

MICROSOFT CORPORATION



Company Overview

Microsoft Corporation (“Microsoft”, NASDAQ: MSFT) is the world’s largest independent software company, providing a broad portfolio of software, services, devices, and cloud-based solutions to consumers, enterprises, and governments globally. The company operates a highly diversified business model spanning productivity software, cloud infrastructure, artificial intelligence, operating systems, gaming, and professional networking.

Microsoft’s operations are organized into three primary segments:

Productivity and Business Processes — Microsoft 365 (Commercial and Consumer), Office, LinkedIn, and Dynamics business applications.

Intelligent Cloud — Azure public, private, and hybrid cloud services, server products, and enterprise support services.

More Personal Computing — Windows licensing, Surface devices, Xbox hardware and content, and search and news advertising (Bing, Copilot, Edge).

Microsoft has emerged as a global leader in artificial intelligence through deep integration of generative AI across its software stack, strategic partnership and equity investment in OpenAI, and significant capital investment in cloud and AI infrastructure. More than 50% of Microsoft’s revenue is generated outside the United States.

Microsoft is headquartered in **Redmond, Washington**, and employs approximately **221,000 people worldwide**.

In fiscal year 2025, Microsoft delivered strong double-digit revenue and earnings growth, industry-leading margins, and exceptional free cash flow, reinforcing its position as one of the highest-quality large-cap technology franchises globally.

1. Top 5 Competitors

- **Alphabet (Google)** — cloud, AI, productivity software, and advertising.
- **Amazon Web Services (AWS)** — cloud infrastructure and platform services.
- **Apple Inc.** — operating systems, productivity software, and devices.
- **Oracle Corporation** — enterprise software, databases, and cloud services.
- **Salesforce** — enterprise CRM and cloud-based business applications.

2. Largest Institutional Shareholders

(Estimated from latest available institutional filings; percentages rounded.)

Shareholder	% Ownership	Shares (Millions)
Vanguard Group Inc.	~8.6%	~0.64

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Shareholder	% Ownership	Shares (Millions)
BlackRock Inc.	~7.4%	~0.55
State Street Corp.	~4.2%	~0.31
Fidelity (FMR)	~3.1%	~0.23
Capital World Investors	~3.0%	~0.22
Geode Capital Management	~2.1%	~0.16
T. Rowe Price Associates	~1.9%	~0.14
JPMorgan Asset Management	~1.7%	~0.13
Norges Bank Investment Management	~1.4%	~0.10
Wellington Management	~1.3%	~0.10

Top 10 Institutional Ownership: ~35%

Total Institutional Ownership: ~75%+

3. Management Team

- **Satya Nadella** — Chairman & Chief Executive Officer
- **Amy Hood** — Executive Vice President & Chief Financial Officer
- **Brad Smith** — Vice Chair & President
- **Kevin Scott** — Chief Technology Officer
- **Judson Althoff** — Executive Vice President & Chief Commercial Officer

Management continues to prioritize long-term growth through AI leadership, cloud expansion, and disciplined capital allocation.

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4. Revenue

FY2025 Results:

- **Revenue:** ~\$305.5 billion
- **Net Income:** ~\$101.8 billion
- **Operating Margin:** ~45%
- **Return on Equity:** ~33%
- **Free Cash Flow:** Strong, supporting dividends and large-scale share repurchases

FY2024 Revenue: ~\$245.1 billion

FY2026 Revenue Outlook: ~\$330–370 billion, driven by Azure, AI services, and enterprise software demand.

Key revenue drivers include:

- Azure cloud and AI infrastructure growth
- Microsoft 365 Commercial expansion
- Copilot and AI monetization across software products
- Enterprise digital transformation and cybersecurity demand

5. Institutions with Buy Recommendations

Major research institutions maintaining **Buy / Overweight** ratings include:

- Argus Research — Buy
- Morgan Stanley — Overweight
- Goldman Sachs — Buy
- UBS — Buy
- Bank of America — Buy

Analysts cite Microsoft's AI leadership, earnings consistency, and balance-sheet strength as key positives.

6. Analyst Sentiment Summary

- **Consensus Rating:** Buy
- **Consensus Target Price Range:** ~\$445–\$730
- **Mean Target Price:** ~\$597
- **High Estimate:** ~\$730
- **Low Estimate:** ~\$445

Microsoft is widely viewed as a core long-term holding within large-cap technology portfolios due to its dominant competitive positioning and sustained earnings growth.

BCG Target Price: \$620, reflecting continued AI-driven growth, cloud scale advantages, and premium valuation justified by earnings durability.

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7. Insider Buying and Selling (Last 24 Months)

- Insider activity has been predominantly **neutral to net selling**, primarily related to equity compensation, tax obligations, and scheduled trading plans.
- No sustained pattern of open-market insider buying or selling has been observed.
- Insider behavior remains consistent with large-cap, founder-independent technology peers.