DEEPDIVE | Everest Group

IT Services Forecaster™

Growth Trends Report for C4Q 2016 (October – December 2016)

Market Report – May 2017 – Preview Deck

See appendix of this report for our important disclosures and terms of readership.

Sources of exhibits herein are based on company reports and DeepDive | Everest Group research, unless otherwise noted.

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Research methodology & scope

Summary of key findings

Overall industry growth trends

Service provider peer groups

- SI heritage
- Infra heritage
- Apps heritage
- Midsized

Verticals

Service types

Regions

Digital & Cloud vs. Traditional services

- Mix and growth trends
- Historical leader and laggard trends
- Quarterly and annual sequential growth changes
- Trends and key takeaways

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More Information

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Risks to Investment Conclusions

- There are fundamental risks to our overarching IT services industry views, which are somewhat cautious relative to views commonly conveyed on the Street: Cyclical improvements could drive demand upside. Share gains by individual stocks could offset industry headwinds. Firms able to distinctively capitalize on digital demand can achieve growth upside
- Also, beginning in October 2015, we contended Cognizant's growth expectations for 2016 were too high. Now, the main risk to this view is that Cognizant's 2016 growth expectations have implicitly dropped to below the formal consensus estimates. Similarly, in July 2016, we made a negative call about INFY's ability to achieve its growth estimates and guidance. After subsequent reductions in INFY's growth outlook and valuation, INFY now faces lower expectations

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