# Microsoft Corp.

**MSFT**

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0000789019

**A**

**strongest fifth of 469 graded peers in business equipment**

rank 68 of 469; percentile 14.3; sampling error 2.3 points; lower is stronger

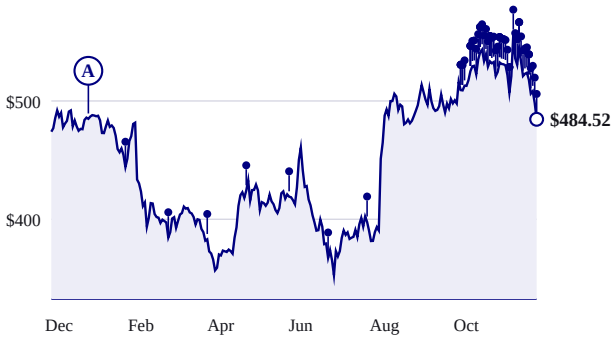
A B C D E

**A, the bull**



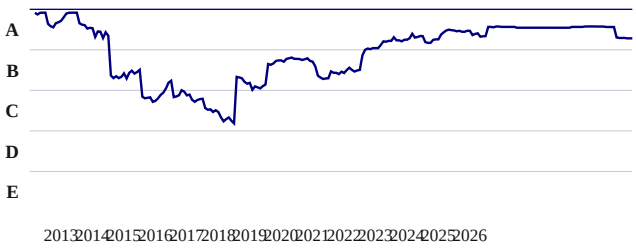
| Scoreboard | |
|---|---|
| **Profitability** | B<br>percentile 29.7 |
| **Solvency** | B/C<br>percentile 39.4 |
| **Growth and financing** | B<br>percentile 36.5 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $758.4B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered |
| **Inputs computable** | 12 of 13 |
| **Graded from** | filings received through Jul 29, 2026<br>117 days before the rescan; latest periodic filing 10-Q received Oct 28, 2026 |
| **Last close** | $485.34<br>2026-11-20; market equity $3.6T; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Jul 29, 2026*

Microsoft is a technology company committed to making digital technology and artificial intelligence ("AI") available broadly and doing so responsibly. Our mission is to empower every person and every organization on the planet to achieve more. We develop and support a broad portfolio of technology solutions for individuals and businesses, focusing on secure, trusted, and innovative platforms and applications that meet evolving customer needs across AI, cloud computing, productivity and collaboration, and personal computing. We strive to create opportunity, growth, and impact in every country around the world.

## The thirteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 29.7** | | | | | | |
| Gross profitability | 29.7% | 29.4% | | 46.3 | 513 | 2026-06-30 |
| Return on invested capital | 30.6% | 11.2% | | 14.8 | 123 | 2026-06-30 |
| Accruals ratio | (7.1%) | (7.4%) | | 52.7 | 566 | 2026-06-30 |

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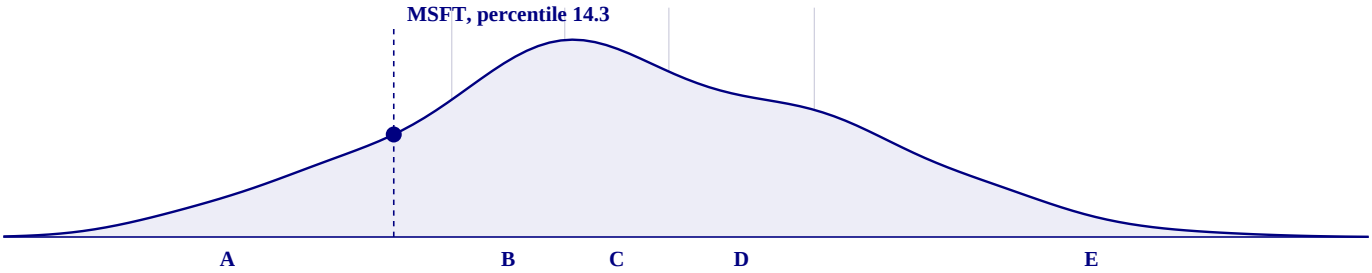
| | | | | | |
|---|---|---|---|---|---|
| Gross margin stability, five years | 0.6 pts | 2.3 pts | 5.2 | 406 | 2026-06-30 |
| **Solvency, sleeve percentile 39.4** | | | | | |
| Altman Z double-prime | 4.59 | 2.18 | 26.4 | 517 | 2026-06-30 |
| Net debt to EBITDA | 0.10x | 1.11x | 19.7 | 138 | 2026-06-30 |
| Interest coverage | not computable | 4.90x | | | |
| *latest aligned inputs end 2024-06-30; latest annual assets end 2026-06-30* | | | | | |
| Current ratio | 1.23x | 1.98x | 72.1 | 600 | 2026-06-30 |
| **Growth and financing, sleeve percentile 36.5** | | | | | |
| Revenue growth, three-year compound | 16.1% | 6.6% | 24.5 | 503 | 2026-06-30 |
| Free cash flow growth, three-year compound | 4.0% | 17.4% | 72.2 | 253 | 2026-06-30 |
| Reinvestment rate | 56.4% | 14.3% | 34.4 | 213 | 2026-06-30 |
| Asset growth, three years | 22.6% | 5.0% | 14.7 | 519 | 2026-06-30 |
| Net share issuance, one year | (0.1%) | 0.5% | 36.7 | 404 | 2026-07-23 |

## Among 469 peers

*business equipment; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 63 | Braze, Inc. (BRZE) | 13.2 | A | |
| 64 | AvePoint, Inc. (AVPT) | 13.5 | A | |
| 65 | Zscaler, Inc. (ZS) | 13.7 | A | fortress balance sheet |
| 66 | Zeta Global Holdings Corp. (ZETA) | 13.9 | A | fortress balance sheet |
| 67 | Grindr Inc. (GRND) | 14.1 | A | |
| 68 | Microsoft Corp. (MSFT) | 14.3 | A | |
| 69 | Lattice Semiconductor Corp. (LSCC) | 14.5 | A | |
| 70 | Sitime Corp. (SITM) | 14.7 | A | |
| 71 | Onto Innovation Inc. (ONTO) | 15.0 | A | fortress balance sheet |
| 72 | Zoom Communications, Inc. (ZM) | 15.2 | A | |
| 73 | Photronics Inc. (PLAB) | 15.4 | A | fortress balance sheet |

## What the price implies

*at the 2026-11-20 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (0.1%) | (2.2%) | 52 |
| Distance from 52-week high | (12.8%) | (41.7%) | 86 |
| EBIT to enterprise value | 4.3% | 2.0% | 69 |
| Free cash flow yield | 1.9% | 3.1% | 35 |
| Book value to price | 0.13 | 0.31 | 25 |
| Sales to price | 0.09 | 0.35 | 12 |
| Composite equity issuance, five years | (5.7%) | 4.3% | 32 |
| Relative strength against the sector, log excess return | (0.27) | (0.29) | 52 |
| Twelve-month failure probability, CHS model | 0.02% | 0.05% | 5 |

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## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 6 of 9, period end 2026-06-30** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | pass |
| Current ratio improved | fail |
| No new shares issued | pass |
| Gross margin improved | fail |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $20.3B |
| Operating cash flow, four quarters | $195.9B |
| Months of runway | not finite |
| Days since last periodic filing | 26 (10-Q received Oct 28, 2026) |
| Median daily dollar volume, 63 sessions | $11.1B |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $225.5B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 2 | assets | us-gaap:Assets | $758.4B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $155.2B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $165.9B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $32.2B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 6 | total debt | us-gaap:LongTermDebt | $40.3B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 7 | book equity | us-gaap:StockholdersEquity | $442.4B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $20.9B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 9 | total debt | us-gaap:LongTermDebt | $43.2B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 10 | book equity | us-gaap:StockholdersEquity | $343.5B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $30.2B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 12 | net income | us-gaap:NetIncomeLoss | $133.7B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $182.9B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 14 | assets | us-gaap:Assets | $619.0B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $331.8B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 16 | gross profit | us-gaap:GrossProfit | $193.9B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $281.7B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 18 | gross profit | us-gaap:GrossProfit | $171.0B | 2024-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $245.1B | 2024-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 20 | gross profit | us-gaap:GrossProfit | $146.1B | 2023-06-30 | 2025-07-30 | 10-K | 25-100235 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $211.9B | 2023-06-30 | 2025-07-30 | 10-K | 25-100235 |
| 22 | gross profit | us-gaap:GrossProfit | $135.6B | 2022-06-30 | 2024-07-30 | 10-K | 24-087843 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $198.3B | 2022-06-30 | 2024-07-30 | 10-K | 24-087843 |
| 24 | current assets | us-gaap:AssetsCurrent | $207.7B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $168.8B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $328.3B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 27 | liabilities | us-gaap:Liabilities | $316.0B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 28 | depreciation amortization | us-gaap:Depreciation | $34.3B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 29 | operating income | us-gaap:OperatingIncomeLoss | $109.4B | 2024-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 30 | interest expense | us-gaap:InterestExpense | $2.9B | 2024-06-30 | 2024-07-30 | 10-K | 24-087843 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $115.9B | 2026-06-30 | 2026-07-29 | 10-K | 26-323660 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $136.2B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $64.6B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $118.5B | 2024-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $44.5B | 2024-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $87.6B | 2023-06-30 | 2025-07-30 | 10-K | 25-100235 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $28.1B | 2023-06-30 | 2025-07-30 | 10-K | 25-100235 |
| 38 | current assets | us-gaap:AssetsCurrent | $191.1B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 39 | current liabilities | us-gaap:LiabilitiesCurrent | $141.2B | 2025-06-30 | 2026-07-29 | 10-K | 26-323660 |
| 40 | assets | us-gaap:Assets | $512.2B | 2024-06-30 | 2025-07-30 | 10-K | 25-100235 |
| 41 | assets | us-gaap:Assets | $412.0B | 2023-06-30 | 2024-07-30 | 10-K | 24-087843 |
| 42 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 7,425,545,491 | 2026-07-23 | 2026-07-29 | 10-K | 26-323660 |
| 43 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 7,433,166,379 | 2025-07-24 | 2025-07-30 | 10-K | 25-100235 |

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