

Cloud computing helps power strong Microsoft quarter

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The pandemic accelerated a shift to learning, playing and working online that continues to pay off for Microsoft.

Microsoft on Tuesday reported strong quarterly earnings, powered by demand for cloud computing.

The tech titan said it made a profit of \$16.7 billion on revenue of \$49.4 billion in the first three months of this year, eight percent and 18 percent, respectively, more than in the period a year earlier.

"Going forward, [digital technology](#) will be the key input that powers the world's [economic output](#)," said Microsoft chief executive Satya Nadella.

"Across the tech stack, we are expanding our opportunity and taking share as we help customers differentiate, build resilience, and do more with less."

Microsoft shares rose more than four percent to \$282.44 on the earnings figures, which came with an optimistic outlook for the current financial quarter.

Revenue in the company's "intelligent cloud" unit that meshes datacenter-hosted software with [artificial intelligence](#) surged from the same period a year earlier, Microsoft reported.

"Continued customer commitment to our cloud platform and strong sales execution drove better-than-expected commercial bookings growth" along with cloud computing revenue, Microsoft chief financial officer Amy Hood said in the earnings release.

The pandemic accelerated a shift to relying on the internet for work, education, shopping, socializing and entertainment, with Microsoft seemingly positioned to benefit from [lifestyle changes](#) that will remain even as people return to being out and about.

A business and productivity unit at Microsoft that includes its online suite of Office 365 software saw revenue grow with the help of a 34 percent increase in money taken in by career-focused online social network LinkedIn, the earnings report showed.

"Growth for LinkedIn was the most surprising," CFRA equity research vice president John Freeman told AFP.

"LinkedIn continued to be Microsoft's lower profile success story. That acquisition is looking better and better every year and every quarter."

Microsoft bought LinkedIn for slightly more than \$26 billion in 2016.

Money taken in for content and services at Microsoft's Xbox video game division rose four percent in the recently ended quarter as the company works to beef up its cloud-based games subscription offering.

Microsoft is seeking regulatory approval for its \$69 billion deal to buy video game powerhouse Activision Blizzard.

Merging with troubled Activision will make Microsoft the third-largest gaming company by revenue, behind Tencent and Sony, it said, a major shift in the booming world of games.

Activision, the California-based maker of "Candy Crush," has been hit by employee protests, departures, and a state lawsuit alleging it enabled toxic workplace conditions and sexual harassment.

"Acquiring Activision will help jump start Microsoft's broader gaming endeavors and ultimately its move into the metaverse with gaming the first monetization piece of the metaverse in our opinion," Wedbush analysts said after the news broke.

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