

# LENOVO GROUP: Q4 AND FULL YEAR FINANCIAL RESULTS 2024/25

## Lenovo delivers strong full-year performance – innovation and operational excellence further strengthen competitiveness



**May 22, 2025 – Lenovo Group Limited** (HKSE: 992) (ADR: LNVGY), together with its subsidiaries ('the Group'), today announced Q4 and full year results for the fiscal year 2024/25, reporting significant increases in overall group revenue and profit. For the full year, revenue grew 21% year-on-year to US\$69.1 billion, marking the Group's second-highest annual revenue in its history. Net income was up 36% year-on-year to US\$1.4 billion on a non-Hong Kong Financial Reporting Standards (non-HKFRS<sup>[1]</sup>) basis. The Group's diversified growth engines continue to accelerate, with non-PC revenue mix up nearly five points year-on-year to 47%. All business groups were healthy and strong and met their strategic intent and financial goals, and all sales geographies gained double-digit revenue growth year-on-year, reflecting the strength of the Group's diversified businesses and resilient global footprint.

The results were not only driven by the Group's focus on executing a clear strategy, but also its end-to-end integrated global operations (design, demand forecasting, procurement, manufacturing, marketing, sales, and services), ODM+ manufacturing model, and global resources/local delivery model. Over the past 20 years of operating a global business, Lenovo has established a manufacturing footprint that boasts 30+ manufacturing sites (either in-house or outsourced) in 11 different markets around the world. The combination of these gives the Group maximum flexibility and resilience to navigate through uncertainties and be more adaptive to the market conditions.

Lenovo continues to prioritize investment in innovation, with R&D expenses up 13% year-on-year to US\$2.3 billion. The past year saw several key announcements, investments, and milestones from the Group as part of its hybrid AI strategy. These include the launch of [AI PCs](#) where Lenovo is now number one globally in the Windows AI PC category; the launch of the [first foldable phone with Moto AI](#); hypergrowth in the AI server business; the creation of core solutions and services capabilities with Lenovo [Hybrid AI Advantage](#), and most recently the launch of the Group's first personal and enterprise AI super agents at its Tech World event in Shanghai.

Looking ahead, Lenovo remains confident that its focus on innovation and hybrid AI, together with its globally balanced business and a flexible, resilient supply chain will not only maintain but also enhance its market competitiveness.

Lenovo's Board of Directors declared a final dividend of 3.9 US cents or 30.5 HK cents per share for the fiscal year ended March 31, 2025.

### Chairman and CEO quote – Yuanqing Yang:

"This has been one of our best years yet, even in the face of significant macroeconomic uncertainty. We achieved strong top-line growth with all our business groups and sales geographies growing by double digits, and our bottom-line increased even faster. Our strategy to focus on hybrid AI has driven meaningful progress in both personal and enterprise AI, laying a strong foundation for leadership in this AI era. With 20 years of leading a global business and navigating challenges, I'm confident that our operational excellence and continued investment in innovation will not only sustain but strengthen our competitiveness."

## Financial Highlights:

	<b>FY 24/25</b> US\$ millions	<b>FY 23/24</b> US\$ millions	<b>Change</b>		<b>Q4 FY24/25</b> US\$ millions	<b>Q4 FY23/24</b> US\$ millions	<b>Change</b>
<b>Group Revenue</b>	69,077	56,864	21%		16,984	13,833	23%
<b>Pre-tax income</b>	1,481	1,365	8%		178	309	(42)%
<b>Net Income</b> (profit attributable to equity holders)	1,384	1,011	37%		90	248	(64)%
<b>Net Income</b> (profit attributable to equity holders – non-HKFRS) <sup>[1]</sup>	1,441	1,060	36%		278	223	25%
<b>Basic earnings per share</b> (US cents)	11.30	8.41	2.89		0.73	2.02	(1.29)

### Q4 FY24/25 Group Performance: Revenue and non-HKFRS <sup>[1]</sup> net income increase over 20%, double-digit revenue year-on-year growth across all businesses

- Group revenue grew 23% year-on-year to US\$17 billion, with double-digit year-on-year revenue growth across all businesses.
- Net income was up 25% year-on-year on a non-HKFRS <sup>[1]</sup> basis to US\$278 million.
- The Intelligent Devices Group further enlarged its PC market leadership and expanded the gap to the number two player year-on-year by a further point. At the same time, smartphone revenue outgrew the market by 12 points and its global smartphone ranking by revenue is now number four in all markets outside of China.
- The Infrastructure Solutions Group achieved profitability for the 2<sup>nd</sup> consecutive quarter, with revenue hypergrowth of more than 60% year-on-year.
- The Solutions and Services Group delivered 18% revenue growth year-on-year and a record operating margin of 22.7%.

## Full Year performance:

### Intelligent Devices Group (IDG): Market leadership strengthened, winning in personal AI

#### FY24/25 performance:

- Overall IDG revenue grew 13% year-on-year to US\$50.5 billion, with an operating margin in the historically high range of more than 7%.
- PCs expanded their market leadership, enlarging the gap to the number two player by almost 1 point to 3.6 points, and maintained industry-leading profitability.
- AI PCs exceeded the volume target for the year, with Lenovo now leading globally in the Windows AI PC category.
- Smartphone revenue reached its highest point since the acquisition of Motorola Mobility, with hypergrowth of 27% year-on-year. There was robust growth in Asia Pacific and EMEA markets, complementing the traditional strongholds of Latin America and North America.
- The tablet business achieved double-digit year-on-year growth in sales volume.
- Innovative form factors were launched throughout FY24/25 across Lenovo's AI PC and smartphone portfolio, including the [ThinkBook Plus Gen 6 with a rollable display](#), the [Legion Go S](#) handheld gaming

console, and the ultra-premium [ThinkPad and Yoga Aura Editions](#). Motorola expanded its leadership in foldables with the [latest motorola razr](#), now enhanced with moto AI capabilities.

- Looking ahead, IDG will continue to build an AI-driven applications ecosystem to deliver seamless cross-device, cross-ecosystem experiences, as well as further develop the AI super agents that recently launched at the Group's Tech World event in Shanghai.

## **Infrastructure Solutions Group (ISG): Hypergrowth, profitable in the 2<sup>nd</sup> half of the year, driving hybrid infrastructure**

### ***FY24/25 performance:***

- ISG saw a year of hyper-growth with revenue up 63% year-on-year to a record US\$14.5 billion. Operating margin was significantly improved and ISG broke even for the 2<sup>nd</sup> half of the fiscal year.
- The Cloud Services Provider (CSP) business continued to scale through the year with self-sustaining profitability.
- The Enterprise and SMB (E/SMB) business had strong momentum with revenue up 20% year-on-year to a record high.
- The AI server business also achieved hypergrowth thanks to the rising demand for AI infrastructure, with Lenovo's industry-leading Neptune™ liquid cooling solutions as a key force behind this rapid growth.
- Looking ahead, ISG will continue executing its CSP and E/SMB strategy, simplify its product portfolio, strengthen its go-to-market capabilities, and enhance operational resilience to drive steady, balanced growth across all geographies and sustainable profitability.

## **Solutions and Services Group (SSG): High margin and high growth transformation engine, unleashing hybrid AI Advantage**

### ***FY24/25 performance:***

- SSG further solidified its role as the Group's transformation engine, with revenue growing 13% year-on-year to US\$8.5 billion, with an operating margin of 21.1%.
- The support services business continued its steady growth, elevating the hardware user experience.
- The solutions and 'as-a-service' business grew even faster, now accounting for nearly 60% of SSG's revenue, with AI offerings in particular generating momentum.
- Looking ahead, SSG will continue to build capabilities within the Lenovo Hybrid AI Advantage framework, while also expanding and deepening its portfolio of enterprise solutions.

## **ESG highlights**

Lenovo made progress on its environmental, social and governance commitments in FY24/25 and is on-track to reach its [2030 emissions reduction goals](#), aligned to the Science Based Targets initiative. Lenovo is proud to have received global recognitions in the past year such as the Gold Award in the Most Sustainable Companies/Organizations category of the [Best Corporate Governance and ESG Awards](#) organized by the HKICPA as well as the [Platinum Medal by EcoVadis](#), placing Lenovo in the top 1% of all companies rated by EcoVadis worldwide. Lenovo also received [AAA recognition](#) in MSCI's ESG Assessment Ratings and [A-list recognition from CDP](#) for Climate Change Leadership (A) and Water (A-). Embracing people of all backgrounds and abilities is critical to Lenovo's vision of providing smarter technology for all. In 2024, Lenovo was honored as a ["Best Workplace for Disability Inclusion"](#) for the fourth year in the US, with expansion to Brazil and the United Kingdom. As part of Lenovo's focus on providing [Smarter AI for All](#), the company has adopted governing principles that bolster the responsible, ethical, and safe development,

deployment, and utilization of AI. Lenovo has fortified its internal governance by committing to public initiatives like the [European Commission's AI Pact](#). More details on the company's progress will be released in its [annual ESG report](#) published at the end of June.

[1] Non-HKFRS measure was adjusted by excluding net fair value changes on financial assets at fair value through profit or loss, amortization of intangible assets resulting from mergers and acquisitions, mergers and acquisitions related charges, gain on deemed disposal of a subsidiary, impairment and write-off of intangible assets, one-time income tax credit; restructuring and other charges, gain on remeasurement of a written put option liability, fair value change on derivative financial liabilities relating to warrants, and notional interest of convertible bonds; and the corresponding income tax effects, if any.

## About Lenovo

Lenovo is a US\$69 billion revenue global technology powerhouse, ranked #248 in the Fortune Global 500, and serving millions of customers every day in 180 markets. Focused on a bold vision to deliver Smarter Technology for All, Lenovo has built on its success as the world's largest PC company with a full-stack portfolio of AI-enabled, AI-ready, and AI-optimized devices (PCs, workstations, smartphones, tablets), infrastructure (server, storage, edge, high performance computing and software defined infrastructure), software, solutions, and services. Lenovo's continued investment in world-changing innovation is building a more equitable, trustworthy, and smarter future for everyone, everywhere. Lenovo is listed on the Hong Kong stock exchange under Lenovo Group Limited (HKSE: 992) (ADR: LNVGY). To find out more visit <https://www.lenovo.com>, and read about the latest news via our [StoryHub](#).

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# LENOVO GROUP

## FINANCIAL SUMMARY

For the quarter and year ended March 31, 2025

(in US\$ millions, except per share data)

Lenovo

	Q4 FY24/25	Q4 FY23/24	Y/Y CHG	FY24/25	FY23/24	Y/Y CHG
Revenue	16,984	13,833	23%	69,077	56,864	21%
Gross profit	2,783	2,428	15%	11,098	9,803	13%
Gross profit margin	16.4%	17.6%	(1.2) pts	16.1%	17.2%	(1.1) pts
Operating expenses	(2,452)	(1,939)	26%	(8,934)	(7,797)	15%
R&D expenses (included in operating expenses)	(644)	(532)	21%	(2,288)	(2,028)	13%
Expenses-to-revenue ratio	14.4%	14.0%	0.4 pts	12.9%	13.7%	(0.8) pts
Operating profit	331	489	(32)%	2,164	2,006	8%
Other non-operating income/(expenses) – net	(153)	(180)	(15)%	(683)	(641)	7%
Pre-tax income	178	309	(42)%	1,481	1,365	8%
Taxation	(54)	(56)	(4)%	(19)	(263)	(93)%
Profit for the period/year	124	253	(51)%	1,462	1,102	33%
Non-controlling interests	(34)	(5)	551%	(78)	(91)	(16)%
Profit attributable to equity holders	90	248	(64)%	1,384	1,011	37%
Profit attributable to equity holders – non-HKFRS <sup>[1]</sup>	278	223	25%	1,441	1,060	36%
Earnings per share (US cents)						
Basic	0.73	2.02	(1.29)	11.30	8.41	2.89
Diluted	0.71	1.95	(1.24)	10.62	8.05	2.57