

# **CIRION RECEIVES THE 2023 COMPANY OF THE YEAR AWARD**

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*Identified as best in class in the Latin American  
telecommunication 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. Cirion excels in many of the criteria in the telecommunication data center services space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; 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

### *A Growing Region Marked by Strong Competition*

Latin America (LATAM) emerges as an evolving region for data center colocation with increased digital transformation efforts, favorable government policies, business-friendly environments, and initiatives to improve submarine cable connectivity. Another growth factor is the surge in digitalized data and the need for more extensive and advanced infrastructure for storage, processing, and analysis. Big Data, the Internet of Things, artificial intelligence, machine learning, and other technologies are compelling substantial investments from local and global colocation operators. The competition among service providers in LATAM is escalating, with many looking to build new facilities. New data centers are built across regions, increasing competitiveness in the most concentrated areas, such as Brazil, Chile, Mexico, and Colombia. Service providers express interest in emerging locations, including Peru, Bolivia, and Paraguay, as they enter the early stages of digital transformation.<sup>1</sup>

Despite high growth opportunities, the LATAM market faces several industry challenges, such as rising energy costs and construction expenses, lack of skilled resources, limited power availability in expansion regions (e.g., Mexico, Bolivia, Peru, and Paraguay), and supply chain disruptions due to macroeconomic instability. These challenges affect operational efficiency and growth prospects. Furthermore, identifying strategic locations in the region for edge facilities deployment and engaging valuable partnerships to

<sup>1</sup> *Latin American Data Center Colocation Service Growth Opportunities* (Frost & Sullivan, August 2023)

expand geographical coverage are critical factors to outpace competitors. Hence, data center service providers must build advisory capabilities to support edge architectures and develop an integrated edge and colocation infrastructure to succeed in the market.

### ***Cirion: A Trusted Regional Leader***

Leveraging a robust infrastructure and product portfolio, Cirion is a leading technology provider in the region. In LATAM, enterprises, carriers, hyperscalers and all the interconnection ecosystem's challenges revolve around digital transformation and improving customer experiences. With over 30 years of experience, Cirion addresses these challenges by facilitating businesses with the essential expertise and tools to thrive in LATAM's evolving environment. In 2022, Frost & Sullivan recognized Cirion for its best practices implementations and remains impressed with the company's continuing innovation and sustained leadership.

Cirion has established a solid regional presence with 18 data centers in over 11,800 connected buildings in 12 LATAM countries. It has developed a strong position as a data center provider, offering clients hosting, storage and backup, and colocation services. Over the years, the company has provided agility and efficient management services with an integrated, customized solutions portfolio. Cirion operates with 50,000 kilometers of terrestrial and 36,000 kilometers of submarine fibers, delivering a remarkable capacity of 109 terabits per second. Its solutions connect with leading internet service providers and global carriers (e.g., Amazon Web Services, Google, Microsoft, Lumen, Cisco). Unlike competitive offerings, Cirion is a carrier-neutral provider, offering clients the flexibility to connect with their preferred partners

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***- Josefina Pavón  
Consulting Analyst Growth Advisory***

for content exchange or distribution, considering their geographical reach and sustainable practices.

With a legacy of market leadership, the company's compelling value proposition underpins its sustained success. According to Cirion, by the end of 2023, 35% of global companies will operate with cloud processes, whether in multi-cloud or hybrid setups, and will have the flexibility to choose the environment best suited to their workloads.<sup>2</sup> Therefore, the company recognizes that delivering a scalable infrastructure with dynamic and resilient design is critical. Cirion's new data centers offer modular configurations ranging from one megawatt (MW) to two MW per module to accommodate these demands.

At the same time, density can scale from five kilowatts (KW) to 30 KW within a construction model centered on dedicated, individual infrastructure per suite.<sup>3</sup> Another key aspect of Cirion is its robust commitment to security and the highest service standards. The company has acquired multiple

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<sup>2</sup> Frost & Sullivan Interview with Cirion.

<sup>3</sup> Ibid.

certifications, including the International Organization for Standardization (ISO) 27001, ISO 9001, and ISO 27017. Additionally, Cirion has Security Operations Centers in LATAM, strategically located in Argentina, Brazil, and Colombia.

Cirion strategically invests in proximity computing nodes to minimize latency, creating adaptable hybrid computing environments and ensuring smooth integration across various networks and providers. Highlights of this strategy include Cirion's Bare Metal Cloud, which offers clients on-demand and real-time dedicated servers. The company acknowledges that traditional hosting involved prolonged processes, often weeks or months, encompassing tasks like procuring hardware, establishing connections, racking, powering, and configuring. The introduction of Bare Metal Cloud in 2023 marked a transformative step for Cirion, enabling it to offer an automated solution with self-service capabilities and a simplified framework and redefine the traditional hosting market. Cirion's Bare Metal Cloud also provides the flexibility and scalability needed, accommodating pay-as-you-go and a resource reservation billing model.

Frost & Sullivan applauds Cirion for its leadership focus and best practices implementation addressing unmet needs in LATAM's telecommunications data center services. The company's clients recognize its innovation, as illustrated by a 2022 client survey. In 2018, 50% of its clients considered Cirion an innovative brand; in 2022, the percentage increased to 70%.<sup>4</sup>

### ***Making Strategic Decisions with a Far-reaching Impact***

Frost & Sullivan's research identifies that environmental sustainability is becoming a top priority for governments, businesses, and data center service providers. The increasing regulatory focus on sustainability and greater customer awareness requires sustainability to be a part of colocation service providers' core value proposition.<sup>5</sup> Thus, market participants focus on best-in-class data center design and management tools, creating energy-efficient facilities that utilize renewable resources to reduce carbon footprints.

Cirion implements cutting-edge technologies to enhance efficiency, reduce operational costs and carbon footprint, and facilitate the integration of renewable energy systems. For example, in 2021, the company committed to require the Corporate Renewable Energy Initiative 100 or Interstate Renewable Energy Council certification (depending on the country's availability) for any new purchase or contract renewal for energy procurement in the open market. Moreover, Cirion supports projects that create new sources of clean energy and propel programs in the areas where it operates, including renewable energy and renting solar systems that inject a portion of its consumption back into the grid. This strategy achieved significant results in Brazil, where the company generated 300 MW through solar generation in Minas Gerais in 2022.

Cirion aims to increase renewable energy consumption from 38% to 50% in 2023 through power purchase agreements in different markets.<sup>6</sup> Notably, in 2022, the company invested \$6 million in replacing 320

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<sup>4</sup> Ibid.

<sup>5</sup> *Latin American Data Center Colocation Service Growth Opportunities* (Frost & Sullivan, August 2023)

<sup>6</sup> Ibid.

pieces of equipment with new ones, offering higher energy efficiency.<sup>7</sup> Cirion's sustainable initiatives solidify its leadership position and testify to its dedication to building efficient data centers.

### **Excelling with a Customer-centric Approach**

Cirion serves clients across various industry verticals, including telecommunication, finance, industry, and oil and gas. The company helps more than 5,550 clients in 20 countries. Moreover, it provides exceptional

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**- Valentina Barcia  
Best Practices Research Analyst**

24/7 customer service through its dedicated team of client success experts who support customers with their digital transformation journey. The company's go-to-market strategy allows it to stay on top of customers' needs, ensuring efficient management and protecting their physical and digital assets. Cirion's customer-centric approach helps it to establish long-lasting relationships with partners and clients. Copeinca, a Peruvian fish oil and fishmeal producer, demonstrates this success. Since 2016, the client has trusted Cirion as a partner of choice. Cirion helped Copeinca to disassemble a data center in Hong Kong

and transfer it to Lima, Peru, in seven days. This pivotal collaboration began a solid and enduring partnership between both companies.

*"We need a nimble, flexible partner which offers us viable and immediate solutions, as well as constant support. We found this in Cirion."*

- Julio Aquino, Information Technology Manager, Copeinca<sup>8</sup>

Cirion collects client feedback at every step of the customer journey to guide its product roadmap and continuously evolve its solutions, maintaining its innovative edge. Furthermore, the company conducts surveys of high-level contacts within each client organization twice a year to ensure customer satisfaction. Frost & Sullivan acknowledges that the company's integrated approach and close relationships position it as a preferred vendor, proven by its high Net Promoter Score of 40.1 points in 2022.<sup>9</sup>

### **Promising Expansion**

Cirion continually enhances its services while actively exploring future opportunities in the region. With an in-depth understanding of LATAM, the company firmly believes it is a strategic destination for establishing new data centers. For instance, in 2022, Cirion data centers in São Paulo (Brazil), Buenos Aires (Argentina), Quito (Ecuador), Cali (Colombia), and Lima (Peru) accounted for about a 12% increase in installed capacity. The company is actively working on constructing a new data center in Lurin, Peru, equipped with an impressive 20 MW capacity. Similarly, the Data Center SAN2 in Quilicura, Santiago, Chile, will also offer a substantial 20 MW capacity. Cirion expects these data centers to start operating in 2025. Furthermore, Cirion is amplifying its existing data center in Cotia, São Paulo, Brazil, which will result in a

<sup>7</sup> Frost & Sullivan Interview with Cirion.

<sup>8</sup> <https://www.youtube.com/watch?v=o-q1d4LxXbo&list=PLcdzpk2z7mF5xxZn3UQuylk33DpAalwSM&index=4>. Accessed November 2023.

<sup>9</sup> Frost & Sullivan Interview with Cirion.

remarkable 50% increase in its total capacity.<sup>10</sup> The company is also expanding its existing data center presence in Rio de Janeiro, Brazil, to better serve the region's dynamic digital landscape.

Cirion is at the forefront of the fiercely competitive space. With a deep-rooted history of purpose-fit innovation, the company shapes the industry's trends, impacting its role in the telecommunications data centers services market. During the first semester of 2023, Cirion recorded 20% sales growth in the business sector and a 5% revenue increase 5% than 2022.<sup>11</sup> Frost & Sullivan is impressed with the company's future roadmap, further solidifying its LATAM leader position.

## Conclusion

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Data centers represent a fundamental component of the digital economy. Latin America is rapidly growing and emerging as a strategic region for collocation services. With 18 data centers in 12 countries, Cirion addresses market needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation. Aligning with mega-trends (e.g., automation and self-service capabilities), the company combines technology, security, and sustainability in a comprehensive solution portfolio. With 30 years of experience, Cirion remains a trusted partner, earning a reputation for offering the best in the market.

With its strong overall performance, Cirion earns Frost & Sullivan's 2023 Latin America Company of the Year Award in the telecommunication data center services industry.

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<sup>10</sup> <https://press.ciriontechnologies.com/en/cirion-expands-network-data-centers/>. Accessed November 2023.

<sup>11</sup> Frost & Sullivan Interview with Cirion.

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

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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™.

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### 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)**

