IBM (IBM)

Technology / Information Technology Services

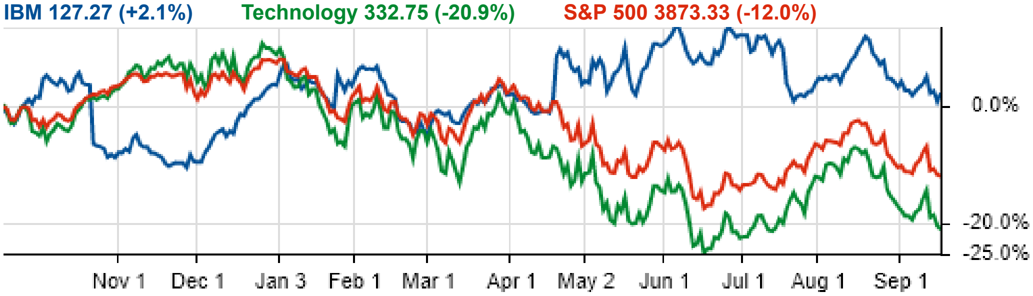
$127.27 **$1.78 (1.42%)** as of Friday's close

52-wk Range
$114.56 $144.73

Cap ($M USD)	P/E	EPS (1Y)	Dividend	Last Filing
$114,947	**20.5**	**6.7%**	**$6.60**	**06/30/22**
Sales ($M)	**Forward P/E**	**Sales (1Y)**	**Div. Yield**	**Next Earnings**
59,680	**12.7**	**-19.8%**	**5.2%**	**10/19/22**

Dividend Adjusted Return *Sep 16, 2021 - Sep 16, 2022*

IBM 127.27 (+2.1%) **Technology 332.75 (-20.9%)** **S&P 500 3873.33 (-12.0%)**



IBM has outperformed the S&P 500 by 14.0% in the past year.

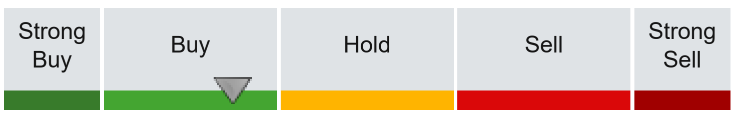
IBM has outperformed its sector by 23.0% in the past year.

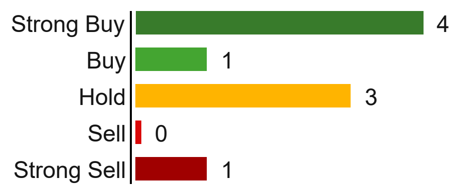
The Technology sector has underperformed the market by -8.9% in the past year.

ANALYST CONSENSUS

Buy

The consensus rating is unchanged from 1 month ago.





QUANTITATIVE SCORES

Fair Value $143.26

Margin of Safety 13%

The Margin of Safety is the difference between a company's Fair Value and the current price. See more on page 8.

4 warnings
Details on Page 8

Value Score 82

Value Score: Our value score looks at EV/EBITDA, P/E, P/S, P/TB (Price/Tangible Book) and EPS Predictability. P/S and P/TB are compared within a sector. Other metrics are compared across all stocks

Quality Score 77

Quality Score: Our quality score compares profitability and balance sheet metrics to find high quality companies using ROIC, Net Margin, Gross Margin, Interest Coverage, and Debt / Equity metrics.

Growth Score 66

Growth Score: Our growth score looks at the 5 year history and the forward estimates for EBITDA, Sales, and EPS growth, ranking the best companies across all stocks.

Sentiment Score 84

Sentiment Score: Our sentiment score finds stocks in favor by analyzing Short Interest, returns in key periods over the last year, Price vs. 52-wk High, Days Since 52-wk High and MACD signals.

BUSINESS SUMMARY

IBM looks to be a part of every aspect of an enterprise's IT needs. The company primarily sells software, IT services, consulting, and hardware. IBM operates in 175 countries and employs approximately 350,000 people. The company has a robust roster of 80,000 business partners to service 5,200 clients--which includes 95% of all Fortune 500. While IBM is a B2B company, IBM's outward impact is substantial. For example, IBM manages 90% of all credit card transactions globally and is responsible for 50% of all wireless connections in the world.

Employees 307,600 **Homepage** www.ibm.com **Headquarters** Armonk, NY

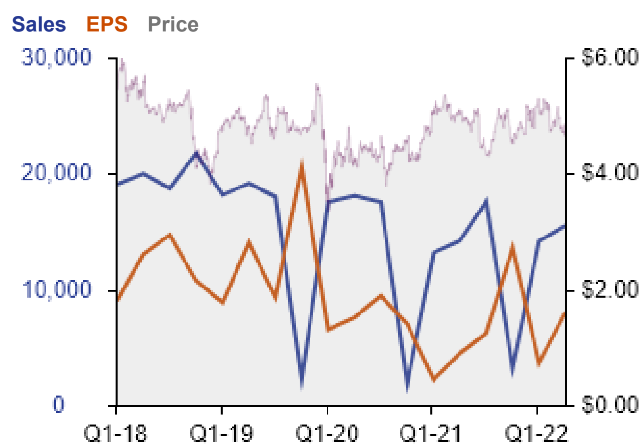
VALUATION SUMMARY

	IBM	Industry	S&P 500
Value Score	82	59	75
Price / Earnings	20.5	37.0	20.4
Price / Sales	1.9	1.8	2.3
Price / Free Cash Flow	15.3	21.2	20.7
Price / Book	5.9	3.3	4.1
Price / Tangible Book	-	-	100+
EV / EBITDA	12.6	13.9	17.2
EPS Predict. Pctl.	79	65	70
Piotroski F Score	6	6	8

	Low	High
5-Year P/E Range	9.9	27.4
5-Year P/B Range	4.5	8.1
5-Year P/S Range	1.1	2.3

GROWTH SUMMARY

	IBM	Industry	S&P 500
Growth Score	66	61	78
Sales Growth			
Sales Growth Next Year	2.8%	6.5%	7.6%
Sales 1-Year Chg (%)	-19.8%	11.0%	15.2%
Sales 3-Year Avg (%)	-8.5%	-0.7%	16.9%
Sales 5-Year Avg (%)	-5.3%	-0.8%	14.3%
EPS Growth			
Next Yr. Growth Est.	7.6%	11.6%	10.1%
EPS 1-Year Chg (%)	6.7%	21.3%	16.6%
EPS 3-Year Avg (%)	-13.9%	2.9%	13.1%
EPS 5-Year Avg (%)	-12.4%	2.1%	13.4%



PEERS ANALYSIS SUMMARY

Ticker	Company	Cap ($M USD	P/E	Div. Yield	1M Return	1Y Return	Margin of Safety	Value Score	Growth Score	Quality Score
ORCL	Oracle	$185,541	32.6	1.9%	-13.4%	-19.9%	34%	69	79	76
ACN	Accenture	$172,483	26.5	1.4%	-15.0%	-19.4%	10%	82	95	96
CRM	Salesforce	$151,509	100+	-	-20.1%	-41.8%	30%	59	95	52
ADBE	Adobe	$139,850	29.5	-	-33.1%	-55.0%	54%	74	97	99
INTU	Intuit	$119,230	58.1	0.7%	-13.4%	-25.8%	19%	59	98	94
IBM	IBM	$114,947	20.5	5.2%	-6.8%	2.7%	13%	82	66	77
SAP	SAP	$98,092	25.2	2.5%	-10.9%	-40.7%	42%	78	84	87
NOW	ServiceNow	$86,011	100+	-	-14.3%	-35.1%	-3%	59	90	74
INFY	Infosys	$74,628	25.2	2.3%	-13.7%	-23.2%	-3%	80	85	97
FISV	Fiserv	$66,267	33.7	-	-6.4%	-4.6%	18%	71	98	74
UBER	Uber Technologies	$63,218	-	-	-1.4%	-19.2%	-35%	53	50	32
FIS	Fidelity National Info	$51,228	61.4	2.2%	-18.2%	-31.5%	40%	70	94	67

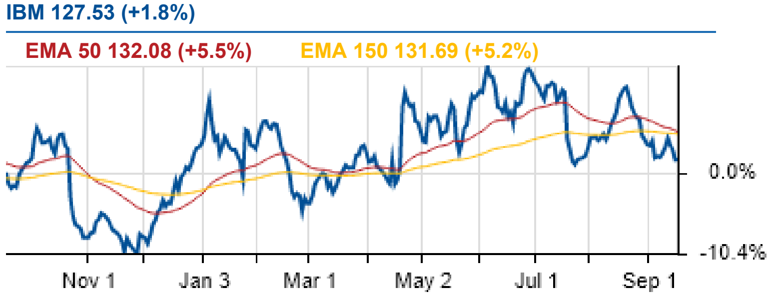
PROFITABILITY SUMMARY

	IBM	Industry	S&P 500
Quality Score	77	61	77
Gross Margin	54.0%	31.4%	30.2%
Operating Margin	12.7%	9.3%	14.8%
Net Margin	9.4%	5.1%	11.8%
Return on Assets	4.4%	6.6%	8.7%
Return on Equity	28.8%	19.0%	35.2%
ROIC	9.3%	13.8%	20.1%

RETURNS SUMMARY

	IBM	Industry	S&P 500
Sentiment Score	84	46	54
5-Day Return	-1.5%	-4.0%	-4.4%
1-Month Return	-6.8%	-9.8%	-9.7%
YTD Return	-1.2%	-24.1%	-17.8%
1-Year Return	2.7%	-22.2%	-11.8%
3-Year Return	9.0%	8.9%	36.2%
5-Year Return	17.7%	33.8%	68.9%
Beta 1-Year	0.44	0.77	0.99

Dividend Adjusted Return *Sep 16, 2021 - Sep 16, 2022*



DIVIDEND

	IBM	Industry
Dividend Yield	5.2%	1.7%
Payout Ratio	105.6%	49.7%
TTM Yield	5.2%	-
Dividend Per Share	$6.60	$1.92
Div. 1Y Chg (%)	0.6%	10.2%
Div. 3Y Avg (%)	0.6%	-1.9%
Div. 5Y Avg (%)	1.9%	-5.9%
Cons. Growth Years	10+	1
Div. Coverage Ratio	1.0	2.0

DEBT & EQUITY

Current Ratio	0.9
Quick Ratio	0.8
Price	$127.27
Net Cash Per Share	-$51.05
Equity Per Share	$21.49
Debt / Equity	2.8
Solvency Ratio	14%
Interest Coverage	6.0
Short % of Float	2.5%
Altman Z-Score	3.0

ANALYST REVISIONS

Current Quarter EPS	
# Up Last 30 days	2.00
# Down Last 30 days	0.00
Mean Estimate	3.85
% Change (30 Days)	1.58%

Next Quarter EPS	
# Up Last 30 days	0.00
# Down Last 30 days	0.00
Mean Estimate	1.79
% Change (30 Days)	-6.28%

MEAN ESTIMATE TREND

	Cur Qtr	Next Qtr	Cur Year	Next Year
Latest	$1.79	$3.85	$9.34	$10.05
30 Days Ago	$1.91	$3.79	$9.34	$10.12
90 Days Ago	$2.35	$3.73	$9.69	$10.43
% Change (90 Days)	-23.8%	3.2%	-3.6%	-3.6%

EARNINGS SURPRISES

Earnings surprise is the difference between a company's announced earnings and the average analyst estimated value. Surprises typically causes the stock price to jump and are often followed by more of the same surprise type.

Surprise Summary (Last 12 Quarters)

Surprise Type	Amount	Percent
Positive Quarters (> 2%)	5	41.7%
Negative Quarters (< 2%)	1	8.3%
In-Line Quarters (within 2%)	6	50.0%

Surprise Detail (Last 6 Quarters)

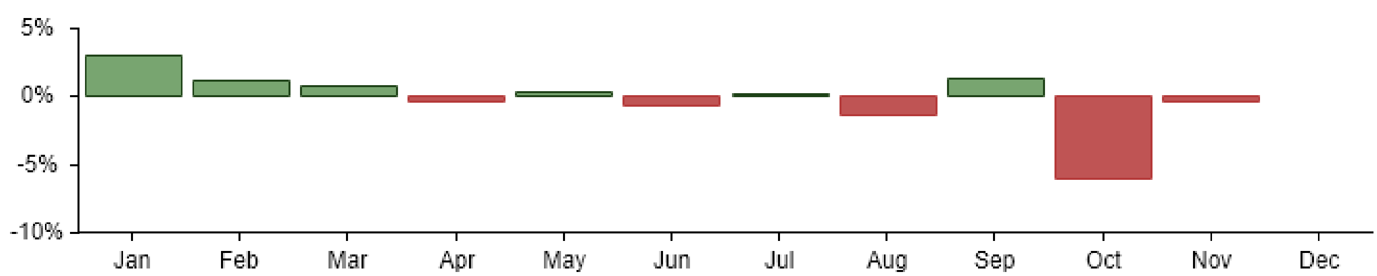
Surprise Type	Announce Date	Period End Date	Actual EPS	Est. EPS	Surprise (%)
In-Line	07/18/22	06/30/22	$2.31	$2.29	1.0%
Positive	04/19/22	03/31/22	$1.40	$1.34	4.2%
Negative	01/24/22	12/31/21	$3.35	$3.51	-4.6%
In-Line	10/20/21	09/30/21	$2.52	$2.49	1.2%
Positive	07/19/21	06/30/21	$2.33	$2.25	3.6%
Positive	04/19/21	03/31/21	$1.77	$1.67	6.0%

RISK

	IBM	Industry	S&P 500
Best Monthly Return (5Y)	19.4%	16.6%	17.9%
Worst Monthly Return (5Y)	-24.6%	-15.7%	-16.4%
Beta 1-Year	0.44	0.77	0.99
Volatility 1-Year	0.23	0.18	0.21
Volatility 1Y Pctl.	21	-	-
Max Drawdown 1-Year	-19.9%	-33.1%	-23.5%
Max Drawdown 3-Year	-39.5%	-40.7%	-33.9%
Max Drawdown 5-Year	-44.0%	-39.5%	-33.9%

SEASONALITY

Ten-Year Seasonal Performance vs the S&P 500



5-YEAR RELATIVE PERFORMANCE VS S&P 500

Relative to the S&P 500 baseline, IBM has underperformed the S&P 500 by -52.9% in the past 5 Years.

IBM has underperformed its sector by -114.2% in the past 5 Years.

The Technology sector has outperformed the market by 61.3% in the past 5 Years.

Dividend Adjusted Return *Sep 15, 2017 - Sep 16, 2022*

IBM 127.27 (-52.9%) Technology 332.75 (+61.3%) S&P 500 3873.33 (0.0%)

IBM (IBM)

Technology / Information Technology Services

StockRover
Stock Report | September 17, 2022

Overall Rating vs. Peers **97**

Ratings scores are relative to industry groups. They compare key metrics to rank stocks vs. their competitors.
For example, higher growth than peers will score high even when the absolute growth is below the market average.

Growth vs Peers

Ticker	Company	Growth Rating vs. Peers	Sales QoQ Chg.	Eps QoQ Chg.	Sales Growth Next Y.	Sales 1Y Chg (%)	Sales 3Y Avg (%)	Sales 5Y Avg (%)
INTU	Intuit	95	-5.7%	-	13.4%	32.1%	23.3%	19.6%
ADBE	Adobe	88	14.4%	7.3%	13.6%	10.6%	16.2%	19.3%
CRM	Salesforce	72	21.8%	-87.5%	17.4%	24.6%	25.8%	25.5%
IBM	IBM	71	9.3%	78.9%	2.8%	-19.8%	-8.5%	-5.3%
ORCL	Oracle	46	17.7%	-34.9%	6.4%	8.1%	3.8%	2.9%

Valuation vs Peers

Ticker	Company	Valuation Rating vs. Peers	P/E	Forward P/E	PEG Trailing	P/S	P/B	5Y P/E Range
IBM	IBM	80	20.5	12.7	-	1.9	5.9	9.9 – 27.4
CRM	Salesforce	67	100+	26.1	-	5.2	2.5	47.0 – -
ADBE	Adobe	51	29.5	18.9	1.1	8.3	9.7	29.5 – 73.0
INTU	Intuit	36	58.1	26.5	4.2	9.4	7.3	32.6 – 91.0
ORCL	Oracle	31	32.6	12.2	-	4.3	-	12.7 – 57.6

Efficiency vs Peers

Ticker	Company	Efficiency Rating vs. Peers	Gross Margin	Operating Margin	Net Margin	5Y ROE Range	5Y ROA Range
ADBE	Adobe	99	87.9%	36.3%	29.3%	19.5% – 41.1%	11.4% – 22.3%
IBM	IBM	86	54.0%	12.7%	9.4%	21.4% – 62.1%	3.3% – 9.5%
INTU	Intuit	85	81.1%	20.2%	16.2%	12.6% – 82.1%	7.4% – 25.9%
ORCL	Oracle	85	77.8%	23.7%	13.2%	-905.4% – 262.4%	2.6% – 11.4%
CRM	Salesforce	80	72.6%	0.3%	1.8%	-0.9% – 10.4%	-0.5% – 6.8%

Financial Strength vs Peers

Ticker	Company	Financial Strength Rating vs. Peers	Debt / Equity	Interest Coverage	Quick Ratio	Intangibles %	Solvency Ratio	Short % of Float
ADBE	Adobe	95	0.3	54.3	1.1	54.9%	50%	1.2%
CRM	Salesforce	90	0.2	-	1.1	60.2%	13%	1.3%
INTU	Intuit	87	0.5	32.4	1.4	75.0%	27%	0.9%
IBM	IBM	81	2.8	6.0	0.8	52.2%	14%	2.5%
ORCL	Oracle	38	-	3.3	0.6	56.9%	9%	1.0%

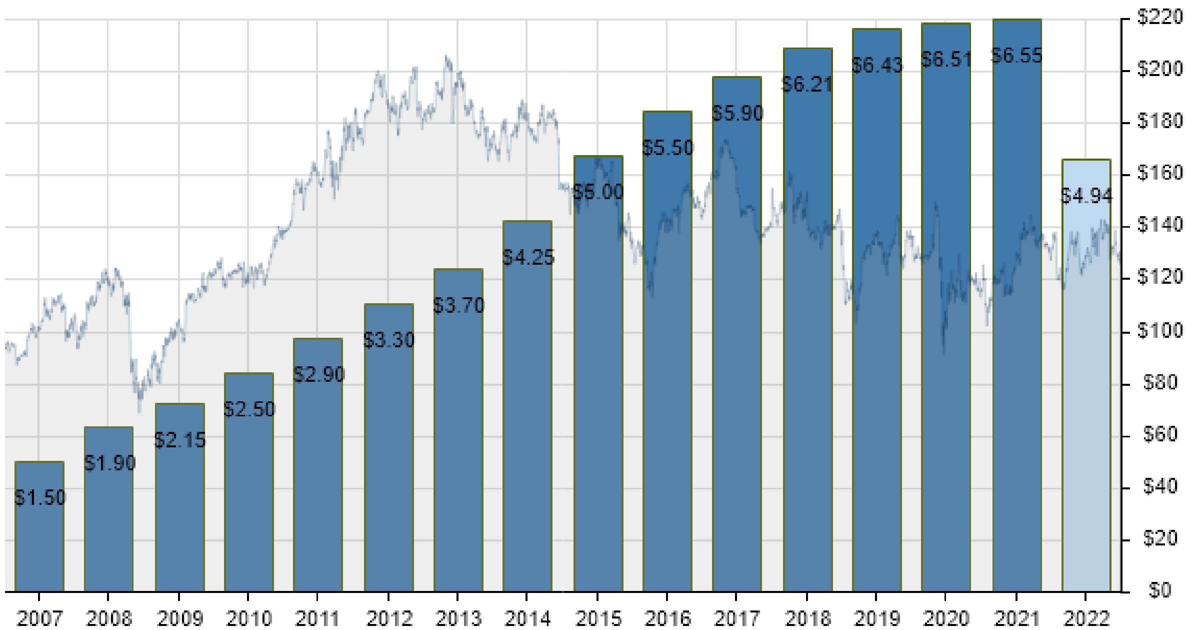
Dividends vs Peers

Ticker	Company	Dividends Rating vs. Peers	Div. Yield	TTM Yield	Price	Div. Per Share	Consecutive Div. Growth Years	Payout Ratio
IBM	IBM	97	5.2%	5.2%	$127.27	$6.60	10+	105.6%
ORCL	Oracle	38	1.9%	1.9%	$68.83	$1.28	8	58.7%
INTU	Intuit	20	0.7%	0.6%	$423.00	$3.12	8	36.9%
ADBE	Adobe	-	-	-	$299.50	-	0	0.0%
CRM	Salesforce	-	-	-	$151.51	-	0	-

Momentum vs Peers

Ticker	Company	Momentum Rating vs. Peers	1M Return	3M Return	6M Return	YTD Return	1Y Return	Beta 1Y	Volatility 1Y	Price vs 52-wk High (%)
IBM	IBM	59	-6.8%	-5.0%	2.7%	-1.2%	2.7%	0.44	0.23	87.9%
INTU	Intuit	49	-13.4%	17.8%	-7.3%	-34.0%	-25.8%	1.68	0.45	59.0%
ORCL	Oracle	31	-13.4%	0.6%	-13.2%	-20.1%	-19.9%	0.93	0.32	64.7%
CRM	Salesforce	14	-20.1%	-5.2%	-26.3%	-40.4%	-41.8%	1.54	0.44	48.6%
ADBE	Adobe	4	-33.1%	-18.0%	-32.3%	-47.2%	-55.0%	1.53	0.45	42.8%

DIVIDEND DETAIL



CALENDAR YEAR DIVIDEND HISTORY

Year	Date	Pay Date	Text	Amount
2022 Dividends				**$4.94**
	08/09/22	09/10/22	Regular	$1.65
	05/09/22	06/10/22	Regular	$1.65
	02/10/22	03/10/22	Regular	$1.64
2021 Dividends				**$6.55**
	11/09/21	12/10/21	Regular	$1.64
	08/09/21	09/10/21	Regular	$1.64
	05/07/21	06/10/21	Regular	$1.64
	02/09/21	03/10/21	Regular	$1.63
2020 Dividends				**$6.51**
	11/09/20	12/10/20	Regular	$1.63
	08/07/20	09/10/20	Regular	$1.63
	05/07/20	06/10/20	Regular	$1.63
	02/07/20	03/10/20	Regular	$1.62
2019 Dividends				**$6.43**
	11/07/19	12/10/19	Regular	$1.62
	08/08/19	09/10/19	Regular	$1.62
	05/09/19	06/10/19	Regular	$1.62
	02/07/19	03/09/19	Regular	$1.57
2018 Dividends				**$6.21**
	11/08/18	12/10/18	Regular	$1.57
	08/09/18	09/10/18	Regular	$1.57
	05/09/18	06/09/18	Regular	$1.57
	02/08/18	03/10/18	Regular	$1.50

UPCOMING DIVIDEND

Ex-Dividend Date	08/09/22
Payment Date	09/10/22
Amount	$1.65
Type	Regular

DIVIDEND RATE

Regular Dividend	$1.65
Annual Dividend Rate	$6.60
Annual Dividend Yield	5.2%
Trailing 12 Months Dividends	$6.58
Trailing 12 Months Yield	5.2%

STATISTICS

Payout Ratio	105.6%
Dividend Coverage Ratio	94.7%
Consecutive Growth Years	10+
3 Year Growth Rate	0.6%
5 Year Growth Rate	1.9%
10 Year Growth Rate	6.9%

FINANCIAL STATEMENT SUMMARY

USD in Millions	Chart	2017	2018	2019	2020	2021	TTM	CAGR
Income Statement								
Revenue		79,139	79,591	57,714	55,179	57,351	59,680	-5.8%
Operating Income		13,139	13,217	7,538	4,621	6,832	7,587	-11.0%
Net income		5,753	8,728	9,431	5,590	5,742	5,587	-0.6%
Earnings per share diluted		$6.14	$9.51	$8.00	$4.38	$5.21	$6.21	0.2%
Average shares diluted		1,075	916	893	897	905	908	-3.5%
P/E Ratio		12.8	18.2	15.6	14.3	25.8	20.5	10.5%
Balance Sheet								
Cash		12,580	11,997	8,868	13,788	7,250	7,558	-10.3%
Current assets		49,735	49,146	38,420	39,165	29,539	27,896	-11.6%
Net Property, Plant and Equipm…		11,116	10,793	15,005	9,770	8,915	8,123	-6.4%
Working Capital		12,372	10,919	719	-704	-4,080	-3,948	-
Net Debt		34,243	33,815	59,290	51,300	47,889	45,818	6.4%
Stockholders' Equity		17,594	16,796	20,841	20,597	18,901	19,409	2.1%
Cash Flow								
Operating Cash Flow		16,724	15,247	14,770	18,197	12,796	9,826	-10.7%
Cap Ex		-3,773	-3,964	-2,907	-3,230	-2,768	-2,296	-10.0%
Free Cash Flow		12,951	11,283	11,863	14,967	10,028	7,530	-10.9%
Free Cash Flow per share		$12.05	$12.31	$13.29	$16.69	$11.09	$8.29	-7.6%
Profitability								
Operating Margin		16.6%	16.6%	13.1%	8.4%	11.9%	12.7%	-5.5%
Return on Assets		4.6%	7.1%	6.2%	3.6%	4.3%	4.4%	-1.0%
Return on Equity		32.7%	52.0%	45.3%	27.1%	30.4%	28.8%	-2.7%
Return on Invested Capital		9.8%	14.6%	14.2%	7.4%	8.5%	9.3%	-1.1%
Dividends								
Dividends Per Share		$5.90	$6.21	$6.43	$6.51	$6.55	$6.60	2.4%
Dividend Yield		3.9%	5.5%	4.8%	5.2%	4.9%	5.2%	6.2%
Dividend Growth		-	5.3%	3.5%	1.2%	0.6%	1.1%	-34.9%
Dividend Coverage		1.0x	1.5x	1.7x	1.0x	1.0x	0.9x	-2.1%

VALUATION & PROFITABILITY HISTORY

Date →		TTM	1 Yr Ago	2 Yrs. Ago	3 Yrs. Ago	4 Yrs. Ago
Price / Earnings		20.5	23.2	12.3	14.7	24.3
Price / Cash Flow		11.8	6.6	7.7	8.0	8.0
Price / Book		5.9	5.7	5.5	7.2	7.5
Price / Tangible B…		-	-	-	-	-
Price / Sales		1.9	1.7	1.5	1.7	1.7
EV / EBITDA		12.6	12.3	10.8	8.7	9.8
Dividend Yield		5.2%	4.8%	5.3%	4.6%	4.2%
Shareholder Yield		5.5%	5.1%	5.7%	7.9%	6.9%
Gross Margin		54.0%	48.6%	47.8%	46.9%	45.5%
Net Margin		9.4%	7.2%	10.4%	11.2%	7.1%
Return on Assets		4.4%	3.6%	5.1%	5.7%	4.7%
Return on Equity		28.8%	24.3%	38.3%	49.5%	31.1%
ROIC		9.3%	8.0%	10.3%	10.1%	10.0%

WARNINGS

Name	Severity	Details
High Goodwill	Medium	Goodwill %: 43.2%

Goodwill on a company's balance often results from over-paying to acquire other firms. A high percentage here can turn into impairment charges that weigh down future earnings for the company.

Negative Sales Growth Years	Medium	Number of Years: 9; Sales 1Y Chg (%): -19.8%

In the last decade this company has had several years with negative revenue growth. If the top-line sales are shrinking this company could be a value trap that looks inexpensive on some measures but never outperforms the market.

GAAP Earnings vs. Pro Forma	Low	Official EPS: $1.61; Announced EPS: $2.31

The GAAP compliant earnings that the company filed with the SEC are less than the pro-forma earnings they announced to the press. Pro-forma earnings can exclude special one-time charges but some distressed companies post these "one-time" charges quarter after quarter.

Declining Sales Growth	Low	Sales 1Y Chg (%): -19.8%; Sales 3Y Avg (%): -8.5%; Sales 5Y Avg (%): -5.3%

Sales growth has declined. Comparing revenue growth rates, the 1-year is less than the 3-year which is less than the 5-year. Be sure to understand the reasons as declining sales growth puts pressure on the stock price.

REPORT TIPS

Metric Definitions

Metric descriptions are available at stockrover.com/help/metrics/metric-overview

Quantitative Scores

Our scores analytics is to offer our concise analysis of a stock in powerful, but easy to digest format. Each of the composite score metrics are designed to use the best available accounting practices as well as source data from SEC filings. The scores are computed for a company vs. the market as a whole.

Fair Value

Fair value performs a forecasted discounted cash flow analysis of a company to determine the company's intrinsic value based on the expected future cash flows the company will produce. It basically determines what a company is worth based on how much cash flow it is expected to generate for you in the future, taking into account the time value of money and the predictability of those forecasted cash flows.

Peers

Peer ratings are computed from raking companies in the same

DISCLAIMER