

Microsoft Corporation

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Microsoft posts stronger-than-expected Q2 results, ups Q3 revenue guidance

Microsoft Corp. (NASDAQ:MSFT) saw its shares rise on Thursday after the software giant posted stronger-than-expected second-quarter results and its upped revenue guidance for the current quarter.

After-hours on Wednesday, the Nasdaq-listed firm revealed 14% year-on-year growth in second-quarter revenue to \$36.91 billion, better than the \$35.68 billion expected by analysts.

The group posted quarterly earnings per share of \$1.51 per share, excluding certain items, also better than the \$1.32 per share expected by analysts.

Microsoft's Azure public cloud business saw quarterly growth of 62%, down from 76% a year ago but above estimates of around 58% and accelerating from the prior quarter.

Looking ahead, Microsoft's finance chief, Amy Hood told analysts that the group expects third-quarter revenue to come in at \$34.1 billion to \$34.9 billion.

Wedbush ups target price

In a note to clients, Wedbush analyst Daniel Ives said: "Taking a step back on the heels of these results/guidance, we remain very bullish on MSFT over the next 12 to 18 months given our thesis that Azure's cloud momentum is still in its early days of playing out with the company's massive installed base."

He added: "The Office 365 transition on consumer/enterprise is providing growth tailwinds for the next 12 to 18 months at least, and newer integrated product initiatives around consumers and cloud services (LinkedIn) are still just starting to penetrate Redmond's ubiquitous installed base of consumers and enterprises worldwide."

The Wedbush analyst reiterated an 'outperform' rating on Microsoft shares and increased his price target to \$210 from \$195 reflecting raised estimates.

In early New York trade on Thursday, Microsoft shares were 2.7% higher at \$172.42.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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Price: 183.51

Market Cap: \$1.39 trillion

1 Year Share Price Graph



Share Information

Code: MSFT

Listing: NASDAQ

52 week High Low
190.66 119.04

Sector: Software & services

Website: www.microsoft.com

Company Synopsis:

Microsoft Corporation is engaged in developing, manufacturing, licensing, and supporting a range of software products and services for different types of computing devices.

action@proactiveinvestors.com

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