

software. It develops and sells software products for a wide range of computing environments in consumer and enterprise markets. Hardware products include the Xbox video game console and Surface laptops. Revenue sources in fiscal 2021: Productivity & Business Processes, 32%; Intelligent Cloud, 36%; More Personal Com-

6/30/21. Stock owners: Offs. & dirs., less than 1%; The Vanguard Group, 8.1%; BlackRock, Inc., 6.8%. (10/21 proxy). Chairman & CEO: Satya Nadella. Incorporated: Washington. Addr.: One Microsoft Way, Redmond, Washington 98052-6399. Telephone: 425-882-8080. Internet: www.microsoft.com.

The acquisition of game publisher Ac-

tivision Blizzard remains on track.

The all-cash deal of \$68.7 billion is the

company's largest to date. The transaction,

which is subject to regulatory review (in-

cluding the likelihood of close antitrust

scrutiny) and customary shareholder approvals, would greatly enhance Microsoft's

position in the gaming market, and allow

it to go head-to-head with such competi-

tors as Sony and Tencent. If all goes well,

the deal should close in fiscal 2023, with

ANNUAL RATES Past Est'd '19-'21 Past 10 Yrs. to '25-'27 of change (per sh) 5 Yrs. Revenues "Cash Flow 10.0% 12.0% 11.0% 17.5% 15.5% 15.0% 11.0% 14.0% 11.0% 16.5% 11.0% 17.0% Earnings Dividends Book Value 18.0% 10.0%

181915

12530

36000 20031

72310

3749

184406

15163

41525 23897

88657

8072

153922

16085

3402

25578

77439

1749

Current Assets

Accts Payable Debt Due

Current Liab

Unearned Revenue Other

DOOK Value		11.0/0 3		J/0 1.	7.070
Fiscal Year Ends	QUART Sep.30	ERLY REV Dec.31	ENUES (\$ Mar.31	mill.) A Jun.30	Full Fiscal Year
2019	29084	32471	30571	33717	125843
2020	33055	36906	35021	38033	143015
2021	37154	43076	41706	46152	168088
2022	45317	51728	49360	52795	199200
2023	51800	58200	<i>55500</i>	<i>59500</i>	225000
Fiscal	EARNINGS PER SHARE ABFull				
Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Fiscal Year
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	2.03	2.17	8.05
2022	2.27	2.48	2.22	2.38	9.35
2023	2.50	2.75	2.60	2.85	10.70
Cal-	QUARTERLY DIVIDENDS PAID ==				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2018	.42	.42	.42	.46	1.72
2019	.46	.46	.46	.51	1.89
2020	.51	.51	.51	.56	2.09
2021	.56	.56	.56	.62	2.30
2022	.62				

total. Excl. nonrec. items: '05, d4¢; '12, d72¢;

on 19% revenue growth, with top- and bottom-line gains of 12%-15% thereafter. (A) Fiscal year ends June 30th.
(B) Diluted earnings. Quarters may not add to

report late July. (C) In mill. (D) Includes intangibles. In fiscal 2021: \$49.7

'18, d\$1.75; '19, d33¢; '22, 43¢. Next earnings report late July. (C) In mill. (E) Dividends historically paid in March, June, Sept., and Dec. ■Dividend reinvestment plan

A++ 100 Price Growth Persistence **Earnings Predictability** 95

Microsoft appears set to deliver impressive results this fiscal year and out to mid-decade. (Years end June 30th.) The software giant has been building on the momentum seen since fiscal 2020, posting strong top- and bottom-line increases so far this year through the March term. And the final quarter should not disappoint, either. Indeed, the rapid growth of late has been largely driven by the commercial business and the move toward cloud services, helped along by the pandemic. The Azure platform (and other cloud services within the Intelligent Cloud segment) continued to be a standout in the March quarter, with revenue there surging 46%, thanks to robust demand consumption-based services. Within the Productivity/Business Processes group, both the commercial and consumer categories fared well, with the former driven by 17% growth in Office 365. Too, Dynamics 365 showed notable strength (up 35%), on soaring apps revenue, while LinkedIn (up 34%) reflected a spike in job searches. In all, we see EPS rising 16% in fiscal 2022,

Activision to join Microsoft's gaming unit. This blue chip is best held as part of a well-diversified portfolio. Yes, the stock, which is off its recent peak due to broader market weakness, is ranked 1 (Highest) for Timeliness. It also offers decent risk-adjusted upside potential for both the 18-month and 3- to 5-year periods (MSFT boasts top-notch scores for Safety and other indicators). But it is still richly valued. And while strong finances, highlighted by healthy cash flow and a solid balance sheet, should help support growth. ongoing share buybacks, and dividend hikes, the yield is just modest. J. Susan Ferrara May 6, 2022 Company's Financial Strength Stock's Price Stability