

Microsoft gets earnings boost from 'cloud'

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Microsoft said Thursday profits rose sharply in the past quarter, lifted by gains in its core cloud computing operations for business.

The tech giant reported earnings were up 35 percent to \$7.4 billion in the fiscal third quarter, with [revenue](#) rising 16 percent to \$26.8 billion.

Once the world's biggest corporation, Microsoft has shifted its focus away from its consumer software to [business](#) services using its cloud computing platform and artificial intelligence.

"Our results this quarter reflect the trust people and organizations are placing in the Microsoft Cloud," said chief executive Satya Nadella.

"We are innovating across key growth categories of infrastructure, AI, productivity, and business applications to deliver differentiated value to customers."

Revenue from its Office commercial software and cloud services revenue rose 14 percent, and 12 percent for the consumer operations for the Office suite.

The so-called "Intelligent Cloud," which includes Microsoft's server business and its Azure enterprise operations produced \$7.9 billion in revenues, up 17 percent.

Microsoft said LinkedIn, the professional social network it recently acquired, saw revenues up 37 percent from a year ago.

The "More Personal Computing" unit saw a 13 percent revenue gain to \$9.9 billion, and within that Windows revenues for personal computers were up some four percent.

Microsoft also saw an 18 percent in gaming revenue from its Xbox software and services, and a 32 percent rise from its Surface devices.

Shares in Microsoft were little changed in after-hours trade despite the stronger-than-expected results.

Microsoft recently shook up its top ranks that highlights its cloud services and de-emphasizes the Windows business that was its bread and butter for years.

The changes included the departure of longtime Microsoft executive and Windows head Terry Myerson.

Microsoft is creating two new engineering teams, one focused on experiences and devices, and the other devoted to artificial intelligence and computing capabilities hosted in the internet cloud.

While the Windows system has lost prominence in the shift to mobile devices, Microsoft is ramping up its efforts against rivals such as Amazon and Google in cloud services and [artificial intelligence](#), including the race for digital personal assistants.

Cortana, Microsoft's answer to Amazon Alexa and Google Assistant, is jockeying for position in connected devices including speakers, appliances and automobiles.

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