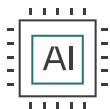


State of Modernization Report 2026

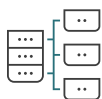
Kyndryl's 2026 State of Modernization Report captures the insights of 2,000 business and technology leaders across 5 continents and 12 industries to understand their IT modernization strategies, approaches, challenges and outcomes.



AI is the primary driver for modernizing applications and networks, as well as for increased use of mainframe and edge technologies. It is also the second most significant factor for greater adoption of private cloud and SaaS.



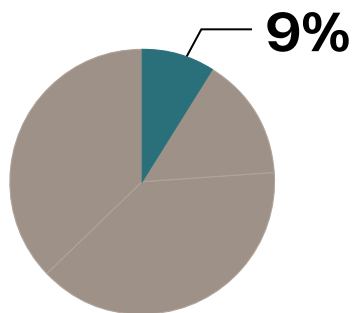
Nearly half (48%) of organizations say they are behind schedule on modernization goals.



100% of enterprises with a mainframe plan to deploy AI on it.



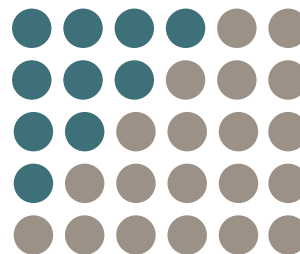
99% of organizations have delayed a modernization project — nearly all report a negative impact.



The average enterprise runs 383 business-critical apps; **only 9%** fully understand application dependencies before starting.



have deployed agentic AI in production across multiple modernization use cases.



Agentic-AI adopters are a third less likely to be behind schedule than non-adopters.

Read Kyndryl's State of Modernization Report 2026.

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