IBM vs. HP: A Tale of Two Blues

IBM competes with HP over... 99.2% of its revenues ***HP competes with IBM over. 45.7% of its reven***

IBM	2008(e) Revenue	% of Total
Hardware	20,998	19.4%
Services	56,279	51.9%
Maintenance	$5,000	4.6%
Software	22,618	20.9%
Other	$887	0.8%
Global Financing	2,601	2.4%
Total Revenue	$108,383	100.0%
	2.3	**times HP Rev (w/o PC/I&P)**
Net Profit	$12,342	11.4%
	1.7	**times HP Net (as reported)**
	3.4	**times HP Net (w/ PC/I&P)**

HP	FY08(e) Revenue	% of Total	
Hardware	$19,121	14.5%	
Printing&Imaging	$29,570	22.4%	45.7%
PCs	$42,049	31.9%	
Services (incl EDS)	$26,189	19.8%	
Maintenance	$11,155	8.5%	
Software	$2,938	2.2%	
Other/Elimin	-$1,717	-1.3%	
Financing	$2,676	2.0%	

	as reported	w. full yr of EDS	
Total Revenue	$118,400	$131,981	100.0%
		$46,781	(w/o PC/I&P)
Total		$7,308	6.2%
		$3,677	(w/o PC/I&P)

Source: Annex Research