

IBM - Annual 2024 Financial Report

Metric	Value
Revenue	\$25,262,111.00
Growth Rate	19.6%
Profit Margin	11.0%

****International Business Machines Corporation (IBM) - Fiscal Year 2024 Financial Report****

****Executive Summary:**** IBM delivered solid performance in fiscal year 2024, demonstrating resilience and strategic progress in a dynamic market. Total revenue reached \$62.3 billion, driven by robust growth in our software and consulting segments. While hardware revenue faced headwinds, overall adjusted operating profit improved by 3.5% year-over-year, reflecting our focus on higher-value solutions and operational efficiency. We returned significant value to shareholders through dividends and share repurchases, underscoring our commitment to financial discipline.

****Revenue Performance:**** Total revenue for fiscal year 2024 was \$62.3 billion, a slight decrease of 1.2% compared to the prior year, but reflects growth in key areas. Software revenue, comprising approximately 40% of total revenue, grew by 4.5%, fueled by strong demand for our hybrid cloud and AI-powered solutions. Red Hat continued its growth trajectory, contributing significantly to the software segment. Consulting revenue rose by 6.2%, driven by digital transformation projects and cybersecurity demand. Infrastructure revenue decreased by 8.0%, primarily due to cyclical declines in mainframe sales and intensified competition.

****Key Business Highlights:**** 2024 was marked by strategic investments in Artificial Intelligence. We expanded Watsonx AI platform, securing key partnerships. Our consulting arm expanded offerings around implementing AI solutions for customers. Strategic acquisitions in cybersecurity also helped to fortify our software portfolio. Geographically, North America and EMEA demonstrated consistent performance, while growth in Asia Pacific was moderate due to regional economic conditions.

****Market Conditions and Competitive Landscape:**** The enterprise technology and consulting sector remains highly competitive. We face challenges from cloud-native competitors like Amazon Web Services and Microsoft Azure, as well as specialized consulting firms. Demand for digital transformation, cloud migration, and cybersecurity solutions continues to be strong, creating significant opportunities for IBM.

****Forward-Looking Statements and Guidance:**** Looking ahead to fiscal year 2025, we anticipate continued growth in software and consulting, particularly in hybrid cloud and AI. We project revenue growth in the range of 3-5% on a constant currency basis. We remain committed to disciplined capital allocation, investing in strategic growth areas while returning value to shareholders. We expect to generate free cash flow of approximately \$11-12 billion, which will support our dividend, strategic acquisitions, and share repurchase program. We are confident that our strategic focus on hybrid cloud, AI, and consulting will drive sustained long-term value creation.