 365 consumer cloud revenue growth	Microsoft 365 consumer cloud revenue growth
Dynamics 365 revenue growth	Industry solutions cloud revenue growth
LinkedIn revenue growth	
More Personal Computing	**Devices and Consumer**
Search advertising revenue (ex TAC) growth	Search and advertising revenue (ex TAC) growth
XBOX content and services revenue growth	XBOX content and services revenue growth
Windows OEM and devices revenue growth	Windows OEM and devices revenue growth

FY27 Investor Metric Definitions

Agents and Infra

- **Commercial bookings growth:** for commercial products and cloud services, sum of revenue growth, plus change in balance of unearned revenue plus the change in contracted not billed balance
- **Commercial remaining performance obligation:** commercial portion of revenue allocated to remaining performance obligations, which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods
- **Microsoft Cloud revenue and revenue growth:** revenue from Azure, Microsoft 365 commercial cloud, and Industry solutions cloud
- **Microsoft Cloud gross margin percentage:** gross margin percentage for our Microsoft Cloud business
- **Azure revenue growth:** revenue from Azure, including cloud and AI consumption-based services and virtual desktop offerings
- **Microsoft 365 commercial cloud revenue growth:** revenue from Microsoft 365 Commercial subscriptions (comprising Microsoft 365 Commercial, Enterprise Mobility + Security, the cloud portion of Windows Commercial, and other commercial services), Microsoft 365 Copilot, GitHub Cloud and other cloud-based developer services, and Security Copilot
- **Microsoft 365 commercial seat growth:** the number of Microsoft 365 Commercial seats and GitHub Cloud seats at end of period where seats are paid users covered by a Microsoft 365 Commercial subscription or GitHub subscription
- **Microsoft 365 consumer cloud revenue growth:** revenue from Microsoft 365 Consumer subscriptions and other consumer services
- **Industry solutions cloud revenue growth**: revenue from Dynamics 365 (including a set of intelligent, cloud-based applications across ERP, CRM, Service, Power Apps, and Power Automate), LinkedIn Talent Solutions, LinkedIn Sales Solutions, and Healthcare and Life Sciences cloud

Devices and Consumer

- **Search and advertising revenue (ex TAC) growth:** revenue from search advertising excluding traffic acquisition costs ("TAC") paid to Bing Ads network publishers and content partners, as well as revenue from LinkedIn Marketing Solutions (ex TAC) and LinkedIn Premium Subscriptions
- **XBOX content and services revenue growth**: revenue from XBOX content and services, comprising first- and third-party content (including games and in-game content), XBOX Game Pass and other subscriptions, XBOX Cloud Gaming, advertising, and other cloud services
- **Windows OEM and devices revenue growth:** revenue from sales of Windows Pro and non-Pro licenses sold through the OEM channel and sales of first-party devices (including Surface and PC accessories), and related Windows offerings beyond OEM licensing

Restated Historical Financials

Segment History as Restated

($ in millions)

	2026					2025				
Agents and Infra	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Revenue	$61,672	$64,441	$67,438	$74,576	$268,127	$50,476	$52,766	$54,763	$60,778	$218,783
Cost of revenue	$17,701	$19,307	$20,949	$23,460	$81,417	$13,619	$14,630	$15,510	$17,533	$61,292
Operating expenses	$11,253	$11,967	$12,741	$14,384	$50,345	$10,686	$11,418	$11,549	$13,024	$46,677
Operating income	$32,718	$33,167	$33,748	$36,732	$136,365	$26,171	$26,718	$27,704	$30,221	$110,814

Devices and Consumer	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Revenue	$16,001	$16,832	$15,448	$15,431	$63,712	$15,109	$16,866	$15,303	$15,663	$62,941
Cost of revenue	$6,342	$6,671	$5,879	$6,065	$24,957	$6,480	$7,169	$6,409	$6,481	$26,539
Operating expenses	$4,416	$5,053	$4,919	$5,495	$19,883	$4,248	$4,762	$4,598	$5,080	$18,688
Operating income	$5,243	$5,108	$4,650	$3,871	$18,872	$4,381	$4,935	$4,296	$4,102	$17,714

Total	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Revenue	$77,673	$81,273	$82,886	$90,007	$331,839	$65,585	$69,632	$70,066	$76,441	$281,724
Cost of revenue	$24,043	$25,978	$26,828	$29,525	$106,374	$20,099	$21,799	$21,919	$24,014	$87,831
Operating expenses	$15,669	$17,020	$17,660	$19,879	$70,228	$14,934	$16,180	$16,147	$18,104	$65,365
Operating income	$37,961	$38,275	$38,398	$40,603	$155,237	$30,552	$31,653	$32,000	$34,323	$128,528

Segment History as Reported

($ in millions)

	2026					2025				
Productivity and Business Processes	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Revenue	$33,020	$34,116	$35,013	$37,847	$139,996	$28,317	$29,437	$29,944	$33,112	$120,810
Cost of revenue	$5,721	$6,110	$6,197	$6,989	$25,017	$5,294	$5,569	$5,517	$6,042	$22,422
Operating expenses	$6,892	$7,407	$7,843	$8,958	$31,100	$6,507	$6,983	$7,048	$8,077	$28,615
Operating income	$20,407	$20,599	$20,973	$21,900	$83,879	$16,516	$16,885	$17,379	$18,993	$69,773

Intelligent Cloud	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Revenue	$30,897	$32,907	$34,681	$39,306	$137,791	$24,092	$25,544	$26,751	$29,878	$106,265
Cost of revenue	$12,314	$13,566	$15,120	$16,876	$57,876	$8,614	$9,405	$10,307	$11,845	$40,171
Operating expenses	$5,192	$5,468	$5,808	$6,475	$22,943	$4,975	$5,288	$5,349	$5,893	$21,505
Operating income	$13,391	$13,873	$13,753	$15,955	$56,972	$10,503	$10,851	$11,095	$12,140	$44,589

More Personal Computing	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Revenue	$13,756	$14,250	$13,192	$12,854	$54,052	$13,176	$14,651	$13,371	$13,451	$54,649
Cost of revenue	$6,008	$6,302	$5,511	$5,660	$23,481	$6,191	$6,825	$6,095	$6,127	$25,238
Operating expenses	$3,585	$4,145	$4,009	$4,446	$16,185	$3,452	$3,909	$3,750	$4,134	$15,245
Operating income	$4,163	$3,803	$3,672	$2,748	$14,386	$3,533	$3,917	$3,526	$3,190	$14,166

Total	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Revenue	$77,673	$81,273	$82,886	$90,007	$331,839	$65,585	$69,632	$70,066	$76,441	$281,724
Cost of revenue	$24,043	$25,978	$26,828	$29,525	$106,374	$20,099	$21,799	$21,919	$24,014	$87,831
Operating expenses	$15,669	$17,020	$17,660	$19,879	$70,228	$14,934	$16,180	$16,147	$18,104	$65,365
Operating income	$37,961	$38,275	$38,398	$40,603	$155,237	$30,552	$31,653	$32,000	$34,323	$128,528

Products and Service Offerings Revenue

As Restated

	2026					2025				
($ in millions)	Q1	Q2	Q3	Q4	Fiscal Year	Q1	Q2	Q3	Q4	Fiscal Year
Azure	$22,384	$24,129	$26,008	$29,417	$101,938	$16,021	$17,337	$18,540	$20,712	$72,610
Microsoft 365 cloud	$23,694	$24,466	$25,418	$26,721	$100,299	$20,017	$20,686	$20,967	$22,935	$84,605
Productivity and server licensing	$8,678	$8,814	$8,760	$11,033	$37,285	$8,051	$8,307	$8,731	$10,302	$35,391
Search and advertising	$5,942	$6,393	$6,065	$6,435	$24,835	$5,159	$5,773	$5,437	$5,802	$22,171
XBOX	$5,508	$5,958	$5,341	$4,983	$21,790	$5,621	$6,581	$5,721	$5,532	$23,455
Industry solutions	$4,894	$4,994	$5,165	$5,292	$20,345	$4,459	$4,544	$4,579	$4,835	$18,417
Windows OEM and devices	$4,551	$4,481	$4,042	$4,013	$17,087	$4,329	$4,512	$4,145	$4,329	$17,315
Frontier and support services	$2,022	$2,038	$2,087	$2,113	$8,260	$1,928	$1,892	$1,946	$1,994	$7,760
Total	$77,673	$81,273	$82,886	$90,007	$331,839	$65,585	$69,632	$70,066	$76,441	$281,724

As Reported

	2026					2025				
($ in millions)	Q1	Q2	Q3	Q4	Fiscal Year	Q1	Q2	Q3	Q4	Fiscal Year
Server products and cloud services	$28,872	$30,865	$32,592	$37,096	$129,425	$22,155	$23,641	$24,761	$27,878	$98,435
Microsoft 365 commercial products and cloud services	$23,966	$24,524	$25,593	$27,914	$101,997	$20,449	$21,117	$21,883	$24,318	$87,767
XBOX	$5,508	$5,958	$5,341	$4,983	$21,790	$5,621	$6,581	$5,721	$5,532	$23,455
LinkedIn	$4,714	$5,082	$4,832	$5,189	$19,817	$4,292	$4,587	$4,311	$4,622	$17,812
Windows and devices	$4,551	$4,479	$4,041	$4,013	$17,084	$4,329	$4,512	$4,144	$4,329	$17,314
Search advertising	$3,697	$3,812	$3,808	$3,859	$15,176	$3,225	$3,558	$3,504	$3,591	$13,878
Microsoft 365 consumer products and cloud services	$2,204	$2,305	$2,297	$2,369	$9,175	$1,727	$1,821	$1,821	$2,035	$7,404
Dynamics products and cloud services	$2,136	$2,204	$2,292	$2,374	$9,006	$1,849	$1,913	$1,929	$2,136	$7,827
Enterprise and partner services	$2,022	$2,038	$2,087	$2,113	$8,260	$1,928	$1,892	$1,946	$1,994	$7,760
Other	$3	$6	$3	$97	$109	$10	$10	$46	$6	$72
Total	$77,673	$81,273	$82,886	$90,007	$331,839	$65,585	$69,632	$70,066	$76,441	$281,724

Revenue previously reported in Other is now reported within Windows OEM and devices and Productivity and server licensing

FY27 Investor Metrics

Restated metrics with impact from changes outlined in this presentation

As Restated

	2026				
	Q1	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Azure revenue growth *(y/y)*	40% / 39%	39% / 38%	40% / 39%	42%	40%
Microsoft 365 commercial cloud revenue growth *(y/y)*	18% / 15%	17% / 15%	20% / 16%	16% / 15%	18% / 15%
Microsoft 365 commercial seat growth *(y/y)*	7%	7%	6%	7%	7%
Industry solutions cloud revenue growth (y/y)	11% / 9%	12% / 10%	14% / 10%	11% / 9%	12% / 10%
Search and advertising revenue (ex TAC) growth *(y/y)*	16% / 15%	13% / 12%	14% / 11%	13% / 12%	14% / 12%

As Reported

	2026				
	Q1	**Q2**	**Q3**	**Q4**	**Fiscal Year**
Azure and other cloud services revenue growth *(y/y)*	40% / 39%	39% / 38%	40% / 39%	43%	41% / 40%
Microsoft 365 commercial cloud revenue growth *(y/y)*	17% / 15%	17% / 14%	19% / 15%	14%	17% / 14%
Microsoft 365 commercial seat growth *(y/y)*	6%	6%	6%	6%	6%
Dynamics 365 revenue growth (y/y)	18% / 16%	19% / 17%	22% / 17%	13% / 12%	18% / 15%
LinkedIn revenue growth *(y/y)*	10% / 9%	11% / 10%	12% / 9%	12% / 10%	11% / 9%
Search advertising revenue (ex TAC) growth *(y/y)*	16% / 15%	10% / 9%	12% / 9%	10% / 9%	12% / 10%

***LinkedIn was** previously reported as a standalone unit in the Productivity and Business Processes segment. LinkedIn Talent Solutions and Sales Solutions will now be reported in the Industry solutions cloud revenue growth metric. LinkedIn Marketing Solutions and Premium Subscriptions will now be reported in the Search and advertising revenue (ex TAC) growth metric. Quarterly growth rates include non-GAAP CC growth (GAAP % / CC %).*

FY27 Q1 Adjusted Outlook

FY27 Q1 Outlook

We will report our FY27 Q1 results in the structure discussed on the prior slides. Therefore, we have provided mechanical adjustments only to our outlook as provided on July 29, 2026, for the changes discussed in this presentation.

As provided on July 29, 2026

Foreign currency impact	• Decrease to total revenue growth by less than 1 point, with roughly 1 point in Productivity and Business Processes, less than 1 point in Intelligent Cloud, and no meaningful impact in More Personal Computing • No meaningful impact to COGS or operating expense growth
Total Company	• Revenue of $89.85 to $90.95 billion
Productivity and Business Processes	• Revenue of $36.7 to $37.0 billion
Intelligent Cloud	• Revenue of $40.95 to $41.25 billion
More Personal Computing	• Revenue of $12.2 to $12.7 billion
Cost of revenue	• COGS of $29.6 to $29.8 billion
Operating expenses	• Expenses of $16.8 to $16.9 billion
Other income and expense	• Expected to be roughly $(100) million excluding any impact from our investments in OpenAI
Operating margin	• Expected to remain relatively flat year-over-year
Effective tax rate	• Approximately 20%
Capital expenditures	• Expected to be over $50 billion including the impact of the useful life update

Adjusted Outlook

Foreign currency impact	• Decrease to total revenue growth by less than 1 point, with roughly 1 point in Agents and Infra, and no meaningful impact in Devices and Consumer • No meaningful impact to COGS or operating expense growth
Total Company	• No change to outlook
Agents and Infra	• Revenue of $75.15 to $75.75 billion
Devices and Consumer	• Revenue of $14.7 to $15.2 billion
Cost of revenue	• No change to outlook
Operating expenses	• No change to outlook
Other income and expense	• No change to outlook
Operating margin	• No change to outlook
Effective tax rate	• No change to outlook
Capital expenditures	• No change to outlook

FY27 Q1 Outlook Detail

We will report our FY27 Q1 results in the structure discussed on the prior slides. Therefore, we have provided mechanical adjustments only to our outlook as provided on July 29, 2026, for the changes discussed in this presentation.

As provided July 29, 2026

Commercial Business

Commercial bookings	• Healthy growth on a growing expiry base when adjusted for OpenAI contracts in the prior year
Microsoft Cloud gross margin percentage	• Relatively stable quarter-over-quarter

Productivity and Business Processes

Microsoft 365 Commercial cloud revenue	• Growth of approximately 15% in constant currency • Growth of approximately 16% in constant currency when adjusting for prior-year in-period revenue recognition
Microsoft 365 Commercial products revenue	• Growth in mid-single digits
Microsoft 365 Consumer cloud revenue	• Growth in the mid-teens
LinkedIn revenue	• Growth in high-single digits
Dynamics 365 revenue	• Growth in low-teens

Intelligent Cloud

Azure and other cloud services revenue	• Growth of approximately 45% in constant currency
Server products revenue	• Decline in low- to mid-single digits

More Personal Computing

Search advertising revenue (ex TAC)	• Growth in mid-single digits
XBOX revenue	• Content and services revenue expected to decline in mid-single digits • Hardware revenue should decline year-over-year
Windows OEM and Devices revenue	• Decline in low-twenties

Adjusted Outlook

Agents and Infra

Commercial bookings	• No change to outlook
Microsoft Cloud gross margin percentage	• No change to outlook
Azure revenue	• Growth of 44% to 45% in constant currency, with FX expected to decrease revenue by less than 1 point
Microsoft 365 commercial cloud revenue	• Growth of approximately 17% in constant currency • Growth of approximately 18% in constant currency when adjusting for prior-year in-period revenue recognition
Microsoft 365 consumer cloud revenue	• No change to outlook
Productivity and server licensing revenue	• Decline in low-single digits
Industry solutions cloud revenue	• Growth in high-single digits

Devices and Consumer

Search and advertising revenue (ex TAC)	• Growth in mid- to high-single digits
XBOX revenue	• No change to outlook
Windows OEM and devices revenue	• No change to outlook

Microsoft