


\$116.05 **-\$0.61 (-0.52%)** as of Friday's close

Cap (\$M USD) \$104,017	P/E 22.4	EPS (1Y) -41.3%	Dividend \$6.56	Last Filing 09/30/21
Sales (\$M) 74,460	Forward P/E 11.5	Sales (1Y) -0.8%	Div. Yield 5.7%	Next Earnings 01/20/22

52-wk Range

\$111.46  \$145.99

Dividend Adjusted Return Nov 19, 2020 - Nov 19, 2021

IBM 116.05 (+9.5%) **Technology 457.47 (+42.2%)** **S&P 500 4697.96 (+33.5%)**



IBM has underperformed the S&P 500 by -24.1% in the past year.

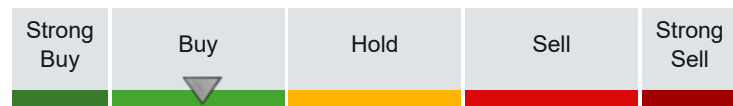
IBM has underperformed its sector by -32.7% in the past year.

The Technology sector has outperformed the market by 8.7% in the past year.

ANALYST CONSENSUS

Buy

The consensus rating has improved a little since last month when it was also Buy.



Strong Buy		4
Buy		0
Hold		4
Sell		0
Strong Sell		0

QUANTITATIVE SCORES

Fair Value \$172.14

Margin of Safety 48%

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

5 warnings
Details on Page 8

Value Score

90

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

70

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

55

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

20

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 infrastructure services (37% of revenue), software (29% of revenue), IT services (23% of revenue) and hardware (8% of revenues). 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 375,300

Homepage www.ibm.com

Headquarters Armonk, NY

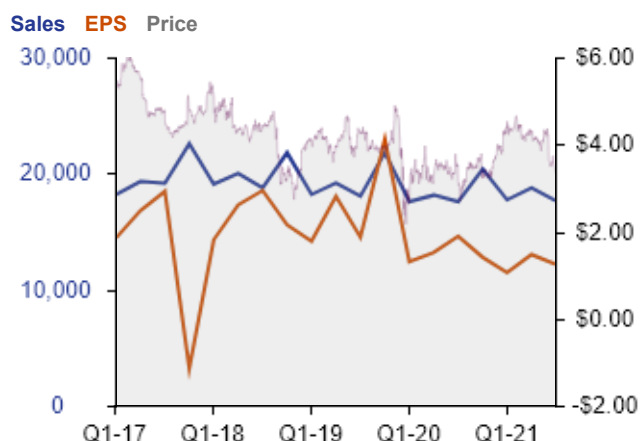
VALUATION SUMMARY

	IBM	Industry	S&P 500
Value Score	90	56	74
Price / Earnings	22.4	44.9	28.6
Price / Sales	1.4	2.3	3.2
Price / Free Cash Flow	8.0	25.5	30.7
Price / Book	4.7	4.3	5.1
Price / Tangible Book	-	-	100+
EV / EBITDA	11.9	18.9	23.7
EPS Predict. Pctl.	80	62	70
Piotroski F Score	6	7	9
5-Year P/E Range	9.5		27.1
5-Year P/B Range	4.3		9.7
5-Year P/S Range	1.1		2.1



GROWTH SUMMARY

	IBM	Industry	S&P 500
Growth Score	55	60	79
Sales Growth			
Sales Growth Next Year	-15.2%	3.1%	9.2%
Sales 1-Year Chg (%)	-0.8%	4.4%	21.0%
Sales 3-Year Avg (%)	-2.5%	-2.9%	14.7%
Sales 5-Year Avg (%)	-1.5%	-4.8%	13.2%
EPS Growth			
Next Yr. Growth Est.	4.4%	10.9%	8.6%
EPS 1-Year Chg (%)	-41.3%	17.9%	68.5%
EPS 3-Year Avg (%)	-5.5%	0.9%	30.8%
EPS 5-Year Avg (%)	-15.8%	-4.4%	25.9%

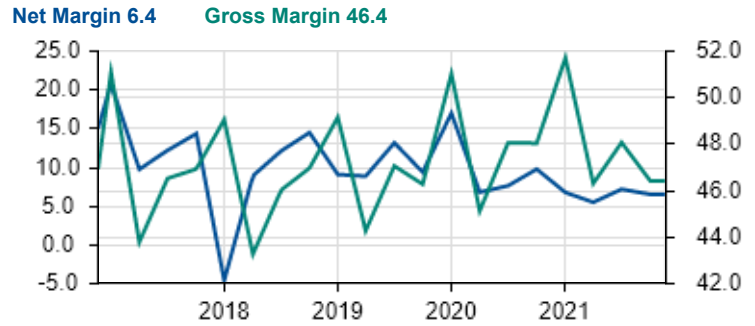


PEERS ANALYSIS SUMMARY

Ticker	Company	Cap (\$M USD)	P/E	Div. Yield	1M Return	1Y Return	Margin of Safety	Value Score	Growth Score	Quality Score
ADBE	Adobe	\$327,526	57.1	-	8.2%	47.6%	-17%	65	98	99
CRM	Salesforce.com	\$294,845	100+	-	3.0%	13.8%	1%	54	98	59
ORCL	Oracle	\$256,884	20.0	1.4%	-3.2%	69.0%	12%	77	81	88
ACN	Accenture	\$233,574	40.3	1.1%	5.7%	53.9%	-5%	79	93	96
SAP	SAP	\$168,120	25.6	1.6%	-2.4%	20.8%	9%	79	68	94
IBM	IBM	\$104,017	22.4	5.7%	-13.3%	9.1%	48%	90	55	70
SQ	Square	\$103,851	100+	-	-11.5%	17.5%	-11%	61	88	64
INFY	Infosys	\$98,925	35.7	1.7%	-1.7%	62.2%	-12%	79	84	97
FISV	Fiserv	\$66,062	51.8	-	-10.1%	-11.5%	33%	75	96	70
CTSH	Cognizant Tech So...	\$43,065	23.1	1.2%	3.1%	9.0%	15%	88	88	94
DIDI	DiDi Global	\$40,032	-	-	-3.0%	-	-	39	-	52
CDW	CDW	\$26,609	27.6	1.0%	4.5%	49.1%	-2%	84	93	76

PROFITABILITY SUMMARY

	IBM	Industry	S&P 500
Quality Score	70	61	76
Gross Margin	48.2%	29.9%	30.4%
Operating Margin	10.1%	8.5%	14.3%
Net Margin	6.4%	5.1%	11.4%
Return on Assets	3.3%	6.0%	8.4%
Return on Equity	21.4%	16.4%	33.7%
ROIC	7.3%	12.5%	19.2%



RETURNS SUMMARY

	IBM	Industry	S&P 500
Sentiment Score	20	47	70
5-Day Return	-2.4%	-1.7%	0.3%
1-Month Return	-13.3%	-2.0%	3.9%
YTD Return	1.5%	15.4%	26.3%
1-Year Return	9.1%	22.6%	33.0%
3-Year Return	17.7%	55.0%	84.1%
5-Year Return	-3.7%	83.2%	135.9%
Beta 1-Year	0.66	0.83	0.99

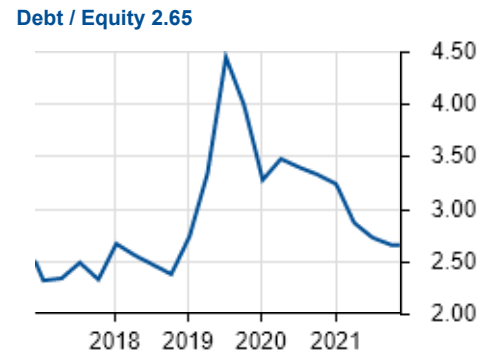


DIVIDEND

	IBM	Industry
Dividend Yield	5.7%	1.2%
Payout Ratio	122.7%	46.8%
TTM Yield	5.6%	-
Dividend Per Share	\$6.56	\$1.53
Div. 1Y Chg (%)	0.6%	-6.8%
Div. 3Y Avg (%)	1.5%	-6.7%
Div. 5Y Avg (%)	3.2%	-1.4%
Cons. Growth Years	10+	0
Div. Coverage Ratio	0.8	2.1

DEBT & EQUITY

Current Ratio	0.8
Quick Ratio	0.8
Price	\$116.05
Net Cash Per Share	-\$57.00
Equity Per Share	\$24.79
Debt / Equity	2.7
Solvency Ratio	13%
Interest Coverage	5.3
Short % of Float	2.9%
Altman Z-Score	2.7



ANALYST REVISIONS

Current Quarter EPS		Next Quarter EPS	
# Up Last 30 days	2.00	# Up Last 30 days	1.00
# Down Last 30 days	0.00	# Down Last 30 days	0.00
Mean Estimate	2.00	Mean Estimate	3.50
% Change (30 Days)	-2.44%	% Change (30 Days)	-16.47%

MEAN ESTIMATE TREND

	Cur Qtr	Next Qtr	Cur Year	Next Year
Latest	\$3.50	\$2.00	\$9.70	\$10.13
30 Days Ago	\$4.19	\$2.05	\$10.73	\$11.81
90 Days Ago	\$4.19	\$2.04	\$10.77	\$11.84
% Change (90 Days)	-16.5%	-2.0%	-9.9%	-14.4%

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 Detail (Last 6 Quarters)

Surprise Summary (Last 12 Quarters)

Surprise Type	Amount	Percent
Positive Quarters (> 2%)	5	41.7%
Negative Quarters (< 2%)	0	-
In-Line Quarters (within 2%)	7	58.3%

Surprise Type	Announce Date	Period End Date	Actual EPS	Est. EPS	Surprise (%)
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%
Positive	01/21/21	12/31/20	\$2.07	\$1.78	16.3%
In-Line	10/19/20	09/30/20	\$2.58	\$2.55	1.2%
In-Line	07/20/20	06/30/20	\$2.18	\$2.14	1.9%

RISK

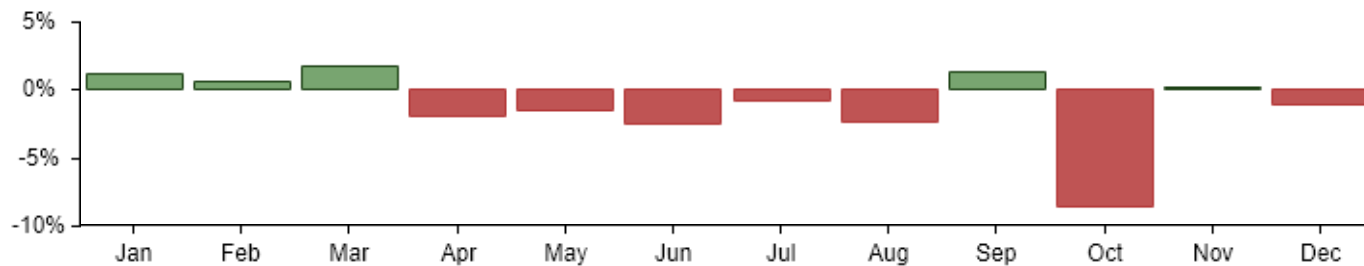
	IBM	Industry	S&P 500
Best Monthly Return (5Y)	19.4%	15.8%	17.9%
Worst Monthly Return (5Y)	-24.6%	-16.9%	-16.4%
Beta 1-Year	0.66	0.83	0.99
Volatility 1-Year	0.23	0.12	0.12
Volatility 1Y Pctl.	21	-	-
Max Drawdown 1-Year	-23.3%	-17.3%	-5.2%
Max Drawdown 3-Year	-39.5%	-35.7%	-33.9%
Max Drawdown 5-Year	-47.9%	-35.9%	-33.9%

IBM Volatility 1-Year 0.24



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 -138.7% in the past 5 Years.

IBM has underperformed its sector by -303.9% in the past 5 Years.

The Technology sector has outperformed the market by 165.1% in the past 5 Years.

Dividend Adjusted Return Nov 18, 2016 - Nov 19, 2021

IBM 116.05 (-138.7%) Technology 457.47 (+165.1%) S&P 500 4697.96 (0.0%)



Overall Rating vs. Peers

79

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 Ratings Score	Sales QoQ Chg.	Eps QoQ Chg.	Sales Growth Next Y.	Sales 1Y Chg (%)	Sales 3Y Avg (%)	Sales 5Y Avg (%)
CRM	Salesforce.com	90	23.1%	-80.3%	20.8%	16.0%	23.5%	24.4%
ACN	Accenture	89	23.9%	10.6%	8.0%	14.0%	7.2%	7.7%
ORCL	Oracle	66	3.9%	19.4%	4.3%	4.1%	0.8%	1.9%
IBM	IBM	34	0.3%	-33.9%	-15.2%	-0.8%	-2.5%	-1.5%
DIDI	DiDi Global	16	-	-	24.7%	-	-	-

Valuation vs Peers								
Ticker	Company	Valuation Ratings Score	P/E	Forward P/E	PEG Trailing	P/S	P/B	5Y P/E Range
IBM	IBM	89	22.4	11.5	-	1.4	4.7	9.5 27.1
CRM	Salesforce.com	74	100+	64.8	2.3	12.1	5.3	47.0 -
ACN	Accenture	73	40.3	37.3	5.6	4.7	12.0	17.0 40.6
ORCL	Oracle	64	20.0	18.2	1.2	6.8	-	12.7 57.6
DIDI	DiDi Global	15	-	63.9	-	1.4	-	- -

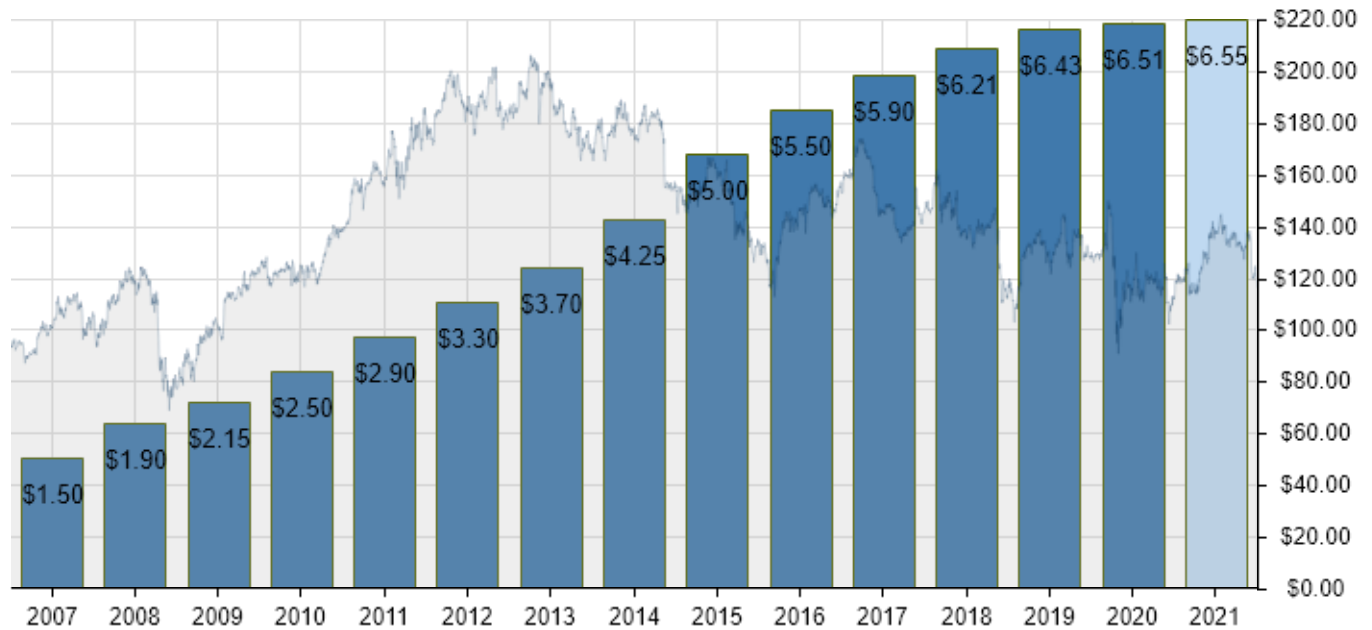
Efficiency vs Peers								
Ticker	Company	Efficiency Ratings Score	Gross Margin	Operating Margin	Net Margin	5Y ROE Range		5Y ROA Range
ACN	Accenture	97	32.4%	15.1%	11.7%	29.3%	57.9%	13.6% 21.0%
CRM	Salesforce.com	91	74.3%	4.7%	10.0%	-0.9%	10.4%	-0.5% 6.8%
ORCL	Oracle	89	80.2%	38.5%	34.2%	-905.4%	262.4%	2.6% 11.4%
IBM	IBM	81	48.2%	10.1%	6.4%	21.4%	65.1%	3.3% 10.1%
DIDI	DiDi Global	39	10.6%	-10.5%	-0.6%	-1.1%	-1.1%	-0.7% -0.7%

Financial Strength vs Peers								
Ticker	Company	Financial Strength Ratings Score	Debt / Equity	Interest Coverage	Quick Ratio	Intangibles %	Solvency Ratio	Short % of Float
ACN	Accenture	88	0.2	131.5	1.3	29.7%	42%	0.6%
CRM	Salesforce.com	80	0.3	-	0.9	65.3%	17%	2.5%
IBM	IBM	75	2.7	5.3	0.8	51.6%	13%	2.9%
ORCL	Oracle	46	-	6.1	2.0	37.5%	17%	1.9%
DIDI	DiDi Global	43	0.1	-6.6	2.8	34.0%	18%	-

Dividends vs Peers								
Ticker	Company	Dividends Ratings Score	Div. Yield	TTM Yield	Price	Div. Per Share	Consecutive Div. Growth Years	Payout Ratio
IBM	IBM	98	5.7%	5.6%	\$116.05	\$6.56	10+	122.7%
ORCL	Oracle	76	1.4%	1.3%	\$93.97	\$1.28	7	23.2%
ACN	Accenture	28	1.1%	1.0%	\$369.79	\$3.88	1	37.8%
CRM	Salesforce.com	-	-	-	\$301.17	-	0	-
DIDI	DiDi Global	-	-	-	\$8.30	-	-	-

Momentum vs Peers										
Ticker	Company	Momentum Ratings Score	1M Return	3M Return	6M Return	YTD Return	1Y Return	Beta 1Y	Volatility 1Y	Price vs 52-wk High (%)
ACN	Accenture	85	5.7%	13.0%	32.4%	43.3%	53.9%	1.09	0.18	98.6%
CRM	Salesforce.com	82	3.0%	19.0%	36.1%	35.3%	13.8%	0.98	0.26	96.6%
ORCL	Oracle	78	-3.2%	6.3%	20.2%	47.5%	69.0%	0.62	0.23	95.0%
DIDI	DiDi Global	62	-3.0%	15.3%	-	-	-	1.00	0.92	46.1%

DIVIDEND DETAIL



CALENDAR YEAR DIVIDEND HISTORY

Year	Date	Pay Date	Text	Amount
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
2017 Dividends				\$5.90
	11/09/17	12/09/17	Regular	\$1.50
	08/08/17	09/09/17	Regular	\$1.50
	05/08/17	06/10/17	Regular	\$1.50

UPCOMING DIVIDEND

Ex-Dividend Date	11/09/21
Payment Date	12/10/21
Amount	\$1.64
Type	Regular

DIVIDEND RATE

Regular Dividend	\$1.64
Annual Dividend Rate	\$6.56
Annual Dividend Yield	5.7%
Trailing 12 Months Dividends	\$6.55
Trailing 12 Months Yield	5.6%

STATISTICS

Payout Ratio	122.7%
Dividend Coverage Ratio	81.5%
Consecutive Growth Years	10+
3 Year Growth Rate	1.5%
5 Year Growth Rate	3.2%
10 Year Growth Rate	8.1%






FINANCIAL STATEMENT SUMMARY

USD in Millions	Chart	2016	2017	2018	2019	2020	TTM	CAGR
Income Statement								
Revenue		79,920	79,139	79,591	77,147	73,621	74,460	-1.4%
Operating Income		13,639	13,139	13,217	10,631	6,895	7,498	-11.5%
Net income		11,872	5,753	8,728	9,431	5,590	4,765	-17.0%
Earnings per share diluted		\$12.38	\$6.14	\$9.52	\$10.56	\$6.23	\$5.28	-16.0%
Average shares diluted		1,063	937	916	893	897	903	-3.3%
P/E Ratio		13.0	12.3	17.3	14.9	13.6	22.4	11.9%
Balance Sheet								
Cash		8,527	12,580	11,997	8,868	13,812	8,055	-1.2%
Current assets		43,888	49,735	49,146	38,420	39,165	29,967	-7.5%
Net Property, Plant and Eq...		10,831	11,116	10,793	15,005	14,726	13,391	4.4%
Working Capital		7,613	12,372	10,919	719	-704	-5,865	-
Net Debt		33,641	34,243	33,815	59,290	52,657	50,923	8.9%
Stockholders' Equity		18,246	17,594	16,796	20,841	20,597	22,228	4.1%
Cash Flow								
Operating Cash Flow		17,084	16,724	15,247	14,770	18,197	16,112	-1.2%
Cap Ex		-4,150	-3,773	-3,964	-2,907	-3,230	-2,988	-6.5%
Free Cash Flow		12,934	12,951	11,283	11,863	14,967	13,124	0.3%
Free Cash Flow per share		\$12.17	\$13.82	\$12.31	\$13.29	\$16.69	\$14.54	3.7%
Profitability								
Operating Margin		17.1%	16.6%	16.6%	13.8%	9.4%	10.1%	-10.2%
Return on Assets		10.1%	4.6%	7.1%	6.2%	3.6%	3.3%	-20.5%
Return on Equity		65.1%	32.7%	52.0%	45.3%	27.1%	21.4%	-20.3%
Return on Invested Capital		21.6%	9.8%	14.6%	13.7%	7.3%	7.3%	-19.9%

Dividends
VALUATION & PROFITABILITY HISTORY

Date →	TTM	1 Yr Ago	2 Yrs. Ago	3 Yrs. Ago	4 Yrs. Ago
Price / Earnings	22.4	12.7	13.3	18.4	11.9
Price / Cash Flow	6.5	6.6	7.2	6.6	9.1
Price / Book	4.7	4.9	6.5	5.6	6.7
Price / Tangible B...	-	-	-	-	-
Price / Sales	1.4	1.3	1.5	1.3	1.7
EV / EBITDA	11.9	10.1	8.4	8.3	9.7
Dividend Yield	5.7%	5.8%	5.1%	5.5%	4.2%
Shareholder Yield	6.0%	6.1%	8.2%	8.4%	7.6%
Gross Margin	48.2%	48.2%	46.8%	45.5%	46.3%
Net Margin	6.4%	10.5%	10.0%	7.1%	14.4%
Return on Assets	3.3%	5.1%	5.2%	4.7%	9.3%
Return on Equity	21.4%	37.3%	43.0%	28.9%	57.6%
ROIC	7.3%	10.1%	9.9%	9.6%	18.3%

WARNINGS

Name	Severity	Details
High Goodwill	Medium 	Goodwill %: 42.6%
<p>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.</p>		
GAAP Earnings vs. Pro Forma	Medium 	Official EPS: \$1.25; Announced EPS: \$2.52
<p>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.</p>		
Negative Sales Growth Years	Medium 	Number of Years: 9; Sales 1Y Chg (%): -0.8%
<p>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.</p>		
MACD Crossover	Low 	MACD Crossover Days: 1; MACD Divergence: -0.03
<p>The MACD indicator has turned negative in the past week. This is a bearish signal among technical traders.</p>		
Low Sentiment Score	Low 	Sentiment Score: 20
<p>The sentiment score for this company is low. The stock has worse momentum than most other stocks. Contrarian investors love this sort of stock but be sure to understand why it is out of favor.</p>		

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

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