FROST & SULLIVAN

2024

COMPANY OF THE YEAR

IN THE INDONESIAN DATA CENTER SERVICES INDUSTRY

FROST & SULLIVAN

2024 — BEST PRACTICES AWARD

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. DCI Indonesia 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

Continued Data Center Development to Meet the Growing Hyperscale Demand

Indonesia offers a growth opportunity for many service providers. Economic growth, accelerated by booming start-up companies and enterprises' expansion of digital and online presence, further fuels the demand for best-in-class digital infrastructure and data center facilities. Furthermore, investments in undersea cables and terrestrial networks have improved regional connectivity, making it more attractive to data center providers. The government is also undertaking several initiatives to transform the nation digitally. By 2030, the government's Making Indonesia 4.0 program aims to place Indonesia among the top ten economies globally.[1] As digitization continues to drive data center expansion, the government provides tax incentives for data center development across the country. Specifically, Singapore's release of limited colocation capacity has also ignited growth in Indonesia. As the fourth most populous

> *"DCI Indonesia reinforces its strategic advantage with a compelling value proposition — the highest Tier IV service quality, best practice AI-driven operations, and competitive pricing. The company is an established data center operator with a 100% power uptime track record for over a decade, trusted by hundreds of clients in its portfolio to house their most critical IT infrastructure."*
>
> *- Nishchal Khorana*
> *Global Vice President and Program Leader: ICT*

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[1] https://www.kearney.com/service/operations-performance/indonesia-4.0-the-transformation-opportunity

country[2] in the world, Frost & Sullivan posits that its expanding Internet user base carries significant potential for large amounts of data generation, which further drives the demand for data center services, such as data processing, connectivity, and storage.

> *"It is noteworthy that DCI, with its achievements, has continued to prioritize innovation and growth to stay ahead in the market. For instance, the company is looking to add a further 36 MW capacity in 2024, with faster time-to-market, in order to cater to the fast-growing needs of cloud and AI. It also enhances its sustainability offering with renewable energy certificates (REC), biomass, and solar farms."*
>
> *- Riana Barnard*
> ***Best Practices Research Analyst***

Based on an estimated market value of $2.42 billion in 2022, Frost & Sullivan expects the Southeast Asian data center colocation services market to expand at a 16.1% compound annual growth rate from 2022 to 2029.[3] Indonesia emerges as one of the fastest-growing markets during the forecast period, with hyperscalers surfacing as the key demand segment.

However, supply chain constraints, delivery delays, skilled resource shortages, and high real estate and power costs are major restraints for data center service providers building scalable infrastructure with high power capacities to support and fulfill growing customer demand. As a result, data center providers focus on best practices in design to build cutting-edge, scalable, and sustainable facilities at strategic locations to create competitive differentiation. In particular, the market increasingly values renewable energy usage, data center design to support advanced cooling systems, and efforts toward becoming carbon neutral. Hence, Frost & Sullivan's independent research finds that service providers must demonstrate alignment with global megatrends and leverage best practices to create an advantage that will drive growth.

An Established Regional Leader

Founded in 2011 and headquartered in Jakarta, DCI Indonesia is a leading data center services provider offering best-in-class, scalable, and reliable data center colocation and management services and solutions. Its portfolio includes colocation, bare metal, physical security, data center connectivity, cooling, and power management to improve operational excellence, enabling customers to grow and thrive. The company supports a diverse client base, including global cloud service providers, e-commerce platforms, telecommunication service providers, and enterprises from various verticals (e.g., prime financial institutions) to ensure their continued success.

DCI Indonesia is a major player in the Indonesian data center services market. In 2022, the company completed four cloud on-ramp infrastructures for private interconnection, and in 2023, it obtained dark fiber and internet service provider licenses to enhance its offerings with high reliability at a lower cost. In partnership with an association of Indonesian internet service providers and with support from a telecommunications equipment provider, DCI Indonesia launched the core Indonesia Internet Exchange (IIX) node at its Cibitung facility, ensuring a more resilient digital infrastructure for the country.[4]

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[2] https://copenhagenconsensus.com/publication/indonesia-perspectives-population-and-demography (Accessed in March 2024)
[3] *Southeast Asia Data Center Colocation Services Growth Opportunities: Increasing Hyperscale Demand, Sustainability Commitments, and Service Providers' Expansions in New Markets Enable Growth* (Frost & Sullivan, October 2023)
[4] https://www.linkedin.com/posts/dci-indonesia_dciindonesia-pakaidatacenterlokal-activity-7021425825036066816-1MWd/ (Accessed in March 2024)

The company currently offers 83 megawatts (MW) of power capacity across four locations: Cibitung, Karawang, Jakarta, and Bintan.

• **DCI-H1**, located in Cibitung, offers 37 MW of power capacity across four data centers, with four fiber routes and cloud-on-ramps for four major public cloud providers. The campus has a total built capacity of 300 MW, accounting for 85,000 square meters of floor space.

• **DCI-H2**, located in Karawang and has been live since December 2023, offers 27 MW of power capacity across two data centers. Supported by dual fiber routes and dual power feeds, this facility provides 30 MW of solar energy, which Ecovadis (a globally recognized business sustainability rating provider) awarded with Silver Medal status in 2022. The campus has a total built capacity of 600 MW, accounting for 860,000 square meters of floor space.

• **DCI-E1**, located in Jakarta, is the first Tier IV data center in the city and offers 19 MW of IT load capacity. The 10-story building provides dual fiber routes and is in close proximity to IIX (only 35 kilometers away from its H1 campus) and an Open IX node. Given the strategic location of this facility in Jakarta, which is expected to undergo rapid growth and expansion, the company positions itself favorably to meet market needs.

• **DCI-H3**, located in Bintan, is built on 700 hectares. This green data center is in close proximity to Singapore and Jakarta, making it ideally situated to have maximum market impact. The facility offers 1,000 MW of capacity.

DCI Indonesia's platform has maintained a 100% uptime record since 2013.[5] The company is expanding its reach while ensuring consistency across all its data centers. The platform utilizes artificial intelligence (AI) and predictive maintenance to maximize headcount efficiency in data center operations. It combines the technicians' experience with automation and predictive maintenance across all its operations to provide customers with improved power usage effectiveness and energy cost stability. In addition, the company adheres to international standards, including Uptime, Threat and Vulnerability Risk Assessment, Service Organization Control (SOC)1 Type II, SOC2 Type II, PCI Data Security Standard, International Organization for Standardization (ISO) 27001, 14001, 45001, and 9001 along with POJK (a set of financial regulations issued by the Indonesian Financial Services Authority) and IDX (standards set by the Indonesia Stock Exchange) Compliance.

DCI Indonesia's expansions, backed by its focus on industry best practices, sustainability, and alignment with customer trends, reinforce its strategic advantage. Frost & Sullivan believes the company is well-positioned to drive the data center service space into its next growth phase, capturing market share and sustaining its strategic leadership in the coming years**.**

Earning Clients' Trust and Loyalty through Customer-centric Practices

With its customer-centric corporate philosophy, DCI Indonesia operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. For

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[5] https://www.intelligentdatacentres.com/2023/10/18/dci-indonesia-achieves-tier-iv-gold-certification-of-operational-sustainability/#:~:text=By%20proving%20that%20its%20data,since%20its%20establishment%20in%202013. (Accessed in March 2024)

example, DCI Indonesia's infrastructure is both cloud- and carrier-neutral and provides a direct connection to a diverse business ecosystem, including public cloud content and fast-lane services. In August 2023, it received the Tier IV Certification of Operational Sustainability Gold from the Uptime Institute.

DCI Indonesia's data centers have a strong value proposition in terms of scalability. The company has recently focused on its supply chain strategy by working closely with vendors to increase efficiency and reduce construction time. Unparalleled operational excellence, showcased by its 100% uptime record, is key to DCI Indonesia's customer value proposition. The company firmly believes that infrastructure only accounts for 20% of data center success, while operational excellence represents 80% of its market success.

The data center operator offers a compelling value proposition with tailored solutions and carrier-neutral facilities. Within this context, it is noteworthy that the company achieved B Corp Certification and became a member of a global business community that meets high social and environmental impact standards. For instance, DCI Indonesia deployed an AI-driven cooling infrastructure that allows cooling systems to run without human intervention and enables auto-adjustment to eliminate hot spots and overcooled areas, addressing clients' energy efficiency and sustainability demands.

With a client-centric approach at its core, DCI Indonesia establishes ongoing trust with customers for long-lasting relationships extending throughout the data center service lifecycle.

Going Forward Full-Throttle

Since its inception, the company's sterling reputation and customer-centric framework have led to its success. Over the years, it added new clients to its established base comprising global cloud providers and hyperscalers, top-tier e-commerce platforms, enterprise and state-owned enterprises, financial services customers, and multinational banks and insurance companies. Recent customer acquisitions are the largest global social media platform and the most prominent satellite internet company.

Catering to cloud repatriation needs, DCI Indonesia introduced a new bare metal product. It also launched a self-service portal for cross-connects and bare metal in response to customer demands, facilitating an operating expense model for servers. Furthermore, the company recently started construction on its eighth data center, JK6, located in the H1 Cibitung Campus. This new facility will have a 36 MW IT load capacity, making it the largest data center in Indonesia. With the addition of JK6, DCI's platform will have a total capacity of 119 MW by the end of 2024.

In 2023, the company generated 1.3 trillion Indonesian Rupiah (or USD $90 million) in revenue, achieving 25% year-on-year growth with an impressive 39% net profit margin. The company's stellar growth momentum and trajectory are a testament to its product leadership, earning its clients' trust and loyalty and enabling it to capture market share.[6]

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[6] Interview with Frost & Sullivan interview (16 February 2024)

Conclusion

Rising mobile and enterprise data and the increasing adoption of artificial intelligence workloads are contributing to the rapid growth of the data center services market.

DCI Indonesia addresses the market demand with a strong leadership focus that incorporates client-centric strategies and exemplifies best practice implementation. Pioneering the highest standards (and strengthened by third-party certifications), the company's scalable, reliable, and carrier-neutral capabilities and services meet clients' ever-evolving digital infrastructure needs. Backed by its focus on operational excellence and sustainability, the company continues to expand in Indonesia.

With its strong overall performance, DCI Indonesia earns Frost & Sullivan's 2024 Indonesia 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.

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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)

The Growth Pipeline Company™