FROST & SULLIVAN

2024

COMPANY OF THE YEAR

IN THE UNITED STATES ETHERNET SERVICES INDUSTRY

Spectrum ENTERPRISE

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. Spectrum Enterprise excels in many of the criteria in the Ethernet 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

Ethernet Services Landscape in the United States

The robust pace of enterprise digital transformation, expanding connected ecosystem, and demand for high-performance applications and enhanced user experiences highlight the importance of network service providers that can address their unique connectivity and network infrastructure needs.

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>
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> *Industry Director*

That stated, the Ethernet services market's product life cycle has reached maturity, with year-over-year growth rates dropping. Both wholesale and business/retail market sectors are experiencing a drop in Ethernet revenue growth rates owing to price compression, market maturity, and increased usage of less expensive transport technologies with the advent of SD-WAN. SD-WAN implementation encourages numerous organizations to contemplate more cost-effective connectivity options, including DIA or broadband. Still, enterprises continue to demand Ethernet services for their flexibility, scalability, and reliability. Ethernet services offer faster repair time and better security and performance than other transport services, and high bandwidth in a

cost-effective manner. As opposed to its competitors, Spectrum Enterprise demonstrates extensive capabilities to maintain growth in this market.

Extensive Network Footprint and Technology Integration Enhancing Customer Acquisition

High performance and reliable connectivity are at the core of Spectrum Enterprise. The company serves more than 300,000 fiber-lit buildings across 230,000 fiber-route miles and provides connectivity services such as dedicated internet access, broadband internet, wireless internet, Ethernet, and wavelengths. Moreover, Spectrum Enterprise provides a broad portfolio of value-added services, such as managed SD-WAN, managed network services (LAN, WAN), managed security services, and voice and unified communications in the US market.

Enterprises' need for security and performance control continues to drive demand for private networks, especially Ethernet services in the 10 gigabytes and above range. Financial, healthcare, and government verticals operate in highly distributed environments and rely on private and secured branch networks. Ethernet network connection is best for these verticals because it provides high security and control in wide area networks (WANs). The Spectrum Ethernet service offerings include Ethernet Private Line (EPL), Ethernet Virtual Private Line (EVPL), and Ethernet Private LAN (EP-LAN). The service's main features are a switched service, an always-on fiber network backed by an aggressive SLA, performance management into the facility and up to the handoff point at the client's suite, and 24/7 US-based customer support. Spectrum Enterprise also provides customers with the flexibility to quickly increase bandwidth or expand to new locations with options up to 100 Gbps. The company's extensive fiber network footprint drives its Ethernet services across 41 US states, while relationships with more than 100 carrier partners that extend its nationwide capabilities.

Growth Strategy Excellence

Multiple factors contribute to Spectrum Enterprise's outstanding performance in the Ethernet market. First, Spectrum Enterprise is one of the few companies that continues to grow despite economic

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Second, Spectrum Enterprise is strong in the business carrier Ethernet segment, thanks to its ongoing investment in metro Ethernet and extensive coverage of business buildings in the United States. The Ethernet metro segment share is growing (while the long-haul segment is decreasing) as the adoption of metro EVP-LAN services among key verticals— education, healthcare, financial services, and government—that need to interconnect multiple locations drive robust demand for switched E-LAN services. Spectrum Enterprise's move to strengthen its position in the metro segment has been the right approach, providing it with a competitive advantage

over competitors whose metro networks lack capillarity.

Third, the company targets a critical market segment. Spectrum Enterprise has shifted its focus from serving small businesses to midsize and large enterprises. Fourth, Spectrum Enterprise's strategy prioritizes simplicity in its product line and competitive pricing, both crucial factors contributing to its robust growth in the Ethernet market.

Finally, Spectrum Enterprise positions itself as a one-stop shop offering one of the most diversified network services portfolios, comprising managed SD-WAN, Ethernet WAN, Managed Network Edge, Enterprise Network Edge, DDoS mitigation, cloud connect, managed security services, unified communications, and video services, allowing its customers to choose from various network solutions.

Brand Equity

Spectrum Enterprise, part of Charter Communications, is a national provider of enterprise network services across various business tiers. The company serves over 80% of Fortune 500 companies, including telecom service providers, large cloud service providers, and streaming companies. Spectrum Enterprise's high-performance network and robust service level agreements (SLAs) attract enterprises to operate their entire business on its network. Raising the bar on service accountability to its clients, Spectrum Enterprise recently increased the network performance metrics and financial remedies in its SLAs for Ethernet and Fiber Internet Access (FIA). The new SLAs guarantee 100 percent uptime availability from within the client's premise across the full national reach of the company's network, regardless of location, and are backed by financial credits ranging up to 100 percent of the monthly service cost. The new SLAs also strengthen metrics and credits for related performance indicators such as latency, jitter, and packet delivery.

Through its parent company, Charter Communications, Spectrum Enterprise actively supports underprivileged communities in the United States, enhancing its brand equity. The company's engagement programs include Spectrum Digital Education, Spectrum Community Center Assist, Spectrum Employee Community Grants, Spectrum Community Investment Loan Fund, and Spectrum Scholars. The company recognizes that the lack of awareness and training resources hinders underserved communities' opportunities to build digital skills, which can be a severe handicap in today's technology-driven world. In 2023, Spectrum Community Center Assist added 15 new locations as part of its $30 million expansion program to support more job skills training programs and physical improvements at community centers throughout Charter's 41-state footprint.

Conclusion

Spectrum Enterprise leverages its nationwide dense metro Ethernet footprint and robust portfolio of value-added services, such as managed SD-WAN, Ethernet WAN, DDoS mitigation, cloud connect, managed security services, unified communications, and TV services, to spur market growth and continually increase its market share. This is particularly significant, considering that the US Ethernet services market is mature, serving customers for decades with traditional market participants experiencing revenue decline.

For its strong overall performance, Spectrum Enterprise is recognized with Frost & Sullivan's 2024 Company of the Year Award in the US ethernet 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.

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™.

Learn more.

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)**