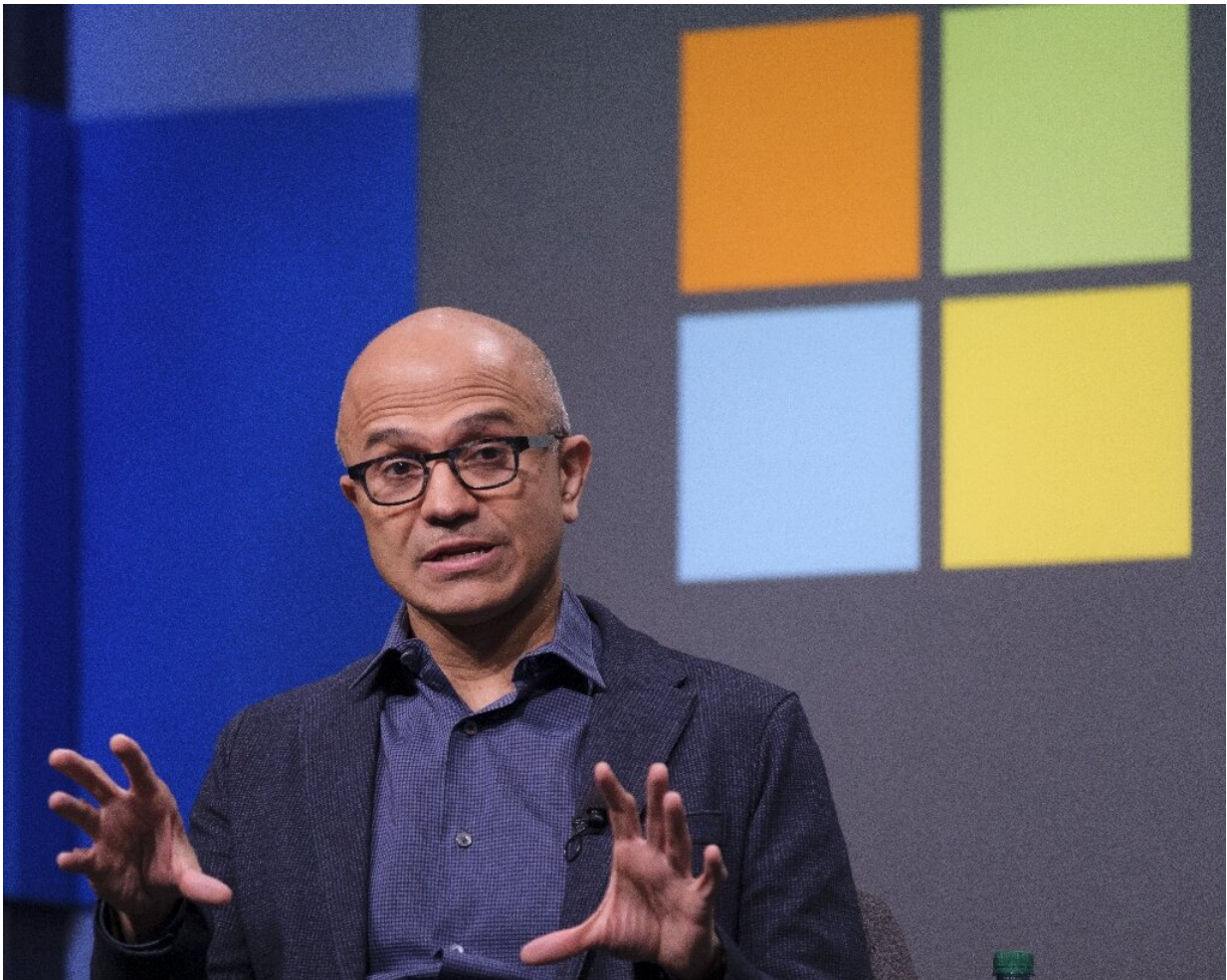


Microsoft tops trillion-dollar mark for first time

April 25 2019



CEO Satya Nadella has helped Microsoft grow its market value to \$1 trillion by focusing on cloud computing and business services

Microsoft hit the trillion-dollar value mark Thursday for the first time, becoming the third technology giant to reach the milestone.

Shares in Microsoft rallied some five percent in early Wall Street trade after a robust earnings report a day earlier to lift the value briefly above \$1 trillion.

The stock ended the day with a gain of 3.3 percent at \$129.15, translating to a market valuation of some \$990 billion.

At its current levels, Microsoft is the world's most valuable company, ahead of Apple and Amazon, which both topped \$1 trillion last year before slipping back.

On Wednesday, Microsoft said profits in the quarter to March 31 rose 19 percent to \$8.8 billion on revenues of \$30.8 billion, an increase of 14 percent from the same period a year earlier.

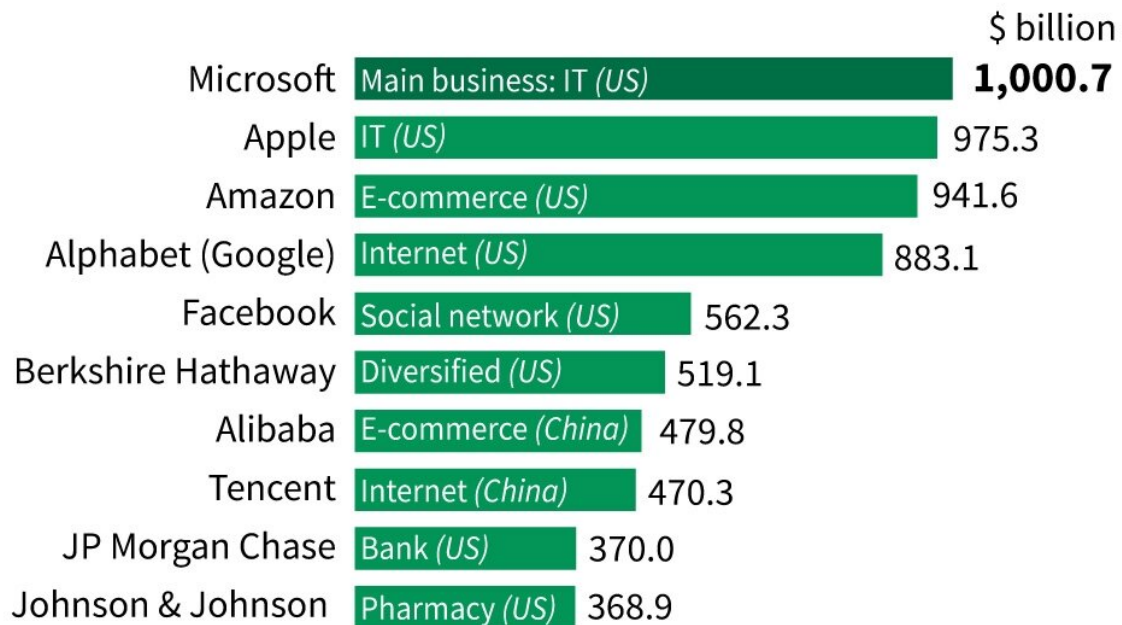
The results were driven by growth in cloud computing and business services, the new focus for Microsoft after a long run as a leader in consumer software.

"This quarter was an absolute 'blow out quarter' across the board with no blemishes and in our opinion speaks to an inflection point in deal flow as more enterprises pick (Microsoft) for the cloud," said Daniel Ives of Wedbush Securities.

"While the stock has been very strong and a trillion dollar market cap is now reached, we believe the cloud party is just getting started in Redmond."

Top-valued companies

Market capitalization, as of April 25 (13:30 GMT)



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Chart on the top-valued companies as Microsoft hit the trillion-dollar mark on April 25 (13:30 GMT)

Richard Davis and David Hynes of Canaccord Genuity said Microsoft delivered a "boringly excellent quarter."

They said in a research note that Microsoft is still getting strong results from its "legacy" Windows business as it expands to new services.

"When your legacy business doesn't decay as fast as expected and your aggregate growth business exceeds expectations, estimates go up, and that has led the stock higher," they wrote.

"We see no reason to conclude that this trend will change anytime in the next few quarters."

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