Microsoft (MSFT) develops, manufactures, licenses, sells, and supports software products. The Company offers operating system software, server application software, business and consumer applications software, software development tools, and Internet and intranet software. Microsoft also develops video game consoles and digital music entertainment devices.

Microsoft is omnipresent. Its Windows operating system and Office suite of productivity software dominate their markets. The company’s cloud computing platform, Azure, is one of the leaders in that burgeoning market. Customers range from individuals and small businesses to the world’s biggest companies and government agencies. Microsoft makes tablets (Surface), game consoles (Xbox), and even laptop computers (introduced in 2015), and it also owns Skype, the video meeting service. And in 2016, Microsoft added LinkedIn, the business-oriented social network, to its portfolio in a $26 billion deal. Microsoft’s software is included in most personal computers including those from Dell Technologies, HP Inc., and Lenovo.

Microsoft is positioned to continue its dominance in cloud computing, IaaS, and the overall technology space, making it an attractive investment with plenty of upside potential.

Date | 03/15/2018
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Current Price | $93.85 (close yest.)
Market Cap | $722.63 B
Beta | 1.21
Sector/Industry | Software Infrastructure
Target Price | $107-110 (avg)
P/E | 27.14 (current)

Rationale
- Extraordinary growth and dominance in IaaS
- Diversified product portfolio with several being industry standards (Office, Windows, etc)
- Proven staple in innovation since inception - working to continue that trend

Risks
- Significant competition in major area of business
- Success will mostly be determined by growth in cloud infrastructure
- Trading higher than competitors - begs question of overvaluation

IaaS Revenue as a % Total Revenue