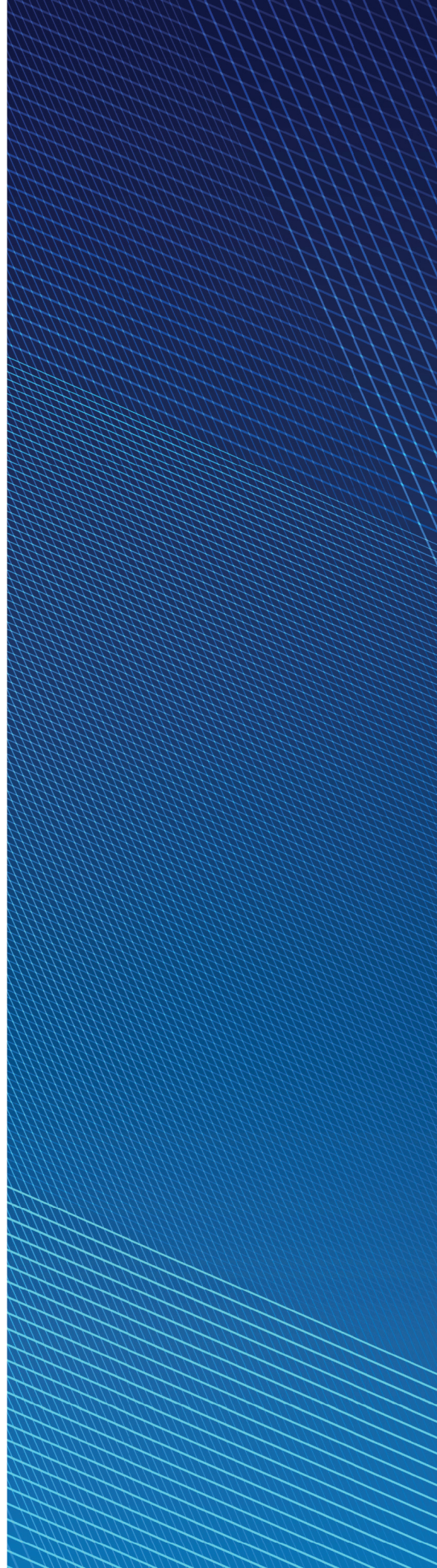


CDNETWORKS RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

*Identified as best in class in the Asia-Pacific web
application firewall 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. CDNetworks excels in many of the criteria in the web application firewall space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Industry Challenges

As digital transformation accelerates and changes the business environment, organizations are rapidly developing their capacity to survive and thrive. Organizations rely heavily on web and mobile applications

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Senior Industry Analyst

to connect with customers, business partners, and employees, which spiked demand for external-facing eCommerce online platforms and internal cloud-based productivity solutions. The increased dependence on application resources, web solutions, and mobile applications expanded the potential attack surface with additional entry points for exploitation and costly data breaches.

Web application firewall (WAF) solutions are the first line of defense against application-layer attacks and evolving cyberthreats. To balance various business requirements both the application development team and the security team need to achieve, organizations now seek WAF solutions that offer comprehensive security protection

without compromising application performance or time-to-market.

Customer Acquisition and Growth Potential

Founded in 2000 in Asia-Pacific, CDNetworks is a leading content delivery network (CDN) and edge service provider. The company has a strong footprint in the region that is backed by its well-established local network infrastructure. CDNetworks' portfolio of products and services includes CDN, edge computing, web performance, media delivery, enterprise applications, and cloud-delivered security services. As part of its security offering, CDNetworks' WAF is a cloud-delivered service through its global network of over 2,800 distributed nodes, covering more than 16 Asia-Pacific countries. CDNetworks' continual investments in optimizing its service performance in Asia-Pacific by expanding its local point of presence (PoP) enables it to better support an increasing number of customers in major Asia-Pacific regions, including Greater China, ASEAN, Japan, and South Korea.

In addition to optimizing its back-end infrastructure to better support the region's customers, CDNetworks emphasizes seamless integration of other security technologies that complement its WAF solutions. For example, the company introduced application programming interface (API) security solutions in 2022 that can be integrated with WAF, distributed denial-of-service (DDoS) protection, and bot management, resulting in a one-stop Web Applications and API Protection Solution (WAAP) solution that helps customers tackle a wide range of web threats. Along with the introduction of its integrated WAAP solutions, CDNetworks continues to upgrade common security features, such as access control, to enhance the interoperability between different in-house products.

To maintain its competitive market edge, CDNetworks focuses on research and development (R&D) investments by operating 10 R&D centers across the globe. As part of this, CDNetworks is committed to incorporating customer feedback into its product development process to plan, develop, and enhance new and existing features. The company also collaborated with its parent company, Wangsu, to specifically invest in developing cloud-delivered security solutions. The outcome of this investment includes the 2022 launch of API security to integrate with its existing cloud-delivered security solutions, including WAF, DDoS protection, and bot management solutions, to form a complete WAAP solution. This showcases its commitment to reassuring customers of their application infrastructure security while allowing them to pivot their attention to core business activities.

CDNetworks established partnerships with major cloud service providers, technology vendors, and telecommunications companies in the region to bolster its partnership ecosystem, enhance the support and interoperability of CDNetworks' offering, and widen its access to a broader customer base and distribution channels. A few telecommunications customers have become CDNetworks' channel partners and resellers, helping the company acquire more regional customers.

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Financial Performance

End users' increasing dependence on applications has driven organizations to place greater emphasis on security in addition to rapidly developing and producing applications. As a result, WAF solutions

experienced healthy growth in Asia-Pacific with a YoY growth of 22.8% in 2022. CDNetworks established a strong presence in the Greater China region as it benefits from the brand reputation of its parent company, Wangsu. As part of its business expansion strategy, the company sets up 9 offices in the Asia-Pacific region and actively collaborates with local channel partners to meet local customer demands.

To further improve its market competitiveness, CDNetworks offers flexible and competitive pricing to both new and existing CDN customers where charges can be based on their bandwidth, number of requests, or traffic, depending on their use case. The company has successfully executed this pricing strategy, which resulted in a significant market share gain in Asia-Pacific regions like Japan, ASEAN, and

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South Korea. Japan was CDNetworks' strongest-growing country in 2022. The company has expanded its market share in the Japanese cloud-based WAF solutions market from 1.8% to 5.4% and even overtook some bigger players to become Japan's fourth largest cloud-based WAF player. The go-to-market strategy with more competitive pricing has successfully helped the company secure a diverse customer base across multiple Asia-Pacific countries against other larger international players. This is because these big players focus on larger enterprises or multinational enterprises in the region, and the pricing strategy is catered to such groups of customers instead of local customers who are more price sensitive. Through its aggressive approach to expanding its customer base in the Asia-Pacific WAF market, CDNetworks achieved strong regional growth of 41.6% in

2022. The company ranked fifth in the APAC cloud-based WAF solutions market in 2022, surpassing a few regional and global players that were ahead of it in 2021. Frost & Sullivan praises CDNetworks' ability to differentiate itself from the competition by tapping on its good knowledge of the local markets and committing to addressing local customer demands through an in-country presence and support from local channel partners.

Customer Purchase and Service Experience

Since the introduction of the European Union's General Data Protection Regulation (GDPR), data privacy and sovereignty have increasingly become priorities for many regions, including Asia-Pacific. Growing regional cyberattacks have led to local data privacy legislation and to local governments tightening cybersecurity laws to regulate and protect citizens' personal data. The evolution of regional and local data privacy regulations requires organizations to secure vast amounts of sensitive data in applications and in appropriate databases, and there will be costly regulatory penalties in cases of data breaches. As a result, organizations seek professional support to address regulatory requirements at the country or regional level.

To help customers smoothly implement WAF solutions to secure their applications and address regulatory compliance challenges, CDNetworks provides onboarding assistance for deployment and security rule optimization. In the case of customers who need to migrate from other WAF vendors, CDNetworks will

also provide the necessary support to ensure the customers can achieve the desired security outcomes from using CDNetworks' WAF solutions. The company's technical support team will also provide systematic training to help customers understand its product features and become familiar with configurations. CDNetworks understands there is no one-size-fits-all solution for customers with different business needs and is open to customization requirements—it tries its best to meet those needs regarding product functions and the management console.

With over 20 years of experience in the Asia-Pacific region, CDNetworks recognizes customer pain points and emphasizes providing localized support and services to its customers. The company understands that each of the markets in Asia-Pacific are diverse, and that localized customer service and support is highly required in some Southeast Asian countries, such as China, Japan, and South Korea. As a result, CDNetworks leverages its local knowledge and market understanding to provide WAF solutions that are customized to customer demands. The company invests in setting up local presences to have dedicated local teams who understand their market and consumers. In addition, security expert services—including 24/7 monitoring, rapid security response, technical support, and professional reporting services—are available to support customers who do not have in-house professional personnel to maintain security configurations. These security experts are dedicated to optimizing rules based on customers' business requirements to reduce false positives and defend against new web-based attacks.

All this customer support gives CDNetworks a competitive advantage because its flexibility and localized approach can better align with its customers' business strategies and meet specific regulatory requirements. Most of the time, other international competitors don't have this level of localized support to address specific customer requirements, and they only rely on their channel partners in the region or country to support the customers. Lack of understanding of the local market and treating the Asia-Pacific region as one uniform market hamper the growth and expansion of international competitors in the region.

Customer Ownership Experience

Following the acceleration of digital technology adoption and the greater use of the web and web applications to improve customer engagement and internal operations, organizations now face great challenges in balancing innovation with effective security practices. CDNetworks has demonstrated a strong track record of supporting diverse customers in the region in the face of the expanded application attack surface and the evolving sophistication of web-based attacks. This has allowed it to secure growing web usage without compromising customer security in various sectors, including eCommerce, retail, manufacturing, financial institutions, transportation, and education.

For example, CDNetworks works with a leading sports retail company with over 2,080 stores in more than 56 countries. With the fast-growing business in the region, the customer's online eCommerce business is often targeted by web and API attacks, resulting in potential sensitive data leaks. The customer has been using CDNetworks' CDN services, and as a result, CDNetworks has a good understanding of the customer's business and can quickly deploy security solutions in their environment without impacting their business or network architecture. CDNetworks' WAF, bot shield, and professional reporting services effectively protect the customer's web applications from an average of more than 2 million web attacks per month. The professional reporting service also allows the customer to reduce its false positives and negatives,

enabling new WAF rules to address any emerging web attacks based on suggestions from CDNetworks' security experts. CDNetworks also holds regular monthly meetings with the customer to ensure reports are utilized effectively and the recommended policies are appropriately deployed. CDNetworks values understanding customer business objectives and makes sure to deliver properly aligned solutions. Frost & Sullivan applauds CDNetworks for its strong customer-focused approach to serving customers with fast responses, as well as its ongoing communication with customers to solve specific requirements, challenges, and pain points.

Conclusion

CDNetworks' ability to deliver a comprehensive application security solution with competitive pricing and a local presence that supports customers across industries are its strongest differentiators compared to other leading global players. The company's commitment to technological innovation through expanding its application security offerings, flexibility when addressing customer requirements, and local customer support form the foundation from which it upholds a leadership position in Asia-Pacific. This strategic combination enables the company to achieve a competitive edge and remain the top-of-mind choice among local, regional, or global enterprises in the region. With its strong overall performance, CDNetworks earns Frost & Sullivan's 2023 Asia-Pacific Customer Value Leadership Award in the web application firewall industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

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

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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

