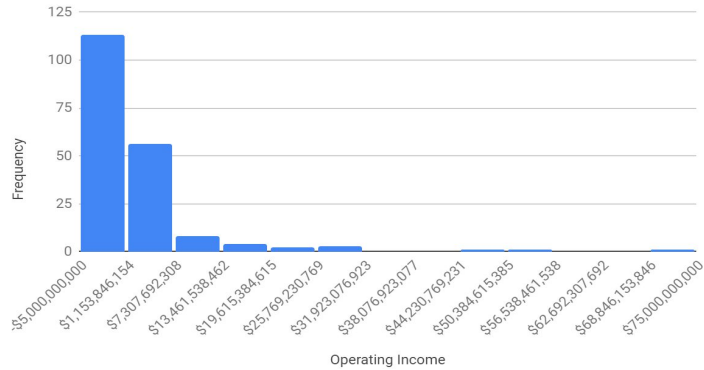


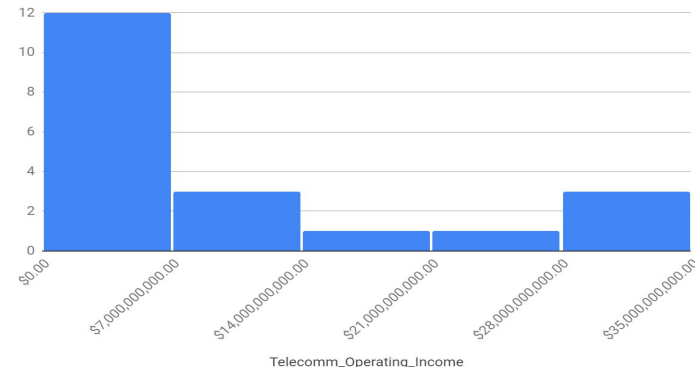
Does the IT sector make better use of their total revenue (higher operating income) vs. the Telecommunications sector?

IT Sector Operating Income for 2012-2015



Here are histograms depicting the operating income (EBIT) for the IT and Telecommunications sectors for the years 2012-2015. The mean for the operating income for both sectors is higher than the median every year within this timeframe, hence the right-skewed distribution. The mean for the IT sector was \$3.4 billion; the telecom sector was \$9.8 billion, which means the operating income earned for the telecom sector is higher than all the companies of the IT sector. The median for the operating income for IT was \$886 million; the median for telecom was \$2.5 billion, which indicates 50% of the companies within the telecom sector earned operating income that is substantially higher than 50% of the companies within the IT sector during the 2012-2015 timeframe.

Telecommunications Sector Operating Income for 2012-2015



At first glance, it appears the telecom sector kept their operating costs at a rate that they would have a much higher overall operating income. Also, note the telecom sector has far less ticker symbols (companies w/data) than the IT sector. Additionally, the standard deviation for Telecomm for 2012-2015 was \$11.8 billion vs. IT, which was \$8.5 billion. This indicates the variability in the operating income for the telecom sector is much higher than that of IT. Also, the range for the IT (\$71.5 billion) is twice the amount of the telecom sector (\$32.5 billion), which indicate a greater variability in the operating income because the range is more spread out (i.e., more ticker symbols?). Based on the aforementioned statistics, the telecom sector had a better return on their operating income during the years of 2012-2015. It should be noted IT suffered great losses in total revenue during this time as well.