

FROST & SULLIVAN

AT&T

2022
COMPANY
OF THE
YEAR

UNITED STATES
NETWORK 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. AT&T excels in many of the criteria in the network services space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
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

Strong Network Footprint Forms Basis for Market Leadership in Network Services

Enterprises increasingly rely on cloud-based applications mainly due to the flexibility and scalability it offers to accommodate the demands of a hybrid workforce; thus, when connecting remote workers to cloud-based applications, network security and connectivity are the main challenges. Furthermore, the

“AT&T has an expansive global network, with multi-protocol label switching (MPLS) available in nearly 200 countries, dedicated internet access (DIA) services in over 160 countries, and over 3,900 service nodes with ethernet, fiber, and wireless access options. The company also has a presence in over 500 data centers across the United States, offering speeds up to 1 Tbps, and 250 cloud data centers outside of the U.S.”

**- Amrit Singh,
Senior Industry Analyst**

proliferation of IoT devices emphasizes the need for secure and high-bandwidth connectivity. Enterprises require a network service provider that can offer an umbrella of products and services to accommodate all of their current and future business needs.

AT&T delivers on all of these aspects, offering network services that leverage its global network, which benefits from 675,000 fiber-lit buildings and more than 9.5 million business locations within 1,000 feet of AT&T fiber in the U.S. as of Q3 2022. AT&T has an expansive global network, with multi-

protocol label switching (MPLS) available in nearly 200 countries, dedicated internet access (DIA) services in over 160 countries, and over 3,900 service nodes with ethernet, fiber, and wireless access options. The company also has a presence in over 500 data centers across the United States, offering speeds up to 1

Tbps, and 250 cloud data centers outside of the U.S. In addition to core network transport capabilities, including wireless, ethernet, MPLS, and internet, the company also provides a dynamic overlay fabric enabling application-aware intelligent connectivity from the cloud to the edge, primarily driven by software-defined wide area network (SD-WAN) technologies. Frost & Sullivan notes that AT&T offers secured connectivity superior to other competitors, whether underlay or overlay, supported by managed security services for network endpoints and threat detection and response. The company also offers complementary services - including managed SD-WAN, secure access service edge (SASE), consulting, and managed services.

Frost & Sullivan believes that AT&T's extensive network footprint and secured connectivity is a key differentiator in the United States network services market.

Addressing Enterprises Unmet Needs by Offering a Strong Bouquet of Products and Services

AT&T offers a complete network services portfolio to address enterprises' ever-increasing business needs. Enterprises may choose from a wide array of wireline and wireless connectivity services to support their software-defined networking solutions. AT&T's leading products and services in the United States market are briefly discussed here and nicely exhibit the company's market leadership capabilities.

AT&T offers one of the most comprehensive portfolios of managed SD-WAN solutions. The company follows a multi-vendor approach, offering both fully managed and co-managed solutions from market leading SD-WAN vendors such as Cisco, Aruba, VMware, Fortinet, Palo Alto, while in parallel investing to simplify its SD-WAN portfolio and make it more integrated. As security and networking converge and make way for secure SD-WAN or SASE services, AT&T focuses on strengthening its SASE portfolio by offering SASE solutions from top providers, such as Cisco, VMware, Fortinet, and Palo Alto Networks. AT&T offers managed SD-WAN integrated with cloud, voice/unified communications (UC), WI-FI/LAN, and security.

AT&T FlexWare is part of the company's software-defined solutions portfolio that uses software-defined networking (SDN) and network function virtualization (NFV) technologies to virtualize key network functions. This simplifies network infrastructure, replacing traditional purpose-built hardware for each application and supports all business sizes. AT&T FlexWare is both transport and carrier-agnostic, supporting multiple connectivity options, including MPLS, fiber, and wireless (LTE, 4G & 5G) broadband, Internet, ethernet, dedicated internet access, switched ethernet on demand, and time-division multiplexing (TDM) services. AT&T FlexWare devices support up to 10G speeds, allowing customers to deploy universal customer premises equipment (uCPE) devices across their wide area network (WAN) edge locations, including on-premises, public cloud, private cloud, and third-party data centers. AT&T FlexWare supports virtual network functions (VNFs) from different vendors, including Juniper Networks, Cisco, VMware, Silver Peak, Fortinet, and Palo Alto, with availability in more than 200 countries and territories. AT&T's virtual private network (VPN) provides an agile, converged network that connects business locations integrating both legacy and leading-edge technologies in a highly secure and reliable environment. Additionally, AT&T's VPN service allows integration of current and future applications on a single advanced network, such as voice, video, data, and cloud. AT&T VPN services offer a wide range of features, including multiple VPNs on a single connection, integrated and secure cloud connectivity through AT&T NetBond, and prioritization of critical applications with the class of service (CoS).

AT&T Dedicated Internet service offers flexibility and scalability to accommodate current and future applications. In addition, it delivers symmetrical Internet speeds and typically comes with robust SLAs. AT&T offers the industry's leading SLAs with 100% service availability, 99.95% data availability, less than 37 milliseconds of latency, and less than one millisecond of jitter.

Ethernet Services Fulfill Enterprise's Multiprotocol Connectivity Needs

Reliable, multi-regional, and diverse connectivity is at the core of digital transformation, and enterprises generally prefer network service providers that can offer a portfolio of services to meet their business needs—a one-stop shop, as management and service orchestration across multiple vendors can be difficult. AT&T's ethernet services are a fully managed network solution that can address a business's high-performance connectivity needs and network requirements. Ethernet services can carry all traffic irrespective of diverse network protocols.

"AT&T Switched Ethernet is the company's flagship ethernet service available in the 21 states where AT&T is an incumbent local exchange carrier (ILEC) and in all 50 states via third-party access providers. AT&T's ILEC network footprint also enables the company to compete fiercely for dedicated ethernet services that are based on dense wavelength division multiplexing (DWDM) technologies. AT&T's extensive metro and long-haul footprints in carrier ethernet are differentiating factors in the US market."

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AT&T Switched Ethernet (ASE) is the company's flagship ethernet service available in the 21 states where AT&T is an incumbent local exchange carrier (ILEC) and via ASE on Demand (ASEoD) in all 50 states using third-party access providers. AT&T's ILEC network footprint also enables the company to compete fiercely for dedicated ethernet services that are based on dense wavelength division multiplexing (DWDM) technologies over fiber. AT&T's extensive metro and long-haul footprints in carrier ethernet are differentiating factors in the US market.

The company's Ultravailable® Network Service supports Ethernet and DWDM based services on a

single dedicated platform. AT&T fiber-based ethernet services support businesses' network transformation plans as they migrate toward cloud and IP data strategies.

Apart from offering the industry's leading feature set and capabilities in managed SD-WAN services, MPLS VPN services, DIA services, and wholesale carrier ethernet services, AT&T is also the revenue leader in these services in the United States (according to Frost & Sullivan's own research).

AT&T's Dynamic Exchange Enhances Customer Purchase Experience

AT&T's Dynamic Exchange is a feature of AT&T's programmable network that allows its customers to create virtual connections to the cloud simply by logging into the AT&T Switched Ethernet Service with Network on Demand (ASEoD) or AT&T VPN services page on the AT&T Business Center portal. AT&T Dynamic Exchange feature is available to existing customers already using ASEoD or AT&T VPN services and considering connecting their business to the cloud. Customers can choose the port and available cloud service provider to partner with. Connectivity to the cloud can be established in minutes with just a few clicks. It's self-service within the AT&T Business Center portal, and no new contract, term commitment, or extra equipment is required for customers to avail themselves of the Dynamic Exchange feature. Frost

and Sullivan notes that AT&T Dynamic Exchange is a unique service for this market.

Wireless Backup Routers and Proactive Troubleshooting Enhance Customer Ownership Experience

Uninterrupted connectivity is the lifeline of business applications, and a minor interruption can halt entire business operations. Along with its connectivity solution, AT&T offers a wireless backup router. The wireless backup router delivers uninterrupted internet connectivity and provides 4G LTE-based wireless backup for automatic failover and failback so that key applications, such as point of sale, web browsing, and messaging, can run during connectivity failures. AT&T's 4G LTE delivers approximately 70 Mbps of speed, which is adequate to run priority applications; in addition, this wireless router comes with a 24-hour battery backup to overcome any power cuts based on weather events or other natural disasters. AT&T's proactive pinging and alert service is another key differentiator; customers' locations are constantly pinged, and if a ping is not returned to the network operation center (NOC) for five continuous minutes, the NOC will proactively open a trouble ticket and start the resolution process. Additionally, to reach a potential customer, AT&T offers to extend its network to customer locations at no cost if customers qualify and are within 1,000 feet of AT&T fiber. Moreover, the company can use close to 100 third-party access providers to reach customers almost anywhere in the United States where AT&T fiber is unavailable.

AT&T's Business Center Portal Simplifies Customer Service Experience

Enterprise businesses need to change with evolving market dynamics, and they adopt the latest technologies to sustain their positions in the market. The AT&T Business Center is a customer portal that supports its customers' changing business needs. The portal is one of the most comprehensive in the industry, making it easy for its customers to locate and manage their wireline services in one place. It offers single sign-on across all websites for a seamless experience. The portal allows customers to order new services, monitor and manage network bandwidth in near-real time, access express ticketing services, manage billings, and customize and receive alerts in the event of traffic congestion. AT&T's portal assists customers in managing a wide array of services, while other vendors' portals offer limited services, such as 24/7 proactive monitoring and technical assistance.

AT&T's Initiative to Bridge Digital Divide and Strengthen its Brand Equity

Beyond making profits, the world's most admired companies also contribute toward the wellness of society and the empowerment of individuals. As one of the most respected brands worldwide, AT&T highlights its brand with community investment. In 2021, AT&T committed to investing \$2 billion over three years, from 2021 to 2023, to help bridge the digital divide by removing connectivity barriers, especially for underserved communities (including students and families). The company has opened AT&T Connected Learning Centers nationwide and deployed its DIA service in these centers for dedicated connectivity to ensure underserved students can access high-speed internet and computers for education and learning. AT&T is inviting its DIA customers to be a part of this initiative. With every new dedicated Internet port purchased in 2022, AT&T has pledged to donate \$100 on behalf of its customers toward this initiative.

In addition, as part of the initiative, AT&T is distributing close to 26,000 computers with digital inclusion programs and digital literacy workshops to 400 libraries and community centers that help over 65,000 people to learn how to properly use a computer and mobile device in today's digital world.

Conclusion

With evolving technological advancements, enterprises have started to look beyond high bandwidth connectivity and into network service providers that can also support their other network requirements. AT&T's expansive network footprint forms the basis for its market leadership in network services. Its robust underlay and overlay transport power all of its products and services to deliver the most comprehensive networking services.

AT&T's ASEoD, Dynamic Exchange, and wireless backup router are distinctive offerings in the market, and its business center online portal provides management and visibility into all services. In 2022, AT&T is the market leader in the US network services industry and has additionally been awarded by Frost & Sullivan as the leader in dedicated internet access services, wholesale carrier ethernet services, and managed SD-WAN services.

With its strong overall performance, AT&T earns Frost & Sullivan's 2022 US Company of the Year Award in the network 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

