

2Q 2025 Earnings



Forward-looking statements and non-GAAP information

Certain comments made in this presentation may be characterized as forward looking under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the company's current assumptions regarding future business and financial performance. Those statements by their nature address matters that are uncertain to different degrees. Those statements involve a number of factors that could cause actual results to differ materially. Additional information concerning these factors is contained in the Company's filings with the SEC. Copies are available from the SEC, from the IBM website, or from IBM Investor Relations. Any forward-looking statement made during this presentation speaks only as of the date on which it is made. The company assumes no obligation to update or revise any forward-looking statements except as required by law; these charts and the associated remarks and comments are integrally related and are intended to be presented and understood together.

In an effort to provide additional and useful information regarding the company's financial results and other financial information as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and presentation materials, certain non-GAAP information including operating earnings and other "operating" financial measures, free cash flow, net cash from operating activities excluding IBM Financing receivables,

adjusted EBITDA and adjustments for currency. The rationale for management's use of this non-GAAP information is included as Exhibit 99.2 to the company's Form 8-K submitted to the SEC on July 23, 2025. The reconciliation of non-GAAP information to GAAP is included in the press release within Exhibit 99.1 to the company's Form 8-K submitted to the SEC on July 23, 2025, as well as on the slides entitled "Non-GAAP supplemental materials" in this presentation.

To provide better transparency, the company also discusses management performance metrics including annual recurring revenue, annual bookings, signings, GenAI book of business, and book-to-bill. The metrics are used to monitor the performance of the business and are viewed as useful decision-making information for management and stakeholders. The rationale for management's use of these performance metrics and their calculation, are included in Exhibit 99.2 to the company's Form 8-K submitted to the SEC on July 23, 2025, or in the Management Discussion section of the company's 2024 Annual Report, which is Exhibit 13 to the Form 10-K submitted with the SEC on February 25, 2025. For other related information please visit the Company's investor relations website at:

<https://www.ibm.com/investor/events/earnings-2025>



Arvind Krishna

Chairman, President and
Chief Executive Officer



James Kavanaugh

SVP, Finance & Operations
and Chief Financial Officer

CEO perspective

“We once again exceeded expectations for revenue, profit and free cash flow in the quarter. IBM remains highly differentiated in the market because of our deep innovation and domain expertise, both crucial in helping clients deploy and scale AI. Our generative AI book of business continues to accelerate and now stands at more than \$7.5 billion.

With our strong first-half performance, we are raising our full-year outlook for free cash flow, which we expect to exceed \$13.5 billion.”

Arvind Krishna

IBM Chairman, President and CEO

Financial highlights

2Q25

\$17.0B

Revenue

\$2.8B

Free cash flow

“The innovation we are bringing to market across the portfolio continues to resonate with clients as they scale their AI adoption and investments. As a result, revenue growth, portfolio mix and ongoing productivity initiatives drove significant margin expansion and double-digit profit growth.

This combination delivered solid free cash flow, fueling our ability to invest in the business and return value to shareholders through dividends.”

James Kavanaugh

IBM SVP & CFO

Revenue & ARR growth rates @CC

>5%

Revenue growth yr/yr

10%

Software ARR growth yr/yr

>110bps

Pre-tax margin expansion
(operating)

~200bps

Adjusted EBITDA margin
expansion

16%

Adjusted EBITDA growth

15%

Earnings per share growth
(operating)

Software

High value recurring revenue base;
ARR of \$22.7 billion, +10% yr/yr

Red Hat growth accelerated to 14%;
OpenShift ARR \$1.7B

First full quarter with HashiCorp, accelerated
bookings growth

Strong performance across our AI offerings

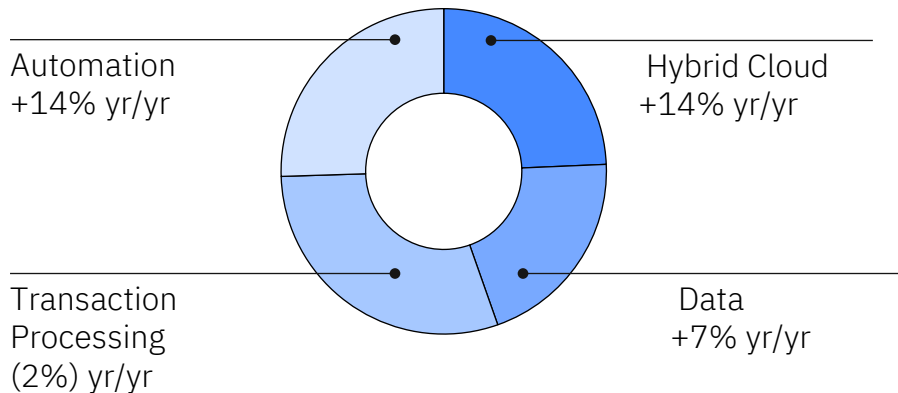
\$7.4B

Revenue

+8%

Revenue growth

Revenue categories-2Q25



Infrastructure

Strong early start to z17

Innovating across the portfolio to accelerate AI and hybrid cloud adoption

Distributed Infrastructure impacted by product cycle dynamics

Profit margin strength reflects mix benefit from IBM Z growth

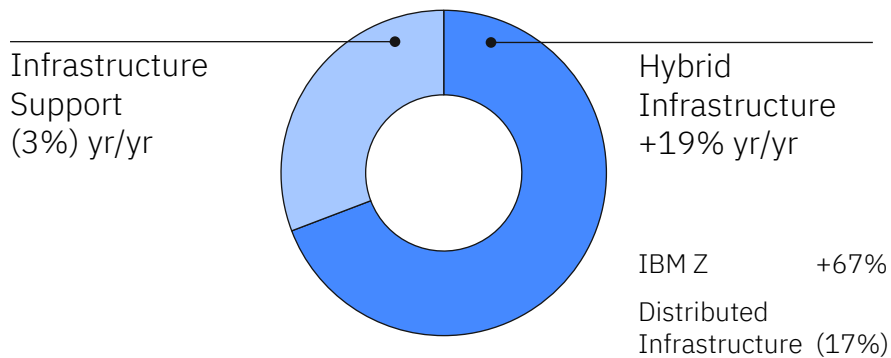
\$4.1B

Revenue

+11%

Revenue growth

Revenue categories-2Q25



Consulting

Stabilization of revenue and solid backlog performance

Continued momentum in generative AI bookings

Signings impacted by discretionary spend

Strong gross and profit margin expansion

\$5.3B

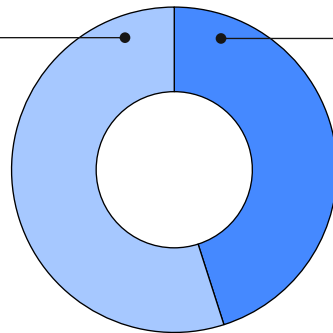
Revenue

Flat

Revenue growth

Revenue categories-2Q25

Strategy and
Technology
(2%) yr/yr



Intelligent
Operations
+2% yr/yr

Summary

2Q25 Summary

Exceeded our expectations across revenue, profitability, and free cash flow

Productivity initiatives drove strong margin performance and fuel investments in innovation

Innovation value reflected in strength of z17 launch & generative AI book of business at over \$7.5 billion inception-to-date

Generated \$4.8 billion of free cash flow in 1H25, our highest first-half free cash flow margin in many years

Maintained strong liquidity and solid investment grade balance sheet

2025 Expectations

Revenue growth @CC inflecting higher to 5%+

Raising operating pre-tax margin to expand by about a point

Raising full-year free cash flow to over \$13.5 billion

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Supplemental material

Revenue and P&L highlights

Adjusted EBITDA performance

Cash flow and balance sheet highlights

Currency impact on revenue growth

Software & Infrastructure segment details

Consulting segment details

Expense summary

Balance sheet summary

Free cash flow summary

Cash flow (ASC 230)

Software segment categories

Consulting segment categories

Infrastructure segment categories

Non-GAAP supplemental materials

Some columns and rows in these materials, including the supplemental exhibits, may not add due to rounding

Revenue and P&L highlights

Revenue highlights	2Q25	B/(W) Yr/Yr
Revenue	\$17.0	5%
Americas	\$8.5	7%
Europe/ME/Africa	\$5.4	8%
Asia Pacific	\$3.1	(3%)

Operating P&L highlights \$	2Q25	B/(W) Yr/Yr
Gross profit	\$10.2	12%
Expense	\$7.0	(11%)
Pre-tax income	\$3.2	15%
Net income	\$2.7	17%
Earnings per share	\$2.80	15%
Adjusted EBITDA	\$4.7	16%

Operating P&L highlights %	2Q25	B/(W) Yr/Yr
Gross profit margin	60.1%	2.3 pts
Expense E/R	41.3%	(1.1 pts)
Pre-tax income margin	18.8%	1.1 pts
Net income margin	15.6%	1.2 pts
Tax rate	17.0%	1.5 pts

Adjusted EBITDA performance

	QTD 2Q25	Yr/Yr	YTD 2Q25	Yr/Yr
Operating (non-GAAP) pre-tax income from continuing operations	\$3.2	\$0.4	\$4.9	\$0.5
Net interest expense	\$0.3	\$0.1	\$0.6	\$0.2
Depreciation/Amortization of non-acquired intangible assets	\$0.7	(\$0.0)	\$1.4	(\$0.0)
Stock-based compensation	\$0.4	\$0.1	\$0.8	\$0.2
Workforce rebalancing charges	\$0.0	(\$0.0)	\$0.3	(\$0.1)
Corporate (gains) and charges*	\$0.0	\$0.0	\$0.0	\$0.3
Adjusted EBITDA	\$4.7	\$0.6	\$8.1	\$1.0

\$ in billions

*Corporate (gains) and charges primarily consists of unique corporate actions such as gains on divestitures

Cash flow and balance sheet highlights

Cash flow	2Q25 YTD	Yr/Yr
Net cash from operations*	\$5.5	\$0.2
Free cash flow**	\$4.8	\$0.3

Select uses of cash	2Q25 YTD	Yr/Yr
Net capital expenditures	\$0.7	(\$0.1)
Acquisitions	\$7.8	\$7.6
Dividends	\$3.1	\$0.1

Balance sheet	Jun 25	Dec 24	Jun 24
Cash & marketable securities	\$15.5	\$14.8	\$16.0
Total debt	\$64.2	\$55.0	\$56.5

Select debt measures	Jun 25	Dec 24	Jun 24
IBM Financing debt	\$11.7	\$12.1	\$11.1
Core (non-IBM Financing) debt	\$52.4	\$42.9	\$45.4

\$ in billions

*Non-GAAP financial measure; excludes Financing receivables

**Non-GAAP financial measure; adjusts for Financing receivables and net capital expenditures

Currency impact on revenue growth

Quarterly averages per US \$	1Q25	Yr/Yr	2Q25	Yr/Yr	Spot @3Q Earnings	3Q25	4Q25	FY25
Euro	0.95	(3%)	0.88	5%	0.85	6%	9%	4%
Pound	0.79	(1%)	0.75	6%	0.74	4%	5%	3%
Yen	152	(3%)	144	7%	146	2%	4%	3%
Revenue impact, future @3Q Earnings Spot				2.4 pts		1.5-2 pts	~3.5 pts	~1.5 pts
<i>Prior view</i>				2-2.5 pts		~1.5 pts	~3 pts	1-1.5 pts
			US \$B	Yr/Yr				
Revenue as reported			\$17.0	8%				
Currency impact			\$0.4	2.4 pts				
Revenue @CC				5%				

Software & Infrastructure segment details

Software segment	2Q25	B/(W) Yr/Yr
Revenue	\$7.4	8%
Hybrid Cloud	\$1.8	14%
Automation	\$1.9	14%
Data	\$1.5	7%
Transaction Processing	\$2.2	(2%)
Segment profit	\$2.3	9%
Segment profit margin	31.1%	(0.3 pts)
Annual recurring revenue	\$22.7	10%

Infrastructure segment	2Q25	B/(W) Yr/Yr
Revenue	\$4.1	11%
Hybrid Infrastructure	\$2.9	19%
IBM Z		67%
Distributed Infrastructure		(17%)
Infrastructure Support	\$1.3	(3%)
Segment profit	\$1.0	48%
Segment profit margin	23.3%	5.4 pts

Consulting segment details

Consulting segment	2Q25	B/(W) Yr/Yr
Revenue	\$5.3	Flat
Strategy and Technology	\$2.9	(2%)
Intelligent Operations	\$2.4	2%
Gross profit margin	27.5%	1.2 pts
Segment profit	\$0.6	21%
Segment profit margin	10.6%	1.6 pts
Signings	\$4.8	(18%)
Book-to-bill ratio (TTM)	1.14	

Expense summary

Expense	2Q25	B/(W) Yr/Yr	Acq/ Divest*		
			Currency	Divest*	Base**
Operating expense & other income	\$7.0	(11%)	(4 pts)	(6 pts)	(1 pts)
SG&A – operating	\$4.7	(1%)	(1 pts)	(5 pts)	6 pts
R&D – operating	\$2.1	(14%)	0 pts	(7 pts)	(7 pts)
IP and custom development income	(\$0.2)	(11%)			
Other (income)/expense - operating	(\$0.1)	(81%)			
Interest expense	\$0.5	(19%)			

\$ in billions

*Includes acquisitions in the last twelve months net of non-operating acquisition-related charges and includes impact of closed divested businesses

**Represents the percentage change after excluding the impact of currency translation & hedges, acquisitions and divestitures

Balance sheet summary

	Jun 25	Dec 24	Jun 24
Cash & marketable securities	\$15.5	\$14.8	\$16.0
Core (non-IBM Financing) assets*	\$120.0	\$108.9	\$105.3
IBM Financing assets	\$13.1	\$13.5	\$12.5
Total assets	\$148.6	\$137.2	\$133.8
Other liabilities	\$56.8	\$54.8	\$53.2
Core (non-IBM Financing) debt*	\$52.4	\$42.9	\$45.4
IBM Financing debt	\$11.7	\$12.1	\$11.1
Total debt	\$64.2	\$55.0	\$56.5
Total liabilities	\$121.0	\$109.8	\$109.7
Equity	\$27.6	\$27.4	\$24.1

\$ in billions

*Includes eliminations of inter-company activity

Free cash flow summary

	QTD 2Q25	B/(W) Yr/Yr	YTD 2Q25	B/(W) Yr/Yr
Net cash from operations	\$1.7	(\$0.4)	\$6.1	(\$0.2)
Less: IBM Financing receivables	(\$1.5)	(\$0.5)	\$0.6	(\$0.3)
Net cash from operations (excluding IBM Financing receivables)	\$3.2	\$0.2	\$5.5	\$0.2
Net capital expenditures	(\$0.3)	\$0.1	(\$0.7)	\$0.1
Free cash flow (excluding IBM Financing receivables)	\$2.8	\$0.2	\$4.8	\$0.3

Cash flow (ASC230)

	QTD 2Q25	QTD 2Q24	YTD 2Q25	YTD 2Q24
Net income from operations	\$2.2	\$1.8	\$3.2	\$3.4
Depreciation / amortization of intangibles*	\$1.3	\$1.2	\$2.4	\$2.3
Stock-based compensation	\$0.4	\$0.3	\$0.8	\$0.6
Operating assets and liabilities / other, net	(\$0.7)	(\$0.3)	(\$1.1)	(\$1.1)
IBM Financing A/R	(\$1.5)	(\$0.9)	\$0.6	\$1.0
Net cash provided by operating activities	\$1.7	\$2.1	\$6.1	\$6.2
Capital expenditures, net of payments & proceeds	(\$0.3)	(\$0.4)	(\$0.7)	(\$0.8)
Divestitures, net of cash transferred	—	—	(\$0.0)	\$0.7
Acquisitions, net of cash acquired	(\$0.7)	(\$0.2)	(\$7.8)	(\$0.2)
Marketable securities / other investments, net	\$2.8	\$2.8	(\$2.8)	(\$1.7)
Net cash provided by/(used in) investing activities	\$1.7	\$2.2	(\$11.3)	(\$2.0)
Debt, net of payments & proceeds	(\$1.3)	(\$2.9)	\$5.8	\$0.5
Dividends	(\$1.6)	(\$1.5)	(\$3.1)	(\$3.1)
Financing - other	\$0.0	(\$0.1)	(\$0.1)	(\$0.1)
Net cash provided by/(used in) financing activities	(\$2.9)	(\$4.5)	\$2.6	(\$2.6)
Effect of exchange rate changes on cash	\$0.3	(\$0.1)	\$0.5	(\$0.2)
Net change in cash, cash equivalents & restricted cash	\$0.9	(\$0.3)	(\$2.1)	\$1.4

\$ in billions

*Includes operating lease right-of-use assets amortization

Software segment categories

Revenue categories

The Software portfolio delivers end-to-end enterprise capabilities for Hybrid Cloud and AI:

Hybrid Cloud

incl. RHEL, OpenShift, Ansible, Red Hat AI

Automation

incl. application development & integration, infrastructure lifecycle management
incl. HashiCorp, network management, security software for identity access management and threat management, observability, FinOps, IT financial management, asset lifecycle management

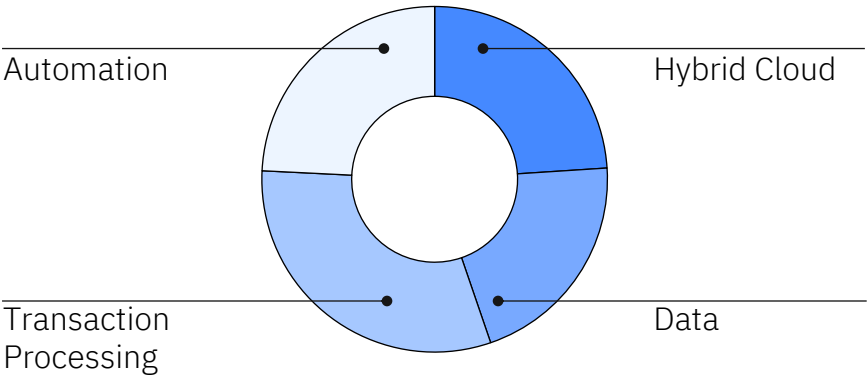
Data

incl. AI assistants, AI tools and governance, databases, data intelligence, data integration, data security

Transaction Processing

incl. Customer Information Control System and storage software, analytics and integration software on IBM operating systems, AI assistants for Z, security software for Z

Revenue categories – FY 2024



Consulting segment categories

Revenue categories

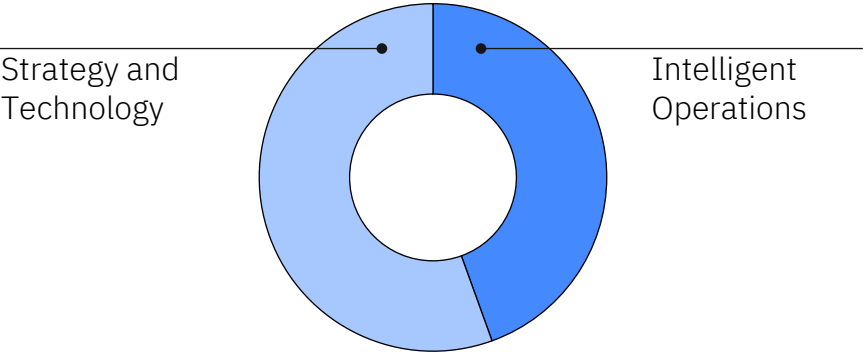
Strategy and Technology

Provides strategy, process design, system implementation, cloud architecture and implementation services to help clients transform their businesses for growth and enable innovation. These services ensure clients benefit from the latest technologies to meet their objectives by leveraging AI and an ecosystem of strategic partners alongside IBM technology and Red Hat, including Adobe, AWS, Microsoft, Oracle, Palo Alto Networks, Salesforce, and SAP, among others.

Intelligent Operations

Focuses on application, cloud platform, and operations services that bring efficiency to clients' processes by operationalizing and running hybrid cloud platforms, managing core business processes, and addressing security holistically across business functions and the IT landscape. These services help clients manage, optimize, and orchestrate custom and ISV packaged applications, enhancing operations through AI-powered solutions for faster, more efficient client outcomes.

Revenue categories – FY 2024



Infrastructure segment categories

Revenue categories

Hybrid Infrastructure

Innovative infrastructure platforms to help meet the new requirements of hybrid multi-cloud and enterprise AI workloads leveraging flexible and as-a-service consumption models:

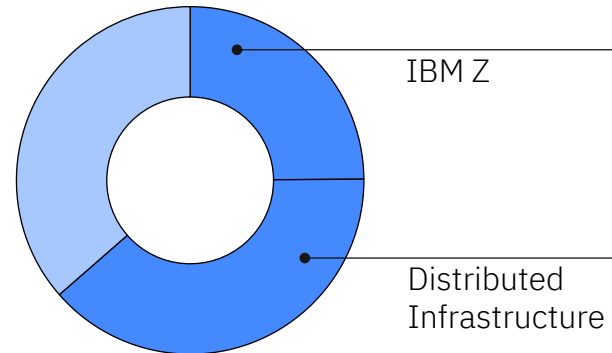
- IBM Z: incl. hardware and operating system
- Distributed Infrastructure: incl. Power hardware and operating system, storage hardware, IBM Cloud IaaS, OEM asset recovery service

Infrastructure Support

Comprehensive, proactive and AI enabled services to maintain and improve the availability and value of clients' IT infrastructure (hardware and software) both on-premises and in the cloud incl. maintenance for IBM products and other technology platforms.

Revenue categories – FY 2024

- Hybrid Infrastructure
- Infrastructure Support



Non-GAAP supplemental materials

Reconciliation of revenue performance – 2Q 2025

	2Q25 Yr/Yr	
	GAAP	@CC
Total revenue	8%	5%
Americas	6%	7%
Europe/ME/Africa	15%	8%
Asia Pacific	1%	(3%)

The above reconciles the non-GAAP financial information contained in the “Financial highlights”, “Revenue and P&L highlights”, and “Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated July 23, 2025, for additional information on the use of these non-GAAP financial measures.

Non-GAAP supplemental materials

Reconciliation of segment revenue performance – 2Q 2025

	2Q25 Yr/Yr			2Q25 Yr/Yr	
	GAAP	@CC		GAAP	@CC
Software	10%	8%	Consulting	3%	Flat
Hybrid Cloud	16%	14%	Strategy and Technology	1%	(2%)
Automation	16%	14%	Intelligent Operations	5%	2%
Data	9%	7%			
Transaction Processing	1%	(2%)	Infrastructure	14%	11%
			Hybrid Infrastructure	21%	19%
			IBM Z	70%	67%
			Distributed Infrastructure	(15%)	(17%)
			Infrastructure Support	(1%)	(3%)

The above reconciles the non-GAAP financial information contained in the “Software”, “Consulting”, “Infrastructure”, “Software & Infrastructure segment details”, “Consulting segment details” and “Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated July 23, 2025, for additional information on the use of these non-GAAP financial measures.

Non-GAAP supplemental materials

Reconciliation of expense summary – 2Q 2025

		2Q25	
	GAAP	Non-GAAP adjustments	Operating (non-GAAP)
SG&A			
Currency	(1 pts)	0 pts	(1 pts)
Acquisitions/divestitures	(5 pts)	0 pts	(5 pts)
Base*	4 pts	1 pts	6 pts
R&D			
Currency	0 pts	0 pts	0 pts
Acquisitions/divestitures	(7 pts)	0 pts	(7 pts)
Base*	(7 pts)	0 pts	(7 pts)
Operating expense & other income			
Currency	(3 pts)	0 pts	(4 pts)
Acquisitions/divestitures	(6 pts)	0 pts	(6 pts)
Base*	0 pts	0 pts	(1 pts)

*Represents the percentage change after excluding the impact of currency translation & hedges, acquisitions and divestitures

The above reconciles the non-GAAP financial information contained in the “Expense summary” discussion in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated July 23, 2025, for additional information on the use of these non-GAAP financial measures.

Non-GAAP supplemental materials

Reconciliation of continuing operations – 2Q 2025

		2Q25			
	GAAP	Acquisition- related adjustments	Retirement- related adjustments	Tax reform impacts	Operating (non-GAAP)
Gross profit	\$9,977	\$225	—	—	\$10,202
Gross profit margin	59%	1.3 pts	—	—	60%
SG&A	5,027	(348)	—	—	4,679
Other (income) & expense	(39)	(1)	(25)	—	(65)
Total expense	7,380	(350)	(25)	—	7,005
Pre-tax income	2,597	575	25	—	3,197
Pre-tax income margin	15.3%	3.4 pts	0.1 pts	—	18.8%
Tax rate	15.5%	1.3 pts	0.2 pts	0.0 pts	17.0%
Net income	2,193	443	17	—	2,652
Net income margin	12.9%	2.6 pts	0.1 pts	0.0 pts	15.6%
Earnings per share	\$2.31	\$0.47	\$0.02	\$0.00	\$2.80

\$ in millions (except EPS which is in whole dollars)

The above reconciles the non-GAAP financial information contained in the “Revenue and P&L highlights”, “Expense summary” and “Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated July 23, 2025, for additional information on the use of these non-GAAP financial measures.

Non-GAAP supplemental materials

Reconciliation of GAAP net income to adjusted EBITDA

	QTD 2Q25	Yr/Yr	YTD 2Q25	Yr/Yr
Net income as reported (GAAP)	\$2.2	\$0.4	\$3.2	(\$0.2)
Less: income/(loss) from discontinued operations, net of tax	\$0.0	(\$0.0)	\$0.0	(\$0.0)
Income from continuing operations	\$2.2	\$0.4	\$3.2	(\$0.2)
Provision for/(Benefit from) income taxes from continuing operations	\$0.4	\$0.0	\$0.5	\$0.6
Pre-tax income from continuing operations (GAAP)	\$2.6	\$0.4	\$3.8	\$0.5
Non-operating adjustments (before tax)				
Acquisition-related charges*	\$0.6	\$0.1	\$1.1	\$0.2
Non-operating retirement-related costs/(income)	\$0.0	(\$0.1)	\$0.0	(\$0.1)
Operating (non-GAAP) pre-tax income from continuing operations	\$3.2	\$0.4	\$4.9	\$0.5
Net interest expense	\$0.3	\$0.1	\$0.6	\$0.2
Depreciation/Amortization of non-acquired intangible assets	\$0.7	(\$0.0)	\$1.4	(\$0.0)
Stock-based compensation	\$0.4	\$0.1	\$0.8	\$0.2
Workforce rebalancing charges	\$0.0	(\$0.0)	\$0.3	(\$0.1)
Corporate (gains) and charges**	\$0.0	\$0.0	\$0.0	\$0.3
Adjusted EBITDA	\$4.7	\$0.6	\$8.1	\$1.0

\$ in billions

*Primarily consists of amortization of acquired intangible assets

**Corporate (gains) and charges primarily consists of unique corporate actions such as gains on divestitures

Adjusted EBITDA margin utilized in the “Financial highlights” discussion in the company’s earnings presentation is calculated by dividing Adjusted EBITDA by total revenue

The above reconciles the non-GAAP financial information contained in the “Financial highlights”, “Revenue and P&L highlights”, “Adjusted EBITDA performance” and “Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated July 23, 2025, for additional information on the use of these non-GAAP financial measures.

Non-GAAP supplemental materials

Reconciliation of net cash from operations to adjusted EBITDA

	QTD 2Q25	QTD 2Q24	YTD 2Q25	YTD 2Q24
Net cash provided by operating activities	\$1.7	\$2.1	\$6.1	\$6.2
Add:				
Net interest expense	\$0.3	\$0.2	\$0.6	\$0.4
Provision for/(Benefit from) income taxes from continuing operations	\$0.4	\$0.4	\$0.5	(\$0.1)
Less change in:				
Financing receivables	(\$1.5)	(\$0.9)	\$0.6	\$1.0
Other assets and liabilities/other, net*	(\$0.8)	(\$0.4)	(\$1.5)	(\$1.5)
Adjusted EBITDA	\$4.7	\$4.0	\$8.1	\$7.1

\$ in billions

*Other assets and liabilities/other, net mainly consists of operating assets and liabilities/other, net in the “Cash flow (ASC230)” discussion, workforce rebalancing charges, non-operating impacts and corporate (gains) and charges

The above reconciles the non-GAAP financial information contained in the “Prepared remarks” discussion in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated July 23, 2025, for additional information on the use of this non-GAAP financial measure.

Non-GAAP supplemental materials

Reconciliation of tax rate and pre-tax income margin – FY 2025 expectations

Tax rate	GAAP	Operating (non-GAAP)
Full-Year 2025*	Mid Teens	Mid Teens

Pre-tax income margin	GAAP B/(W)**	Operating (non-GAAP) B/(W)
Pre-tax income margin Yr/Yr	>5 pts	~1 pt

*Includes estimated discrete tax events for the year; actual events will be recorded as they occur. The FY tax rate expectations do not include any impact from H.R. 1, signed into law on July 4, 2025, as Public Law 119-21 (the Act). The company is currently assessing the tax effects of the Act and expects to record a one-time, non-cash charge for the period ending September 30, 2025. This one-time, non-cash charge is not expected to impact operating (non-GAAP) net income or operating (non-GAAP) earnings per share.

**Includes the impact of one-time, non-cash, U.S. and non-U.S. pension settlement charges in 2024

The above reconciles the non-GAAP financial information contained in the “Prepared remarks” discussion in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated July 23, 2025, for additional information on the use of this non-GAAP financial measure.

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