

# Microsoft Corporation

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## Microsoft warns it will miss guidance as coronavirus disrupts supply-chain operations

Microsoft Corp (NASDAQ:MSFT) shares took a hit on Thursday morning after the company joined its tech peers in warning of a weakness in its PC business due to the coronavirus outbreak.

The firm told shareholders on Wednesday that it likely will not meet its quarterly revenue guidance for its PC segment as the coronavirus is disrupting its supply chain.

Shares of Microsoft were down around 4% on Thursday morning as investors reacted to the news.

### READ: Apple warns over sales as coronavirus hits Chinese demand

"Although we see strong Windows demand in line with our expectations, the supply chain is returning to normal operations at a slower pace than anticipated at the time of our Q2 earnings call," Microsoft said in a statement.

"As a result, for the third quarter of fiscal year 2020, we do not expect to meet our More Personal Computing segment guidance as Windows OEM and Surface are more negatively impacted than previously anticipated."

Microsoft said on Wednesday it would miss its own third-quarter revenue forecast for the PC unit, which houses Windows, of between \$10.8 billion and \$11.2 billion.

The computing giant is not the only major technology firm to feel the impact of the virus on its bottom line. Both Apple Inc and HP have cautioned their shareholders to expect a weaker-than-anticipated quarter.

The rapid spread of the coronavirus, which has spread throughout Asia, Europe and now the Americas, has made equity strategists at Goldman Sachs Group Inc slash their outlook for US companies' profit growth to zero this year, as the epidemic erodes revenue and slows global economic growth, Bloomberg reported Thursday.

"Our reduced forecasts reflect the severe decline in Chinese economic activity in the first quarter, lower end-demand for U.S. exporters, supply chain disruption, a slowdown in U.S. economic activity, and elevated uncertainty," the strategists led by David Kostin wrote in a note Thursday.

Nearly 82,000 people are thought to be infected, with 2,800 deaths reported so far.

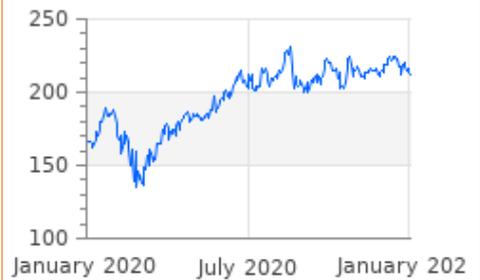
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**Price:** 212.65

**Market Cap:** \$1.61 trillion

### 1 Year Share Price Graph



### Share Information

**Code:** MSFT

**Listing:** NASDAQ

**52 week High Low**  
232.85 132.53

**Sector:** Software & services

**Website:** [www.microsoft.com](http://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.

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