

Microsoft profit up 24% in quarter, driven by cloud growth

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In this Nov. 10, 2016, file photo, people walk past a Microsoft office in New York. Microsoft will report earnings after markets close, Tuesday, Oct. 26, 2021. Credit: AP Photo/Swayne B. Hall, File

Growth in Microsoft's cloud computing business helped push its profit up 24% in the July-September quarter over the same time last year.

The Redmond, Washington-based tech company on Tuesday reported quarterly profit of \$17.2 billion, or \$2.27 per share, beating Wall Street expectations of \$2.08 per share.

Microsoft profits have soared throughout the pandemic thanks to ongoing demand for its software and cloud computing services for remote work and study.

Microsoft posted revenue of \$45.3 billion in its fiscal first quarter, up 22% from last year. Analysts had been looking for revenue of \$44 billion, according to FactSet Research. Microsoft's stock rose almost 2% in after-hours trading.

Sales from what Microsoft calls its "intelligent cloud" segment, which includes server products and its Azure cloud computing platform, were \$17 billion, up 31% from a year ago. The company has been fiercely competing with Amazon, Google and other cloud providers for big business and government contracts.

There was relatively slower growth in Microsoft's personal computing business segment, which includes Windows software licenses for new computers. Sales in the segment grew by 12% to \$13.3 billion.

Microsoft has been unveiling the next generation of its Windows software, called Windows 11, its first major update in six years. But the PC market has also been hit by supply chain problems.

Revenue from Microsoft's LinkedIn jobs networking service increased 42% from the same time last year. [The company earlier this month](#) announced it will be halting its localized version of LinkedIn in mainland

China, citing tightening government restrictions affecting the only major Western social networking platform still operating in the country.

LinkedIn doesn't disclose how much of its revenue comes from China, but it reports having more than 54 million members in the country, its third-largest user base after the U.S. and India.

Microsoft also Tuesday reported a short-term tax benefit of \$3.3 billion from its transfer of certain intangible property from its Puerto Rico subsidiary. The company had come under the scrutiny of the Internal Revenue Service over how it structured a Puerto Rico facility starting in 2005, leading a federal judge last year to say Microsoft was likely trying to avoid or evade paying U.S. taxes through its cost-sharing arrangement with the affiliate.

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