

The background of the entire page is a dark, textured overlay of various financial charts. In the upper right, there is a line chart with a peak and a subsequent decline, labeled with '52.34%'. Below this, there are several bar charts and candlestick patterns, some in blue and some in orange, set against a grid. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research Report

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



Microsoft Corporation (MSFT)
Technology | Software & Tech
Services

Written By: Naveen Goyal
Date: 09th March, 2026

This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

Stock Name: Microsoft Corporation: MSFT

Sector: Technology | Industry: Computer Software & Tech Services | Price: 408.96 USD

Thesis:

To deliver on our mission, we remain focused on three core business priorities as our North Star: security, quality, and AI innovation.

Growth depends on our ability to reach new users in new markets such as frontline workers, small and medium businesses, and growth markets, as well as add AI-enabled tools, features, and agentic scenarios to our core product and service.

Key Drivers:

- Cloud Computing (Azure) – \$75 B in FY 2025.
- AI Integration – Office 365
- Enterprise Software & Productivity
- Gaming & Xbox Ecosystem
- Strategic Acquisitions – LinkedIn and GitHub.

Key Risks:

- "Quantitative and Qualitative Disclosures About Market Risk" in our Form 10-K for the fiscal year 2025.
- Key risks for Microsoft include escalating cybersecurity threats and regulatory and antitrust scrutiny in the U.S. and EU. A huge AI/cloud CAPEX (\$37.5 B in Q4 2025) .
- The markets for software, devices, and cloud-based services are dynamic and highly competitive.

Haven Rating: Strong Buy

Recommendation: Strong Buy

Time Horizon: 3-5 Years

Risk Level: Medium Risk

Catalyst Driven: Yes

Catalysts (Next 1-6 Months):

In next six months Microsoft Corporation:

- It expanded Copilot adoption (targeting 10–15%), improved infrastructure efficiency, and Azure capacity scaling.
- AI monetization, Microsoft Build 2026, New Microsoft 365 E7 tier.
- Gaming momentum via Xbox/Game AI rollout in Windows & 365

-Price: 408.96 USD

- P/E Ratio: 25.59

- Market Cap: 3.04 Trillion USD

- Enterprise Value: 3.07 Trillion USD

- Revenue (TTM): 305.45 Billion USD

- Cash: 94.6 Billion USD

- FCF: 71.6 Billion USD

- Beta (5Y): 1.11

- 52 week low/high: 334.79 USD / 555.45 USD

- Annual Growth (1Y): 16.7%(2026 Projection)

Company Snapshot

Business Description: Microsoft Corporation is a multinational technology corporation that creates digital services, cloud computing, and software. The market capitalization of almost \$3.04 trillion USD as of March 2026 . Its primary clients. Individuals, companies, governments, and developers. People may increase productivity, manage data, and conduct digital operations with the aid of products like Microsoft Windows and Microsoft Azure.

Revenue Model: The major sources of revenue of Microsoft Corporation include Cloud services like Microsoft Azure and subscription services like Microsoft 365 , software licensing, and subscriptions. It made over \$281.7 billion in revenue during FY 2025-26. The business makes money through a combination of one-time product purchases and ongoing subscriptions.

Operating Segments

Segments	Revenue (Billions)	% of Revenue
Productivity and Business Processes	\$ 120.8	43 %
Intelligent Cloud Revenue	\$106.3	38 %
More Personal Computing	\$54.6	19 %

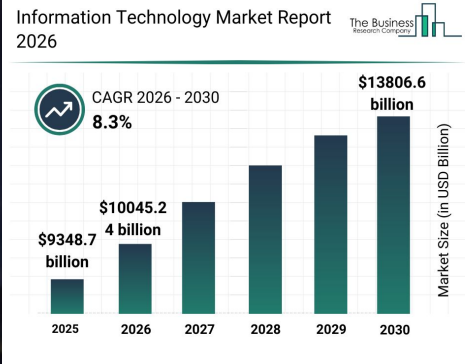
Key Operating Metrics

- Microsoft 365 Paid Customers: 345 Million Approx, (15-17% Growth Y-o-Y)
- Microsoft Azure Revenue Growth Rate: \$75 Billion (30-35% Y-o-Y)
- Xbox Monthly Active Users: 120 Millions (15-17% Growth Y-o-Y)
- Net Revenue Retention (NRR): 120-125 percent
- Super Scaled Customer Growth (>\$1M): 15 percent year over year
- Direct Platform Revenue Mix: 70 percent (up from 65 percent)

Industry & Competition

Industry Overview

The Information Technology industry, including software, IT services, cloud, and AI. The Market Size of Information Technology reached to \$9348.7 billion in 2025. It expected to grow \$13806.6 Billion at CAGR of 8.3%. with cloud computing rising from USD 912.77 billion to USD 5,946.84 billion by 2035.



Trends

- Growth Drivers:** Cloud computing, AI, cybersecurity, and digital services drive IT growth; Microsoft leverages AI in Azure, Microsoft 365, and Copilot.
- Regulations:** Data privacy and cybersecurity laws shape adoption.
- Tech Advancements:** AI, cloud, and automation improve efficiency.
- Consumer Behavior:** Remote work and subscriptions boost cloud and SaaS demand.

Main Competitors

Firm	Ticker	Market Cap(TTM)	Additional Notes
Oracle Corporation	ORCL	\$574 Billion	Competes directly with Microsoft in the Enterprise Database Market & Enterprise Software Leader
ServiceNow Inc	NOW	\$191 Billion	Focus on Digital Workflow & IT Service Automation
Adobe Inc	ADBE	\$151 Billion	Major player in creative software and document Software Pioneer Management

Company Positioning

Company Positioning of Microsoft is the top as a broad tech platform covering cloud, productivity, and enterprise solutions, giving it a much larger market cap and ecosystem. Oracle is more niche enterprise-focused, strong in databases and ERP. ServiceNow is a specialist in workflow automation, smaller scale but growing rapidly in IT operations. Adobe is a creative software leader, strong in digital content but not in enterprise OS or cloud infrastructure. Overall Microsoft's 3.04 trillion market cap and \$281.7 B revenue in FY2025 anchor it as the dominant cloud and productivity platform leader.

Valuation

Current Valuation: \$3.60 Trillion (Approx.)

	Prev. Year (FY2024-25)	Current Year (TTM FY25-26)	Next Year (Projected)
EV/Revenue	10.5×	9.9×	9.0× (expected slight compression)
P/S	12.2×	9.8×	9.0× (estimated)
Market Cap	\$3.04 trillion	\$3.5-\$3.6 trillion	\$3.8–4.0 trillion (analyst estimates)

Peer Comparison

Company	EV/Revenue	P/S	Market Cap(TTM)
Microsoft Corporation	9.9×	9.7×	\$3.59 Trillion
Oracle Corporation	9.3×	7.5×	\$574 Billion
ServiceNow Inc	8.0×	8.5×	\$191 Billion
Adobe Inc	4.6×	4.6×	\$151 Billion

Valuation Scenarios

Scenario	Assumption	Implied Value	Upside/Downside
Base Case	Revenue growth 12–14%, P/S multiple = 10×	\$3.6T	0% Fairly valued
Bull Case	Strong AI & Azure growth, P/S = 12×	\$4.3T	+20% Upside
Bear Case	Slower cloud growth, P/S = 8×	\$2.9T	-19% Downside

Fundamental Analysis

Quantitative Analysis (Financial Health)

In FY2024-25, Income Statement: Microsoft demonstrated significant profitability in FY2024-25 with revenue of \$281.7 billion and it rose by 16% to \$36.6 billion with \$101.8 billion net profit, and 36% profit margin of Revenue which indicate strong profitability. MSFT Revenue 305.5 Billion USD (TTM). The expenditures in cloud and AI engineering and gaming drove a rise in operating expenses of \$3.8 billion. In FY2025-26 (Q1), revenue \$77.7B and net income \$27.7B indicate continued strong liquidity, profitability, and AI-driven growth.

Balance Sheet: The balance sheet shows a strong financial position in FY2024-25 with \$619 billion in assets, \$275 billion in liabilities, \$343 billion in equity, and \$94.6 billion in cash. In comparison to its peers, it exhibits remarkable financial health with steady growth.

Cash Flow Statement: The Operating cash flow was \$136Billion with \$71.6Billion free cash flow, Cash from investing activity -\$72 B, and Cash from financing activity -\$51 B, reflecting strong liquidity and continued investment in cloud and AI infrastructure.

Key Ratios

In FY2024-25, Microsoft (MSFT) maintains a robust financial profile characterized by high efficiency and a conservative capital structure. Microsoft is valued at \$3.04 trillion. \$3.07 trillion is the enterprise value. The forward PE ratio is 23.30, while the trailing PE ratio is 25.59 it reflecting a notable 24% decrease from its 12-month average of 33.85. The PEG ratio for Microsoft is 1.63.

Profitability remains exceptional, with a 36% net profit margin with Return on equity (ROE) is 34.39%, Return on Assets (ROA) is 14.86% and return on invested capital (ROIC) is 28.79%. The stock has an EV/FCF ratio of 39.67 and an EV/EBITDA ratio of 17.52.

Microsoft's financial strength is underscored by a low debt to equity ratio is 0.32. The current ratio is 1.39 which show strong liquidity. The EPS growth around 30% and revenue growth about 15%, supported by cloud and AI expansion.

Quantitative Analysis (Business Fundamentals)

Under CEO Satya Nadella, Microsoft demonstrates strong management effectiveness, proven success in cloud, AI, and software, and solid corporate governance. Its competitive advantages include brand recognition, 119,000+ patents, high switching-cost moats, and dominant positions in desktop OS (72.2% share, Windows 11 at 31%) and productivity software (31% market share, 345M Microsoft 365 subscribers, Teams 360M MAUs). The business model generates recurring revenue via cloud subscriptions, software licensing, gaming, and devices, ensuring long-term viability. Azure controls 25% of global cloud infrastructure, generating \$105.4B in FY2025 (37% of revenue) with 28% YoY growth, driven by AI and digital transformation, while competition and regulatory impact remain moderate.

Technical Analysis

Price Action and Charts

As above analysis, MSFT closed at \$408.96 (prev. \$410.68), with a high of \$413.05 and low of \$408.51. The stock has gained +1.98% in 52 weeks and shows a beta of 1.11, indicating slightly higher volatility. MSFT is in a short-term correction within a long-term uptrend, with support at \$390–\$420 and resistance at \$490–\$506. Volume is 31.1M (1-day) and 39.3M (1-month). Testing lower channel support, rebounds suggest potential recovery, while a break above resistance could resume the uptrend.



Common Technical Indicators

At 9th March 2026, The Microsoft technical indicating that Relative Strength Index (RSI) of MSFT over the 14-day period is 47.32, RSI is 47.3, (RSI below 30 is considered oversold and above 70 overbought). which suggests that the stock is a Neutral. The MACD is -12.7, MACD is below its Center Line, this is a bearish indicator. The stock is currently trading below its 50-day SMA (\$437.75) and 200-day SMA (\$484.56), indicating a sustained medium-to-long-term downtrend. Bollinger Bands upper band is \$488.68 and lower \$376.30, reflecting moderate volatility with price closer to the lower band, hinting at potential support. Overall, we suggest that the stock is a Buy.

Core Assumption

The Core Assumption of Microsoft's stock reflects the belief that markets discount everything, with strong fundamentals like 18–19% revenue growth to around \$78 billion–\$81 billion and robust cloud performance, especially Azure's 40% growth in early 2026. The EPS near \$17–\$18 in 2026 with price targets around \$600+, showing trend continuation, not randomness. The 33 analysts that cover Microsoft stock have a consensus rating of "Strong Buy" and an average price target above \$600, which forecasts a 47.51% increase in the stock price over the next year. The lowest target is \$392 and the highest is \$675.

Overall, Historical patterns of strong cloud and AI-driven earnings support the idea that history tends to repeat through investor responses to earnings beats and growth guidance.

Conclusion/Recommendation

Investment Recommendation

STRONG BUY Long-Term

Core Thesis Summary

The investment thesis of Microsoft Corporation is supported by its strong leadership in cloud computing, enterprise software, and artificial intelligence. In FY2025, the company generated \$281.7B revenue and \$101.8B net income. Microsoft Azure and Microsoft 365 continues to expand subscribers drive recurring revenue and long-term growth. In the short term, product innovation and enterprise demand support growth, while over the long term Microsoft's expanding cloud and AI ecosystem positions.

Key Risks:

- Regulatory Hurdles** – Increased antitrust scrutiny and data privacy regulations could affect operations.
- Competitive Threats** – Intense competition from other tech companies could reduce market share.
- Macroeconomic Challenges** – Factors like inflation, economic slowdowns, and supply chain disruptions may impact profitability.

Target Price & Potential Returns

Target Price: \$600.00 – \$630.00
Potential Upside: 47%–54%

Key Catalysts

- Updates in Microsoft Azure and Microsoft 365.
- AI monetization
- Progress in healthcare and AI research.
- Strategic deals to expand technology and market reach.

Key Financial Metrics

Revenue: 281.7 Billion USD
EBITDA Margin: 57.38%
Cash Balance: 94.6 Billion USD
Market Cap: 3.04 Trillion USD
P/E Ratio: 25.59
EPS: 15.98 USD

Company Snapshot

Ticker: MSFT
Current Price: 408.96 USD

Stock Type

Asset Class: Growth
Size: Large Cap
Dividend: Yes

Sources:

Company Filings

- Microsoft Corporation Form 10-K (Latest Annual Report), U.S. Securities and Exchange Commission (SEC)
- Microsoft Corp. Form 10-Q (Most Recent Quarterly Filing), SEC
- Microsoft Corp. Earnings Press Releases & Investor Presentation
- Microsoft website : <https://www.microsoft.com/>

Financial Data & Market Information

- Bloomberg Terminal
- Yahoo Finance and Stock analysis – Microsoft Corporation (MSFT)
- Nasdaq.com – Microsoft Corp. Historical Price & Valuation Data
- MacroTrends – Historical Revenue & Financial Metrics
- Koyfin / Seeking Alpha – Financial Ratio Data

Industry & Competitive Landscape

- IBISWorld – Software & IT Services Industry Reports
- Gartner Research – Cloud & Enterprise Software Analysis
- Statista – IT & Cloud Market Growth Projections
- Company Filings of Peer Firms (Oracle, ServiceNow, Adobe)

Macroeconomic Data

- U.S. Bureau of Economic Analysis (BEA)
- Federal Reserve Economic Data (FRED)
- U.S. Bureau of Labor Statistics (BLS)

ESG & Governance

- Microsoft Corporation Global Sustainability & Governance Reports
- SEC Proxy Filings (DEF 14A)