



Third Quarter Fiscal Year 2026 Outlook

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FY26 Q3 Outlook

Foreign currency impact	• Increase to total revenue growth of 3 points, with 4 points in Productivity and Business Processes and 2 points in Intelligent Cloud and More Personal Computing • Increase to COGS growth and Opex growth of 2 points
Total Company	• Revenue of \$80.65 to \$81.75 billion
Productivity and Business Processes	• Revenue of \$34.25 to \$34.55 billion
Intelligent Cloud	• Revenue of \$34.1 to \$34.4 billion
More Personal Computing	• Revenue of \$12.3 to \$12.8 billion
Cost of revenue	• COGS of \$26.65 to \$26.85 billion
Operating expenses	• Expenses of \$17.8 to \$17.9 billion
Other income and expense	• Expected to be roughly \$700 million excluding any impact from our investments in OpenAI
Effective tax rate	• Approximately 19% excluding any impact from our investments in OpenAI

FY26 Q3 Outlook Detail

Commercial Business

Commercial bookings	Healthy growth in the core business on a growing expiry base when adjusted for OpenAI contracts in the prior year
Microsoft Cloud gross margin percentage	Roughly 65%

Productivity and Business Processes

Microsoft 365 Commercial cloud revenue	Growth between 13% to 14% in constant currency
Microsoft 365 Commercial products revenue	Decline in low-single digits
Microsoft 365 Consumer cloud revenue	Growth in mid- to high-twenties
LinkedIn revenue	Growth of low-double digits
Dynamics 365 revenue	Growth in high-teens

Intelligent Cloud

Azure and other cloud services revenue	Growth between 37% to 38% in constant currency
Server products revenue	Decline in low-single digits

More Personal Computing

Windows OEM and Devices revenue	Decline in low-teens
Search and news advertising revenue (ex TAC)	Growth in high-single digits
Xbox content and services revenue	Decline in mid-single digits

