



GDS 万国数据

4Q18 & FY18 Earnings Call

13 March 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, incomes 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



FY18 HIGHLIGHTS

Sales Momentum

- Net additional area committed of +81,215 sqm (FY17: +41,485 sqm)
- Total area committed increased by 79.2% y/y to 183,743 sqm

Capacity Expansion

- 225,557 sqm of total capacity, with net add of +99,794 sqm
- Invested Rmb 4,733 mn (\$688 mn) of capex for capacity expansion

Financial Results

- Total revenue grew by 72.8% and Adjusted EBITDA by 104.3% y/y
- Adjusted EBITDA margin increased to 37.5% vs 31.7% in FY17

Funding

- Obtained Rmb 3,804 mn (\$553 mn) of new debt facilities including refinancing
- \$500 mn raised from follow-on offering and convertible bonds in FY18

Note:
Exchange rate of 6.8755:1 (RMB:USD) is used throughout this whole presentation.



4Q18 HIGHLIGHTS

Sales Momentum

- Net additional total area committed of +21,944 sqm
- Total area committed increased by 13.6% q/q to 183,743 sqm

Capacity Expansion

- 160,356 sqm in service and 65,201 sqm under construction
- Invested Rmb 1,693 mn (\$246 mn) of capex for capacity expansion

Financial Results

- Total revenue grew by 64.1% and Adjusted EBITDA by 114.2% y/y
- Total area utilized increased by 7.6% q/q

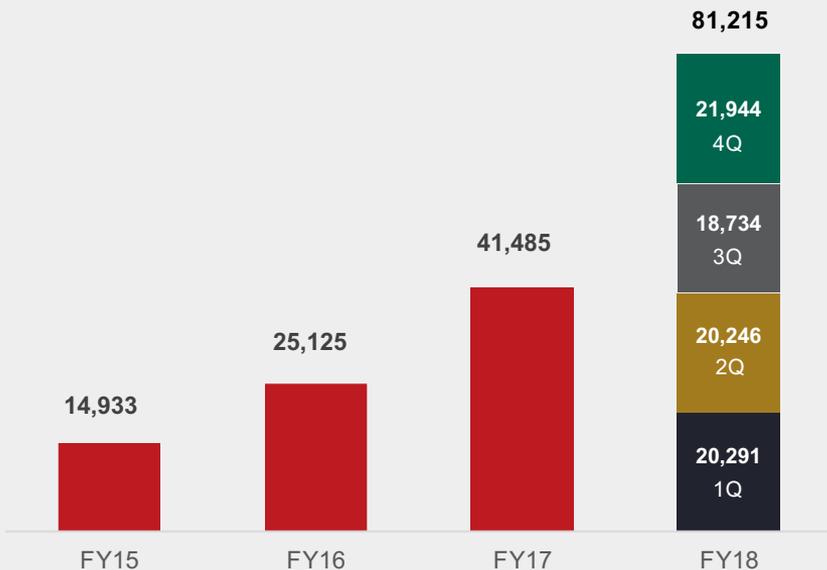
Funding

- Obtained Rmb 1,112 mn (\$162 mn) of new debt facilities
- \$150 mn investment by Ping An (Mar 2019), with strategic cooperation



Sales Achievement

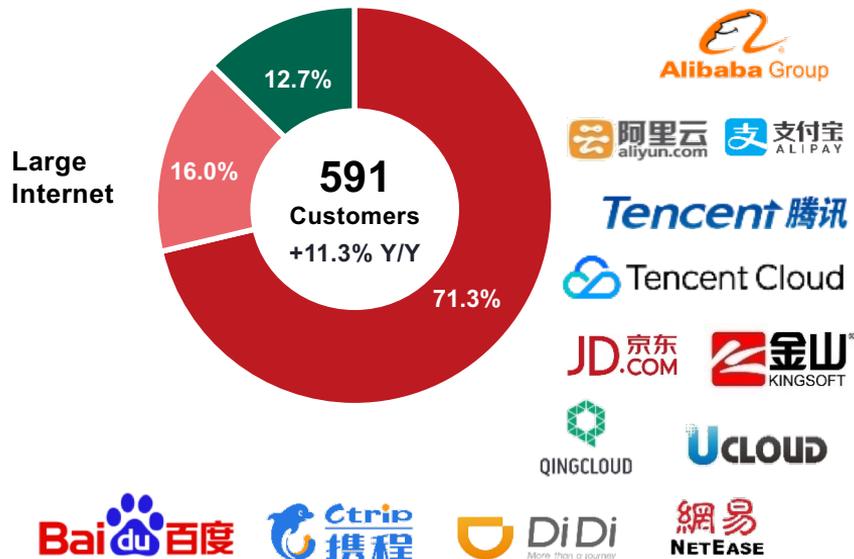
Net Additional Area Committed (Sqm)



Total Area Committed by Customer Segment

FSI & Large Enterprises

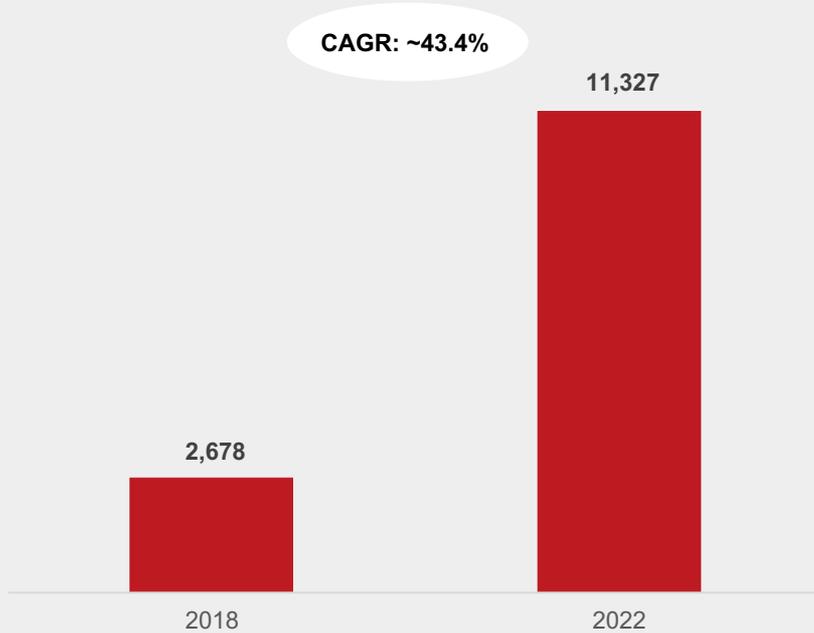
Cloud Service Providers





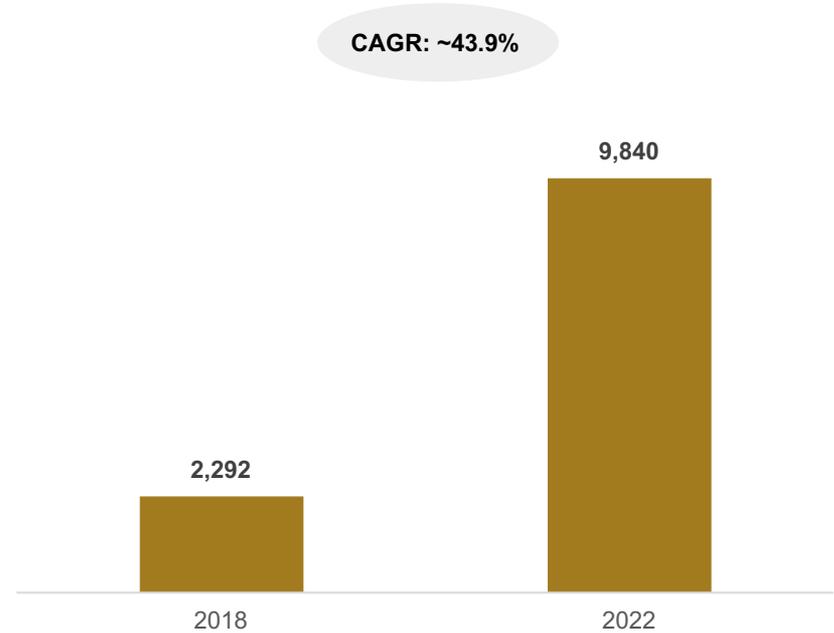
Key Demand Drivers

China Public Cloud – IaaS (\$ mn)



Source:
Gartner "Forecast: Public Cloud Services, Worldwide, 2016-2022, 4Q18 Update".

China AI Market Value (\$ mn)

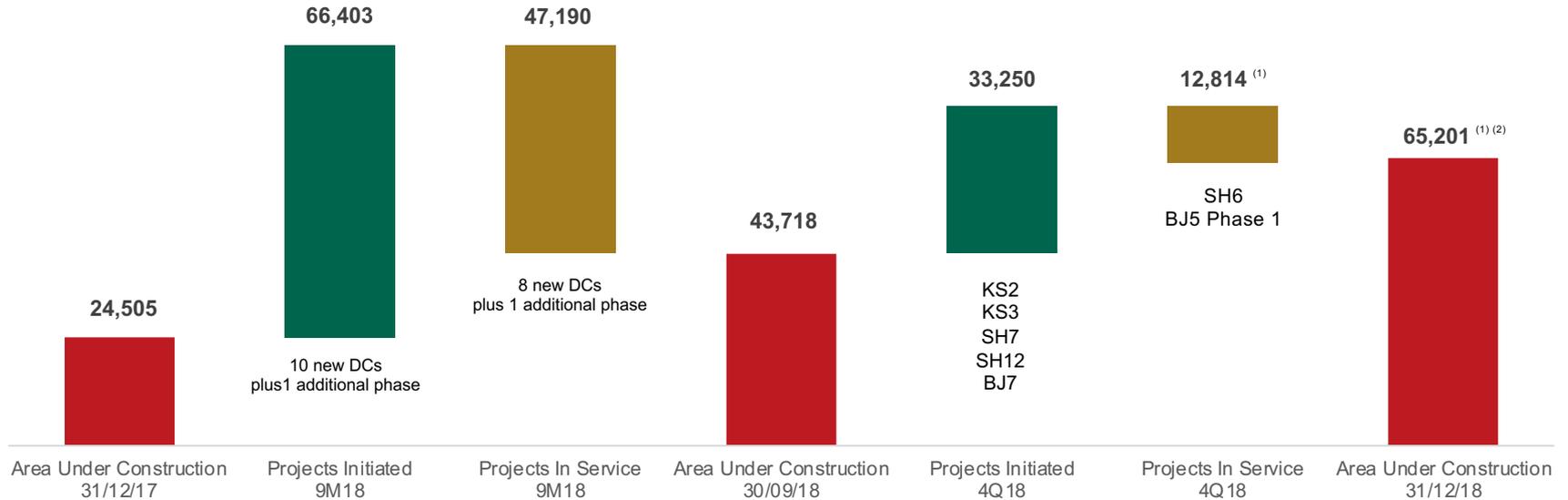


Source:
IDC Semi-annual Cognitive / AI Spend Guide



Resource Progress

Capacity Expansion 4Q18 & FY18



Note:

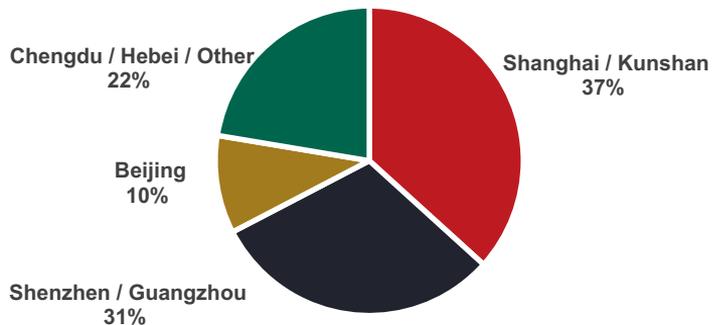
1. Area in service adjustments 4Q18: SH6 of +469 and BJ5 Phase 1 of +138
2. Area under construction adjustments 4Q18: BJ5 Phase 2 of +440



Total Capacity by Market

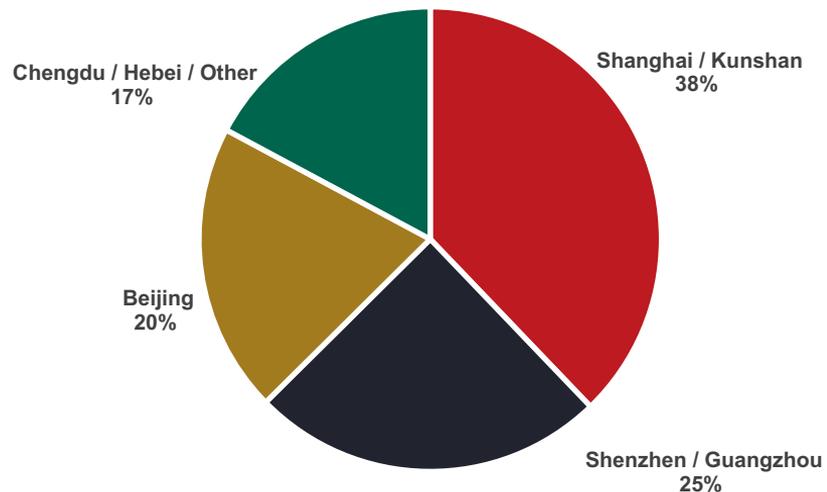
Area In Service + Area Under Construction

125,763 Sqm



YE17

225,557 Sqm



YE18

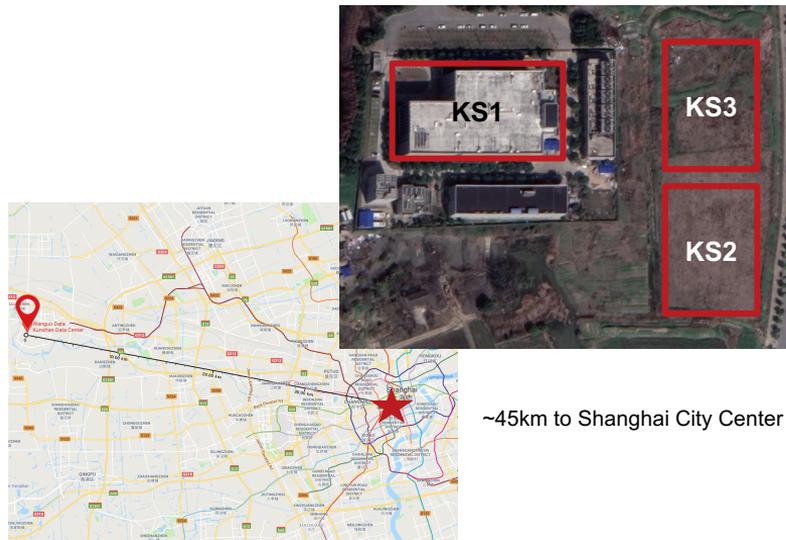
New Data Centers

SH6



Data center shell purpose-built for GDS by property partner; SH7 is currently under construction at adjacent site.

KS2 & KS3



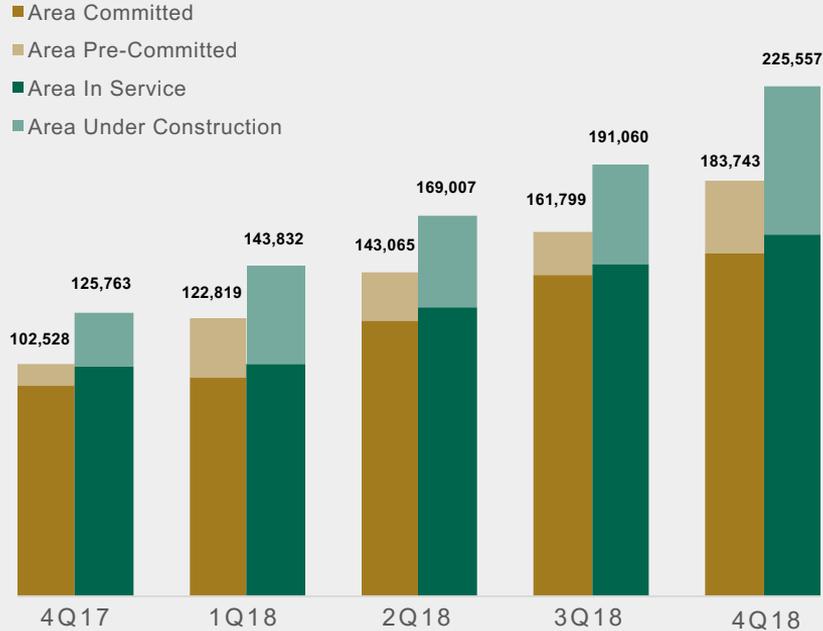
~45km to Shanghai City Center

Two new data centers to be constructed simultaneously on site owned by GDS, leveraging power infrastructure already installed.

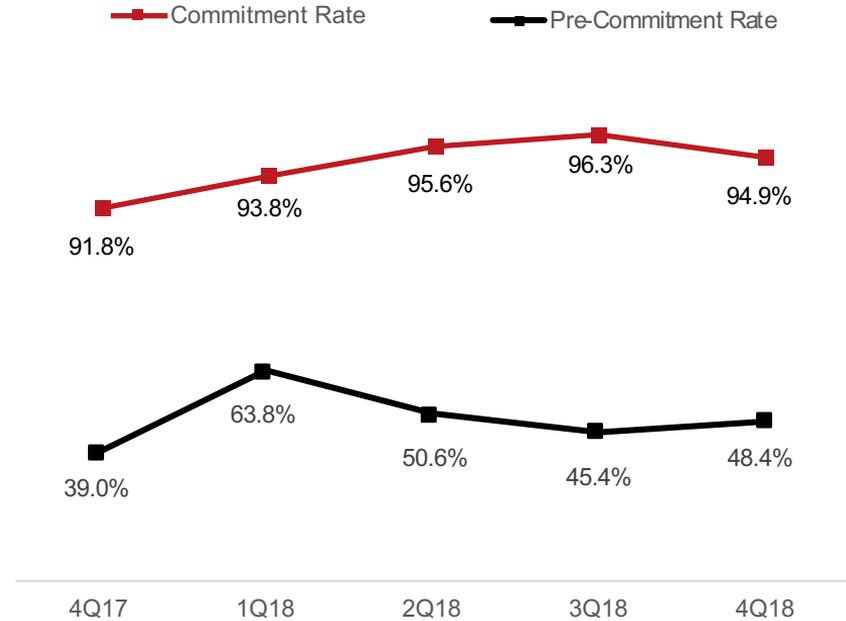


Synchronized Sales & Capacity Growth

Commitments vs. Capacity (Sqm)



Commitment & Pre-Commitment Rates



Our Strategy



Strategic Priorities

For 2019

- Build on **resource advantage** by securing capacity to support sales
 - **Organically** or by **acquisition**
- Develop **new** high growth customers and deepen **existing** relationships
- Optimize **design**, further **standardization**, leverage **scale**
 - Reduce unit development cost and maintain investment return
- Stay focused on **Tier 1** markets - downtown / edge of town
 - Expand to **1 or 2 new Tier 1 markets**





Strategic Investment by Ping An

Who is Ping An

中国平安
PING AN

陆金所
Lufax.com

众安保险
ZhongAn Insurance

平安好医生
Ping An Good Doctor

- ✓ 3rd largest non-SOE company in China with \$190 bn market cap ⁽¹⁾
- ✓ Essential part of China's digital economy with market-leading technology platforms and ecosystems
- ✓ Committed to investing \$ 15 bn over next 10 years in core technologies such as cloud, AI, and blockchain
- ✓ One of the largest industrial real estate owners in China

Note:
1. As of March 13, 2019

Why Ping An

Strategic Customer

- ✓ Top customer with focus on technology
- ✓ Potential for large-scale IT deployment / expansion

Resources Cooperation

- ✓ Access to real estate resources in key locations
- ✓ Continue to build up resource advantage vs. competitors

Capital Support

- ✓ Further HoldCo level capital support
- ✓ Onshore project-level financing opportunity



Financial & Operating Review

Dan Newman, CFO





Financial Highlights

- 1 Record level of new customer commitments and growing backlog**
- 2 Track record of delivering backlog, driving revenue growth**
- 3 Realizing operating leverage at the data center and corporate levels**
- 4 High visibility into continued growth and margin expansion**
- 5 Sufficient capital to maintain a fully funded business plan**



4Q18 & FY18 P&L Analysis

Quarterly Financial Review

Rmb'000 (unless indicated)	3Q18	4Q18	Q/Q	FY17	FY18	Y/Y
Service Revenue	752,620	829,050	10.2%	1,591,860	2,759,490	73.4%
Equipment Sales	10,201	471	(95.4%)	24,306	32,587	34.1%
Total Net Revenue	762,821	829,521	8.7%	1,616,166	2,792,077	72.8%
Cost of Revenue	(590,956)	(639,383)	8.2%	(1,207,694)	(2,169,636)	79.7%
Add Back: D&A, SBC & Asset Retirement Cost	195,037	222,721	14.2%	356,254	700,144	96.5%
Adjusted NOI⁽¹⁾	366,902	412,859	12.5%	764,726	1,322,585	72.9%
<i>Adjusted NOI Margin</i>	<i>48.1%</i>	<i>49.8%</i>	<i>1.7 ppts</i>	<i>47.3%</i>	<i>47.4%</i>	<i>0.1 ppts</i>
SG&A	(121,905)	(127,654)	4.7%	(326,243)	(454,086)	39.2%
Add Back: D&A and SBC	39,551	43,365	9.6%	82,668	149,080	80.3%
FX Change Gain (Loss) & Others, Net	16,617	3,271	(80.3%)	(8,802)	28,959	(429.0%)
Adjusted EBITDA	301,165	331,841	10.2%	512,349	1,046,538	104.3%
<i>Adjusted EBITDA margin</i>	<i>39.5%</i>	<i>40.0%</i>	<i>0.5 ppts</i>	<i>31.7%</i>	<i>37.5%</i>	<i>5.8 ppts</i>

Note:

- 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.



4Q18 & FY18 Underlying Trends

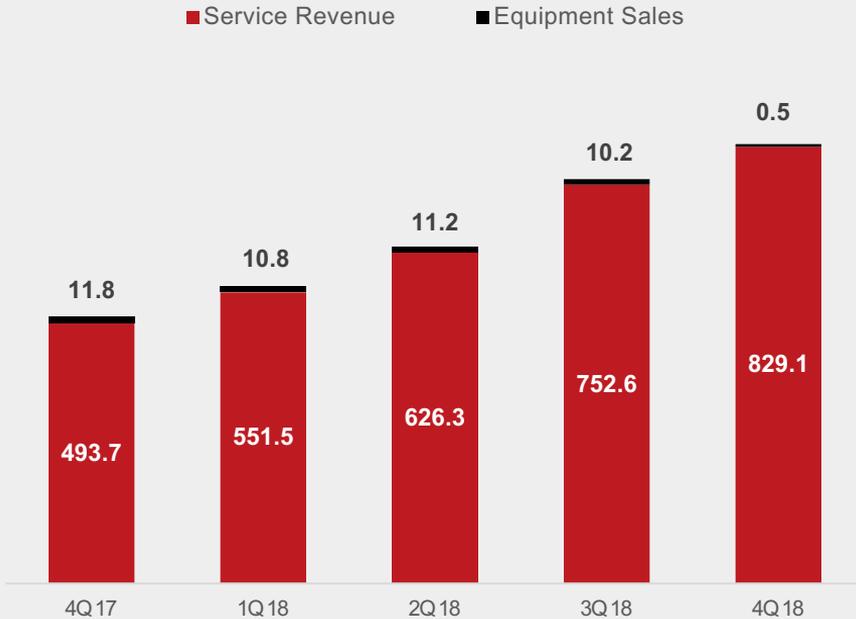
Quarterly Financial Review

Rmb'000 (unless indicated)	3Q18	4Q18	Q/Q	FY17	FY18	Y/Y
Total Net Revenue	762,821	829,521	8.7%	1,616,166	2,792,077	72.8%
Less: Equipment Sales	10,201	471	(95.4%)	24,306	32,587	34.1%
Service Revenue	752,620	829,050	10.2%	1,591,860	2,759,490	73.4%
Adjusted NOI	366,902	412,859	12.5%	764,726	1,322,585	72.9%
Less: Equipment Profit	1,670	87	(94.8%)	5,024	5,347	6.4%
Underlying Adjusted NOI	365,232	412,772	13.0%	759,702	1,317,238	73.4%
<i>Underlying Adjusted NOI Margin</i>	<i>48.5%</i>	<i>49.8%</i>	<i>1.3 pts</i>	<i>47.7%</i>	<i>47.7%</i>	<i>0.0 pts</i>
Adjusted EBITDA	301,165	331,841	10.2%	512,349	1,046,538	104.3%
Less: Equipment Profit	1,670	87	(94.8%)	5,024	5,347	6.4%
Less: FX Change Gain (Loss)	13,420	327	(97.6%)	(12,299)	20,306	(265.1%)
Underlying Adjusted EBITDA	286,075	331,427	15.9%	519,624	1,020,885	96.5%
<i>Underlying Adjusted EBITDA Margin</i>	<i>38.0%</i>	<i>40.0%</i>	<i>2.0 pts</i>	<i>32.6%</i>	<i>37.0%</i>	<i>4.4 pts</i>

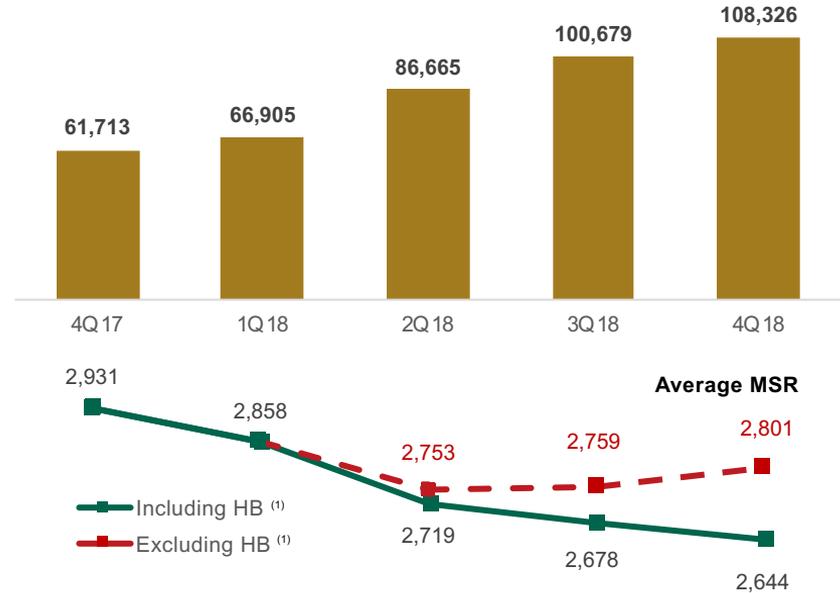


Revenue & Area Utilized

Revenue (Rmb Mn)



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



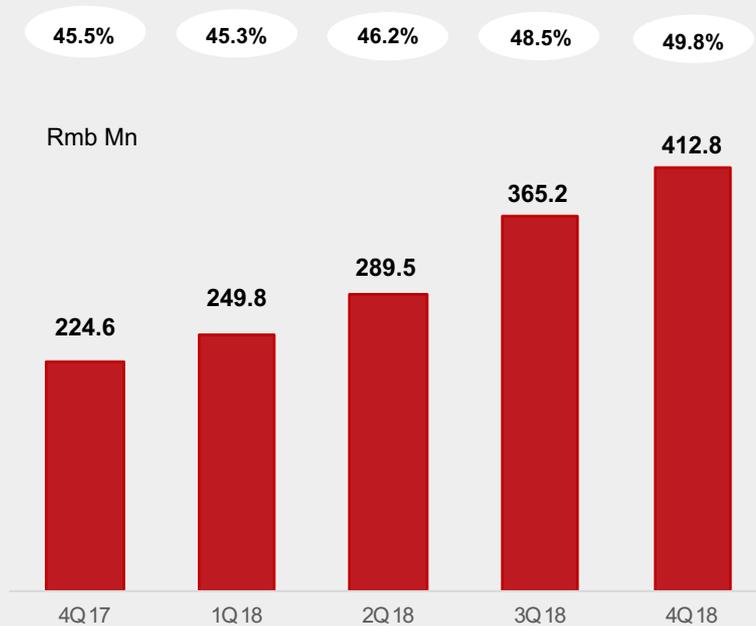
Note:

1. HB refers to three data centers in Hebei where customers pay power directly to the supplier.

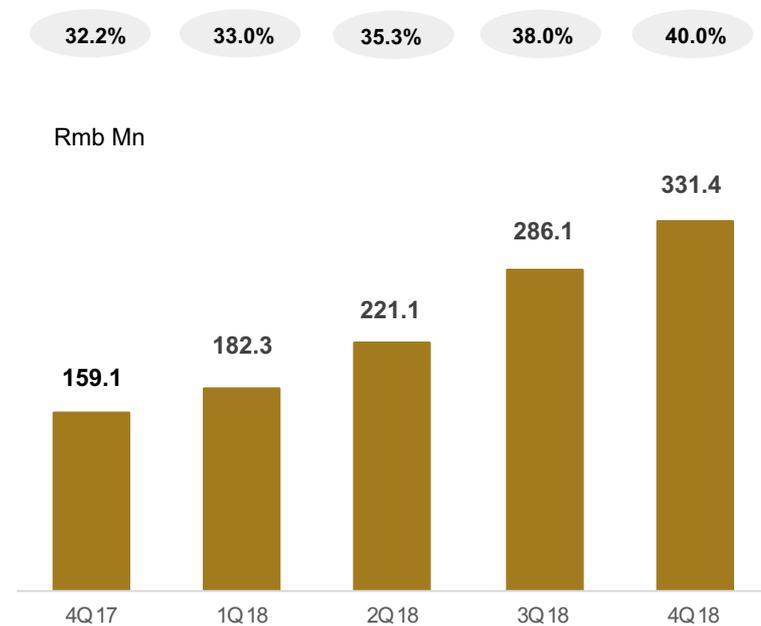


Underlying Adjusted NOI & EBITDA

Underlying Adjusted NOI & Margin



Underlying Adjusted EBITDA & Margin





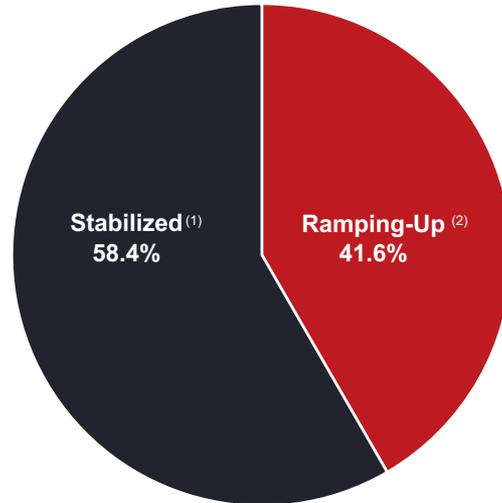
Stabilized vs. Ramping-Up Data Centers

Breakdown of Area In Service as at 4Q18

Stabilized Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS1	6,546	97.0%	93.9%
SH1	6,432	97.0%	94.8%
SH2	7,712	99.2%	95.6%
SH3	7,950	98.5%	89.9%
SZ1	4,286	98.6%	98.4%
SZ2	4,308	100%	99.7%
SZ3	2,678	86.8%	81.3%
SZ5 Phase 1	5,000	100%	100%
SZ5 Phase 2	7,858	100%	82.2%
GZ1	6,521	100%	100%
GZ2	6,131	100%	97.2%
GZ3 Phase 1	7,648	100%	95.9%
BJ1	2,435	99.8%	98.0%
BJ2	5,816	97.4%	82.7%
BJ3	3,144	100%	89.7%
HB1	5,132	100%	81.5%
3 rd Party	3,989	92.6%	90.3%
Total	93,586	98.5%	92.5%

Area In Service



Note:

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

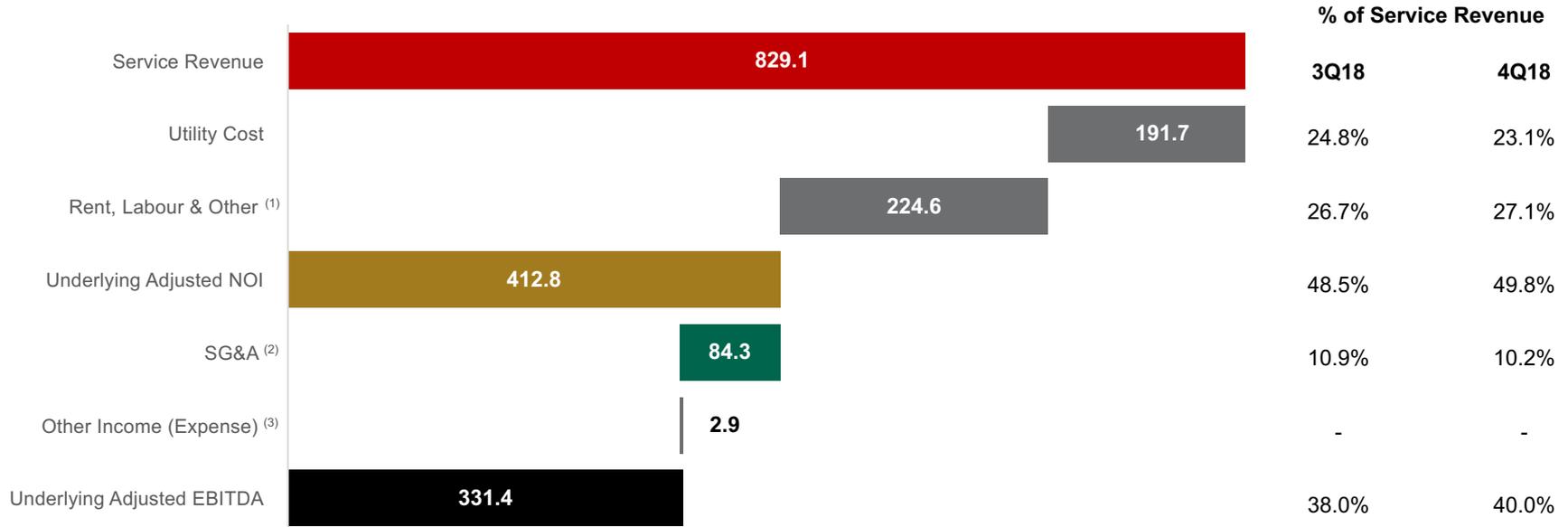
Ramping-Up Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
SH4	8,415	95.4%	55.9%
SH5 Phase 1	2,040	100%	51.9%
SH6	7,540	47.0%	0.0%
SH8	4,924	86.8%	47.8%
SH11	4,214	100%	44.7%
SZ4 Phase 1	4,677	96.8%	4.9%
BJ5 Phase 1	5,274	100%	0.0%
CD1	6,262	99.8%	57.0%
CD2 Phase 1	8,250	100%	0.0%
HB2	4,662	100%	63.5%
HB3	4,662	100%	44.0%
3 rd Party	5,850	73.3%	51.2%
Total	66,770	89.9%	32.7%



Cost Breakdown & Operating Leverage

4Q18 Cost Breakdown & Operating Leverage (Rmb Mn)



Note:

1. Rent, Labor & Other excludes D&A, SBC and asset retirement cost.

2. SG&A excludes D&A and SBC.

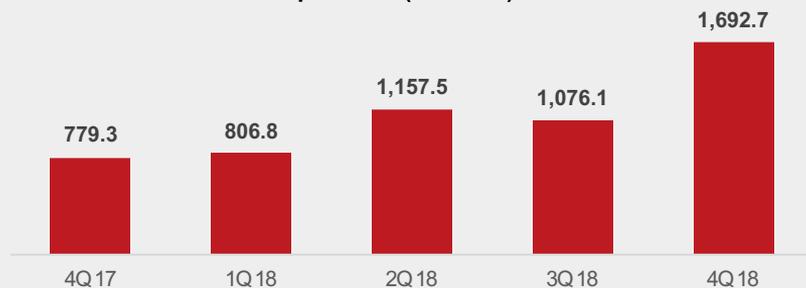
3. Other Income (Expense) excludes interest expense / income and foreign exchange gain / loss.



Capex & On-Going Investment

Capex Paid & Capex Incurred

Capex Paid (Rmb Mn) ⁽¹⁾



Capex Incurred Breakdown

	Net Floor Area (Sq m) ⁽²⁾	Cost To Date (Rmb Mn)	Cost To Complete (Rmb Mn)
In Service	150,517	9,983.4	243.7
Under Construction	65,201	466.2	3,532.8

Note:

1. Refers to net cash used in investing activities, including premium paid for acquisitions. The Company adopted updated accounting standards of statements of cash flows on January 1, 2018 and retrospectively adjusted related cash flows.

2. Does not include 3rd party data centers.

Current Construction Program

	RFS Date	Net Floor Area (Sq m)	Pre-Commitment Rate (%)
SH9	1H19	3,880	100%
BJ4	1H19	4,500	0%
BJ5 Phase 2	1H19	8,092	94.4%
SZ5 Phase 3	1H19	6,821	0%
SH10	2H19	3,491	0%
BJ6	2H19	5,167	0%
SH7	2H19	7,071	0%
SH12	2H19	3,653	100%
BJ7	2H19	11,116	45.0%
KS2	1H20	6,120	100%
KS3	1H20	5,290	100%
Total	-	65,201	48.4%



Financing Obligations & Liquidity

Debt & Cash Outstanding

	31/12/17	30/09/18	31/12/18	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adjusted EBITDA
Total Loan	4,250.2	6,060.2	6,487.0	4.9 x
Convertible Bond	0	2,005.0	2,004.7	1.5 x
Capital Lease	2,401.0	4,241.5	4,301.2	3.2 x
Gross Debt	6,651.2	12,306.7	12,792.9	9.6 x
Cash	1,873.4	3,491.7	2,161.6	1.6 x
Net Debt⁽¹⁾	4,777.8	8,815.0	10,631.3	8.0 x

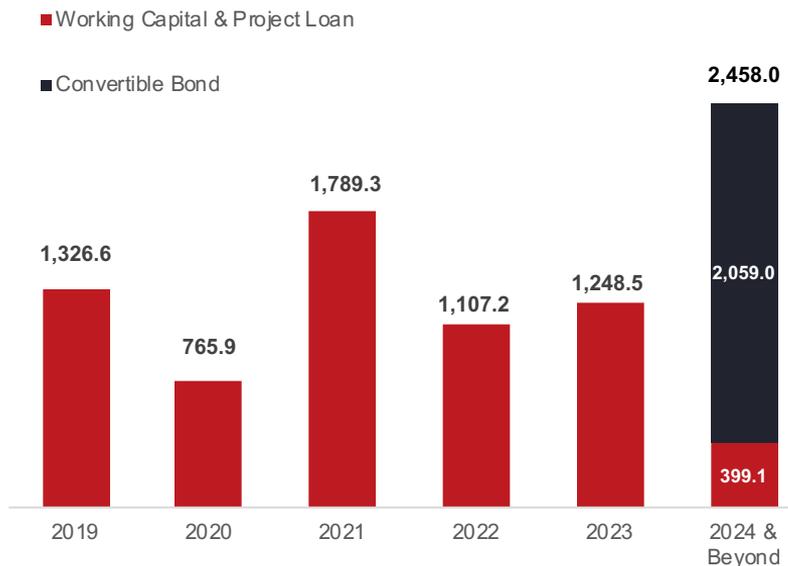
	4Q17	1Q18	2Q18	3Q18	4Q18
Net Debt / LQA Adjusted EBITDA	7.7	6.4	7.8	7.3	8.0
Interest Coverage Ratio ⁽²⁾	1.14	1.58	1.69	1.65	1.64

Note:

1. Pro forma for Convertible Preferred Shares, the Net Debt to LQA Adjusted EBITDA would be 7.2 x.

2. Interest Coverage Ratio = Adjusted EBITDA / Reported Net Interest Expense.

Loan Maturity Schedule as at 31/12/18 (Rmb Mn)





Convertible Preferred Share Issue

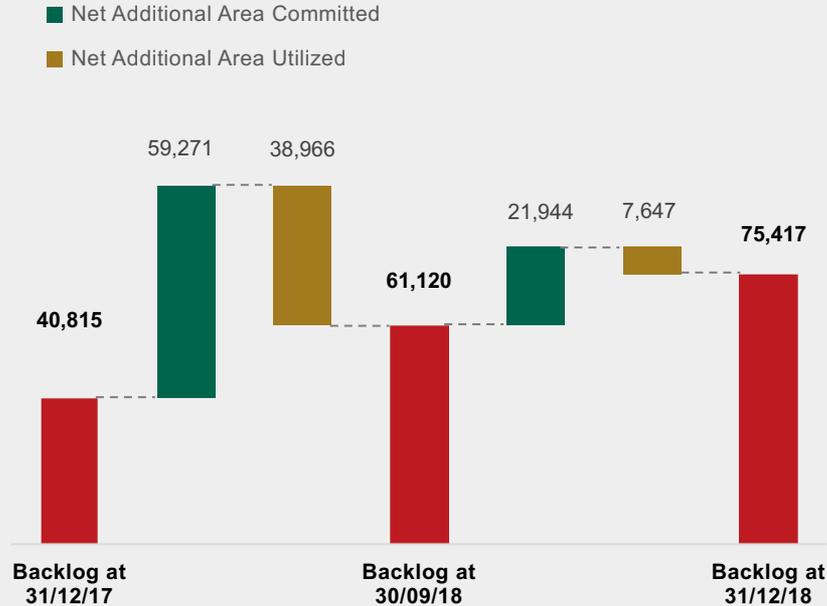
Transaction Summary

Instrument	Convertible Preferred Shares
Investor	Ping An Overseas Holdings
Size	\$150 million
Dividend	5% p.a.
Conversion Price	\$35.60
Forced Conversion	150% of Conversion Price after Year 3
Issuer's Call Option	After Year 8 at Par Value
Governance Rights	1 Board Observer Seat
Use of Proceeds	Expansion of data center capacity and general corporate purposes

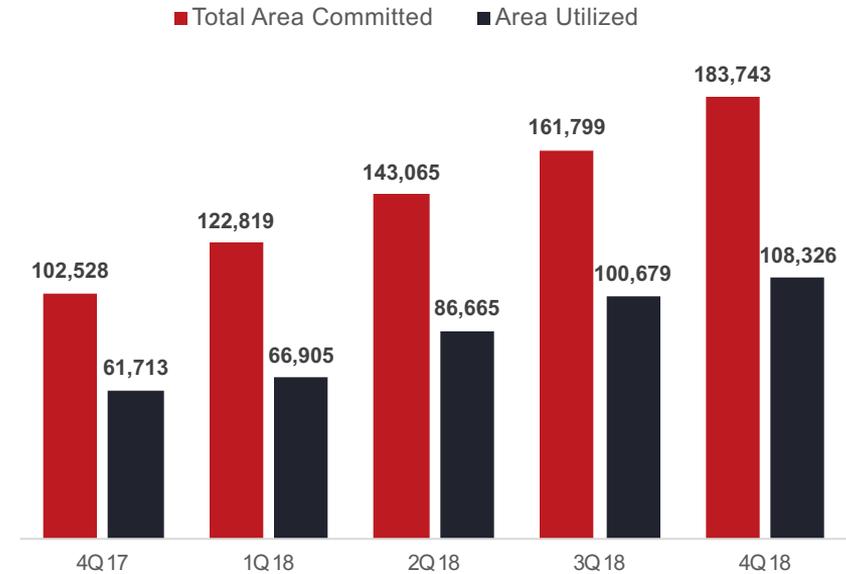


Contract Backlog Build-Up

Backlog Build-Up FY18 (Sqm)



Total Area Committed & Area Utilized (Sqm)





Business Outlook

FY19 Guidance

Rmb Mn	FY18 Actual	FY19 Guidance	Implied Y/Y
Total Revenue	2,792.1	3,900 – 4,100	39.7% - 46.8%
Adjusted EBITDA	1,046.5	1,640 – 1,700	56.7% - 62.4%
Capex ⁽¹⁾	4,733.1	4,500 – 5,000	--

Note:

1. Refers to net cash used in investing activities. The Company adopted updated accounting standards of statements of cash flows on January 1, 2018 and retrospectively adjusted related cash flows.



Questions & Answers

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Appendix





Our Data Center Portfolio – Beijing & Shanghai

Self-Developed Data Centers in Tier 1 Markets





Our Data Center Portfolio – Shenzhen, Guangzhou & Chengdu

Self-Developed Data Centers in Tier 1 Markets

Chengdu



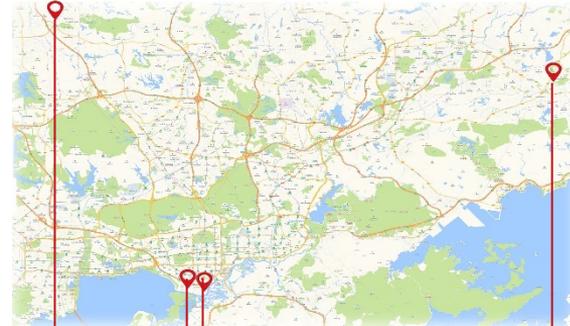
CD1, 2

Guangzhou



GZ1, 2, 3

Shenzhen



SZ5



SZ3



SZ1, 2



SZ4





Key Operating KPIs

Last 8 Quarters

As At:	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Area In Service (Sqm)	61,092	71,577	77,832	101,258	103,475	127,984	147,342	160,356
Area Under Construction (Sqm)	35,055	38,028	37,478	24,505	40,357	41,023	43,718	65,201
Total Capacity (Sqm)	96,147	109,605	115,310	125,763	143,832	169,007	191,060	225,557
Area Committed (Sqm)	55,010	65,994	69,880	92,961	97,068	122,306	141,931	152,163
Area Pre-Committed (Sqm)	13,303	10,547	12,970	9,567	25,751	20,759	19,868	31,580
Total Area Committed (Sqm)	68,313	76,541	82,850	102,528	122,819	143,065	161,799	183,743
Commitment Rate (%)	90.0%	92.2%	89.8%	91.8%	93.8%	95.6%	96.3%	94.9%
Pre-Commitment Rate (%)	37.9%	27.7%	34.6%	39.0%	63.8%	50.6%	45.4%	48.4%
Area Utilized (Sqm)	37,898	42,470	50,579	61,713	66,905	86,665	100,679	108,326
Utilization Rate %	62.0%	59.3%	65.0%	60.9%	64.7%	67.7%	68.3%	67.6%
Average MSR (Rmb / Sqm / Month)	2,708 ⁽¹⁾	2,750	3,031	2,931	2,858	2,719	2,678	2,644

Note

1.For the purpose of calculating MSR for 1Q17, the churn area of 1,225 sqm is excluded from the opening area utilized.



Data Center Summary By Market

As at 31/12/18 (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	55,773	29,505	85,278	50,171	18,943	69,114	36,762	90.0%	64.2%	65.9%
Shenzhen / Guangzhou	49,107	6,821	55,928	48,542	0	48,542	42,194	98.8%	0	85.9%
Beijing	16,669	28,875	45,544	16,513	12,637	29,150	10,015	99.1%	43.8%	60.1%
Chengdu	14,512	/	14,512	14,498	/	14,498	3,567	99.9%	/	24.6%
Hebei	14,456	/	14,456	14,456	/	14,456	9,193	100.0%	/	63.6%
3 rd Party	9,839	/	9,839	7,983	/	7,983	6,595	81.1%	/	67.0%
Total	160,356	65,201	225,557	152,163	31,580	183,743	108,326	94.9%	48.4%	67.6%

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



Self-Developed Data Centers In Service – Shanghai / Kunshan

As at 31/12/18 (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	6,347	97.0%	6,144	93.9%
SH1	2H11	Purpose-Built	Leased	6,432	6,238	97.0%	6,095	94.8%
SH2	2H15	Purpose-Built	Leased	7,712	7,653	99.2%	7,372	95.6%
SH3	2H16	Purpose-Built	Leased	7,950	7,832	98.5%	7,146	89.9%
SH4	2H17	Purpose-Built	Leased	8,415	8,027	95.4%	4,707	55.9%
SH5 Phase1	1H18	Converted	Leased	2,040	2,040	100%	1,059	51.9%
SH11	1H18	Converted	Leased	4,214	4,214	100%	1,885	44.7%
SH8	2H18	Converted	Leased	4,924	4,274	86.8%	2,354	47.8%
SH6	2H18	Purposes-Built	Leased	7,540	3,546	47.0%	0	0%



Self-Developed Data Centers In Service – Shenzhen / Guangzhou

As at 31/12/18 (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	4,225	98.6%	4,218	98.4%
SZ2	1H16	Converted	Leased	4,308	4,308	100%	4,294	99.7%
GZ1	1H16	Converted	Leased	6,521	6,521	100%	6,521	100%
SZ3	2H16	Converted	Leased	2,678	2,323	86.8%	2,177	81.3%
SZ5 Phase 1	1H17	Converted	Leased	5,000	5,000	100%	5,000	100%
SZ4 Phase 1	2H17	Converted	Leased	4,677	4,528	96.8%	229	4.9%
GZ2	2H17	Converted	Leased	6,131	6,131	100%	5,959	97.2%
SZ5 Phase 2	1H18	Converted	Leased	7,858	7,858	100%	6,458	82.2%
GZ3 Phase 1	1H18	Purpose-Built	Leased	7,648	7,648	100%	7,338	95.9%



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

As at 31/12/18 (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%	2,386	98.0%
	BJ2	2H17	Converted	Leased	5,816	5,664	97.4%	4,810	82.7%
	BJ3	2H17	Converted	Leased	3,144	3,144	100%	2,819	89.7%
	BJ5 Phase 1	2H18	Converted	Leased	5,274	5,274	100%	0	0%
Chengdu	CD1	1H17	Purpose-Built	Owned	6,262	6,248	99.8%	3,567	57.0%
	CD2 Phase 1	2H18	Purpose-Built	Owned	8,250	8,250	100%	0	0%
Hebei	HB1	1H18	Built-To-Suit	Leased	5,132	5,132	100%	4,185	81.5%
	HB2	2H18	Built-To-Suit	Leased	4,662	4,662	100%	2,958	63.5%
	HB3	2H18	Built-To-Suit	Leased	4,662	4,662	100%	2,050	44.0%



Self-Developed Data Centers Under Construction

As at 31/12/18 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area Under Construction	Area Pre-Committed	Pre-Commitment Rate
Shanghai / Kunshan	SH9	1H19	Converted	Leased	3,880	3,880	100%
	SH10	2H19	Converted	Leased	3,491	0	0%
	SH7	2H19	Purpose-Built	Leased	7,071	0	0%
	SH12	2H19	Purpose-Built	Leased	3,653	3,653	100%
	KS2	1H20	Purpose-Built	Leased	6,120	6,120	100%
	KS3	1H20	Purpose-Built	Leased	5,290	5,290	100%
Beijing	BJ4	1H19	Converted	Leased	4,500	0	0%
	BJ5 Phase 2	1H19	Converted	Leased	8,092	7,637	94.4%
	BJ6	2H19	Converted	Leased	5,167	0	0%
	BJ7	2H19	Converted	Leased	11,116	5,000	45.0%
Shenzhen / Guangzhou	SZ5 Phase 3	1H19	Converted	Leased	6,821	0	0%



Top 5 Customers

In terms of Total Area Committed

End User	% of Total Area Committed	% of 4Q18 Service Revenue	Number of Data Centers ⁽¹⁾
Internet / Cloud Service Provider	27.9%	26.9%	17
Internet / Cloud Service Provider	24.2%	20.1%	13
Cloud Service Provider	11.4%	0.5%	5
Internet	10.3%	8.2%	5
Internet / Cloud Service Provider	2.9%	0%	2

Note:
1.Excluding 3rd party data centers.



Principal Shareholders

As at 31/12/18

	Ordinary Shares	ADS	% of Total
William Huang ⁽¹⁾	67,915,944	8,489,493	6.78%
Directors & Officers	12,530,655	1,566,331	1.25%
STT	354,937,732	44,367,216	35.43%
SBCVC	66,691,574	8,336,446	6.66%
Ping An Insurance ⁽²⁾	63,369,856	7,921,232	6.33%
Cyrus One	64,257,028	8,032,128	6.41%
Others / Free Float	372,114,438	46,514,304	37.14%
Total	1,001,817,227	125,227,150	100.00%

Notes:

1. 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.

2. Pro forma for the Convertible Preferred Shares Issue, Ping An Insurance would own 12,134,715 ADSs, or 9.4% of GDS total outstanding shares.



Working Capital Management

Accounts Receivable Turnover Days (# of Days)



Days Payable Outstanding (DPO) ⁽¹⁾

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

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						Year Ended		
	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018		2017	2018	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net Revenue									
Service revenue	493,663	551,473	626,347	752,620	829,050	120,580	1,591,860	2,759,490	401,351
Equipment sales	11,813	10,752	11,163	10,201	471	69	24,306	32,587	4,740
Total net revenue	505,476	562,225	637,510	762,821	829,521	120,649	1,616,166	2,792,077	406,091
Cost of revenue	(387,287)	(439,308)	(499,989)	(590,956)	(639,383)	(92,994)	(1,207,694)	(2,169,636)	(315,560)
Gross profit	118,189	122,917	137,521	171,865	190,138	27,655	408,472	622,441	90,531
Operating expenses									
Selling and marketing expenses	(22,500)	(26,849)	(22,132)	(29,320)	(32,269)	(4,693)	(90,118)	(110,570)	(16,082)
General and administrative expenses	(68,391)	(62,936)	(86,737)	(89,267)	(90,661)	(13,186)	(228,864)	(329,601)	(47,938)
Research and development expenses	(2,541)	(2,672)	(3,201)	(3,318)	(4,724)	(687)	(7,261)	(13,915)	(2,024)
Income from operations	24,757	30,460	25,451	49,960	62,484	9,089	82,229	168,355	24,487
Other income (expenses)									
Net interest expenses	(136,307)	(115,054)	(137,274)	(182,152)	(202,493)	(29,451)	(406,403)	(636,973)	(92,644)
Foreign currency exchange (loss) gain, net	(6,826)	(3,219)	9,778	13,420	327	48	(12,299)	20,306	2,953
Others, net	795	609	1,903	3,197	2,944	428	3,497	8,653	1,259
Loss before income taxes	(117,581)	(87,204)	(100,142)	(115,575)	(136,738)	(19,886)	(332,976)	(439,659)	(63,945)
Income tax benefits (expenses)	1,038	1,278	(1,935)	(3,779)	13,827	2,011	6,076	9,391	1,366
Net loss	(116,543)	(85,926)	(102,077)	(119,354)	(122,911)	(17,875)	(326,900)	(430,268)	(62,579)



Historical Financial Results

Condensed Consolidated Balance Sheets ⁽¹⁾

Amounts in thousands. As of	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	
	RMB	RMB	RMB	RMB	RMB	USD
Cash	1,873,446	2,978,627	4,450,958	3,491,694	2,161,622	314,395
Accounts receivable, net of allowance for doubtful accounts	364,654	469,173	531,490	625,087	536,842	78,080
Total current assets	2,454,028	3,710,263	5,322,382	4,459,868	3,037,396	441,771
Property and equipment, net	8,165,601	8,817,797	11,441,921	12,581,602	13,994,945	2,035,480
Goodwill and intangible assets, net	1,919,221	1,909,801	2,265,022	2,249,763	2,234,462	324,989
Total assets	13,144,567	15,135,127	19,860,438	20,217,060	20,885,243	3,037,632
Short-term borrowings and current portion of long-term borrowings	790,484	905,495	1,439,352	1,310,991	1,283,320	186,651
Capital leases and other financing obligations, current	97,943	120,718	151,598	148,980	166,898	24,274
Total current liabilities	2,423,071	2,445,779	3,525,311	3,160,711	3,507,879	510,199
Long-term borrowings, excluding current portion	3,459,765	4,244,884	4,550,852	4,749,184	5,203,708	756,848
Convertible bonds payable	0	0	1,925,339	2,004,993	2,004,714	291,574
Capital leases and other financing obligations, non-current	2,303,044	2,335,141	3,606,028	4,092,532	4,134,327	601,313
Total liabilities	8,669,055	9,483,420	14,202,348	14,619,471	15,363,318	2,234,502
Total shareholders' equity	4,475,512	5,651,707	5,658,090	5,597,589	5,521,925	803,130

Notes

1. The Company adopted Accounting Standards Codification ("ASC") 606 *Revenue from Contracts with Customers* on January 1, 2018 using the cumulative effect method and made an adjustment to decrease the opening balance of shareholders' equity at January 1, 2018 by RMB0.7 mn. Therefore, the comparative information was not adjusted.



Historical Financial Results

Condensed Consolidated Statements of Cash Flows ⁽¹⁾ ⁽²⁾

Amounts in thousands	Three Months Ended						Year Ended		
	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018		2017	2018	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net cash (used in) provided by operating activities	(28,623)	(143,429)	(18,308)	37,460	111,367	16,198	(167,816)	(12,910)	(1,877)
Net cash used in investing activities	(779,265)	(806,779)	(1,157,452)	(1,076,111)	(1,692,708)	(246,194)	(2,005,054)	(4,733,050)	(688,393)
Net cash provided by financing activities	1,550,620	2,113,003	2,499,137	1,066	263,600	38,339	2,355,728	4,876,806	709,301
Effect of exchange rate changes on cash and restricted cash	(22,366)	(57,636)	153,167	115,650	(4,879)	(710)	(74,250)	206,302	30,005
Net increase (decrease) in cash and restricted cash	720,366	1,105,159	1,476,544	(921,935)	(1,322,620)	(192,367)	108,608	337,148	49,036
Cash and restricted cash at beginning of year / period	1,227,234	1,947,600	3,052,759	4,529,303	3,607,368	524,670	1,838,992	1,947,600	283,267
Cash and restricted cash at end of year / period	1,947,600	3,052,759	4,529,303	3,607,368	2,284,748	332,303	1,947,600	2,284,748	332,303

Notes:

- The Company adopted Accounting Standards Update ("ASU") No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash on January 1, 2018 and retrospectively adjusted the condensed consolidated statements of cash flows for each period by excluding the movement of restricted cash of RMB21.0 mn and RMB46.5 mn for the three months and year ended December 31, 2017, respectively.
- The Company adopted ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments on January 1, 2018. As a result, the condensed consolidated statement of cash flows for the three months ended December 31, 2017 was retrospectively adjusted by reclassifying the payments of contingent considerations for acquisition of subsidiaries amounted to RMB27.1 mn from investing activities to operating activities (RMB3.0 mn) and financing activities (RMB24.1 mn), respectively. The adoption of ASU2016-15 does not have impact to the other periods in 2017.



Reconciliation from Net Loss to Adjusted NOI

Adjusted NOI

Amounts in thousands	Three Months Ended						Year Ended		
	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018		2017	2018	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net loss	(116,543)	(85,926)	(102,077)	(119,354)	(122,911)	(17,875)	(326,900)	(430,268)	(62,579)
Net interest expenses	136,307	115,054	137,274	182,152	202,493	29,451	406,403	636,973	92,644
Income tax (benefits) expenses	(1,038)	(1,278)	1,935	3,779	(13,827)	(2,011)	(6,076)	(9,391)	(1,366)
Depreciation and amortization	117,392	137,488	166,759	206,661	230,599	33,539	378,130	741,507	107,848
Accretion expenses for asset retirement costs	324	309	407	569	555	81	949	1,840	268
Share-based compensation expenses	18,449	15,633	27,954	27,358	34,932	5,081	59,843	105,877	15,400
Selling and marketing expenses ⁽¹⁾	16,889	21,819	17,835	22,206	23,497	3,417	71,728	85,357	12,415
General and administrative expenses ⁽¹⁾	47,201	43,958	49,318	57,319	56,660	8,241	165,785	207,255	30,142
Research and development expenses ⁽¹⁾	2,172	2,340	3,093	2,829	4,132	601	6,062	12,394	1,803
Foreign currency exchange loss (gain), net	6,826	3,219	(9,778)	(13,420)	(327)	(48)	12,299	(20,306)	(2,953)
Others, net	(795)	(609)	(1,903)	(3,197)	(2,944)	(428)	(3,497)	(8,653)	(1,259)
Adjusted NOI	227,184	252,007	290,817	366,902	412,859	60,049	764,726	1,322,585	192,363
Adjusted NOI margin	44.9%	44.8%	45.6%	48.1%	49.8%	49.8%	47.3%	47.4%	47.4%

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						Year Ended		
	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018		2017	2018	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net loss	(116,543)	(85,926)	(102,077)	(119,354)	(122,911)	(17,875)	(326,900)	(430,268)	(62,579)
Net interest expenses	136,307	115,054	137,274	182,152	202,493	29,451	406,403	636,973	92,644
Income tax (benefits) expenses	(1,038)	(1,278)	1,935	3,779	(13,827)	(2,011)	(6,076)	(9,391)	(1,366)
Depreciation and amortization	117,392	137,488	166,759	206,661	230,599	33,539	378,130	741,507	107,848
Accretion expenses for asset retirement costs	324	309	407	569	555	81	949	1,840	268
Share-based compensation expenses	18,449	15,633	27,954	27,358	34,932	5,081	59,843	105,877	15,400
Adjusted EBITDA	154,891	181,280	232,252	301,165	331,841	48,266	512,349	1,046,538	152,215
Adjusted EBITDA margin	30.6%	32.2%	36.4%	39.5%	40.0%	40.0%	31.7%	37.5%	37.5%



ASC 842 – Impact on Adopting New Accounting Standard

Adjustments to the Consolidated Balance Sheet as of January 1, 2019

The Company will adopt ASC 842, the new lease accounting standard on January 1, 2019 using the effective date method, under which the application date will be the adoption date and the financial statements for the comparative periods are not restated. The impact on the adoption date is summarized as follows:

Amounts in RMB thousands	Increase / (Decrease)				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
For operating leases:					
Operating lease right-of-use assets		513,961			
Intangible assets – favorable lease		(44,552)			
Operating lease liabilities - current			67,006		
Operating lease liabilities – non-current				416,601	
Prepaid expenses	(2,751)				
Accounts payable			(3,864)		
Accrued expense and other payables			(13,085)		
Sub-total	(2,751)	469,409	50,057	416,601	-
For build-to-suit leases under construction:					
Prepaid expenses	4,802				
Property and equipment, net		(336,719)			
Capital lease and other financing obligations, non-current				(331,917)	
Subtotal	4,802	(336,719)	-	(331,917)	-
Total	2,051	132,690	50,057	84,684	-



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