

Microsoft tops forecasts with 16% profit growth

October 27 2017

Microsoft on Thursday delivered stronger-than-expected earnings for the past quarter, lifted by gains in cloud computing and other business services.

For its first [fiscal quarter](#) to September 30, the tech giant said profit was up 16 percent from a year ago to \$6.6 billion.

Revenue meanwhile rose 12 percent to \$24.5 billion for the one-time tech sector leader which has shifted its focus away from consumer software to a range of enterprise services.

Shares in Microsoft jumped 3.2 percent to \$81.35 for in after-hours trade following the release.

Microsoft chief executive Satya Nadella said: "Our results reflect accelerating innovation and increased usage and engagement across our businesses as customers continue to choose Microsoft to help them transform."

Microsoft's "more personal computing" division which produces the ubiquitous Windows operating system, saw revenues virtually unchanged from a year ago at \$9.4 billion.

But it showed sharp growth of 28 percent from its "productivity and business process" unit, which brought in revenues of \$8.2 billion.

The "intelligent cloud" unit that delivers artificial intelligence to a wide range of products saw its revenues grow 14 percent to \$6.9 billion in the quarter.

LinkedIn, the professional social network acquired by Microsoft last year, contributed revenue of \$1.1 billion during the quarter.

Microsoft said its "cloud technologies" operations now accounts for some \$20 billion annualized and is a key to the company's future.

"Across major industries—from finance and energy sector to retail and professional sports—organizations are betting on Microsoft to help them transform their customers' experiences, employee productivity, operations and products," said executive vice president Judson Althoff.

"In fact, 96 percent of Fortune 500 companies have at least one of our cloud offerings, and 90 percent have at least two."

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Citation: Microsoft tops forecasts with 16% profit growth (2017, October 27) retrieved 26 April 2024 from <https://phys.org/news/2017-10-microsoft-tops-profit-growth.html>

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