

LENOVO GROUP: SECOND QUARTER FINANCIAL RESULTS 2025/26

Lenovo delivers record quarterly results, marking significant progress in hybrid AI



November 20, 2025 – Lenovo Group Limited (HKSE: 992) (ADR: LNVGY), together with its subsidiaries ('the Group'), today reported record results for the second quarter of fiscal year 2025/26, with overall group revenue reaching an all-time high of US\$20.5 billion, up 15% year-on-year. Adjusted net income^[1] grew 25% year-on-year to US\$512 million, and adjusted net income margin expanded to 2.5%, driven by higher revenues. Together, these reflect the strength of the Group's operational performance as they exclude the impact of non-cash fair value loss on warrants, notional interest on convertible bonds, and other non-cash items.

The Group delivered double-digit year-on-year revenue growth across all main business groups and sales geographies. The AI-related revenue mix increased by 13 percentage points year-on-year, accounting for 30% of the Group's total revenue this quarter. The growth was driven by high-double-digit revenue growth in AI Servers and triple-digit revenue growth in AI PCs, AI smartphones, and AI Services.

These results are a testament to the Group's clear strategy, operational excellence, and relentless innovation, reflecting not only the strength of its business today but also the resilience of its unique 'Global/Local' model and the vision of a company built to lead in the AI era. With the initial wave of infrastructure build-out in the AI era, the trend is evolving toward a more human- and enterprise-centric phase, as large language models become commoditized and user priorities shift toward personalization and private domain. This evolution is unlocking new opportunities across devices, hybrid infrastructure, and tailored solutions, and enabling the Group to expand its leadership in Personal AI and further deliver its value proposition in Enterprise AI.

As the macroeconomic environment stabilizes, Lenovo remains committed to executing its Hybrid AI strategy and investing in innovation to deliver sustainable long-term returns to shareholders and make AI truly personalized.

Lenovo's Board of Directors declared an interim dividend of 8.50 HK cents per share.

Chairman and CEO quote – Yuanqing Yang:

"Capitalizing on the AI democratization trend, and thanks to our clear strategy, operational excellence and relentless innovation, Lenovo delivered another quarter of record performance, while making important progress in both Personal AI and Enterprise AI. We will continue to leverage our unique Global/Local model to navigate uncertainties and capture the tremendous Hybrid AI opportunities, and in doing so not only deliver sustainable long-term returns to our shareholders, but also make AI truly personalized for every individual and every enterprise."

Financial Highlights:

	Q2 FY 25/26 US\$ millions	Q2 FY 24/25 US\$ millions	Change
Group Revenue	20,452	17,850	15%
Net Income (profit attributable to equity holders)	340	359	(5%)
Adjusted Net Income (profit attributable to equity holders – non-HKFRS) ^[1]	512	409	25%
Basic earnings per share (US cents)	2.77	2.92	(5%)

Personal AI: Innovation strengthened market leadership, enriching ecosystem

Lenovo is meeting growing consumer demand for hyper-personalization with its Personal AI strategy, 'One Personal AI, Multiple Devices'. Launching globally at [Tech World on January 6, 2026](#), Lenovo's Personal AI super agent will seamlessly orchestrate across wearable and ambient devices to perceive, learn, and act like its user - ultimately becoming a true Personal AI Twin.

Intelligent Devices Group (IDG) as the core engine for Lenovo's Personal AI strategy, delivered strong Q2 FY25/26 results:

- Overall IDG revenue grew nearly 12% year-on-year to US\$15.1 billion.
- PC market leadership was strengthened with a record 25.6% market share, further widening the lead over the number two player.
- The PCs and smart devices business maintained its industry-leading profitability, driven by solid performance from high-margin segments.
- AI PC penetration accelerated, accounting for 33% of all Lenovo PC shipments. Lenovo ranks #1 globally in the Windows AI PC segment with a 31.1% market share. Motorola smartphones delivered record volumes.
- AI device momentum is particularly encouraging, with revenue mix from AI devices up 17 points year-on-year to 36%.

Enterprise AI: Unleashing Hybrid AI Advantage, from infrastructure to solutions and services

Lenovo is advancing its Enterprise AI strategy to help customers turn data and knowledge into actionable insights and value. The Group is well-positioned to drive Enterprise AI transformation and develop an AI Twin for customers. The shift from cloud-based AI training to on-premises and edge inferencing is expected to fuel greater growth in AI devices and AI applications, further expanding the company's total addressable market.

Infrastructure Solutions Group (ISG) as the key driver of Lenovo's hybrid infrastructure, delivered strong growth in Q2 FY25/26:

- Revenue grew 24% year-on-year to US\$4.1 billion through the continued strong execution of its CSP (Cloud Service Provider) and Enterprise SMB dual strategy.
- CSP business delivered record fiscal Q2 revenue.
- The AI infrastructure business revenue achieved high double-digit year-on-year growth with a strong pipeline.
- Revenue from industry-leading liquid cooling solutions grew 154% year-on-year.
- By optimizing Enterprise SMB business models to better serve the distinct needs of enterprise and SMB customers, the Group is confident that the infrastructure business will return to profitable growth soon.

Solutions and Services Group (SSG) delivered solid growth in Q2 FY25/26, providing solutions and services for enterprises that leverage the Lenovo Hybrid AI Advantage:

- SSG's overall revenue grew 18% year-on-year to US\$2.6 billion – marking 18 consecutive quarters of year-on-year revenue growth.
- Operating margin was up 1.9 points year-on-year to over 22%.
- Revenue from Support Services accelerated with double-digit year-on-year growth; Managed services and Projects and Solutions revenue mix was up 1 point year-on-year to almost 60% of SSG's total revenue.

- SSG is unleashing the power of Lenovo Hybrid AI Advantage, combining the AI factory, AI services, and the AI library of repeatable, scalable AI solutions for selected vertical industries and horizontal functions.

Corporate and ESG highlights

Achievements, announcements, and notable commitments over the past quarter include:

- Lenovo's factory in Monterrey, Mexico, was recently added to the [World Economic Forum's Global Lighthouse Network](#), the second for Lenovo among only 201 leading manufacturing facilities worldwide.
- ESG scores improved across CDP and S&P Global, and the Group [maintained AAA rating](#) in the MSCI ESG Ratings for the fourth consecutive year.
- Lenovo [received a AA+ rating](#) on the 2025 Hang Seng Corporate Sustainability Index, the index's second-highest rating.
- #1 for the 4th year in a row in the [Gartner Asia Pacific Supply Chain top 10 for 2025](#).
- Recognized as a [Best Place to Work for Disability Inclusion](#) in the U.S., the U.K., and Brazil.
- Deepened collaboration with the United Nations Industrial Development Organization, focusing on circular economy initiatives.
- [Recognized once again as an 'Ambassador'](#) in the 2025 Workplace Pride Global Benchmark, reaffirming its position as a leader in LGBTQI+ workplace inclusion.
- [Joined the Coalition for Sustainable AI](#) - an initiative led by the French government in partnership with UNEP - demonstrating the Group's commitment to responsible and innovative environmental stewardship.

[1] Note on adjusted net income: Adjusted measure was defined as financial metric 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, impairment and write-off of intangible assets, dilution gain on interest in an associate, fair value change on derivative financial liabilities relating to warrants, and notional interest on convertible bonds; and the corresponding income tax effects, if any.

About Lenovo

Lenovo is a US\$69 billion revenue global technology powerhouse, ranked #196 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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FINANCIAL SUMMARY

For the quarter ended September 30, 2025

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

	Q2 FY25/26	Q2 FY24/25	Y/Y CHG
Revenue	20,452	17,850	15%
Gross profit	3,147	2,796	13%
Gross profit margin	15.4%	15.7%	(0.3) pts
Operating expenses	(2,504)	(2,145)	17%
R&D expenses (included in operating expenses)	(581)	(548)	6%
Expenses-to-revenue ratio	12.2%	12.0%	0.2 pts
Operating profit	643	651	(1)%
Other non-operating income/(expenses) – net	(149)	(178)	(16)%
Profit before taxation	494	473	4%
Taxation	(114)	(90)	27%
Profit for the period	380	383	(1)%
Non-controlling interests	(40)	(24)	62%
Net Income (Profit attributable to equity holders)	340	359	(5)%
Adjusted Net Income (Profit attributable to equity holders – non-HKFRS) ^[1]	512	409	25%
Earnings per share (US cents)			
Basic	2.77	2.92	(0.15)
Diluted	2.52	2.78	(0.26)