

# IBM Inc. Q1 2025 Financial Report

## Key Financial Metrics

- Revenue: \$15.8 billion, up 3% YoY from \$15.3 billion in Q1 2024.
- Net Income: \$1.7 billion, up from \$1.6 billion in Q1 2024.
- Earnings Per Share (EPS): \$1.90, up from \$1.75 YoY.
- Gross Margin: 55.1%, improved from 54.5%.
- Operating Margin: 16.7%.

## Income and Expenses

- Software Segment Revenue: \$5.9 billion, up 6% driven by hybrid cloud growth.
- Consulting Revenue: \$5.3 billion, up 5% YoY.
- Infrastructure Revenue: \$3.2 billion, slight decline of 1% YoY.
- Operating Expenses: \$6.1 billion, up 4% due to AI and cloud R&D investments.

## Balance Sheet Highlights

- Total Assets: \$135.6 billion.
- Cash and Marketable Securities: \$8.4 billion.
- Total Liabilities: \$95.2 billion.
- Shareholder Equity: \$40.4 billion.

## Cash Flow

- Operating Cash Flow: \$3.8 billion.
- Capital Expenditures: \$0.7 billion.
- Free Cash Flow: \$3.1 billion.

## **Financial Ratios**

- Current Ratio: 1.2
- Debt to Equity Ratio: 2.35
- Return on Equity (ROE): 16.8%.

## **Strategic and Operational Updates**

- Expanded Watson AI platform for enterprise clients.
- Increased investment in quantum computing partnerships.
- Grew hybrid cloud offerings through Red Hat integrations.

## **Market Conditions and Outlook**

- Strong demand for AI and hybrid cloud solutions.
- Cautious optimism due to macroeconomic uncertainties.
- Expected mid-single digit revenue growth in 2025.

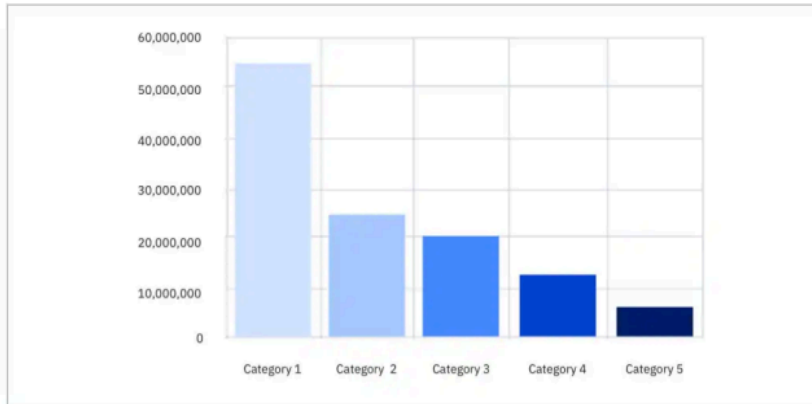
## **Risks and Challenges**

- Intensifying competition in AI services.
- Currency volatility impacting international earnings.
- Regulatory scrutiny in Europe on data usage practices.

## **Shareholder Information**

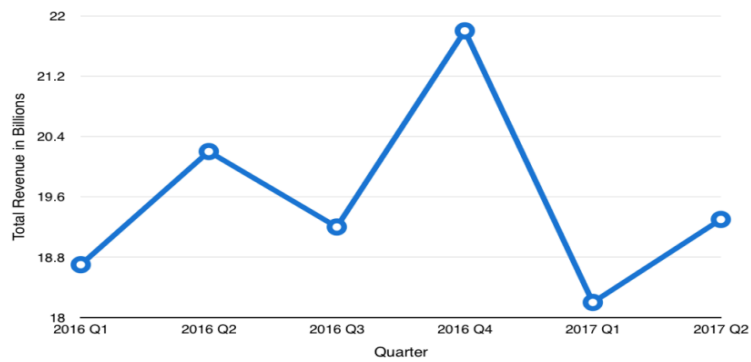
- Quarterly Dividend: \$1.66 per share.
- Share Buybacks: \$0.5 billion repurchased in Q1 2025.
- Stock price rose 5% since fiscal year started.

### Total Scenario Losses By Category



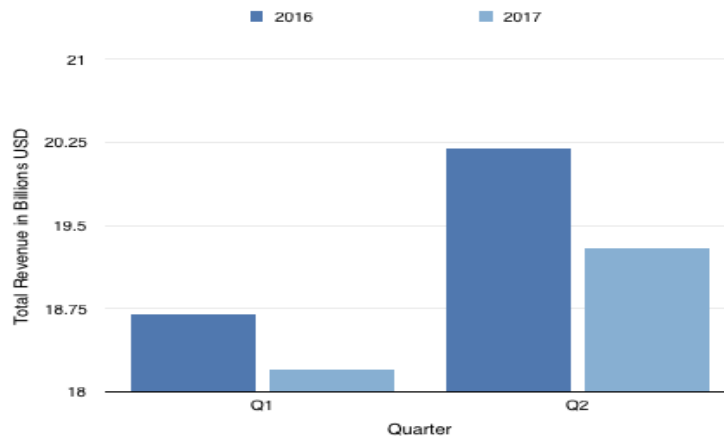
### IBM Quarterly Revenue Over Time

Total Revenue As Reported (US\$)



### IBM Quarterly Revenue Over Time

Year-Ago Comparison



IBM Q1 Financial Bar Chart :

