

of computing environments in consumer and enterprise markets. Hardware products include the Xbox video game console and Surface laptops. Revenue sources in fiscal 2020: Productivity & Business Processes, 32%; Intelligent Cloud, 34%; More Personal Com-

Group, 8.2%; BlackRock, Inc., 6.8%. (10/20 proxy). Chairman & CEO: Satya Nadella. Incorporated: Washington. Addr.: One Microsoft Way, Redmond, Washington 98052-6399. Telephone: 425-882-8080. Internet: www.microsoft.com

ANNUAL RATES Past Est'd '18-'20 Past 10 Yrs. of change (per sh) 5 Yrs. to '24-'26 Revenues 9.5% 12.0% "Cash Flow" 14.0% 12.5% 11.5% 11.5% 12.0% 10.0% 14.0% Earnings Dividends Book Value 16.0%

5516 32676

21846

69420

20031

72310

Unearned Revenue Other

Current Liab.

8072 41525 23897

88657

Fiscal Year	QUARTERLY REVENUES (\$ mill.) A				Full Fiscal
Ends	Sep.30	Dec.31	Mar.31	Jun.30	Year
2018	24538	28918	26819	30085	110360
2019	29084	32471	30571	33717	125843
2020	33055	36906	35021	38033	143015
2021	37154	43076	41706	46152	168088
2022	43750	48000	47000	49500	188250
Fiscal	EARNINGS PER SHARE ABFull .				
Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Fiscal Year
2018	.84	.96	.95	1.13	3.88
2019	1.14	1.10	1.14	1.37	4.75
2020	1.38	1.51	1.40	1.46	5.76
2021	1.82	2.03	1.95	2.17	8.05
2022	2.05	2.25	2.20	2.35	8.85
Cal-	QUARTERLY DIVIDENDS PAID E				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2017	.39	.39	.42	.42	1.62
2018	.42	.42	.42	.46	1.72
2019	.46	.46	.46	.51	1.89
2020	.51	.51	.51	.56	2.09
2021	.56	.56			
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Microsoft posted good financial results for its fiscal fourth quarter. (Years end June 30th.) The momentum that was established beginning with the September period of fiscal 2020 held forth in the June period, keeping revenues and earnings on a rapid upward trajectory and benefiting from dynamic performances from the company's commercial business and the move to cloud services. In addition, most of the important performance metrics continued showing improvement in the June period. Meanwhile, revenue growth from the Azure platform remained rapid, growing 51% year over year and extending the strong performances from the second and third quarters. The upward trend in consumption-based services was again a positive factor in this regard, underpinning the demand for Azure and the prospects that the platform will continue expanding at a fast pace. Elsewhere, revenue from Office 365 and cloud services remained on the advance in both the commercial and consumer arenas, advancing 20% and 18%, respectively. For is part, Dynamics 365 continued to make headway

in the enterprise application business.

We look for the rapid growth to continue in fiscal 2022. Although the rush to distributed work environments caused by the COVID-19 pandemic generally helped to accelerate the adoption of cloud architecture, Microsoft was already experiencing strong demand for its Azure cloud platform and associated consumptionbased services. Our sense is this trend will likely remain in place for some time yet, playing a continuing role in the company's progress. Office 365, Dynamics 365, gaming, and the Windows ecosystem should also support growth.

What about Microsoft stock? As we have mentioned in previous reviews, the company's prospects have not gone unnoticed, with the shares continuing to be accorded a generous relative valuation since our early-May report. Although a growing dividend and the ongoing stock repurchase program are certainly supportive, new commitments to this highquality equity are best made carefully, in our view. If the shares are already held in a long-term portfolio, we would continue to hold the position.

Charles Clark August 6, 2021

(A) Fiscal year ends June 30th.
(B) Diluted earnings. Quarters may not add to total. Excl. nonrec. items: '05, d4¢; '12, d72¢; '13, d7¢; '15, d\$1.17; '16, d70¢; '17, d37¢;

report late Oct. (C) In mill. (D) Includes intangibles. In fiscal 2020: \$43.4

'18, d\$1.75; '19, d33¢; '21, 8¢. Next earnings report late Oct. (C) In mill. (E) Dividends historically paid in March, June, Sept., and Dec. ■Dividend reinvestment plan

Company's Financial Strength Stock's Price Stability A++ 100 Price Growth Persistence **Earnings Predictability** 95