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Private Connectivity at the Edge Forecast to Grow by More Than 50 Percent Annually

Market study shows companies are leveraging interconnection to compete in the digital economy as data explosion gets further distributed at the edge

REDWOOD CITY, Calif., Oct. 15, 2019 /PRNewswire/ -- The latest [Global Interconnection Index \(GXI\)](#), an annual market study published by Equinix, predicts private connectivity at the edge is forecast grow by 51 percent compound annual growth rate (CAGR), and expected to exceed a total bandwidth capacity of more than 13,300 Tbps, which is equivalent to 53 zettabytes of data exchanged annually. This is enough bandwidth to support every person on earth simultaneously downloading a complete season of *Game of Thrones* in ultra-high definition resolution in less than a single day. The GXI market study also finds that interconnection bandwidth is an essential component to digital business and validates that to compete in the digital economy, companies must address growing data volumes and increasing data exchange velocity across a rising number of clouds and business ecosystems.

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"People, software and machines are creating and consuming data faster and in all the places where we work, play, and live," said Rick Villars, Research Vice President, Datacenter & Cloud, IDC. "The significant increase in data created, aggregated and analyzed in these new locations is contributing to a major shift away from deploying IT in traditional corporate datacenters. Enterprises need access to robust, modern datacenter facilities near the edge locations where businesses want to deploy dedicated infrastructure

and interconnect to the increasing number of clouds, customers and partners that are at the core of digital transformation efforts."

Key Findings:

The GXI Vol. 3 delivers insights by tracking, measuring and forecasting growth in interconnection bandwidth—the total capacity provisioned to privately and directly exchange traffic, with a diverse set of partners and providers, at distributed IT exchange points inside carrier-neutral colocation data centers. The GXI finds:

The ability to exchange large volumes of data through interconnection is essential to compete in the digital economy

- The GXI forecasts that in order to manage the growing volumes of data, enterprise consumption of interconnection bandwidth will grow at a 64 percent CAGR, outpacing other forms of business data exchange.
- The GXI shows that to manage increasing volumes of data, enterprises are on average deploying in nine locations, with a total of 340 interconnections to networks clouds and business partners.
- A separate independent survey commissioned by Equinix of more than 2,450 global senior IT professionals, found that almost half of global IT decision-makers believe interconnection is a key facilitator of digital transformation, and nearly half of all global IT decision-makers believe interconnection can help their business to gain competitive advantage within the marketplace.

Distance is the biggest performance killer for digital business

- Deploying direct, private connections at the edge propels both application performance and user experience.
- According to the GXI, today's latency-sensitive workloads require response times ranging from <60 to <20 milliseconds, forcing IT infrastructure closer to the points of consumption.
- According to the Equinix survey, more than one-third of global IT decision-makers are using interconnection to increase speed of connectivity.

Leading businesses are gaining competitive advantage using a combination of key interconnection deployment models

- Interconnecting to multiple network providers across multiple edge locations is the most prominent use case for interconnection bandwidth and is expected to grow 4x by 2022.
- Interconnecting to multiple clouds and IT services across multiple edge locations and cloud regions represents the next largest and fastest use of interconnection bandwidth and is predicted to grow 13x by 2022.
- Interconnecting to digital business partners for financial services, content and digital media and supply chain integration makes up the remainder of interconnection bandwidth use cases and is forecasted to grow 5x by 2022.

Regional insights:

The GXI provides significant insight into geographical differences in how growth in interconnection bandwidth at the edge is accelerating in different regions of the world.

Global

- Global interconnection bandwidth is predicted to reach 13,300+ Tbps by 2022, a predicted 51 percent CAGR and a 7 percent increase over the previous year's projection.

North America

- Is predicted to grow at a 46 percent CAGR and leads in capacity globally, contributing to 38 percent of total interconnection bandwidth. North America is the most digitally mature region and is focused on further digitizing traditional industries such as Manufacturing, Energy, Banking and Insurance.

Europe

- Is predicted to grow at a 51 percent CAGR, contributing 22 percent of interconnection bandwidth globally. Strong data compliance regulations are unlocking data exchange and growth of interconnection bandwidth in Healthcare & Life Sciences, Government & Education, and Business & Professional Services.

Asia-Pacific

- Is anticipated to grow at a 56 percent CAGR, contributing more than 29 percent of interconnection bandwidth globally. In Asia-Pacific, Cloud & IT Services consumes the most interconnection bandwidth and is forecast to outpace growth of clouds in all other regions.

Latin America

- Is expected to achieve a 63 percent CAGR, contributing 11 percent of interconnection bandwidth globally. In this region, Content & Digital Media is expected to outpace other regions in interconnection bandwidth adoption.

Quotes:

- **Sachin Gupta, Senior Vice President, Product Management, Enterprise Networking Business, Cisco**

"As enterprises embrace the imperative of digital transformation, they increasingly adopt multiple cloud-based applications to meet their objectives. This places pressure on the network to deliver a fast and secure application experience to users located anywhere in the world. With both applications and networks becoming more distributed, enterprises today will continue to require a low-latency, interconnected architecture to securely connect end users with business-critical applications."

About the Global Interconnection Index (GXI)

The Global Interconnection Index, published annually by Equinix, delivers insights that drive digital business advantage by tracking, measuring and forecasting growth in interconnection bandwidth—the total capacity provisioned to privately and directly exchange traffic with a diverse set of counterparties and providers at distributed IT exchange points. The Global Interconnection Index is the industry's only market study that projects how interconnection bandwidth growth will unfold through 2022. The report serves as a market baseline that analyzes the deployment profile of thousands of ecosystem participants using carrier-neutral colocation data center providers globally. This data was combined with local and regional market data (including macroeconomic trends, market demographics and industry concentrations) to form a weighted demand multiplier to assist in predicting growth and

assess impact on digital business transformation. A detailed methodology description is included in the [Global Interconnection Index](#).

About the Equinix independent survey

As part of a separate independent study commissioned by Equinix, APCO Insight surveyed 2,485 IT decision-makers from a diverse enterprise set across North America, Latin America, Europe and Asia-Pacific. Respondents were selected for participation from Dynata's online panel. The survey was conducted online between August 1-16, 2019.

Additional Resources

- [Global Interconnection Index Volume 3](#) [report]
- [Forrester Total Economic Impact Study \(TEI\)](#) [analyst report]
- [Gartner Exploring the Edge: 12 Frontiers of Edge Computing](#) [analyst report]
- [Gartner: Infrastructure is everywhere](#) [analyst report]
- [Taking Digital Business to the Edge](#) [Equinix blog]

About Equinix

[Equinix, Inc.](#) (Nasdaq: EQIX) connects the world's leading businesses to their customers, employees and partners inside the most-interconnected data centers. On this global platform for digital business, companies come together across more than 50 markets on five continents to reach everywhere, interconnect everyone and integrate everything they need to create their digital futures. www.equinix.com.

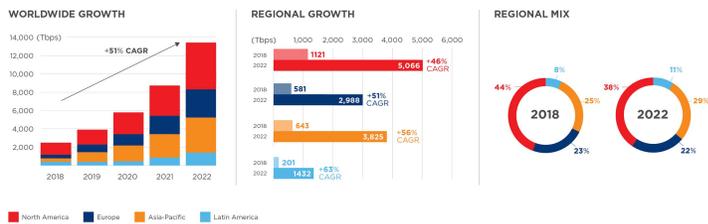
Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to, the challenges of acquiring, operating and constructing IBX data centers and developing, deploying and delivering Equinix services; unanticipated costs or difficulties relating to the integration of companies we have acquired or will acquire into Equinix; a failure to receive significant revenue from customers in recently built out or acquired data centers; failure to complete any financing arrangements contemplated from time to time; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers; and other risks described from time to time in Equinix filings with the Securities and Exchange Commission. In particular, see recent Equinix quarterly and annual reports filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.



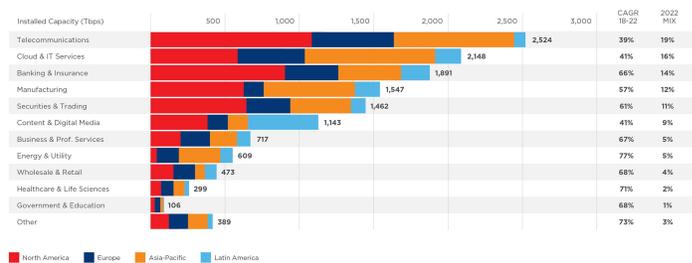
REGIONAL VIEW

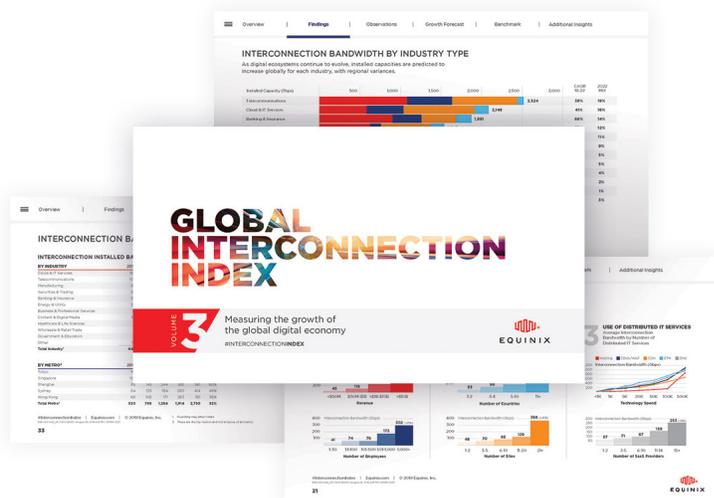
From North America's lead in capacity to Asia-Pacific's rapidly expanding CAGR, all regions are experiencing a dramatic rise in interconnection bandwidth growth, driven by continued expansion of the digital economy.



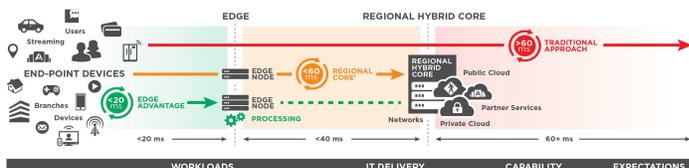
INTERCONNECTION BANDWIDTH BY INDUSTRY TYPE

As digital ecosystems continue to evolve, installed capacities are predicted to increase globally for each industry, with regional variances.





THE EDGE ADVANTAGE



	WORKLOADS	IT DELIVERY	CAPABILITY	EXPECTATIONS
Traditional Approach	Centralized Workload components are centralized in corporate data centers. Traffic is brought from the digital edge to the core.	Consolidated Data center centralized and delivered	Concentrated Not designed for digital infrastructure—cannot complete >60 ms	✗
Regional Core	Regionalized Workloads are hybrid multicloud. Traffic is brought from the digital edge to the nearest regional core.	Distributed 100% hybrid cloud delivered and edge integrated	Regional Meets digital infrastructure demands. Engagement averages <math>< 60\text{ ms}</math>	✓
Edge Advantage	Localized Workloads are designed for localized performance. Processing components are collocated at the digital edge, where edge services interact with the regional hybrid core.	Tailored 70% hybrid, 30% edge delivered and integrated	Edge Superior performance. Engagement averages <math>< 20\text{ ms}</math> at scale	🏆



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