

2021

THE YEAR IN REVIEW



2022

PREDICTIONS & TRENDS

A DIGITAL REALTY

EXCLUSIVE

InterGlobix Magazine's Founder and Editor-in-Chief, Jasmine Bedi, sits down with Digital Realty's senior leadership to discuss the ongoing effects of the pandemic, learn about new partnerships and growth, and discover their industry predictions for 2022.

The global pandemic has pushed every industry and organization to embrace digital transformation, exposing businesses to multiple IT challenges.

As organizations seek to accelerate their transformation initiatives, they're needing to turn away from monolithic and centralized data architectures and embrace flexible, modular, and distributed data approaches. At the same time, businesses must manage growing volumes of data across myriad applications and rapidly scaling platforms, along with a requirement to exchange data with new communities of business partners.

Although the technology businesses need to harness data and stay ahead is proliferating faster than ever, there's still much more change to come. After all, the future is autonomous, ubiquitous, and workload centric. Cloud and edge computing will transform interconnectivity, even as employee homes become resident nodes of the corporate LAN.

Winning in this environment means discouraging complexity without restricting the enterprise's ability to seize the opportunities that data and technologies bring. A new study from IDC indicates that by 2026, mid-market companies are likely to have transferred 65 percent of infrastructure spending from traditional channels to more app-centric trusted advisers.

Ensuring secure data exchange is also critical. As IDC's study also highlights, by 2025 public enterprise valuations are likely to be based on confidence in the data controls organizations have implemented for the effective use of data, not just on financial controls.

In this special feature, I asked six Digital Realty executives for their views on these issues. Among other things, we discuss the ongoing surge of information, the need for secure data exchange across the world, and how leading data center industry players are seizing the opportunity to facilitate digital transformation. The executives also reflected on 2021 and highlighted some of the biggest challenges they faced.



2021 THE YEAR IN REVIEW



ANDY POWER

President & Chief Financial Officer

What stands out about 2021 from a senior leadership perspective?

Looking back at 2021, I'm struck by how much we achieved under challenging conditions. A key focus was executing on our global expansion strategy. We entered new markets and expanded PlatformDIGITAL®, our global data center platform, in locations both East and West.

We made significant investments to allow us to carry out our platform and footprint expansions, while evolving our capital structure. Enabling these developments also involved moving at record speeds to bring on new capacity and build out existing facilities. Achieving all this in a world beset by pandemic-related supply chain disruptions, and where fewer people were traveling, certainly added layers of complexity. But that in turn allowed us to focus on improving our capacity to work in an agile way and respond quickly to new challenges.

In Q3 we saw exceptional growth with a record 140 new customers on PlatformDIGITAL® further expanding our connected data communities. That all this was achieved remotely, with customers welcomed aboard without having physically shaken the hand of a Digital Realty team member, is true testament to our ability to respond in agile fashion to extraordinary circumstances.

WE MADE SIGNIFICANT INVESTMENTS TO ALLOW US TO CARRY OUT OUR PLATFORM AND FOOTPRINT EXPANSIONS, WHILE EVOLVING OUR CAPITAL STRUCTURE.



CHRIS SHARP

Chief Technology Officer

In terms of evolving technology requirements, what were 2021's key trends?

2021 brought an extension of the phenomenal surge in data usage that we've seen worldwide since the start of the pandemic. As lockdowns and travel restrictions were extended, internet usage continued to soar. That meant we saw an exponential growth of traffic patterns for our services, especially during peak usage times.

We also saw companies leap ahead with business transformation initiatives to help them adjust to the changing business environment.

At the same time, we saw many customers experience a massive increase in cloud usage. That led to a further defining feature of the year—a greatly accelerated move to hybrid environments as customers sought to pivot to the future of digital transformation with data-first, hybrid IT.

As a global platform provider, Digital Realty was well equipped to respond to all these trends and help customers solve their infrastructure, connectivity, and workload challenges.

2021 THE YEAR IN REVIEW

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2021 THE YEAR IN REVIEW



CINDY FIEDELMAN

Chief Human Resources Officer

What were the top human resources trends you navigated in 2021?

The biggest challenge that 2021 presented us with was navigating the wellbeing of our employees and ensuring that our people could continue to thrive in a safe, secure, and balanced environment.

Maintaining a balance between business continuity while allowing for employee flexibility has always been a top priority, but the pandemic has challenged us to seek new ways to carry that out.

At the same time, we're seeing the war for talent intensify in our fast-evolving industry. 2021 saw us take a critical look at our talent acquisition and retention efforts, taking steps to keep all our people engaged so we retain them in the business.



THE LAST BIG-PICTURE PRIORITY IS THE INDUSTRY BUZZWORD: EDGE. WE DO OURSELVES A DISSERVICE BY NOT GIVING IT ENOUGH SPECIFICITY TO BE ACTIONABLE.

2022

PREDICTIONS ON KEY INDUSTRY TRENDS FOR THE YEAR AHEAD



ANDY POWER

What are your top leadership priorities for 2022?

Under the leadership of our CEO, Bill Stein, and the support of our Board, I have been given the good fortune of great learning experiences. 2022 will see me moving into the President's seat as a continuation of that learning, to lead Digital Realty successfully into the future.

My focus for the year is to meet with customers more, understand their challenges and the role data is playing in their strategy today so that we can continue to deliver what they need most to propel them for the future.

In addition, 2022 includes prioritizing two major customer segments: enterprises and service providers. On the enterprise side, that involves expanding the capabilities of PlatformDIGITAL® to better support customers' hybrid IT architecture strategies and global roadmaps.

As our enterprise clients continue to embrace digital transformation strategies, they're moving from on-premises to hybrid IT locations using numerous cloud and service providers and connecting in physical and virtual formats. 2022 will see us further accelerate our capabilities in this regard so we can better provide alternatives for any business looking to reposition its workloads and connect globally, across multiple formats.

At the same time, we'll continue providing the support and connected data communities that our customers need to drive collaboration, security and compliance, innovation, and growth.

What do you see as key growth areas?

We'll continue to expand our ability to access capital to cost-effectively fund the growth of our business. Drawing on the agility Digital Realty is known for, we will continue to strengthen our platform for our customers, focusing on innovation, unlocking the power of data, bringing new and exciting products to market.



CHRIS SHARP

With technology changing and evolving at a rapid pace, what will you be prioritizing in 2022?

We'll continue to bring greater differentiation to our offerings, accelerating new products to the market, and creating additional industry partnerships that allow us to generate the highest value in the shortest time.

That will include, for example, helping customers overcome the complexities of software by offering a click-to-configure, click-to-procure experience. We'll also be working with customers to better understand their thought process around AI. This can be a game-changer if businesses utilize it to establish neural networks where data can be used to make more efficient decisions.

We have also made a significant investment in establishing pre-certification through some of the largest chip manufacturers, to support the high-power density required for AI applications.

Largely due to Digital Realty's interconnection diversity, many edge workloads can start from our core function and still fulfill end user requirements. This year, we're investing heavily in our platform across the globe because we are seeing customers reconfiguring their financial and technological priorities in favor of edge infrastructure. We're also ensuring that hyperscalers can develop and deploy these workloads.

What do you predict will be 2022's key technology focus?

Software development will lead the way. When it's combined with power density and interconnection, there is no end to what AI can achieve across a broad spectrum of challenges.

Cloud and edge are beneficial to our industry, as is the metaverse. Today, there is an opportunity to support how these elements come together—they need to be distributed and heavily interconnected.

Digital Realty is working to not just establish a foothold here, but to define the future roadmap. The type of support infrastructure we offer is becoming increasingly critical to the future of business.



CINDY FIEDELMAN

How are you planning for 2022 and what are your priorities?

A lot of what has been established in 2021 will carry over into 2022. The biggest shift will be moving to a hybrid work environment as we formally start to reopen our offices.

Although some of our colleagues have already started going back into the office, we are working on creating the perfect hybrid work environment, which includes offering colleagues the flexibility to adjust their work schedule to fit in with their personal lives. The current conditions bring different challenges based on culture and work environment. For example, we have a mixture of colleagues required to be physically present at our data centers, and those with the flexibility to work virtually.

We are also dealing with the industry-wide challenge of finding great talent. As a result, we're making it a priority to deploy the cutting-edge hiring and recruitment tools that can allow us to respond to our fast pace of growth. We want to boost our capabilities to operate more in real time, as opposed to having candidates go through multiple interviews and feedback sessions, as was the norm in the past.

What do you predict will be the key challenges or growth areas for 2022?

Implementing tools that can automate time-consuming manual processes and to free up employees for higher-value work is high on our agenda. The goal is to encourage our colleagues to be self-starters who are less dependent on management direction and empowered to optimize the automated processes available to them.

With technology quickly evolving, many such tools are available through apps on mobile devices. The challenge is to get ahead of the automation curve while so many companies are still dependent on manual processes.

2022 INDUSTRY TRENDS



THE KEY DRIVER IS THE EXPLOSION OF DATA, WHICH PRESENTS A CHALLENGE FOR OUR CUSTOMERS ESPECIALLY IN TERMS OF HOW THEY GO ABOUT BUILDING OUT THEIR ARCHITECTURE.



MARK SMITH

APAC Managing Director

What are your top priorities for 2022?

The key driver is the explosion of data, which presents a challenge for our customers especially in terms of how they go about building out their architecture. Our rollout of PlatformDIGITAL® in Osaka and Singapore has been critical in supporting our customers there with the very real challenges that a hybrid-cloud world presents, and we will continue to deliver that support.

Recently, we launched in Hong Kong, Tokyo, and in Seoul during the first half of 2022. That means we will be covering five of the top six retail colocation or enterprise colocation markets in APAC.

What are your predictions for APAC's key growth locations and trends?

We'll continue to stay focused on the growth of enterprises and meeting the needs of our customers in what is a highly diverse region. It includes Australia, for example—arguably a global leader in the adoption of technology—and Japan, as well as less mature markets such as the Philippines and Vietnam.

We recently announced BAM DIGITAL REALTY—our JV in India with Brookfield Infrastructure, expanding PlatformDIGITAL® into India—a great new growth market for enterprise customers and Indian enterprises.



JEFF TAPLEY

Joint EMEA Managing Director & Senior Vice President, Portfolio Management

Interxion: A Digital Realty Company, is a leading provider of cloud- and carrier-neutral data centre services across EMEA. With more than 700 connectivity providers in 107 data centres across 13 European countries, Interxion provides communities of connectivity, cloud, and content hubs. As part of Digital Realty, customers now have access to 50 metros across six continents. Joint EMEA Managing Directors Jeff Tapley and Jan-Pieter (JP) Anten share their thoughts.

What are the top goals you want to accomplish in 2022?

Jeff: As we move into next year, we expect to see continued demand for colocation services as more and more businesses implement semi-permanent remote-working models. That trend will be especially prevalent in industries heavily affected by stay-at-home orders, such as digital media, healthcare, and education.

But whether we're constructing a building or focusing on customer operations, we need to be efficient and customer-centric regardless of the situation. So, my top goal is quite simple:

we'll continue to put our customers first.

JP: Yes, we are working on creating a great and dynamic culture which is global and local—harnessing the strengths of our global presence as Digital Realty and delivering with the local expertise we have across the countries.

Another key focus for us this year will be to continue working with local and regional governments to highlight the important role data centers play in the digital economy.

Where do you expect the key growth areas to be in EMEA in 2022?

JP: We're already established in several large cities across EMEA, so it is important

that we build on our strong foundations there and grow these facilities. Our move into Africa with recent acquisitions in South Africa and Nigeria also highlights our role in Africa's rising economy.

Across the globe, we will continue to evolve with our customers to help them achieve business success.

Jeff: Traditionally, businesses in EMEA have a strong colocation business built on connectivity. We're ideally positioned to support the growing number of enterprises migrating to the multi-hybrid cloud and we're starting to see signs of that, strengthening our digital interaction business. ☺

2022 INDUSTRY TRENDS



JAN-PIETER ANTEN

Joint EMEA Managing Director