



4Q19 & FY19 Earnings Call

19 March 2020

NASDAQ: GDS





DISCLAIMER

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

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of the Company’s results under U.S. GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalent. First, adjusted NOI, adjusted NOI margin, adjusted EBITDA and adjusted EBITDA margin are not substitutes for net income (loss), cash flows provided by (used in) operating activities or other consolidated statements of operation and cash flow data prepared in accordance with U.S. GAAP. Second, other companies may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP financial measures as tools for comparison. Finally, these non-GAAP financial measures do not reflect the impact of net interest expenses, incomes tax expenses (benefits), depreciation and amortization, 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



FY19 HIGHLIGHTS

Sales Momentum

- Net additional total area committed of +81,135 sqm, or 174 MW
- Total area committed increased by 44.2% y/y to 264,878 sqm

Capacity Expansion

- Total capacity increased by 90,000 sqm to 315,797 sqm, +40.0% y/y
- Total development pipeline of +320,000 sqm
- Signed 3 M&A deals for 5 data centers

Financial Results

- Total revenue grew by 47.6% y/y to Rmb 4,122.4 mn (\$592.1 mn)
- Adjusted EBITDA grew by 74.3% y/y to Rmb 1,824.0 mn (\$262.0 mn)
- Adjusted EBITDA margin of 44.2%, +6.7 ppts y/y

Funding Solutions

- Raised \$897.5mn (gross) of equity
- Completed Rmb 6,328.6 mn (\$909.0 mn) of debt financing and refinancing
- Strategic partnership with GIC for remote build-to-suit projects

Note:

1. Exchange rate of 6.9618:1 (RMB:USD) is used throughout this presentation.



4Q19 HIGHLIGHTS

Sales Momentum

- Net additional total area committed of +22,443 sqm
- Total area committed increased by 44.2% y/y to 264,878 sqm

Capacity Expansion

- Total capacity (in service + under construction) grew by 40.0% y/y to 315,797 sqm
- Signed BJ10/11/12 acquisition
- Acquired property and land which added ~175,600 sqm of development pipeline

Financial Results

- Total revenue grew by 10.6% q/q to Rmb 1,179.2 mn (\$169.4 mn)
- Adjusted EBITDA grew by 9.3% q/q to Rmb 528.7 mn (\$75.9 mn)
- Adjusted EBITDA margin of 44.8%

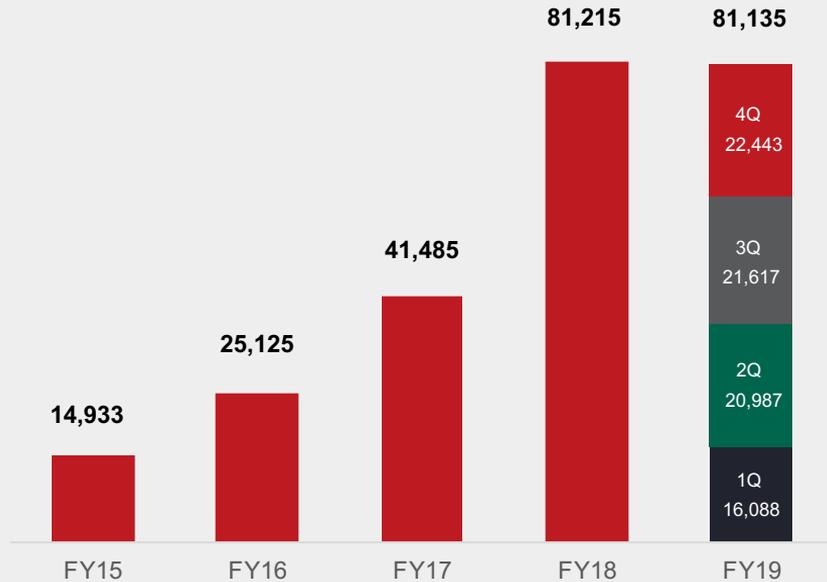
Funding Solutions

- Raised \$287.5 mn (gross) from follow-on equity offering
- Obtained Rmb 1,232.2 mn (\$177.0 mn) of new debt financing and refinancing facilities

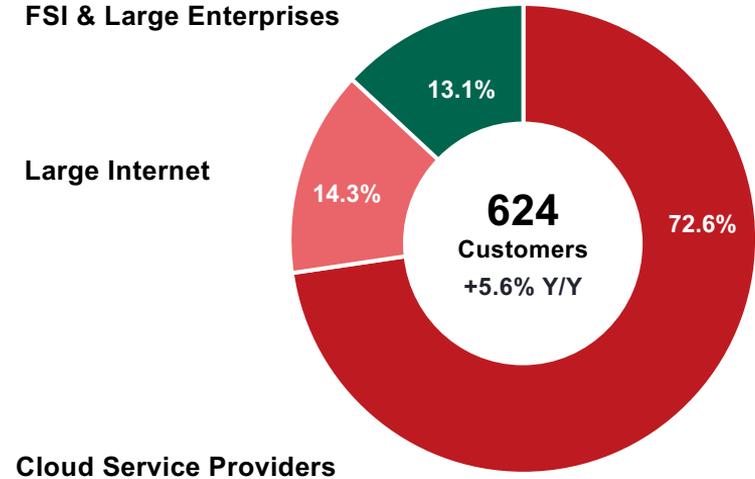


Sales Achievement

Net Additional Total Area Committed (Sqm)



Net Additional Total Area Committed Breakdown

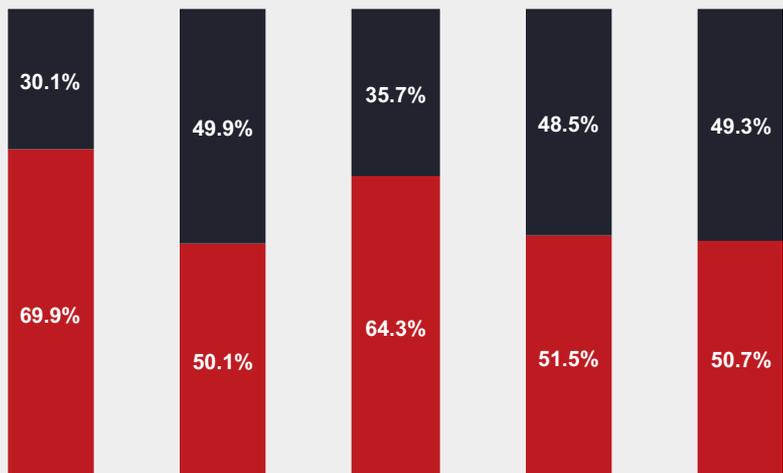




Customer Diversification

Net Additional Area Committed by Customer Segment

■ Top 2 Customers ■ Other Customers



Hyperscale Customer Additions by Year

2016



2017



2018



2019



Notes:

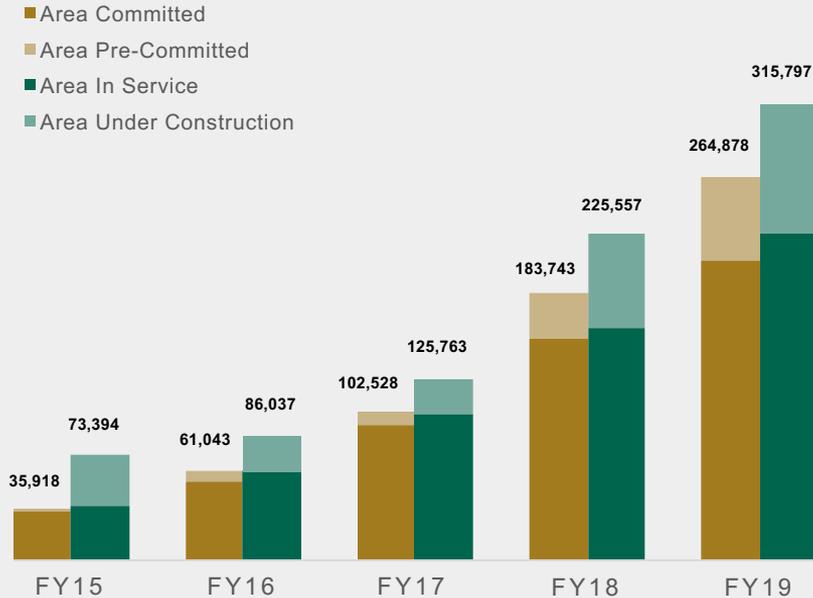
1. Azure China is operated by a subsidiary of 21Vianet.

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

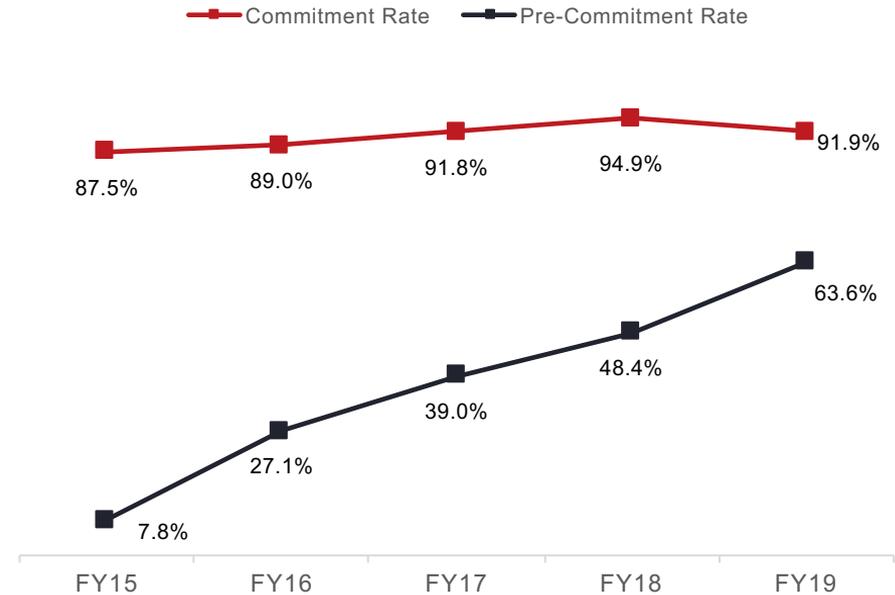


Synchronized Sales & Capacity Growth

Commitments vs. Capacity (Sqm)



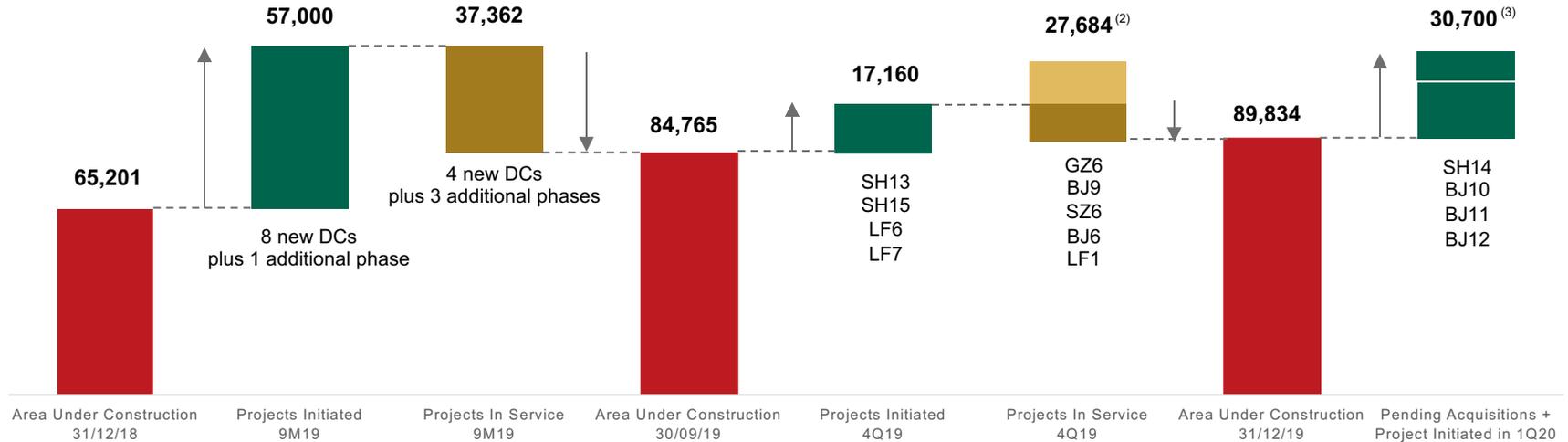
Commitment / Pre-Commitment Rates





Resource Progress

Capacity Expansion 4Q19 & FY19⁽¹⁾



Notes:

- All area is based on the latest design IT area of each project. Discrepancies from the previous quarters may arise from capacity adjustment. Please refer to historical earnings presentation for any prior adjustments.
- Include BJ9 of 8,029 sqm and GZ6 of 6,608 sqm acquisitions. Area In Service for GZ6 is adjusted by -132 sqm. 4Q19 Area in Service adjustments from constructions completed: SZ6: +67 sqm, BJ6: +798 sqm, LF1: +91 sqm. Other area in service adjustments include: BJ2: +3 sqm; 3rd party: +179 sqm
- Pending closing for acquisition of BJ10, BJ11 and BJ12. SH14 is a project initiated in 1Q20 and has an IT area of 11,000 sqm.

Development Pipeline – Acquired Land & Buildings

Total Secured Development Pipeline of +320,000 sqm ⁽¹⁾



Langfang Land Site 1 Phase 2 (LF4, LF5)

- Phase 1 – LF3 under construction
- 44,000 sqm land area
- 29,000 sqm IT area



Langfang Land Site 2

- Adjacent to Langfang Land Site 1
- 38,000 sqm land area
- 24,000 sqm IT area



HK2 Brownfield Site

- HKD 880 mn
- Near to HK1
- 7,000 sqm IT area



Shanghai 14

- Located in Waigaoqiao
- RMB 330.2 mn
- 37,000 sqm of GFA
- 11,000 sqm IT area



Changshu Land Phase 1

- 70 km from Shanghai
- 67,000 sqm of land area
- 32,000 sqm IT area



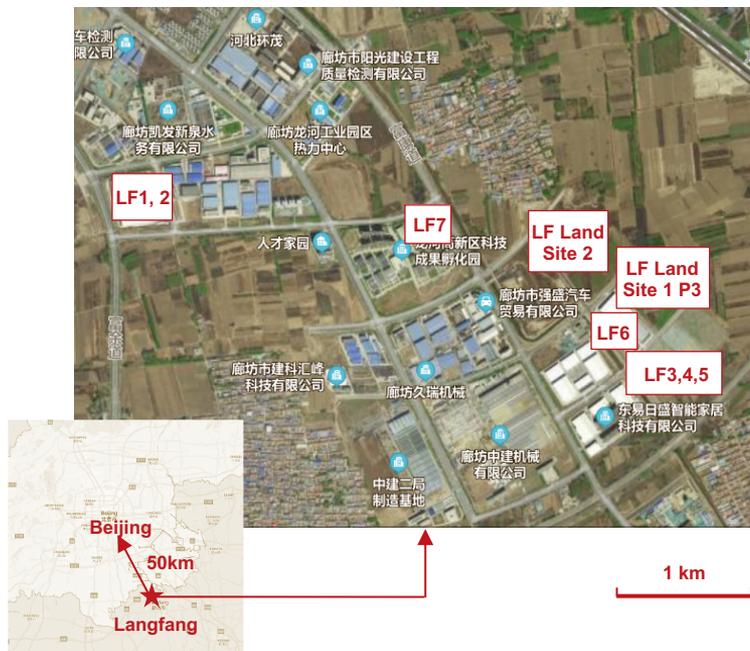
Pujiang, Shanghai Site

- 25 kms from Waigaoqiao
- 212,000 sqm total land area
- Phase 1 (SH16, SH17) of 22,600 sqm IT area
- Subsequent phases of ~50,000 sqm IT area

Notes:

1. Include Pujiang, Shanghai site for which investment agreement was signed in Jan 2020. Include the additional phases of Langfang Land Site 1 (Phase 3) of ~30,000 sqm IT area and Changshu Land (Phase 2) of ~32,000 sqm IT area for which framework agreements have been signed but land title has not yet been acquired.

Langfang Case Study



	Tenure	Status	IT Capacity (Sqm)	Commitment Rate 4Q19 (%)
LF1	Lease	In Service	4,949	100%
LF2 ⁽¹⁾	Lease	Under Construction	4,859	0%
LF3 (LF Land Site 1 Phase 1)	Own	Under Construction	11,664	100%
LF4 / LF5 (LF Land Site 1 Phase 2)	Own	Land Acquired	~29,000	--
LF6	Lease	Under Construction	3,642	100%
LF7	Lease	Under Construction	5,507	100%
LF Land Site 2	Own	Land Acquired	~24,000	--
LF Land Site 1 Phase 3	Own	Framework Agreement Signed	~30,000	--
Total			~113,621	

Notes:

1. LF2 was 100% pre-committed in 1Q20.



Acquisitions

Capacity Acquired ⁽¹⁾

Current Status



Notes:

1. New capacity from acquisitions excludes the additional phases of the initial acquisitions, e.g. SZ5 Phase 2 & 3, GZ3 Phase 2. # of sqm as at 31/12/19.

- GZ6 acquisition was closed in 4Q19 with area in service of 6,608 sqm
- Entered into contracts to provide services to customers and to operate the BJ9 data center, pending closing of its acquisition
- BJ9 acquisition expected to close by mid 2020
- BJ10, BJ11 and BJ12 acquisition expected to close by mid 2020
- Actively pursuing more M&A opportunities



Our Priorities for 2020

Customers



- Deepen relationships with strategic customers by being a solution provider
- Leverage competitive advantages to add new high-growth and high-value customers
- Leverage presence of multiple Cloud PoPs to add more value

Resources



- Maintain focus on providing low latency product in Tier 1 markets – downtown / edge of town
- Maintain continuous supply
- JV build-to-suit projects in remote locations

Financing



- Maintain fully funded business plan
- Ensure access to diversified sources of debt and equity
- Maintain sound capital structure at individual project level



Financial & Operating Review

Dan Newman, CFO





4Q19 & FY19 P&L Analysis

Quarterly Financial Review

Rmb'000 (unless indicated)	3Q19	4Q19	Q/Q	FY18	FY19	Y/Y
Service Revenue	1,058,921	1,159,610	9.5%	2,759,490	4,094,571	48.4%
Equipment Sales	7,267	19,577	169.4%	32,587	27,834	(14.6%)
Total Net Revenue	1,066,188	1,179,187	10.6%	2,792,077	4,122,405	47.6%
Cost of Revenue	(791,963)	(884,464)	11.7%	(2,169,636)	(3,079,679)	41.9%
Add Back: D&A, SBC & Asset Retirement Cost	296,815	318,424	7.3%	700,144	1,120,716	60.1%
Adjusted NOI ⁽¹⁾	571,040	613,147	7.4%	1,322,585	2,163,442	63.6%
<i>Adjusted NOI Margin</i>	<i>53.6%</i>	<i>52.0%</i>	<i>(1.6 ppts)</i>	<i>47.4%</i>	<i>52.5%</i>	<i>5.1 ppts</i>
SG&A	(144,313)	(167,154)	15.8%	(454,086)	(562,946)	24.0%
Add Back: D&A and SBC	55,163	76,795	39.2%	149,080	214,062	43.6%
FX Change Gain (Loss) & Others, Net	1,806	5,895	226.4%	28,959	9,463	(67.3%)
Adjusted EBITDA ⁽²⁾	483,696	528,683	9.3%	1,046,538	1,824,021	74.3%
<i>Adjusted EBITDA margin</i>	<i>45.4%</i>	<i>44.8%</i>	<i>(0.6 ppts)</i>	<i>37.5%</i>	<i>44.2%</i>	<i>6.7 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.



4Q19 & FY19 Underlying Trends

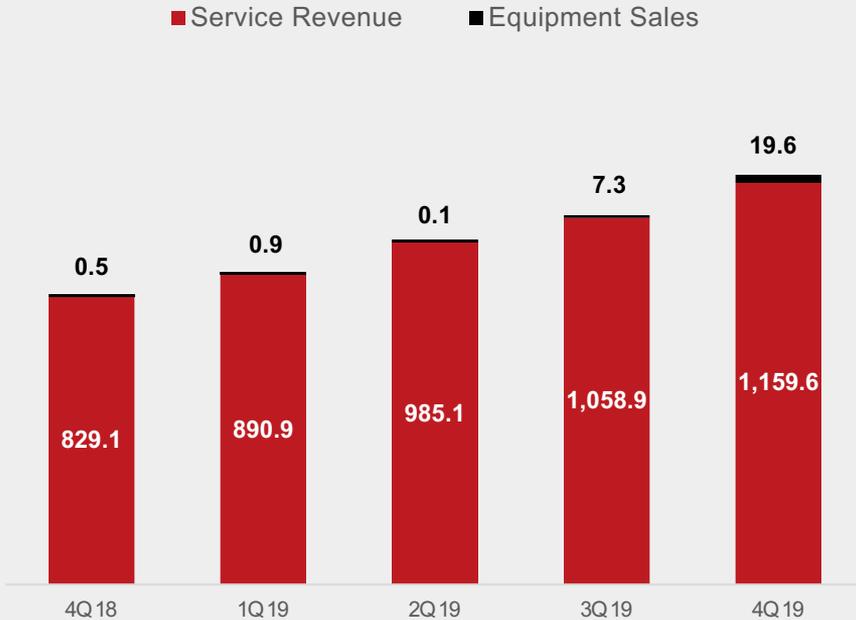
Quarterly Financial Review

Rmb'000 (unless indicated)	3Q19	4Q19	Q/Q	FY18	FY19	Y/Y
Total Net Revenue	1,066,188	1,179,187	10.6%	2,792,077	4,122,405	47.6%
Less: Equipment Sales	7,267	19,577	169.4%	32,587	27,834	(14.6%)
Service Revenue	1,058,921	1,159,610	9.5%	2,759,490	4,094,571	48.4%
Adjusted NOI	571,040	613,147	7.4%	1,322,585	2,163,442	63.6%
Less: Equipment Profit	923	606	(34.3%)	5,347	1,589	(70.3%)
Underlying Adjusted NOI	570,117	612,541	7.4%	1,317,238	2,161,853	64.1%
<i>Underlying Adjusted NOI Margin</i>	<i>53.8%</i>	<i>52.8%</i>	<i>(1.0 ppts)</i>	<i>47.7%</i>	<i>52.8%</i>	<i>5.1 ppts</i>
Adjusted EBITDA	483,696	528,683	9.3%	1,046,538	1,824,021	74.3%
Less: Equipment Profit	923	606	(34.3%)	5,347	1,589	(70.3%)
Less: FX Change Gain (Loss)	(2,796)	(446)	(84.0%)	20,306	(6,000)	(129.5%)
Underlying Adjusted EBITDA	485,569	528,523	8.8%	1,020,885	1,828,432	79.1%
<i>Underlying Adjusted EBITDA Margin</i>	<i>45.9%</i>	<i>45.6%</i>	<i>(0.3 ppts)</i>	<i>37.0%</i>	<i>44.7%</i>	<i>7.7 ppts</i>

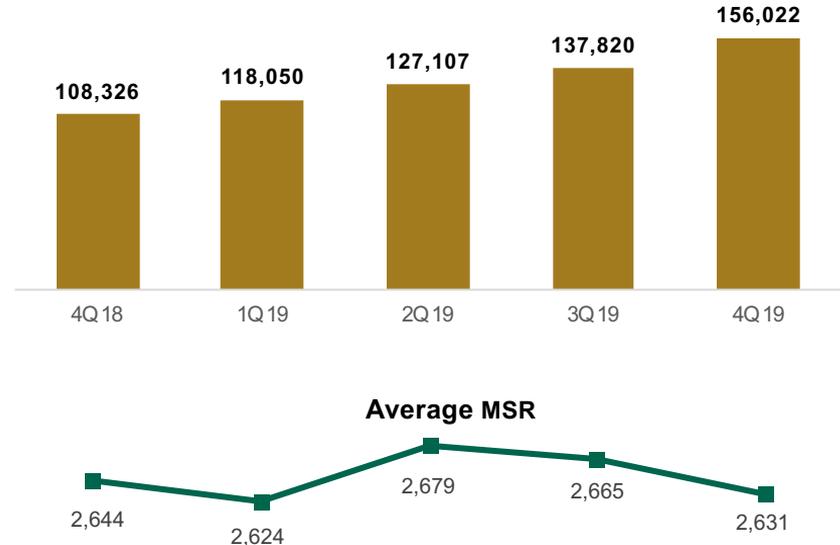


Revenue & Area Utilized

Revenue (Rmb Mn)



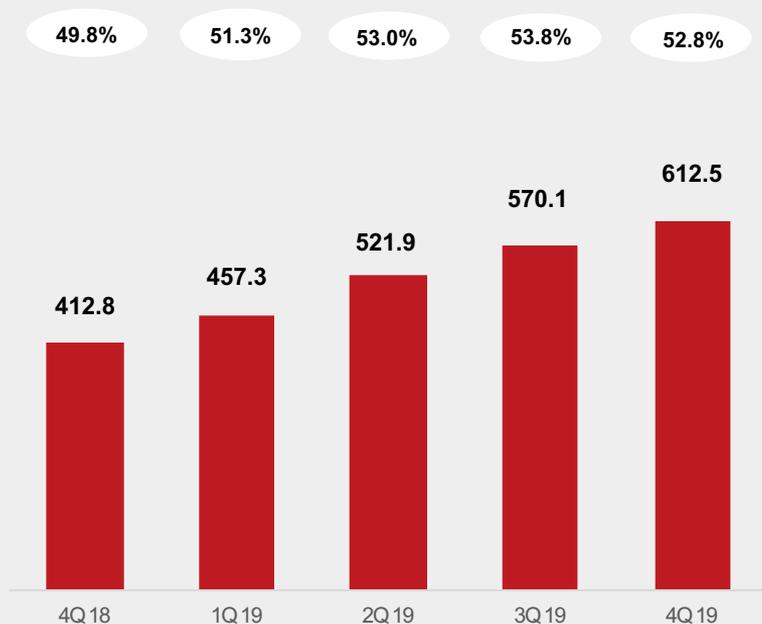
Area Utilized (Sqm) & MSR (Rmb / Sqm / Month)



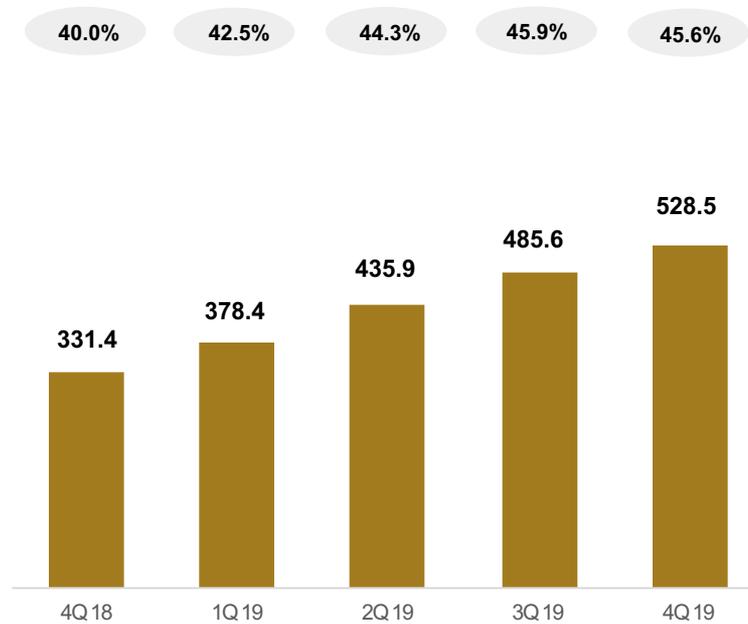


Underlying Adjusted NOI & EBITDA

Underlying Adjusted NOI (Rmb Mn) & Margin



Underlying Adjusted EBITDA (Rmb Mn) & Margin



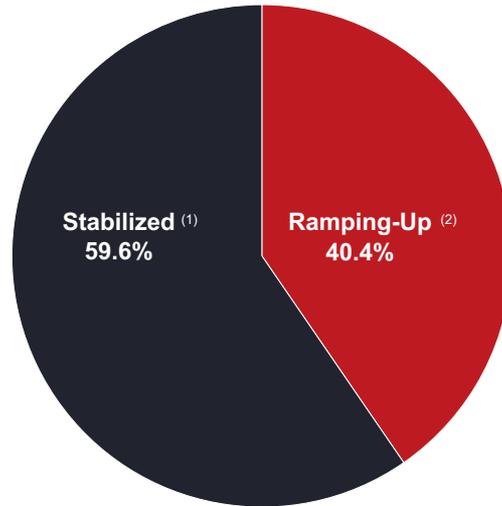
Stabilized vs. Ramping-Up Data Centers

Breakdown of Area In Service as at 4Q19

Stabilized Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS1	6,546	98.1%	93.8%
SH1	6,432	96.9%	94.7%
SH2	7,712	99.4%	95.7%
SH3	7,950	100.0%	95.1%
SH4	8,415	98.9%	93.4%
SH8	4,924	91.2%	83.0%
SH9	3,330	100.0%	85.9%
SZ1	4,286	98.5%	98.4%
SZ2	4,308	100.0%	99.9%
SZ3	2,678	94.5%	90.8%
SZ5	20,583	100.0%	94.7%
GZ1	6,548	99.7%	99.6%
GZ2	6,131	100.0%	99.2%
GZ3 Phase 1	7,648	100.0%	97.2%
BJ1	2,435	93.9%	92.3%
BJ2	5,819	99.7%	93.4%
BJ3	3,144	100.0%	93.6%
BJ9	8,029	100.0%	97.4%
ZB1	5,132	100.0%	92.0%
ZB2	4,662	100.0%	93.1%
ZB3	4,662	100.0%	90.7%
3 rd Party	3,304	94.4%	91.8%
Total	134,678	98.9%	94.5%

Area In Service



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

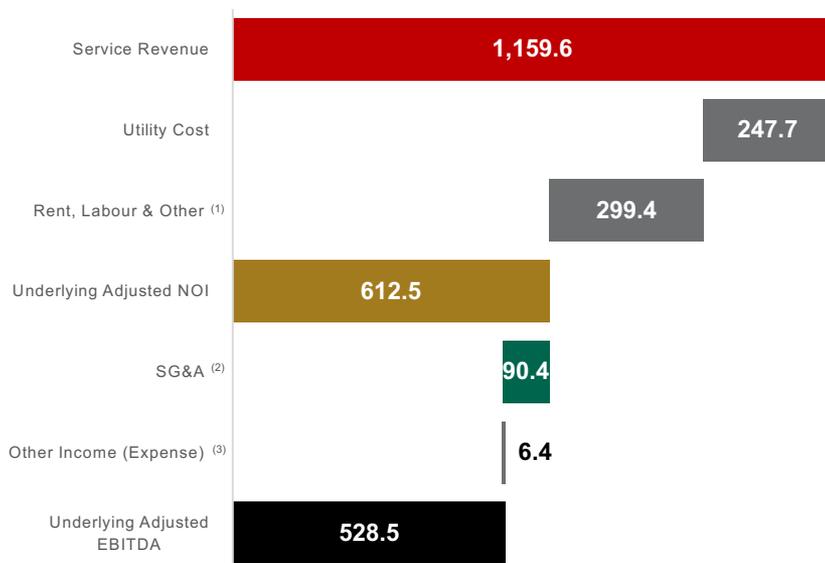
Ramping-Up Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
SH5 Phase 1	2,062	100.0%	51.4%
SH6	8,004	74.7%	24.6%
SH7	6,352	33.3%	4.7%
SH10	3,745	100.0%	0.0%
SH11	4,214	100.0%	74.9%
SZ4 Phase 1	4,677	96.8%	46.1%
SZ6	2,133	0.0%	0.0%
GZ3 Phase 2	3,423	100.0%	9.9%
GZ6	6,608	15.4%	0.0%
BJ4	4,695	86.0%	21.6%
BJ5	13,366	97.1%	72.1%
BJ6	5,965	97.0%	0.0%
LF1	4,929	100.0%	0.0%
CD1	6,262	94.7%	68.2%
CD2 Phase 1	8,250	100.0%	11.9%
3 rd Party	6,579	83.6%	59.5%
Total	91,285	81.6%	31.5%



Cost Breakdown & Operating Leverage

4Q19 Cost Breakdown & Operating Leverage (Rmb Mn)



	% of Service Revenue						
	4Q18	1Q19	2Q19	3Q19	4Q19	FY18	FY19
Service Revenue	23.1%	22.8%	23.3%	22.9%	21.4%	23.8%	22.5%
Utility Cost	27.1%	25.9%	23.7%	23.3%	25.8%	28.5%	24.7%
Rent, Labour & Other ⁽¹⁾	49.8%	51.3%	53.0%	53.8%	52.8%	47.7%	52.8%
SG&A ⁽²⁾	10.2%	9.1%	8.9%	8.4%	7.8%	11.1%	8.5%
Other Income (Expense) ⁽³⁾	0.4%	0.3%	0.2%	0.4%	0.6%	0.4%	0.4%
Underlying Adjusted EBITDA	40.0%	42.5%	44.3%	45.9%	45.6%	37.0%	44.7%

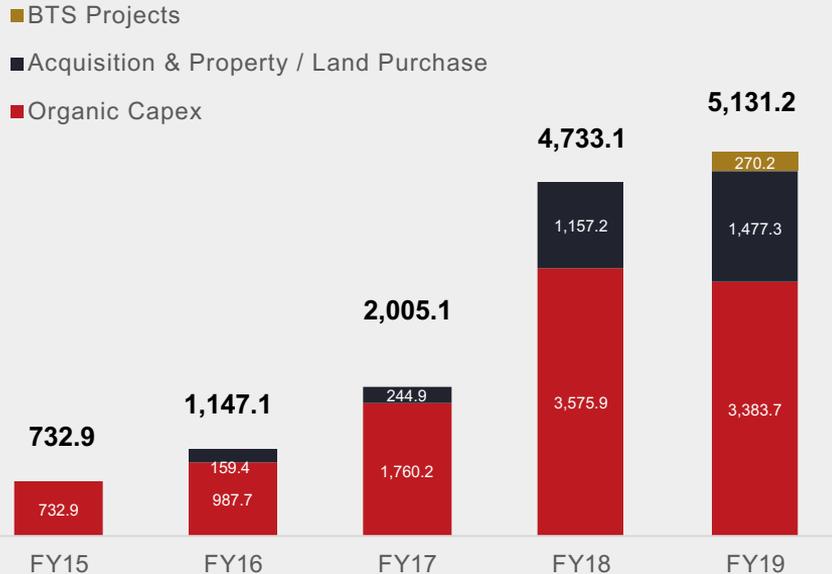
Notes:

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.



Capital Expenditure

Capex Paid (Rmb Mn) ⁽¹⁾



Notes:

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

FY19 Highlights

- Total capex paid for FY19 was Rmb 5,131.2 mn, compared to Rmb 4,733.1 mn for FY18
- Rmb 578.6 mn was paid for acquisitions
- Rmb 385.1 mn of acquisition consideration payable at Y/E
- Rmb 270.2 mn was paid for BTS projects for GIC JV
- Expect to pay capex of Rmb ~2.5 bn in 2020 for the pending BJ9 and BJ10, BJ11, BJ12 acquisitions, and for the Pujiang, Shanghai site



Construction Program

Self-developed Data Centers

	RFS Date	Tenure	Type	Net Floor Area (Sqm)	Pre-Commitment Rate (%)
SH12	2H20	Lease	Convert	3,653	100%
KS2	1H20	Own	Greenfield	6,120	100%
KS3	2H20	Own	Greenfield	5,290	100%
GZ4	1H20	Lease	Convert	7,000	0%
BJ7	2H20	Lease	Convert	11,116	34.7%
BJ8	2H20	Lease	Convert	10,911	100%
LF2	2H20	Lease	Convert	4,859	0%
LF3	2H20	Own	Greenfield	11,664	100%
HK1	2H22	Own	Brownfield	7,061	0%
ZB4	1H20	Lease	Greenfield	5,000	100%
SH13	2H20	Lease	Convert	6,493	0%
SH15	2H20	Lease	Convert	1,518	100%
LF6	1H20	Lease	Convert	3,642	100%
LF7	1H20	Lease	Convert	5,507	100%
Total	--			89,834	63.6%

Build-to-Suit Data Centers for GIC JV

	Number of Data Centers	Total Net Floor Area (Sqm)
Planned Projects	7	~28,000
Projects Under Construction	2	7,777
Project in Service Held for Sale	1	3,888
Project in Service Held by GIC JV	0	0



Financing Obligations & Liquidity

Debt & Cash Outstanding

	31/12/18	30/09/19	31/12/19	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adj. EBITDA
Total Loan	6,487.0	8,358.6	9,166.2	4.3
Convertible Bond	2,004.7	2,075.0	2,049.6	1.0
Finance Lease	4,301.2	4,684.0	4,973.6	2.3
Gross Debt	12,792.9	15,117.6	16,189.4	7.6
Cash	2,161.6	5,752.8	5,810.9	2.7
Net Debt	10,631.3	9,364.8	10,378.5	4.9

	4Q18	1Q19	2Q19	3Q19	4Q19	FY18	FY19
Net Debt / LQA Adj. EBITDA	8.0	4.9	4.9	4.8	4.9	--	--
Interest Coverage Ratio ⁽¹⁾	1.64	1.75	1.93	2.01	2.26	1.64	1.99
Effective Interest Rate ⁽²⁾	6.5%	6.6%	6.4%	6.6%	6.0%	6.6%	6.2%

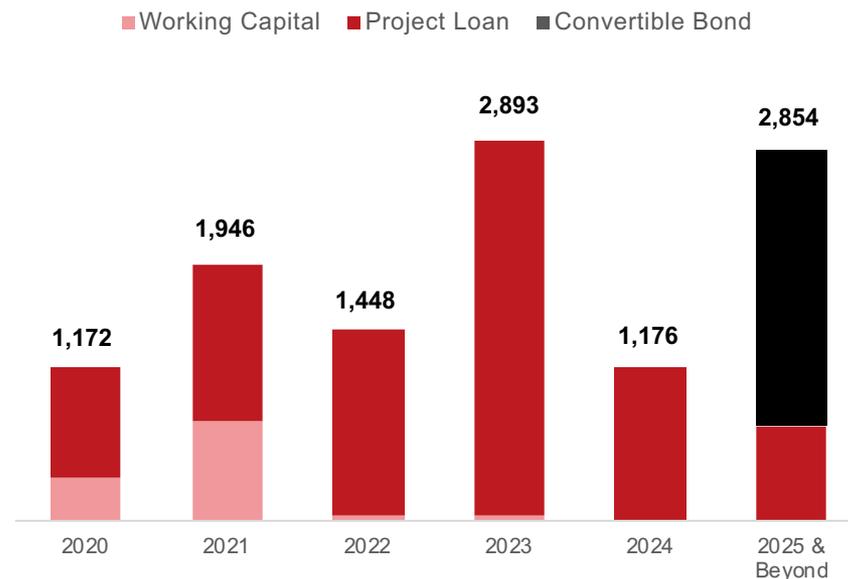
LQA Adjusted EBITDA = Rmb 528.7 mn *4 = Rmb 2,114.7 mn

Note:

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

2. Effective Interest Rate = Quarterly Net Interest Expenses *4 or Annual Net Interest Expenses / Average Gross Debt

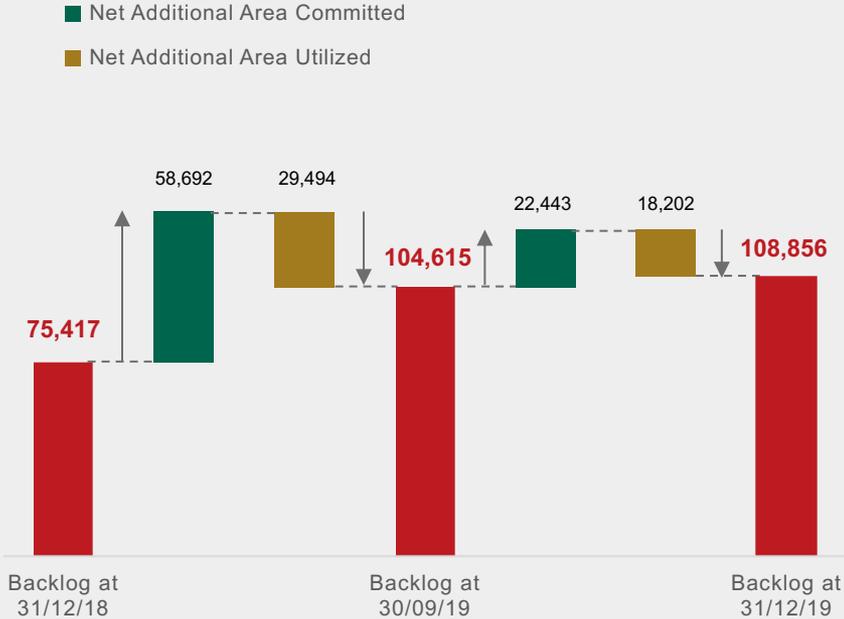
Loan Maturity Schedule as at 31/12/19 (Rmb Mn)



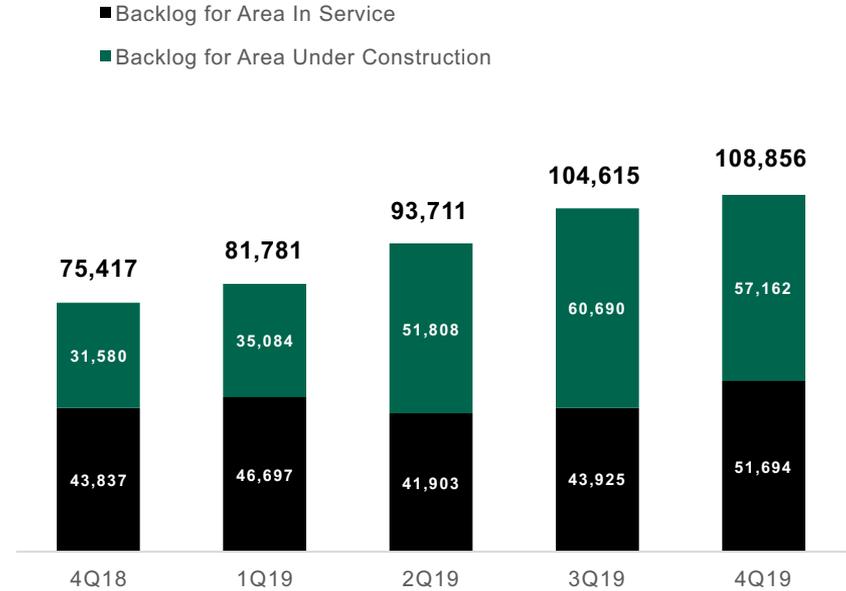


Backlog & Move-In Analysis

Backlog Build-Up for 4Q19 and FY19 (Sqm)



Backlog by Data Center Status (Sqm)





Business Outlook

FY20 Guidance

Rmb Mn	FY19 Actual	FY20 Guidance	Implied Y/Y
Total Revenue	4,122.4	5,510 – 5,750	33.7% – 39.5%
Adjusted EBITDA	1,824.0	2,550 – 2,670	39.8% – 46.4%
Capex ⁽¹⁾	5,131.2	~7,500	~46%

Note:

1. Refers to net cash used in investing activities.



Questions & Answers

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Appendix

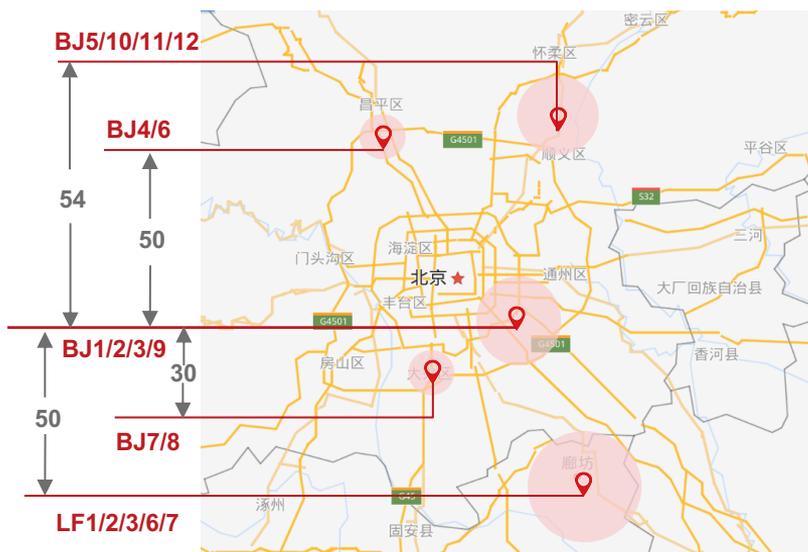




Our Data Center Portfolio – Beijing & Shanghai Markets

Self-developed Data Centers in Tier 1 Markets (1)

Beijing – 17 DCs (2)



Shanghai – 17 DCs



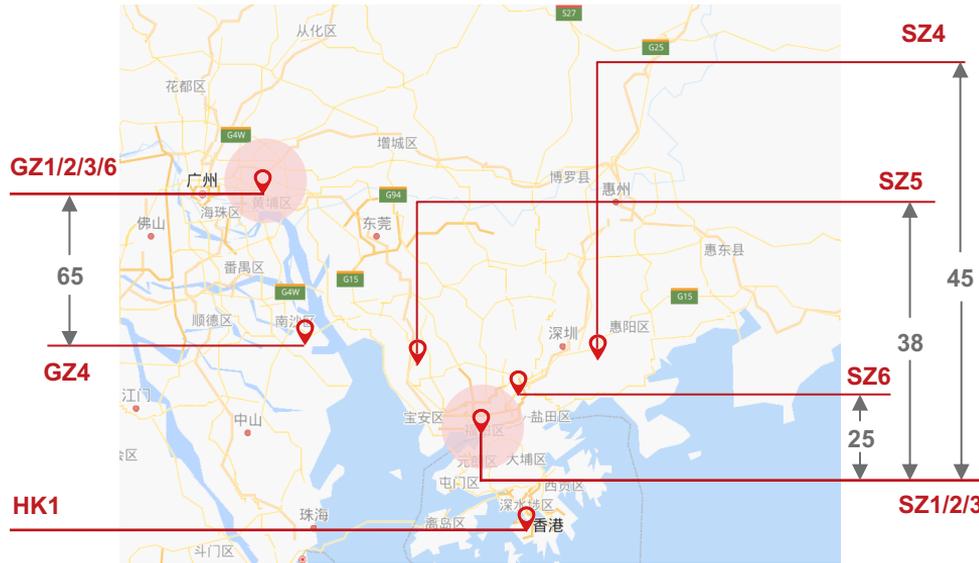
Note:
1. Distance in km.
2. BJ9/10/11/12 acquisitions pending closing.



Our Data Center Portfolio – Great Bay Area & Chengdu

Self-developed Data Centers in Tier 1 Markets (1)

Great Bay Area – 12 DCs



Chengdu – 2 DCs



Note:
1. Distance in km.



Key Operating KPIs

Last 8 Quarters

As at	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Area In Service (Sqm)	103,475	127,984	147,342	160,356	171,515	180,441	198,097	225,963
Area Under Construction (Sqm)	40,357	41,023	43,718	65,201	65,736	78,373	84,765	89,834
Total Capacity (Sqm)	143,832	169,007	191,060	225,557	237,251	258,814	282,862	315,797
Area Committed (Sqm)	97,068	122,306	141,931	152,163	164,747	169,010	181,745	207,716
Area Pre-Committed (Sqm)	25,751	20,759	19,868	31,580	35,084	51,808	60,690	57,162
Total Area Committed (Sqm)	122,819	143,065	161,799	183,743	199,831	220,818	242,435	264,878
Commitment Rate (%)	93.8%	95.6%	96.3%	94.9%	96.1%	93.7%	91.7%	91.9%
Pre-Commitment Rate (%)	63.8%	50.6%	45.4%	48.4%	53.4%	66.1%	71.6%	63.6%
Area Utilized (Sqm)	66,905	86,665	100,679	108,326	118,050	127,107	137,820	156,022
Utilization Rate %	64.7%	67.7%	68.3%	67.6%	68.8%	70.4%	69.6%	69.0%
Average MSR (Rmb / Sqm / Month)	2,858	2,719	2,678	2,644	2,624	2,679	2,665	2,631

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



Data Center Summary By Market

As at 31/12/19 (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	69,686	23,074	92,760	62,531	16,581	79,112	48,470	89.7%	71.9%	69.6%
Shenzhen / Guangzhou	69,023	7,000	76,023	60,917	0	60,917	52,972	88.3%	0.0%	76.7%
Beijing / Langfang	48,403	47,699	96,101	47,016	35,581	82,597	29,088	97.1%	74.6%	60.1%
Chengdu	14,512	0	14,512	14,180	0	14,180	5,252	97.7%	0.0%	36.2%
Hong Kong	0	7,061	7,061	0	0	0	0	0%	0.0%	0%
Hebei – ZB	14,456	5,000	19,456	14,456	5,000	19,456	13,292	100.0%	100.0%	91.9%
3 rd Party	9,884	0	9,884	8,616	0	8,616	6,948	87.2%	0.0%	70.3%
Total	225,963	89,834	315,797	207,716	57,162	264,878	156,022	91.9%	63.6%	69.0%

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



Self-Developed Data Centers In Service – Shanghai / Kunshan

As at 31/12/19 (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	Own	6,546	6,420	98.1%	6,143	93.8%
SH1	2H11	Purpose-Built	Lease	6,432	6,231	96.9%	6,089	94.7%
SH2	2H15	Purpose-Built	Lease	7,712	7,667	99.4%	7,380	95.7%
SH3	2H16	Purpose-Built	Lease	7,950	7,949	100.0%	7,564	95.1%
SH4	2H17	Purpose-Built	Lease	8,415	8,322	98.9%	7,862	93.4%
SH5 Phase1	1H18	Converted	Lease	2,062	2,062	100.0%	1,061	51.4%
SH6	2H18	Purpose-Built	Lease	8,004	5,982	74.7%	1,969	24.6%
SH7	2H19	Purpose-Built	Lease	6,352	2,118	33.3%	298	4.7%
SH8	2H18	Converted	Lease	4,924	4,491	91.2%	4,085	83.0%
SH9	1H19	Converted	Lease	3,330	3,330	100.0%	2,860	85.9%
SH10	1H19	Converted	Lease	3,745	3,745	100.0%	0	0.0%
SH11	1H18	Converted	Lease	4,214	4,214	100.0%	3,158	74.9%



Self-Developed Data Centers In Service – Shenzhen / Guangzhou

As at 31/12/19 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
SZ1	2H14	Converted	Lease	4,286	4,220	98.5%	4,216	98.4%
SZ2	1H16	Converted	Lease	4,308	4,308	100.0%	4,302	99.9%
SZ3	2H16	Converted	Lease	2,678	2,532	94.5%	2,432	90.8%
SZ4 Phase 1	2H17	Converted	Lease	4,678	4,528	96.8%	2,157	46.1%
SZ5	2H19	Converted	Lease	20,583	20,583	100.0%	19,485	94.7%
SZ6	2H19	Converted	Lease	2,133	0	0.0%	0	0.0%
GZ1	1H16	Converted	Lease	6,548	6,529	99.7%	6,523	99.6%
GZ2	2H17	Converted	Lease	6,131	6,131	100.0%	6,081	99.2%
GZ3 Phase 1	1H18	Purpose-Built	Lease	7,648	7,648	100.0%	7,435	97.2%
GZ3 Phase 2	2H19	Purpose-Built	Lease	3,423	3,423	100.0%	340	9.9%
GZ6	2H19	Converted	Lease	6,608	1,016	15.4%	0	0.0%



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

As at 31/12/19 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
Beijing / Langfang	BJ1	2H15	Converted	Lease	2,435	2,286	93.9%	2,246	92.3%
	BJ2	2H17	Converted	Lease	5,819	5,802	99.7%	5,435	93.4%
	BJ3	2H17	Converted	Lease	3,144	3,144	100.0%	2,943	93.6%
	BJ4	1H19	Converted	Lease	4,695	4,040	86.0%	1,014	21.6%
	BJ5	1H19	Converted	Lease	13,366	12,979	97.1%	9,631	72.1%
	BJ6	2H19	Converted	Lease	5,965	5,786	97.0%	0	0.0%
	BJ9	2H19	Converted	Lease	8,029	8,029	100.0%	7,819	97.4%
	LF1	2H19	Converted	Lease	4,949	4,949	100.0%	0	0.0%
Chengdu	CD1	1H17	Purpose-Built	Own	6,262	5,930	94.7%	4,274	68.2%
	CD2 Phase 1	2H18	Purpose-Built	Own	8,250	8,250	100.0%	978	11.9%
Hebei – ZB	ZB1	1H18	Build-To-Suit	Lease	5,132	5,132	100.0%	4,722	92.0%
	ZB2	2H18	Build-To-Suit	Lease	4,662	4,662	100.0%	4,340	93.1%
	ZB3	2H18	Build-To-Suit	Lease	4,662	4,662	100.0%	4,230	90.7%



Self-Developed Data Centers Under Construction

As at 31/12/19 (Sqm, Unless Indicated)

Market	Data Center	Type	Tenure	Area Under Construction	Area Pre-Committed	Pre-Commitment Rate
Shanghai / Kunshan	SH12	Purpose-Built	Lease	3,653	3,653	100%
	SH13	Converted	Lease	6,493	0	0%
	SH15	Converted	Lease	1,518	1,518	100%
	KS2	Purpose-Built	Own	6,120	6,120	100%
	KS3	Purpose-Built	Own	5,290	5,290	100%
Beijing / Langfang	BJ7	Converted	Lease	11,116	3,857	34.7%
	BJ8	Converted	Lease	10,911	10,911	100%
	LF2	Converted	Lease	4,859	0	0%
	LF3	Purpose-Built	Own	11,664	11,664	100%
	LF6	Converted	Lease	3,642	3,642	100%
	LF7	Converted	Lease	5,507	5,507	100%
Shenzhen / Guangzhou	GZ4	Converted	Lease	7,000	0	0%
Hong Kong	HK1	Purpose-Built	Own	7,061	0	0%
Hebei - ZB	ZB4	Build-To-Suit	Lease	5,000	5,000	100%



Top 5 Customers

In Terms of Total Area Committed As at 31/12/19

End User	% of Total Area Committed	% of 4Q19 Service Revenue	Number of Data Centers ⁽¹⁾
Internet / Cloud Service Provider	30.6%	25.8%	21
Internet / Cloud Service Provider	21.1%	19.2%	15
Cloud Service Provider	10.4%	0.6%	5
Internet	7.2%	9.9%	6
Internet	3.1%	1.4%	4

Note:
1.Excluding 3rd party data centers.



Contracts Renewal

Contracts Renewal Schedule

Period	Sqm	% of Total Area Committed
FY20	23,622	8.9%
FY21	25,566	9.7%
FY22	18,886	7.1%
FY23	25,537	9.6%
Thereafter	171,267	64.7%
Total Area Committed as at 31/12/19	264,878	100.0%



Principal Shareholders

As at 31/12/19

	Ordinary Shares ⁽¹⁾	Equivalent ADS	Pro Forma ADS Change ⁽³⁾	Equivalent ADS	% of Total
William Huang ⁽²⁾	69,200,744	8,650,093		8,650,093	5.7%
Directors & Officers	15,369,927	1,921,240		1,921,240	1.3%
STT	424,120,604	53,015,075		53,015,075	34.9%
SBCVC	34,557,344	4,319,668		4,319,668	2.8%
Ping An	0	0	+ 4,213,483	4,213,483	2.8%
CyrusOne	18,411,756	2,301,469		2,301,469	1.5%
Others / Free Float	619,829,796	77,478,724		77,478,724	51.0%
Total	1,181,490,171	147,686,271	+ 4,213,483	151,899,752	100%

Notes:

- Does not include options and RSUs to be exercised or vested within 60 days of 14,629,096 ordinary shares, or 1,828,637 ADSs, and after 60 days of 33,357,296 ordinary shares, or 4,169,662 ADSs. Does not include potential 5,815,950 ADSs from the existing Convertible Bonds conversion.
- Including vested RSU and exercised options (not sold) of 1,610,408 ordinary shares, or 201,301 ADSs, which are Class A shares. The rest represents Class B shares; all the other shares held by other shareholders are Class A shares. The voting power of Class B vs Class A is 20:1.
- Pro forma for the Convertible Preferred Shares issued to Ping An.



Working Capital Management

Accounts Receivable Turnover Days (# of Days)



Days Payable Outstanding (DPO) ⁽¹⁾

# of Days	4Q18	1Q19	2Q19	3Q19	4Q19	FY18	FY19
DPO – Opex	80	82	91	110	99	78	82
DPO – Capex	75	162	243	231	66	125	138
Total DPO	76	136	178	179	72	113	121
Total DPO (Excl. Acquisitions)	64	121	163	169	65	98	106

Note:

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



Historical Financial Results

Condensed Consolidated Statements of Operations

Amounts in thousands	Three Months Ended						Year Ended		
	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019		Dec 31, 2018	Dec 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net Revenue									
Service revenue	829,050	890,946	985,094	1,058,921	1,159,610	166,568	2,759,490	4,094,571	588,148
Equipment sales	471	895	95	7,267	19,577	2,812	32,587	27,834	3,998
Total net revenue	829,521	891,841	985,189	1,066,188	1,179,187	169,380	2,792,077	4,122,405	592,146
Cost of revenue	(639,383)	(679,832)	(723,420)	(791,963)	(884,464)	(127,045)	(2,169,636)	(3,079,679)	(442,368)
Gross profit	190,138	212,009	261,769	274,225	294,723	42,335	622,441	1,042,726	149,778
Operating expenses									
Selling and marketing expenses	(32,269)	(27,832)	(29,805)	(32,596)	(39,668)	(5,698)	(110,570)	(129,901)	(18,659)
General and administrative expenses	(90,661)	(90,301)	(94,702)	(105,524)	(120,891)	(17,365)	(329,601)	(411,418)	(59,096)
Research and development expenses	(4,724)	(4,639)	(4,200)	(6,193)	(6,595)	(947)	(13,915)	(21,627)	(3,107)
Income from operations	62,484	89,237	133,062	129,912	127,569	18,325	168,355	479,780	68,916
Other income (expenses)									
Net interest expenses	(202,493)	(219,117)	(221,906)	(241,038)	(233,615)	(33,557)	(636,973)	(915,676)	(131,529)
Foreign currency exchange (loss) gain, net	327	4,772	(7,530)	(2,796)	(446)	(64)	20,306	(6,000)	(862)
Others, net	2,944	2,503	2,017	4,602	6,341	911	8,653	15,463	2,221
Loss before income taxes	(136,738)	(122,605)	(94,357)	(109,320)	(100,151)	(14,385)	(439,659)	(426,433)	(61,254)
Income tax (expenses) benefits	13,827	(14,015)	1,198	678	(3,511)	(504)	9,391	(15,650)	(2,248)
Net loss	(122,911)	(136,620)	(93,159)	(108,642)	(103,662)	(14,889)	(430,268)	(442,083)	(63,502)



Historical Financial Results

Condensed Consolidated Balance Sheets ⁽¹⁾

Amounts in thousands. As of	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Cash	2,161,622	6,001,214	5,730,578	5,752,790	5,810,938	834,689
Accounts receivable, net of allowance for doubtful accounts	536,842	713,601	855,203	952,184	879,962	126,399
Total current assets	3,037,396	7,131,358	7,051,549	7,166,012	7,084,709	1,017,655
Property and equipment, net	13,994,945	14,630,720	15,535,295	16,290,301	19,184,639	2,755,701
Prepaid land use rights, net	756,957	735,971	747,509	774,564	747,187	107,326
Operating lease right-of-use assets	-	497,600	483,531	469,407	796,679	114,436
Goodwill and intangible assets, net	2,234,462	2,175,429	2,160,947	2,146,466	2,300,468	330,442
Total assets	20,885,243	26,140,704	26,964,521	28,003,591	31,492,531	4,523,620
Short-term borrowings and current portion of long-term borrowings	1,283,320	860,139	900,354	916,596	1,137,737	163,426
Operating lease liabilities, current	-	70,124	65,352	63,719	55,139	7,920
Finance lease and other financing obligations, current	166,898	119,919	116,577	118,050	222,473	31,956
Total current liabilities	3,507,879	3,219,256	3,501,213	3,578,291	3,999,514	574,494
Long-term borrowings, excluding current portion	5,203,708	6,582,579	6,711,013	7,442,030	8,028,473	1,153,218
Convertible bonds payable	2,004,714	1,969,683	2,013,914	2,075,014	2,049,654	294,414
Operating lease liabilities, non-current	-	402,420	392,345	379,789	709,998	101,985
Finance lease and other financing obligations, non-current	4,134,327	4,039,333	4,381,340	4,565,929	4,751,121	682,455
Total liabilities	15,363,318	16,717,996	17,511,913	18,552,566	20,136,969	2,892,494
Redeemable preferred shares	-	1,010,586	1,033,353	1,063,145	1,061,981	152,544
Total shareholders' equity	5,521,925	8,412,122	8,419,255	8,387,880	10,293,581	1,478,582

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						Year Ended		
	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019		Dec 31, 2018	Dec 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net cash provided by (used in) operating activities	111,367	(59,806)	115,910	165,219	72,113	10,358	(12,910)	293,436	42,149
Net cash used in investing activities	(1,692,708)	(834,446)	(539,147)	(1,150,440)	(2,607,198)	(374,500)	(4,733,050)	(5,131,231)	(737,056)
Net cash provided by financing activities	263,600	4,789,711	(20,334)	887,546	2,705,016	388,551	4,876,806	8,361,939	1,201,117
Effect of exchange rate changes on cash and restricted cash	(4,879)	(9,215)	122,535	109,558	(58,508)	(8,403)	206,302	164,370	23,612
Net (decrease) increase in cash and restricted cash	(1,322,620)	3,886,244	(321,036)	11,883	111,423	16,006	337,148	3,688,514	529,822
Cash and restricted cash at beginning of year / period	3,607,368	2,284,748	6,170,992	5,849,956	5,861,839	842,000	1,947,600	2,284,748	328,184
Cash and restricted cash at end of year / period	2,284,748	6,170,992	5,849,956	5,861,839	5,973,262	858,006	2,284,748	5,973,262	858,006



Reconciliation from Net Loss to Adjusted NOI

Adjusted NOI

Amounts in thousands	Three Months Ended						Year Ended		
	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019		Dec 31, 2018	Dec 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net loss	(122,911)	(136,620)	(93,159)	(108,642)	(103,662)	(14,889)	(430,268)	(442,083)	(63,502)
Net interest expenses	202,493	219,117	221,906	241,038	233,615	33,557	636,973	915,676	131,529
Income tax (benefits) expenses	(13,827)	14,015	(1,198)	(678)	3,511	504	(9,391)	15,650	2,248
Depreciation and amortization	230,599	254,037	269,176	299,349	319,470	45,889	741,507	1,142,032	164,043
Accretion expenses for asset retirement costs	555	711	723	743	813	117	1,840	2,990	429
Share-based compensation expenses	34,932	31,957	30,977	51,886	74,936	10,764	105,877	189,756	27,257
Selling and marketing expenses ⁽¹⁾	23,497	20,330	22,610	22,330	25,195	3,619	85,357	90,465	12,994
General and administrative expenses ⁽¹⁾	56,660	57,090	61,898	61,676	59,769	8,586	207,255	240,433	34,535
Research and development expenses ⁽¹⁾	4,132	3,970	3,477	5,144	5,395	774	12,394	17,986	2,584
Foreign currency exchange (gain) loss, net	(327)	(4,772)	7,530	2,796	446	64	(20,306)	6,000	862
Others, net	(2,944)	(2,503)	(2,017)	(4,602)	(6,341)	(911)	(8,653)	(15,463)	(2,221)
Adjusted NOI	412,859	457,332	521,923	571,040	613,147	88,074	1,322,585	2,163,442	310,758
Adjusted NOI margin	49.8%	51.3%	53.0%	53.6%	52.0%	52.0%	47.4%	52.5%	52.5%

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, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019		Dec 31, 2018	Dec 31, 2019	
	RMB	RMB	RMB	RMB	RMB	USD	RMB	RMB	USD
Net loss	(122,911)	(136,620)	(93,159)	(108,642)	(103,662)	(14,889)	(430,268)	(442,083)	(63,502)
Net interest expenses	202,493	219,117	221,906	241,038	233,615	33,557	636,973	915,676	131,529
Income tax (benefits) expenses	(13,827)	14,015	(1,198)	(678)	3,511	504	(9,391)	15,650	2,248
Depreciation and amortization	230,599	254,037	269,176	299,349	319,470	45,889	741,507	1,142,032	164,043
Accretion expenses for asset retirement costs	555	711	723	743	813	117	1,840	2,990	429
Share-based compensation expenses	34,932	31,957	30,977	51,886	74,936	10,764	105,877	189,756	27,257
Adjusted EBITDA	331,841	383,217	428,425	483,696	528,683	75,942	1,046,538	1,824,021	262,004
Adjusted EBITDA margin	40.0%	43.0%	43.5%	45.4%	44.8%	44.8%	37.5%	44.2%	44.2%



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