

IONQ (IonQ) Stock Analysis: Hold at \$33 | \$34 Target

By Spicer Matthews · March 16, 2026 · options.cafe

HOLD

Do not initiate a new position at \$32.98. If holding, set a hard stop at \$25. Wait for \$20–22 or two quarters of positive gross margins.

CURRENT PRICE

\$32.98

12-MO TARGET

\$34

UPSIDE

+3%

TIMEFRAME

12 Months

CONVICTION

MEDIUM-HIGH

RISK/REWARD

Unfavorable (0.5:1)

+202%

Revenue Growth YoY

93x

P/S Ratio (Trailing)

240%

SBC / Revenue Ratio

\$3.3B

Cash Position

24.04%

Short Interest

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Executive Summary

This IonQ stock analysis covers IONQ's fundamentals, technicals, SEC filings, market sentiment, and insider activity as of March 2026. Here is the bottom line:

- **HOLD — do not initiate at \$32.98.** The probability-weighted 12-month target is \$34 (+3%), grossly insufficient risk compensation when the bear case implies -70%. The risk/reward is unfavorable at 0.5:1.
- **Revenue growth is genuinely impressive:** \$0 to \$130M in 5 years, with Q4 FY2025 at \$61.9M (+429% YoY). IonQ is the first **quantum computing** company to surpass \$100M in annual revenue. FY2026 guidance of \$225–\$245M crushed Street estimates of ~\$190M.
- **The valuation is extreme.** At 93x trailing P/S with -22.67% gross margins, the stock prices in a future that may be 5–15 years away. **Stock-based compensation** of \$312M represents 240% of revenue — the company pays its employees 2.4x what it earns from customers.
- **Insider selling is alarming.** Founder Peter Chapman and CEO Niccolo de Masi executed coordinated exits totaling \$335M within 2 days of each other. The sell-to-buy dollar ratio across all insiders is 117:1.
- **Short interest has doubled to 24.04%** (85.9M shares) since the Wolfpack Research short report in February 2026, which alleged 86% of 2022–2024 revenue came from canceled Pentagon earmarks.

| Report | Signal | Key Finding |
|------------------|----------------|--|
| Revenue Growth | BULLISH | \$130M (+202%), Q4 +429%, guidance \$225-245M vs Street \$190M, RPO \$370M (+380%) |
| Valuation | BEARISH | 93x P/S trailing, negative gross margins, 240% SBC/revenue ratio |
| Technical | BEARISH | -61% from ATH, below all MAs, death cross imminent, RSI 40 |
| Insider Trading | BEARISH | \$335M coordinated exits (founder+CEO), 117:1 sell-to-buy ratio, 85 sells vs 3 buys |
| SEC Filings | BEARISH | \$1.96B goodwill (likely impaired), 63% dilution in 1 year, \$2.47B warrant liabilities, 9 acquisitions in 13 months |
| Sentiment | NEUTRAL | Score 4.5/10. Reddit 55% bearish. Wolfpack thesis intensely debated. WSB activity high. |
| Balance Sheet | BULLISH | \$3.3B cash, zero debt, 15.5x current ratio, 11+ years runway at current burn |
| COMPOSITE | HOLD | 75% bearish signals, 15% bullish, 10% neutral. Revenue growth is real but doesn't justify the valuation. |

Investment Thesis

IonQ is the purest-play public **quantum computing** stock and the first quantum company to cross \$100M in annual revenue. Its **trapped-ion** technology achieves industry-leading 99.99% two-qubit gate fidelity, operates near room temperature (no cryogenic cooling), and costs ~\$30M per system versus ~\$1B for superconducting competitors. The Q4 FY2025 earnings blowout (\$61.9M revenue, +429% YoY, 55% above estimates) and FY2026 guidance of \$225–245M confirm that IonQ is building a real business in a nascent industry.

The Valuation Problem

At 93x trailing P/S with -22.67% gross margins, IONQ is priced for a future where quantum computing becomes a \$50B+ market and IonQ captures significant share. But even bullish timelines place commercially viable quantum advantage 3–10+ years away. Jensen Huang said "15–30 years" for useful quantum computing. Microsoft projects 2029 for quantum data centers. IonQ's own 10-K acknowledges quantum advantage has not yet been achieved. Meanwhile, the company paid its employees \$312M in stock compensation on \$130M in revenue.

The insider selling is the single most concerning signal. Founder Peter Chapman sold ~6M shares for \$230M and CEO de Masi sold his entire indirect position for \$105M — both via 10b5-1 plans adopted within 2 days of each other. When the people who know the technology best are liquidating at scale, it demands attention.

I assign 45% probability to the base case (\$30 target), 25% to the bull case (\$68), and 30% to the bear case (\$10). The probability-weighted target of \$34 offers only +3% upside — insufficient compensation for a stock with 2.76 beta and \$2.81 daily ATR (8.5% swings). Wait for \$20–22 or proof of positive gross margins before buying.

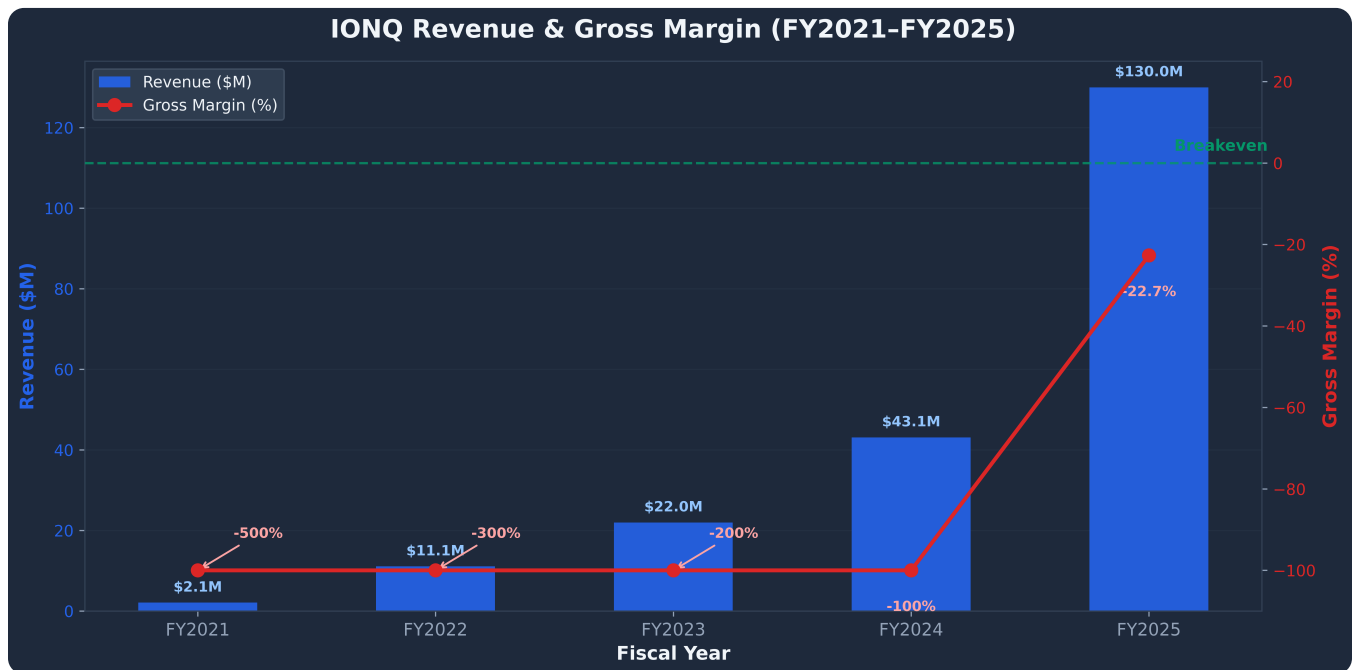
Fundamental Analysis

Company Overview

IonQ, Inc. (NYSE: IONQ) is a quantum computing company headquartered in College Park, Maryland with 1,132 employees. Founded by Duke University professors Christopher Monroe and Jungsang Kim, IonQ went public via SPAC merger in January 2021. The company provides quantum computing as a service (QCaaS) through Amazon Braket, Microsoft Azure Quantum, and Google Cloud, plus direct enterprise and government contracts.

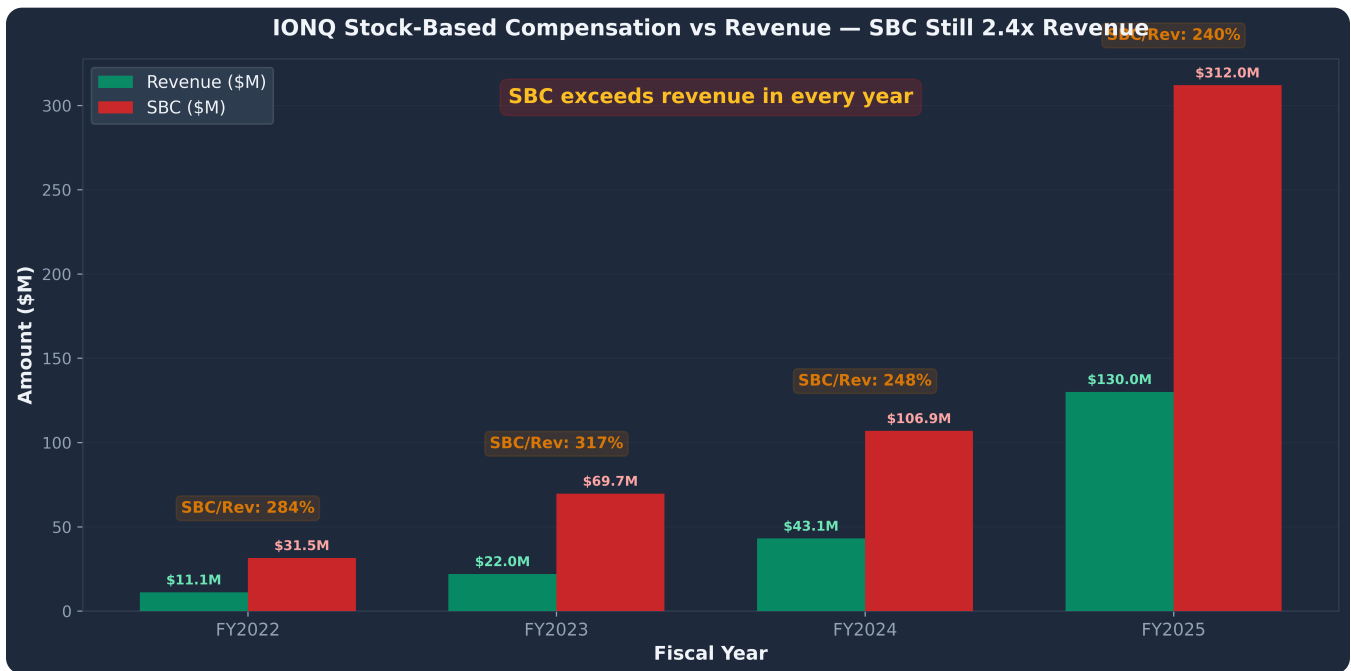
IonQ completed 9 acquisitions in 13 months during FY2025, including Oxford Ionics (\$1.59B), Capella Space (\$425M), ID Quantique (\$116M), and Vector Atomic (\$182M). The pending \$1.8B SkyWater Technology acquisition would give IonQ its own semiconductor foundry for vertical integration.

Revenue & Margin History

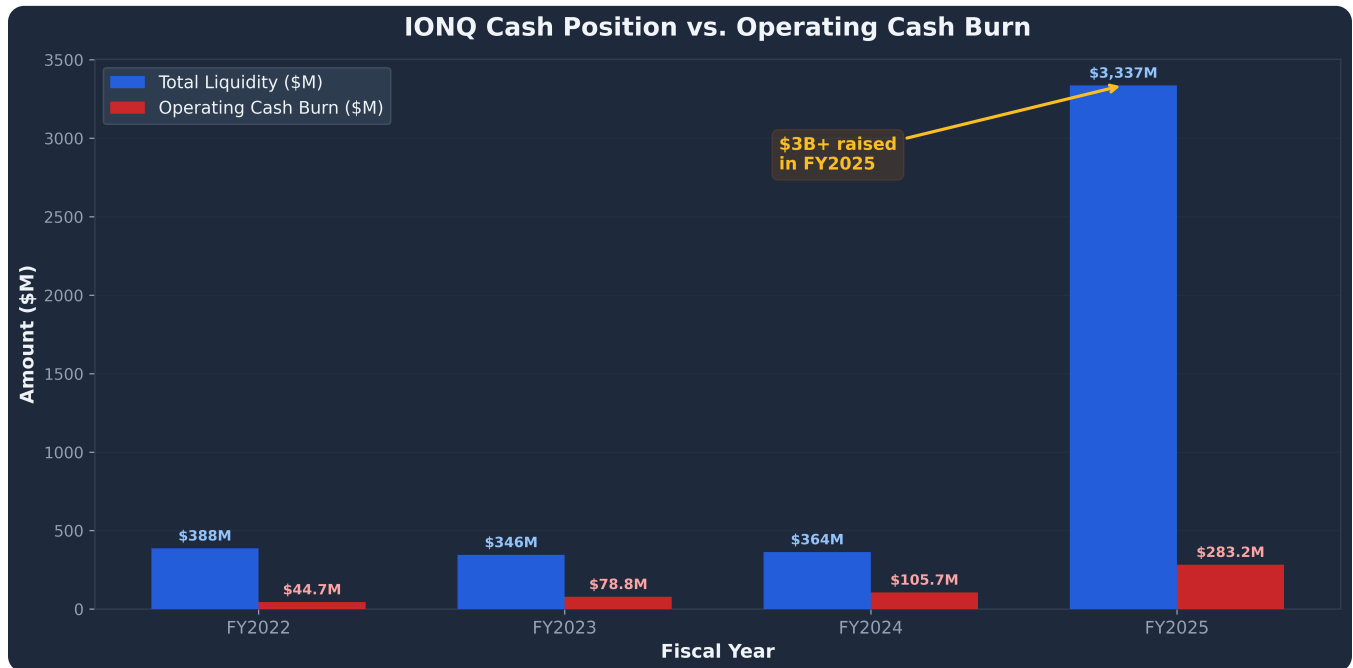


| Metric | FY2025 | FY2024 | FY2023 | FY2022 |
|----------------|---------|-----------|-----------|-----------|
| Revenue (\$M) | 130.0 | 43.1 | 22.0 | 11.1 |
| Revenue Growth | +202% | +96% | +98% | +57% |
| Gross Margin | -22.67% | Deep neg. | Deep neg. | Deep neg. |
| Net Loss (\$M) | (512) | (332) | (201) | (157) |
| SBC (\$M) | 312 | 107 | 70 | 32 |
| SBC / Revenue | 240% | 248% | 317% | 284% |
| RPO (\$M) | 370 | 77 | — | — |

SBC vs Revenue



Cash Position



Cash Fortress

IonQ raised ~\$3.3B in equity during FY2025 (Series A at \$55.49/share, Series B at \$93/share) and now sits on \$3.3B in total liquidity with zero debt. At the current \$283M annual burn rate, that is 11+ years of runway. The cash pile generates ~\$56M/year in interest income. Whatever you think of the business, IonQ is not going bankrupt.

Peer Comparison

| Metric | IONQ (\$32.98) | RGTI (\$16.17) | QBTS (\$17.55) |
|----------------|----------------|-----------------|-------------------|
| Revenue (TTM) | \$130M | ~\$13M | ~\$25M |
| P/S (TTM) | 93x | ~440x | ~280x |
| Technology | Trapped-ion | Superconducting | Quantum annealing |
| Cash | \$3.3B | ~\$700M | ~\$900M |
| Short Interest | 24.04% | ~20% | ~12% |

Technical Analysis

IONQ is in a clear downtrend, trading 61% below its \$84.64 ATH and below all major moving averages. A **death cross** (SMA 50 crossing below SMA 200) is imminent within 2–4 weeks. The only bullish technical signal is a fading MACD crossover from early March. Beta of 2.76 means this stock moves nearly 3x the market.

| Indicator | Value | Signal |
|-----------|-----------------------|-------------------------------|
| SMA 50 | \$40.27 | BEARISH (-18.1%) |
| SMA 200 | \$47.44 | BEARISH (-30.5%) |
| RSI (14) | 40.12 | NEUTRAL-WEAK |
| MACD | -1.36 / Signal: -1.47 | FADING (crossover exhausting) |
| Beta | 2.76 | EXTREME VOLATILITY |
| ATR (14) | \$2.81 (8.5%) | EXTREME |

Key levels: Support at \$30 (psychological), \$25–26 (Jan crash low), \$17.88 (52-week low). Resistance at \$35.55 (SMA 10), \$40.27 (SMA 50), \$47.44 (SMA 200).

SEC Filings Deep Dive

I analyzed 94 SEC filings. The two most concerning findings: \$1.96B in goodwill from acquisitions paid with stock at \$55-\$93/share (stock now at \$33 — likely impaired), and \$2.47B in warrant liabilities creating massive earnings volatility.

Key Red Flag: Acquisition Spree

IonQ completed 9 acquisitions in 13 months as a 400-person company, tripling headcount to 1,132. Oxford Ionics alone carries \$1.26B in goodwill on a \$1.59B purchase price (79% goodwill). These deals were paid with stock at \$55-\$93/share. With the stock now at \$33, a goodwill impairment test could trigger a write-down of hundreds of millions — creating a headline risk that bears are watching closely.

The revenue composition is notable: Quantum Hardware was \$69.9M (54%) and Platform/Consulting/Support was \$60.1M (46%) in FY2025. International revenue grew from 5% to 33%, driven by the ID Quantique acquisition in Switzerland and the Romania quantum key distribution network deployment.

News & Catalysts

Analyst Ratings

| Firm | Rating | Target | Upside |
|-----------|------------|--------|--------|
| Jefferies | Buy | \$100 | +203% |
| Mizuho | Outperform | \$90 | +173% |
| Needham | Buy | \$80 | +143% |
| Wedbush | Outperform | \$60 | +82% |
| JP Morgan | Neutral | \$47 | +43% |

Consensus target: \$67 (+103%). The stock trades 51% below even the lowest analyst target (\$47). Analyst consensus is "Strong Buy" (1.40 rating) — a striking disconnect with the 75% bearish signal composite.

Key Events Timeline

| Date | Event | Impact |
|--------------|------------------------------------|--|
| Jan 6, 2025 | Jensen Huang "15–30 years" comment | -46% in one week. 248M shares traded. |
| Feb 4, 2026 | Wolfpack Research short report | -14%. Alleges 86% of revenue from canceled Pentagon earmarks. |
| Feb 26, 2026 | Q4 earnings blowout | +21%. Revenue \$61.9M (+429%), beat by 55%. Guidance \$225-245M. |
| Mar 11, 2026 | Cambridge 256-qubit partnership | BofA calls it the "next fire moment." Major tech milestone. |

Market Sentiment

Sentiment scores **4.5/10** — mixed-to-bearish. Reddit is 55% bearish / 35% bullish, with WSB activity high. The Wolfpack short thesis is extensively debated. The dominant refrain on r/stocks: "Incredible growth but insane valuation." Multiple commenters cite the CEO selling \$290M+ as "the single most damning data point for retail bulls."

Insider & Institutional Activity

\$335M

Founder+CEO
Coordinated Exits

117:1

Sell-to-Buy Dollar Ratio

85

Sales vs 3 Purchases

24.04%

Short Float (Doubled)

53.66%

Institutional Ownership

Founder Peter Chapman sold ~6M shares for **\$230M** via a 10b5-1 plan adopted March 14, 2025. CEO de Masi sold his entire indirect position (2.6M shares) for **\$105M** via a 10b5-1 plan adopted March 12, 2025 — **two days before Chapman's**. The coordination is striking. The only meaningful buy: Director Scannell purchased \$2M at \$21.81 (now up 51%).

Risk Factors

| Risk | Probability | Impact |
|---|-------------|----------------------|
| Quantum timeline extends beyond 2030. Useful quantum computing may be decades away. | 60% | -50 to -70% |
| Big tech breakthrough obsoletes trapped-ion. Google, IBM, Microsoft have \$175B+ combined capex. | 30% | -80%+ |
| Wolfpack thesis validated. Government contract dependency confirmed; 86% earmark revenue allegation. | 35% | -40 to -60% |
| Goodwill impairment. \$1.96B at risk. Acquisitions paid at \$55-93/share; stock at \$33. | 30% | -15 to -25% |
| SkyWater acquisition failure. \$1.8B deal pending; integration of a foundry is complex. | 25% | -25 to -40% |
| Continued dilution. 63% dilution in FY2025. SBC at 240% of revenue. 79M warrants outstanding. | 70% | -10 to -20% annually |

Conclusion & Price Targets

| Scenario | Prob. | FY27 Rev | Gross Margin | Target P/S | 12-Mo Target | Return |
|------------------------------------|-------|----------|--------------|------------|--------------|------------|
| Bull | 25% | \$520M | +18% | 50x | \$68 | +106% |
| Base | 45% | \$380M | +5% | 30x | \$30 | -9% |
| Bear | 30% | \$260M | -15% | 15x | \$10 | -70% |
| Probability-Weighted Target | | | | | \$34 | +3% |

Bull Case (\$68)

- Revenue exceeds \$280M in FY2026, \$520M by FY2027
- Gross margins flip positive as quantum hardware scales
- SkyWater vertical integration reduces system costs
- Cambridge 256-qubit system validated; defense contracts expand
- Short squeeze: 24% SI, 4 days to cover, 85.9M shares

Bear Case (\$10)

- Quantum timeline extends; commercial advantage years away
- Wolfpack thesis confirmed; government revenue at risk
- \$1.96B goodwill impairment triggered
- \$335M insider exits signal lack of confidence
- Big tech (Google/IBM/MSFT) breakthrough obsoletes trapped-ion
- Continued dilution: 63% in FY2025, SBC at 240% of revenue

Action Plan

| If You... | Action |
|---------------------------|---|
| Have no position | Do not initiate. Wait for \$20–22 or two quarters of positive gross margins. |
| Already own shares | Hold with a hard stop at \$25. Q1 2026 earnings (May) is the next major test. |
| Want to speculate | Consider selling cash-secured puts at the \$20 strike to collect premium while waiting for a better entry. |

For options income strategies on volatile quantum computing stocks, see the [wheel strategy guide](#) or learn how to [lower your stock basis using options](#). For contrasting analyses, see the [STX \(Seagate\) analysis](#) or the [RIVN \(Rivian\) analysis](#).

Frequently Asked Questions

Is IONQ a good stock to buy?

IONQ is a Hold, not a Buy, at \$32.98. While IonQ has genuine revenue growth (\$130M, +202% YoY) and is the leading pure-play quantum computing stock, the 93x trailing P/S ratio with negative gross margins (-22.67%) and \$312M in annual stock-based compensation (240% of revenue) make the current price unjustifiable on fundamentals. The \$335M coordinated insider selling by the founder and CEO is a significant red flag. Wait for \$20–22 or proof of positive gross margins for two consecutive quarters before buying.

What is the IONQ price target for 2026?

The analyst consensus IONQ price target is \$67 (+103% upside), ranging from \$47 (JP Morgan) to \$100 (Jefferies). My probability-weighted target is \$34 based on three scenarios: bull \$68 (25% probability), base \$30 (45%), and bear \$10 (30%). The wide analyst range reflects deep uncertainty about quantum computing timelines and IonQ's ability to convert its technology lead into profitable operations.

Should I buy or sell IONQ?

Neither — hold if you own it (with a \$25 stop), avoid buying at current prices. The risk/reward is unfavorable at 0.5:1 (+3% upside vs -70% bear case). The stock would become attractive below \$20–22, which would provide a 40%+ margin of safety. If you want speculative quantum computing exposure, selling cash-secured puts at the \$20 strike lets you collect premium while waiting for a better entry.

IONQ stock forecast for 2026 and beyond?

IONQ's near-term trajectory depends on execution against FY2026 guidance of \$225–245M. The first test is Q1 2026 earnings (May 2026). Longer-term, consensus estimates project \$380–520M by FY2027 and \$570–850M by FY2028, with first profitability unlikely before FY2029–2030. The quantum computing TAM is projected at \$50–100B+ by 2035, and IonQ's trapped-ion technology positions it well — but Google's Willow chip, Microsoft's Majorana 1, and IBM's \$1B+ quantum revenue demonstrate that big tech competition is intensifying rapidly.

Sources: SEC Filings (10-K, 10-Q, 8-K, DEF 14A), Finviz, Polygon.io, Google News, Reddit, Twitter/X, Wolfpack Research. Report compiled March 16, 2026.

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