

Earnings Release FY23 Q1

Microsoft Cloud Strength Drives First Quarter Results

REDMOND, Wash. — October 25, 2022 — Microsoft Corp. today announced the following results for the quarter ended September 30, 2022, as compared to the corresponding period of last fiscal year:

- Revenue was \$50.1 billion and increased 11% (up 16% in constant currency)
- Operating income was \$21.5 billion and increased 6% (up 15% in constant currency)
- Net income was \$17.6 billion and decreased 14% (down 8% in constant currency)
- Diluted earnings per share was \$2.35 and decreased 13% (down 7% in constant currency)

“In a world facing increasing headwinds, digital technology is the ultimate tailwind,” said Satya Nadella, chairman and chief executive officer of Microsoft. “In this environment, we’re focused on helping our customers do more with less, while investing in secular growth areas and managing our cost structure in a disciplined way.”

“This quarter Microsoft Cloud revenue was \$25.7 billion, up 24% (up 31% in constant currency) year-over-year. We continue to see healthy demand across our commercial businesses including another quarter of solid bookings as we deliver compelling value for customers,” said Amy Hood, executive vice president and chief financial officer of Microsoft.

The following table reconciles our financial results reported in accordance with generally accepted accounting principles (GAAP) to non-GAAP financial results. Additional information regarding our non-GAAP definition is provided below. All growth comparisons relate to the corresponding period in the last fiscal year.

	Three Months Ended September 30,			
(\$ in millions, except per share amounts)	Revenue	Operating Income	Net Income	Diluted Earnings per Share
2021 As Reported (GAAP)	\$45,317	\$20,238	\$20,505	\$2.71
Net income tax benefit related to transfer of intangible properties	-	-	(3,291)	(0.44)
2021 As Adjusted	\$45,317	\$20,238	\$17,214	\$2.27
2022 As Reported (GAAP)	\$50,122	\$21,518	\$17,556	\$2.35
Percentage Change Y/Y (GAAP)	11%	6%	(14)%	(13)%
Percentage Change Y/Y Constant Currency	16%	15%	(8)%	(7)%
Percentage Change Y/Y (As Adjusted)	11%	6%	2%	4%
Percentage Change Y/Y (As Adjusted) Constant Currency	16%	15%	10%	11%