



GDS 万国数据

1Q19 Earnings Call

14 May 2019

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 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, income tax expenses (benefits), depreciation and amortization, 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



1Q19 HIGHLIGHTS

Sales Momentum

- Net additional total area committed of +16,088 sqm
- Total area committed increased by 62.7% y/y to 199,831 sqm

Capacity Expansion

- Total capacity (in service + under construction) grew by 65.0% y/y to 237,251 sqm
- Invested Rmb 834.4 mn (\$124.3 mn) of capex for capacity expansion

Financial Results

- Area utilized increased by 76.4% y/y and total revenue grew by 58.6% y/y
- Adjusted EBITDA grew by 111.4% y/y and adjusted EBITDA margin hit 43%

Funding

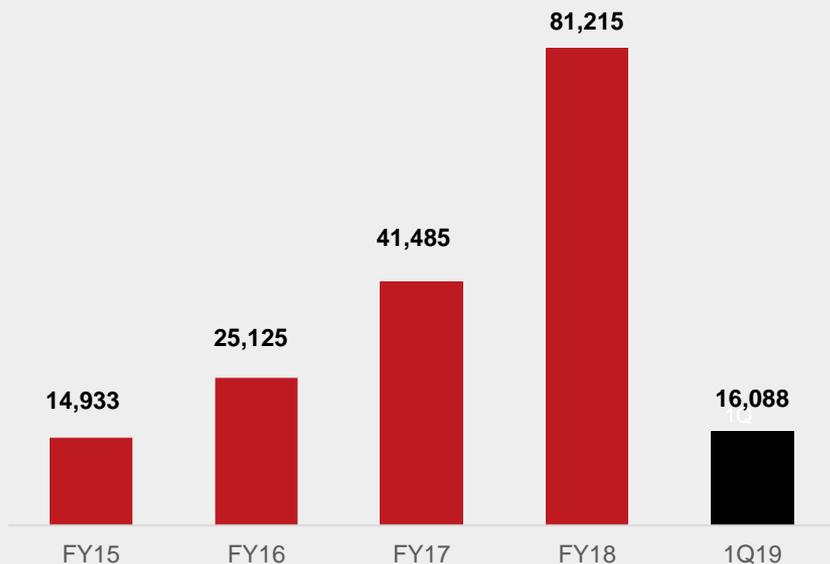
- Raised \$445 mn from follow-on offering + \$150 mn from Ping An investment
- Obtained Rmb 2,264.3 mn (\$337.4 mn) of new debt facilities

Note:
Exchange rate of 6.7112:1 (RMB:USD) is used throughout this whole presentation.



Sales Achievement

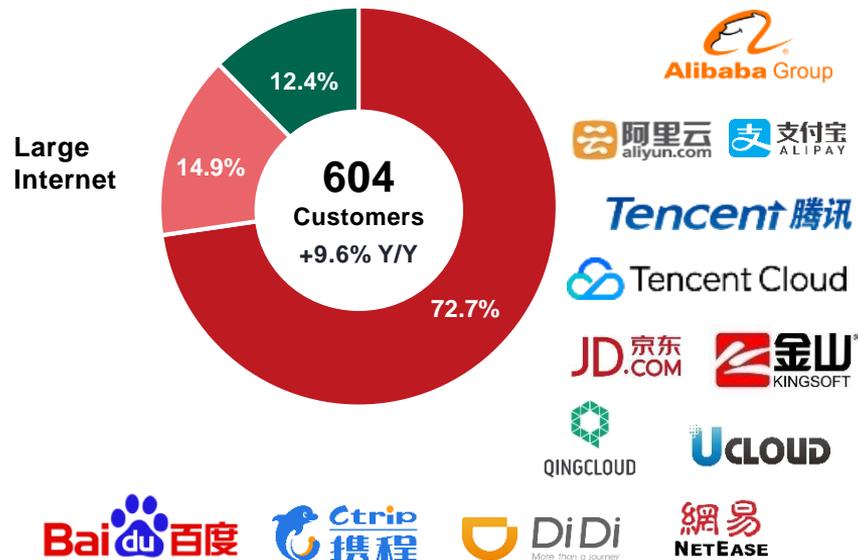
Net Additional Area Committed (Sqm)



Total Area Committed by Customer Segment

FSI & Large Enterprises

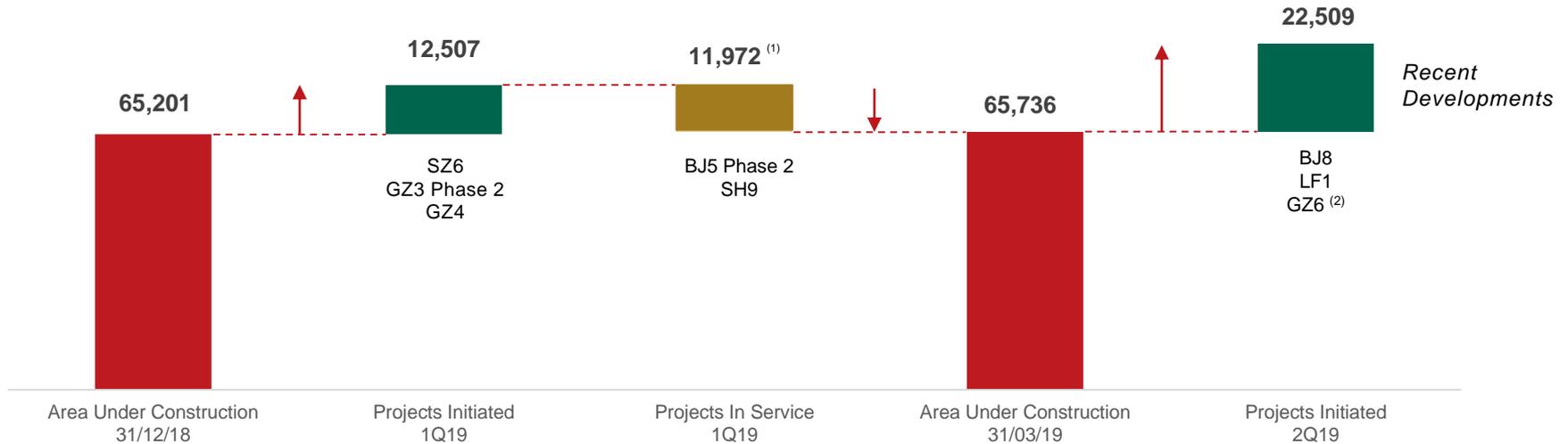
Cloud Service Providers





Resource Progress

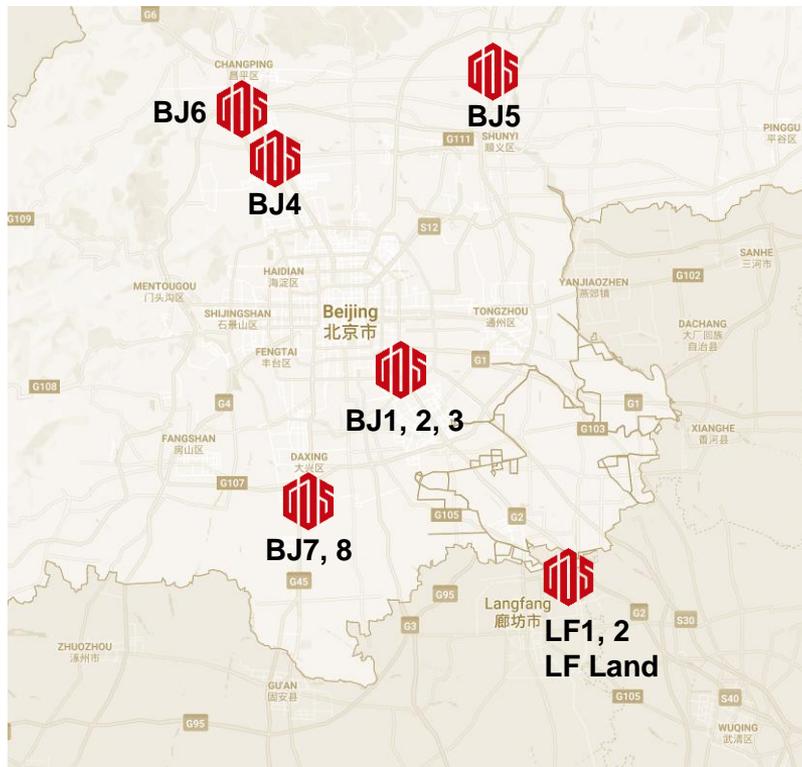
Capacity Expansion – 1Q19 & Recent Developments



Notes:
1. Area in Service adjustment 1Q19: SH9 -550 sqm.
2. Subject to closing of the acquisition.



Beijing



	Status	Capacity (Sqm)	Commitment Rate (%)
Beijing			
BJ1	In Service	2,435	99.8%
BJ2	In Service	5,816	99.8%
BJ3	In Service	3,144	100%
BJ4	Under Construction	4,500	0%
BJ5	In Service	13,366	96.6%
BJ6	Under Construction	5,167	0%
BJ7	Under Construction	11,116	100%
BJ8 ⁽¹⁾	Under Construction	10,911	0%
Langfang			
LF1 ⁽¹⁾	Under Construction	4,858	100%
LF2 ⁽¹⁾	Held for Future Development	4,858	N/A
LF Land	Held for Future Development	70,000 ⁽²⁾	N/A
Total		136,171	

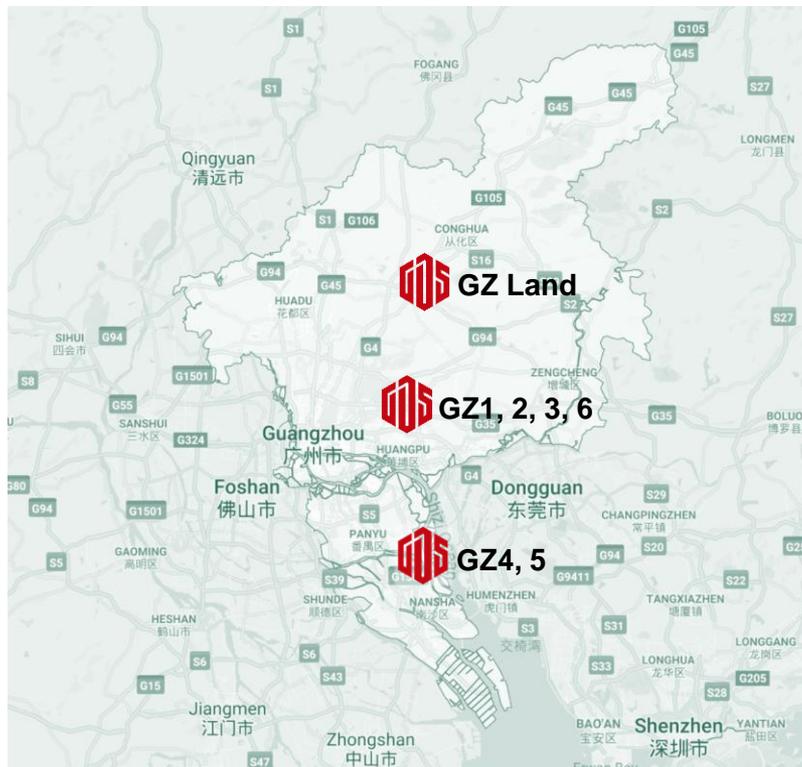
Notes:

1. Recent development (after 1Q19 end).

2. Preliminary estimate based on land area, plot ratio, and power capacity allocation.



Guangzhou



	Status	Capacity (Sqm)	Commitment Rate (%)
GZ1	In Service	6,521	100%
GZ2	In Service	6,131	100%
GZ3 Phase 1	In Service	7,648	100%
GZ3 Phase 2	Under Construction	3,441	100%
GZ3 Phase 3	Held for Future Development	3,441	N/A
GZ4	Under Construction	7,000	0%
GZ5	Held for Future Development	7,000	N/A
GZ6 ⁽¹⁾	Pending Acquisition	6,740	N/A
GZ Land	Held for Future Development	34,200 ⁽²⁾	N/A
Total		82,122	

Notes:

1. Recent development (after 1Q19 end). Subject to closing of the acquisition.
2. Preliminary estimate based on land area, plot ratio, and power capacity allocation.



New Data Centers

In Service – SH9



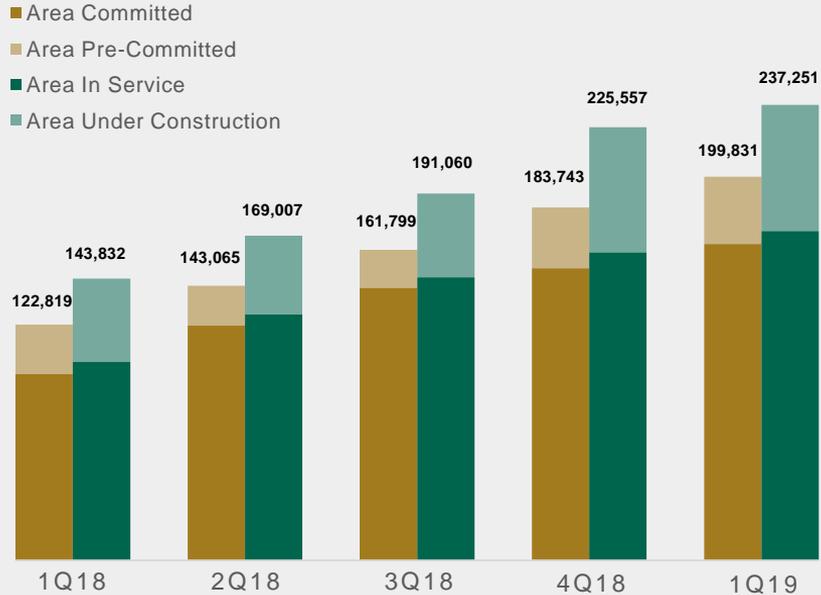
Under Construction – BJ7 & BJ8



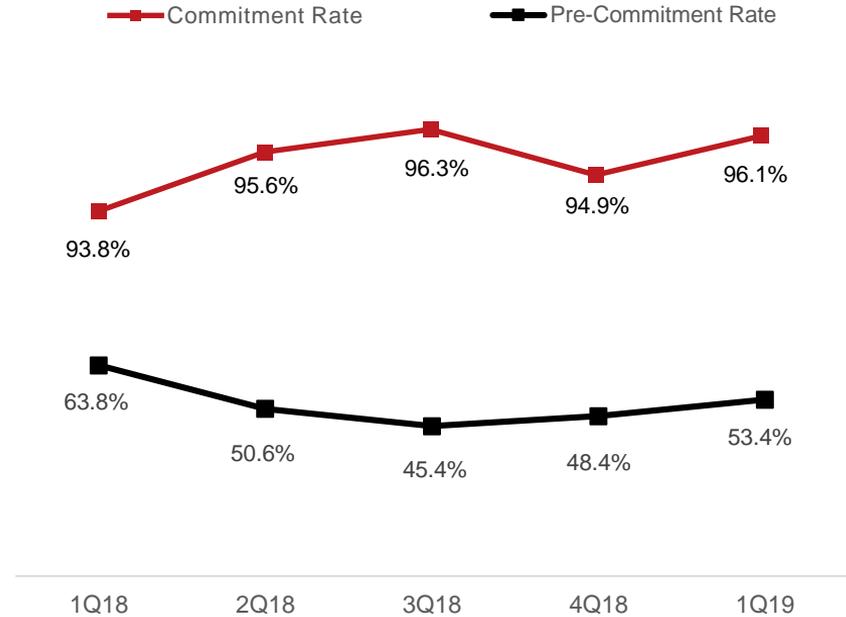


Synchronized Sales & Capacity Growth

Commitments vs. Capacity (Sqm)



Commitment & Pre-Commitment Rates





Financial & Operating Review

Dan Newman, CFO





1Q19 P&L Analysis

Quarterly Financial Review

Rmb'000 (unless indicated)	1Q18	4Q18	1Q19	Y/Y	Q/Q
Service Revenue	551,473	829,050	890,946	61.6%	7.5%
Equipment Sales	10,752	471	895	(91.7%)	90.0%
Total Net Revenue	562,225	829,521	891,841	58.6%	7.5%
Cost of Revenue	(439,308)	(639,383)	(679,832)	54.8%	6.3%
Add Back: D&A, SBC & Asset Retirement Cost	129,090	222,721	245,323	90.0%	10.1%
Adjusted NOI⁽¹⁾	252,007	412,859	457,332	81.5%	10.8%
<i>Adjusted NOI Margin</i>	<i>44.8%</i>	<i>49.8%</i>	<i>51.3%</i>	<i>6.5 ppts</i>	<i>1.5 ppts</i>
SG&A	(92,457)	(127,654)	(122,772)	32.8%	(3.8%)
Add Back: D&A and SBC	24,340	43,365	41,382	70.0%	(4.6%)
FX Change Gain (Loss) & Others, Net	(2,610)	3,271	7,275	(378.7%)	122.4%
Adjusted EBITDA⁽²⁾	181,280	331,841	383,217	111.4%	15.5%
<i>Adjusted EBITDA margin</i>	<i>32.2%</i>	<i>40.0%</i>	<i>43.0%</i>	<i>10.8 ppts</i>	<i>3.0 ppts</i>

Notes:

- Adjusted NOI (Adjusted Net Operating Income) is defined as net loss excluding: net interest expenses, income tax expenses (benefits), depreciation and amortization, 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, accretion expenses for asset retirement costs and share-based compensation expenses.



1Q19 Underlying Trends

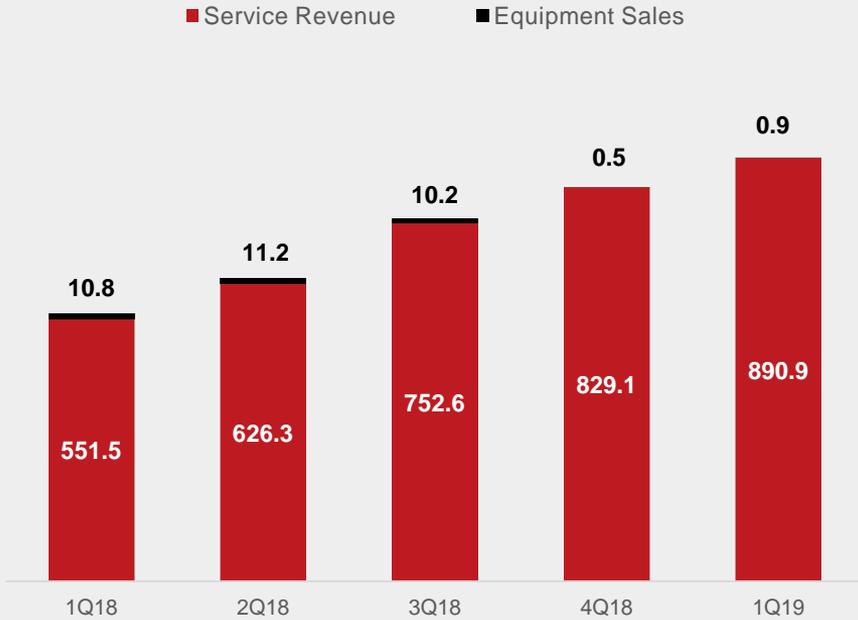
Quarterly Financial Review

Rmb'000 (unless indicated)	1Q18	4Q18	1Q19	Y/Y	Q/Q
Total Net Revenue	562,225	829,521	891,841	58.6%	7.5%
Less: Equipment Sales	10,752	471	895	(91.7%)	90.0%
Service Revenue	551,473	829,050	890,946	61.6%	7.5%
Adjusted NOI	252,007	412,859	457,332	81.5%	10.8%
Less: Equipment Profit	2,246	87	47	(97.9%)	(46.0%)
Underlying Adjusted NOI	249,761	412,772	457,285	83.1%	10.8%
<i>Underlying Adjusted NOI Margin</i>	<i>45.3%</i>	<i>49.8%</i>	<i>51.3%</i>	<i>6.0 ppts</i>	<i>1.5 ppts</i>
Adjusted EBITDA	181,280	331,841	383,217	111.4%	15.5%
Less: Equipment Profit	2,246	87	47	(97.9%)	(46.0%)
Less: FX Change Gain (Loss)	(3,219)	327	4,772	(248.2%)	1,359.3%
Underlying Adjusted EBITDA	182,253	331,427	378,398	107.6%	14.2%
<i>Underlying Adjusted EBITDA Margin</i>	<i>33.0%</i>	<i>40.0%</i>	<i>42.5%</i>	<i>9.5 ppts</i>	<i>2.5 ppts</i>

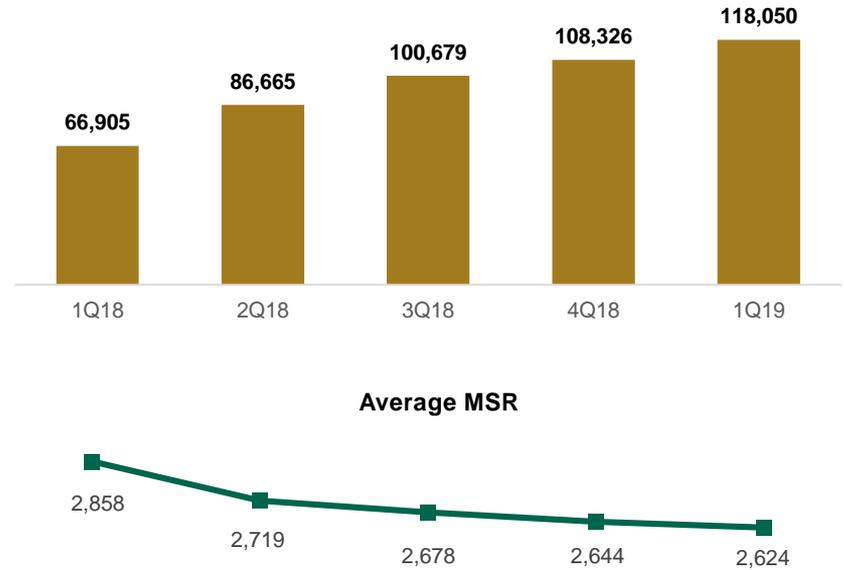


Revenue & Area Utilized

Revenue (Rmb Mn)



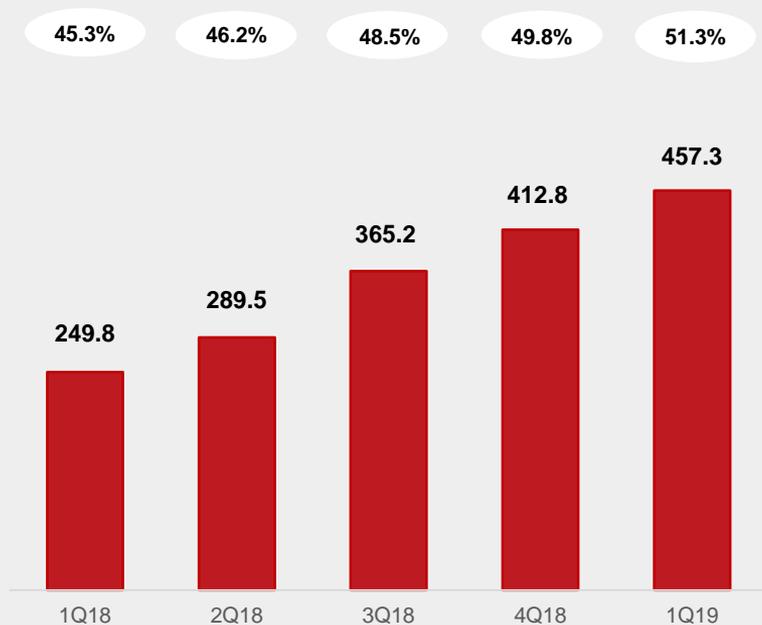
Area Utilized (Sqm) & MSR (Rmb / Sqm / Month)



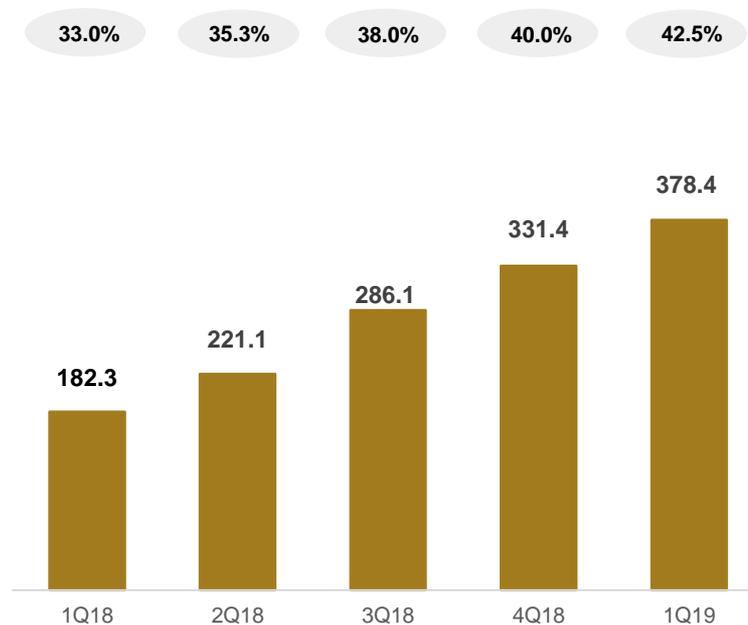


Underlying Adjusted NOI & EBITDA

Underlying Adjusted NOI (Rmb Mn) & Margin



Underlying Adjusted EBITDA (Rmb Mn) & Margin





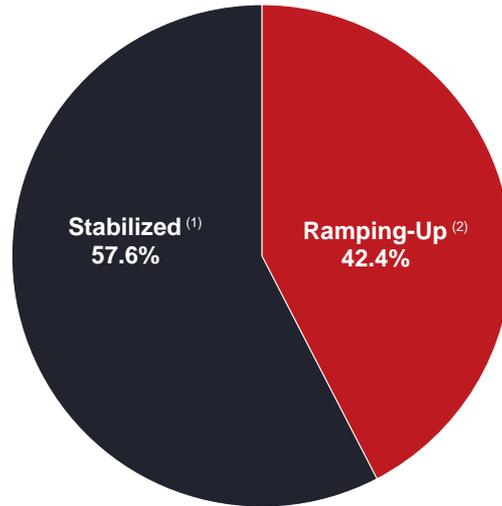
Stabilized vs. Ramping-Up Data Centers

Breakdown of Area In Service as at 1Q19

Stabilized Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS1	6,546	96.3%	91.5%
SH1	6,432	97.0%	94.4%
SH2	7,712	99.3%	97.0%
SH3	7,950	98.5%	90.9%
SZ1	4,286	98.5%	98.5%
SZ2	4,308	100%	99.9%
SZ3	2,678	86.6%	83.4%
SZ5 Phase 1	5,000	100%	100.0%
SZ5 Phase 2	7,858	100%	82.2%
GZ1	6,521	100%	100%
GZ2	6,131	100%	98.2%
GZ3 Phase 1	7,648	100%	96.8%
BJ1	2,435	99.8%	97.2%
BJ2	5,816	99.8%	90.1%
BJ3	3,144	100.0%	90.4%
BJ5 Phase 1	5,274	100.0%	84.8%
HB1	5,132	100.0%	83.9%
3 rd Party	3,947	92.8%	90.4%
Total	98,818	98.7%	92.8%

Area In Service



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

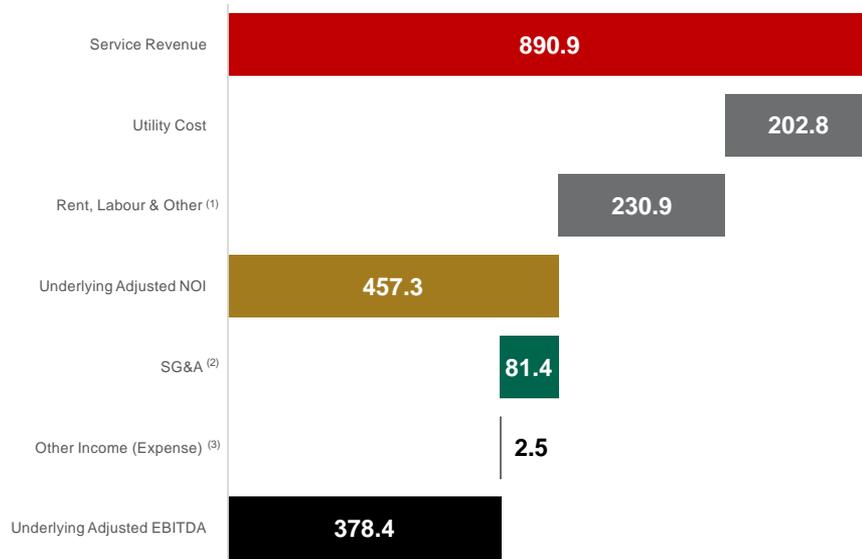
Ramping-Up Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
SH4	8,415	95.5%	67.1%
SH5 Phase 1	2,040	100%	50.1%
SH6	7,540	59.5%	0.9%
SH8	4,924	91.8%	70.8%
SH9	3,330	100%	0.0%
SH11	4,214	100.0%	61.4%
SZ4 Phase 1	4,677	96.8%	9.1%
BJ5 Phase 2	8,092	94.4%	3.2%
CD1	6,262	99.6%	56.8%
CD2 Phase 1	8,250	100.0%	0.0%
HB2	4,662	100.0%	69.5%
HB3	4,662	100.0%	61.2%
3 rd Party	5,628	82.8%	56.3%
Total	72,697	92.5%	36.2%



Cost Breakdown & Operating Leverage

1Q19 Cost Breakdown & Operating Leverage (Rmb Mn)



% of Service Revenue

	1Q18	2Q18	3Q18	4Q18	1Q19
Utility Cost	22.9%	24.1%	24.8%	23.1%	22.8%
Rent, Labour & Other (1)	31.8%	29.7%	26.7%	27.1%	25.9%
Underlying Adjusted NOI	45.3%	46.2%	48.5%	49.8%	51.3%
SG&A (2)	12.4%	11.2%	10.9%	10.2%	9.1%
Other Income (Expense) (3)	0.1%	0.3%	0.4%	0.4%	0.3%
Underlying Adjusted EBITDA	33.0%	35.3%	38.0%	40.0%	42.5%

Notes:

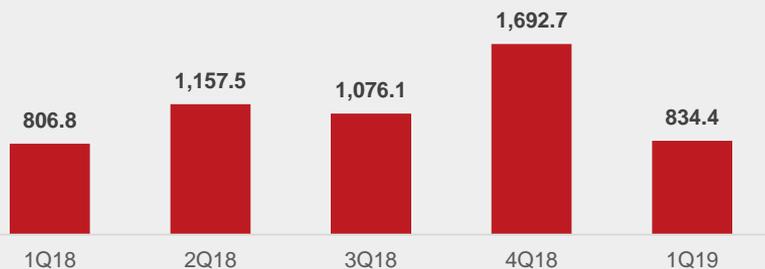
1. Rent, Labor & Other excludes D&A, SBC and asset retirement cost.
2. SG&A excludes D&A and SBC.
3. Other Income (Expense) excludes interest expense / income and foreign exchange gain / loss.



Capex & On-Going Investment

Capex Paid & Capex Incurred

Capex Paid (Rmb Mn) ⁽¹⁾



Cumulative Capex Incurred ⁽²⁾

Total Capacity ⁽³⁾	Development Cost (Rmb Mn)			Unit Capex
	To Date	To Complete	Total Capex	
227,675 Sqm	11,210.7	3,781.2	14,991.9	Rmb 65,847 per Sqm
463 MW ⁽⁴⁾				Rmb 32,380 per kW

Notes:

1. Refers to net cash used in investing activities, including premium paid for acquisitions.
2. Does not include premium for acquisitions. Does not include 3rd party data centers.
3. Total Capacity = In Service + Under Construction.
4. Refers to IT power capacity, not total facility power capacity.

Construction Program 1Q19

	RFS Date	Net Floor Area (Sqm)	Pre-Commitment Rate (%)
BJ4	2Q19	4,500	0%
SZ5 Phase 3	2H19	6,821	80.1%
SH10	2H19	3,491	0%
BJ6	2H19	5,167	0%
SH7	2H19	7,071	0%
SH12	1H20	3,653	100%
BJ7	2H19	11,116	100%
KS2	1H20	6,120	100%
KS3	1H20	5,290	100%
SZ6	2H19	2,066	0%
GZ3 Phase 2	2H19	3,441	100%
GZ4	1H20	7,000	0%
Total	--	65,736	53.4%



Financing Obligations & Liquidity

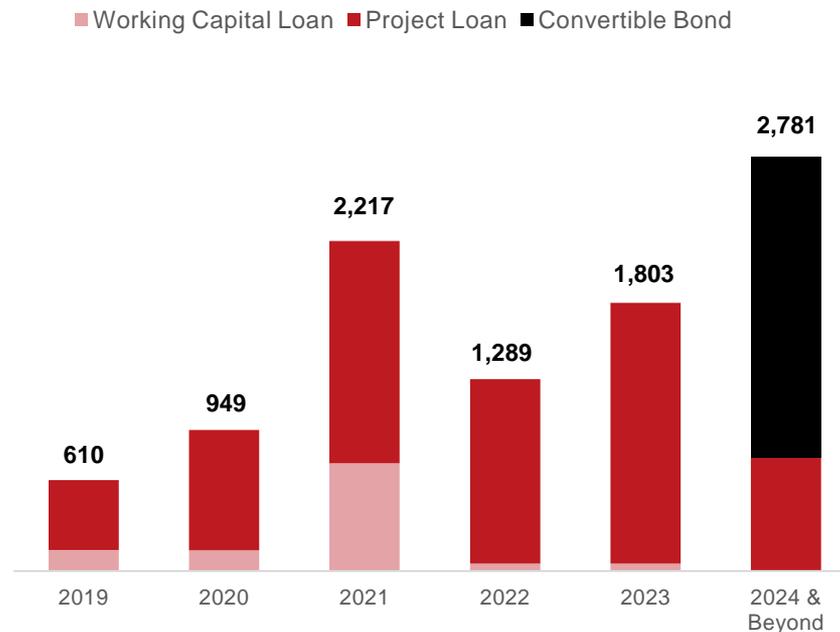
Debt & Cash Outstanding

	31/03/18	31/12/18	31/03/19	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adjusted EBITDA
Total Loan	5,150.4	6,487.0	7,442.7	4.9
Convertible Bond	0	2,004.7	1,969.7	1.3
Finance Lease	2,455.8	4,301.2	4,159.3	2.7
Gross Debt	7,606.2	12,792.9	13,571.7	8.9
Cash	2,978.6	2,161.6	6,001.2	4.0
Net Debt	4,627.6	10,631.3	7,570.5	4.9

	1Q18	2Q18	3Q18	4Q18	1Q19
Net Debt / LQA Adjusted EBITDA	6.4	7.8	7.3	8.0	4.9
Interest Coverage Ratio ⁽¹⁾	1.58	1.69	1.65	1.64	1.75

Note:
1. Interest Coverage Ratio = Adjusted EBITDA / Reported Net Interest Expense.

Loan Maturity Schedule as at 31/03/19 (Rmb Mn)

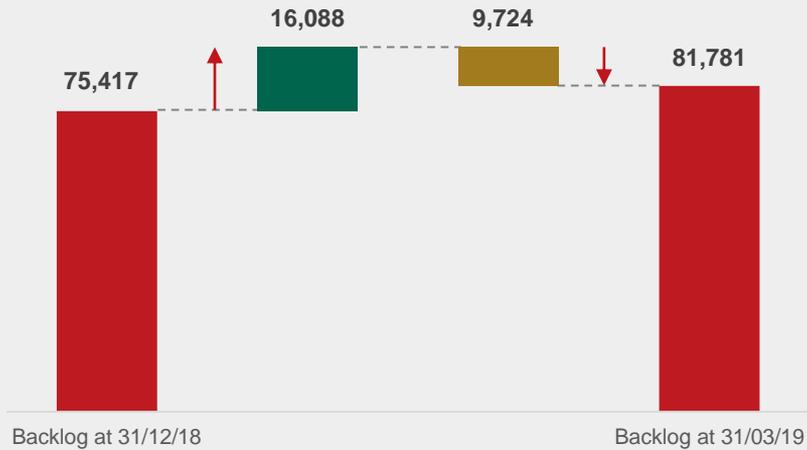




Contract Backlog Build-Up

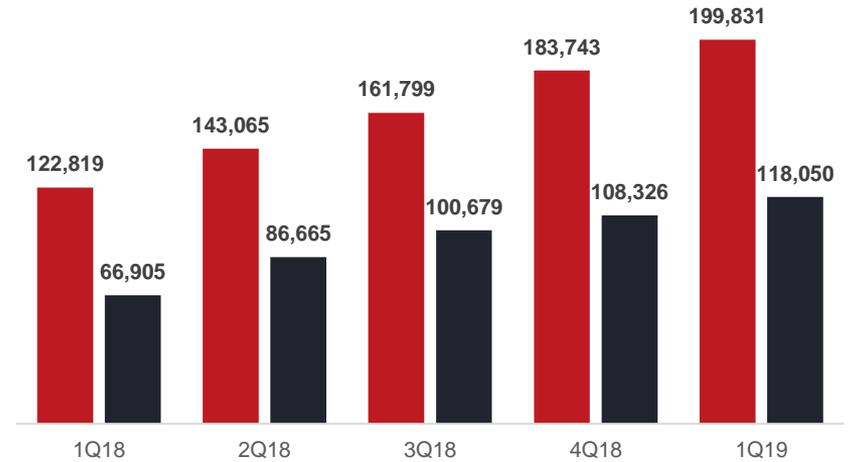
Backlog Build-Up 1Q19 (Sqm)

- Net Additional Area Committed
- Net Additional Area Utilized



Total Area Committed & Area Utilized (Sqm)

- Total Area Committed
- Area Utilized





Questions & Answers

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Appendix

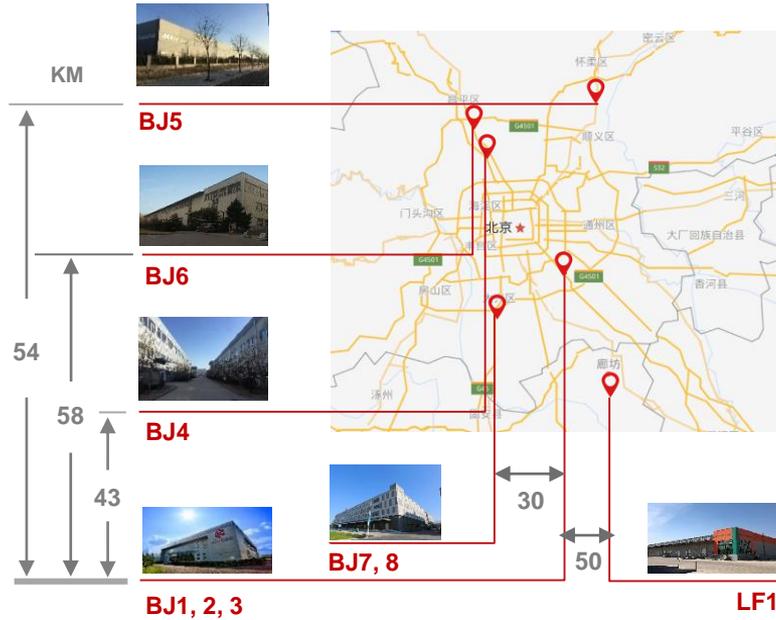




Our Data Center Portfolio – Beijing & Shanghai

Self-Developed Data Centers in Tier 1 Markets

Beijing



Shanghai





Our Data Center Portfolio – Shenzhen, Guangzhou & Chengdu

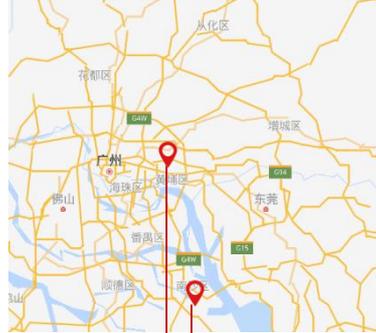
Self-Developed Data Centers in Tier 1 Markets

Chengdu



CD1, 2

Guangzhou

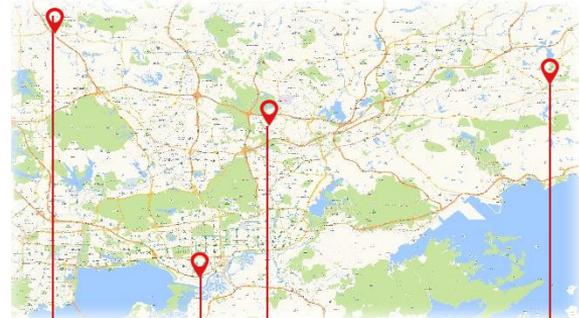


GZ1, 2, 3, 6



GZ4

Shenzhen



SZ5



SZ1, 2, 3



SZ6



SZ4





Key Operating KPIs

Last 8 Quarters

As At:	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Area In Service (Sqm)	71,577	77,832	101,258	103,475	127,984	147,342	160,356	171,515
Area Under Construction (Sqm)	38,028	37,478	24,505	40,357	41,023	43,718	65,201	65,736
Total Capacity (Sqm)	109,605	115,310	125,763	143,832	169,007	191,060	225,557	237,251
Area Committed (Sqm)	65,994	69,880	92,961	97,068	122,306	141,931	152,163	164,747
Area Pre-Committed (Sqm)	10,547	12,970	9,567	25,751	20,759	19,868	31,580	35,084
Total Area Committed (Sqm)	76,541	82,850	102,528	122,819	143,065	161,799	183,743	199,831
Commitment Rate (%)	92.2%	89.8%	91.8%	93.8%	95.6%	96.3%	94.9%	96.1%
Pre-Commitment Rate (%)	27.7%	34.6%	39.0%	63.8%	50.6%	45.4%	48.4%	53.4%
Area Utilized (Sqm)	42,470	50,579	61,713	66,905	86,665	100,679	108,326	118,050
Utilization Rate %	59.3%	65.0%	60.9%	64.7%	67.7%	68.3%	67.6%	68.8%
Average MSR (Rmb / Sqm / Month)	2,750	3,031	2,931	2,858	2,719	2,678	2,644	2,624



Data Center Summary By Market

As at 31/03/19 (Sqm, Unless Indicated)

Market	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)
Shanghai / Kunshan	59,103	25,625	84,728	54,657	15,063	69,720	39,579	92.5%	58.8%	67.0%
Shenzhen / Guangzhou	49,107	19,328	68,435	48,535	8,905	57,440	42,592	98.8%	46.1%	86.7%
Beijing	24,761	20,783	45,544	24,291	11,116	35,407	15,181	98.1%	53.5%	61.3%
Chengdu	14,512	/	14,512	14,488	/	14,488	3,559	99.8%	/	24.5%
Hebei	14,456	/	14,456	14,456	/	14,456	10,399	100.0%	/	71.9%
3 rd Party	9,576	/	9,576	8,320	/	8,320	6,739	86.9%	/	70.4%
Total	171,515	65,736	237,251	164,747	35,084	199,831	118,050	96.1%	53.4%	68.8%

Note: Includes data for Self-Developed and 3rd Party data centers.



Self-Developed Data Centers In Service – Shanghai / Kunshan

As at 31/03/19 (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	Owned	6,546	6,302	96.3%	5,988	91.5%
SH1	2H11	Purpose-Built	Leased	6,432	6,240	97.0%	6,073	94.4%
SH2	2H15	Purpose-Built	Leased	7,712	7,657	99.3%	7,477	97.0%
SH3	2H16	Purpose-Built	Leased	7,950	7,832	98.5%	7,229	90.9%
SH4	2H17	Purpose-Built	Leased	8,415	8,034	95.5%	5,649	67.1%
SH5 Phase1	1H18	Converted	Leased	2,040	2,040	100.0%	1,021	50.1%
SH6	2H18	Purposes-Built	Leased	7,540	4,490	59.5%	66	0.9%
SH8	2H18	Converted	Leased	4,924	4,519	91.8%	3,488	70.8%
SH9	1H19	Converted	Leased	3,330	3,330	100.0%	0	0.0%
SH11	1H18	Converted	Leased	4,214	4,214	100.0%	2,588	61.4%



Self-Developed Data Centers In Service – Shenzhen / Guangzhou

As at 31/03/19 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
SZ1	2H14	Converted	Leased	4,286	4,222	98.5%	4,222	98.5%
SZ2	1H16	Converted	Leased	4,308	4,308	100.0%	4,305	99.9%
SZ3	2H16	Converted	Leased	2,678	2,319	86.6%	2,234	83.4%
SZ4 Phase 1	2H17	Converted	Leased	4,677	4,528	96.8%	427	9.1%
SZ5 Phase 1	1H17	Converted	Leased	5,000	5,000	100.0%	5,000	100.0%
SZ5 Phase 2	1H18	Converted	Leased	7,858	7,858	100.0%	6,461	82.2%
GZ1	1H16	Converted	Leased	6,521	6,521	100.0%	6,521	100.0%
GZ2	2H17	Converted	Leased	6,131	6,131	100.0%	6,018	98.2%
GZ3 Phase 1	1H18	Purpose-Built	Leased	7,648	7,648	100.0%	7,404	96.8%



Self-Developed Data Centers In Service – Beijing, Chengdu & Hebei

As at 31/03/19 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
Beijing	BJ1	2H15	Converted	Leased	2,435	2,431	99.8%	2,367	97.2%
	BJ2	2H17	Converted	Leased	5,816	5,805	99.8%	5,243	90.1%
	BJ3	2H17	Converted	Leased	3,144	3,144	100.0%	2,844	90.4%
	BJ5 Phase 1	2H18	Converted	Leased	5,274	5,274	100.0%	4,470	84.8%
	BJ5 Phase 2	1H19	Converted	Leased	8,092	7,637	94.4%	257	3.2%
Chengdu	CD1	1H17	Purpose-Built	Owned	6,262	6,238	99.6%	3,559	56.8%
	CD2 Phase 1	2H18	Purpose-Built	Owned	8,250	8,250	100.0%	0	0.0%
Hebei	HB1	1H18	Built-To-Suit	Leased	5,132	5,132	100.0%	4,306	83.9%
	HB2	2H18	Built-To-Suit	Leased	4,662	4,662	100.0%	3,240	69.5%
	HB3	2H18	Built-To-Suit	Leased	4,662	4,662	100.0%	2,853	61.2%



Self-Developed Data Centers Under Construction

As at 31/03/19 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area Under Construction	Area Pre-Committed	Pre-Commitment Rate
Shanghai / Kunshan	SH10	2H19	Converted	Leased	3,491	0	0%
	SH7	2H19	Purpose-Built	Leased	7,071	0	0%
	SH12	1H20	Purpose-Built	Leased	3,653	3,653	100%
	KS2	1H20	Purpose-Built	Owned	6,120	6,120	100%
	KS3	1H20	Purpose-Built	Owned	5,290	5,290	100%
Beijing	BJ4	1H19	Converted	Leased	4,500	0	0%
	BJ6	2H19	Converted	Leased	5,167	0	0%
	BJ7	2H19	Converted	Leased	11,116	11,116	100%
Shenzhen / Guangzhou	SZ5 Phase 3	2H19	Converted	Leased	6,821	5,463	80.1%
	SZ6	2H19	Converted	Leased	2,066	0	0%
	GZ3 Phase 2	2H19	Purpose-Built	Leased	3,441	3,441	100%
	GZ4	1H20	Converted	Leased	7,000	0	0%



Top 5 Customers

In terms of Total Area Committed

End User	% of Total Area Committed	% of 1Q19 Service Revenue	Number of Data Centers ⁽¹⁾
Internet / Cloud Service Provider	26.6%	19.8%	13
Internet / Cloud Service Provider	25.4%	26.9%	17
Cloud Service Provider	11.6%	0.6%	5
Internet	9.5%	11.6%	5
Internet / Cloud Service Provider	2.6%	0.0%	2

Note:
1.Excluding 3rd party data centers.



Principal Shareholders

As at 31/03/19 ⁽¹⁾

	Ordinary Shares	Equivalent ADS	Pro Forma ADS Change ⁽³⁾	Equivalent ADS	% of Total
William Huang ⁽²⁾	67,915,944	8,489,493		8,489,493	5.9%
Directors & Officers	12,374,791	1,546,848		1,546,848	1.1%
STT	405,922,804	50,740,350		50,740,350	35.4%
Ping An	63,369,856	7,921,232	4,213,483	12,134,715	8.5%
SBCVC	66,691,574	8,336,446		8,336,446	5.8%
CyrusOne	64,257,028	8,032,128	(5,730,659)	2,301,469	1.6%
Others / Free Float	433,104,123	54,138,015	5,730,659	59,868,674	41.7%
Total	1,113,636,120	139,204,512	+4,213,483	143,417,995	100.0%

Notes:

1. Does not include options and RSUs to be exercised or vested within 60 days of 25,539,216 ordinary shares, or 3,192,402 ADSs, and after 60 days of 26,703,952 ordinary shares, or 3,337,994 ADSs. Does not include potential 5,815,950 ADSs from the existing Convertible Bonds conversion.

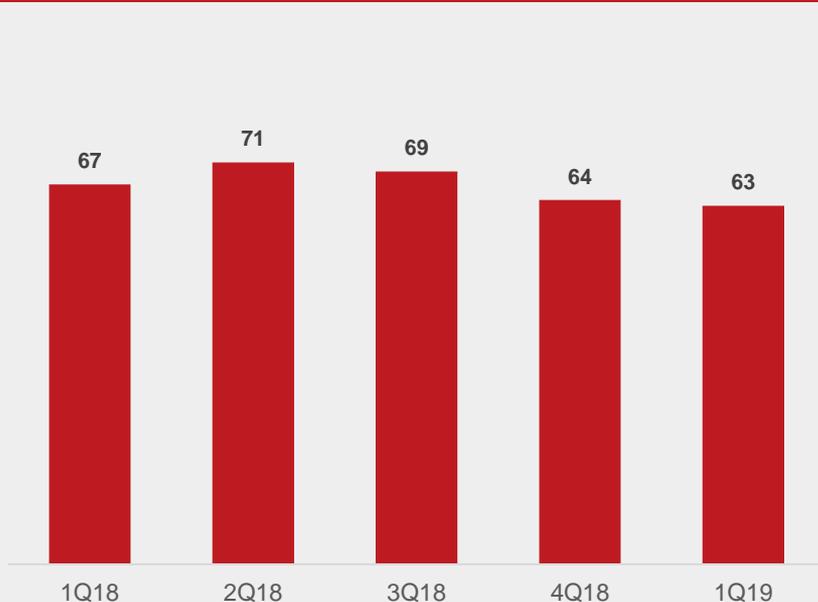
2. Including 325,608 restricted shares, or 40,701 ADSs vested on August 1, 2018 after paying tax, which are Class A shares. The rest shares represent Class B shares; all the other shares held by other shareholders are Class A shares. The voting power of Class B vs Class A is 20:1.

3. Pro forma for the Convertible Preferred Shares issued to Ping An, and CyrusOne selling in April.



Working Capital Management

Accounts Receivable Turnover Days (# of Days)



Days Payable Outstanding (DPO) ⁽¹⁾

# of Days	FY16	FY17	FY18	1H18	3Q18	4Q18	1Q19
DPO – Opex	96	96	78	79	80	80	82
DPO – Capex	112	133	125	154	196	75	162
Total DPO	106	122	113	133	153	76	136
Total DPO (Excl. Acquisitions)	104	108	98	108	122	64	121

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, 180, or 360 days for the respective period. For DPO – Opex, or DPO – Capex, the numerator and denominator will only cover operating expenditure or capital expenditure, respectively in a consistent way.



Historical Financial Results

Condensed Consolidated Statements of Operations

Amounts in thousands	Three Months Ended					
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net Revenue						
Service revenue	551,473	626,347	752,620	829,050	890,946	132,755
Equipment sales	10,752	11,163	10,201	471	895	133
Total net revenue	562,225	637,510	762,821	829,521	891,841	132,888
Cost of revenue	(439,308)	(499,989)	(590,956)	(639,383)	(679,832)	(101,298)
Gross profit	122,917	137,521	171,865	190,138	212,009	31,590
Operating expenses						
Selling and marketing expenses	(26,849)	(22,132)	(29,320)	(32,269)	(27,832)	(4,147)
General and administrative expenses	(62,936)	(86,737)	(89,267)	(90,661)	(90,301)	(13,455)
Research and development expenses	(2,672)	(3,201)	(3,318)	(4,724)	(4,639)	(691)
Income from operations	30,460	25,451	49,960	62,484	89,237	13,297
Other income (expenses)						
Net interest expenses	(115,054)	(137,274)	(182,152)	(202,493)	(219,117)	(32,649)
Foreign currency exchange (loss) gain, net	(3,219)	9,778	13,420	327	4,772	711
Others, net	609	1,903	3,197	2,944	2,503	373
Loss before income taxes	(87,204)	(100,142)	(115,575)	(136,738)	(122,605)	(18,268)
Income tax benefits (expenses)	1,278	(1,935)	(3,779)	13,827	(14,015)	(2,088)
Net loss	(85,926)	(102,077)	(119,354)	(122,911)	(136,620)	(20,356)



Historical Financial Results

Condensed Consolidated Balance Sheets ⁽¹⁾

Amounts in thousands. As of	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Cash	2,978,627	4,450,958	3,491,694	2,161,622	6,001,214	894,209
Accounts receivable, net of allowance for doubtful accounts	469,173	531,490	625,087	536,842	713,601	106,330
Total current assets	3,710,263	5,322,382	4,459,868	3,037,396	7,131,358	1,062,606
Property and equipment, net	8,817,797	11,441,921	12,581,602	13,994,945	14,630,720	2,180,045
Operating lease right-of-use assets	-	-	-	-	497,600	74,144
Goodwill and intangible assets, net	1,909,801	2,265,022	2,249,763	2,234,462	2,175,429	324,149
Total assets	15,135,127	19,860,438	20,217,060	20,885,243	26,140,704	3,895,085
Short-term borrowings and current portion of long-term borrowings	905,495	1,439,352	1,310,991	1,283,320	860,139	128,165
Operating lease liabilities, current	-	-	-	-	70,124	10,449
Finance lease and other financing obligations, current	120,718	151,598	148,980	166,898	119,919	17,868
Total current liabilities	2,445,779	3,525,311	3,160,711	3,507,879	3,219,256	479,684
Long-term borrowings, excluding current portion	4,244,884	4,550,852	4,749,184	5,203,708	6,582,579	980,835
Convertible bonds payable	-	1,925,339	2,004,993	2,004,714	1,969,683	293,492
Operating lease liabilities, non-current	-	-	-	-	402,420	59,962
Finance lease and other financing obligations, non-current	2,335,141	3,606,028	4,092,532	4,134,327	4,039,333	601,879
Total liabilities	9,483,420	14,202,348	14,619,471	15,363,318	16,717,996	2,491,058
Redeemable preferred shares	-	-	-	-	1,010,586	150,582
Total shareholders' equity	5,651,707	5,658,090	5,597,589	5,521,925	8,412,122	1,253,445

Note:

1. Effective January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") 842 *Leases* using a modified retrospective method, under which prior period results were not retrospectively adjusted. Upon adoption, the Company recognized operating lease liabilities and right of use assets of RMB483.6 mn and RMB514.0 mn, respectively, and derecognized intangible assets of RMB44.6 mn for operating leases, and derecognized other financing obligations and construction in progress of RMB331.9 mn and RMB336.7 mn, respectively, for assets under construction in build-to-suit lease arrangements on January 1, 2019.



Historical Financial Results

Condensed Consolidated Statements of Cash Flows

Amounts in thousands	Three Months Ended					
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net cash (used in) provided by operating activities	(143,429)	(18,308)	37,460	111,367	(59,806)	(8,910)
Net cash used in investing activities	(806,779)	(1,157,452)	(1,076,111)	(1,692,708)	(834,446)	(124,337)
Net cash provided by financing activities	2,113,003	2,499,137	1,066	263,600	4,789,711	713,689
Effect of exchange rate changes on cash and restricted cash	(57,636)	153,167	115,650	(4,879)	(9,215)	(1,373)
Net increase (decrease) in cash and restricted cash	1,105,159	1,476,544	(921,935)	(1,322,620)	3,886,244	579,069
Cash and restricted cash at beginning of year / period	1,947,600	3,052,759	4,529,303	3,607,368	2,284,748	340,438
Cash and restricted cash at end of year / period	3,052,759	4,529,303	3,607,368	2,284,748	6,170,992	919,507



Reconciliation from Net Loss to Adjusted NOI

Adjusted NOI

Amounts in thousands	Three Months Ended					
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(85,926)	(102,077)	(119,354)	(122,911)	(136,620)	(20,356)
Net interest expenses	115,054	137,274	182,152	202,493	219,117	32,649
Income tax (benefits) expenses	(1,278)	1,935	3,779	(13,827)	14,015	2,088
Depreciation and amortization	137,488	166,759	206,661	230,599	254,037	37,853
Accretion expenses for asset retirement costs	309	407	569	555	711	106
Share-based compensation expenses	15,633	27,954	27,358	34,932	31,957	4,762
Selling and marketing expenses ⁽¹⁾	21,819	17,835	22,206	23,497	20,330	3,029
General and administrative expenses ⁽¹⁾	43,958	49,318	57,319	56,660	57,090	8,507
Research and development expenses ⁽¹⁾	2,340	3,093	2,829	4,132	3,970	591
Foreign currency exchange loss (gain), net	3,219	(9,778)	(13,420)	(327)	(4,772)	(711)
Others, net	(609)	(1,903)	(3,197)	(2,944)	(2,503)	(373)
Adjusted NOI	252,007	290,817	366,902	412,859	457,332	68,145
Adjusted NOI margin	44.8%	45.6%	48.1%	49.8%	51.3%	51.3%

Note:
1. Selling and marketing expenses, general and administrative expenses and research and development expenses exclude depreciation, amortization and share-based compensation expenses.



Reconciliation from Net Loss to Adjusted EBITDA

Adjusted EBITDA

Amounts in thousands	Three Months Ended					
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(85,926)	(102,077)	(119,354)	(122,911)	(136,620)	(20,356)
Net interest expenses	115,054	137,274	182,152	202,493	219,117	32,649
Income tax (benefits) expenses	(1,278)	1,935	3,779	(13,827)	14,015	2,088
Depreciation and amortization	137,488	166,759	206,661	230,599	254,037	37,853
Accretion expenses for asset retirement costs	309	407	569	555	711	106
Share-based compensation expenses	15,633	27,954	27,358	34,932	31,957	4,762
Adjusted EBITDA	181,280	232,252	301,165	331,841	383,217	57,102
Adjusted EBITDA margin	32.2%	36.4%	39.5%	40.0%	43.0%	43.0%



Definition of KPIs

Area In Service	Net floor area of data centers in service for which one or more modules have been equipped and fitted out ready for utilization by customers
Area Under Construction	Net floor area of data centers which are under construction and not yet ready for service
Area Committed	Net floor area of data centers in service for which agreements from customers remain in effect
Area Pre-Committed	Net floor area of data centers under construction for which agreements from customers remain 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	Net floor area of data centers in service that is also revenue generating pursuant to customer agreements in effect
Utilization Rate	Ratio of Area Utilized to Area In Service