

FROST & SULLIVAN

QTS

**2022
COMPANY
OF THE
YEAR**

*NORTH AMERICAN
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. QTS excels in many of the criteria in the data center 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

Sustained Leadership in the North America Market

QTS is a provider of data center services and one of the key leaders in the market, with 28 facilities in North America and Europe. In 2021, Blackstone bought the company, increasing the expansion globally and facilitating the capital necessary for platform expansion and network ecosystem decentralization.

Due to the global demand from carrier-neutral and telecom service providers, competition in the industry is intensifying.¹ To succeed in the data center services market, service providers must invest in favorable locations, optimize energy costs, and provide best-in-class services.² Frost & Sullivan estimates that the North American data center colocation services market is large and mature. It is forecast to record a 5.6% compound annual growth rate from 2020 to 2026.³ QTS uniquely leverages its services to meet its customers' needs. The company is well-positioned to capitalize on new growth opportunities, cementing its leadership in data center services.

In 2020, Frost & Sullivan recognized QTS for its unique multi-pronged go-to-market strategy focusing on the digitized Service Delivery Platform, sustainability, and connectivity. Frost & Sullivan remains impressed with the company's continuing innovation and sustained leadership.

¹ *Global Data Center Colocation Trends and Growth Opportunities.* (Frost & Sullivan, April 2022)

² *Ibid.*

³ *Hyperscaler Demand Drives the North American Data Center Colocation Services Market.* (Frost & Sullivan, September 2021)

Visionary Innovation and Performance

QTS's vision centers on integrity, character, and trust with the stated purpose of being innovative and team-oriented. It connects deep-seated domain and operational knowledge with advanced technology to offer its application programming interface-driven Service Delivery Platform (SDP), an artificial intelligence-based software suite that digitizes the entire data center experience. This service differentiates QTS from competing providers because SDP allows the customers to continuously view, interact and control their data, services, and connectivity ecosystem 24/7, having better control over the critical metrics from a single fully-integrated platform available anywhere on any device.⁴

With a legacy of market leadership, the company's compelling value proposition underpins its sustained success. With nine million square feet of colocation space⁵, QTS excels for its unique connectivity strategy focusing on network ecosystem players, including partnerships with the major cloud services such as Amazon Web Services (AWS). With this partnership, AWS relies on QTS's services that provide the

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**- Valentina Barcia,
Best Practices Research Analyst**

dedicated space, power, and fiber diversity for long-term network planning needed while facilitating overall ecosystem decentralization.⁶

QTS's go-to-market strategy centers on three expanding sectors: enterprise, hyperscale, and federal government. Growth across hyperscale demand, edge 5G convergence, and sustainability-related factors are the leading market trends in the data center services industry.⁷ QTS aligns with this tendency as its approach to enterprise, federal, and hyperscale customers focus on ensuring customized, large-scale options in strategic geographies while being sustainable.⁸

Roadmap to Success: Customer-centric, Continuous, Proactive

With its customer-centric corporate philosophy, QTS operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. QTS's Operations Support Center facilitates the customer experience for over 1,300 clients in 20 markets across North America and Europe.

QTS has a sustained leadership in customer support validated on the Net Promoter Score (NPS), a survey that judges the possibility that QTS customers will purchase or recommend its services to another company. The national NPS average for data center companies is 40 points; QTS excels and achieves a score of 80+ points for the sixth consecutive year.

⁴ <https://www.qtsdatacenters.com/company/news>. Accessed on 07/06/2022.

⁵ <https://www.qtsdatacenters.com/company>. Accessed on 07/06/2022.

⁶ <https://www.qtsdatacenters.com/company/news>. Accessed on 07/06/2022.

⁷ *Hyperscaler Demand Drives the North American Data Center Colocation Services Market.* (Frost & Sullivan, September 2021)

⁸ <https://www.qtsdatacenters.com/hyperscale?type=blogs>. Accessed on 7/06/2022.

Frost & Sullivan recognizes that QTS meets with customers to assess their specific needs and develop tailored solutions with roadmaps for seamless execution. This foundational approach establishes ongoing trust with customers for long-lasting relationships extending throughout the service lifecycle:

“Our relationship with QTS has completely enabled us to move to the next-generation, highly available infrastructure, SDN, and leveraging and integrating cloud solutions. QTS is an extension of our team - always available, never had a problem, very responsible. We can completely count on the folks at QTS”

- Troy Worman, Technical Director Information Security and Risk Management, CSX Transportation⁹

“Performance, speed, and reliability are critical, but just as important is QTS’ collaborative customer support that we rely on every day. Their leading NPS score is warranted by their unrelenting focus on ensuring customer success. They are a strategic member of our IT team and we look forward to a long term partnership.”

- Stephane Heliot, Co-Founder, Blade¹⁰

A Foot in the Present and an Eye on the Future

As a testament to the company’s high client satisfaction rate, QTS acquires many of its customers through word-of-mouth accolades, fueled by its technological performance. QTS is at the forefront of the fiercely competitive data center services market. With a deep-rooted history of purpose-fit innovation, QTS shapes the industry’s trends, impacting its role in this market and initiating regular improvements to its services to ensure their optimal performance. The company differentiates itself from its competitors for its ability to have available inventory combined with speed-to-delivery.

In 2021, QTS launched its Freedom Building Design and Specification for every new QTS data center build. This feature allowed the foundation of Ashburn-Shellhorn Data Center, designed for hyperscale and large enterprise colocation deployments. With 170,000 square feet of data hall space and 80 MW of critical power capacity, QTS constructed and commissioned this data center in seven months and was recognized by Loudon County Economic Development as the fastest mega data center built in Northern Virginia to date.¹¹

In the coming years, QTS projects a massive technology deployment, spanning various geographies. Its expansion outside the United States focuses on Western Europe and Asia markets. The company’s impressive growth momentum and trajectory are a testament to its customer-centric approach, revolutionary services, and exceptional operational strategies, earning its clients' trust and loyalty and enabling it to capture more market share.

⁹ <https://www.qtsdatacenters.com/why-qts/customer-benefits>. Accessed on 7/06/2022.

¹⁰ <https://www.qtsdatacenters.com/why-qts/customer-benefits>. Accessed on 7/06/2022.

¹¹ <https://www.qtsdatacenters.com/data-centers/ashburn-shellhorn>. Accessed on 7/06/2022.

Innovation Drives a Commitment to Sustainability

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**- Kriti Yadav,
Industry Analyst**

Green energy and sustainability will be increasingly relevant to all businesses. Regulations will drive investments, and funding will depend on how well data centers perform in this realm. Green energy available to customers will give colocation providers a strategic advantage as the whole supply chain comes under greater scrutiny.¹² QTS leads in this area and includes sustainability as part of the company’s mission and a corporate goal of procuring 100% of its power from carbon-free renewal sources by 2025. In 2022, QTS reported that it had achieved this goal. The company also recycled 74.5% of its operational waste and conserved 19 million gallons of water.¹³

In March of 2022, QTS signed a 20-year agreement with Georgia Power, one of the largest generators of electricity in the United States, to support its Atlanta-Metro and Suwanee Georgia data centers in addition to expansion opportunities. This 100% renewal power deal generates 350 MW of new energy directly from new solar facilities located in Georgia.¹⁴

Conclusion

The demand for data center services in North America is increasing sharply across the enterprise, federal, and hyperscale. QTS stands out from its competitors with its Service Delivery Platform, an innovative product that facilitates its customers' access to real-time data information. The company’s unique connectivity strategy and sophisticated infrastructure shaped its path to success in the market. Overall, QTS addresses these unmet needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation with its customer support team and a remarkable Net Promoter Score. The company remains a trusted partner, earning a reputation for offering the most comprehensive and customer-friendly offering in the market.

For its strong overall performance, QTS is recognized with Frost & Sullivan’s 2022 North American Company of the Year Award in the data center services industry.

¹² *Hyperscaler Demand Drives the North American Data Center Colocation Services Market.* (Frost & Sullivan, September 2021)

¹³ <https://www.qtsdatacenters.com/why-qts/corporate-sustainability>. Accessed on 7/07/2022.

¹⁴ <https://www.qtsdatacenters.com/company/news>. Accessed on 07/06/2022.

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

