FROST & SULLIVAN

EQUINIX

2022
COMPANY OF THE YEAR

Asia-Pacific
Data Center Services Industry

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Equinix excels in many of the criteria in the data center services space.

AWARD CRITERIA	
Visionary Innovation & Performance	**Customer Impact**
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Evolving Customer Needs and Technology Shifts Drive Data Center Service Market Growth

Data centers (DC) are the backbone of today's digital economy; therefore, enterprises and governments in the Asia-Pacific (APAC) region demand cutting-edge infrastructure to support their digital transformation journeys. Enterprises increasingly outsource their data operations to third-party hyperscale DC and colocation service providers to leverage best-in-class infrastructure capabilities. While public cloud providers, over-the-top (OTT) content, and media segments continue to fuel the growing need for hyperscale capacity in the Asia Pacific region, the COVID-19 pandemic amplified enterprises' digital adoption, creating a higher demand for storage and compute capabilities. Moreover, enterprise customers' advanced technologies deployment, such as artificial intelligence, machine learning, and blockchain, encourage service providers to invest in novel DC designs to boost efficiency. Rivalry in the APAC data center services industry is intensifying between carrier-neutral and telecom service providers (SPs).

Hence, SPs must invest in favorable locations, optimize energy costs, improve security, and provide best-in-class services to create a competitive advantage. They also need to develop strategic differentiation in highly competitive markets through alignment of design capabilities, services strategy, and go-to-market approach in line with each country's unique requirements and global trends to enhance customer value. Frost & Sullivan estimates that the APAC data center colocation services market will continue to witness double-digit compound annual growth from 2020 to 2027.

Equinix uniquely leverages its interconnected global ecosystem to meet industry-leading organizations' needs to launch and scale its digital services securely and sustainably. Founded in 1998 and headquartered in California, the United States, Equinix is a global provider of digital infrastructure to support clients across industries (such as finance, manufacturing, retail, transportation, government, healthcare, and education), driving business success and innovation. Through its network of more than 240 International Business Exchange™ (IBX®) data centers and a rich ecosystem of leading service providers with capabilities in cloud, networking, storage, computing, and software, Equinix delivers vendor-neutral digital infrastructure and service excellence that reflect its core focus on EQUality, Neutrality, and Internet eXchange. A quartet of four cutting-edge solutions (i.e., Equinix Fabric™, Equinix Metal®, Equinix Precision Time™, and Network Edge) allows customers to interconnect their digital structure in minutes (as opposed to months), enabling them to drive their digital infrastructure purposefully. Hence, Equinix is well-positioned to capitalize on new growth opportunities, cementing its leadership in the data center services market.

> *"By consistently investing in new markets, more capacity, submarine cables, and cloud access points, Equinix reinforces its ecosystem strength. As a strategic provider, it cultivates a forward-looking design philosophy to offer digital infrastructure flexible enough to meet customers' current and next-generation business challenges."*
>
> **- Nishchal Khorana,**
> **Vice President and Global Program Leader: ICT**

An Established Global Leader Continues to Build Capacity and Drive Innovation

Equinix creates innovative solutions and services by building scale and capacity, expanding geographically into multiple locations in line with customer expansion plans. A comprehensive customer survey highlights specific market needs, which provides a clear vision for Equinix and determines its infrastructure roll-out. The company enhanced its approach during the past years, investing heavily in an ecosystem of interconnected data centers. Based on its market study, Equinix continued to invest heavily in its core markets during 2021 and 2022:

- Capital expenditure in Singapore amounts to $327 million, providing 5,450 cabinets in new builds and additions.

- Capital expenditure in Japan amounts to $161 million, providing 3,425 cabinets in new builds and expansions; the company also added three xScale data centers in Osaka and Tokyo, respectively.

- Capital expenditure in Australia amounts to $119 million, providing 3,350 cabinets; the company also added one xScale data center in Sydney.

- The company announced a new xScale data center development (incorporating two sites valued at $525 million) in Seoul, Korea.

Equinix works closely with the Singapore government to support the country's sustainable growth of the data center industry. Equinix is the most network-dense DC service provider, and Singapore is its largest Internet Exchange hub in terms of Internet Protocol traffic (i.e., peak traffic of more than six terabytes per second), reporting 42% year-over-year growth.

Equinix collaborated with leading network service providers (NSPs) in Mainland China (such as China Mobile International, China Telecom Global, Chief Telecom, and HKBN) to integrate with its flexible, on-demand global interconnection service, Equinix Fabric™. Leveraging dedicated cross-border bandwidth and point of presence in its Hong Kong IBX® campus, Equinix renders customers fast and safe connectivity to the Greater China market via multiple NSPs.

Additionally, SUB.CO selected Equinix's IBX® data centers in Perth and Muscat for the landing of the Oman Australia Cable (OAC), thereby creating a digital gateway between Australia, APAC, and the Middle East. By offering an alternative path from Sydney (and a faster route to key global markets), Equinix strengthens Perth as a strategic location for global cloud, network, and OTT providers. The infrastructure also serves increased digital transformation efforts of the Australian government and its mining sector.

As a result, the company offers a comprehensive DC services portfolio in the APAC market, spanning robust features and capabilities. Frost & Sullivan acknowledges the significance of its International Business Exchange™ expansion, adding xScale data centers in key markets to explicitly serve the unique core workload deployment needs of hyperscale companies such as the world's largest cloud service providers. Other highlights include the roll-out of its Equinix Fabric™ (Canberra, Hong Kong, Melbourne, Osaka, Perth, Seoul, Singapore, Sydney, and Tokyo) and Equinix Metal® (Hong Kong, Seoul, Singapore, Sydney, Tokyo, Osaka, and Melbourne) solutions to advance digital services across the APAC region, connecting the Japanese facilities with Greater China to reach more customers faster to scale quickly for improved performance. Applying a developer and API-first mindset to foundational infrastructure, Equinix Metal® provides a fully automated path that allows digital businesses to access the Equinix global platform

"Equinix's executive team monitors mature and emerging market trends and evolving customer demands closely, then responds with novel solutions. Its leadership ensures that the company wins significant deals, allowing customers to leverage Equinix's ecosystems in the long term."

- Riana Barnard,
Best Practices Research Analyst

It enables direct access to service providers, customers, and partners, optimizes cloud costs, increases security, accelerates innovation with DevOps automation, and offers 24/7 support through shared Slack channels for responsive and personalized service. In 2021, Equinix launched its software-defined network service in Tokyo. Since then, Network Edge has become available in Hong Kong, Melbourne, Singapore, Sydney, and Osaka. The solution allows customers to reduce capital expenses, scale existing physical information technology (IT) solutions through virtual services, improve performance with ultra-low latency, gain multi-vendor flexibility, achieve quicker time-to-market, access pre-integrated ecosystems, simplify network automation, and drive services and controls distribution. Lastly, the Equinix Precision Time™ (a global, secure, and precise time-as-a-service application that delivers time synchronization) deployment in the APAC region facilitates time and cost savings, high accuracy, and product flexibility.

Equinix's executive team closely monitors mature and emerging market trends and evolving customer demands, then responds with novel solutions. Its leadership ensures that the company wins significant deals, allowing customers to leverage Equinix's ecosystems in the long term. In June 2021, the company announced a $3.9 billion investment from Singapore's GIC sovereign wealth fund in a major expansion of

its

hyperscale data center portfolio. By consistently investing in new markets, more capacity, submarine cables, and cloud access points, Equinix reinforces its ecosystem strength. As a strategic provider, it cultivates a forward-looking design philosophy to offer digital infrastructure flexible enough to meet customers' current and next-generation business challenges. With this leadership focus, Frost & Sullivan expects Equinix to sustain its strong position in the APAC data center services market.

Focus on Customer Satisfaction through End-to-end Service Offering

With its customer-centric corporate philosophy, Equinix operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. Equinix meets with customers to assess their needs and develop tailored solutions with roadmaps for seamless execution. The company's global solutions architects clarify customer strategies and issues (also addressing capacity and sizing demands) to design optimal digital infrastructure. Based on Interconnection Oriented Architecture™ (IOA™) best practices, customers' existing IT infrastructure, and their specific digital business goals, the tailored Digital Edge Strategy Briefing draws from the wealth of information in the IOA Knowledge Base. By synthesizing its rich body of digital knowledge and customer experiences, Equinix creates a solid, future-proof digital edge strategy for each customer's business. It includes a plan for how to leverage IOA™ best practices to deploy the four steps that will make digital ready at the edge. This foundational approach establishes customers' ongoing trust for long-lasting relationships throughout the service lifecycle.

Other specific customer improvement initiatives in key areas are:

- **Communication**, i.e., billing, quoting, and contracting process improvement

- **Product order and delivery**, i.e., simplifying product ordering and advancing global alignment to ensure a consistent experience (for instance, a quick and easy way for channel partners to create quotes for interconnection and services to drive expansion)

- **Advanced automation with IBX® access**, e.g., easily save and retrieve a unique QR code for IBX entry via Apple Wallet without having to download or sign into the mobile application

- **Increased self-service via the Equinix Customer Portal**, e.g., improved customer support process, more visibility into the status of inquiries, and crisis management contact

A Foot in the Present and an Eye on the Future

Since its inception, Equinix's sterling reputation and customer-centric strategies have created a strong value proposition for its partners. This leading digital infrastructure company establishes an ecosystem that addresses customer and partner needs with innovative solutions that evolve alongside market needs and trends as it synergizes with cloud service providers, technology partners, and network providers.

For example, Singapore became Equinix's seventh metro to access all six on-ramps. The company currently has seven metros, with all six on-ramps available for the major cloud providers, i.e., Amazon Web Services, Azure, Google, International Business Machines, Alibaba, and Oracle.

For companies looking to improve application efficiency and network agility and minimize reliance on the public internet and GPS antennas for time synchronization, Equinix Precision Time™ is a robust solution

(delivered via Equinix Fabric™) that allows organizations to bypass the public internet for secure and reliable time synchronization. Use cases include online gaming, financial services, media and entertainment, government, and other latency-sensitive businesses.

Climate change-related regulations are high-focus areas for service providers and generate new opportunities for strategic differentiation. Also, government regulations prompt service providers to revisit data center designs, operations, and governance to deliver sustainable operations. As a service provider focusing on data center sustainability, Equinix continues to make advancements in how it designs, builds, and operates its data centers with high energy-efficiency standards. It prioritizes sustainability by focusing on science-based targets and climate neutrality, renewable energy, leadership in Energy and Environmental Design certificate and design standards, operational efficiency improvement, water use efficiency, and circular economy. Committing itself to ambitious targets, the company leads by example:

- Equinix became the first data center company to commit to climate neutrality by 2030 globally.

- With a Science Based Targets initiative-approved goal aligned to the Paris agreement 1.5-degree climate scenario, Equinix aims to make a 50% absolute reduction in Scope 1 and 2 emissions from a 2019 base year by 2030.

- Equinix will reach 100% renewable electricity by 2030 and achieve its RE100 goal, set in 2015.

- Equinix will require that 66% of its suppliers (within the categories of Purchased Goods and Services and Capital Goods) have science-based emission targets by 2025, and Equinix will achieve a 50% absolute reduction in Scope 3 emissions from fuel and energy-related activities by 2030.

As part of the Data Center of the Future Initiative, Equinix opened its first Co-Innovation Facility (CIF) on the Equinix Ashburn Campus. CIF is a new capability that enables partners to work with Equinix on trialing and developing innovations. These innovations, such as identifying a path to clean hydrogen-enabled fuel cells or deploying more capable battery solutions, will be used to help define the future of sustainable digital infrastructure and services globally. Announced partners are:

- Bloom Energy (for generator-less and UPS-less data centers)

- ZutaCore (for high-density liquid cooling)

- Virtual Power Systems (VPS) (for software-defined power)

- Natron Energy (for cabinet-mounted battery energy storage)

Frost & Sullivan believes Equinix is well-positioned to drive the data center service space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

Conclusion

The rise in enterprise digital transformation initiatives, content and media, over-the-top content, and gaming drive the growth of the Asia-Pacific (APAC) data center services. Moreover, the COVID-19 pandemic has propelled digitization, further accelerating data center services demand. Overall, United States-based Equinix addresses these unmet market needs with a strong leadership focus that incorporates data center expansion in strategic locations across APAC, customer-centric strategies, and exemplifies best practice implementation. Equinix's data centers and cutting-edge internet exchange points provide dynamic connections, allowing more than 3,500 customers to access 630+ networks through approximately 1,140 cloud and information technology service providers in the APAC region. Its simplified global network builds service providers' backbones effectively and sustainably, while its robust ecosystem differentiates the company from market participants in the space. The company remains a trusted partner, earning a reputation for offering the overall best in the data center services market.

With its strong overall performance, Equinix earns Frost & Sullivan's 2022 Asia-Pacific Company of the Year Award in the data center services industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

Key Impacts:

■ **Growth Pipeline:** *Continuous Flow of Growth Opportunities*

■ **Growth Strategies:** *Proven Best Practices*

■ **Innovation Culture:** *Optimized Customer Experience*

■ **ROI & Margin:** *Implementation Excellence*

■ **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

■ **Mega Trend (MT)**

■ **Business Model (BM)**

■ **Technology (TE)**

■ **Industries (IN)**

■ **Customer (CU)**

■ **Geographies (GE)**