

Total selling, general and administrative (SG&A) expense increased 12.0 percent in 2020 versus 2019, driven primarily by the following factors:

- Fourth-quarter workforce rebalancing charge (10 points);
- Higher spending (2 points) driven by a full year of Red Hat operational expense in 2020 compared to six months in 2019 (5 points), partially offset by spending reductions associated with COVID-19 restrictions;
- Higher amortization of acquired intangible assets associated with the Red Hat transaction (1 point); partially offset by
- Lower acquisition-related charges associated with the Red Hat transaction (2 points).