Microsoft Fiscal Q1 2027: CPU and GPU Investment Expands as Third-Party Capacity Is Delayed

Published: 29 October 2026 | Author: David Daoud

Microsoft · Cloud software and infrastructure · Fiscal Q1 FY2027, July 1-September 30, 2026 · Results released October 28, 2026 · Compared with fiscal Q1 FY2026 (July-September 2025) and the June 30, 2026 balance sheet

1. Operational summary

Microsoft’s infrastructure runs across owned datacenters, leased facilities, leased servers and network equipment, and GPU capacity bought from third parties as a service. CFO Amy Hood said roughly three-quarters of the quarter’s capital expenditures went to what Microsoft classifies as short-lived assets, primarily CPUs and GPUs, a description of investment type rather than retirement speed, and that some third-party GPU-as-a-service contracts have been delayed to January-June 2027. For ITAD executives, the useful finding is to qualify ownership and lease-return obligations across this ecosystem, and to treat utilization gains and component-price pressure as customer questions, not forecasts of retired equipment.

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