

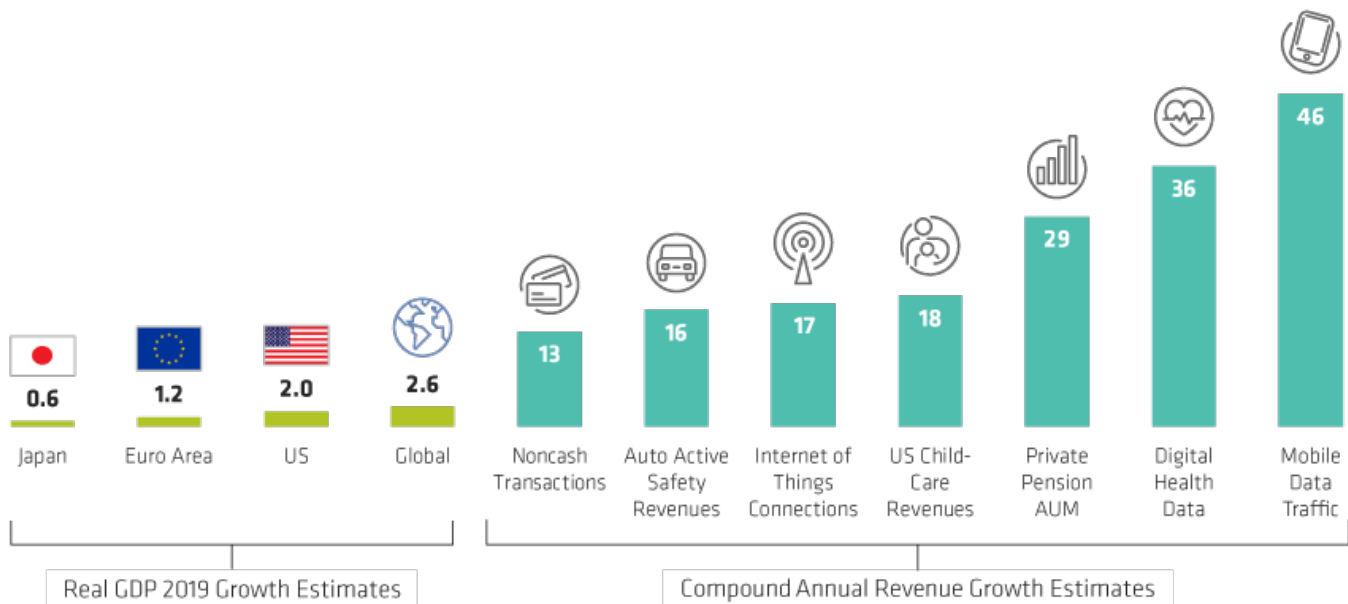
# Finding Growth in a Low-Growth World

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of AllianceBernstein

## Search for Growth in the Right Places

Growth Rates (Percent)



### Current estimates do not guarantee future results.

Real GDP 2019 growth estimates based on AllianceBernstein economists' forecasts as of June 30, 2019. All industry segments are global except for US child-care revenues. Compound annual revenue growth estimates are shown for different periods for each segment. Internet of Things connections from 2018 to 2025; auto active safety revenues, mobile data traffic and private pension AUM from 2017 to 2025; digital health data from 2018–2025; US child-care revenues from 2018 to 2022; noncash transactions from 2016 to 2021.

Source: Cisco Systems, Citigroup, Ericsson, IDC, OECD, Roland Berger, Statista, World Payments Report and AllianceBernstein (AB)

When macroeconomic growth slows, investors get edgy. But the economy isn't the only thing that drives revenue and earnings growth for companies. Some industries are poised to expand at a rapid clip even if GDP growth is subdued or decelerating.

The global economy is growing, but not so fast. In the US, GDP growth is forecast to advance by 2.0% in 2019, followed by the euro area at 1.2% and Japan at 0.6% (Display). It's hardly surprising that investors are concerned.

Some industries aren't really tied to the economic cycle and are benefiting from technological innovation, changes to consumer preferences or long-term trends. Around the world, people are using less cash and increasingly shifting toward electronic payments. The number of devices connected to the internet is mushrooming. Digital health data and mobile data traffic are proliferating at annual rates of 36% and 46%, respectively.

Of course, even in a fast-growing industry, investors must always pay close attention to a company's business model, sources of revenue and profit dynamics. Yet we believe that companies operating in these industries have a distinct advantage in a subdued macroeconomic environment. Growth is hard to come by today, but it can be very rewarding for investors who know where to find it.

*The views expressed herein do not constitute research, investment advice or trade recommendations and do not necessarily represent the views of all AB portfolio-management teams and are subject to revision over time.*