



**GDS 万国数据**

## **3Q17 Earnings Call**

9 November 2017

**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 gross profit, 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 benefits, depreciation and amortization, accretion expenses for asset retirement costs, share-based compensation expenses, and gain on remeasurement of equity investment, 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 gross profit and net income or net loss.



# Strategic & Performance Highlights

William Huang, Chairman & CEO



## 3Q17 HIGHLIGHTS

### Revenue Growth

- Service revenue grew by 58.5% y/y and 27.6% q/q
- Total area utilized increased by 47.2% y/y and 19.1% q/q

### Operating Leverage

- Adjusted EBITDA grew by 71.4% y/y and 33.8% q/q
- Adjusted EBITDA margin increased to 31.5% vs. 26.2% in 3Q16

### Sales Momentum

- Rmb 202 mn (\$30 mn) of new bookings in 3Q17
- Total area committed increased by 41.3% y/y to 82,850 sqm

### Capacity Expansion

- Acquisition in Guangzhou and major new project in Chengdu
- Invested Rmb 444 mn (\$67 mn) of capex for capacity expansion

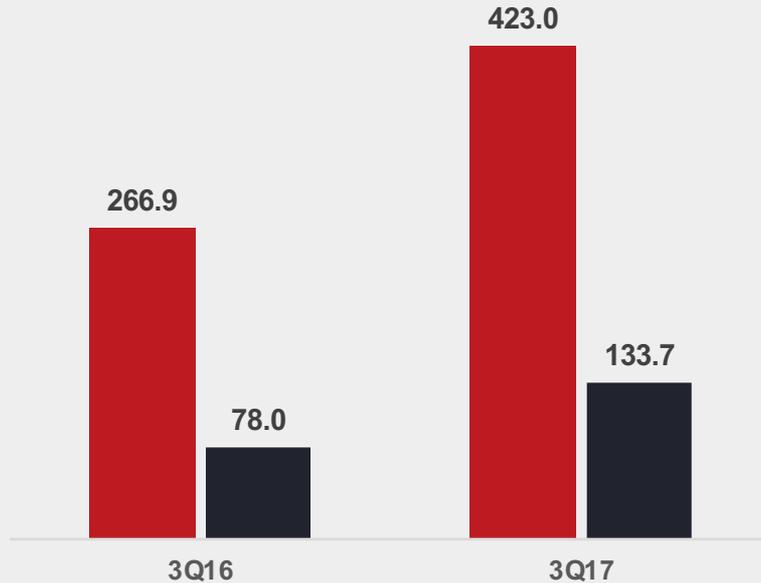
### Strategic Partnership

- Tie up with CyrusOne offering customers a unique value proposition
- Under-pinned by \$100 mn equity investment for 8% stake



# Financial Highlights

## Service Revenue & Adjusted EBITDA (Rmb Mn)



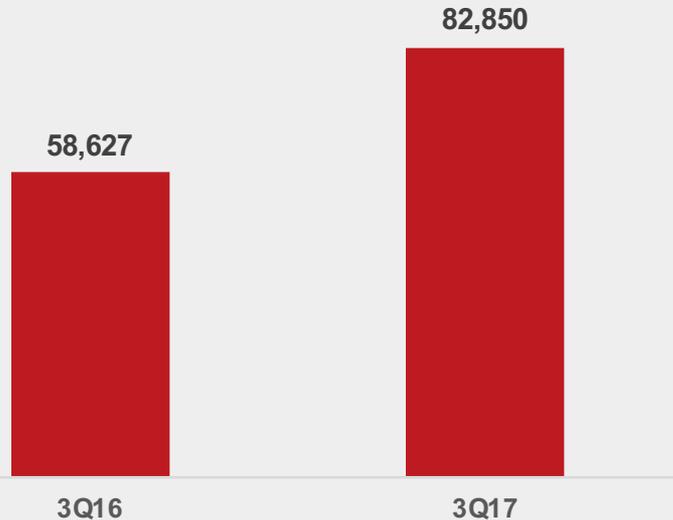
## Highlights

- Service revenue grew by over 58% y/y
- Total area utilized increased by over 47% y/y to 50,579 sqm
  - Record addition of 8,109 sqm in 3Q17
- Adjusted EBITDA grew by over 71% y/y
- Adjusted EBITDA margin increased to 31.5% in 3Q17 compared with 26.2% in 3Q16



# Continued Sales Growth Momentum

## Total Area Committed (Sqm)



## Highlights

- Total area committed increased by 6,309 sqm (net) to 82,850 sqm, +41.3% Y/Y
- Bookings in 3Q17 worth over \$30 mn in terms of annual recurring revenue
  - Over \$100 mn achieved in 1Q17 - 3Q17
- ASP remains stable
- Successfully renewing contracts, with 0.1% quarterly churn rate in 3Q17

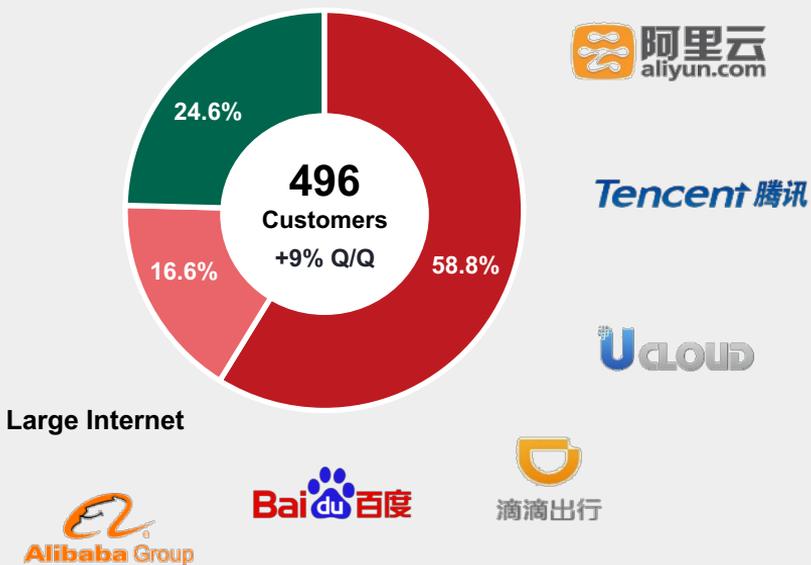


# Serving Customers that Matter

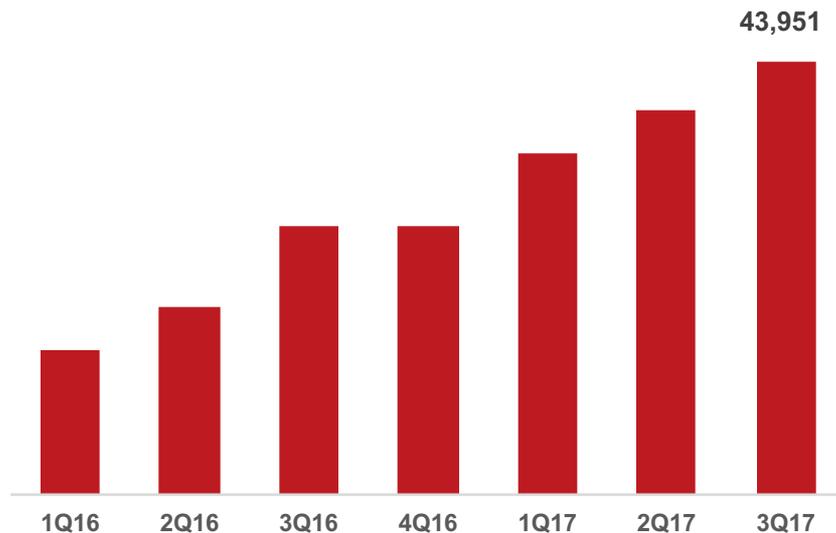
## Total Area Committed by Customer Segment

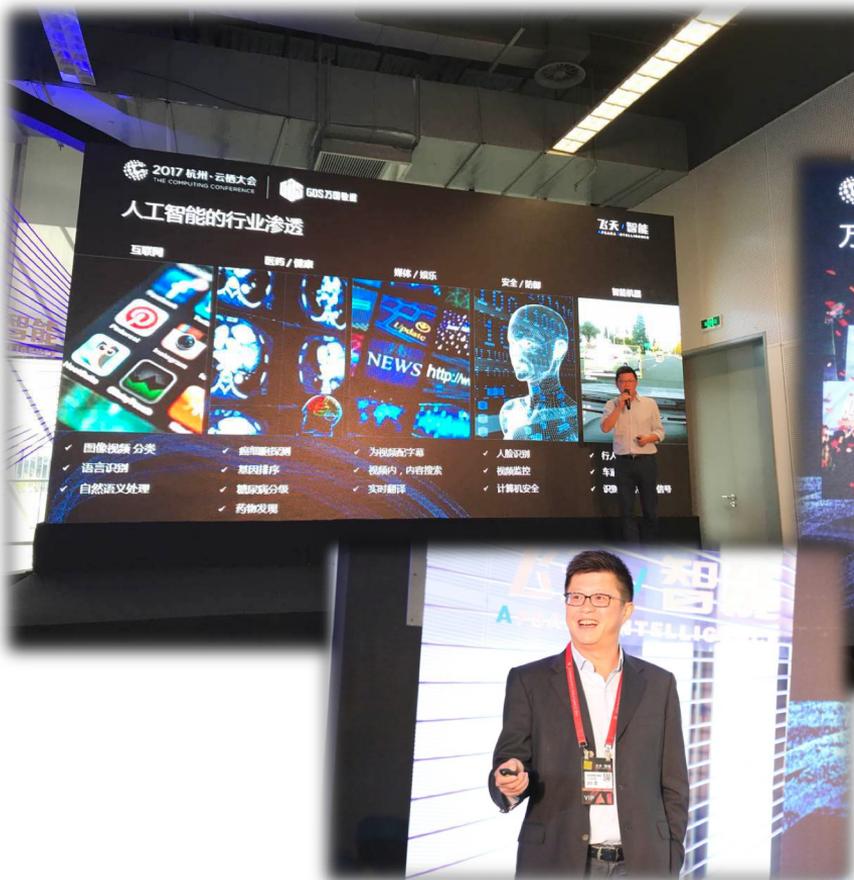
### FSI & Large Enterprises

### Cloud Service Providers



## Total Area Committed by Top 2 Customers (Sqm)



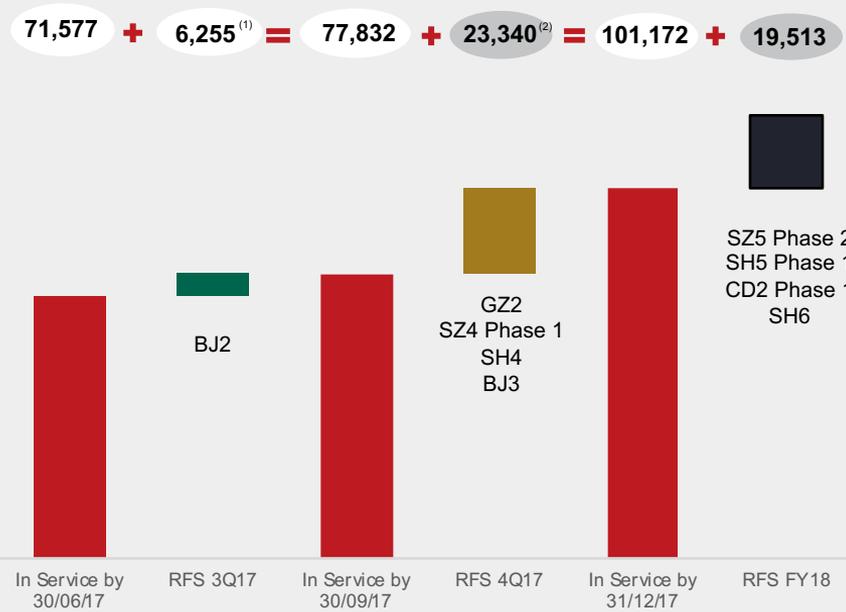


William Huang  
The Computing Conference 2017  
Hosted by Alibaba



# Secured Resource Supply to Sustain Leadership

## Resource Development (Sqm)



Note:  
1. Including BJ2 of 6,177 sqm and 3<sup>rd</sup> party and other adjustment of 78 sqm  
2. Including GZ2 of 5,375 sqm which was acquired in 4Q17

## Highlights

- Brought BJ2 project into service
  - Area in service increased by 6,255 sqm
- Acquired GZ2 project in same campus as GZ1
  - IT capacity of 5,375 sqm
  - 100% committed to and utilized by large Internet company
  - Completed in 4Q17
- Started new project construction of CD2 Phase 1
  - IT capacity of 5,400 sqm
  - Anchor customer commitment expected soon
- Area under construction of 37,478 sqm (excluding 5,375 sqm related to GZ2)



# Established Strategic Relationship with CyrusOne

## Investment Highlights

- CyrusOne – market leader in the US
  - Operates over 40 data centers totaling over 290,000 sqm of colocation capacity
- Sharing of best practices
  - Sales and marketing, data center design and construction, supply chain management, customer relationship management, operations
- US\$ 100 mn investment from CyrusOne in GDS
  - Represents ~8% ownership in GDS issued share capital

## Strategic Rationale

### Enhanced Ability to Serve Customers

Well-positioned to meet resource needs in US and China markets, creating value for both customer base

### Global Reach and Local Expertise

Access to US-based customers who have operations in, or would like to expand in China; and vice versa

### Leverage Combined Knowledge Base

Knowledge and experience sharing over more than 30 years in building and operating data centers



# Financial & Operating Review

Dan Newman, CFO





# 3Q17 P&L Analysis

## Quarterly Financial Review

Rmb '000 (unless indicated)	3Q16	2Q17	3Q17	Y/Y	Q/Q
	Rmb	Rmb	Rmb	%	%
<b>Net Revenue</b>					
Service Revenue	266,890	331,490	423,042	58.5%	27.6%
Equipment Sales	30,266	4,724	1,391	(95.4%)	(70.6%)
<b>Total Net Revenue</b>	<b>297,156</b>	<b>336,214</b>	<b>424,433</b>	<b>42.8%</b>	<b>26.2%</b>
Cost of Revenue	(222,514)	(254,853)	(321,709)	44.6%	26.2%
Add Back: D&A, SBC & Asset Retirement Cost	57,081	74,920	99,168	73.7%	32.4%
<b>Adjusted NOI <sup>(1)</sup></b>	<b>131,723</b>	<b>156,281</b>	<b>201,892</b>	<b>53.3%</b>	<b>29.2%</b>
<i>Adjusted NOI Margin</i>	<i>44.3%</i>	<i>46.5%</i>	<i>47.6%</i>	<i>3.3 pts</i>	<i>1.1 pts</i>
SG&A	(62,588)	(72,444)	(88,885)	42.0%	22.7%
Add Back: D&A and SBC	5,701	16,269	21,417	275.7%	31.6%
FX Change Gain & Other, Net (Loss)	3,148	(219)	(772)	(124.5%)	252.5%
<b>Adjusted EBITDA</b>	<b>77,984</b>	<b>99,887</b>	<b>133,652</b>	<b>71.4%</b>	<b>33.8%</b>
<i>Adjusted EBITDA margin</i>	<i>26.2%</i>	<i>29.7%</i>	<i>31.5%</i>	<i>5.3 pts</i>	<i>1.8 pts</i>

Note:  
1. Adjusted Net Operating Income (NOI) is defined as total net revenue less cost of revenue, adding back D&A, SBC and asset retirement cost allocated to cost of revenue.



# Underlying Trends

## Quarterly Financial Review

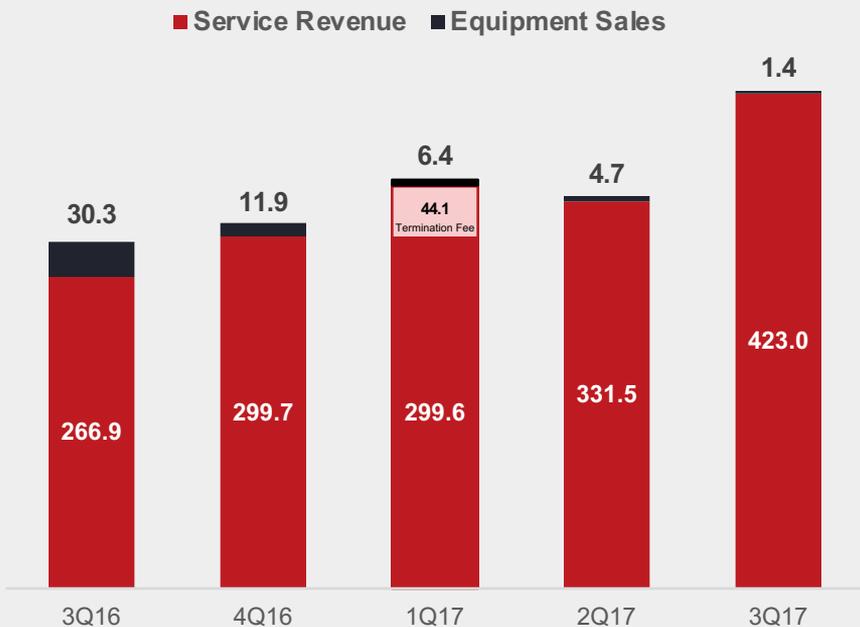
Rmb '000 (unless indicated)	3Q16	2Q17	3Q17	Y/Y	Q/Q
<b>Total Net Revenue</b>	<b>297,156</b>	<b>336,214</b>	<b>424,433</b>	<b>42.8%</b>	<b>26.2%</b>
Less : Equipment Sales	30,266	4,724	1,391	(95.4%)	(70.6%)
<b>Service Revenue</b>	<b>266,890</b>	<b>331,490</b>	<b>423,042</b>	<b>58.5%</b>	<b>27.6%</b>
<b>Adjusted NOI</b>	<b>131,723</b>	<b>156,281</b>	<b>201,892</b>	<b>53.3%</b>	<b>29.2%</b>
Less: Equipment Profit	4,778	739	354	(92.6%)	(52.1%)
<b>Underlying Adjusted NOI</b>	<b>126,945</b>	<b>155,542</b>	<b>201,538</b>	<b>58.8%</b>	<b>29.6%</b>
<i>Underlying Adjusted NOI Margin</i>	<i>47.6%</i>	<i>46.9%</i>	<i>47.6%</i>	<i>0.0 ppts</i>	<i>0.7 ppts</i>
<b>Adjusted EBITDA</b>	<b>77,984</b>	<b>99,887</b>	<b>133,652</b>	<b>71.4%</b>	<b>33.8%</b>
Less: Equipment Profit	4,778	739	354	(92.6%)	(52.1%)
Less: FX Change Gain (Loss)	2,645	(1,229)	(1,638)	(161.9%)	33.3%
<b>Underlying Adjusted EBITDA</b>	<b>70,561</b>	<b>100,377</b>	<b>134,936</b>	<b>91.2%</b>	<b>34.4%</b>
<i>Underlying Adjusted EBITDA Margin</i>	<i>26.4%</i>	<i>30.3%</i>	<i>31.9%</i>	<i>5.5 ppts</i>	<i>1.6 ppts</i>

- Service revenue grew 27.6% Q/Q
- Underlying Adjusted EBITDA grew by 34.4% Q/Q
- Underlying Adjusted EBITDA margin increased to 31.9%, compared with 30.3% for 2Q17

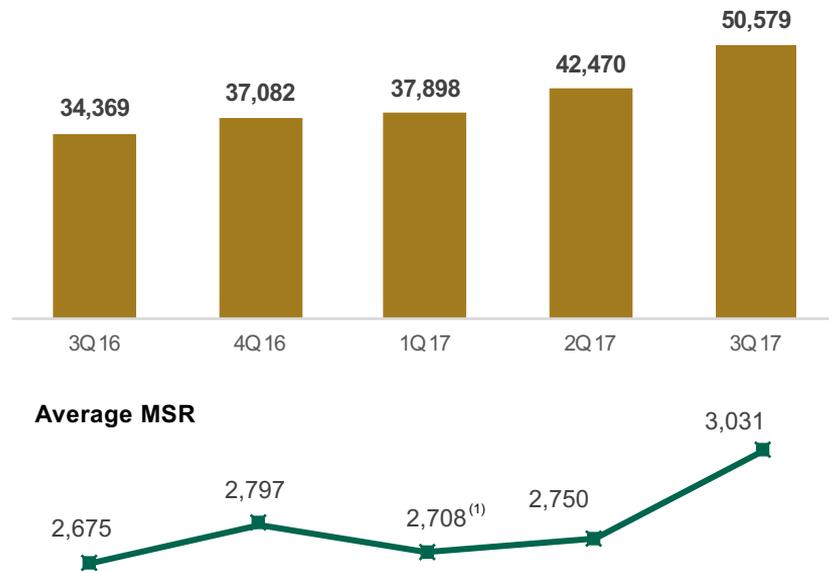


# Revenue & Area Utilized

## Revenue (Rmb Mn)



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



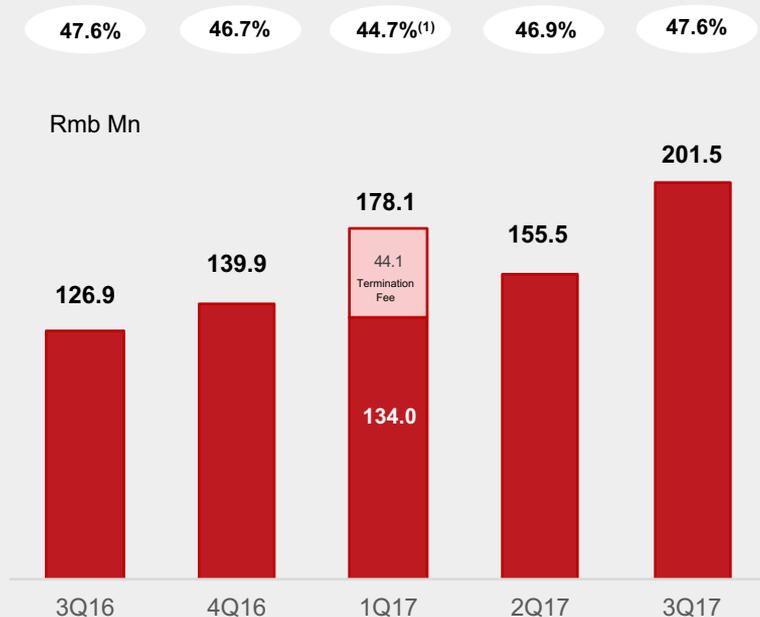
Note

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

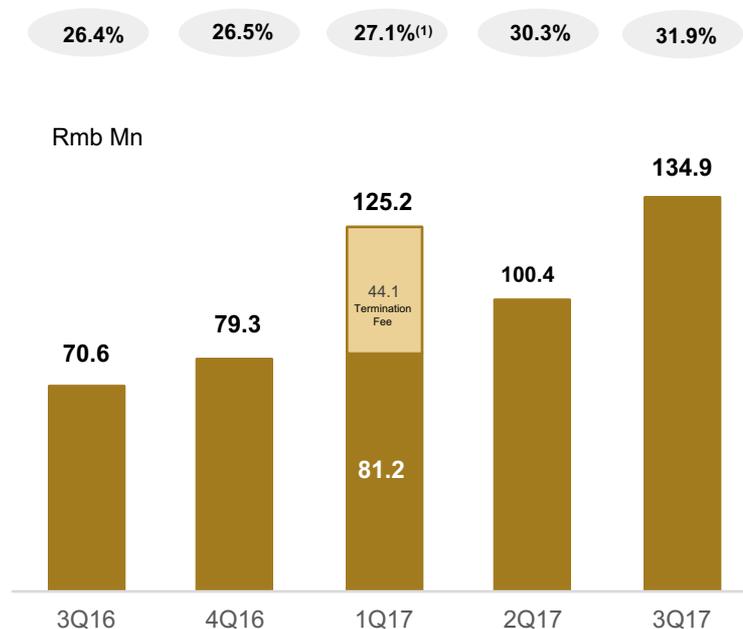


# Underlying Adjusted NOI & EBITDA

## Underlying Adjusted NOI & Margin



## Underlying Adjusted EBITDA & Margin

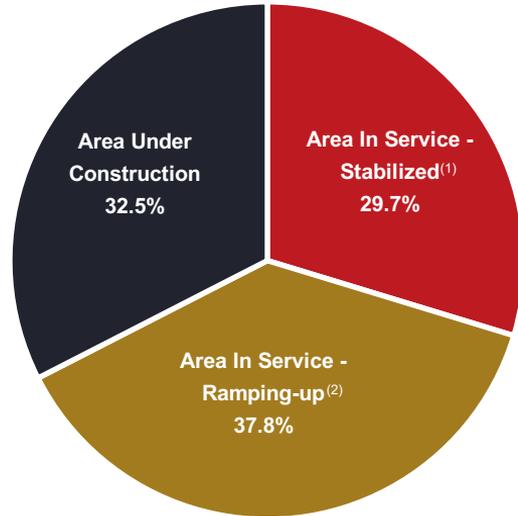


Note  
1. Pro Forma number excluding termination fee of Rmb 44.1 mn



# Total Data Center Portfolio Breakdown

## Breakdown by Development Stage



	Area In Service - Stabilized	Area In Service - Ramping-up	Area Under Construction
Total Area (Sqm)	34,232	43,600	37,478
Commitment Rate	96.9%	84.2%	34.6%
Utilization Rate	92.7%	43.2%	N/A

Notes

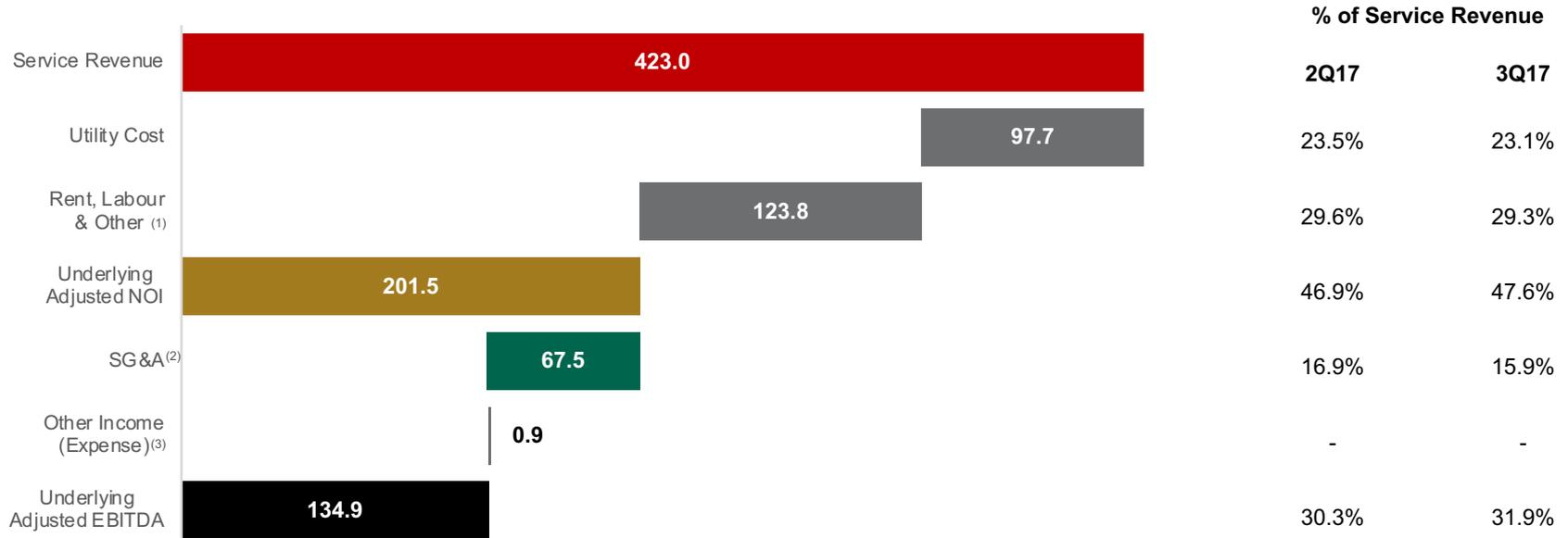
1. Stabilized area is defined as area of which utilization rate is at or above 80%

2. Ramping-up area is defined as area of which utilization rate is lower than 80%



# Cost Breakdown & Operating Leverage

## 3Q17 Cost Breakdown & Operating Leverage (Rmb Mn)



Notes

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

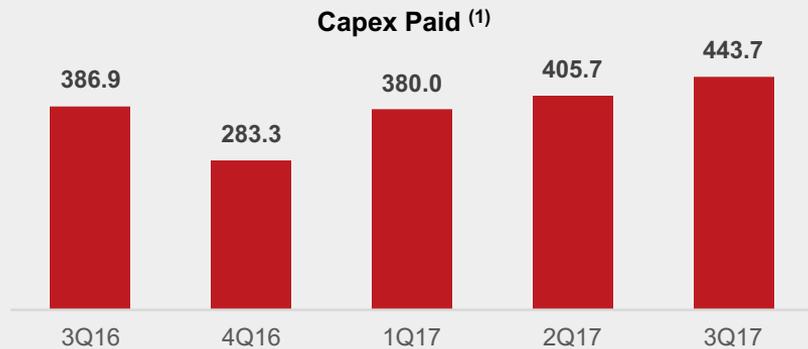
2. SG&A excludes D&A and SBC.

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



# Capex & On-Going Investment

## Capex Paid & Capex Incurred (Rmb Mn)



### Capex Incurred Breakdown

Rmb Mn	Cost to Date	Cost to Complete
Area In Service	3,991.8	231.0
Area Under Construction	959.0	1,843.2

Note  
1. Refers to net cash used in investing activities

## Current Construction Program

	RFS Date	Area Under Construction (Sqm)	Pre-Commitment Rate (%)
SZ4 Phase 1	4Q17	5,268	19.2%
SH4	4Q17	8,437	53.3%
BJ3	4Q17	4,260	100%
SZ5 Phase 2	FY18	5,000	0%
SH5 Phase 1	FY18	2,042	0%
SH6	FY18	7,071	45.3%
CD2 Phase 1	FY18	5,400	0%

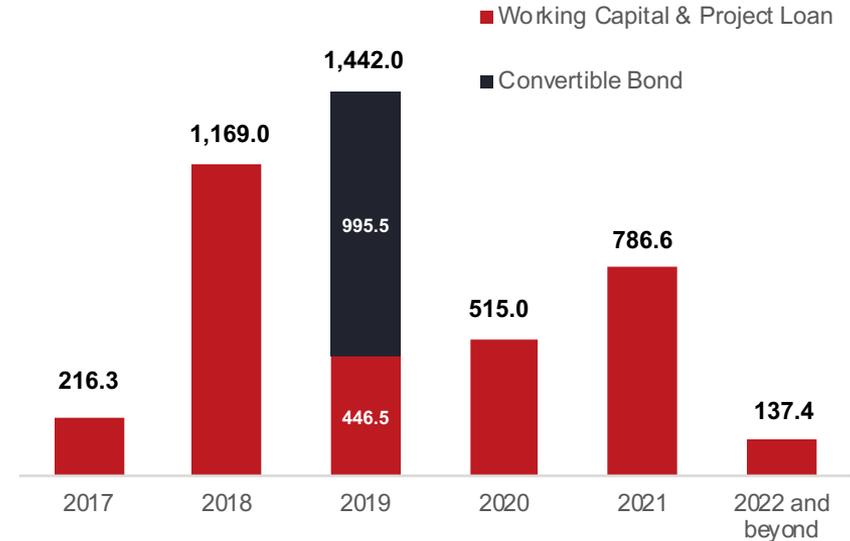


# Financing Obligations & Liquidity

## Debt & Cash Outstanding

	31/12/16	30/06/17	30/09/17	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adjusted EBITDA
<i>Loan</i>				
Working Capital	239.8	329.6	321.5	0.6x
Project Loan	1,698.8	2,620.9	2,873.1	5.4x
Mezzanine Debt	199.6	0	0	/
<b>Total Loan</b>	<b>2,138.2</b>	<b>2,950.4</b>	<b>3,194.6</b>	<b>6.0x</b>
Convertible Bond	1,040.5	1,016.2	995.5	1.9x
Capital Lease	1,111.6	1,519.3	1,751.9	3.2x
<b>Gross Debt</b>	<b>4,290.3</b>	<b>5,485.9</b>	<b>5,942.0</b>	<b>11.1x</b>
<b>Cash</b>	<b>1,811.3</b>	<b>1,466.0</b>	<b>1,174.1</b>	<b>-2.2x</b>
<b>Net Debt</b>	<b>2,479.0</b>	<b>4,019.9</b>	<b>4,767.9</b>	<b>8.9x</b>
<b>Pro Forma for CyrusOne Investment</b>				
<b>Cash</b>	<b>-</b>	<b>-</b>	<b>1,839.4</b>	<b>-3.4x</b>
<b>Net Debt</b>	<b>-</b>	<b>-</b>	<b>4,102.6</b>	<b>7.7x</b>

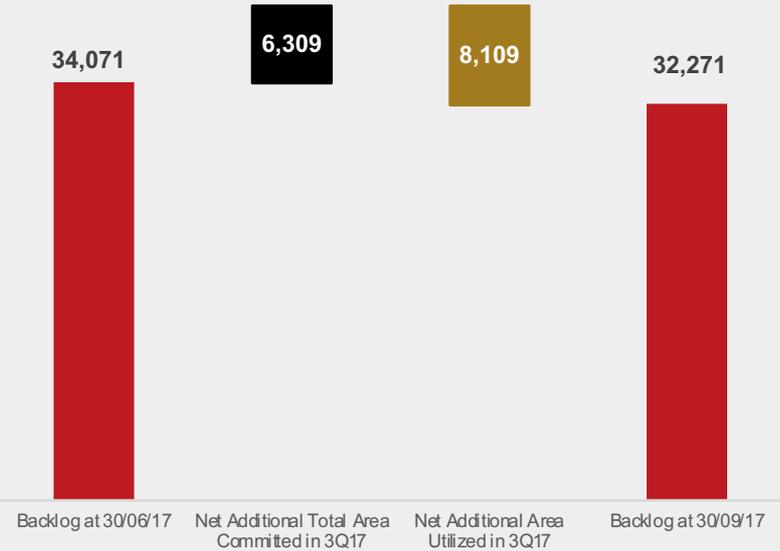
## Loan Maturity Schedule as at 30/09/17 (Rmb Mn)



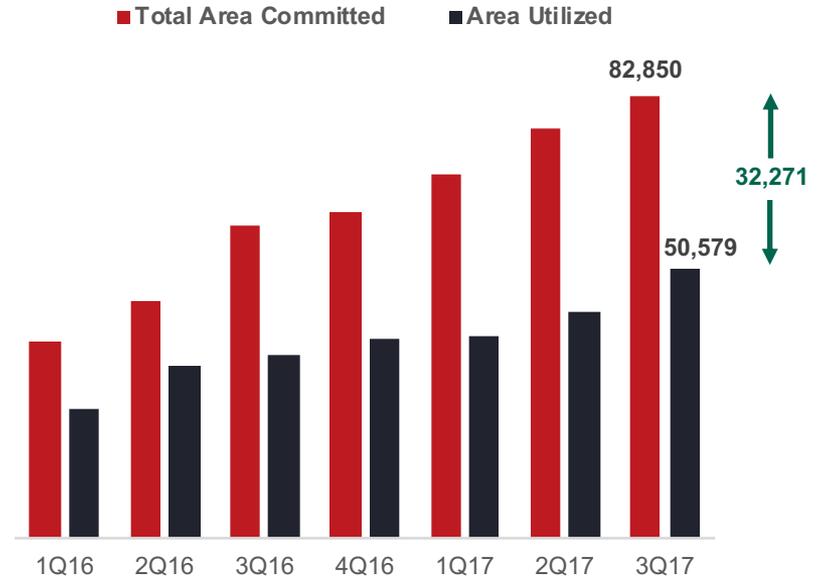


# Contract Backlog Build-up

## Backlog Build-up for 3Q17 (Sqm)



## Total Area Committed & Area Utilized (Sqm)





# Updated Business Outlook

## FY17 Guidance

Rmb Mn	FY16	FY17 Previous Guidance	FY17 Revised Guidance	Implied Y/Y - Revised
Service Revenue	1,003.0	1,475 – 1,575	1,525 – 1,575	+52% – 57%
Adjusted EBITDA	270.5	465 – 495	480 – 495	+77% – 83%
Capex	1,147.1	~1,800	~2,300	~ +101%



# Questions & Answers

[www.gds-services.com](http://www.gds-services.com)

[ir@gds-services.com](mailto:ir@gds-services.com)



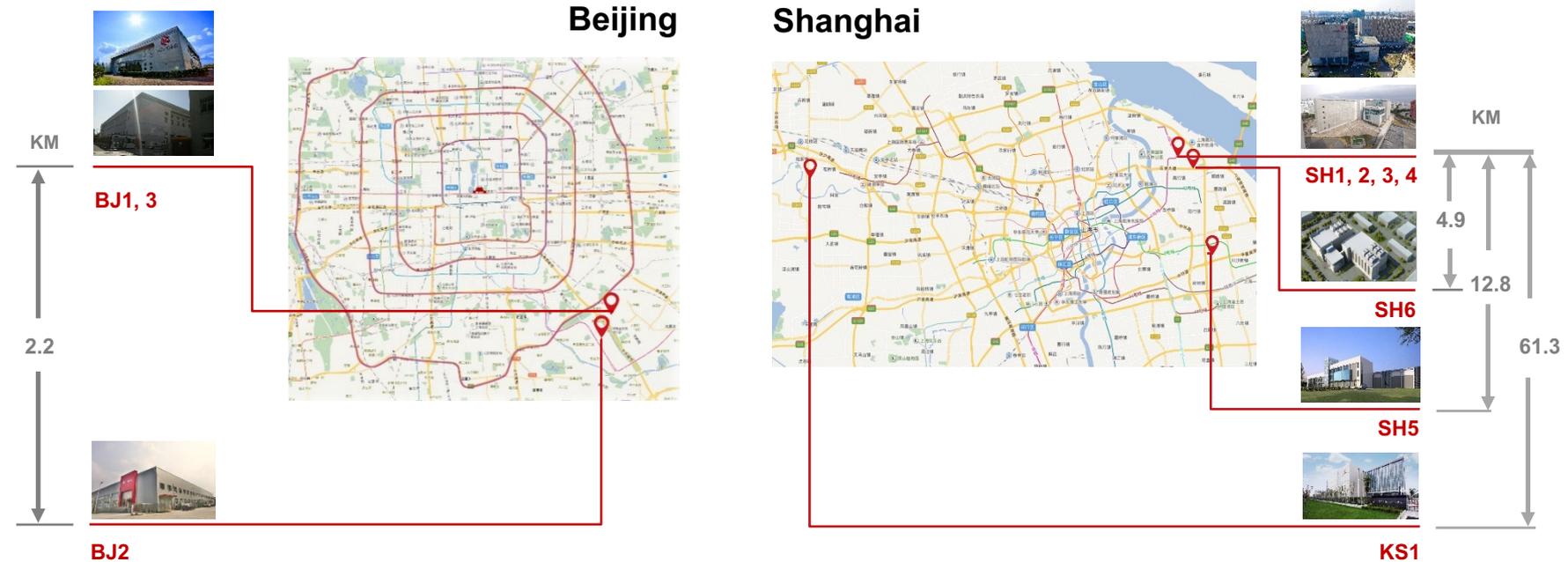
# Appendix





# Our Data Center Portfolio – Beijing & Shanghai

## Self- Built Data Centers in Tier 1 Cities – Beijing & Shanghai





# Our Data Center Portfolio – Shenzhen, Guangzhou & Chengdu

## Self- Built Data Centers in Tier 1 Cities – Shenzhen, Guangzhou & Chengdu

### Chengdu



**CD1, 2**

### Guangzhou



**GZ1, 2**

### Shenzhen



**SZ5**



**SZ3**



**SZ1, 2**



**SZ4**





# Key Operating KPIs

## Key Operating KPIs

As at the end of:	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Area In Service (Sqm)	37,869	37,869	48,548	48,822	60,982	61,092	71,577	77,832
Area Under Construction (Sqm)	35,525	35,525	31,794	37,194	25,055	35,055	38,028	37,478
Area Committed (Sqm)	33,140	33,629	44,062	45,782	54,258	55,010	65,994	69,880
Area Pre-Committed (Sqm)	2,778	3,330	552	12,845	6,785	13,303	10,547	12,970
Total Area Committed (Sqm)	35,918	36,959	44,614	58,627	61,043	68,313	76,541	82,850
Commitment Rate (%)	87.5%	88.8%	90.8%	93.8%	89.0%	90.0%	92.2%	89.8%
Area Utilized (Sqm)	22,365	23,957	32,152	34,369	37,082	37,898	42,470	50,579
Utilization Rate %	59.1%	63.3%	66.2%	70.4%	60.8%	62.0%	59.3%	65.0%
Average MSR (Rmb / Sqm / Month)	2,967	2,913	2,780	2,675	2,797	2,708 <sup>(1)</sup>	2,750	3,031

Note

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



# Self-Developed Data Centers In Service

As At 30/09/17

	Shanghai				Shenzhen				Guangzhou	Beijing		Chengdu
	KS1	SH1	SH2	SH3	SZ1	SZ2	SZ3	SZ5 Phase 1	GZ1	BJ1	BJ2	CD1
Ready For Service	2H10	2H11	2H15	2H16	2H14	1H16	2H16	1H17	1H16	2H15	2H17	1H17
Type	Purpose-Built	Purpose-Built	Purpose-Built	Purpose-Built	Converted	Converted	Converted	Converted	Converted	Converted	Converted	Purpose-Built
Tenure	Owned	Leased	Leased	Leased	Leased	Leased	Leased	Leased	Leased	Leased	Leased	Owned
Area In Service (Sqm)	6,546	6,432	7,712	7,879	4,286	4,308	2,678	5,000	6,608	2,435	6,177	6,200
Area Committed (Sqm)	6,486	6,255	7,442	6,922	4,278	4,038	1,357	5,000	6,608	2,429	3,250	6,175
Commitment Rate	99.1%	97.2%	96.5%	87.9%	99.8%	93.7%	50.7%	100%	100%	99.8%	52.6%	99.6%
Area Utilized (Sqm)	6,291	5,830	6,691	3,672	4,278	2,938	822	3,141	5,069	2,363	759	1,339
Utilization Rate	96.1%	90.6%	86.8%	46.6%	99.8%	68.2%	30.7%	62.8%	76.7%	97.1%	12.3%	21.6%



# Self-Developed Data Centers Under Construction

As At 30/09/17

	Shanghai			Shenzhen		Beijing	Chengdu
	SH4	SH5 Phase 1	SH6	SZ4 Phase 1	SZ5 Phase 2	BJ3	CD2 Phase 1
Ready For Service	2H17	1H18	2H18	2H17	1H18	2H17	2H18
Type	Purpose-Built	Converted	Purpose-Built	Converted	Converted	Converted	Purpose-Built
Tenure	Leased	Leased	Leased	Leased	Leased	Leased	Owned
Area Under Construction (Sqm)	8,437	2,042	7,071	5,268	5,000	4,260	5,400
Area Pre-Committed (Sqm)	4,500	0	3,200	1,010	0	4,260	0
Pre-Commitment Rate	53.3%	0%	45.3%	19.2%	0%	100%	0%



# Top 5 Customers

## Top 5 Customers in terms of Total Area Committed

End User	% of Total Area Committed	% of 3Q17 Revenue	Number of Data Centers
Internet / Cloud Service Provider	30.7%	27.9%	8
Internet / Cloud Service Provider	22.4%	12.1%	8 <sup>(1)</sup>
Internet	6.9%	7.2%	1
Cloud Service Provider	4.6%	2.7%	2
Internet	3.9%	0%	1

Note

1. Excluding 3<sup>rd</sup> party data centers



# Shares Outstanding

As At 30/09/17

## Shares Outstanding as at 30/09/17<sup>(1)</sup>

Ordinary Shares from before IPO	217,987,922
Ordinary Shares Converted from Preferred Shares	349,087,677
Ordinary Shares Issued for Preferred Dividends	31,490,164
Ordinary Shares Issued in IPO (Including Greenshoe)	160,565,880
Ordinary Shares Issued after IPO (Shares Vested or Options Exercised, Net)	3,272,183
<b>Total Shares Outstanding</b>	<b>762,403,826</b>

### Note

1. Excluding: 28,793,798 ordinary shares issuable upon the exercise of share options outstanding; and 53,881,458 ordinary shares reserved for future issuance under our share incentive plans, out of which 17,605,096 ordinary shares had been issued to depositary bank without consideration as of 30/09/17



# Historical Financial Results

## Condensed Consolidated Statements of Operations

Amounts in thousands	Three Months Ended									
	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017		
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	USD
<b>Net Revenue</b>										
Service revenue	193,373	202,384	234,010	266,890	299,731	343,665	331,490	423,042	63,584	
Equipment sales	15,719	8,715	2,026	30,266	11,938	6,378	4,724	1,391	209	
<b>Total net revenue</b>	<b>209,092</b>	<b>211,099</b>	<b>236,036</b>	<b>297,156</b>	<b>311,669</b>	<b>350,043</b>	<b>336,214</b>	<b>424,433</b>	<b>63,793</b>	
Cost of revenue	(154,567)	(156,896)	(175,138)	(222,514)	(235,738)	(243,845)	(254,853)	(321,709)	(48,353)	
<b>Gross profit</b>	<b>54,525</b>	<b>54,203</b>	<b>60,898</b>	<b>74,642</b>	<b>75,931</b>	<b>106,198</b>	<b>81,361</b>	<b>102,724</b>	<b>15,440</b>	
<b>Operating expenses</b>										
Selling and marketing expenses	(18,544)	(13,734)	(20,829)	(17,109)	(19,906)	(21,256)	(23,508)	(22,854)	(3,435)	
General and administrative expenses	(32,576)	(28,489)	(102,963)	(43,323)	(52,595)	(48,768)	(47,733)	(63,972)	(9,615)	
Research and development expenses	(1,496)	(1,987)	(2,778)	(2,156)	(2,179)	(1,458)	(1,203)	(2,059)	(309)	
<b>Income (Loss) from operations</b>	<b>1,909</b>	<b>9,993</b>	<b>(65,672)</b>	<b>12,054</b>	<b>1,251</b>	<b>34,716</b>	<b>8,917</b>	<b>13,839</b>	<b>2,081</b>	
<b>Other income (expenses)</b>										
Net interest expenses	(35,486)	(52,963)	(57,329)	(69,404)	(83,468)	(78,608)	(85,755)	(105,733)	(15,892)	
Foreign currency exchange gain (loss), net	1,393	(1,391)	5,492	2,645	11,564	(2,606)	(1,229)	(1,638)	(246)	
Others, net	1,528	662	547	503	789	826	1,010	866	130	
<b>Loss before income taxes</b>	<b>(30,656)</b>	<b>(43,699)</b>	<b>(116,962)</b>	<b>(54,202)</b>	<b>(69,864)</b>	<b>(45,672)</b>	<b>(77,057)</b>	<b>(92,666)</b>	<b>(13,927)</b>	
<b>Income tax benefits</b>	<b>2,481</b>	<b>4,921</b>	<b>1,543</b>	<b>1,626</b>	<b>225</b>	<b>1,367</b>	<b>1,334</b>	<b>2,337</b>	<b>351</b>	
<b>Net loss</b>	<b>(28,175)</b>	<b>(38,778)</b>	<b>(115,419)</b>	<b>(52,576)</b>	<b>(69,639)</b>	<b>(44,305)</b>	<b>(75,723)</b>	<b>(90,329)</b>	<b>(13,576)</b>	



# Historical Financial Results

## Condensed Consolidated Balance Sheets

Amounts in thousands. As of	Dec 31, 2014	Dec 31, 2015	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	
	RMB	USD							
Cash	606,758	924,498	834,477	798,732	1,811,319	1,527,318	1,466,013	1,174,079	176,466
Accounts receivable, net of allowance for doubtful accounts	73,366	111,013	170,149	190,033	198,851	261,015	308,137	306,308	46,039
<b>Total current assets</b>	<b>745,831</b>	<b>1,186,699</b>	<b>1,183,231</b>	<b>1,256,179</b>	<b>2,210,313</b>	<b>2,004,456</b>	<b>2,002,961</b>	<b>1,710,969</b>	<b>257,161</b>
Property and equipment, net	1,694,944	2,512,687	3,591,456	3,949,420	4,322,891	4,595,418	5,631,456	6,368,830	957,244
Goodwill and intangible assets, net	1,350,524	1,341,599	1,442,125	1,437,891	1,433,656	1,429,421	1,764,387	1,757,017	264,082
<b>Total assets</b>	<b>3,854,074</b>	<b>5,128,272</b>	<b>6,334,066</b>	<b>6,761,558</b>	<b>8,203,866</b>	<b>8,300,235</b>	<b>9,752,723</b>	<b>10,254,301</b>	<b>1,541,236</b>
Short-term borrowings and current portion of long-term borrowings	426,709	428,218	699,394	574,459	628,478	438,210	568,139	952,734	143,197
Capital leases and other financing obligations, current	39,621	48,745	71,919	83,198	88,593	113,522	132,151	38,594	5,801
<b>Total current liabilities</b>	<b>897,630</b>	<b>925,049</b>	<b>1,478,315</b>	<b>1,368,589</b>	<b>1,479,221</b>	<b>1,286,730</b>	<b>1,685,931</b>	<b>1,906,446</b>	<b>286,541</b>
Long-term borrowings, excluding current portion	492,123	958,264	825,392	1,407,700	1,509,676	1,856,128	2,382,276	2,241,895	336,960
Convertible bonds payable	—	648,515	994,243	1,001,670	1,040,550	1,034,895	1,016,160	995,535	149,630
Capital leases and other financing obligations, non-current	246,996	424,939	873,972	864,609	1,022,959	1,027,498	1,387,132	1,713,262	257,506
<b>Total liabilities</b>	<b>1,706,600</b>	<b>3,073,463</b>	<b>4,380,909</b>	<b>4,868,748</b>	<b>5,217,392</b>	<b>5,350,834</b>	<b>6,862,287</b>	<b>7,430,185</b>	<b>1,116,767</b>
Redeemable preferred shares	2,164,039	2,395,314	2,499,117	2,534,943	0	0	0	0	0
<b>Total shareholders' equity (deficit)</b>	<b>(16,565)</b>	<b>(340,505)</b>	<b>(545,960)</b>	<b>(642,133)</b>	<b>2,986,474</b>	<b>2,949,401</b>	<b>2,890,436</b>	<b>2,824,116</b>	<b>424,469</b>



# Historical Financial Results

## Condensed Consolidated Statements of Cash Flows

Amounts in thousands	Year Ended		Six Months Ended		Three Months Ended				
	Dec 31, 2014	Dec 31, 2015	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	USD
Net cash provided by (used in) operating activities	27,937	(80,298)	(22,069)	(100,501)	(27,658)	(38,454)	(67,570)	(55,032)	(8,271)
Net cash used in investing activities	(523,749)	(731,905)	(476,918)	(386,874)	(283,272)	(379,970)	(405,748)	(443,690)	(66,687)
Net cash provided by financing activities	1,056,287	1,127,685	395,346	451,976	1,281,292	146,352	432,498	226,258	34,007
Effect of exchange rate changes on cash	(2,328)	2,258	13,620	(346)	42,225	(11,929)	(20,485)	(19,470)	(2,927)
Net increase (decrease) in cash	558,147	317,740	(90,021)	(35,745)	1,012,587	(284,001)	(61,305)	(291,934)	(43,878)
<b>Cash at beginning of year / period</b>	48,611	606,758	924,498	834,477	798,732	1,811,319	1,527,318	1,466,013	220,344
<b>Cash at end of year / period</b>	606,758	924,498	834,477	798,732	1,811,319	1,527,318	1,466,013	1,174,079	176,466



# Reconciliation from Gross Profit to Adjusted NOI

## Adjusted NOI

Amounts in thousands	Three months ended									
	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017		
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	USD
Gross profit	54,525	54,203	60,898	74,642	75,931	106,198	81,361	102,724		15,440
Depreciation and amortization	39,281	40,776	45,030	56,916	64,002	71,288	72,609	95,372		14,335
Accretion expenses for asset retirement costs	92	135	135	165	153	153	203	269		40
Share-based compensation expenses			1,169		945	1,730	2,108	3,527		530
<b>Adjusted NOI</b>	<b>93,898</b>	<b>95,114</b>	<b>107,232</b>	<b>131,723</b>	<b>141,031</b>	<b>179,369</b>	<b>156,281</b>	<b>201,892</b>		<b>30,345</b>
<b>Adjusted NOI margin</b>	<b>44.9%</b>	<b>45.1%</b>	<b>45.4%</b>	<b>44.3%</b>	<b>45.2%</b>	<b>51.2%</b>	<b>46.5%</b>	<b>47.6%</b>		<b>47.6%</b>



# Reconciliation from Net Loss to Adjusted EBITDA

## Adjusted EBITDA

Amounts in thousands	Three Months Ended								
	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
<b>Net loss</b>	(28,175)	(38,778)	(115,419)	(52,576)	(69,639)	(44,305)	(75,723)	(90,329)	(13,576)
Net interest expenses	35,486	52,963	57,329	69,404	83,468	78,608	85,755	105,733	15,892
Income tax benefits	(2,481)	(4,921)	(1,543)	(1,626)	(225)	(1,367)	(1,334)	(2,337)	(351)
Depreciation and amortization	42,632	43,951	49,518	62,617	71,269	77,324	78,692	104,722	15,740
Accretion expenses for asset retirement costs	92	135	135	165	153	153	203	269	40
Share-based compensation expenses	708		57,187		6,978	13,506	12,294	15,594	2,344
<b>Adjusted EBITDA</b>	<b>48,262</b>	<b>53,350</b>	<b>47,207</b>	<b>77,984</b>	<b>92,004</b>	<b>123,919</b>	<b>99,887</b>	<b>133,652</b>	<b>20,089</b>
<b>Adjusted EBITDA margin</b>	<b>23.1%</b>	<b>25.3%</b>	<b>20.0%</b>	<b>26.2%</b>	<b>29.5%</b>	<b>35.4%</b>	<b>29.7%</b>	<b>31.5%</b>	<b>31.5%</b>