

LENOVO GROUP: THIRD QUARTER FINANCIAL RESULTS 2025/26



Lenovo delivers exceptional quarter, marks era of accelerated AI-driven growth and profitability

February 12, 2026 – **Lenovo Group Limited** (HKSE: 992) (ADR: LNVGY), together with its subsidiaries (‘the Group’), today reported results for the third quarter of fiscal year 2025/26, a quarter that delivered record revenues, accelerated profitability, and continued AI revenue expansion. During the quarter, overall group revenue reached an all-time fiscal quarter high of US\$22.2 billion, up 18% year-on-year, with revenue from all business groups growing double-digit year-on-year. Excluding non-operating non-cash items and one-time gains and charges in Q3 FY24/25 and Q3 FY25/26, adjusted net income (profit attributable to equity holders – non-HKFRS)^[1] increased by 36% year-on-year to US\$589 million, with adjusted net income margin^[1] expanding to 2.7%.

The results demonstrate the Group’s ability to deliver on its promise of double-digit growth and sustained profitability, while proving its ability to manage through cycles by leveraging innovation to drive growth and operational excellence to navigate volatility. AI has become a leading multi-year growth engine for the Group, with AI-related revenue growing 72 percent year-on-year to represent nearly a third (32%) of overall Group revenue, driven by strong demand across AI devices, infrastructure, services, and solutions. The quarter was marked by strong topline growth, driven by expanding market leadership in PCs and Smart Devices, record volume and activation in smartphones, and all-time-high revenue from both the Infrastructure Solutions Group, and Services and Solutions Group.

To better capture the multi-year AI training demand and long-term AI inferencing growth, the Group undertook a strategic restructuring of its ISG business, resulting in one-time restructuring charges in Q3 FY25/26 of US\$285 million. The optimized cost structure, streamlined product portfolio, and strengthened sales organization are expected to deliver annual run-rate savings of over US\$200 million over the next three years and accelerate the transformation towards profitable and sustainable growth for ISG.

Chairman and CEO quote – Yuanqing Yang:

“Lenovo delivered an outstanding performance across all fronts in the third fiscal quarter, with all main businesses achieving strong double-digit revenue growth and AI becoming a leading growth engine. We implemented a strategic restructuring of our Infrastructure Solutions business, setting it on a solid path toward sustainable and profitable growth. By leveraging our operational excellence, we effectively navigated market challenges of component cost increases and supply shortages, delivered our commitment of gaining market share and improving profitability. Looking ahead, as AI increasingly integrates into individuals' daily lives and enterprise operations, we will continue to drive Hybrid AI to capture the significant opportunities brought by AI democratization, accelerate growth, improve profitability, and deliver long-term value to our shareholders.”

Financial Highlights:

	Q3 FY 25/26 US\$ millions	Q3 FY 24/25 US\$ millions	Change
Group Revenue	22,204	18,796	18%
Net Income (profit attributable to equity holders)	546	693	(21%)
Adjusted Net Income (profit attributable to equity holders – non-HKFRS) ^[1]	589	435	36%
Basic earnings per share (US cents)	4.44	5.66	(22%)

Intelligent Devices Group (IDG):

- Exceptional performance, with overall IDG revenue growth of 14% year-on-year to US\$15.8 billion, while maintaining industry-leading profitability.
- Despite industry-wide component supply shortages and rising costs, the PC and smart devices business enhanced its competitiveness with revenue growing 17% year-on-year, with PC volume outpacing the market for 10 consecutive quarters.
- PC market share for the calendar year was the highest in Lenovo's history - at 24.9%. Quarterly share was up one percentage point year-on-year to 25.2%, with Lenovo remaining the only company to ever have exceeded 25% global PC market share.
- Motorola smartphones achieved record volume and activations in the quarter
- Lenovo Tech World at CES in January 2026 saw key device and innovation announcements, including the latest [Lenovo Aura Edition PC lineup](#); [ThinkBook Plus Gen 7 Auto Twist](#); [Legion Go, Powered by SteamOS \(8.8", 2\)](#); [motorola razr fold and motorola signature](#).
- Also at Tech World, the company introduced [Lenovo and Motorola Qira](#) – a personal ambient intelligence designed to work across devices. The single, built-in, system-level intelligence will understand context and help users move effortlessly through their day without needing to open, switch to, or actively invoke a separate application – reinforcing Lenovo's personal AI strategy of one AI across multiple devices. Lenovo Qira was awarded one of the prestigious '[Best of CES](#)' awards, which recognize 'the most inspiring, boundary-pushing tech products that will define the technology landscape this year'.

Infrastructure Solutions Group (ISG):

- Record quarter, with revenue growing 31% year-on-year to US\$5.2 billion.
- Strong momentum across the business driven by record CSP revenue from an expanding customer base, enterprise and SMB transformation, and accelerated AI server momentum.
- The AI server business revenue achieved high double-digit year-on-year growth with a robust US\$15.5 billion pipeline.
- Neptune liquid-cooling revenue grew 300% year-on-year, thanks to higher customer adoption across CSP, Enterprise and SMB businesses.
- At Tech World, Lenovo expanded its Hybrid AI Advantage with the launch of new [AI inferencing servers](#) and the [Lenovo AI Cloud Gigafactory with NVIDIA](#), strengthening the partnership to accelerate scalable hybrid AI adoption across enterprise, public cloud, and AI factory environments.

Solutions and Services Group (SSG):

- SSG's overall revenue grew 18% year-on-year to US\$2.7 billion – marking 19 consecutive quarters of year-on-year revenue growth – with operating margin up 2.1 points year-on-year to over 22%.
- Growth accelerated in focused vertical industries, including manufacturing, retail, sports, transportation and smart cities, driven by enterprises moving AI from experimentation to production, supported by Lenovo's tech-led, labor-light, AI-first model.
- Revenue mix continued to shift toward high growth areas this quarter. Managed Services and Project & Solutions together grew to nearly 60% of SSG's total revenue, reflecting a services-led approach across hybrid AI environments.
- TruScale DaaS and IaaS saw accelerated growth this quarter, driven by GPU and AI workloads as customers prioritize flexibility, scalability and faster time-to-value.
- In areas such as Digital Workplace Services, Hybrid Cloud, AI and Sustainability, SSG is growing at double the rate of market growth – enabling the business to scale revenue sustainably.
- At Tech World, Lenovo announced the [next phase of its Lenovo Hybrid AI Advantage](#), introducing Lenovo Agentic AI, a full-lifecycle enterprise solution for creating, deploying, and managing AI agents. It also announced Lenovo xIQ, a new suite of AI native delivery platforms designed to simplify, accelerate and operationalize AI across the enterprise. Together, these innovations help customers

build enterprise super agents that unify workflows, automate decisions, and deliver real operational outcomes.

Corporate and ESG highlights

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

- Reflecting the strategic importance of the META region, [Tareq Alangari was appointed](#) as Senior Vice President Lenovo, and President of Middle East, Türkiye, and Africa.
- Lenovo was recognized for its leadership in ESG with its fourth consecutive [AAA rating from MSCI ESG](#), a [‘Most Sustainable Organization’ award from HKICPA](#), and [Double A Leadership](#) in climate change and water security from CDP- the world’s only independent system for environmental disclosure.
- For the second year in a row, Lenovo was ranked on Fast Company’s annual list of the [100 Best Workplaces for Innovators](#).

[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, fair value change on derivative financial liabilities relating to warrants, one-time income tax credit, restructuring charges, 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 December 31, 2025

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

	Q3 FY25/26	Q3 FY24/25	Y/Y CHG
Revenue	22,204	18,796	18%
Gross profit	3,349	2,959	13%
Gross profit margin	15.1%	15.7%	(0.6) pts
Operating expenses	(2,401)	(2,271)	6%
R&D expenses (included in operating expenses)	(638)	(621)	3%
Expenses-to-revenue ratio	10.8%	12.1%	(1.3) pts
Operating profit	948	688	38%
Other non-operating income/(expenses) – net	(130)	(171)	(24%)
Profit before taxation	818	517	58%
Taxation	(170)	184	N/A
Profit for the period	648	701	(8%)
Non-controlling interests	(102)	(8)	1,166%
Net Income (Profit attributable to equity holders)	546	693	(21%)
Adjusted Net Income (Profit attributable to equity holders – non-HKFRS) ^[1]	589	435	36%
Earnings per share (US cents)			
Basic	4.44	5.66	(1.22)
Diluted	3.90	5.35	(1.45)

