

Management System Segment View

(\$ in millions)

For the year ended December 31:	Cloud & Cognitive Software	Global Business Services	Global Technology Services	Systems	Global Financing	Total Segments
2019						
External revenue	\$23,200	\$16,634	\$27,361	\$7,604	\$1,400	\$76,199
Internal revenue	2,827	278	1,157	726	1,232	6,220
Total revenue	\$26,027	\$16,911	\$28,518	\$8,330	\$2,632	\$82,419
Pre-tax income from continuing operations	\$ 7,952	\$ 1,666	\$ 1,645	\$ 701	\$1,055	\$13,019
Revenue year-to-year change	2.5%	(0.1)%	(5.0)%	(5.9)%	(17.8)%	(2.3)%
Pre-tax income year-to-year change	(10.5)%	2.2%	(7.6)%	(22.4)%	(22.5)%	(10.6)%
Pre-tax income margin	30.6%	9.9%	5.8%	8.4%	40.1%	15.8%
2018						
External revenue	\$22,209*	\$16,595*	\$29,146*	\$8,034	\$1,590	\$77,573*
Internal revenue	3,190*	326	872*	815	1,610	6,813*
Total revenue	\$25,399*	\$16,921*	\$30,018*	\$8,848	\$3,200	\$84,386*
Pre-tax income from continuing operations	\$ 8,882*	\$ 1,629*	\$ 1,781*	\$ 904	\$1,361	\$14,557*
Revenue year-to-year change	2.0%*	2.9%*	0.5%*	(1.1)%	1.0%	1.3%*
Pre-tax income year-to-year change	10.1%*	25.0%*	(32.0)%*	(19.9)%	6.5%	1.1%*
Pre-tax income margin	35.0%*	9.6%*	5.9%*	10.2%	42.5%	17.3%*
2017						
External revenue	\$21,751*	\$16,073*	\$29,213*	\$8,194	\$1,696	\$76,927*
Internal revenue	3,159*	363	657	750	1,471	6,401*
Total revenue	\$24,910*	\$16,436*	\$29,870*	\$8,945	\$3,168	\$83,329*
Pre-tax income from continuing operations	\$ 8,068*	\$ 1,303*	\$ 2,618*	\$1,128	\$1,278	\$14,396*
Revenue year-to-year change	2.0%*	(1.9)%*	(3.6)%*	5.7%	(9.3)%	(0.9)%*
Pre-tax income year-to-year change	7.3%*	(18.4)%*	(13.2)%*	21.9%	(22.8)%	(2.2)%*
Pre-tax income margin	32.4%*	7.9%*	8.8%*	12.6%	40.3%	17.3%*

* Recast to conform to 2019 presentation.

Reconciliations of IBM as Reported

(\$ in millions)

For the year ended December 31:	2019	2018	2017
Revenue			
Total reportable segments	\$82,419	\$84,386*	\$83,329*
Other—divested businesses	786	1,810*	2,041*
Other revenue	162	207	171
Elimination of internal transactions	(6,220)	(6,813)*	(6,401)*
Total IBM consolidated revenue	\$77,147	\$79,591	\$79,139

* Recast to conform to 2019 presentation.

(\$ in millions)

For the year ended December 31:	2019	2018	2017
Pre-tax income from continuing operations			
Total reportable segments	\$13,019	\$14,557*	\$14,396*
Amortization of acquired intangible assets	(1,298)	(809)	(945)
Acquisition-related charges	(423)	(16)	(52)
Non-operating retirement-related (costs)/income	(615)	(1,572)	(1,341)
Elimination of internal transactions	(290)	(725)*	(742)*
Other—divested businesses	390	292*	468*
Unallocated corporate amounts	(617)	(385)	(385)
Total pre-tax income from continuing operations	\$10,166	\$11,342	\$11,400

* Recast to conform to 2019 presentation.