

IBM shares slip as revenue down and forecast pulled

21 April 2020



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IBM shares slipped Tuesday as the market reacted to the business computing veteran reporting a decline in quarterly revenue and pulled its forecast for the year due to the pandemic tumult. © 2020 AFP

IBM shares were down 3.7 percent in mid-day trading, despite the company stressing its strengths in cloud computing, [artificial intelligence](#), and long-time relationships with businesses relying increasingly on those technologies.

"IBM remains focused on helping our clients adapt to the immediate challenges of the COVID-19 pandemic, while we continue to enable them to shift their mission-critical workloads to hybrid cloud and expand their use of AI," chief executive Arvind Krishna said in an earnings release.

IBM reported net income of \$1.2 billion on revenue of \$17.6 billion in the first three months of this year compared with a profit of \$1.6 billion on \$18.2 billion in revenue during the same period last year.

Revenue from IBM's [cloud computing](#) operations

jumped 19 percent to \$5.4 billion in the same quarterly comparison, according to earnings figures.

However, customers are scaling back projects as they conserve cash with the coronavirus [pandemic](#) battering the economy, according to the New York-based company.

IBM withdrew its financial guidance for this year, citing the COVID-19 crisis and saying it planned to reassess the financial landscape in the months ahead.

"Our recurring [revenue](#) stream, continued gross profit margin expansion and strong balance sheet and liquidity position remain stabilizing elements in an unprecedented [business](#) climate," said IBM chief financial officer James Kavanaugh.

APA citation: IBM shares slip as revenue down and forecast pulled (2020, April 21) retrieved 26 May 2022 from <https://techxplore.com/news/2020-04-ibm-revenue.html>

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