

FROST & SULLIVAN

BEST PRACTICES

AWARDS

FROST & SULLIVAN

2019 BEST PRACTICES AWARD



AT&T

**2019 GLOBAL MANAGED SECURITY SERVICES
GROWTH, INNOVATION & LEADERSHIP
FROST RADAR AWARD**



F R O S T R A D A R

CONGRATULATIONS!

Frost & Sullivan is proud to present AT&T Cybersecurity with this year's Frost Radar Best Practices Award for Growth, Innovation & Leadership (GIL) in the Global Managed Security Services Market.

Frost & Sullivan's global team of analysts and consultants continuously research a wide range of markets across multiple sectors and geographies. As part of this ongoing research, we identify companies that consistently develop new growth strategies based on a visionary understanding of the future, and thus more effectively address new challenges and opportunities. This involves extensive primary and secondary research across the entire value chain of specific products. Against the backdrop of this research, Frost & Sullivan recognizes AT&T Cybersecurity™ for these valuable achievements.

This recognition is strictly reserved for companies that are market leaders and are at the forefront of innovation. These companies consolidate or grow their leadership position by continuously innovating and creating new products and solutions that serve ever-evolving customer needs. These companies are also best positioned to expand the market by strategically broadening their product portfolio.

Achieving Growth, Innovation & Leadership (GIL) is never an easy task, but it is one made even more difficult considering today's intensely competitive environment, customer volatility, economic uncertainty, and rapid technology evolution. Within this context, AT&T Cybersecurity's receipt of this award signifies an even greater accomplishment.

Moreover, this recognition is the result of many individuals (employees, customers, and investors) making daily choices to support the organization and meaningfully contribute to its future. Frost & Sullivan enthusiastically acknowledges and celebrates these achievements. Once again, congratulations on your accomplishments and we wish you great success in the future.

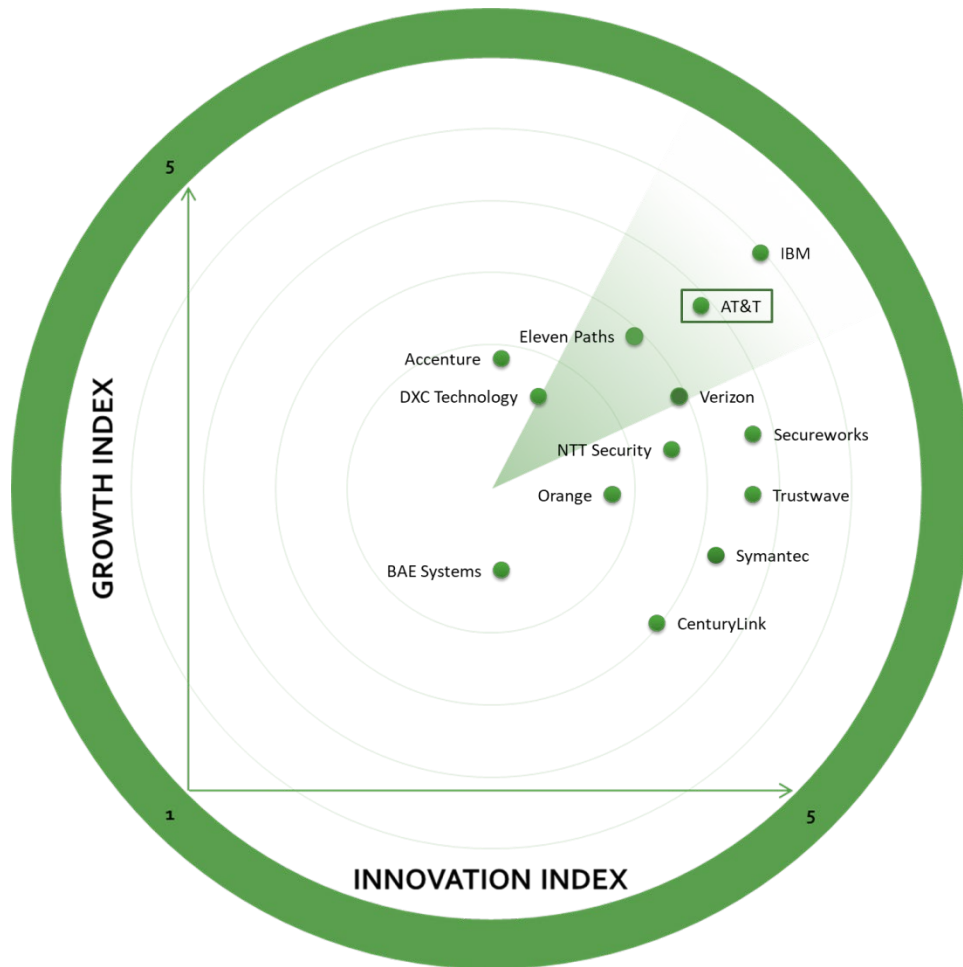
Sincerely yours,

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The Frost Radar

Global Managed Security Services Market



Source: Frost & Sullivan

In a field of +35 global industry participants, Frost & Sullivan has independently ranked the top 10 companies in the above Frost Radar analysis.

The key parameters independently analyzed by Frost & Sullivan include:

- Innovation, Scalability, R&D, Product Portfolio, Mega Trends Leverage, Customer Alignment
- Market Share, Revenue Growth, Growth Pipeline, Vision and Strategy, Sales and Marketing

Frost & Sullivan studies related to this independent analysis:

- *Global Managed & Professional Security Services Market, Forecast to 2023*

Industry Overview

Frost & Sullivan's own research indicates that the fundamental drivers of demand for the global managed security services market remain strong with double-digit, year-over-year growth expected in the near term. The sophistication of cyberthreats, a growing attack surface, and a cybersecurity talent shortage are the strongest drivers for managed security services. In addition, there is an overdue need for organizations to transform their security practices. Frost & Sullivan believes that an outsider with experience in serving multiple clients across several verticals is well-positioned to assist organizations in strengthening their security postures.

Frost & Sullivan notes that security service offerings are constantly developing to address challenges stemming from:

- The evolution of the threat landscape
- Regulatory and compliance requirements
- Clients' organizational practices and digital footprints (typically widening and diversifying)
- Talent and capability gaps

Despite the robust market demand, providers must evolve to remain successful. Managed security services providers should continuously innovate to gain a competitive edge from both a technological and marketing perspective. In this regard, Frost & Sullivan recognizes the growing trend of managed security services being repackaged as customer self-service offerings. At the same time, providers that have historically concentrated on professional security services are increasingly offering managed security services as well.

Frost Radar Growth, Innovation & Leadership Award AT&T Cybersecurity

COMPANY DIAGNOSTIC

- AT&T Cybersecurity offers its clients a full range of managed security services as one of the largest players in the market. The company's customers can benefit from the Unified Security Management® (USM) platform that offers threat detection and response capabilities, as well as API integration with other leading security vendors. AT&T gained ownership of the USM platform with its acquisition of AlienVault® in 2018. The quality of managed security services provided by AT&T is clearly enhanced by the AT&T Foundry, a network of innovation centers where experts develop solutions for tomorrow's business challenges.

FROST RADAR POSITIONING

- AT&T is positioned by Frost & Sullivan analysts in the Radar target area for key reasons. The company is one of the most significant contributors to the rapid growth of the security market, as well as the overall pace of technological innovation.
- Frost & Sullivan monitors how AT&T's unquestionable commitment to innovation promotes the perception of the company as one of the main disruptors in the industry. The company's innovative outlook is among the key elements distinguishing it from the competition.
- AT&T's focus on partnerships and acquisitions significantly impacted the company's standing in the market and made it one of the industry leaders.

COMPANY STRENGTHS

- The company's ability to build strategic partnerships with a wide range of vendors in the industry makes it possible for AT&T to offer a broad portfolio of security solutions to its customers.
- In addition, AT&T's focus on leveraging innovative technologies contributes to higher satisfaction rates among customers, along with the ability to be one of the shapers of the MSS industry.
- AT&T is uniquely positioned and viewed by Frost & Sullivan as one of the key players of the larger information and communications technology industry and builds on expertise and experience developed in markets adjacent to the managed security services.

COMPANY OPPORTUNITIES

- AT&T's resources will create favorable conditions for further enlarging its innovation process. The company's own Foundry network is likely to play a larger role in cybersecurity research and development globally.
- AT&T is likely to capture more blue-sky opportunities in the future as collaborations and acquisitions have proven to be an effective way of scaling products offerings. In addition, AT&T will adopt this strategy to modernize its MSS portfolio and pursue an expansion into adjacent markets.

What is the Frost Radar?

A Practical, High Impact, Scalable C2A (Companies to Action) Tracking Solution

WHAT IS IT?

A robust analytical tool that benchmarks companies' innovation focus and growth performance in a given market.

HOW IS IT BUILT?

Through in-depth analysis built on our 360-degree research methodology (primary and secondary research) and objective rating of companies in any given market.

WHY DO WE NEED IT?

To understand how companies benchmark against each other in their ability to innovate and grow against a backdrop of industry transformation and evolution.

WHAT WILL IT ACCOMPLISH?

Enable companies to gain an objective, independent perspective of their innovation and growth strategies, including their robustness, effectiveness, relative competitive strength, and implications on their long-term success.

HOW TO USE IT?

Frost Radar is a dynamic tracking tool that offers frequent rating and positioning of companies that are leading the industry on growth, innovation or both. Due to changes in operating environment and internal changes within these organizations, their positioning in Frost Radar will change over time. It is important to leverage Frost Radar to ensure that companies are aware of changes to their ecosystem and their relative positions to it.

WHAT DOES IT MEAN TO BE ON THE FROST RADAR?

Every company that finds itself on the Radar has been chosen because they have proven themselves to be worthy by demonstrating excellence in either growth, innovation, or both, and are able to translate that into proven solutions that benefit their clients.

GROWTH, INNOVATION & LEADERSHIP AWARD

The Growth Innovation Leadership (GIL) best practice Award is bestowed on companies that are market leaders that are at the forefront of innovation. These companies consolidate or grow their leadership position by continuously innovating and creating new products and solutions that serve the evolving needs of the customer base. These companies are also best positioned to expand the market by strategically broadening their product portfolio.

Frost Radar

2 Major Indices, 10 Analytical Ingredients, 1 Platform

VERTICAL AXIS – THE GROWTH INDEX

Growth index is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market-, competitor-, and end-user focused sales and marketing strategies.

- **GI1: Market Share (previous 3 years):** Market share relative to its competitors in a given market space for the previous three years.
- **GI2: Revenue Growth (previous 3 years):** Revenue growth rate for the previous three years in the market/ industry/category that forms context for the given Frost Radar.
- **GI3: Growth Pipeline:** This is an evaluation of the strength and leverage of the company's growth pipeline system, to continuously capture, analyze and prioritize its universe of growth opportunities.
- **GI4: Vision and Strategy:** This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments the company is making in new products and markets consistent with the stated vision?
- **GI5: Sales and Marketing:** This is a measure of the effectiveness of a company's sales and marketing efforts in helping the company drive demand and achieve its growth objectives.

HORIZONTAL AXIS – THE INNOVATION INDEX

Innovation index is a measure of a company's ability to innovate products/services/solutions that are developed with a clear understanding of disruptive Mega Trends, are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs. Key elements of this index include:

- **II1: Innovation Scalability:** This determines whether the organization's innovation(s) is/are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.
- **II2: Research and Development:** This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.
- **II3: Product Portfolio:** This is a measure of the product portfolio of the company, focusing on the relative contribution of new products to its annual revenues.
- **II4: Mega Trends Leverage:** This is an assessment of a company's proactive leverage of evolving long-term opportunities and new business models, as the foundation of its innovation pipeline.
- **II5: Customer Alignment:** This evaluates the applicability of a company's products/ services/ solutions to current and potential customers (7-year horizon), as well as how its innovation strategy is influenced by evolving customer needs.