

# MICROSOFT

**FUNDAMENTAL ANALYSIS OF A COMPANY** 

## **Business description**

Industry - IT, Internet, Software & Services

**Founded** - 1975

Headquarters - Redmond, Washington,

**United States** 

**CEO** - Satya Nadella

**Employees** - 103,000

NASDAQ ticker - MSFT

**Market cap.** - 1.705 T

**Fin summary (2021):** 

Revenue - \$168 B

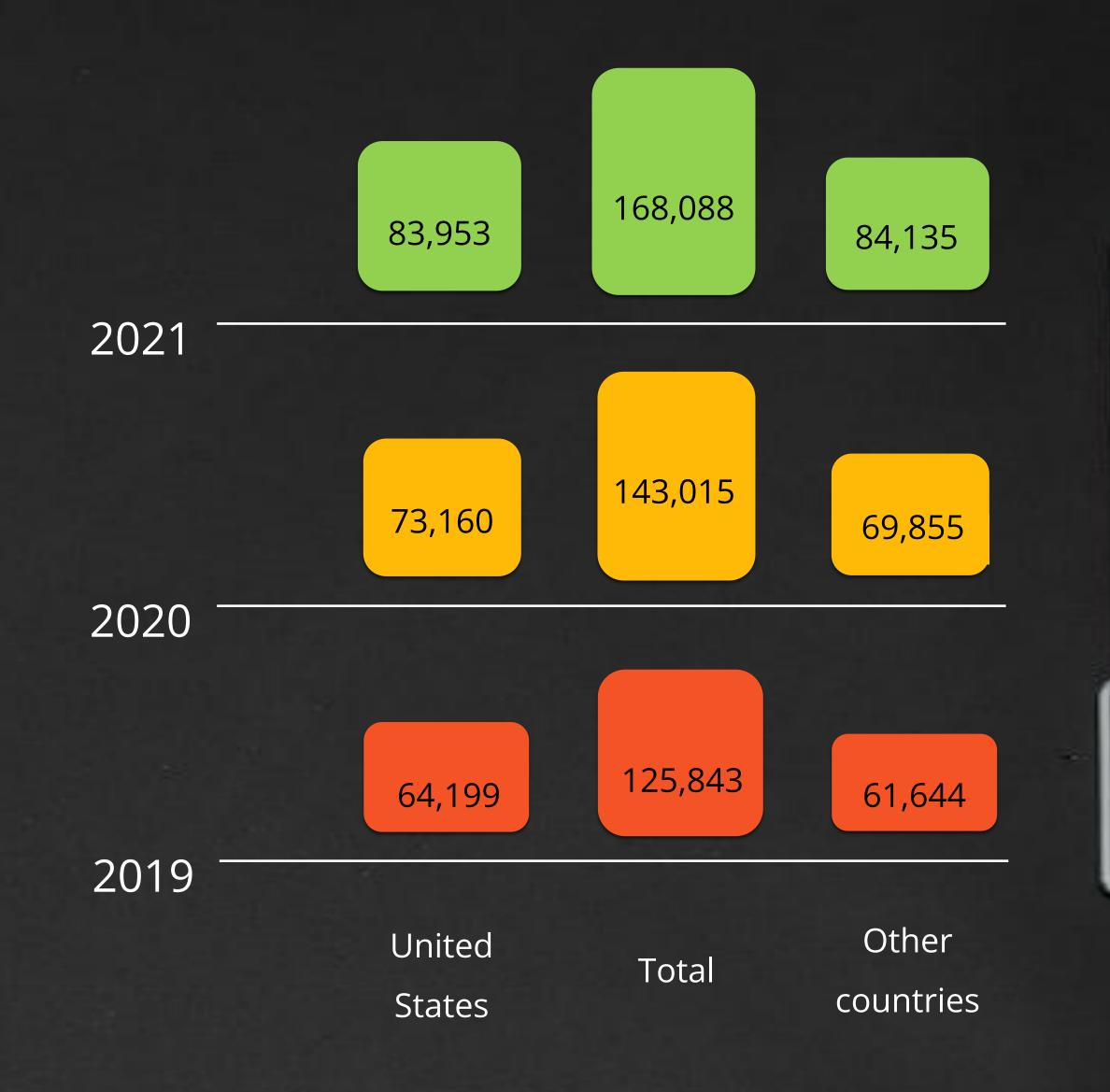
**Assets** - \$333.8 B

**Profits** - \$61.3 B

**Current share price** - \$228.56 (14.10.2022)

**Shares outstanding** - 7.46 B

Free float - 7.45 B (99,95%)



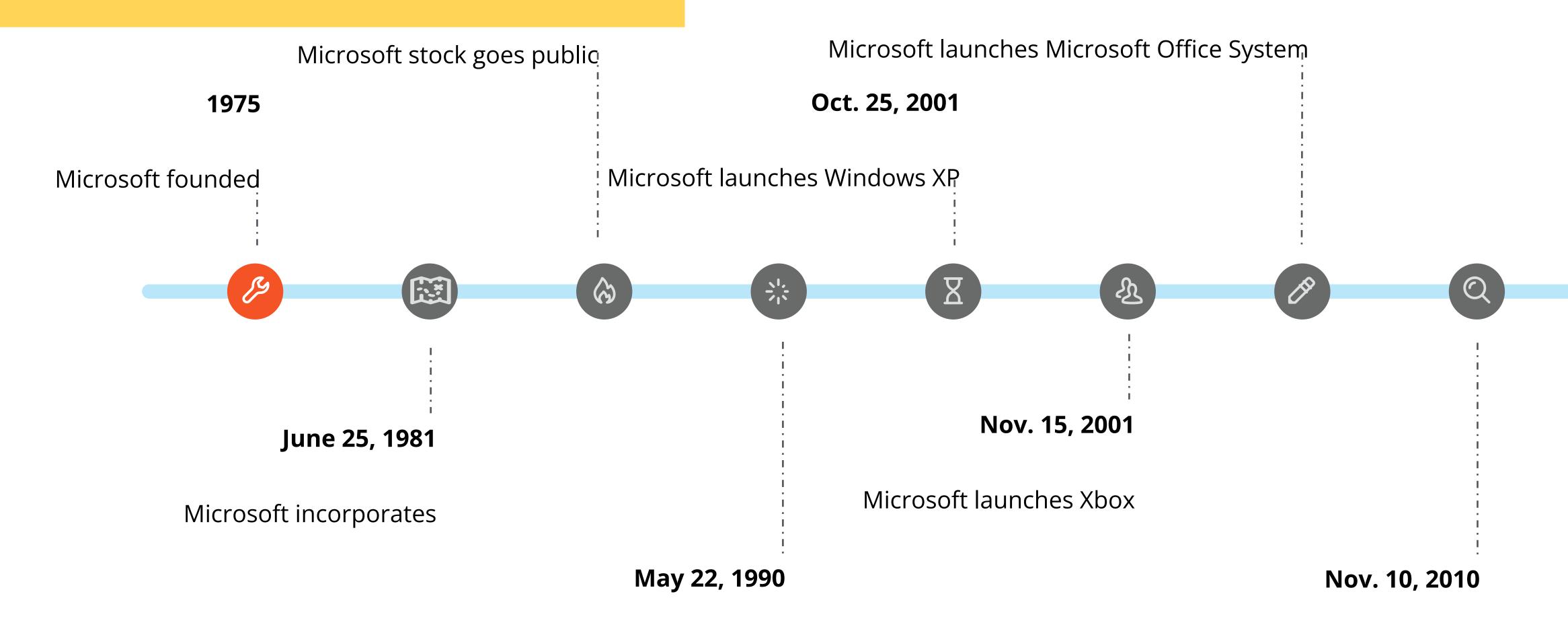


## Historical overview



March 13, 1986

Oct. 21, 2003



Microsoft launches Windows 3.0

Microsoft launches Windows Phone 7



## Historical overview



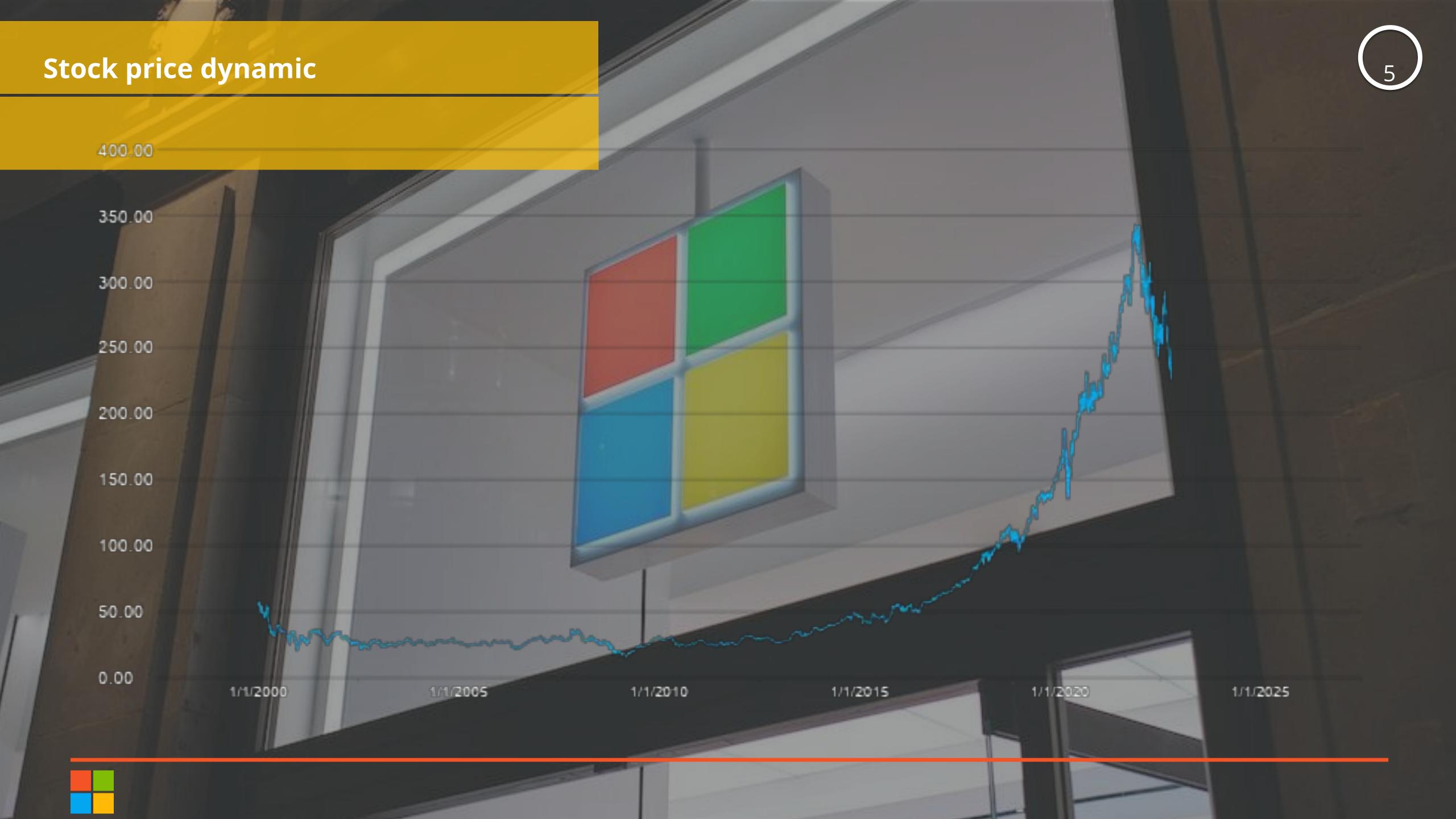
June 24, 2021

Feb. 4, 2014

Microsoft introduces Windows 11 Satya Nadella named chief executive officer for Microsoft Dec. 8, 2016 Oct. 13, 2011 Microsoft completes Microsoft closes its acquisition of Skype acquisition of LinkedIn 25 June 28, 2011 July 29, 2015 Microsoft launches Microsoft launches Office 365 Feb. 18, 2013 Windows 10 Feb. 24, 2019 Microsoft launches Outlook.com

Microsoft introduces HoloLens 2





## Product portfolio analysis

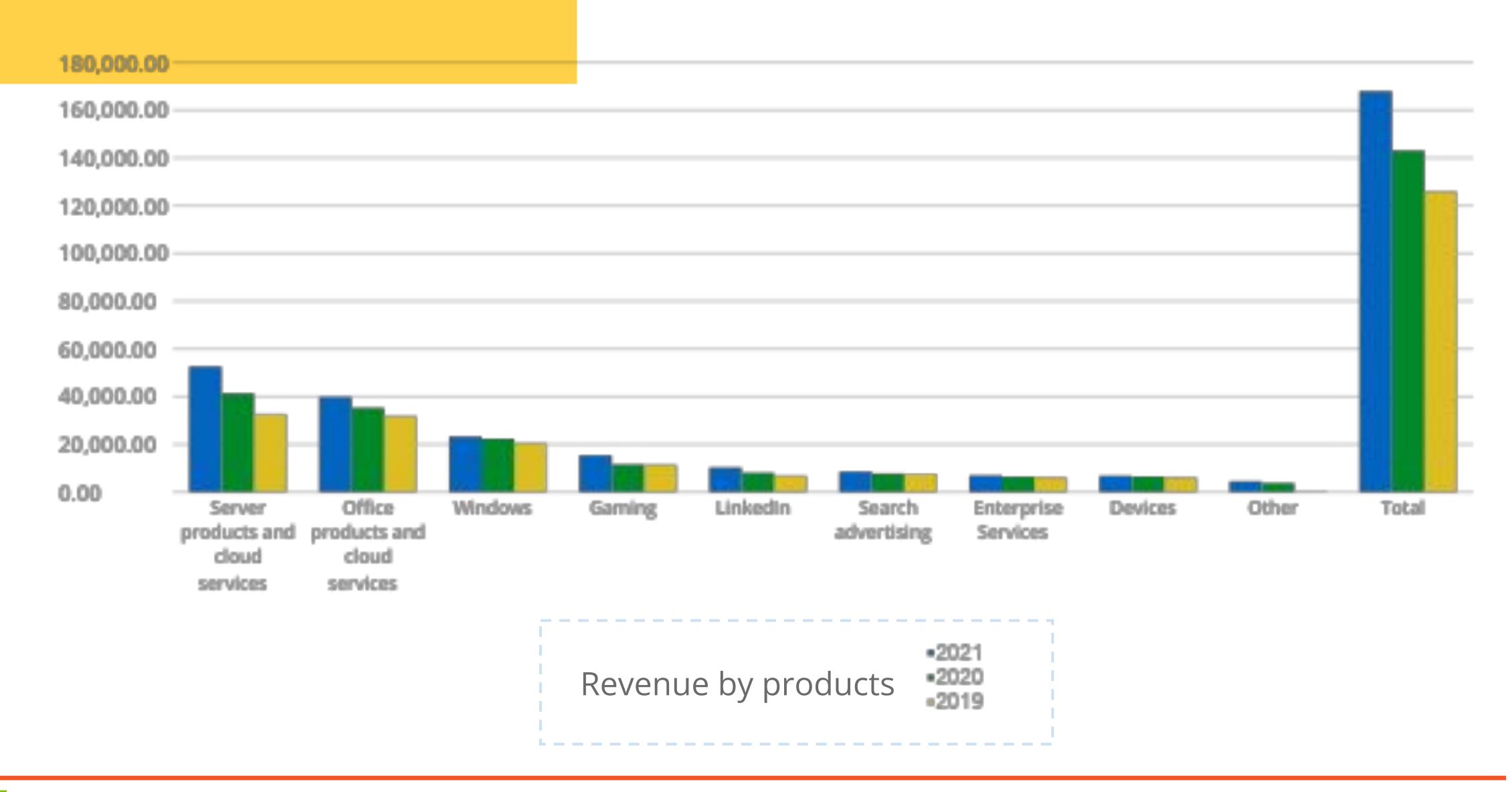


FY	2021	2020	2019
Server products and cloud services	\$ 52 589,00	\$ 41 379,00	\$ 32 622,00
Office products and cloud services	\$ 39 872,00	\$ 35 316,00	\$ 31 769,00
Windows	\$ 23 227,00	\$ 22 294,00	\$ 20 395,00
Gaming	\$ 15 370,00	\$ 11 575,00	\$ 11 386,00
LinkedIn	\$ 10 289,00	\$ 8 077,00	\$ 6754,00
Search advertising	\$ 8 528,00	\$ 7740,00	\$ 7628,00
Enterprise Services	\$ 6 943,00	\$ 6 409,00	\$ 6124,00
Devices	\$ 6791,00	\$ 6 457,00	\$ 6 095,00
Other	\$ 4479,00	\$ 3768,00	\$ 307,00
Total	\$ 168 088,00	\$ 143 015,00	\$ 125 843,00



## **Product portfolio analysis**







## **Key strengths**

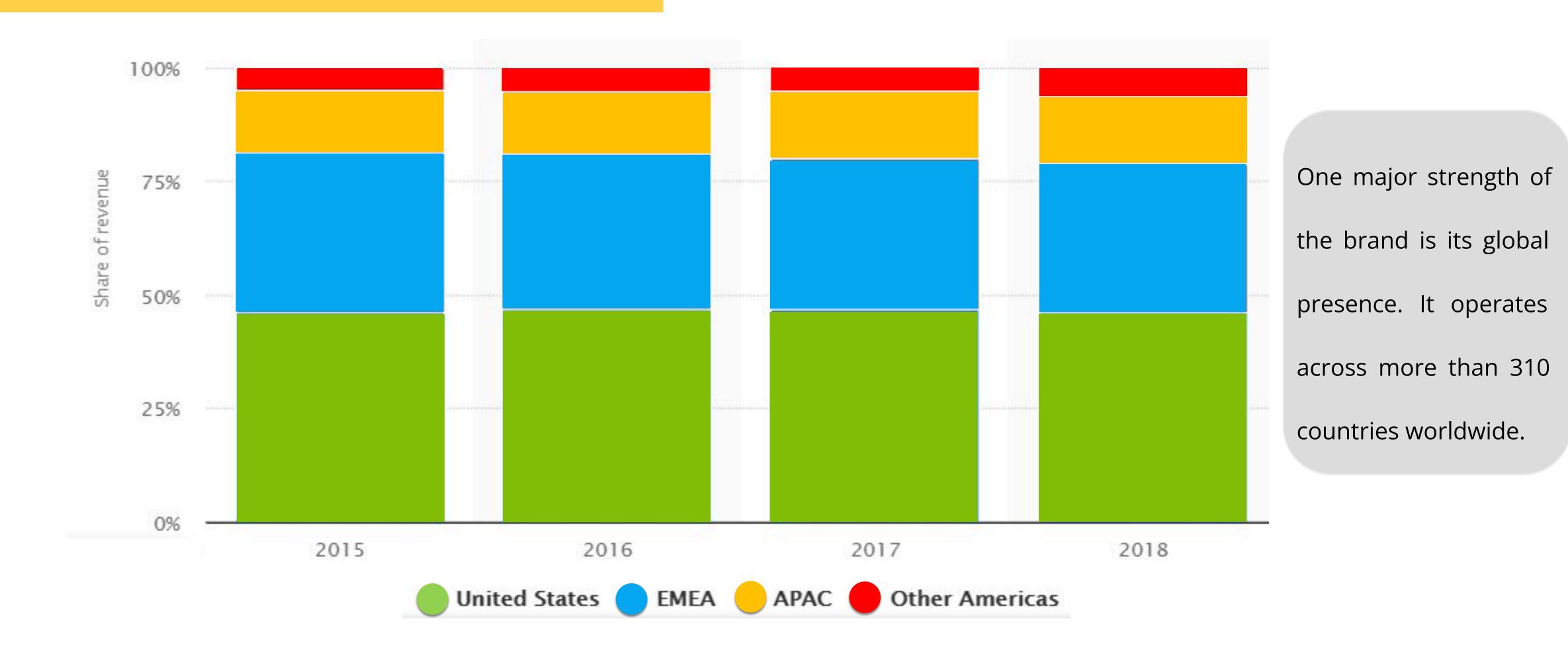




Source: https://uxplanet.org/usability-review-analysis-microsoft-teams-e91ff3d9cdc9, https://www.scmagazine.com/news/cloud-security/microsoft-adds-new-devops-and-cspm-features-to-defender-for-cloud, https://www.fintechna.com/press-releases/nexi-partners-with-microsoft-to-drive-the-digitalization-of-the-european-payments-space/

## **Geographic location**





## Corporate governance



As of June 2020, Microsoft had an

**STRUCTURE OF** 

**SHAREHOLDERS** 

EV of almost \$1.5 trillion.

#### **SHARE REPURCHASES**

In fiscal 2019, Microsoft spent

billion share \$19.5 on

repurchases.

#### **DIVIDENDS**

In fiscal 2019, Microsoft paid \$13.8

billion on dividends.

## **TOTAL SHAREHOLDER EQUITY**

Microsoft's total shareholder equity was \$102.3

billion on June 30th, 2019.

SHORT-TERM DEBT In its 2017 annual report, the company listed

\$9.07 billion in short-term debt. In 2018 and

2019, the company reported no short-term

liabilities.



General Manager

Functional Manager

Engineering Manager

Project Manager

Employee

Employee

Employee

Employee

Employee

Employee

MICROSOFT ORGANISATIONAL STRUCTURE

## Corporate governance





# SOCIAL RESPONSIBILITY

The following are the major stakeholder groups significant in Microsoft's business, arranged according to the company's prioritization in its CSR attegy:

Customers

Employees

Communities



## Key drivers of revenue

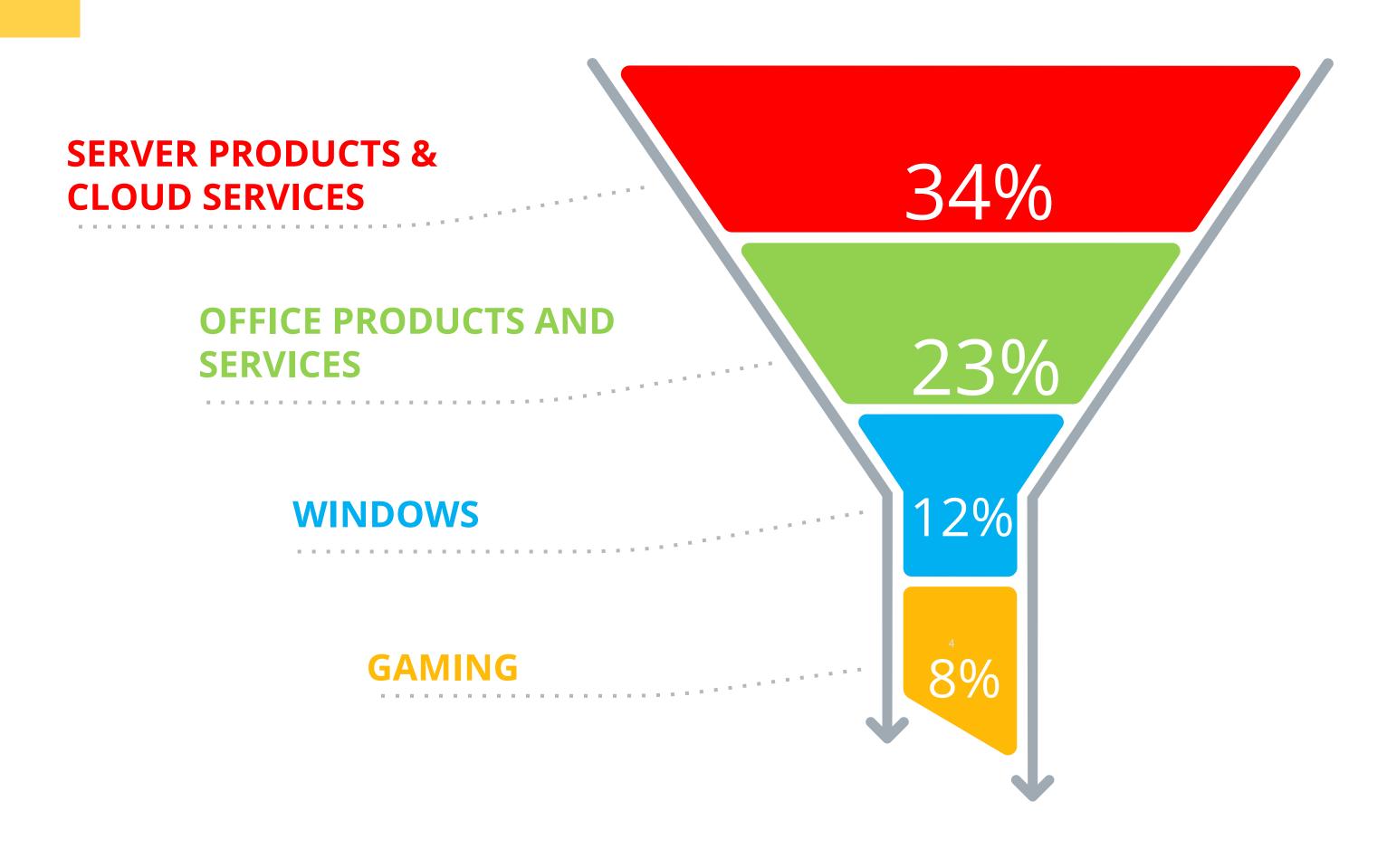


### Operating Segments:

- More Personal Computing
- Intelligent Cloud

Productivity And Business Processes

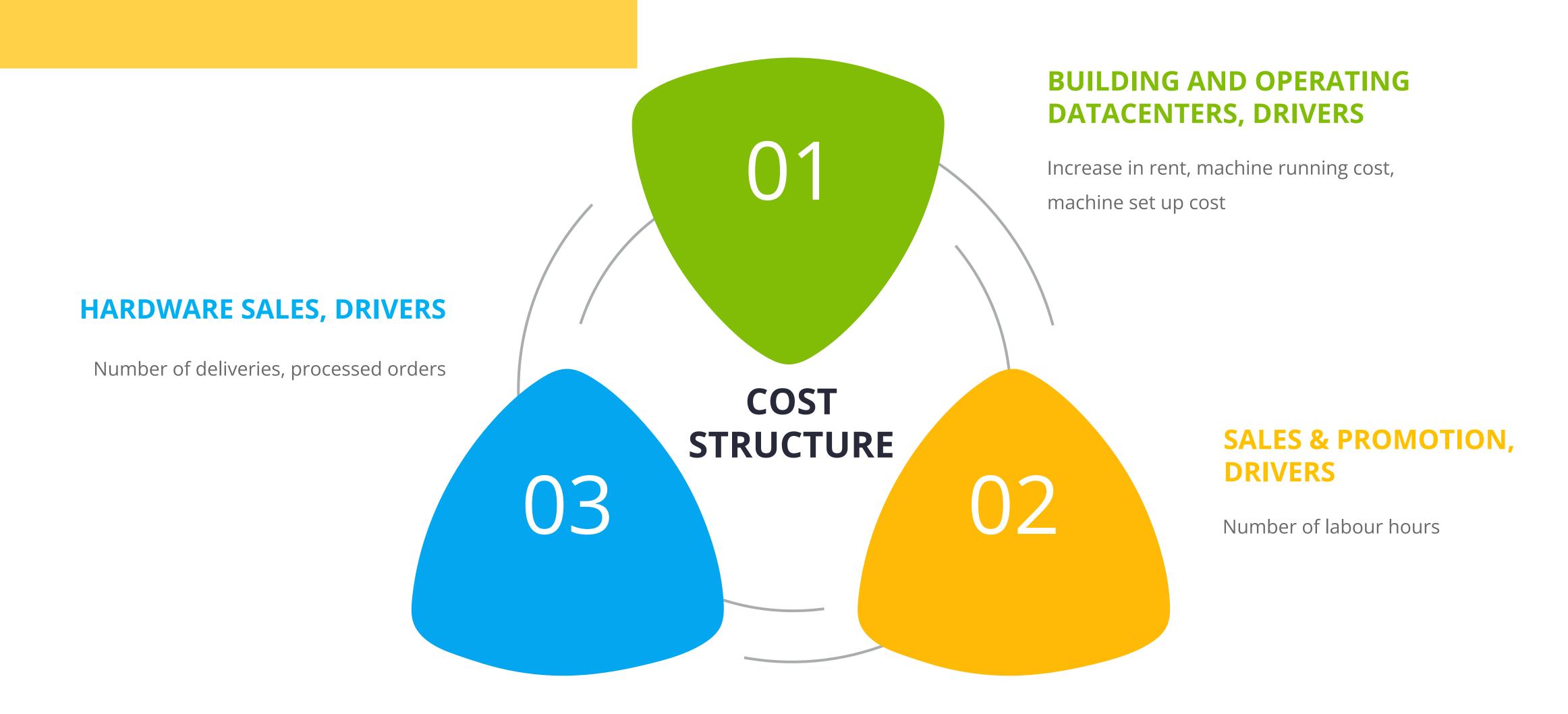






## **Key drivers of costs**







## **Key external factors**



#### **ECONOMIC FACTORS**

Considerable economic stability of the majority of

developed countries

High growth of developing countries

Growing middle class disposable income

#### **SOCIAL FACTORS**

Growing Smartphone Market

Shortage Of STEM Professionals

#### **TECHNOLOGICAL FACTORS**

Rapid adoption of mobile technology

Increasing volume of online transactions

Increasing automation in businesses

#### **MEDIA FACTORS**

**ESTEMPLE** 

**ANALYSIS** 

Change in media landscape

#### **POLITICAL FACTORS**

Political stability in the majority of markets

Increasing governmental support for automation

Increasing international trade agreements

#### **LEGAL FACTORS**

Increasing electronic waste disposal regulations

Improving patent laws

Energy consumption regulations

### **ECOLOGICAL/ENVIRONMENTAL FACTORS**

Increasing preference for green products

Increasing focus on business sustainability

Increasing availability of recyclable materials

#### **ETHICAL FACTORS**

Artificial intelligence technologies development

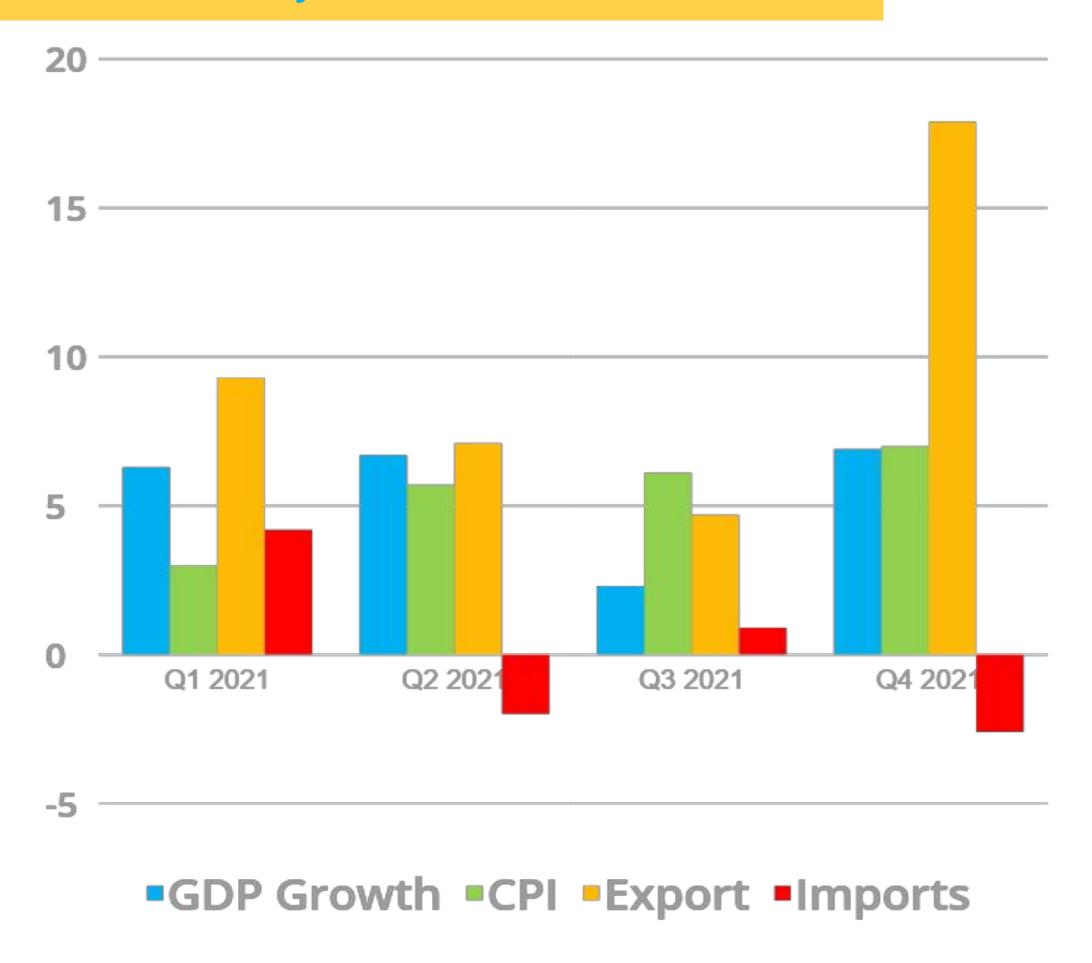
Responsible gaming trends



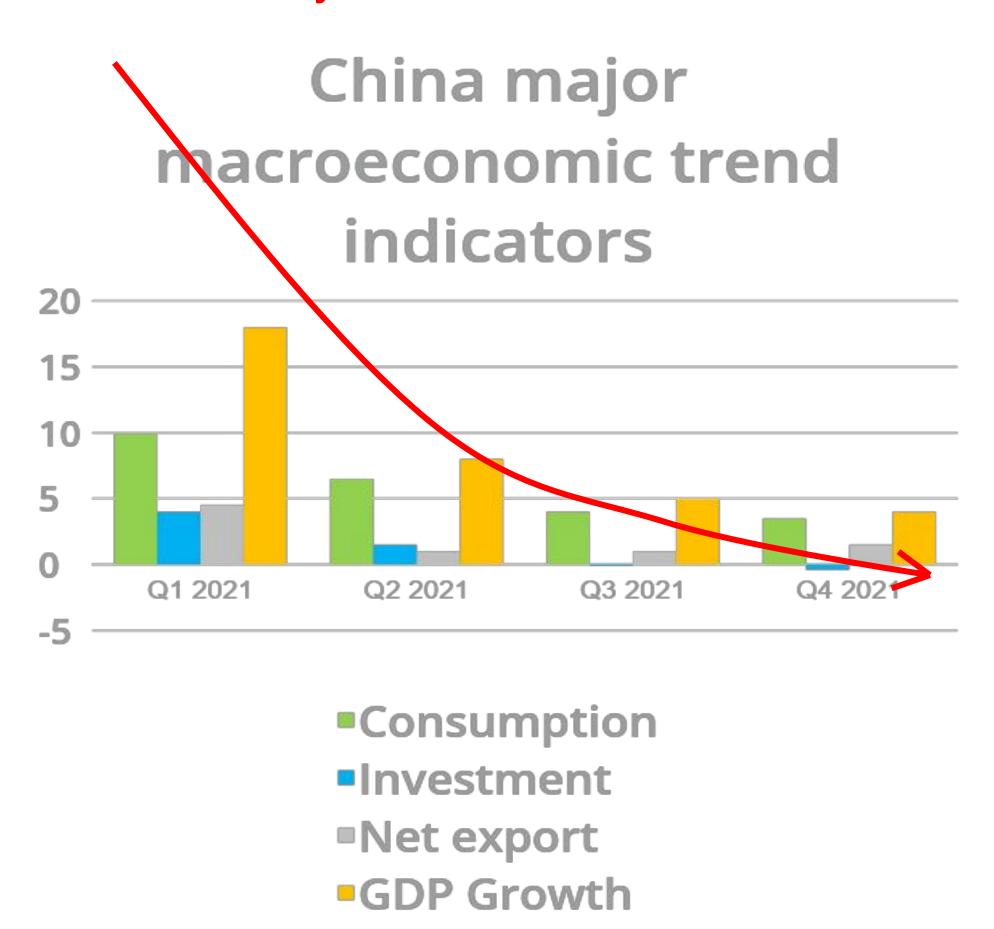
## Macroeconomic trends



#### US MAJOR MACROECONOMIC TRENDS INDICATORS



#### CHINA MAJOR MACROECONOMIC TREND INDICATORS



## **Company Strategy analysis**



#### **ANSOFF MATRIX, MICROSOFT CASE**

#### **PRODUCTS**





#### **MARKET PENETRATION:**

Selling Windows software and devices to 100+ Microsoft stores worldwide



#### **PRODUCT DEVELOPMENT:**

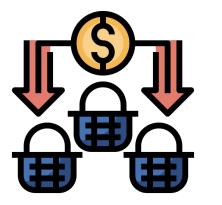
Stable R&D processes trough:

- Applications and Services Engineering
  Group
- Cloud and Enterprise Engineering Group
- Windows and Devices Engineering Group



#### **MARKET DEVELOPMENT:**

Launch a product in limited number of countries and then make it available in the global scale.



#### **DIVERSIFICATION:**

Occasional usage of the strategy. Example: cloud service business in 2006.



