Microsoft beats Wall Street expectations in fiscal Q2 2018 (ending 31 December 2017), with profits worth $8.7 billion-- a 10% Y-o-Y increase-- from revenues growing by 12% Y-o-Y to $28.9 billion.



The company attributes good part to such results to the Productivity and Business Processes segment covering Office, Office 365 and the LinkedIn social network. The segment shows revenue growth of 25% Y-o-Y, while Office 365 subscribers total 29.2m. Also driving Microsoft growth are Azure cloud and Windows server server, since Intelligent Cloud revenues are up by 15% Y-o-Y, with Azure revenue growth reaching 98% Y-o-Y.

Personal Computing growth is far more modest at 2% Y-o-Y, with Windows OEM revenue increasing by 4% Y-o-Y driven by OEM Pro revenue growth of 11% Y-o-Y, while commercial products and cloud services revenues dropped by -4% Y-o-Y. Surface product revenues are up by just 1% Y-o-Y, while gaming revenues show 8% Y-o-Y growth thanks to the Xbox One X launch.

“This quarter’s results speak to the differentiated value we are delivering to customers across our productivity solutions and as the hybrid cloud provider of choice,” CEO Satya Nadella says. “Our investments in IoT, data, and AI services across cloud and the edge position us to further accelerate growth.”

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