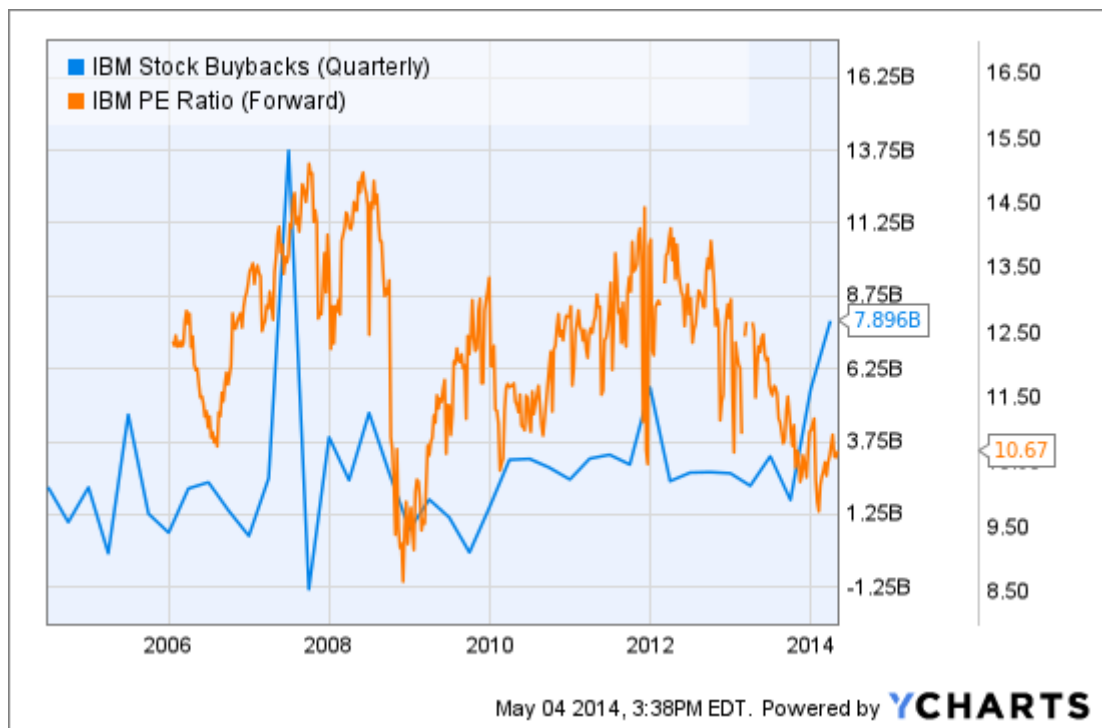


Biggest Post-Crisis Stock Buyback By IBM

BY [JEFF BAILEY](#) MAY 04, 2014

International Business Machines (**IBM**) took advantage of its relatively low stock price during the first quarter – its shares generally traded below a [forward PE ratio](#) of 11 during the period – to make its biggest quarterly stock buyback since the financial crisis.

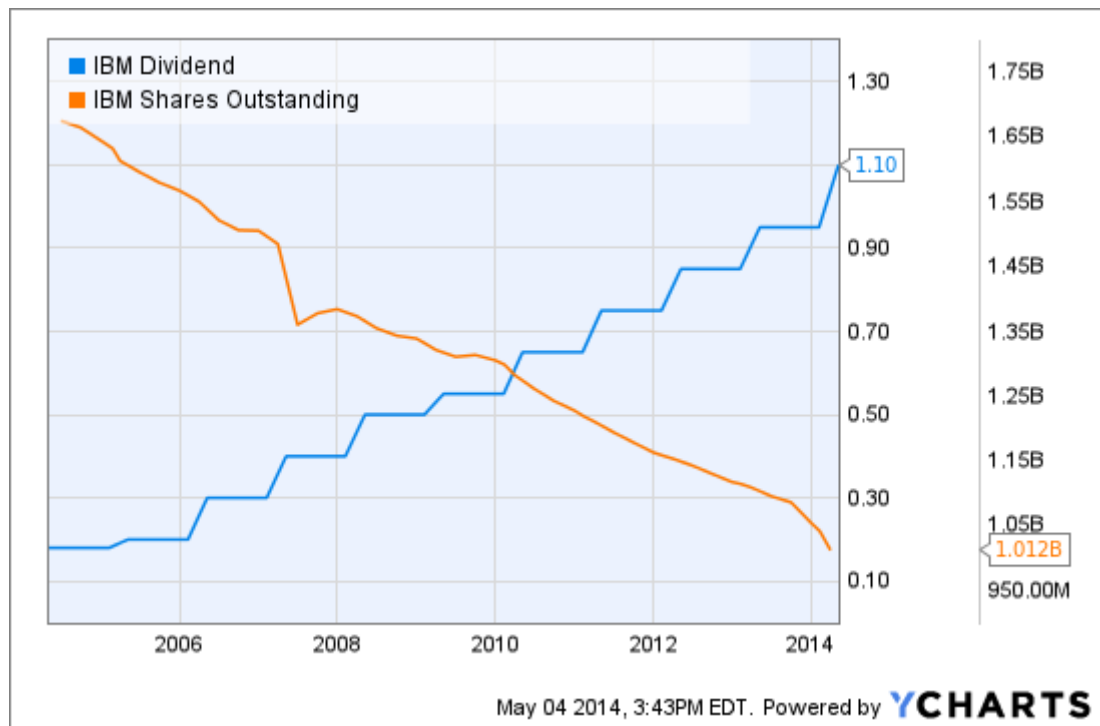
Big Blue bought back \$8.1 billion of its stock during the quarter, far above recent periods and eclipsed during the past decade only by a mid-2007 buyback total of nearly \$14 billion. Back then, the stock was a lot pricier, based on forward PE ratio.



[IBM Stock Buybacks \(Quarterly\)](#) data by YCharts

Big worries about IBM, of course, revolve around its inability to get revenue growing, as cloud applications and other competition threaten its at times costlier products and services.

But the company has pushed ahead with aggressively sending cash back to shareholders, including a 16% dividend hike in recent weeks. The buybacks are rapidly reducing shares outstanding, and Warren Buffett, whose Berkshire Hathaway (**BRK.B**) is a major IBM shareholder, has opined that a lower IBM stock price helps him because it allows IBM to reduce its shares out more cheaply.



IBM Dividend data by YCharts

Using the [YCharts Stock Screener](#), you can see the biggest quarterly buybacks in dollars and the accompanying stock multiples, such as forward PE ratio, to begin an assessment of how cheaply – or expensively; big recent stock repurchasers FedEx (**FDX**), Mondelez (**MDLZ**), eBay (**EBAY**) and Celgene (**CELG**) are all trading at forward PE ratios of 20 or more – companies buy in their shares. Among top repurchasers, IBM appeared to be buying stock inexpensively.

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