

INTERNATIONAL BUSINESS MACHINES CORPORATION (NYSE:IBM)

COMPANY INFORMATION

International Business Machines Corporation operates as an integrated solutions and services company worldwide. Its Cloud & Cognitive Software segment offers software for vertical and domain-specific solutions in health, financial services, and Internet of Things (IoT), weather, and security software and services application areas; and customer information control system and storage, and analytics and integration software solutions to support client mission critical on-premise workloads in banking, airline, and retail industries. It also offers middleware and data platform software, including Red Hat, which enables the operation of clients' hybrid multi-cloud environments; and Cloud Paks, WebSphere distributed, and analytics platform software, such as DB2 distributed, information integration, and enterprise content management, as well as IoT, Blockchain and AI/Watson platforms. The company's Global Business Services segment offers business consulting services; system integration, application management, maintenance, and support services for packaged software; finance, procurement, talent and engagement, and industry-specific business process outsourcing services; and IT infrastructure and platform services. Its Global Technology Services segment provides project, managed, outsourcing, and cloud-delivered services for enterprise IT infrastructure environments; and IT infrastructure support services. The company's Systems segment offers servers for businesses, cloud service providers, and scientific computing organizations; data storage products and solutions; and z/OS, an enterprise operating system, as well as Linux. Its Global Financing segment provides lease, installment payment, loan financing, short-term working capital financing, and remanufacturing and remarketing services. The company was formerly known as Computing-Tabulating-Recording Co. and changed its name to International Business Machines Corporation in 1924. The company was founded in 1911 and is headquartered in Armonk, New York.

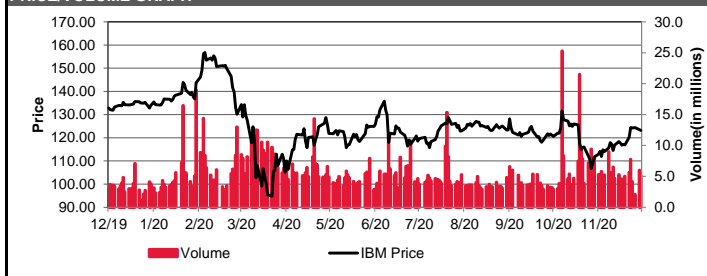
Stock Exchange	NYSE	Latest Fiscal Year	12/31/2019	Primary Industry	IT Consulting and Other Ser	Next Earnings Date	1/21/2021
Website	http://www.ibm.com	Latest Fiscal Quarter	9/30/2020	S&P LT Rating	A	STARS Ranking	4
Employees	352,600	LTM as of	9/30/2020	S&P LT Rating Date	10/29/2018	Quality Ranking	A-
Current Investors	BlackRock, Inc., Comptroller of the city of New York, New York City Fire Department Pension Fund, New York City Police Pension Fund, New York City Retirement Systems, New York State Teachers' Retirement System, NYC BERS, State Street Global Advisors, Inc., The Vanguard Group, Inc., Turki Almadhi Ventures Inc.						
Pending Investors	NA						

VALUATION

(in millions, except per share data)

Valuation		Market Data	
Current Price 12/01/2020	123.16	Dividend Yield	5.3%
52 Week High (02/06/2020)	158.75	5 Year Beta	1.24
52 Week Low (03/23/2020)	90.56	Float	889.6
Shares - Basic	891.1	Float %	99.8%
Marketcap - Basic	109,742.6	Short Int. as a % of S/O	2.6%
Plus: Total Debt	70,385.0	Shares Sold Short	23.3
Plus: Preferred Stock	0.0	Days Cover Short	4.2
Plus: Minority Interest	126.0	Average Trading Volume	
Less: Cash and ST Investments	(15,593.0)	Last Week	5.0
TEV - Basic	164,660.6	Last Month	5.2
Relative Performance		Last 3 Months	5.5
IBM YTD	(8.1%)	Last 6 Months	5.1
S&P 500 YTD	13.4%	Last Year	5.5

PRICE/VOLUME GRAPH



CAPITAL STRUCTURE*

Capital Structure		Total Debt	
Commercial Paper	304.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	(881.0)
Term Loans	971.0	Adjustments	298.4
Snr. Bonds and Notes	61,627.6	Total Debt	68,158.0
Sub Bonds and Notes	0.0	Undrawn Revolver	15,250.0
Trust Preferred	0.0	Undrawn Commercial Paper	0.0
Capital Leases	5,463.0	Undrawn Term Loans	0.0
Other	375.0	Other Available Credit	0.0
Total Principal Due	68,740.6	Total Undrawn Credit	15,250.0

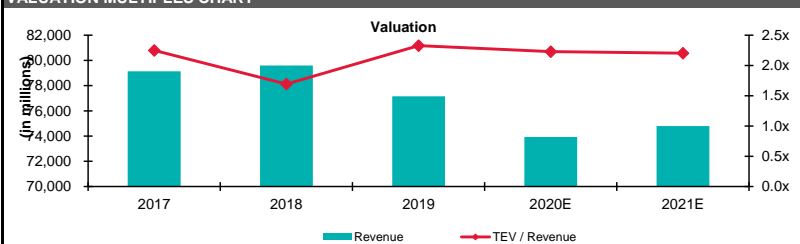
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/17	12/31/18	12/31/19	9/30/20	2020E	2021E
Income Statement						
Revenue	79,139.0	79,591.0	77,147.0	75,030.0	73,927.1	74,798.5
EBITDA	16,223.0	16,711.0	16,844.0	15,690.0	15,176.5	19,036.1
Margin (%)	20.5%	21.0%	21.8%	20.9%	20.5%	25.4%
EBIT	11,682.0	12,231.0	10,785.0	9,044.0	8,512.4	12,748.2
Margin (%)	14.8%	15.4%	14.0%	12.1%	11.5%	17.0%
Net Income	5,753.0	8,728.0	9,431.0	7,904.0	7,527.9	10,548.5
Margin (%)	7.3%	11.0%	12.2%	10.5%	10.2%	14.1%
Diluted EPS	6.14	9.51	10.57	8.82	8.44	11.63
Cash Flow Statement						
Cash from Operations	16,724.0	15,247.0	14,770.0	15,788.0	15,211.1	13,560.0
Cash from Investing	(7,081.0)	(4,913.0)	(26,936.0)	(2,342.0)		
Cash from Financing	(6,418.0)	(10,469.0)	9,042.0	(9,103.0)		
Change in Cash	4,161.0	(630.0)	(3,290.0)	4,328.0		
Balance Sheet						
	Latest					
Total Assets	125,356.0	123,382.0	152,186.0	154,128.0		
Total Liabilities	107,631.0	106,452.0	131,201.0	132,794.0		
Total Equity	17,725.0	16,930.0	20,985.0	21,334.0		

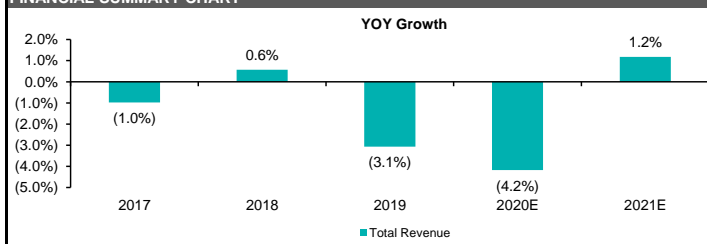
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/17	12/31/18	12/31/19	9/30/20	2020E	2021E
TEV / Revenue	2.2x	1.7x	2.3x	2.2x	2.2x	2.2x
TEV / EBITDA	10.5x	8.0x	9.6x	9.2x	10.8x	8.6x
TEV / EBIT	14.3x	10.9x	16.1x	18.2x	19.3x	12.9x
P / E	12.8x	18.3x	15.6x	14.0x	14.6x	10.6x
P / BV	7.2x	5.2x	6.6x	5.2x	5.2x	4.8x
1 Year Growth						
Total Revenue	(1.0%)	0.6%	(3.1%)	(2.7%)	(4.2%)	1.2%
EBITDA	(12.5%)	3.0%	0.8%	(5.9%)	(9.9%)	25.4%
EBIT	(17.6%)	4.7%	(11.8%)	(18.8%)	(21.1%)	49.8%
Net Income	(51.5%)	51.7%	8.1%	2.5%	(20.2%)	40.1%
EPS	(50.4%)	54.9%	11.1%	2.4%	(20.1%)	37.7%

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	Title
Rometty, Virginia	Executive Chairman
Kavanaugh, James	CFO and Senior VP of Finance & Operations
Browdy, Michelle	Senior VP of Legal & Regulatory Affairs and General Counsel
Kelly, John	Executive Vice President
Selected Board Members	
Rometty, Virginia	Executive Chairman
Krishna, Arvind	CEO & Director
Rosamilia, Thomas	Senior VP of IBM Systems & Chairman of North America
Jetter, Martin	Senior VP & Chairman of IBM Europe
Chen, Liming	Chairman of Greater China Group
Eskew, Michael	Independent Lead Director

DIVIDEND HISTORY

Ex-Date	Record Date	Pay Date	Type	Amount	Next Ex-Date	Next Div.
11/9/2020	11/10/2020	12/10/2020	Cash	1.630	NA	NA
8/7/2020	8/10/2020	9/10/2020	Cash	1.630		
5/7/2020	5/8/2020	6/10/2020	Cash	1.630		
2/7/2020	2/10/2020	3/10/2020	Cash	1.620		

OWNERSHIP

Top 10 Institutional Holders	MM Shares	% Held
The Vanguard Group, Inc.	74.2	8.32%
Blackrock, Inc.	60.9	6.84%
State Street Global Advisors, Inc.	53.0	5.95%
Geode Capital Management, Llc	13.1	1.47%
Charles Schwab Investment Management, Inc.	11.6	1.31%
Northern Trust Global Investments	11.0	1.23%
Bny Mellon Asset Management	10.4	1.17%
Capital Research And Management Company	9.6	1.08%
Morgan Stanley, Investment Banking And Brokerage Investments	9.2	1.03%
Norges Bank Investment Management	8.7	0.97%
Rometty, Virginia M.	0.3	0.04%
Total Shares Outstanding	891.1	100.00%

* Denotes financial data as of latest fiscal year.

Source: S&P Capital IQ

This model is provided "as is". S&P Capital IQ, Inc. and its affiliates have no liability arising out of your use of this model.