



GDS 万国数据

1Q20 Earnings Call

14 May 2020

NASDAQ: GDS





DISCLAIMER

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. Such statements are based upon management’s current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company’s control, which may cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of the Company’s results under U.S. GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalent. First, adjusted NOI, adjusted NOI margin, adjusted EBITDA and adjusted EBITDA margin are not substitutes for net income (loss), cash flows provided by (used in) operating activities or other consolidated statements of operation and cash flow data prepared in accordance with U.S. GAAP. Second, other companies may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP financial measures as tools for comparison. Finally, these non-GAAP financial measures do not reflect the impact of net interest expenses, incomes tax expenses (benefits), depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs and share-based compensation expenses, each of which have been and may continue to be incurred in the Company’s business. See the Appendix for reconciliation between our adjusted NOI and adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, which is net income or net loss.



Business Strategy & Performance Highlights

William Huang, Chairman & CEO



1Q20 HIGHLIGHTS

Sales Momentum

- Record organic net additional total area committed of +22,112 sqm
- Total area committed increased by 43.6% y/y to 286,990 sqm
- Three deals over 10 MW

Capacity Expansion

- Total capacity (in service + under construction) grew by 43.6% y/y to 340,692 sqm
- Highest-ever level of active construction program of 110,706 sqm
- Added ~100,000 sqm to future development pipeline

Financial Results

- Total revenue grew by 39.1% y/y to Rmb 1,240.4 mn (\$175.2 mn)
- Adjusted EBITDA grew by 49.3% y/y to Rmb 572.1 mn (\$80.8 mn)
- Highest-ever Adjusted EBITDA margin of 46.1%

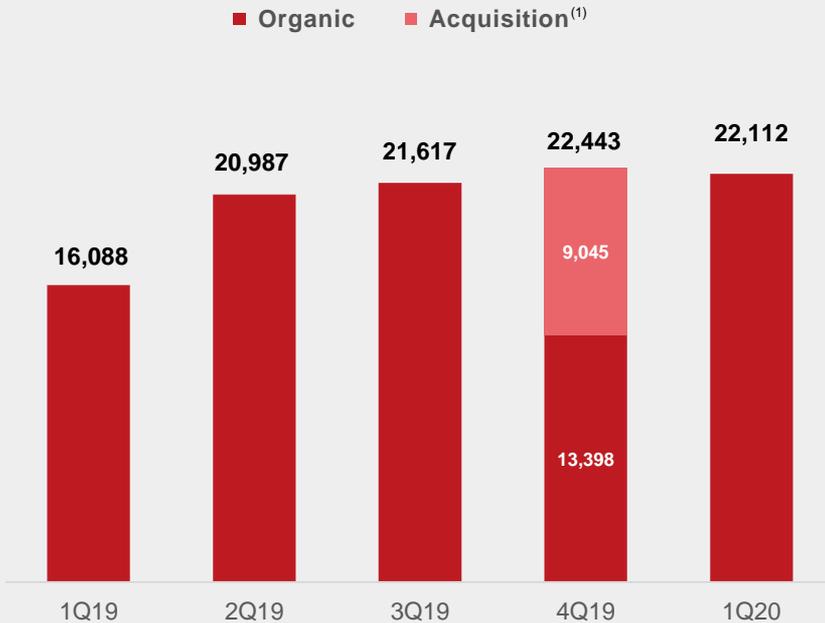
Note:

1. Exchange rate of 7.0808:1 (RMB:USD) is used throughout this presentation.



Sales Achievement

Net Additional Total Area Committed (Sqm)



Note:

1. Refer to customer agreements remaining in effect at the closing of the acquisition.

1Q20 Orders Breakdown

Data Center	Area (Sqm)	IT Power (MW) ⁽¹⁾	Contract Commences
SH14	7,000	13.0	4Q20
LF2	4,859	13.0	3Q20
LF4	7,416	12.9	2H21
Other	2,837	7.1	--
Total	22,112	46.0	--

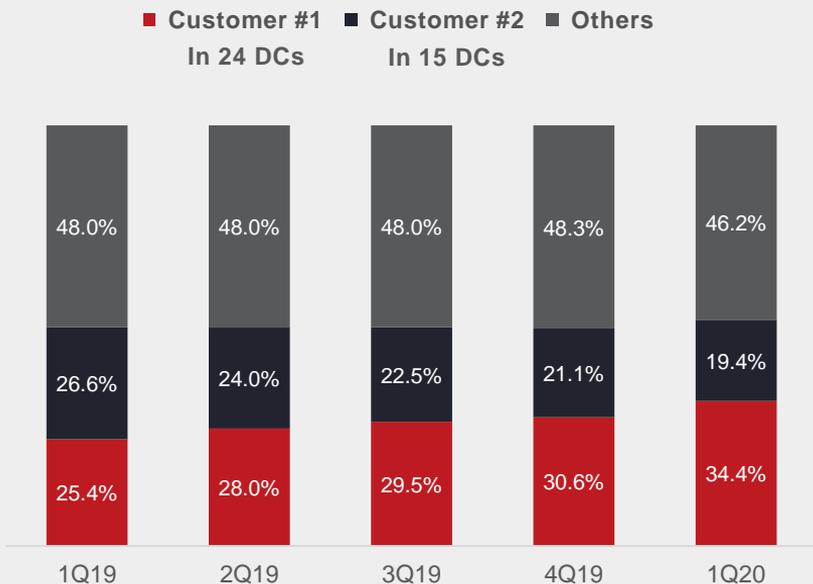
Note:

1. With power redundancy of 2N or 2N equivalent

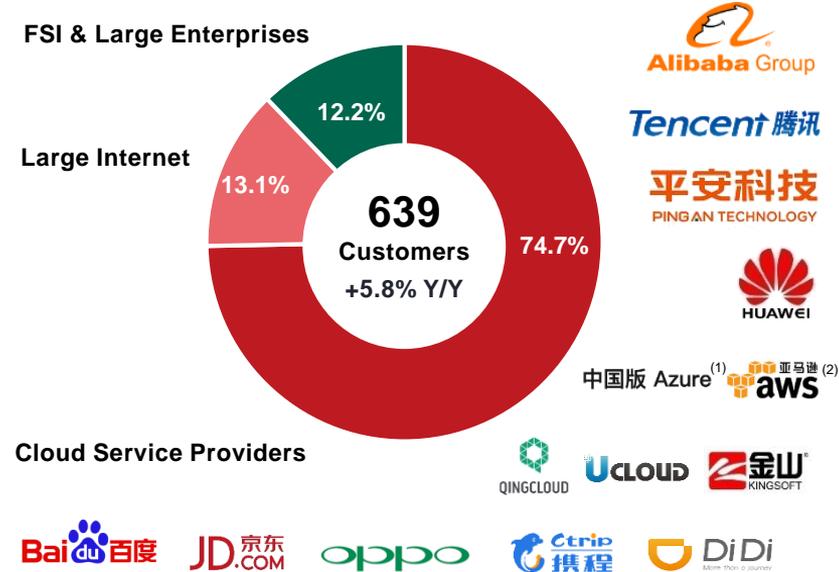


Customer Franchise

Total Area Committed by Customer (Sqm)



Customer Segment Breakdown



Notes:

1. Azure China is operated by a subsidiary of 21Vianet.

2. AWS Ningxia region is operated by NWCD and AWS Beijing region is operated by Sinnet.



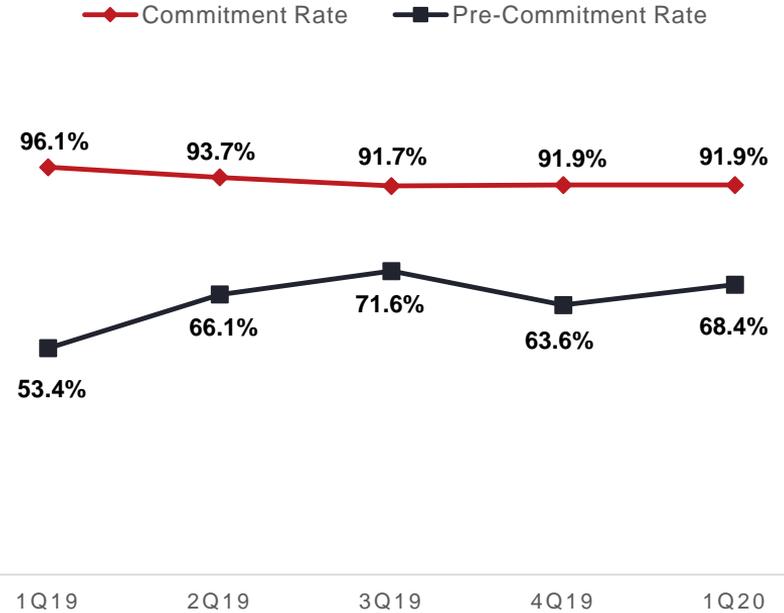
Synchronized Sales & Capacity Growth

Commitments vs. Capacity (Sqm)

- Area Committed
- Area Pre-Committed
- Area In Service
- Area Under Construction



Commitment / Pre-Commitment Rates





Self-Developed Data Center Capacity Overview

By Market ⁽¹⁾

At 1Q20 (Sqm)	In Service	Under Construction	Held for Future Development	Total	
Beijing	48,403	62,531	68,832	179,766	27.4%
Shanghai	69,686	34,114	138,858	242,658	37.0%
Greater Bay Area	69,022	14,061	62,882	145,965	22.3%
Chengdu / Chongqing	14,512	-	54,506	69,018	10.5%
Lower Tier Markets	18,468	-	-	18,468	2.8%
Total	220,092	110,706	325,078	655,875	100.0%

Lease Vs. Own ⁽¹⁾

At 1Q20 (Sqm)	In Service	Under Construction	Held for Future Development	Total	
Lease	199,033	54,699	21,242	274,974	
Own	21,058	56,007	303,836	380,901	
Total	220,092	110,706	325,078	655,875	
% Lease	90.4%	49.4%	6.5%		41.9%
% Own	9.6%	50.6%	93.5%		58.1%

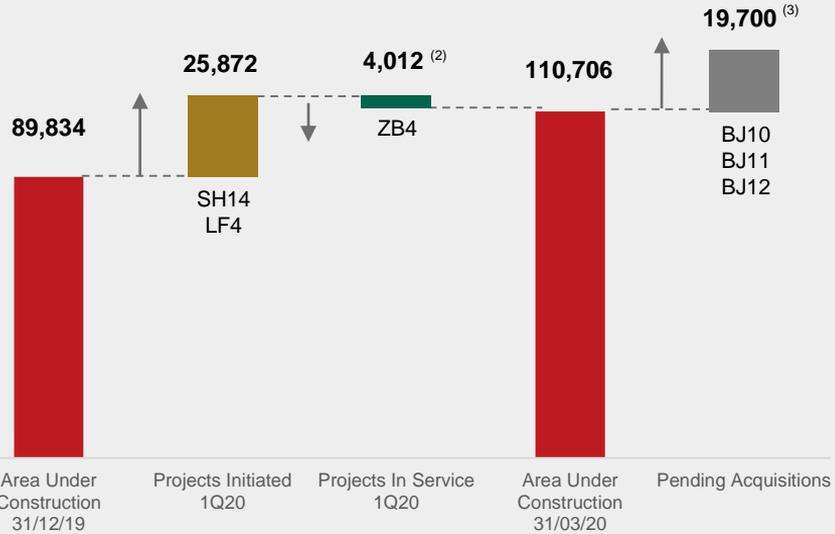
Note:

1. Exclude 3rd party data center capacity of 9,895 sqm in service, zero under construction and zero held for future development.



Resource Progress

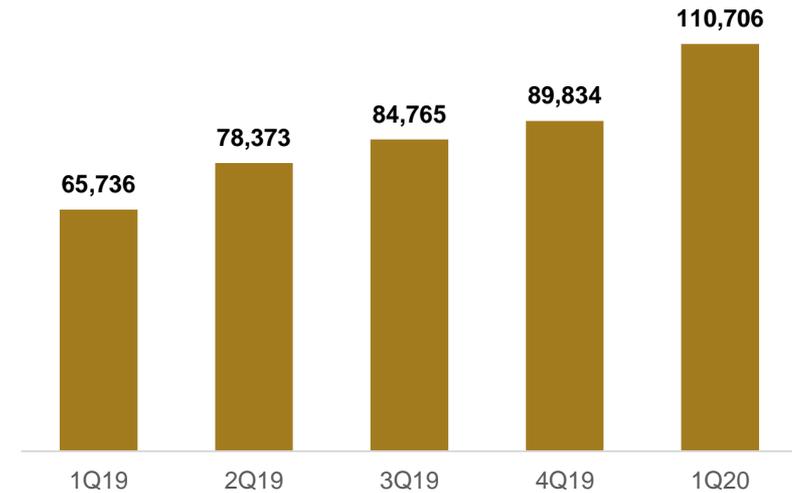
Capacity Expansion 1Q20



Notes:

1. All area is based on the latest design net floor area of each project. Discrepancies from the previous quarters may arise from capacity adjustment. Please refer to historical earnings presentation for any prior adjustments.
2. Area In Service from construction completion for ZB4 is adjusted by -988 sqm. Other area in service adjustments include: 3rd party: +11 sqm.
3. Pending closing for acquisition of BJ10, BJ11 and BJ12.

Area Under Construction



Shanghai Pujiang Site



- 25 kms from Waigaoqiao
- 212,000 sqm total land area
- Phase 1 (SH16, SH17) of 22,600 sqm net floor area
- Subsequent phases of ~50,000 sqm net floor area
- Purchased in 1Q20 for a total cash consideration of Rmb 1,370 mn

Lower Tier BTS Projects – Consolidated



- ZB4 came into service in 1Q20; ZB1-3 was in service in 2018
- Total capacity of 18,468 sqm with 100% committed
- 92.0% overall utilization rate across ZB1-3 at 1Q20
- 13.9% utilization rate for ZB4 at 1Q20
- 100% renewable energy

Lower Tier BTS Projects – Joint Venture

Site 1



Site 2



	Number of Data Centers	Total Net Floor Area (Sqm)
Total Projects	12	~48,000
Projects Under Construction	2	7,776
Project in Service Held for Sale	2	7,777
Project in Service Held by GIC JV	0	0



Financial & Operating Review

Dan Newman, CFO





1Q20 P&L Analysis

Quarterly Financial Review

Rmb'000 (unless indicated)	1Q19	4Q19	1Q20	Y/Y	Q/Q
Service Revenue	890,946	1,159,610	1,232,589	38.3%	6.3%
Equipment Sales	895	19,577	7,829	774.7%	(60.0%)
Total Net Revenue	891,841	1,179,187	1,240,418	39.1%	5.2%
Cost of Revenue	(679,832)	(884,464)	(890,080)	30.9%	0.6%
Add Back: D&A, SBC & Asset Retirement Cost	245,323	318,424	314,600	28.2%	(1.2%)
Adjusted NOI ⁽¹⁾	457,332	613,147	664,938	45.4%	8.4%
<i>Adjusted NOI Margin</i>	<i>51.3%</i>	<i>52.0%</i>	<i>53.6%</i>	<i>2.3 ppts</i>	<i>1.6 ppts</i>
SG&A	(122,772)	(167,154)	(156,092)	27.1%	(6.6%)
Add Back: D&A, SBC & Operating lease cost relating to prepaid land use rights	41,382	76,795	72,961	76.3%	(5.0%)
FX Change Gain (Loss) & Others, Net	7,275	5,895	(9,703)	(233.4%)	(264.6%)
Adjusted EBITDA ⁽²⁾	383,217	528,683	572,104	49.3%	8.2%
<i>Adjusted EBITDA margin</i>	<i>43.0%</i>	<i>44.8%</i>	<i>46.1%</i>	<i>3.1 ppts</i>	<i>1.3 ppts</i>

Notes:

- Adjusted NOI (Adjusted Net Operating Income) is defined as net loss excluding: net interest expenses, income tax expenses (be nefits), depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses, selling and marketing expenses, general and administrative expenses, research and development expenses, foreign currency exchange loss (gain) and others.
- Adjusted EBITDA is defined as net loss excluding net interest expenses, income tax expenses (benefits), depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs and share-based compensation expenses.



1Q20 Underlying Trends

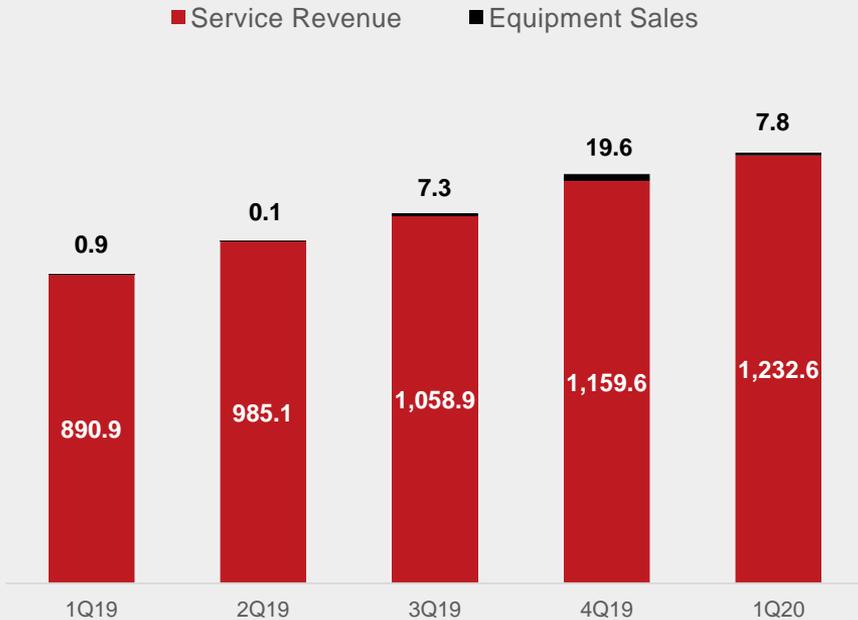
Quarterly Financial Review

Rmb'000 (unless indicated)	1Q19	4Q19	1Q20	Y/Y	Q/Q
Total Net Revenue	891,841	1,179,187	1,240,418	39.1%	5.2%
Less: Equipment Sales	895	19,577	7,829	774.7%	(60.0%)
Service Revenue	890,946	1,159,610	1,232,589	38.3%	6.3%
Adjusted NOI	457,332	613,147	664,938	45.4%	8.4%
Less: Equipment Profit	47	606	595	1,166.0%	(1.8%)
Underlying Adjusted NOI	457,285	612,541	664,343	45.3%	8.5%
<i>Underlying Adjusted NOI Margin</i>	<i>51.3%</i>	<i>52.8%</i>	<i>53.9%</i>	<i>2.6 ppts</i>	<i>1.1 ppts</i>
Adjusted EBITDA	383,217	528,683	572,104	49.3%	8.2%
Less: Equipment Profit	47	606	595	1,166.0%	(1.8%)
Less: FX Change Gain (Loss)	4,772	(446)	(12,619)	(364.4%)	2,729.4%
Underlying Adjusted EBITDA	378,398	528,523	584,128	54.4%	10.5%
<i>Underlying Adjusted EBITDA Margin</i>	<i>42.5%</i>	<i>45.6%</i>	<i>47.4%</i>	<i>4.9 ppts</i>	<i>1.8 ppts</i>

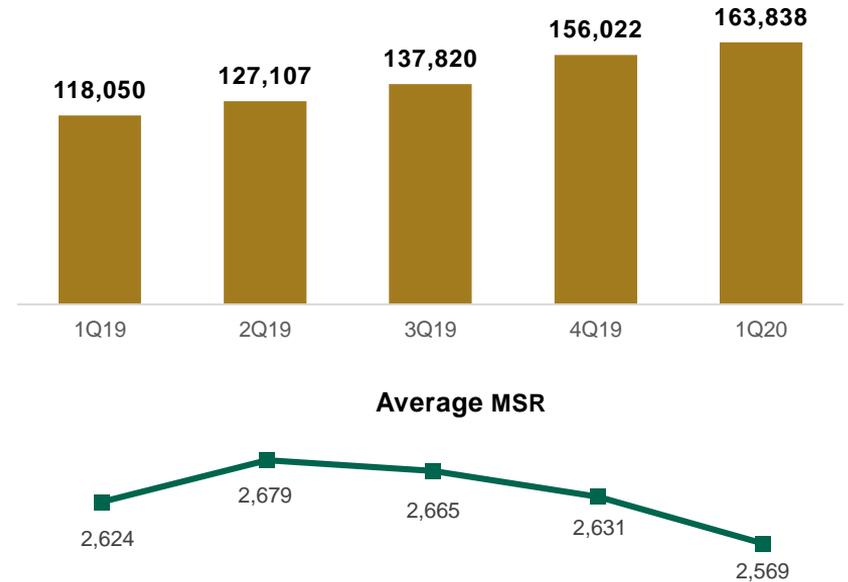


Revenue & Area Utilized

Revenue (Rmb Mn)



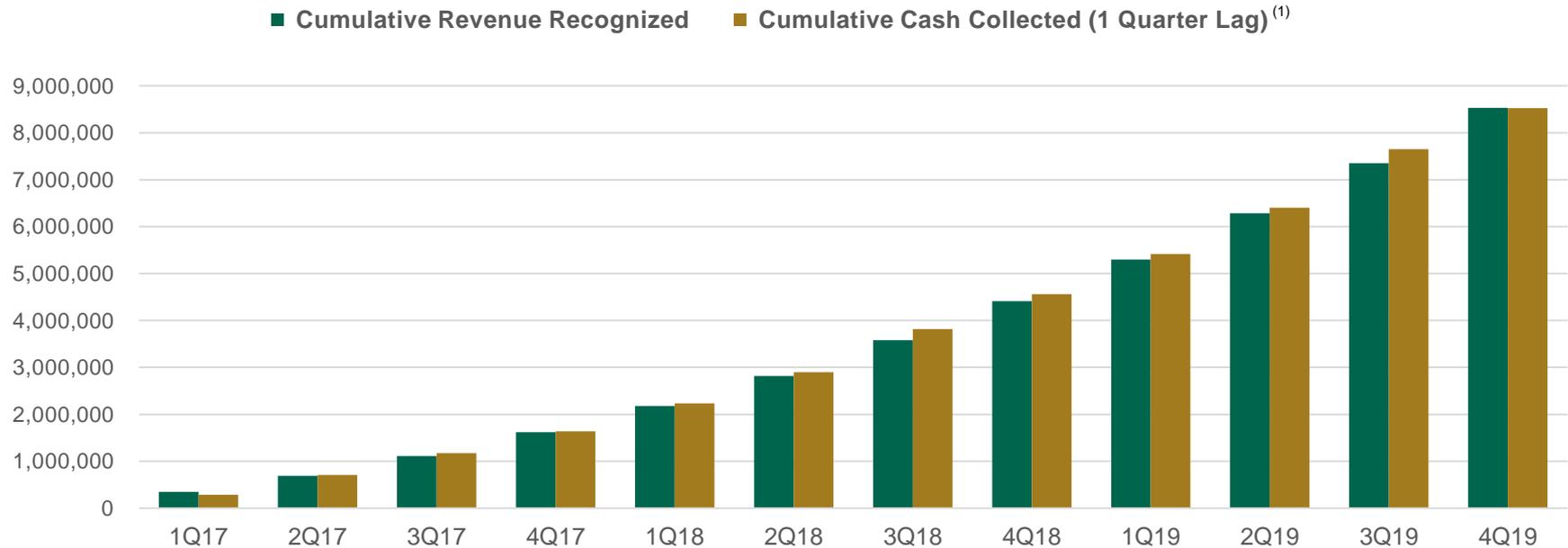
Area Utilized (Sqm) & MSR (Rmb / Month / Sqm)





Revenue Recognized Vs. Cash Collected

Rmb '000



Notes:

1. Cash collected is net of VAT, and for the period of 2Q17 – 1Q20.

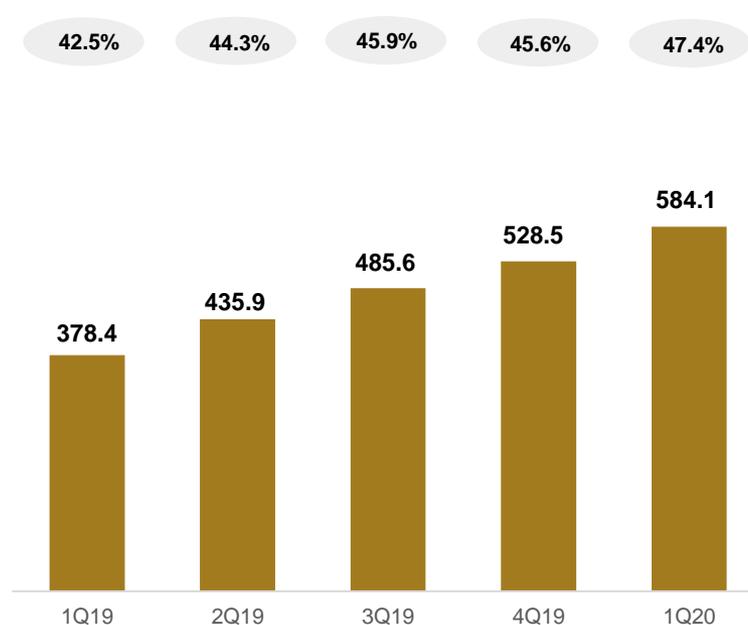


Underlying Adjusted NOI & EBITDA

Underlying Adjusted NOI (Rmb Mn) & Margin



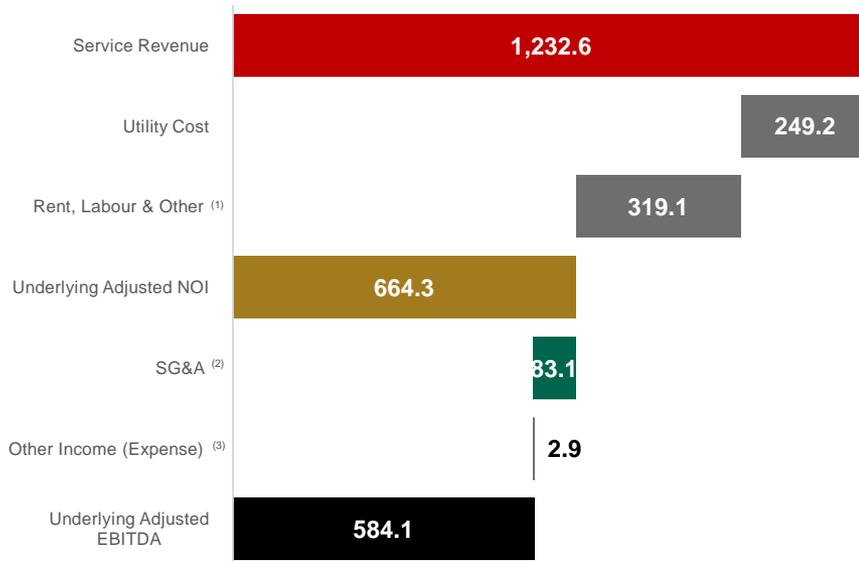
Underlying Adjusted EBITDA (Rmb Mn) & Margin





Cost Breakdown & Operating Leverage

1Q20 Cost Breakdown & Operating Leverage (Rmb Mn)



% of Service Revenue

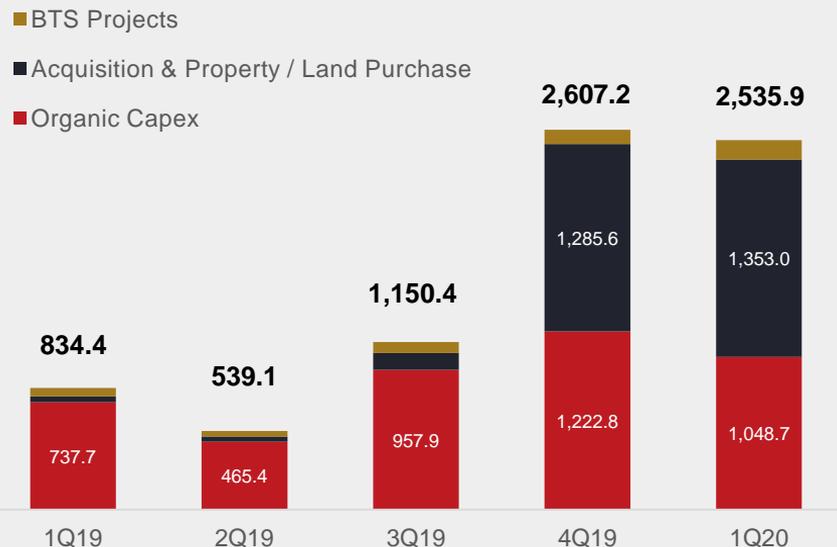
	1Q19	2Q19	3Q19	4Q19	1Q20
Utility Cost	22.8%	23.3%	22.9%	21.4%	20.2%
Rent, Labour & Other ⁽¹⁾	25.9%	23.7%	23.3%	25.8%	25.9%
Underlying Adjusted NOI	51.3%	53.0%	53.8%	52.8%	53.9%
SG&A ⁽²⁾	9.1%	8.9%	8.4%	7.8%	6.7%
Other Income (Expense) ⁽³⁾	0.3%	0.2%	0.4%	0.6%	0.2%
Underlying Adjusted EBITDA	42.5%	44.3%	45.9%	45.6%	47.4%

Notes:

1. Rent, Labor & Other excludes D&A, SBC and asset retirement cost.
2. SG&A excludes D&A, SBC and operating lease cost relating to prepaid land use rights.
3. Other Income (Expense) excludes interest expense / income and foreign exchange gain / loss.

Capital Expenditure

Capex Paid (Rmb Mn) ⁽¹⁾



Notes:

1. Refers to net cash used in investing activities, including premium paid for acquisitions.

Highlights of 1Q20

- Rmb 1,353.0 mn was paid for acquisitions and property / land purchase (mainly related to the Pujiang site in Shanghai)
- Rmb 1,048.7 mn was paid for organic capex
- Rmb 134.3 mn was paid for BTS projects for GIC JV, which will be recovered on sale
- Cost to complete for Area Under Construction is Rmb 7,402.0 mn

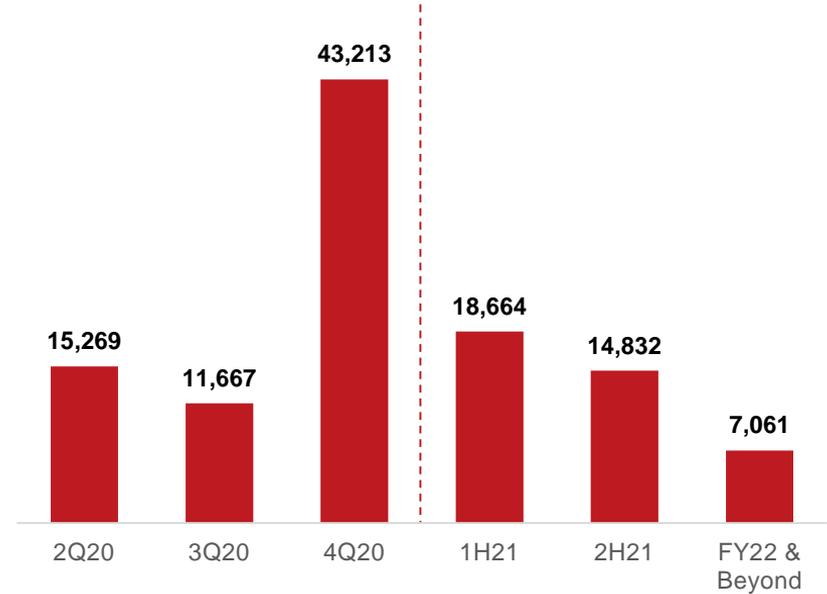


Construction Program

Self-Developed Data Centers

	RFS Date	Tenure	Type	Net Floor Area (Sqm)	Pre-Commitment Rate (%)
SH12	4Q20	Lease	Convert	3,653	100%
SH13	4Q20	Lease	Convert	6,493	65.5%
SH15	3Q20	Lease	Convert	1,518	100%
KS2	2Q20	Own	Greenfield	6,120	100%
KS3	3Q20	Own	Greenfield	5,290	100%
GZ4	1H21	Lease	Convert	7,000	0%
BJ7	4Q20	Lease	Convert	11,116	34.7%
BJ8	4Q20	Lease	Convert	10,911	100%
LF2	3Q20	Lease	Convert	4,859	100%
LF3	1H21	Own	Greenfield	11,664	100%
LF6	2Q20	Lease	Convert	3,642	100%
LF7	2Q20	Lease	Convert	5,507	100%
HK1	2H22	Own	Brownfield	7,061	0%
SH14	4Q20	Own	Convert	11,040	63.4%
LF4	2H21	Own	Greenfield	14,832	50.0%
Total	--			110,706	68.4%

Delivery Schedule (Sqm)





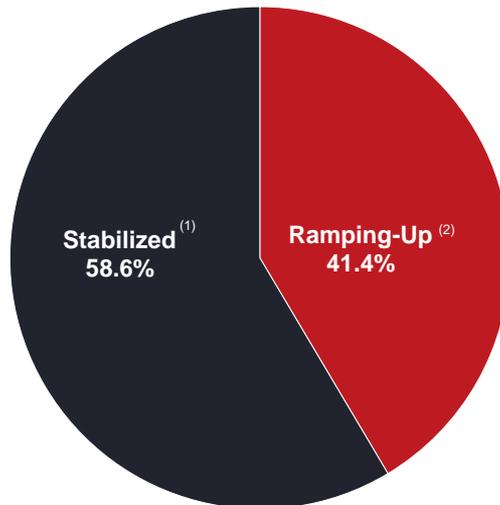
Stabilized vs. Ramping-Up Data Centers

Breakdown of Area In Service as at 1Q20

Stabilized Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS1	6,546	98.2%	94.0%
SH1	6,432	96.9%	94.0%
SH2	7,712	99.5%	94.9%
SH3	7,950	99.9%	97.5%
SH4	8,415	99.1%	96.7%
SH8	4,924	93.5%	83.0%
SH9	3,330	100%	87.0%
SZ1	4,286	98.8%	98.3%
SZ2	4,308	100%	100%
SZ3	2,678	99.1%	95.5%
SZ5	20,583	100.0%	97.0%
GZ1	6,548	99.7%	99.6%
GZ2	6,131	100.0%	98.9%
GZ3 Phase 1	7,648	100.0%	97.3%
BJ1	2,435	91.8%	90.2%
BJ2	5,819	99.7%	93.3%
BJ3	3,144	100%	94.7%
BJ9	8,029	96.2%	94.6%
ZB1	5,132	100.0%	92.2%
ZB2	4,662	100.0%	93.0%
ZB3	4,662	100.0%	90.7%
3rd Party	3,316	93.8%	91.2%
Total	134,690	98.8%	95.0%

Area In Service



Notes:
 1. "Stabilized" is defined as Utilization Rate above 80%.
 2. "Ramping-Up" is defined as Utilization Rate below 80%.

Ramping-Up Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
SH5	2,062	73.7%	41.5%
SH6	8,004	74.7%	35.3%
SH7	6,352	33.3%	11.6%
SH10	3,745	100%	0.0%
SH11	4,214	100%	75.3%
SZ4 Phase 1	4,677	96.8%	45.9%
SZ6	2,133	0.0%	0.0%
GZ3 Phase 2	3,423	100%	30.7%
GZ6	6,608	15.4%	0.0%
BJ4	4,695	86.0%	31.8%
BJ5	13,366	98.5%	75.2%
BJ6	5,965	97.0%	35.1%
LF1	4,949	100.0%	23.8%
CD1	6,262	95.0%	73.8%
CD2 Phase 1	8,250	100%	13.8%
ZB4	4,012	100%	13.9%
3rd Party	6,579	83.4%	59.7%
Total	95,296	82.0%	37.6%

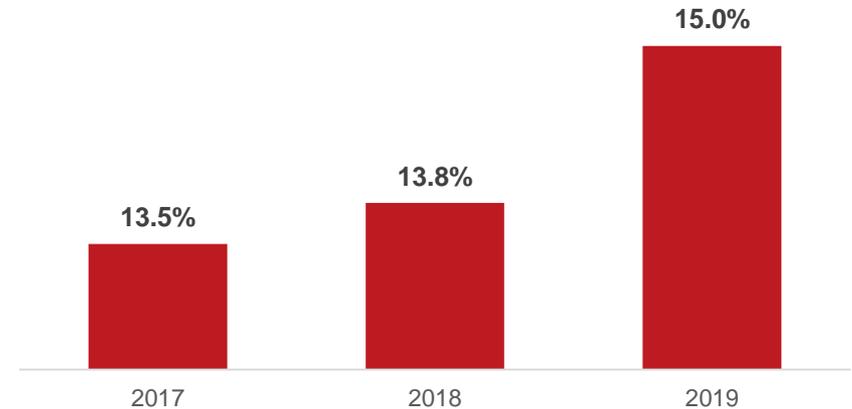


Development Cost & NOI Yield

Total Development Cost

Rmb '000 (Unless Specified)	YE16	YE17	YE18	YE19
Assets Held Under Finance Lease	1,312,454	2,681,468	4,858,041	6,562,665
Other Fixed Assets	3,624,095	6,449,891	10,671,272	15,202,294
Total Gross PPE	4,936,549	9,131,359	15,529,313	21,764,959
Prepaid Land Use Rights	28,370	28,370	765,114	782,319
Total Fixed Assets	4,964,919	9,159,729	16,294,427	22,547,278
Less: Assets / Land Related to Under Construction and JV BTS Projects	697,391	1,951,844	3,270,910	4,125,145
Less: Assets / Land Related to Held for Future Development	86,123	93,038	995,171	1,542,095
Total Development Cost	4,181,405	7,114,847	12,028,346	16,880,038
Self-Developed Area In Service (Sqm)	51,888	89,794	150,517	216,079
Unit Development Cost (Rmb per Sqm)	80,586	79,235	79,913	78,120

NOI Yield: NOI / Total Development Cost



Rmb '000 (Unless Specified)	2017	2018	2019
Underlying Adjusted NOI	759,702	1,317,238	2,161,853
Average Total Development Cost for Area In Service	5,648,126	9,571,597	14,454,192
Average Utilization Rate	61.8%	67.1%	69.5%



Pending Acquisitions

Rmb Mn (Unless Specified) – Subject to Adjustment at Closing

Data Center	Closing of Acquisition	Estimated Enterprise Value ⁽¹⁾ (EV)	Implied EV / Estimated Stabilized Cash NOI ⁽²⁾ (x)	IT Area (Sqm)	Commitment Rate ⁽³⁾ (%)	Utilization Rate ⁽³⁾ (%)
BJ9	Pending	707	8.6	8,029	96.2%	94.6%
BJ10/11/12	Pending	2,490	8.8	19,700	100%	74.4%

Notes:

1. Includes contingent payments when the data center is complete.
2. NOI is calculated on 100% utilization rate and cash basis.
3. At 1Q20.



Financing Obligations & Liquidity

Debt & Cash Outstanding

	31/03/19	31/12/19	31/03/20	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adjusted EBITDA
Total Loan	7,442.7	9,166.2	9,466.4	4.2
Convertible Bond	1,969.7	2,049.6	2,084.7	0.9
Finance Lease	4,159.3	4,973.6	5,317.0	2.3
Gross Debt	13,571.7	16,189.4	16,868.1	7.4
Cash	6,001.2	5,810.9	3,611.1	1.6
Net Debt	7,570.5	10,378.5	13,257.0	5.8

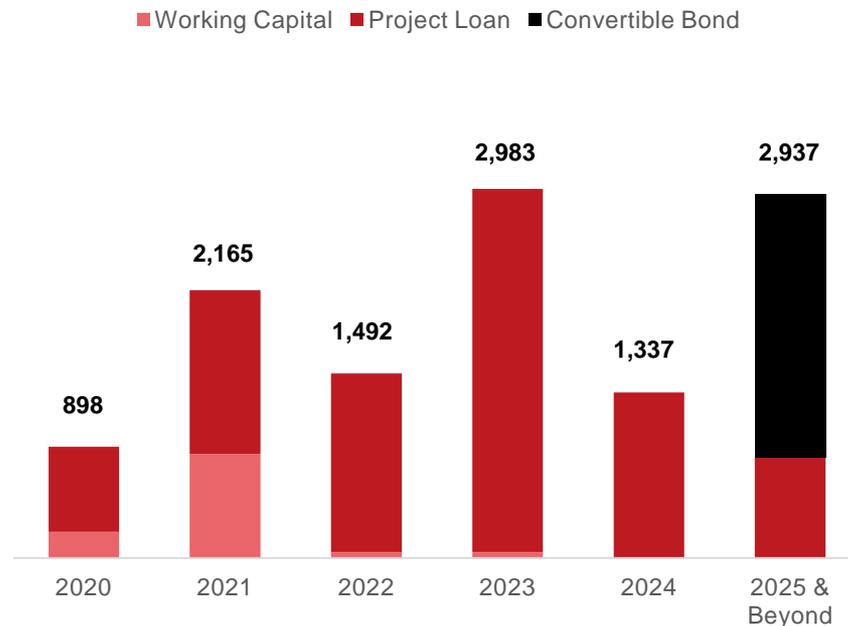
	1Q19	2Q19	3Q19	4Q19	1Q20
Net Debt / LQA Adj. EBITDA	4.9	4.9	4.8	4.9	5.8
Interest Coverage Ratio ⁽¹⁾	1.75	1.93	2.01	2.26	2.19
Effective Interest Rate ⁽²⁾	6.6%	6.4%	6.6%	6.0%	6.3%

LQA Adjusted EBITDA = Rmb 572.1 mn *4 = Rmb 2,288.4 mn

Note:

1. Interest Coverage Ratio = Adjusted EBITDA / Reported Net Interest Expense.
2. Effective Interest Rate = Quarterly Net Interest Expenses *4 or Annual Net Interest Expenses / Average Gross Debt

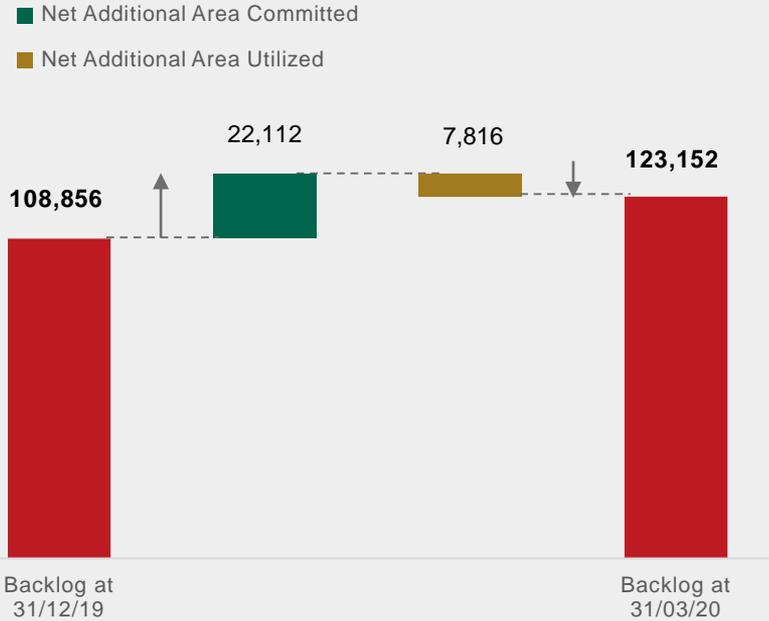
Loan Maturity Schedule as at 31/03/20 (Rmb Mn)



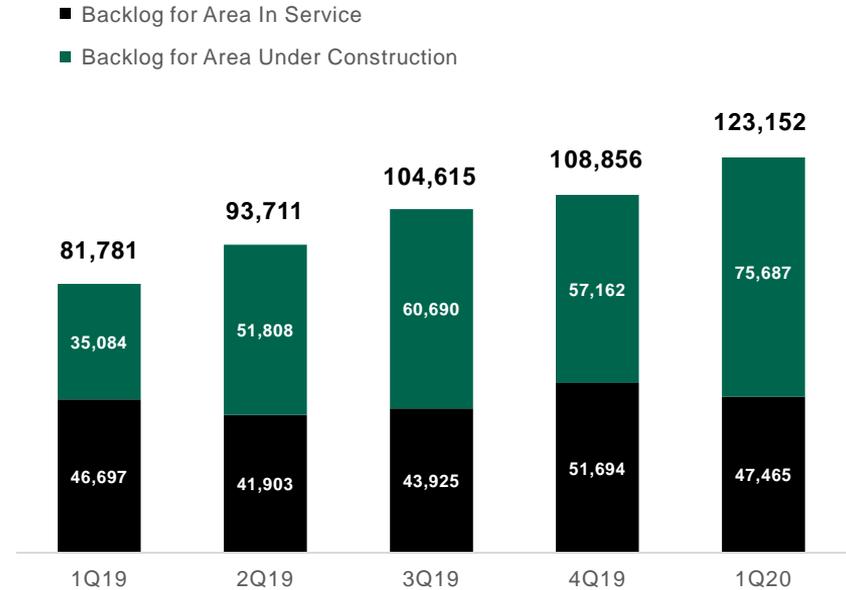


Backlog & Move-In Analysis

Backlog Build-Up for 1Q20 (Sqm)



Backlog by Data Center Status (Sqm)





Questions & Answers

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Appendix

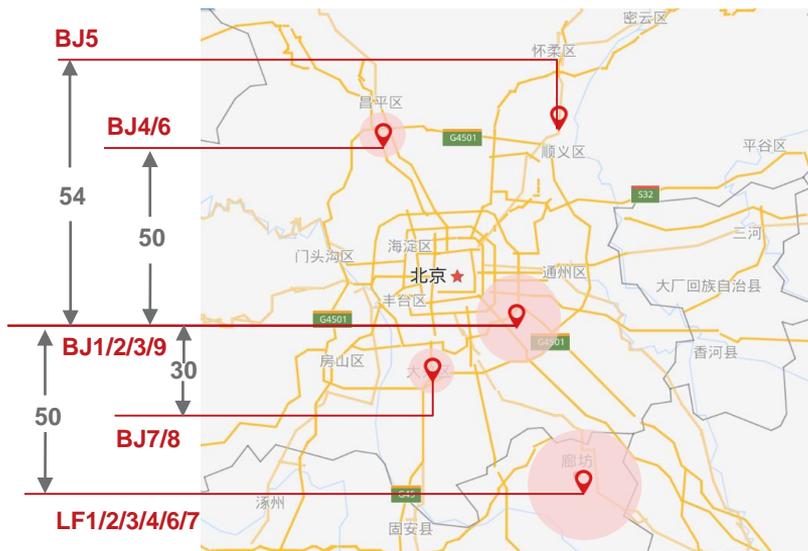




Our Data Center Portfolio – Beijing & Shanghai Markets

Self-Developed Data Centers In Service & Under Construction in Tier 1 Markets (1)

Beijing – 15 DCs



Shanghai – 18 DCs



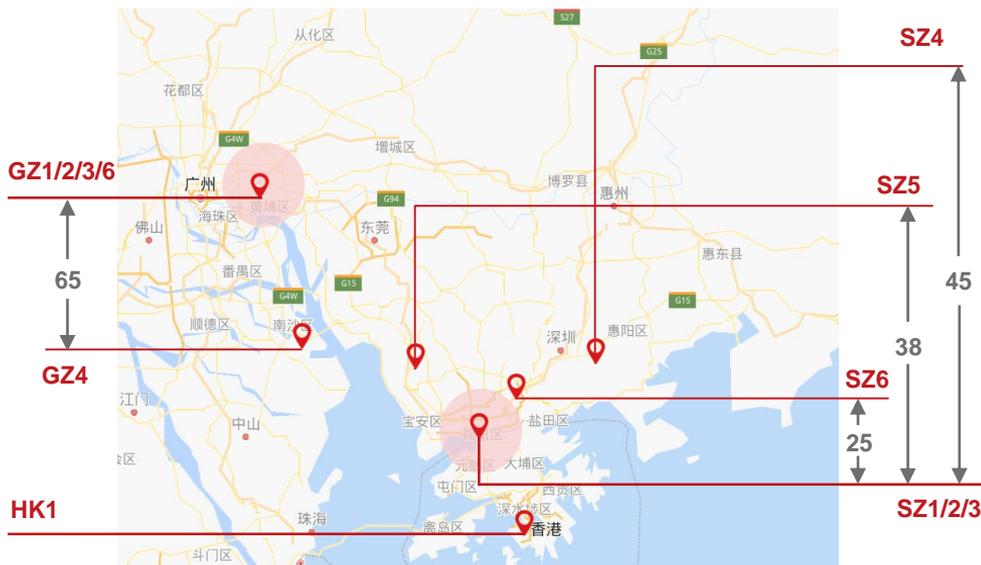
Note:
1. Distance in km..



Our Data Center Portfolio – Greater Bay Area & Chengdu / Chongqing

Self-Developed Data Centers In Service & Under Construction in Tier 1 Markets ⁽¹⁾

Great Bay Area – 12 DCs



Chengdu / Chongqing – 2 DCs



Note:
1. Distance in km.



Key Operating KPIs

Last 8 Quarters

As at	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
Area In Service (Sqm)	127,984	147,342	160,356	171,515	180,441	198,097	225,963	229,986
Area Under Construction (Sqm)	41,023	43,718	65,201	65,736	78,373	84,765	89,834	110,706
Total Capacity (Sqm)	169,007	191,060	225,557	237,251	258,814	282,862	315,797	340,692
Area Committed (Sqm)	122,306	141,931	152,163	164,747	169,010	181,745	207,716	211,303
Area Pre-Committed (Sqm)	20,759	19,868	31,580	35,084	51,808	60,690	57,162	75,687
Total Area Committed (Sqm)	143,065	161,799	183,743	199,831	220,818	242,435	264,878	286,990
Commitment Rate (%)	95.6%	96.3%	94.9%	96.1%	93.7%	91.7%	91.9%	91.9%
Pre-Commitment Rate (%)	50.6%	45.4%	48.4%	53.4%	66.1%	71.6%	63.6%	68.4%
Area Utilized (Sqm)	86,665	100,679	108,326	118,050	127,107	137,820	156,022	163,838
Utilization Rate %	67.7%	68.3%	67.6%	68.8%	70.4%	69.6%	69.0%	71.2%
Average MSR (Rmb / Sqm / Month)	2,719	2,678	2,644	2,624	2,679	2,665	2,631	2,569

Note: Excludes data centers under construction and in service which were held for sale to, or which were already held by, our joint ventures with GIC



Data Center Summary By Market

As at 31/03/20 (Sqm, Unless Indicated)

Market	# of Self-Developed Data Centers	Area in Service	Area Under Construction	Total Capacity	Area Committed	Area Pre-Committed	Total Area Committed	Area Utilized	Commitment Rate	Pre-Commitment Rate	Utilization Rate
		(1)	(2)	(1 + 2)	(3)	(4)	(3 + 4)	(5)	(3 / 1)	(4 / 2)	(5 / 1)
Beijing	15	48,403	62,531	110,933	46,853	47,856	94,709	33,013	96.8%	76.5%	68.2%
Shanghai	18	69,686	34,114	103,800	62,131	27,831	89,962	49,993	89.2%	81.6%	71.7%
Greater Bay Area	12	69,023	14,061	83,084	61,052	0	61,052	54,273	88.5%	0.0%	78.6%
Chengdu / Chongqing	2	14,512	0	14,512	14,200	0	14,200	5,757	97.8%	0.0%	39.7%
Lower Tier Markets	4	18,468	0	18,468	18,468	0	18,468	13,852	100.0%	0.0%	75.0%
3 rd Party	--	9,895	0	9,895	8,598	0	8,598	6,951	86.9%	0.0%	70.2%
Total	51	229,986	110,706	340,692	211,303	75,687	286,990	163,838	91.9%	68.4%	71.2%

Note: Excludes data centers under construction and in service which were held for sale to, or which were already held by, our joint ventures with GIC



Self-Developed Data Centers In Service – Beijing

As at 31/03/20 (Sq.m, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
BJ1	2H15	Converted	Lease	2,435	2,235	91.8%	2,195	90.2%
BJ2	2H17	Converted	Lease	5,819	5,802	99.7%	5,432	93.3%
BJ3	2H17	Converted	Lease	3,144	3,144	100%	2,979	94.7%
BJ4	1H19	Converted	Lease	4,695	4,040	86.0%	1,494	31.8%
BJ5	1H19	Converted	Lease	13,366	13,170	98.5%	10,045	75.2%
BJ6	2H19	Converted	Lease	5,965	5,786	97.0%	2,093	35.1%
BJ9	2H19	Converted	Lease	8,029	7,727	96.2%	7,595	94.6%
LF1	2H19	Converted	Lease	4,949	4,949	100%	1,180	23.8%



Self-Developed Data Centers In Service – Shanghai

As at 31/03/20 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
KS1	2H10	Purpose-Built	Own	6,546	6,428	98.2%	6,150	94.0%
SH1	2H11	Purpose-Built	Lease	6,432	6,235	96.9%	6,048	94.0%
SH2	2H15	Purpose-Built	Lease	7,712	7,677	99.5%	7,322	94.9%
SH3	2H16	Purpose-Built	Lease	7,950	7,941	99.9%	7,751	97.5%
SH4	2H17	Purpose-Built	Lease	8,415	8,340	99.1%	8,141	96.7%
SH5	1H18	Converted	Lease	2,062	1,519	73.7%	855	41.5%
SH6	2H18	Purpose-Built	Lease	8,004	5,982	74.7%	2,826	35.3%
SH7	2H19	Purpose-Built	Lease	6,352	2,118	33.3%	739	11.6%
SH8	2H18	Converted	Lease	4,924	4,602	93.5%	4,088	83.0%
SH9	1H19	Converted	Lease	3,330	3,330	100.0%	2,899	87.0%
SH10	1H19	Converted	Lease	3,745	3,745	100.0%	0	0.0%
SH11	1H18	Converted	Lease	4,214	4,214	100.0%	3,174	75.3%



Self-Developed Data Centers In Service – Greater Bay Area

As at 31/03/20 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
SZ1	2H14	Converted	Lease	4,286	4,234	98.8%	4,215	98.3%
SZ2	1H16	Converted	Lease	4,308	4,308	100.0%	4,308	100.0%
SZ3	2H16	Converted	Lease	2,678	2,653	99.1%	2,556	95.5%
SZ4 Phase 1	2H17	Converted	Lease	4,677	4,528	96.8%	2,146	45.9%
SZ5	2H19	Converted	Lease	20,583	20,583	100.0%	19,966	97.0%
SZ6	2H19	Converted	Lease	2,133	0	0.0%	0	0.0%
GZ1	1H16	Converted	Lease	6,548	6,529	99.7%	6,523	99.7%
GZ2	2H17	Converted	Lease	6,131	6,131	100.0%	6,066	98.9%
GZ3 Phase 1	1H18	Purpose-Built	Lease	7,648	7,648	100.0%	7,441	97.3%
GZ3 Phase 2	2H19	Purpose-Built	Lease	3,423	3,423	100.0%	1,051	30.7%
GZ6	2H19	Converted	Lease	6,608	1,016	15.4%	0	0.0%



Self-Developed Data Center In Service – Chengdu / Lower Tier Markets

As at 31/03/20 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
Chengdu	CD1	1H17	Purpose-Built	Own	6,262	5,950	95.0%	4,621	73.8%
	CD2 Phase 1	2H18	Purpose-Built	Own	8,250	8,250	100%	1,136	13.8%
Lower Tier Markets	ZB1	1H18	Build-To-Suit	Lease	5,132	5,132	100%	4,729	92.2%
	ZB2	2H18	Build-To-Suit	Lease	4,662	4,662	100%	4,334	93.0%
	ZB3	2H18	Build-To-Suit	Lease	4,662	4,662	100%	4,230	90.7%
	ZB4	1H20	Build-To-Suit	Lease	4,012	4,012	100%	559	13.9%



Self-Developed Data Centers Under Construction

As at 31/03/20 (Sq, Unless Indicated)

Market	Data Center	Ready for Service	Type	Tenure	Area Under Construction	Area Pre-Committed	Pre-Commitment Rate
Beijing	BJ7	4Q20	Converted	Lease	11,116	3,857	34.7%
	BJ8	4Q20	Converted	Lease	10,911	10,911	100%
	LF2	3Q20	Converted	Lease	4,859	4,859	100%
	LF3	1H21	Purpose-Built	Own	11,664	11,664	100%
	LF4	2H21	Purpose-Built	Own	14,832	7,416	50.0%
	LF6	2Q20	Converted	Lease	3,642	3,642	100%
	LF7	2Q20	Converted	Lease	5,507	5,507	100%
Shanghai	SH12	4Q20	Purpose-Built	Lease	3,653	3,653	100%
	SH13	4Q20	Converted	Lease	6,493	4,250	65.5%
	SH14	4Q20	Converted	Own	11,040	7,000	63.4%
	SH15	3Q20	Converted	Lease	1,518	1,518	100%
	KS2	2Q20	Purpose-Built	Own	6,120	6,120	100%
	KS3	3Q20	Purpose-Built	Own	5,290	5,290	100%
Greater Bay Area	GZ4	1H21	Converted	Lease	7,000	0	0%
	HK1	2H22	Purpose-Built	Own	7,061	0	0%



Top 5 Customers

In Terms of Total Area Committed as at 31/03/20

End User	% of Total Area Committed	% of 1Q20 Service Revenue	Number of Data Centers ⁽¹⁾
Internet / Cloud Service Provider	34.4%	26.8%	24
Internet / Cloud Service Provider	19.4%	18.4%	15
Cloud Service Provider	9.6%	0.6%	5
Internet	6.7%	9.4%	6
Cloud Service Provider	4.1%	1.3%	9

Note:
1.Excluding 3rd party data centers.



Contracts Renewal

Contracts Renewal Schedule

Period	Sqm	% of Total Area Committed
FY20	18,039	6.3%
FY21	26,294	9.2%
FY22	17,599	6.1%
FY23	25,786	9.0%
Thereafter	199,272	69.4%
Total Area Committed as at 31/03/20	286,990	100.0%



Principal Shareholders

As at 31/03/20

	Ordinary Shares ⁽¹⁾	Equivalent ADS	Pro Forma ADS Change ⁽³⁾	Equivalent ADS	% of Total
William Huang ⁽²⁾	69,200,744	8,650,093		8,650,093	5.7%
Directors & Officers	15,418,679	1,927,334		1,927,334	1.3%
STT	424,120,604	53,015,075		53,015,075	34.9%
Ping An	0	0	4,213,483	4,213,483	2.8%
Others / Free Float	672,806,896	84,100,862		84,100,862	55.4%
Total	1,181,546,923	147,693,364	4,213,483	151,906,847	100%

Notes:

1. Does not include options and RSUs to be exercised or vested within 60 days of 18,728,440 ordinary shares, or 2,341,055 ADSs, and after 60 days of 29,229,680 ordinary shares, or 3,653,710 ADSs. Does not include potential 5,815,950 ADSs from the existing Convertible Bonds conversion.

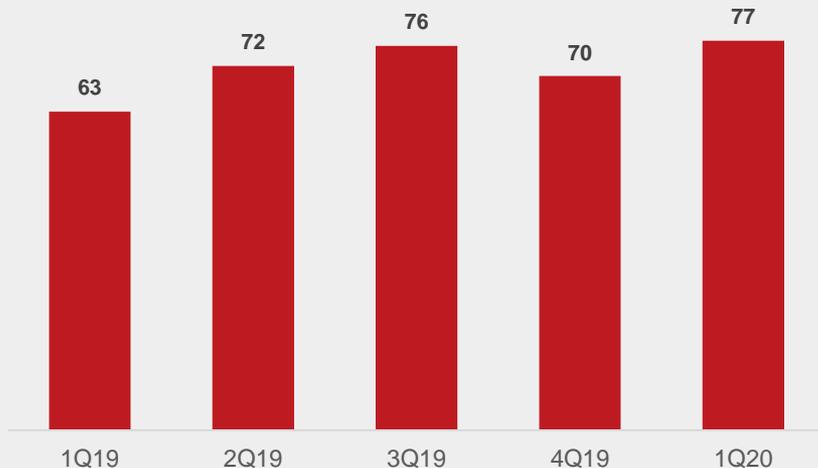
2. Including vested RSU and exercised options (not sold) of 1,610,408 ordinary shares, or 201,301 ADSs, which are Class A shares. The rest represents Class B shares; all the other shares held by other shareholders are Class A shares. The voting power of Class B vs Class A is 20:1.

3. Pro forma for the Convertible Preferred Shares issued to Ping An.



Working Capital Management

Accounts Receivable Turnover Days (# of Days)



Days Payable Outstanding (DPO) ⁽¹⁾

# of Days	1Q19	2Q19	3Q19	4Q19	1Q20
DPO – Opex	82	91	110	99	96
DPO – Capex	162	243	231	66	94
Total DPO	136	178	179	72	95
Total DPO (Excl. Acquisitions)	121	163	169	65	82

Note:

1. Days Payable Outstanding is calculated as the average payable balance, divided by total purchases in terms of operating and capital expenditures, multiplied by 90 days for quarterly DPO, or 360 days for annual DPO. For DPO – Opex, or DPO – Capex, the numerator and denominator will only cover operating expenditure or capital expenditure incurred, respectively in a consistent way.



Historical Financial Results

Condensed Consolidated Statements of Operations

Amounts in thousands	Three Months Ended					
	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
Net Revenue						
Service revenue	890,946	985,094	1,058,921	1,159,610	1,232,589	174,075
Equipment sales	895	95	7,267	19,577	7,829	1,106
Total net revenue	891,841	985,189	1,066,188	1,179,187	1,240,418	175,181
Cost of revenue	(679,832)	(723,420)	(791,963)	(884,464)	(890,080)	(125,703)
Gross profit	212,009	261,769	274,225	294,723	350,338	49,478
Operating expenses						
Selling and marketing expenses	(27,832)	(29,805)	(32,596)	(39,668)	(30,305)	(4,280)
General and administrative expenses	(90,301)	(94,702)	(105,524)	(120,891)	(117,043)	(16,530)
Research and development expenses	(4,639)	(4,200)	(6,193)	(6,595)	(8,744)	(1,235)
Income from operations	89,237	133,062	129,912	127,569	194,246	27,433
Other income (expenses)						
Net interest expenses	(219,117)	(221,906)	(241,038)	(233,615)	(260,865)	(36,841)
Foreign currency exchange gain (loss), net	4,772	(7,530)	(2,796)	(446)	(12,619)	(1,782)
Others, net	2,503	2,017	4,602	6,341	2,916	412
Loss before income taxes	(122,605)	(94,357)	(109,320)	(100,151)	(76,322)	(10,778)
Income tax (expenses) benefits	(14,015)	1,198	678	(3,511)	(15,709)	(2,219)
Net loss	(136,620)	(93,159)	(108,642)	(103,662)	(92,031)	(12,997)



Historical Financial Results

Condensed Consolidated Balance Sheets

Amounts in thousands. As of	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
Cash	6,001,214	5,730,578	5,752,790	5,810,938	3,611,121	509,988
Accounts receivable, net of allowance for doubtful accounts	713,601	855,203	952,184	879,962	1,248,279	176,291
Total current assets	7,131,358	7,051,549	7,166,012	7,084,709	5,292,010	747,374
Property and equipment, net	14,630,720	15,535,295	16,290,301	19,184,639	20,549,477	2,902,141
Prepaid land use rights, net	735,971	747,509	774,564	747,187	754,769	106,594
Operating lease right-of-use assets	497,600	483,531	469,407	796,679	1,497,002	211,417
Goodwill and intangible assets, net	2,175,429	2,160,947	2,146,466	2,300,468	2,287,546	323,063
Total assets	26,140,704	26,964,521	28,003,591	31,492,531	31,904,364	4,505,757
Short-term borrowings and current portion of long-term borrowings	860,139	900,354	916,596	1,137,737	1,406,969	198,702
Operating lease liabilities, current	70,124	65,352	63,719	55,139	50,924	7,192
Finance lease and other financing obligations, current	119,919	116,577	118,050	222,473	261,093	36,873
Total current liabilities	3,219,256	3,501,213	3,578,291	3,999,514	4,013,203	566,773
Long-term borrowings, excluding current portion	6,582,579	6,711,013	7,442,030	8,028,473	8,059,398	1,138,204
Convertible bonds payable	1,969,683	2,013,914	2,075,014	2,049,654	2,084,733	294,421
Operating lease liabilities, non-current	402,420	392,345	379,789	709,998	748,077	105,649
Finance lease and other financing obligations, non-current	4,039,333	4,381,340	4,565,929	4,751,121	5,055,923	714,033
Total liabilities	16,717,996	17,511,913	18,552,566	20,136,969	20,591,113	2,908,021
Redeemable preferred shares	1,010,586	1,033,353	1,063,145	1,061,981	1,065,127	150,425
Total shareholders' equity	8,412,122	8,419,255	8,387,880	10,293,581	10,248,124	1,447,311



Historical Financial Results

Condensed Consolidated Statements of Cash Flows

Amounts in thousands	Three Months Ended					
	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
Net cash (used in) provided by operating activities	(59,806)	115,910	165,219	72,113	(169,799)	(23,981)
Net cash used in investing activities	(834,446)	(539,147)	(1,150,440)	(2,607,198)	(2,535,940)	(358,142)
Net cash provided by (used in) financing activities	4,789,711	(20,334)	887,546	2,705,016	604,262	85,337
Effect of exchange rate changes on cash and restricted cash	(9,215)	122,535	109,558	(58,508)	25,587	3,614
Net increase (decrease) in cash and restricted cash	3,886,244	(321,036)	11,883	111,423	(2,075,890)	(293,172)
Cash and restricted cash at beginning of period	2,284,748	6,170,992	5,849,956	5,861,839	5,973,262	843,586
Cash and restricted cash at end of period	6,170,992	5,849,956	5,861,839	5,973,262	3,897,372	550,414



Reconciliation from Net Loss to Adjusted NOI

Adjusted NOI

Amounts in thousands	Three Months Ended					
	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(136,620)	(93,159)	(108,642)	(103,662)	(92,031)	(12,997)
Net interest expenses	219,117	221,906	241,038	233,615	260,865	36,841
Income tax expenses (benefits)	14,015	(1,198)	(678)	3,511	15,709	2,219
Depreciation and amortization	254,037	269,176	299,349	319,470	319,026	45,055
Operating lease cost relating to prepaid land use rights	0	0	0	0	496	70
Accretion expenses for asset retirement costs	711	723	743	813	896	127
Share-based compensation expenses	31,957	30,977	51,886	74,936	67,143	9,482
Selling and marketing expenses ⁽¹⁾	20,330	22,610	22,330	25,195	17,063	2,410
General and administrative expenses ⁽¹⁾	57,090	61,898	61,676	59,769	58,762	8,299
Research and development expenses ⁽¹⁾	3,970	3,477	5,144	5,395	7,306	1,032
Foreign currency exchange (gain) loss, net	(4,772)	7,530	2,796	446	12,619	1,782
Others, net	(2,503)	(2,017)	(4,602)	(6,341)	(2,916)	(412)
Adjusted NOI	457,332	521,923	571,040	613,147	664,938	93,908
Adjusted NOI margin	51.3%	53.0%	53.6%	52.0%	53.6%	53.6%

Note:

1. Selling and marketing expenses, general and administrative expenses and research and development expenses exclude depreciation, amortization, operating lease cost relating to prepaid land use rights, and share-based compensation expenses.



Reconciliation from Net Loss to Adjusted EBITDA

Adjusted EBITDA

Amounts in thousands	Three Months Ended					
	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(136,620)	(93,159)	(108,642)	(103,662)	(92,031)	(12,997)
Net interest expenses	219,117	221,906	241,038	233,615	260,865	36,841
Income tax expenses (benefits)	14,015	(1,198)	(678)	3,511	15,709	2,219
Depreciation and amortization	254,037	269,176	299,349	319,470	319,026	45,055
Operating lease cost relating to prepaid land use rights	0	0	0	0	496	70
Accretion expenses for asset retirement costs	711	723	743	813	896	127
Share-based compensation expenses	31,957	30,977	51,886	74,936	67,143	9,482
Adjusted EBITDA	383,217	428,425	483,696	528,683	572,104	80,797
Adjusted EBITDA margin	43.0%	43.5%	45.4%	44.8%	46.1%	46.1%



Definition of KPIs

Area In Service	To the entire net floor area of data centers (or phases of data centers) which are ready for service
Area Under Construction	To the entire net floor area of data centers (or phases of data centers) which are actively under construction and have not yet reached the stage of being ready for service
Area Held for Future Development	To the estimated net floor area that we have secured for potential future development by different means, including greenfield and brownfield land which we have acquired or which we expect to acquire pursuant to binding framework agreements with local governments, building shells which we have purpose-built on land which we own, and existing buildings which we have acquired or leased with the intention of converting or redeveloping into data centers, but which are not actively under construction;
Area Committed	To that part of our area in service which is committed to customers pursuant to customer agreements remaining in effect
Area Pre-Committed	To that part of our area under construction which is pre-committed to customers pursuant to customer agreements remaining in effect
Total Area Committed	Sum of Area Committed and Area Pre-Committed
Commitment Rate	Ratio of Area Committed to Area In Service
Pre-Commitment Rate	Ratio of Area Pre-Committed to Area Under Construction
Area Utilized	To that part of our area in service that is committed to customers and revenue generating pursuant to the terms of customer agreements remaining in effect
Utilization Rate	Ratio of Area Utilized to Area In Service



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