INT	'L E	BUS.	MAC	H. NY	(SE-IBI	A	R P	ECENT 1	48.56	6 P/E Rati	₀ 12 .	B (Traili Medi	ng: 12.2 an: 12.0)	RELATIV P/e rati	e 0.7	O DIV'D YLD	4.3	8%	/ALUI LINE				
TIMELI		3 Raised		High: Low:	121.5 88.8	130.9 69.5	132.9 81.8	147.5 116.0	194.9 146.6	211.8 177.3	215.9 172.6	199.2 150.5	176.3 131.6	170.0 116.9	182.8 139.1	171.1 137.5					Range 2023		
SAFET		1 Raised		LEGEI	5 x "Cash	Flow" p sh													2021	2022			
TECHNICAL 5 Lowered 9/28/18 BETA .95 (1.00 = Market) Shaded area indicates recession																					400 320		
2021-23 PROJECTIONS										ullu.										200			
	Price	Gain	nn'l Total Return						┍╍┲╍╍╹┨┨┛╹╹		1.1 <u>111</u> 111111		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		ш _{нас} на	hu							
	205 170	(+40%) (+15%)	12% 8%		THINK I		•l	herpool ^{er}	*****	*********				II .							120 100		
Inside	r Deci	SiONS JFMA	MJJ	ليتي الم	· · · · · · · · · ·		¹	*****	*****		***	••••••••									80 60		
to Buy Options		0 0 0 0	0 0 0	*********								•	••••••••	·····	•••								
to Sell	0 0 0	Decisio	0 0 0												****	****		% то	T. RETUR		40		
	4Q201	7 1Q2018	2Q2018 823	Percen														1 yr.	THIS STOCK 6.8	VL ARITH.* INDEX 19.9	4		
to Buy to Sell Hld's(000)	82 71 51640	8 828	912	shares traded	10 - 5 -													3 yr. 5 yr.	11.3 -4.9	48.4 73.8	F		
2002	2003			2006	2007	2008	2009	2010		2012	2013	2014	2015	2016	2017	2018	2019		UE LINE P		21-23		
47.14 6.53	52.6 7.2		57.90 8.71	60.69 9.56	71.31	77.39 13.28	73.36 14.11	81.33 16.01	91.92 17.77	93.53 19.04	94.61 20.07	93.68 20.44	84.64	84.49 17.19	85.82 17.13	90.00 16.85	92.95 17.25		es per sh low" per	ch	100.00 19.20		
3.95	4.3		5.22	6.01	7.18	8.93	10.01	11.52	13.06	19.04	14.94	15.59	13.60	12.39	12.04	11.60	11.85		s per sh		13.00		
.59 2.76	.6 2.5		.78	1.10 2.90	1.50 3.34	1.90 3.11	2.15 2.64	2.50 3.41	2.90 3.53	3.30 3.65	3.70 3.93	4.25	5.00	5.50 3.77	5.90 3.50	6.21 4.00	6.52 4.00		Decl'd per		7.15		
13.23	16.4		2.44	18.92	20.55	10.06E	2.04	18.87	5.55 17.40	3.05 16.88	21.62	4.22	14.77	19.29	19.08	22.60	25.25		pending p alue per sl		38.20		
1722.4	1694.		1574.0	1506.5	1385.2	1339.1	1305.3	1228.0	1163.2	1117.4	1054.4	990.52	965.73	945.87	922.18	900.0	880.0		n Shs Ou	•	850.0		
21.4 1.17	19. 1.1		16.1 .86	13.9 .75	14.8 .79	12.3 .74	10.9 .73	11.4 .73	13.1 .82	13.7 .87	13.0 .73	11.7 .62	11.4	12.1 .64	13.1 .65	Bold fig Value	Line		n'I P/E Rat P/E Ratio		14.5 .80		
.7%	.79		.9%	1.3%	1.4%	1.7%	2.0%	1.9%	1.7%	1.7%	1.9%	2.3%	3.2%	3.7%	3.7%	estin	ates	Avg Anı	n'l Div'd Y	ield	3.8%		
							95758 23.0%	99870 23.0%	106916 23.5%	104507 25.1%	99751 24.3%	92793 24.0%	81741 23.9%	79919 19.8%	79139	81000 20.5%	81800 21.0%		es (\$mill) ng Margin		85000 21.5%		
Total Debt \$45497 mill. Due in 5 Yrs \$29841 mill. 5450.0 499							4994.0	4831.0	4815.0	4676.0	4678.0	4492.0	3855.0	4381.0	4541.0	4500			ation (\$mi		5200		
LT Debt \$37851 mill. LT Interest \$715 mill. (LT interest earned: 16.9x; total interest coverage:					12334	13425 26.0%	14833 24.8%	15855 24.5%	16604 24.2%	16483 15.6%	15751 21.2%	13364 16.2%	11881 3.6%	11258	10650 7.0%	10650 13.0%		fit (\$mill) Tax Rate		11100			
							20.0% 14.0%	14.9%	24.5% 14.8%	24.2% 15.9%	16.5%	17.0%	16.3%	14.9%	14.2%	13.1%	13.0%		fit Margin		13.0% 13.1%		
Pension Assets-12/17 \$93.6 bill. Oblig. \$106.5 6569.0 1293							12933	7554.0	8805.0	5808.0	11196	9822.0	8235.0	7613.0	12372	11000			g Cap'l (\$r		13000		
22089 219 13465E 227							21932 22755	21846 23172	22857 20236	24088 18860	32856 22792	35073 11868	33428 14262	34655 18246	39837 17594	37500 20325	40000 22225		erm Debt (uity (\$mill)		55000 32450		
Common Stock 912,768,189 shs. 35.6% 31.2							31.2%	33.8%	37.6%	39.5%	30.4%	34.6%	28.4%	23.4%	18.1%	19.0%	17.5%	Return o	on Total C	ap'l	13.5%		
							59.0% 46.4%	64.0% 50.3%	78.4% 61.2%	88.0% 68.0%	72.3% 54.5%	132.7% 96.8%	93.7% 59.4%	65.1% 36.3%	64.0% 32.6%	52.5% 24.0%	48.0% 21.5%		on Shr. Eq d to Com		34.0% 15.5%		
							21%	21%	22%	23%	25%	27%	37%	44%	49%	54%	55%		ls to Net F		55%		
Cash Assets 8527 12580 11926 BUSINESS:								International Business Machines Corporation is a upplier of technology and business services, software,											depreciat				
Inventory (Avg Cst) 1553 1583 1742 and systems							stems h	ardware.	2017 re	evenue	breakdov	vn: Tech	nology	About 380,000 employees. Officers & directors control less than 1% of stock; The Vanguard Group, 6.88%; BlackRock, 6.2%; State									
Current Assets 43888 49735 46795 Services &							Cloud Platforms, 43%; Global Business Services, 21%; 10%; Cognitive Solutions, 23%; Financing & Other, 3%.							Street, 5.6% (3/18 proxy). Chairman, Pres. & CEO: Virginia M. Rometty. Inc.: NY. Address.: New Orchard Road, Armonk, NY									
Debt Due 7513 6987 7646 Geogram						eographic mix: Americas region, 48% of revenue; EMEA, 31%;								10504. Tel.: 914-499-1900. Internet: www.ibm.com.									
Curren	t Liab.			37363	35442				growt hines'										xpens				
ANNUA of change				st Est'd	l '15-'17 '21-'23	past	thre	s Machines' revenues in the ree quarters was a positive de-							tions from initiatives undertaken ear- lier in 2018 to ramp up in the second								
Reveni "Cash	Jes	3.0 6.0)% -1.	0%	2.5% 1.5%										half. These measures included implement- ing new ways of working and shifting the								
Earning	js	7.5 17.0		5% 5%	.5% 4.5%	in tł	ne las	last nine months benefited from a							expense mix to more variable (rather than								
Book V	alue	-1.5	5%	1	3.5%										fixed) costs. Although spending on growth initiatives is likely to remain high, serv-								
Cal- endar	QUA Mar.3	RTERLY RI	EVENUES (Sep.30		Full Year				r, 201					ices 1	nargi	ns sho	uľd e	xpand	l.	U			
2015	19590	20813	19280	22059	81741				m in currei										ks to least				
2016 18684 20238 19226 21771 79919 tailwind to a headwind in the back half of 2018 . This includes an estimation of the state of th														_									
2018 19072 20003 19315 22610 81000 by new sys								: Moreover, revenues generated systems usually moderate after a						year	share of acquisition/retirement costs. Full- year results in 2018 are likely to be held								
EADNINGS DED SHADE A DE IN period of								f initial good reception (although						back by a higher tax rate, even excluding									
endar Mar.31 Jun.30 Sep.30 Dec.31 Year ing ahea							ahead	nd of prior systems). The top-line							the \$5.5 billion charge recorded in late 2017 associated with tax reform in the								
2015 2.44 3.58 3.02 4.59 13.60 comparis 2016 2.09 2.61 2.98 4.73 12.39 be especi							pariso	son in the final period of 2018 may U.S. At								resent, we tentatively expect IBM slight share-net progress in 2019,							
2017	2017 1.85 2.48 2.92 4.79 12.04 De especta 2018 1.81 2.61 2.70 4.48 11.60 On an							ally tough. to make slight share-ne encouraging note, however, supported by modest re										rever	iue gr	owth,	, the		
2019 1.85 2.65 2.75 4.60 11.85 Strategic computi							<u> </u>	egic market revenues (from cloud expense-reduction initiatives, and stor uting, analytics, and information repurchases.															
Cal- QUARTERLY DIVIDENDS PAID BE Full Security) have risen at a mid-teens IBM's divid									end yield is more than						
2014 .95 1.10 1.10 1.10 4.25 business									the past year. The as-a-service dou							ouble the Value Line median. But the							
2015 1.10 1.30 1.30 1.30 5.00 signings,									a forerunner of the services reve- T							stock is ranked only 3 (Average) for Timeliness. Too, long-term investors may							
2017	1.40	1.50	1.50	1.40	5.50 5.90				n the . s farth							very j rophy	patier		otembe	er 28	2018		
2018 (A) Base	<u>1.50</u> d on d	1.57 iluted shs	<u>1.57</u> . Excl. ga	ins (losse	s) refo				ue to char								npanv's		al Strengt		A++		
from disc	continue	ed operatio .02); '06, \$	ons; '03, ((\$0.02); '()4, shs.	Next ear	nings rep	ort mid-0	October.	-	(D) Incl.	Intangibl	es. As o	f 6/30/18	,\$39.8 b	oil- Sto	ck's Ýric	e Stabil th Persis	ity		90 15		
	ludes	\$5.90 ch	arge rela	ted to t	ax June	e, Septen	nber, and	Decem	per. Div	idend	ment ber	efit plan	loss.	warranties		Ear		redictabi			90		

(\$0.01), 05, (\$0.02), 05, \$0.05, 14, (\$5.05). If (**b**) Dividentias instancially place in early March, inton, \$45.05,81. (**c**) in 05, incl. \$15.2 bill. Tetrife-'17, excludes \$5.90 charge related to tax | June, September, and December. ■ Dividend | ment benefit plan loss. © 2018 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

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