

Microsoft Bitcoin Strategy

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Note: This presentation was presented by Michael Saylor at Microsoft's shareholder meeting in December 2024. The views expressed are Michael's own and may not necessarily reflect the views of MicroStrategy Incorporated. This document does not constitute an offering of any financial instrument or legal, tax, financial, investment or other advice or recommendation.











Microsoft can't afford to miss the next Technology Wave

1. Personal Computing
2. Graphical User Interface
3. Internet
4. Mobile Computing
5. Cloud Computing
6. Artificial Intelligence
7. **Digital Capital**



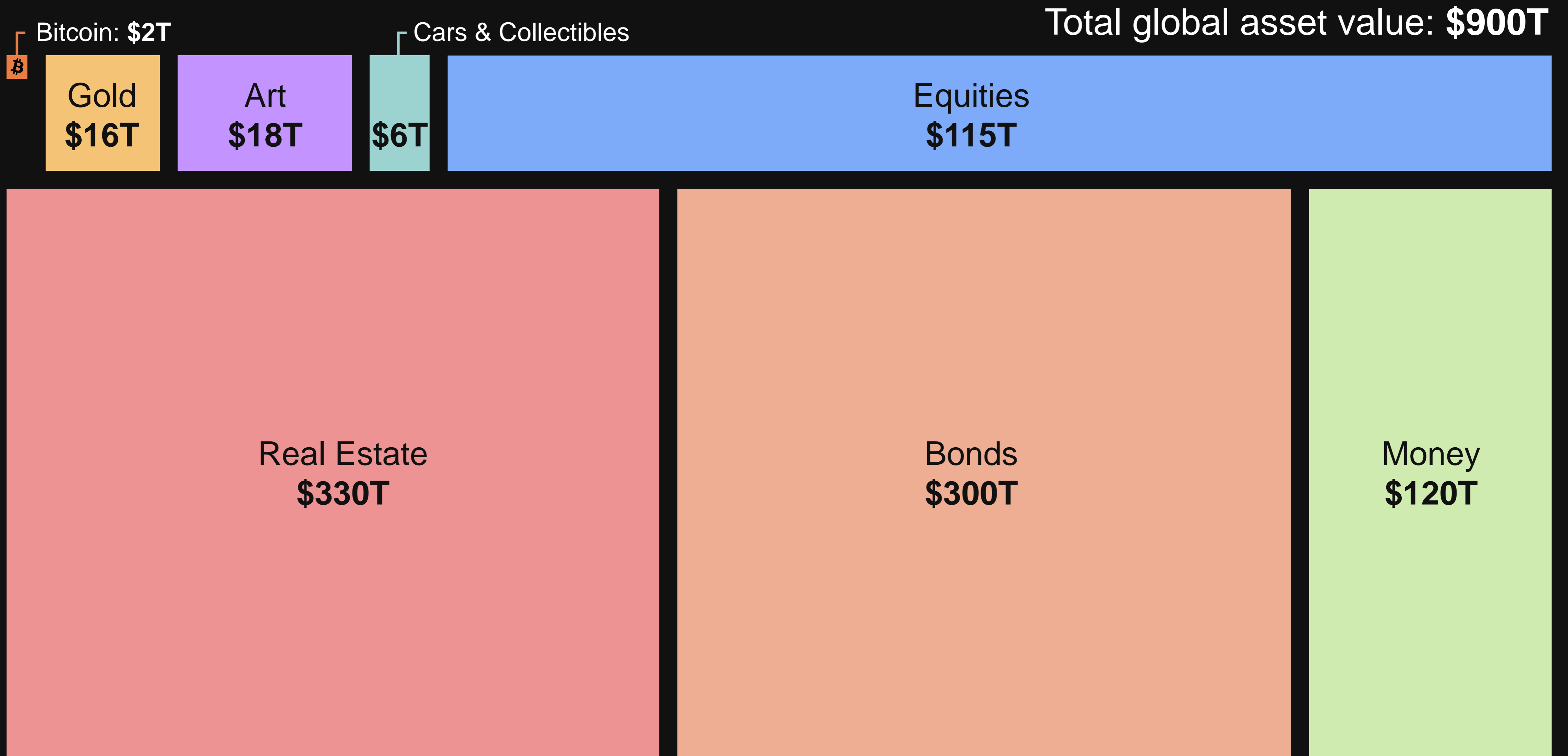
Bitcoin is the Next Wave \$2 Trillion Force

The 7th Largest Asset:
Fastest Growing
Most Popular
Most Interesting
Most Digital
Most Useful
Most Global

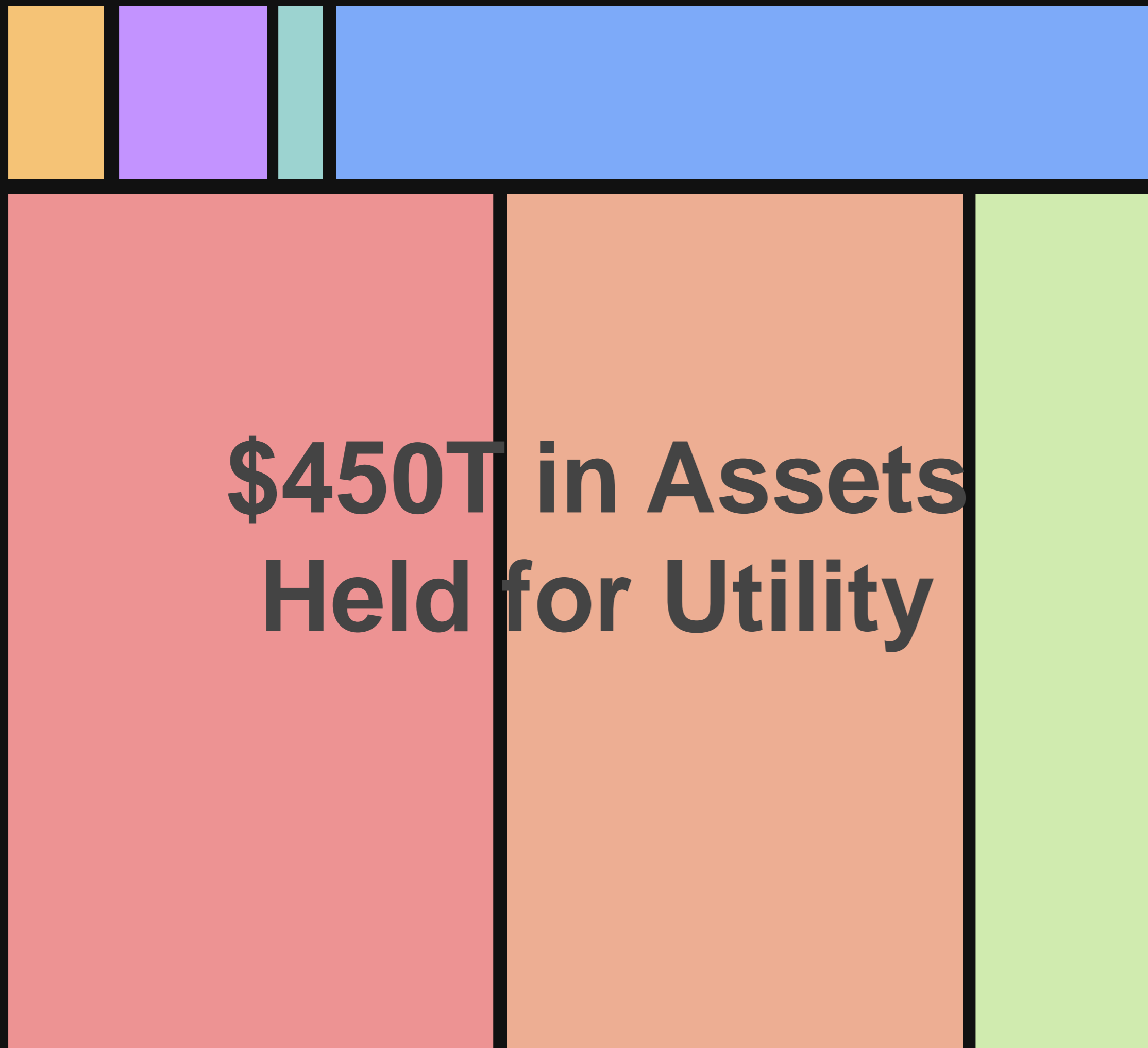
Rank	Name	Market Cap	
1	 Gold GOLD	\$18.253 T	
2	 NVIDIA NVDA	\$3.476 T	
3	 Apple AAPL	\$3.474 T	
4	 Microsoft MSFT	\$3.100 T	18% ARR
5	 Amazon AMZN	\$2.072 T	
6	 Alphabet (Google) GOOG	\$2.028 T	
7	 Bitcoin BTC	\$1.935 T	62% ARR
8	 Saudi Aramco 2222.SR	\$1.802 T	
9	 Silver SILVER	\$1.767 T	
10	 Meta Platforms (Facebook) META	\$1.411 T	

**The greatest digital transformation
of the 21st century is the
transformation of capital, and
Bitcoin is Digital Capital.**

Global wealth is distributed across a variety of assets.



These assets (a) provide utility and (b) preserve capital.



**\$450T is
Long Term Capital
(Store of Value)**

Risk Factors: Destroy \$10+ Trillion in Capital per Year

Regulation, taxation, competition, obsolescence, economic & political chaos, and crime dilute capital.

General Taxes

Property Taxes

Capital Gains

Income Tax

VAT/Sales

Price Control

Transfers

Accident

Insurance

Regulation

Competition

Currency

Recession

Expropriation

War & Crime

Politics

Tenants

Discrimination

Weather

Catastrophe

Obsolescence

Incompetence

Torts

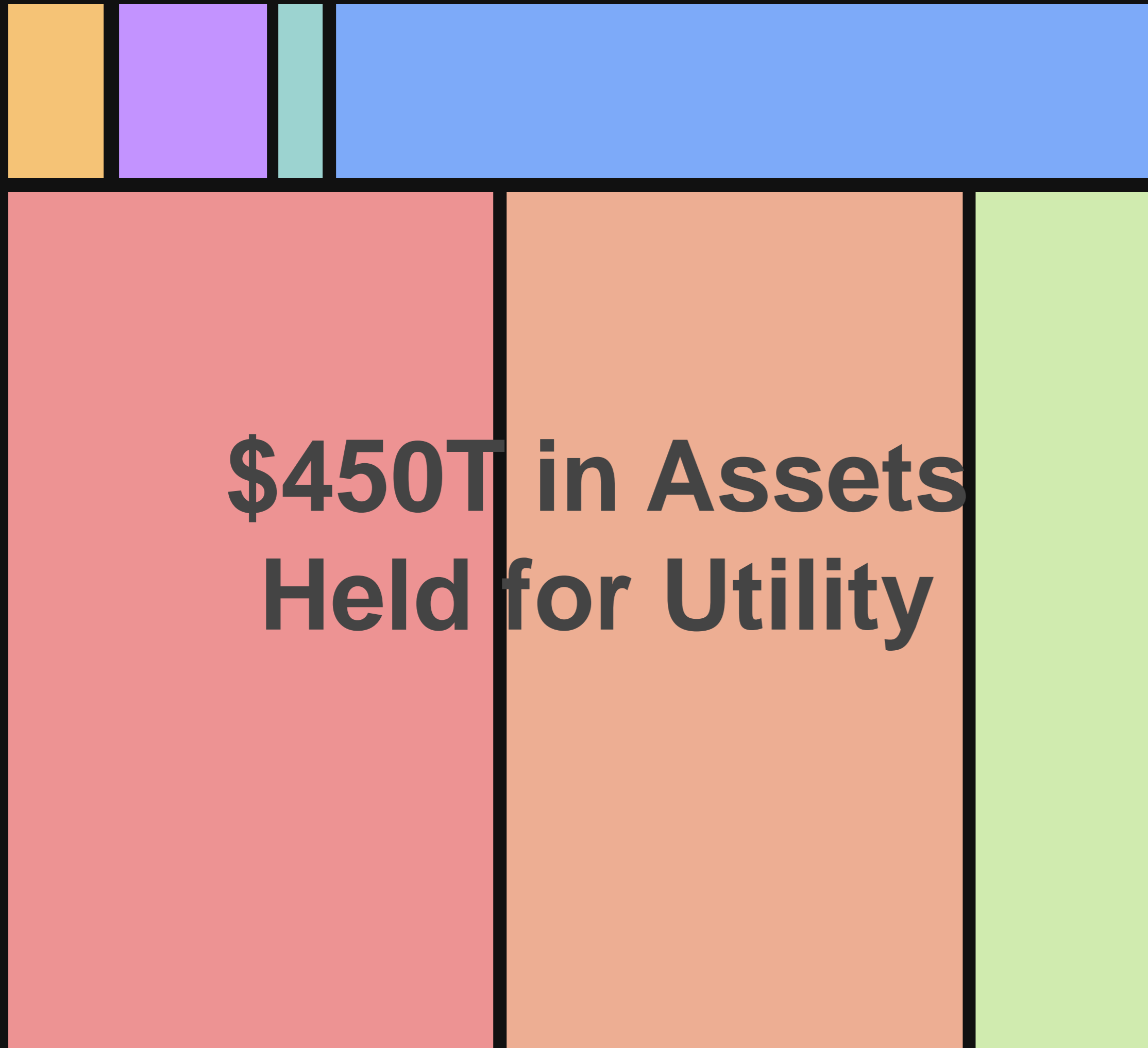
Energy

Storage

Traffic

Culture Shock

Long term capital is transforming into digital capital.



Digital Capital is Economically & Technically Superior

Bitcoin offers the benefits of owning a building, without the liabilities of a conspicuous, immobile asset.

No Tax

No Traffic

No Tenants

No Torts

No Trouble

No Mayor

No Weather

No Corrosion

No Regulator



Invisible

Indestructible

Immortal

Teleportable

Programmable

Divisible

Volatile

Fungible

Configurable

Bitcoin is a Revolutionary Advance in Capital Preservation

Consumption Assets



Traditional Capital Assets



Digital Capital



Consumption

Saving

1
Years

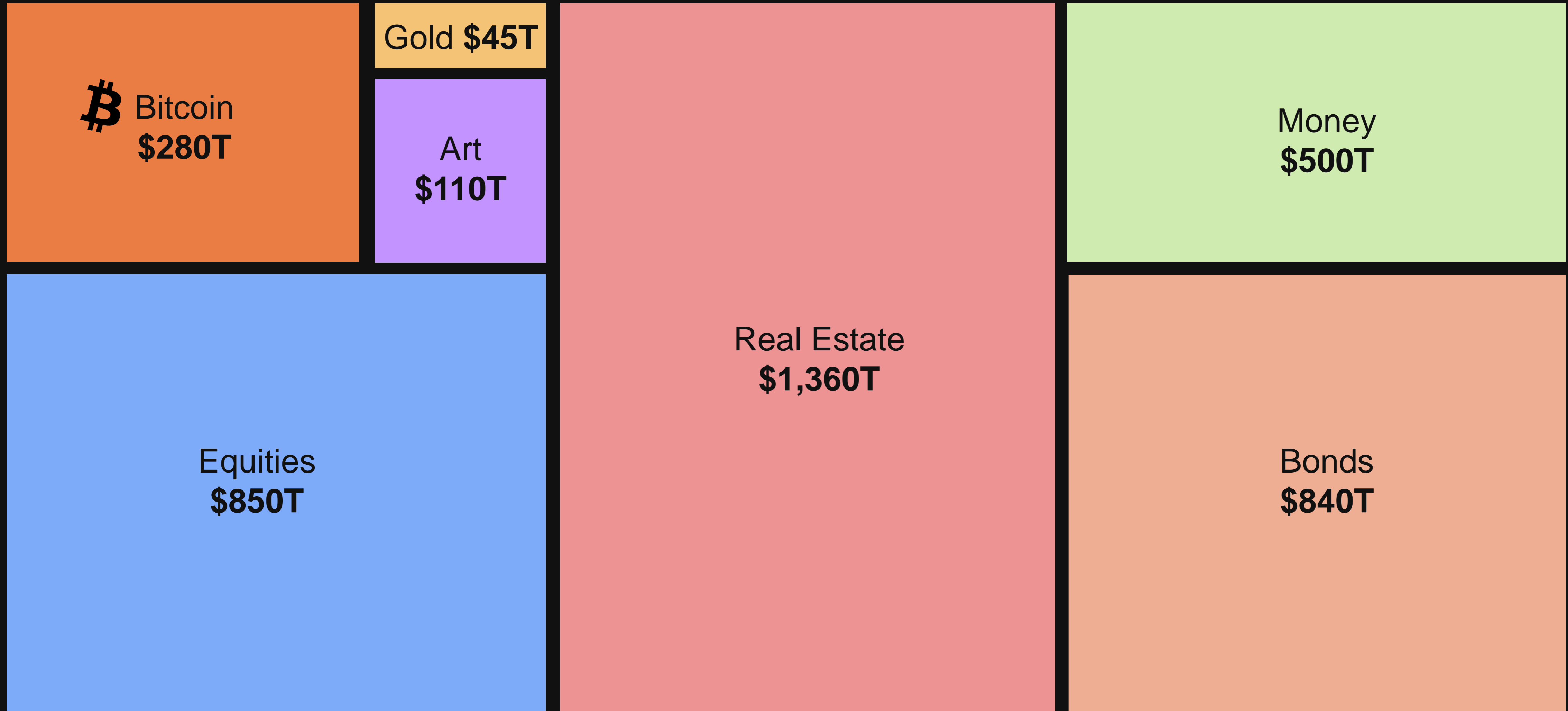
10
Years

100
Years

1,000
Years

Bitcoin Growth: \$2 Trillion to \$200+ Trillion in 21 Years

2045 Total global asset value: \$4,000T



Bitcoin: Secured by Digital, Political, & Economic Power

**750
Exahash**

**\$850B
Invested**



**20
Gigawatts**

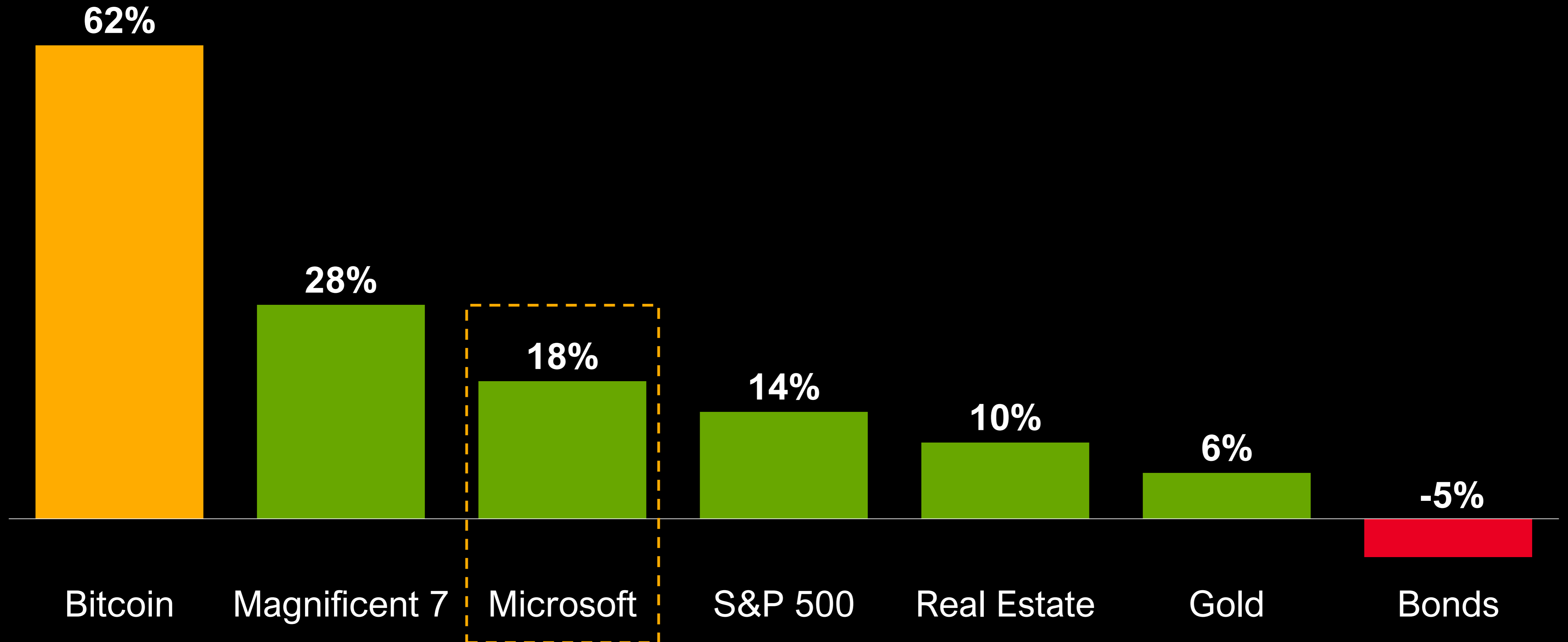
**622m
Crypto
Users**

400m BTC Holders

**Microsoft should be powered by
Digital Capital.**

Bitcoin is the highest performing uncorrelated asset that a corporation can hold on its balance sheet.

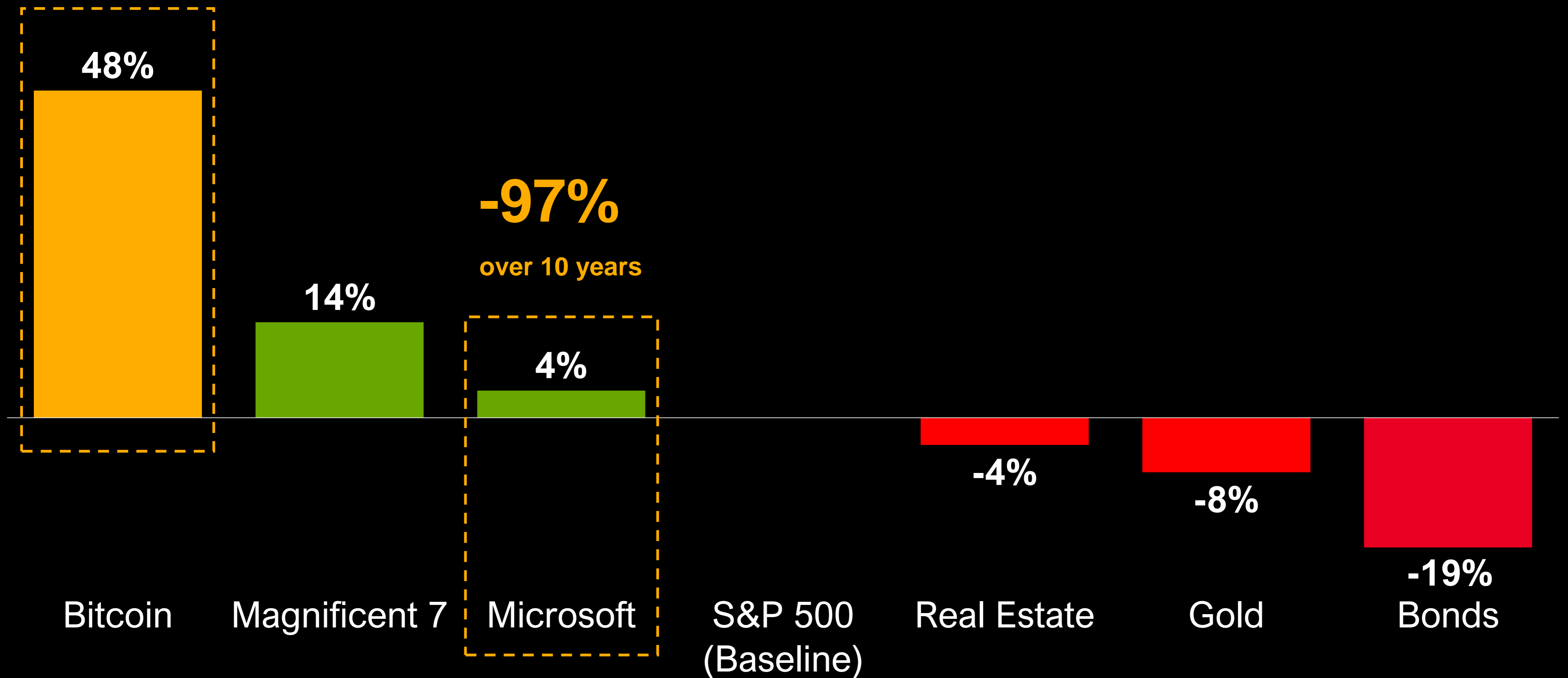
Annualized Asset Performance Chart Over Four Years



Performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of November 27, 2024.

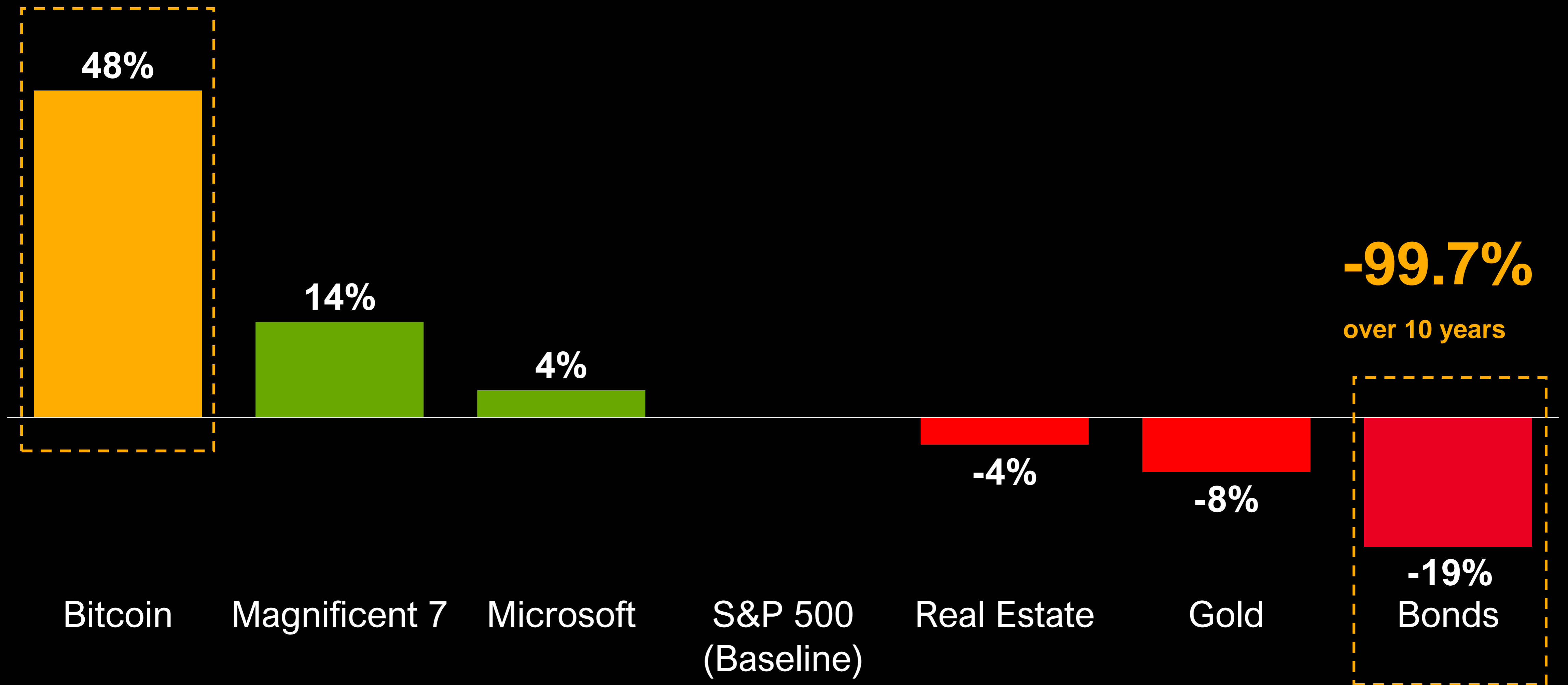
Bitcoin is Outperforming Microsoft by 10X Annually



Performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of November 27, 2024.

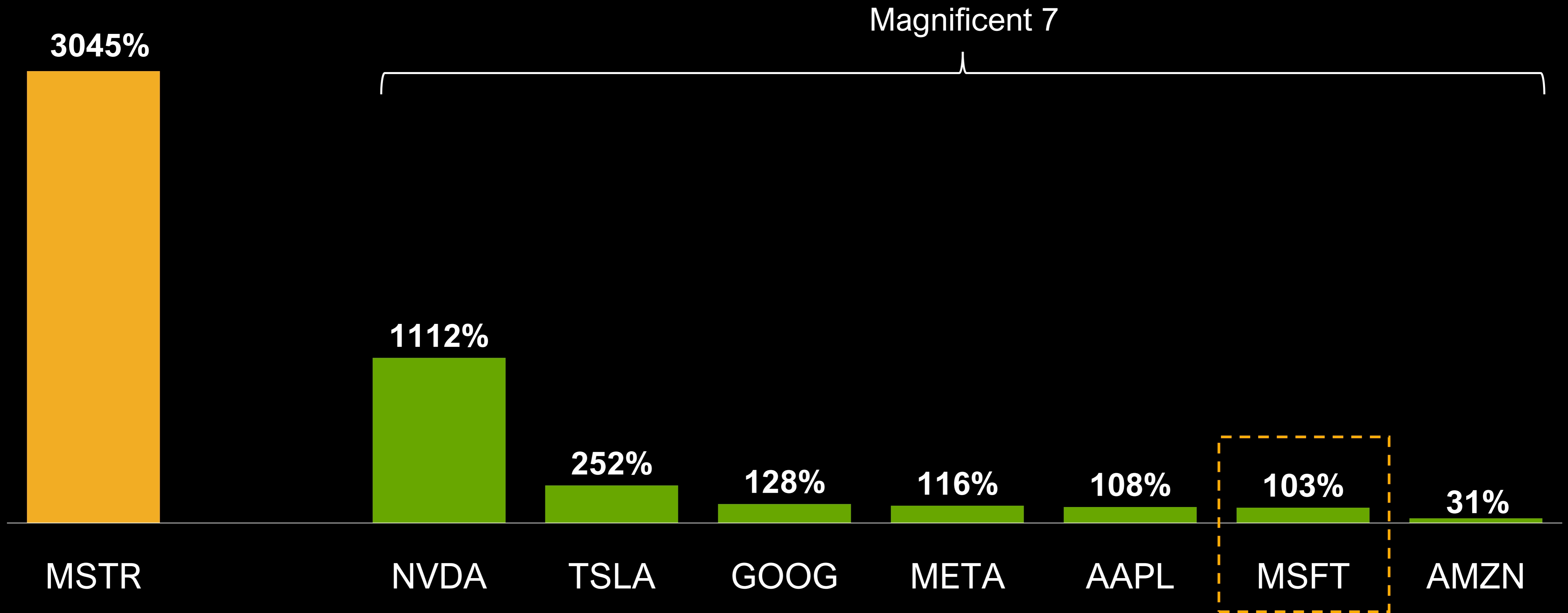
Bitcoin is Vital. Bonds are Toxic.



Performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of November 27, 2024.

Superior Performance Requires Bitcoin (Digital Capital)



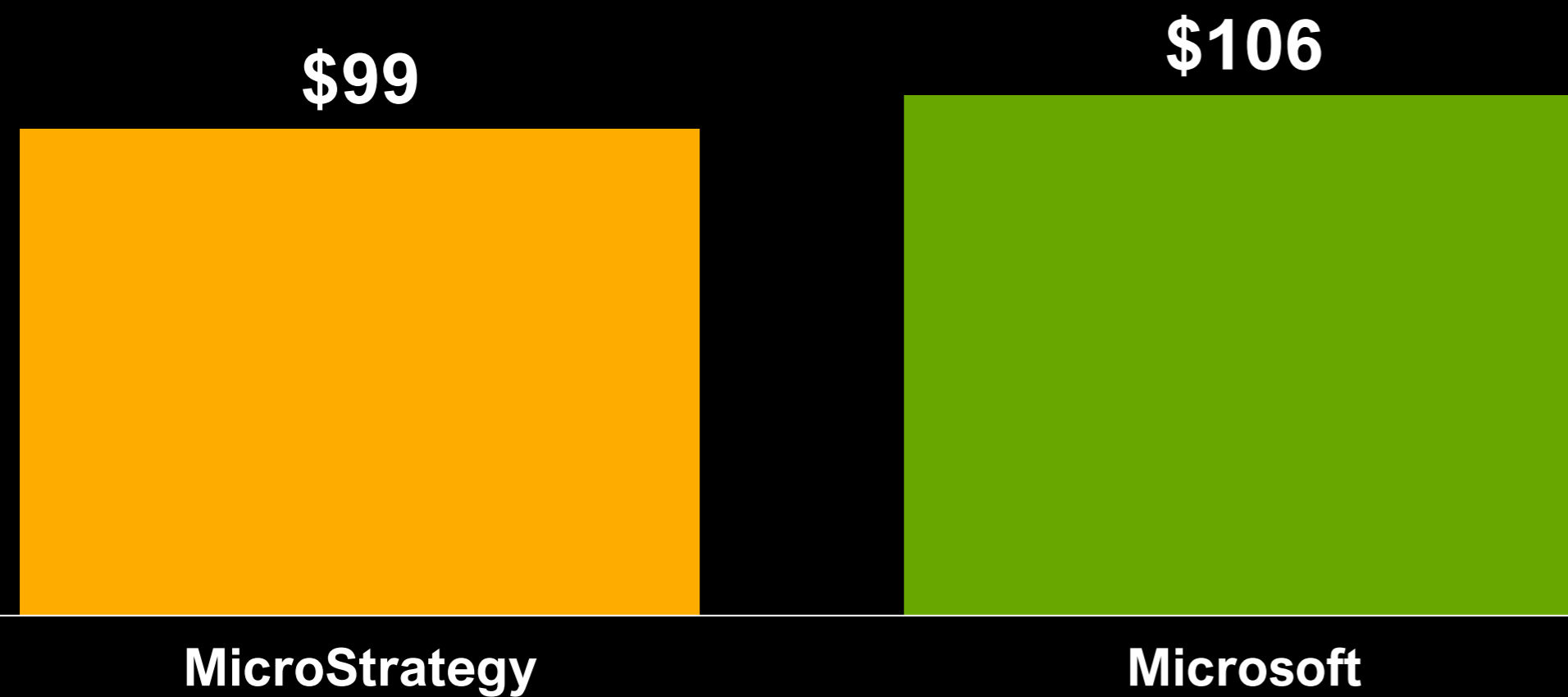
Stock performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of 4:00pm Eastern Time on November 27, 2024.

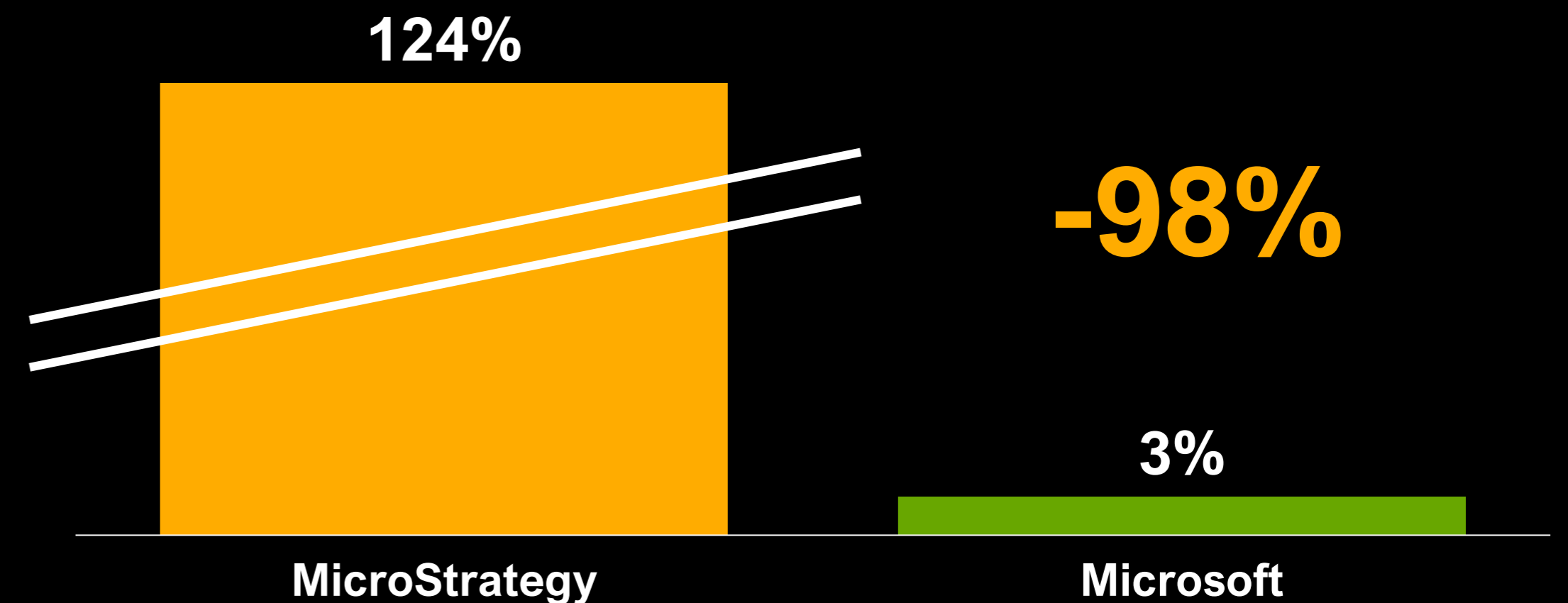
MSFT Equity & Options are Anemic & Deteriorating

Microsoft is destroying its options market and crippling its equity as a store of value with its treasury strategy.

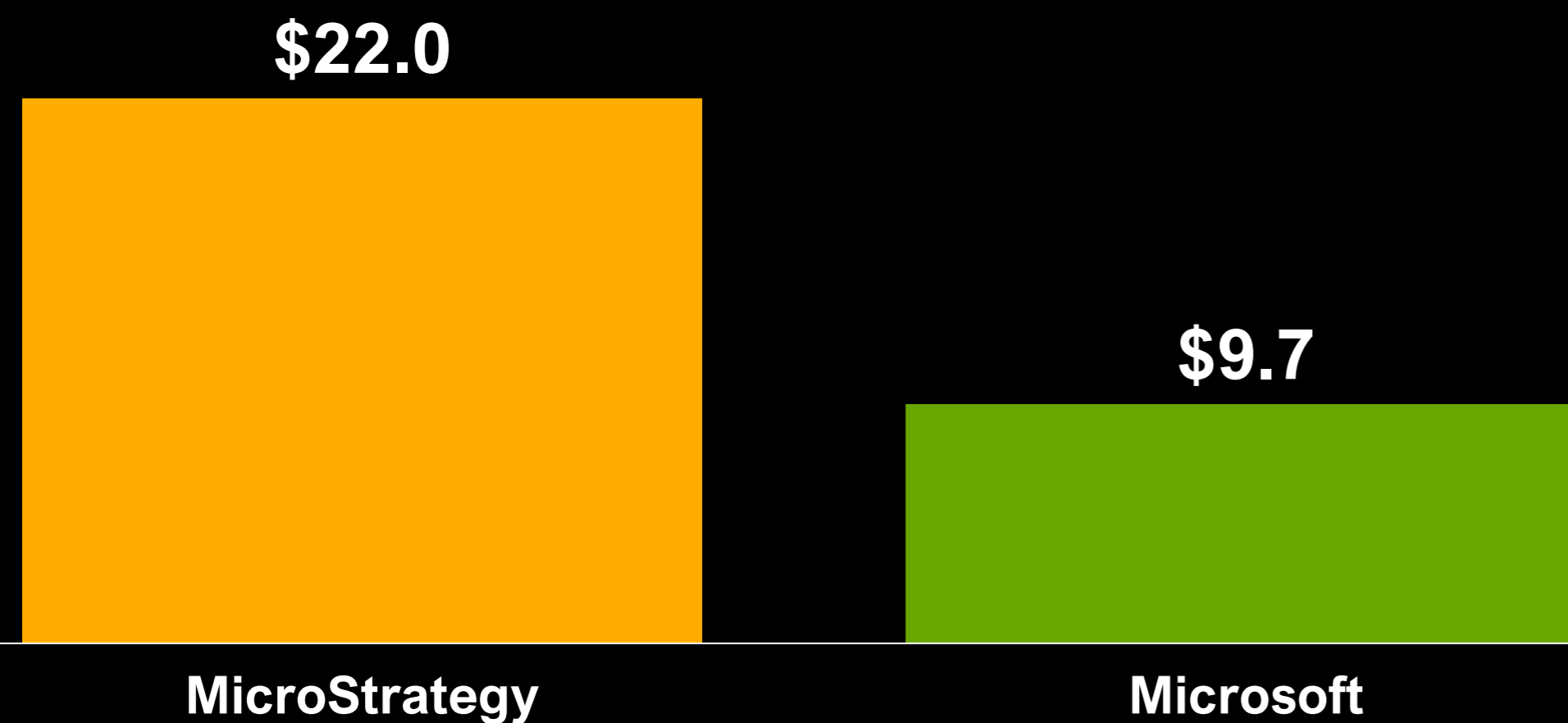
Options Open Interest (\$B)



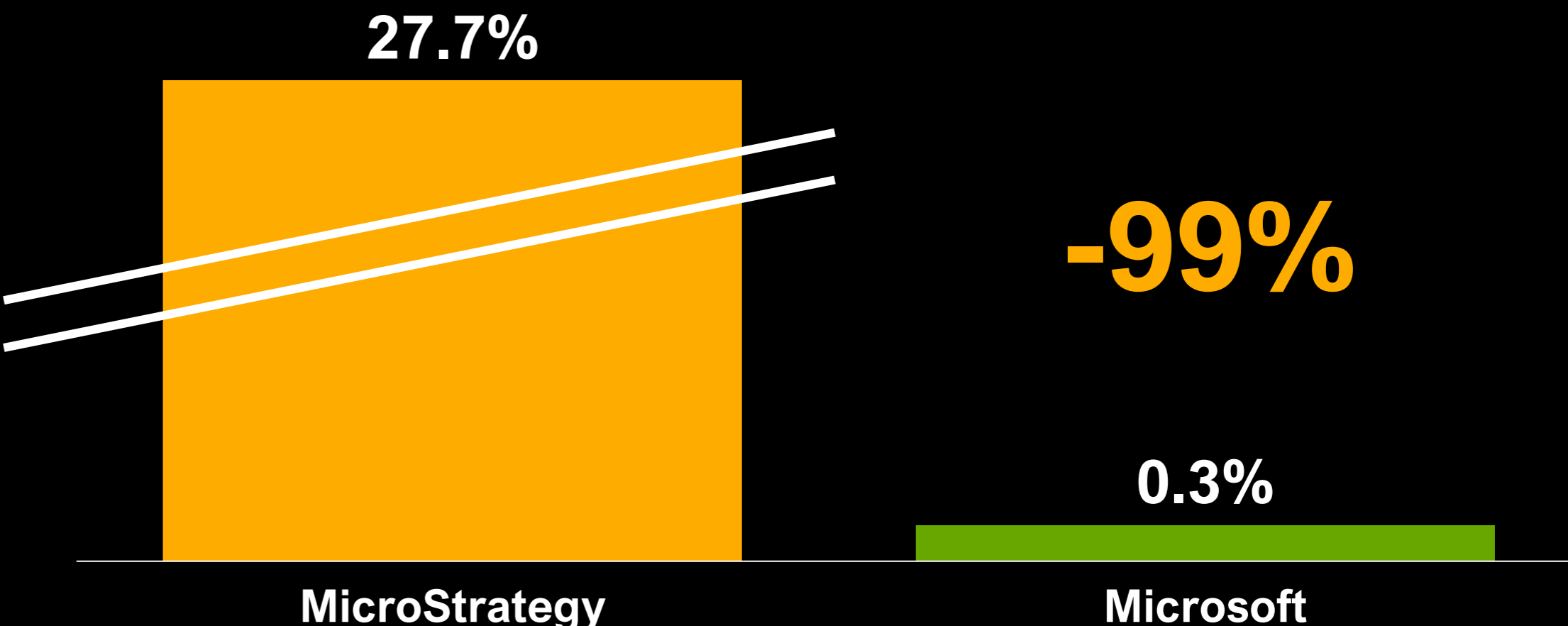
Options Open Interest (\$B) as % of Market Cap



Daily Traded Volume (\$B) ⁽¹⁾



Daily Traded Volume⁽¹⁾ as % of Market Cap



Source: FactSet as of November 27, 2024. (1) Average trading volume over last 5 trading days.

In 2024, Bitcoin has emerged as an institutional asset and is now a viable alternative to bonds for public corporations.

The Number of Public Entities Holding Bitcoin is Surging

Category	# of Entities	# of BTC	Value (\$B)	%
ETFs	40+	₿1,200,000	\$124B	6.3%
Countries	10	₿530,000	\$53B	2.7%
Private Companies	10+	₿360,000	\$36B	1.8%
Public Companies (Ex-Miners)	40+	₿440,000	\$44B	2.2%
Mining Companies	15+	₿70,000	\$7B	0.4%
Total	115+	₿2,640,000	\$264B	13.3%

Source: <https://bitcointreasuries.com/> and HODL15Capital as of November 27, 2024.

The Wave of Political Support for Bitcoin is Surging

White House supports Bitcoin

Senate supports Bitcoin

House supports Bitcoin

Wall Street supports Bitcoin

Donald Trump, JD Vance, RFK

Jr., Howard Lutnick, Scott

Bessent, Vivek Ramaswamy,

Michael Waltz, and Elon Musk

support Bitcoin



Support for the US Strategic Bitcoin Reserve is Surging



Wall Street Support for Bitcoin is Surging



President Donald J. Trump - “Never Sell Your Bitcoin”



Welcome to Year 1 of The Crypto Renaissance

In 2025 Expect:

Wall Street Adoption of ETFs
FASB Fair Value Accounting
Bitcoin President & Cabinet
250+ Pro Crypto in Congress
Bitcoin Strategic Reserve Bill
Repeal of SAB 121
End to the War on Crypto
Digital Assets Framework
Bitcoin Standard Companies



Microsoft has a choice to make.

Choice 1: Cling to the Past

Conventional financial strategy based on treasury bonds, buybacks, and dividends

Vs.

Choice 2: Embrace the Future

Innovative financial strategy based on Bitcoin as a digital capital asset

Choice 1: Regression

Divest \$100 billion yearly, increase investor risk, and slow growth

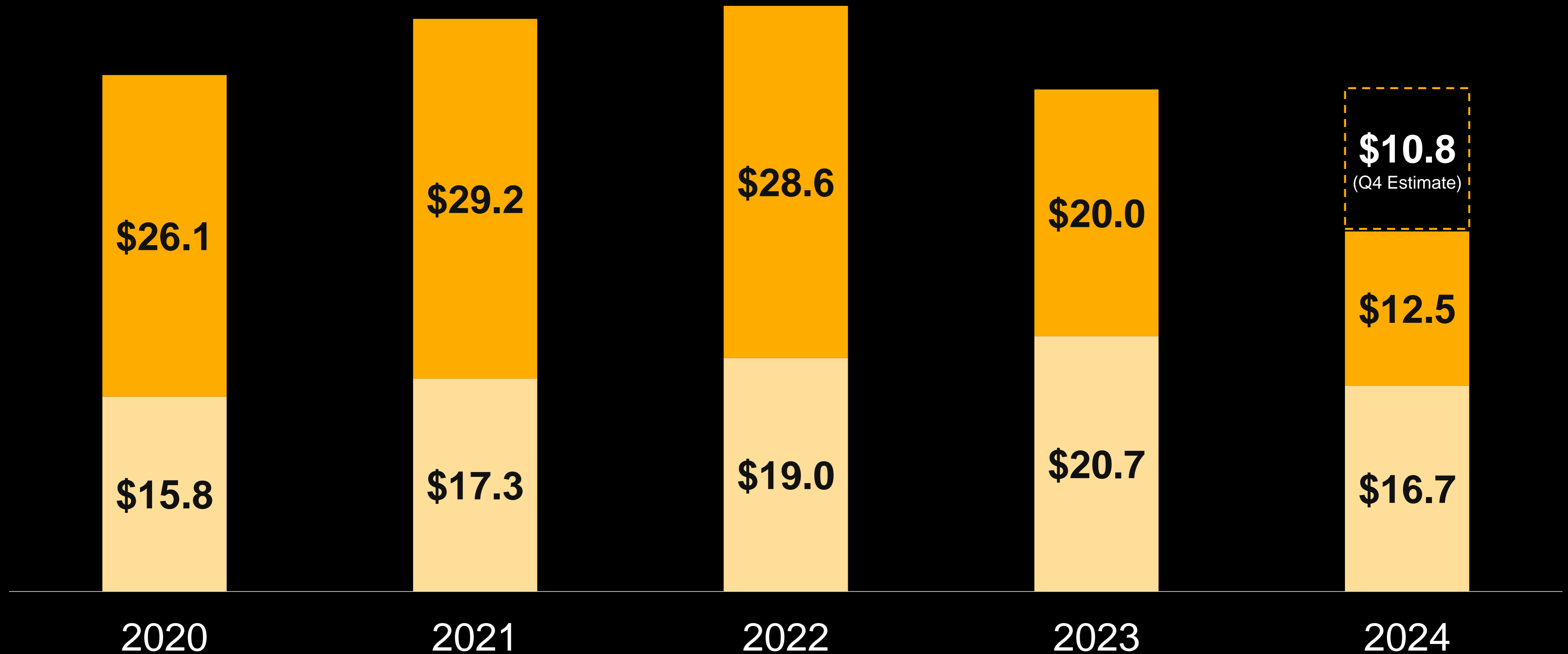
Vs.

Choice 2: Progression

Invest \$100 billion yearly, decrease investor risk, and accelerate growth

MSFT has Surrendered \$200B in Capital in 5 Years

■ Dividends (\$ billion) ■ Buybacks (\$ billion)

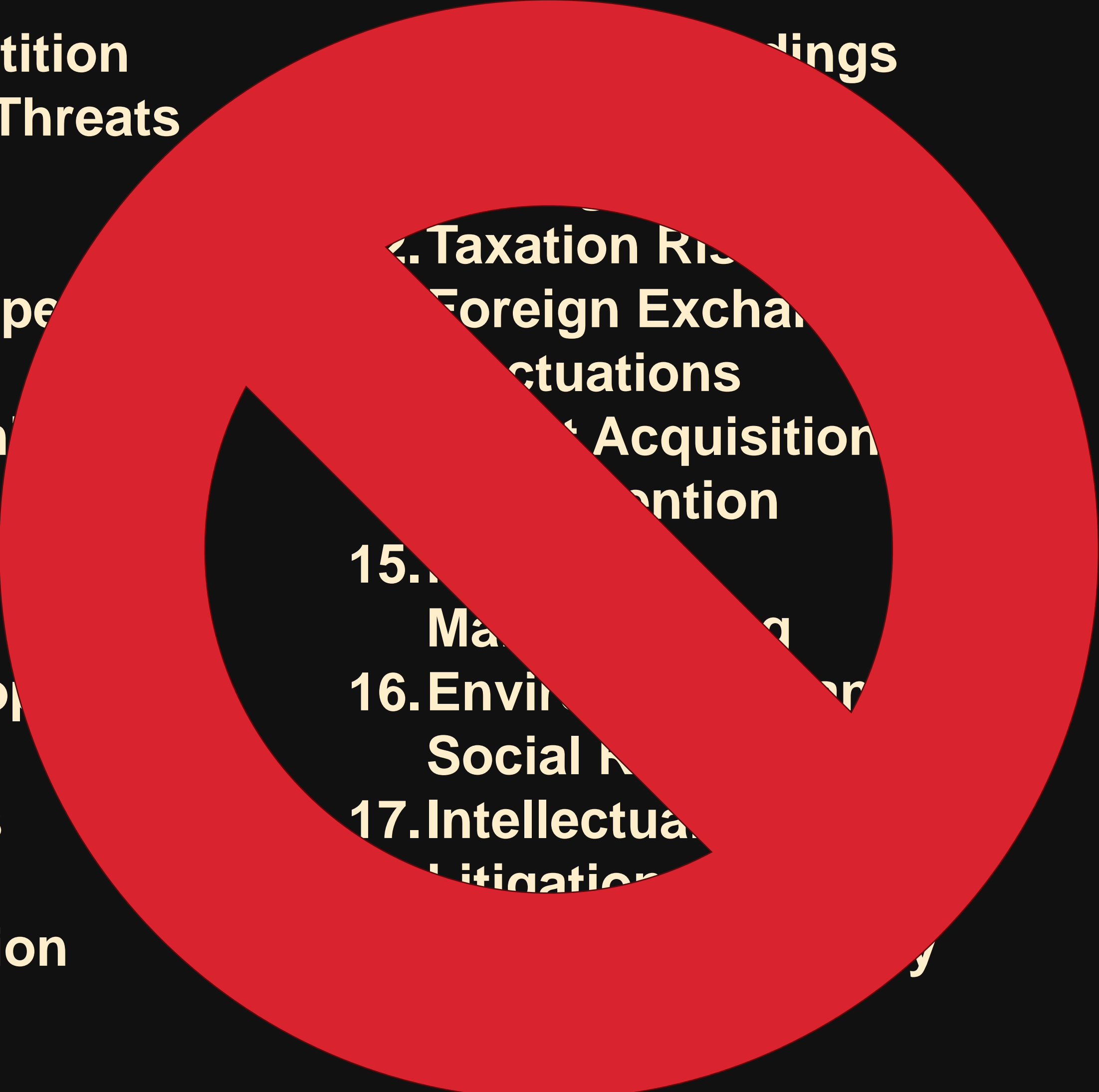


Buybacks & Dividends Amplify Microsoft's Risk Factors

1. Intense Competition
2. Cybersecurity Threats
3. Regulatory Compliance
4. Intellectual Property Rights
5. Global Economic Conditions
6. Supply Chain Disruptions
7. Product Development and Innovation
8. Cloud Services Adoption
9. Market Saturation
10. Legal Proceedings
11. Acquisitions and Strategic Alliances
12. Taxation Risks
13. Foreign Exchange Fluctuations
14. Talent Acquisition and Retention
15. Hardware Manufacturing
16. Environmental and Social Responsibility
17. Intellectual Property Litigation
18. Intellectual Property Licensing
19. Economic Sanctions and Trade Restrictions
20. Natural Disasters and Catastrophic Events
21. Technological Changes
22. Customer Preferences
23. Third-Party Service Providers
24. Data Privacy
25. Reputation Management

Bitcoin is the Best Way to Escape this Vicious Cycle

Bitcoin is a Commodity, not a Company

- 
1. Intense Competition
 2. Cybersecurity Threats
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 4. Intellectual Property Rights
 5. Global Economic Conditions
 6. Supply Chain Disruptions
 7. Product Development and Innovation
 8. Cloud Services Adoption
 9. Market Saturation
 10. Taxation Risks
 11. Foreign Exchange Fluctuations
 12. Mergers and Acquisitions
 13. Market Volatility
 14. Environmental Impact
 15. Marketing Expenses
 16. Environmental, Social and Governance (ESG) Concerns
 17. Intellectual Property Litigation
 18. Geopolitical Tensions
 19. Economic Sanctions and Trade Restrictions
 20. Natural Disasters and Catastrophic Events
 21. Technological Changes
 22. Customer Preferences
 23. Third-Party Service Providers
 24. Data Privacy
 25. Reputation Management

**Bitcoin is an asset without
counterparty risk from
competitors, countries,
corporations, creditors, cultures,
or currencies.**

What if you could buy a **\$100 billion company** growing at **60%** per year at **1x Revenue**?

What if this company was **more profitable** than your own?

What if you could easily **keep**
doing this every year, forever?

Bitcoin is the **universal, perpetual,**
profitable merger partner.

Evaluating Microsoft's Strategic Bitcoin Options

The Bitcoin24 Model is an Open-Source Macro Model

Create a
customized
Bitcoin
corporate
forecast with
Bitcoin24.



Michael Saylor ⚡ 🔒 @saylor · Aug 30

Bitcoin24 is an open-source macro model forecasting asset growth and [#Bitcoin](#) adoption over the next 21 years, along with micro models to evaluate various Bitcoin strategies for individuals, corporations, institutions, and nation-states.



From github.com

338

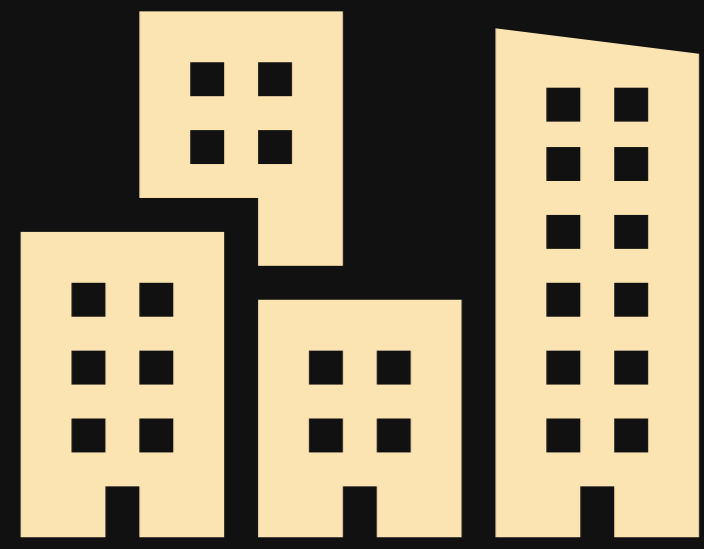
1.1K

5.2K

455K



Microsoft Business Assumptions



- \$3.0T Enterprise Value (~26x EV/EBIT)
- \$27B net cash on the balance sheet
- \$70B cash flow growing at 10% ARR
- 30% of cash flow given as dividends
- 40% of cash flow used for buybacks

2024 Share Price = \$420 / share

BTC Base Case = 30% ARR

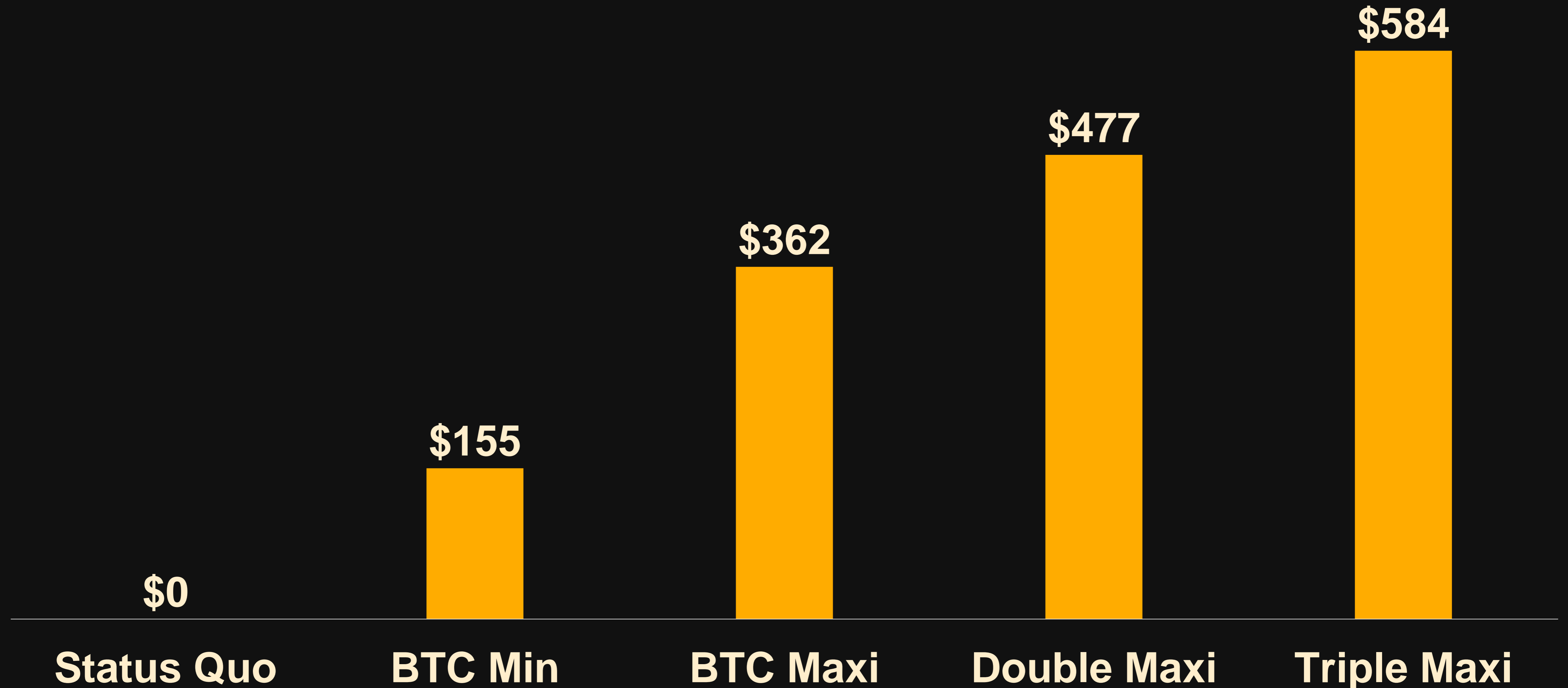
Bitcoin Treasury Strategy

Microsoft's capital structure strengthens as it accelerates the conversion of USD cashflows to BTC.

	Status Quo	BTC Min	BTC Maxi	Double Maxi	Triple Maxi
Treasury -> BTC		✓	✓	✓	✓
Cashflows -> BTC		✓	✓	✓	✓
Dividends -> BTC			✓	✓	✓
Buybacks -> BTC				✓	✓
Debt -> BTC					✓

MSFT Share Price Increase from Bitcoin Strategy

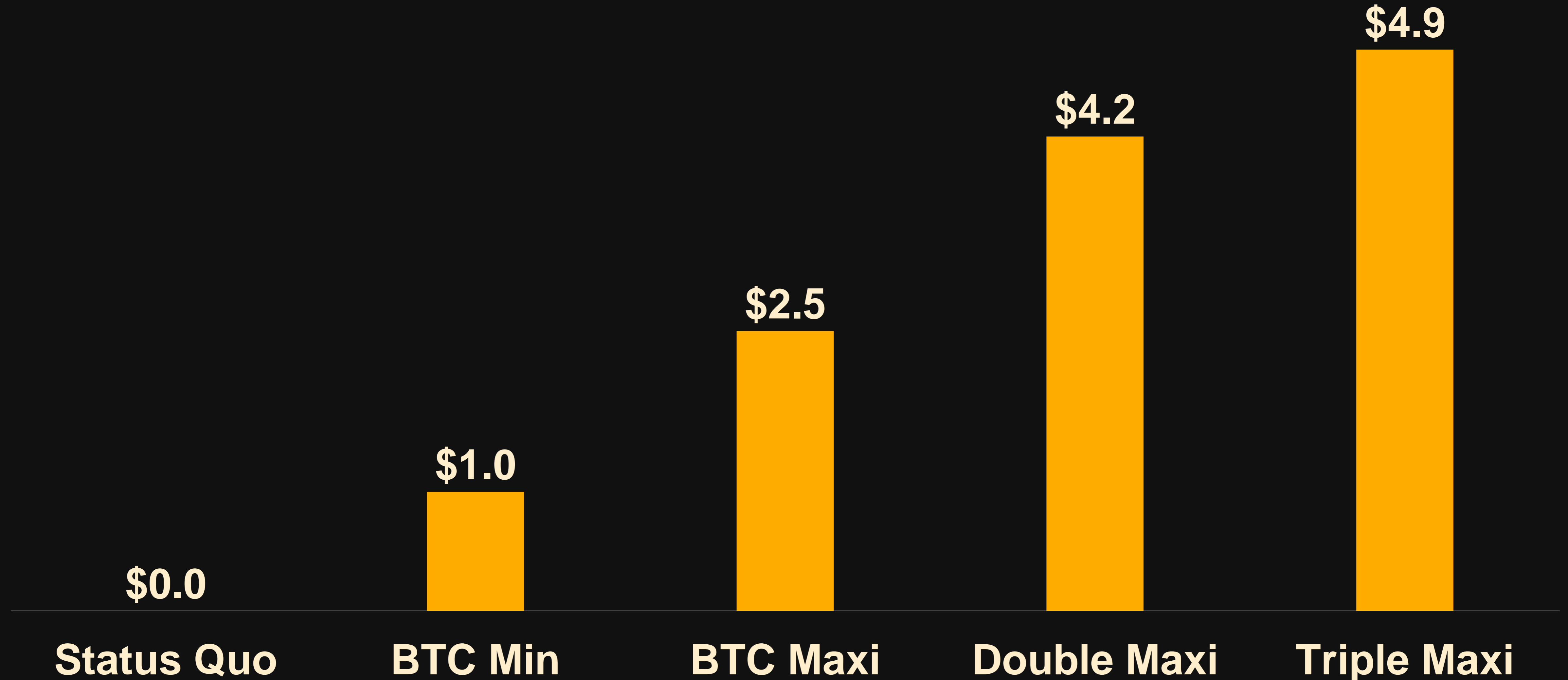
Bitcoin has the potential to contribute \$155 to \$584 per share while reducing shareholder risk.



Estimates based on Bitcoin24 Model base case as of EOY 2034.

MSFT Market Cap (\$T) Increase from Bitcoin Strategy

Microsoft can create between \$1 trillion and \$4.9 trillion in shareholder value via Bitcoin.

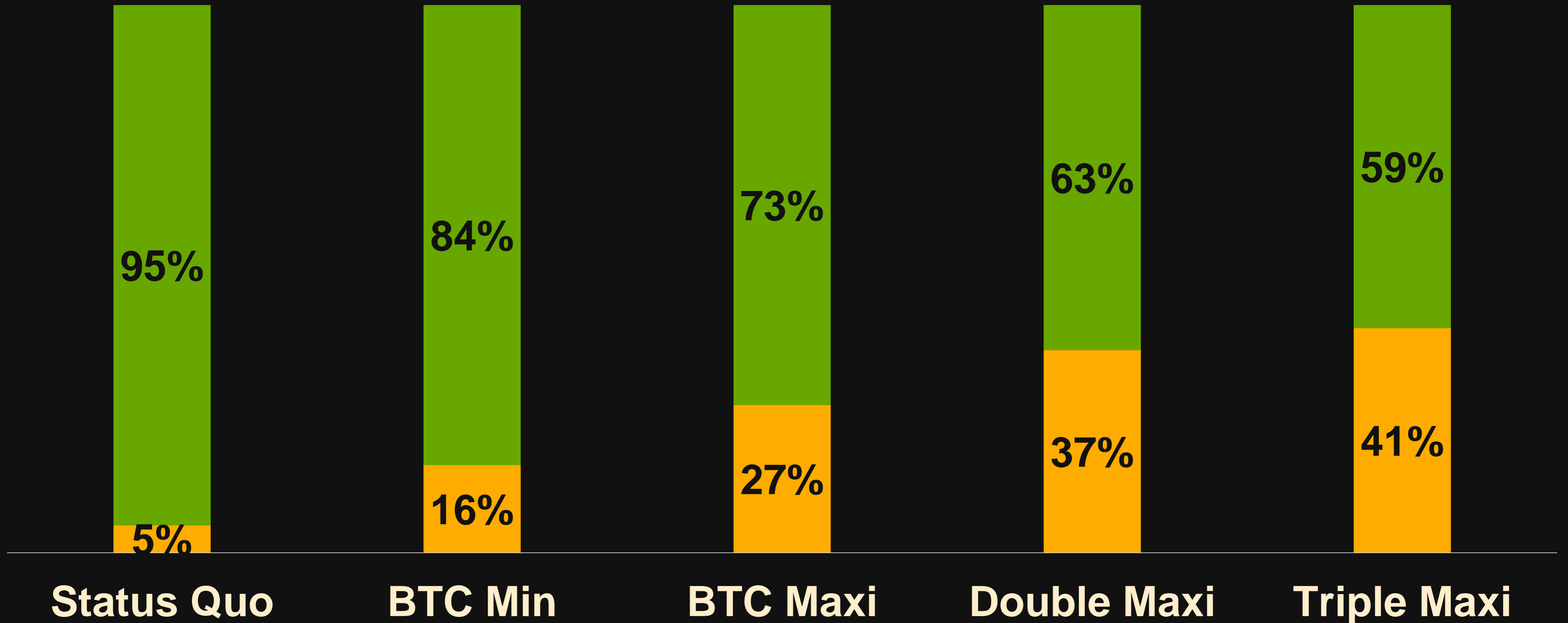


Estimates based on Bitcoin24 Model base case as of EOY 2034.

Bitcoin Decreases Microsoft Enterprise Value at Risk

Microsoft is currently levered to forward earnings expectations to an extremely unhealthy degree.

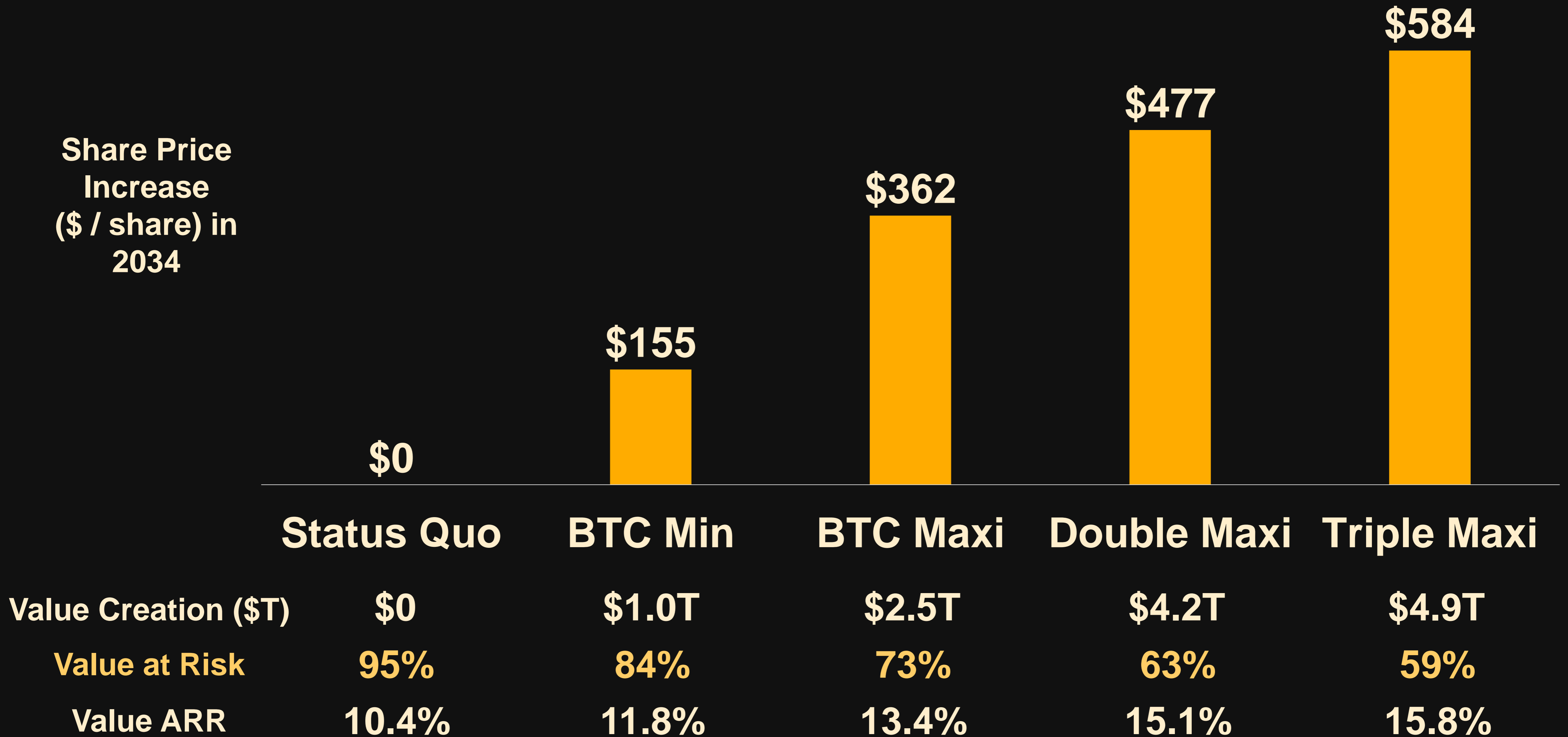
■ % Assets ■ % Expectations



Estimates based on Bitcoin24 Model base case as of EOY 2034.

Microsoft Prospers on the Bitcoin Standard

Share Price Increase
(\$ / share) in
2034



Estimates based on Bitcoin24 Model base case as of EOY 2034.

Do the **right thing** for your
customers, employees,
shareholders, the country, the
world, and your legacy.

Adopt Bitcoin