



GDS 万国数据

2Q18 Earnings Call

14 August 2018

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 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



2Q18 HIGHLIGHTS

Sales Momentum

- Net additional total area committed of 20,246 sqm
- Total area committed increased by 16.5% q/q to 143,065 sqm

Capacity Expansion

- 127,984 sqm in service and 41,023 sqm under construction
- Invested Rmb 1,157 mn (\$175 mn) of capex for capacity expansion

Financial Results

- Total revenue grew by 89.6% and Adjusted EBITDA by 132.5% y/y
- Total area utilized increased by 29.5% q/q

Capital Raising

- Successfully completed Convertible Bonds offering raising \$300 mn
- Obtained new debt facilities of Rmb 1,400 mn (\$212 mn)

Partnerships

- Referred business in the U.S., Singapore and China
- Development cost reduction initiatives

Note:
Exchange rate of 6.6171:1 (RMB:USD) is used across this whole presentation.



Sales Achievement

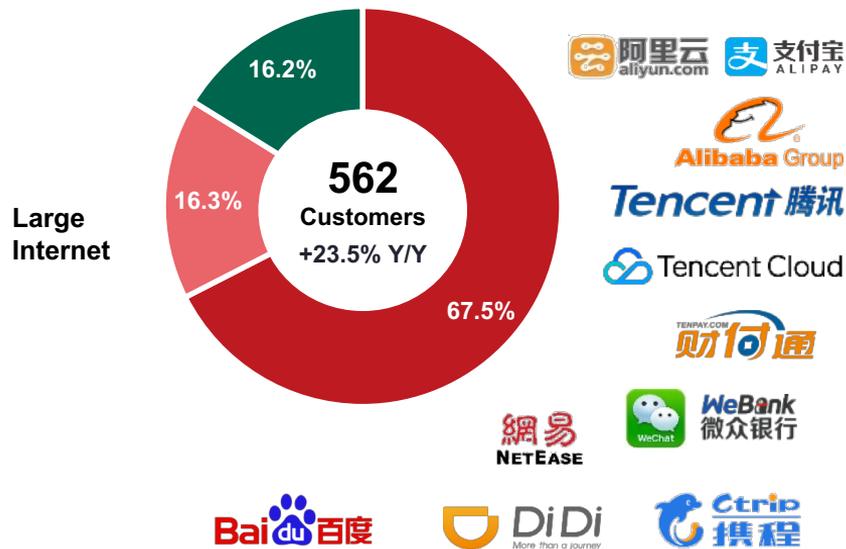
Net Additional Area Committed (Sqm)



Total Area Committed by Customer Segment

FSI & Large Enterprises

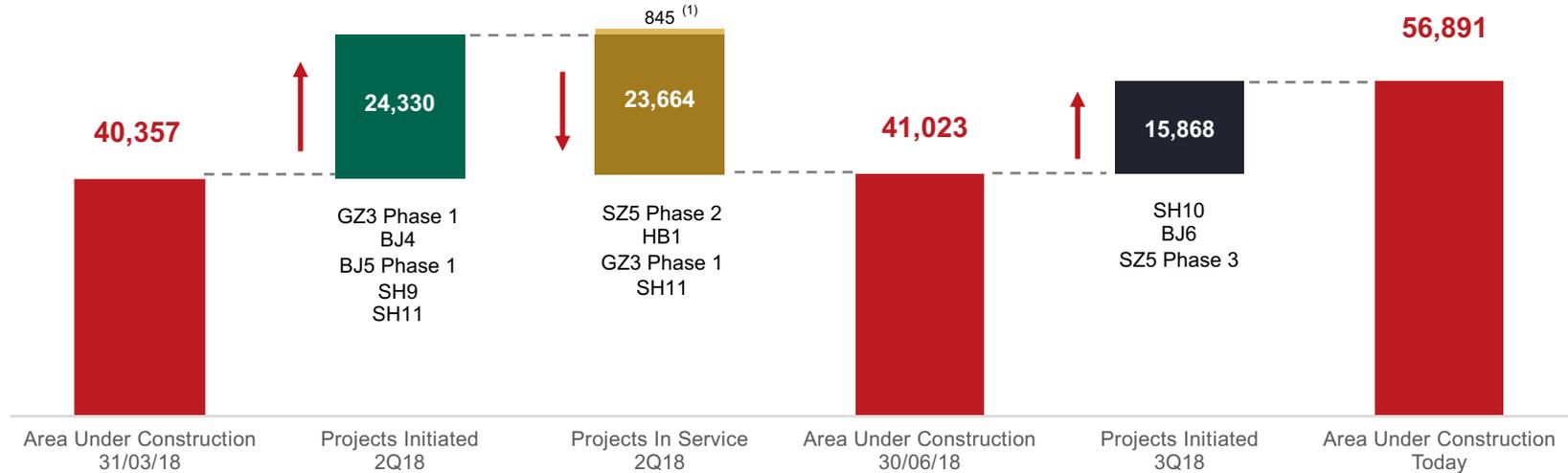
Cloud Service Providers





Resource Progress

Area Under Construction (Sqm)

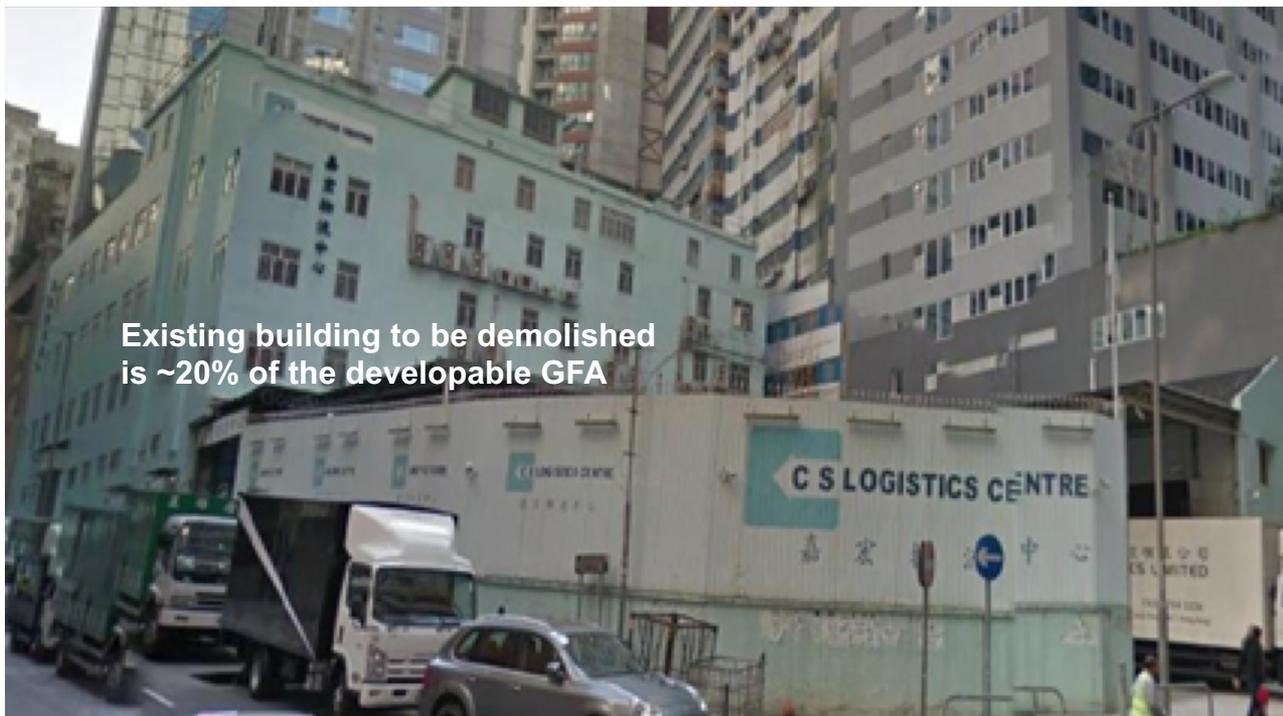


Note:
1. In service area adjustments including GZ3 Phase 1 of +1,048 sqm, HB1 of +140 sqm, BJ2 of -361 sqm, SH4 of +20 sqm and SH5 Phase 1 of -2 sqm.

Built-To-Suit Data Centers in Hebei



Site Acquisition in Hong Kong



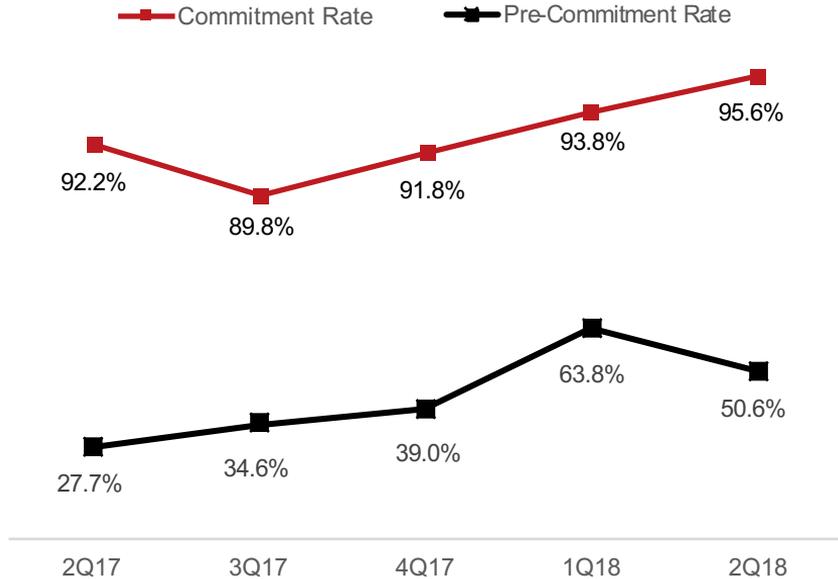


Synchronized Sales & Capacity Growth

Commitments vs. Capacity (Sqm)



Commitment & Pre-Commitment Rates





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 Sufficient capital to maintain a fully funded business plan**
- 5 High visibility into continued growth and margin expansion**



2Q18 P&L Analysis

Quarterly Financial Review

Rmb'000 (unless indicated)	2Q17	1Q18	2Q18	Y/Y	Q/Q
Service Revenue	331,490	551,473	626,347	88.9%	13.6%
Equipment Sales	4,724	10,752	11,163	136.3%	3.8%
Total Net Revenue	336,214	562,225	637,510	89.6%	13.4%
Cost of Revenue	(254,853)	(439,308)	(499,989)	96.2%	13.8%
Add Back: D&A, SBC & Asset Retirement Cost	74,920	129,090	153,296	104.6%	18.8%
Adjusted NOI ⁽¹⁾	156,281	252,007	290,817	86.1%	15.4%
<i>Adjusted NOI Margin</i>	<i>46.5%</i>	<i>44.8%</i>	<i>45.6%</i>	<i>(0.9ppts)</i>	<i>0.8ppts</i>
SG&A	(72,444)	(92,457)	(112,070)	54.7%	21.2%
Add Back: D&A and SBC	16,269	24,340	41,824	157.1%	71.8%
FX Change Gain & Other, Net (Loss)	(219)	(2,610)	11,681	(5,433.8%)	(547.5%)
Adjusted EBITDA	99,887	181,280	232,252	132.5%	28.1%
<i>Adjusted EBITDA margin</i>	<i>29.7%</i>	<i>32.2%</i>	<i>36.4%</i>	<i>6.7ppts</i>	<i>4.2ppts</i>

Note:

- Adjusted NOI (Adjusted Net Operating Income) is defined as net loss excluding: net interest expenses, income tax expenses (benefit), 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..



2Q18 Underlying Trends

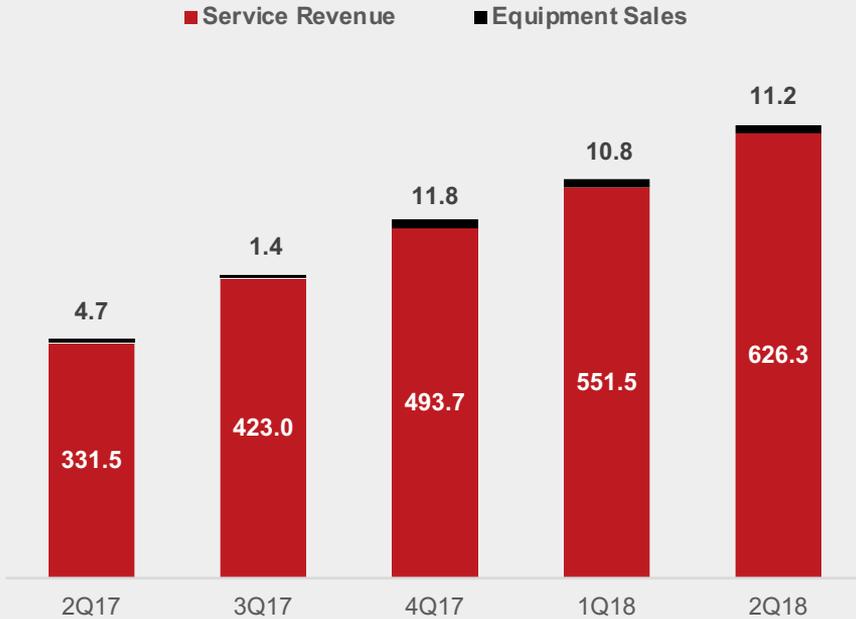
Quarterly Financial Review

Rmb'000 (unless indicated)	2Q17	1Q18	2Q18	Y/Y	Q/Q
Total Net Revenue	336,214	562,225	637,510	89.6%	13.4%
Less: Equipment Sales	4,724	10,752	11,163	136.3%	3.8%
Service Revenue	331,490	551,473	626,347	88.9%	13.6%
Adjusted NOI	156,281	252,007	290,817	86.1%	15.4%
Less: Equipment Profit	739	2,246	1,344	81.9%	(40.2%)
Underlying Adjusted NOI	155,542	249,761	289,473	86.1%	15.9%
<i>Underlying Adjusted NOI Margin</i>	<i>46.9%</i>	<i>45.3%</i>	<i>46.2%</i>	<i>(0.7 pts)</i>	<i>0.9 pts</i>
Adjusted EBITDA	99,887	181,280	232,252	132.5%	28.1%
Less: Equipment Profit	739	2,246	1,344	81.9%	(40.2%)
Less: FX Change Gain (Loss)	(1,229)	(3,219)	9,778	(895.6%)	(403.8%)
Underlying Adjusted EBITDA	100,377	182,253	221,130	120.3%	21.3%
<i>Underlying Adjusted EBITDA Margin</i>	<i>30.3%</i>	<i>33.0%</i>	<i>35.3%</i>	<i>5.0 pts</i>	<i>2.3 pts</i>

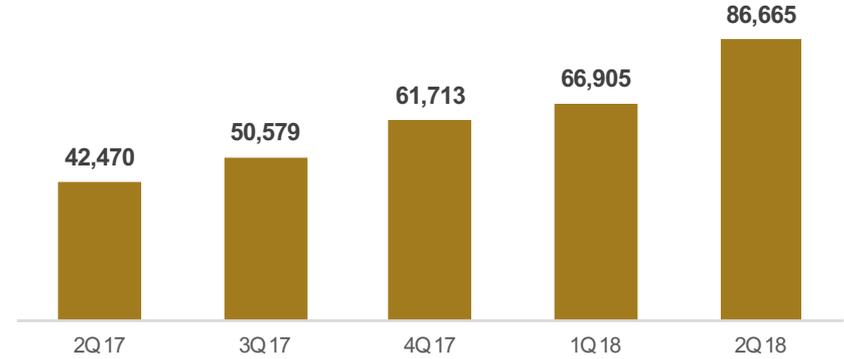


Revenue & Area Utilized

Revenue (Rmb Mn)



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



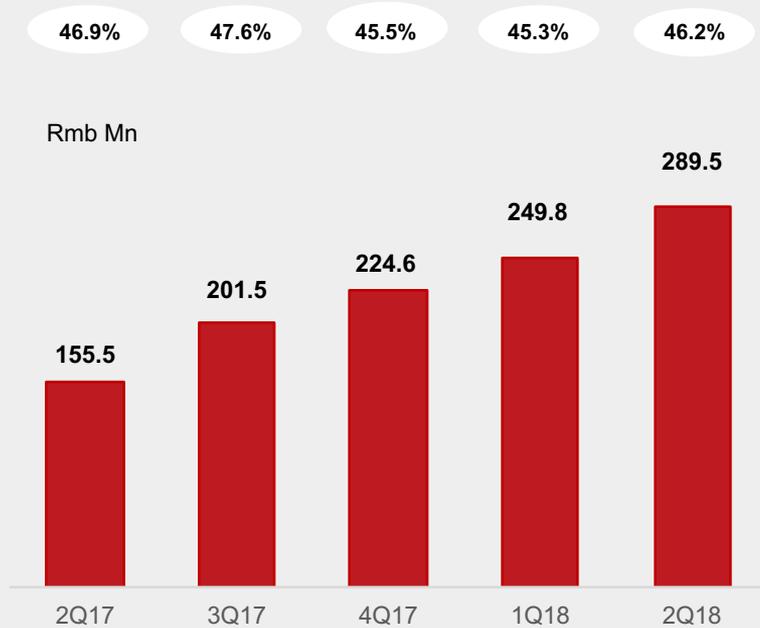
Average MSR



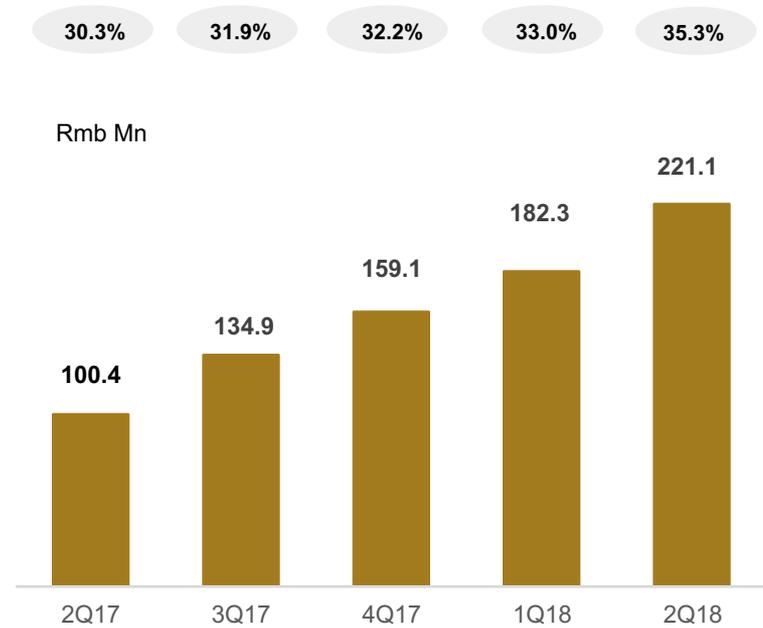


Underlying Adjusted NOI & EBITDA

Underlying Adjusted NOI & Margin



Underlying Adjusted EBITDA & Margin





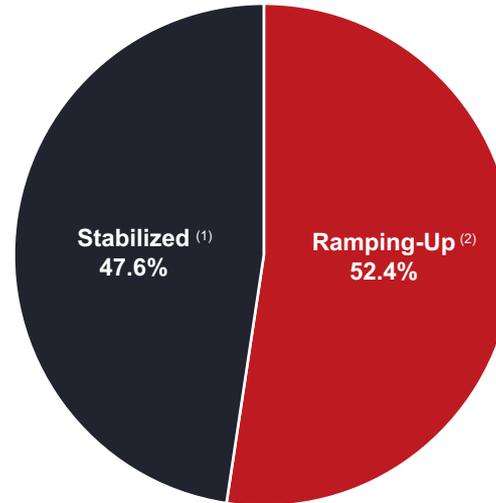
Stabilized vs. Ramping-Up Data Centers

Breakdown of Area In Service as at 2Q18

Stabilized Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS1	6,546	99.3%	96.3%
SH1	6,432	96.2%	90.4%
SH2	7,712	99.1%	92.0%
SZ1	4,286	98.4%	98.4%
SZ2	4,308	93.7%	85.2%
SZ5 Phase 1	5,000	100%	100%
GZ1	6,521	100%	100%
GZ2	6,131	100%	92.4%
BJ1	2,435	99.8%	97.5%
ZB1	5,132	100%	81.5%
3 rd Party	6,428	92.1%	91.1%
Total	60,930	98.0%	93.1%

Area In Service



Notes

1. "Stabilized" is defined as Utilization Rate above 80%

2. "Ramping-Up" defined as Utilization rate below 80%

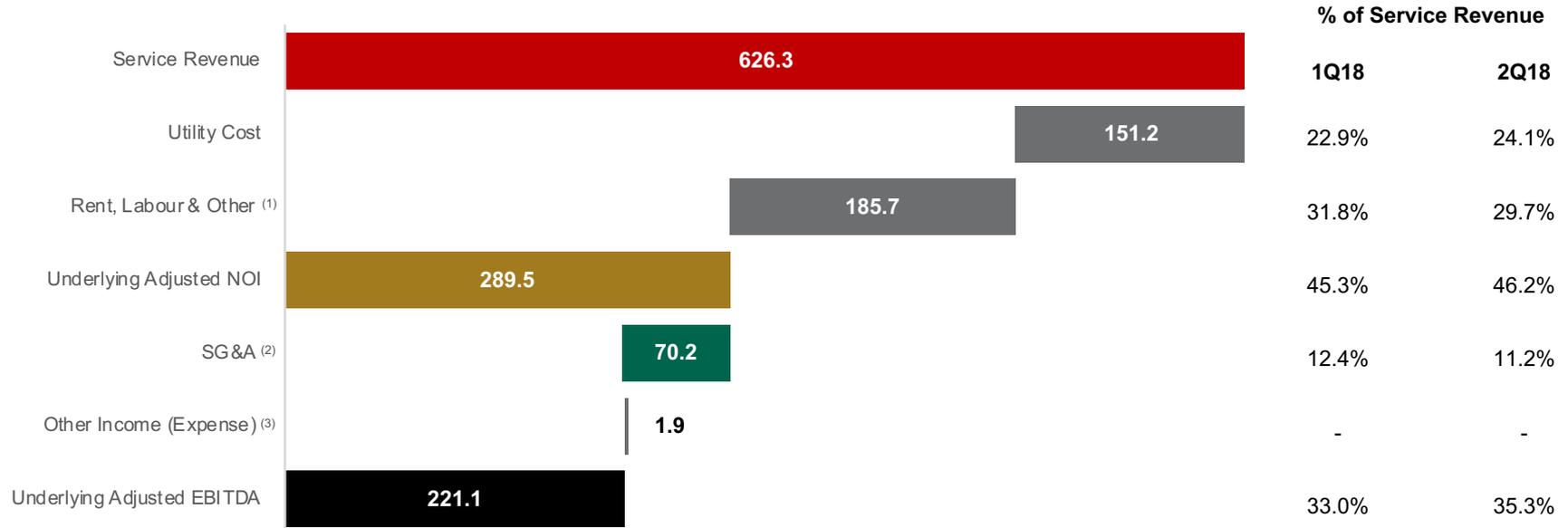
Ramping-Up Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
SH3	7,950	99.6%	70.3%
SH4	8,415	75.7%	41.8%
SH5 Phase 1	2,040	100%	26.6%
SH11	4,214	100%	26.0%
SZ3	2,678	82.2%	59.9%
SZ4 Phase 1	4,677	97.4%	5.0%
SZ5 Phase 2	7,858	100%	54.2%
GZ3 Phase 1	7,648	100%	55.0%
BJ2	5,816	93.1%	31.0%
BJ3	4,260	100%	77.8%
CD1	6,287	100%	34.6%
3 rd Party	5,210	73.4%	31.3%
Total	67,054	93.3%	44.7%



Cost Breakdown & Operating Leverage

2Q18 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

Capex Paid (Rmb Mn) ⁽¹⁾



Capex Incurred Breakdown

	Net Floor Area (Sqm) ⁽²⁾	Cost To Date (Rmb Mn)	Cost To Complete (Rmb Mn)
In Service	116,346	7,266.9	350.2
Under Construction	41,023	1,317.7	1,855.1

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.

3. Cost to complete for projects initiated in 3Q18 of Rmb 688.7 mn.

Current Construction Program

	RFS Date	Net Floor Area (Sqm)	Pre-Commitment Rate (%)
Area Under Construction as at 2Q18			
HB2	2H18	4,992	100%
HB3	2H18	4,992	100%
SH6	2H18	7,071	45.3%
SH8	2H18	5,052	49.5%
CD2 Phase 1	2H18	5,400	94.0%
BJ4	FY19	4,500	0%
BJ5 Phase 1	FY19	5,136	0%
SH9	FY19	3,880	0%
Subtotal	-	41,023	50.6%
Projects Initiated in 3Q18 ⁽³⁾			
SH10	FY19	3,880	0%
BJ6	FY19	5,167	0%
SZ5 Phase 3	FY19	6,821	0%
Subtotal	-	15,868	0%
Total	-	56,891	36.5%



Financing Obligations & Liquidity

Debt & Cash Outstanding

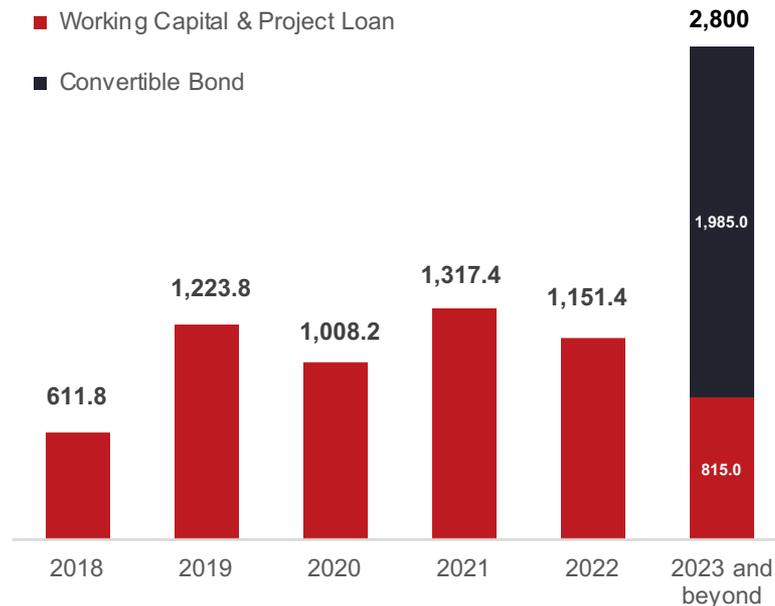
	30/06/17	31/03/18	30/06/18	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adjusted EBITDA
Total Loan	2,950.4	5,150.4	5,990.2	6.5x
Convertible Bond	1,016.2	0	1,925.3	2.1x
Capital Lease	1,519.3	2,455.8	3,757.7	4.0x
Gross Debt	5,485.9	7,606.2	11,673.2	12.6x
Cash	1,466.0	2,978.6	4,451.0	4.8x
Net Debt	4,019.9	4,627.6	7,222.2	7.8x

	2Q17	3Q17	4Q17	1Q18	2Q18
Net Debt / LQA Adjusted EBITDA	10.0	8.9	7.7	6.4	7.8
Interest Coverage Ratio ⁽¹⁾	1.16	1.26	1.14	1.58	1.69

Note:

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

Loan Maturity Schedule as at 30/06/18 (Rmb Mn)





Financial Resources

Financing Capacity With Existing Capital

	Rmb Bn
Existing Cash Balance at 2Q18	4.5
Additional Debt Assuming 1 : 1 Leverage Ratio	4.5
Total	9.0

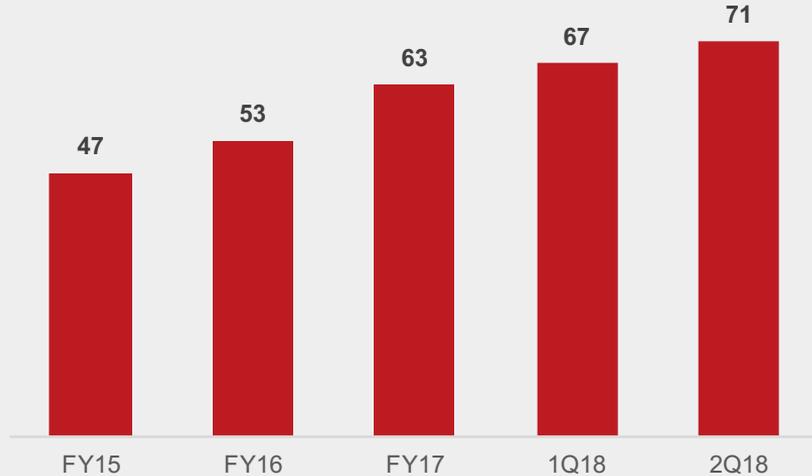
Existing Project Commitments

	Rmb Bn
Cost to Complete Projects In Service & Under Construction at 2Q18	2.2
Estimated Cost to Complete Projects Initiated in 3Q18 to Date	0.7
Estimated Purchase Price for Hong Kong site	0.7
Existing Capex Payables Including Acquisition Related Obligations	1.9
Total	5.5



Working Capital Management

Accounts Receivable Turnover Days (# of Days)



Days Payable Outstanding (DPO) ⁽¹⁾

# of Days	FY15	FY16	FY17	1H18
DPO – Opex	105	96	96	79
DPO – Capex	130	112	133	154
Total DPO	119	106	122	133
Total DPO (Excl. Acquisitions)	119	104	108	108

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



Acquisitions

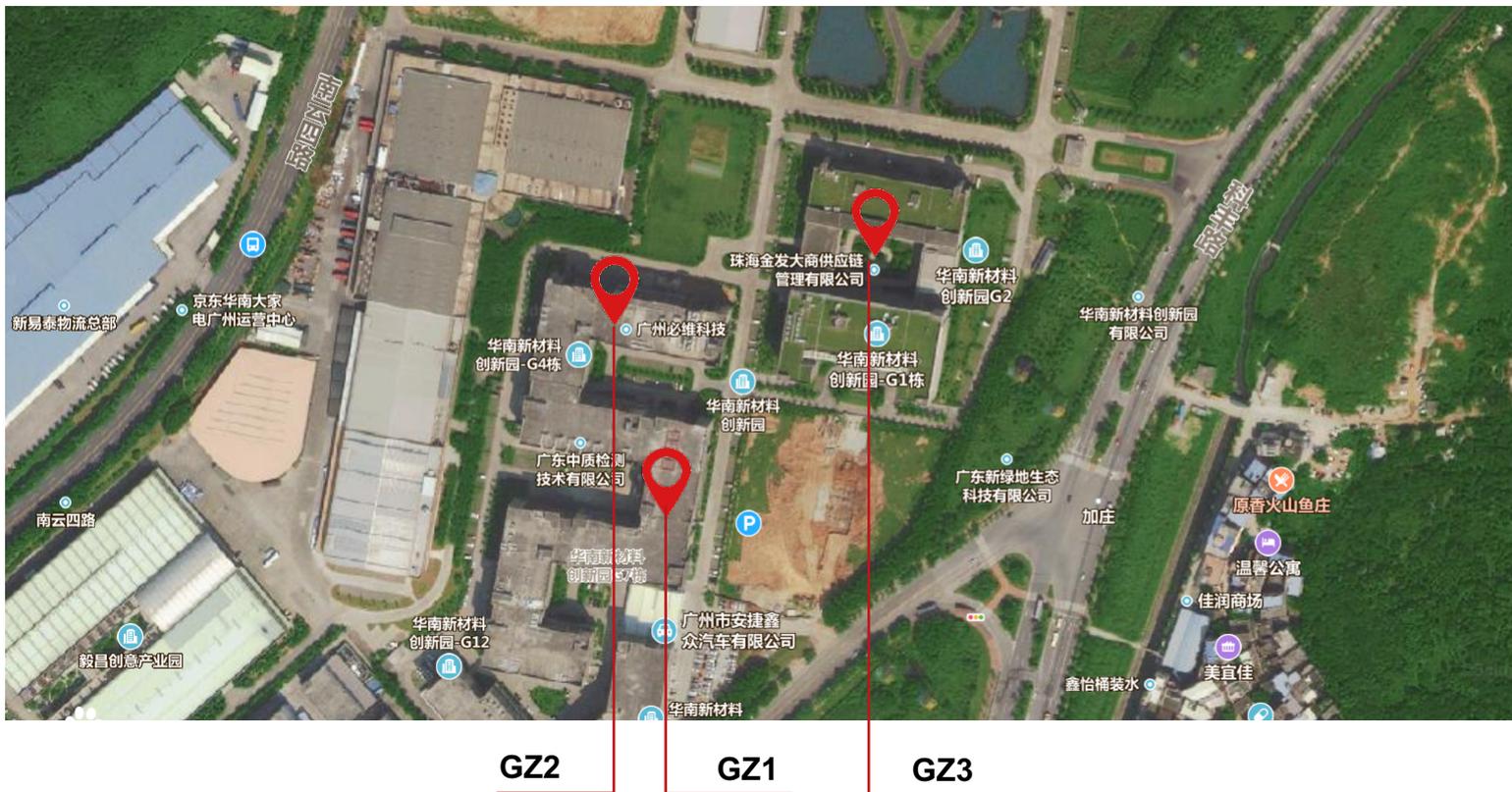
Data Center	Date of Acquisition ⁽¹⁾		Equity Consideration (Rmb Mn) ⁽²⁾			Acquired Liabilities + Cost to Complete ⁽³⁾ (Rmb Mn)	Net Floor Area (Sqm)	Commitment Rate ⁽⁵⁾	Stabilized Cash EBITDA (Rmb Mn) ⁽⁶⁾	Implied EV / EBITDA
	Offshore	Onshore	Offshore	Onshore	Total					
GZ1	N/A	19-May-16	-	129.5	129.5	223.7	6,521	100%	44.6	7.9
SZ5	24-May-17	29-Jun-17	311.0	1.0	312.0	N/A	19,679 ⁽⁴⁾	100% (Ph.1&2)	N/A	N/A
GZ2	9-Oct-17	10-Nov-17	162.0	72.0	234.0	170.3	6,131	100%	46.8	8.6
GZ3	2-May-18	8-May-18	222.2	40.0	262.2	N/A	12,812	100% (Ph.1)	N/A	N/A
SH11	N/A	1-Jun-18	-	320.0	320.0	46.9	4,214	100%	57.7	6.4
BJ4	N/A	28-Apr-18	-	25.5	25.5	N/A	4,500	0%	N/A	N/A
BJ5	6-Jun-18	29-May-18	22.7	4.00	26.7	N/A	5,136	0%	N/A	N/A

Notes:

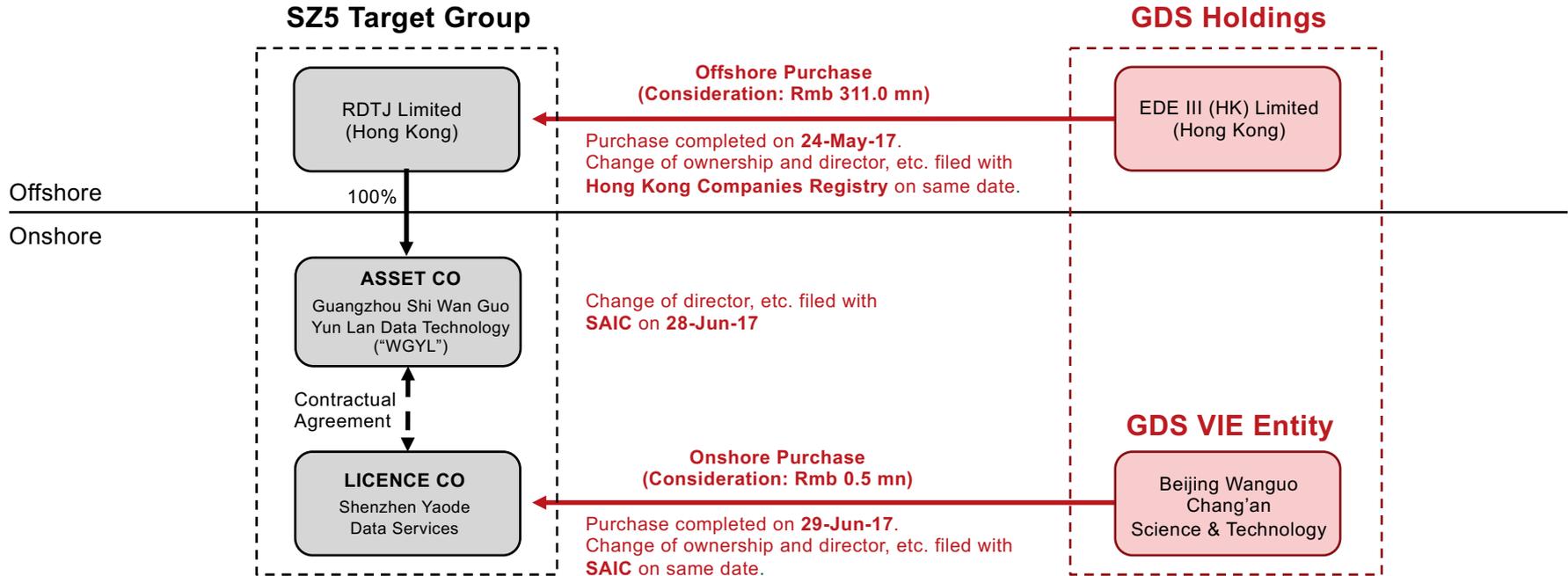
1. Completion date.
2. Including contingent performance obligations.
3. Excluding capital lease.
4. Including an upsize of 6,821 sqm (Phase 3) as a result of the recent power capacity upgrade.
5. At 2Q18.
6. Projected stabilized cash EBITDA, based on existing customer contracts.



Guangzhou Data Center Cluster



SZ5 Transaction Structure



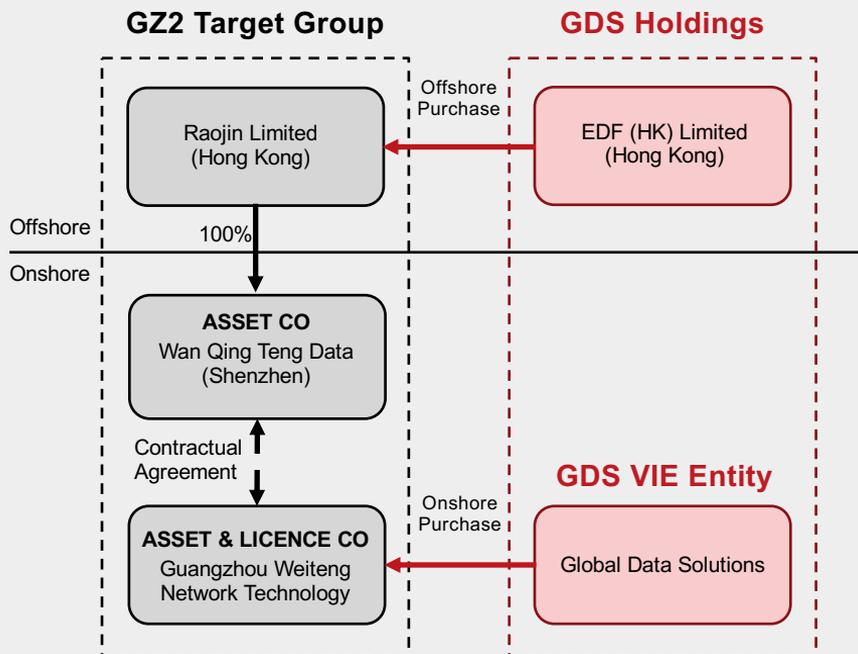
Note:

As part of the acquisition, Beijing Wanguo Chang'an Science & Technology also acquired Shenzhen Jinyao Science & Technology, which was the contracting party for part of the power supply for SZ5. The change of ownership (consideration: Rmb 0.5 mn) and director, etc. was filed with SAIC on 14 July, 2017.

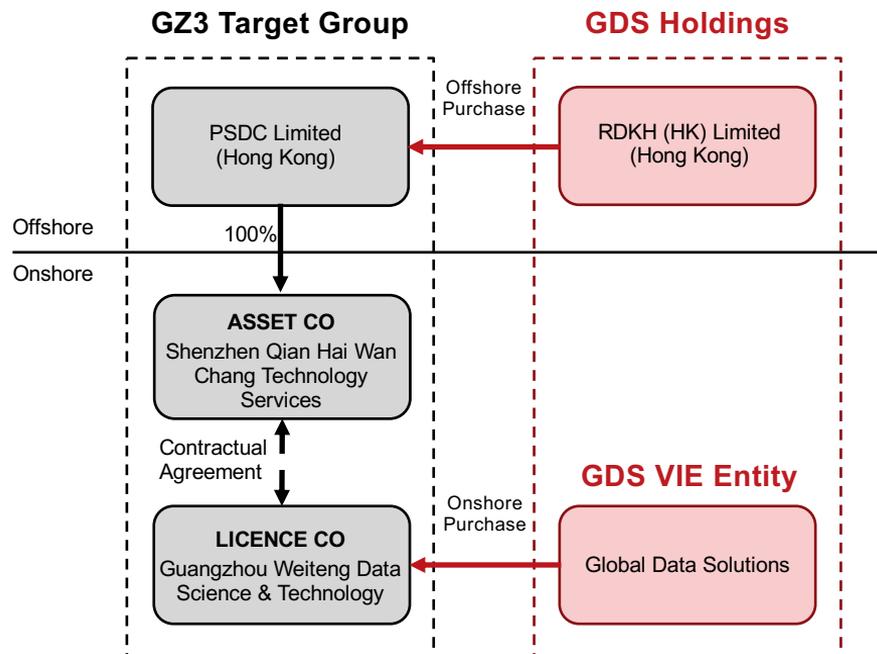


GZ2 & GZ3 Transaction Structures

GZ2



GZ3

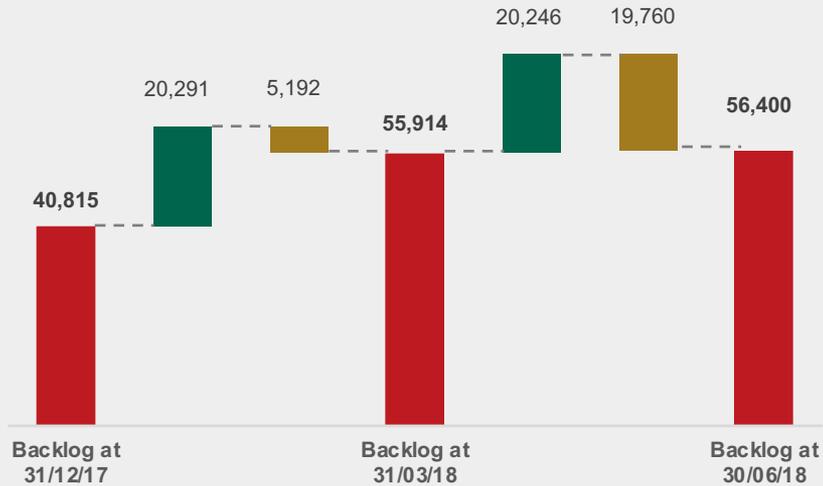




Contract Backlog Build-Up

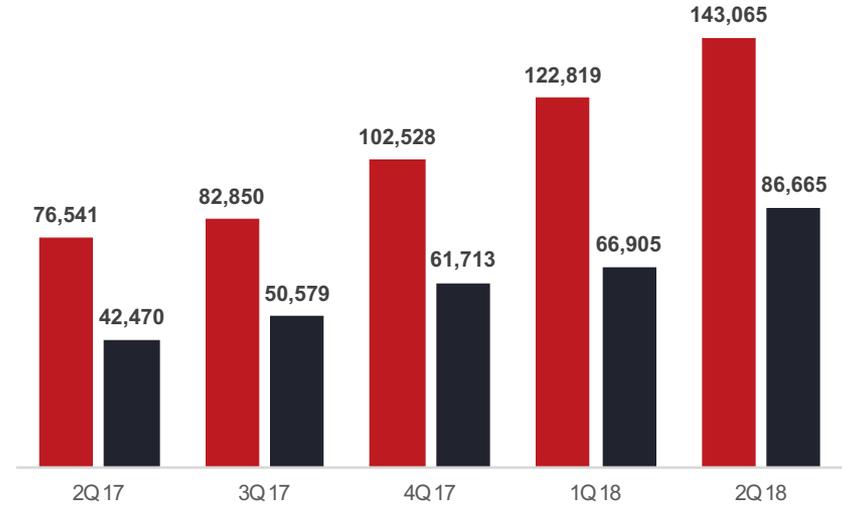
Backlog Build-up (Sqm)

- Net Additional Area Committed
- Net Additional Area Utilized



Total Area Committed & Area Utilized (Sqm)

- Total Area Committed
- Area Utilized





Updated Business Outlook

FY18 Revised Guidance

Rmb Mn	FY17 Actual	FY18 Original Guidance	Implied Y/Y	FY18 Revised Guidance	Implied Y/Y	Revised vs. Original Guidance
Total Revenue	1,616.2	2,460 ~ 2,560	52.2% ~ 58.4%	2,533 ~ 2,636	56.7% ~ 63.1%	+3% @ Both Ends
Adjusted EBITDA	512.3	905 ~ 935	76.7% ~ 82.5%	932 ~ 963	81.9% ~ 88.0%	+3% @ Both Ends
Capex	2,005.1 ⁽¹⁾	2,600 ~ 3,000	29.7% ~ 49.6%	~4,000	99.5%	+33.3% @ High End

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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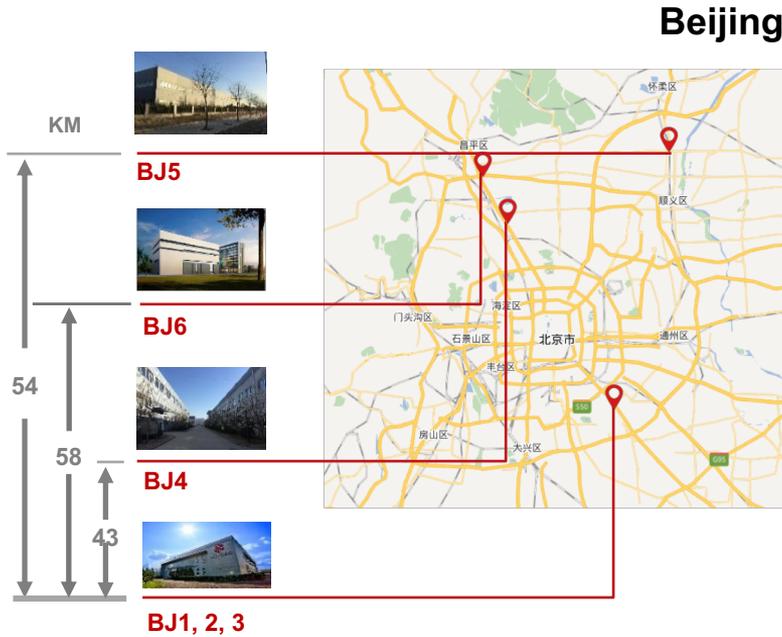
Appendix





Our Data Center Portfolio – Beijing & Shanghai

Self-Developed Data Centers in Tier 1 Markets



Shanghai



Note:
1. SH7 is the 2nd building to be constructed next to SH6 which is currently held for future development.



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:	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
Area In Service (Sqm)	48,822	60,982	61,092	71,577	77,832	101,258	103,475	127,984
Area Under Construction (Sqm)	37,194	25,055	35,055	38,028	37,478	24,505	40,357	41,023
Total Capacity (Sqm)	86,016	86,037	96,147	109,605	115,310	125,763	143,832	169,007
Area Committed (Sqm)	45,782	54,258	55,010	65,994	69,880	92,961	97,068	122,306
Area Pre-Committed (Sqm)	12,845	6,785	13,303	10,547	12,970	9,567	25,751	20,759
Total Area Committed (Sqm)	58,627	61,043	68,313	76,541	82,850	102,528	122,819	143,065
Commitment Rate (%)	93.8%	89.0%	90.0%	92.2%	89.8%	91.8%	93.8%	95.6%
Pre-Commitment Rate (%)	34.5%	27.1%	37.9%	27.7%	34.6%	39.0%	63.8%	50.6%
Area Utilized (Sqm)	34,369	37,082	37,898	42,470	50,579	61,713	66,905	86,665
Utilization Rate %	70.4%	60.8%	62.0%	59.3%	65.0%	60.9%	64.7%	67.7%
Average MSR (Rmb / Sqm / Month)	2,675	2,797	2,708 ⁽¹⁾	2,750	3,031	2,931	2,858	2,719

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 30/06/18 (Sq, 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	43,309	16,003	59,312	40,866	5,700	46,566	29,958	94.4%	35.6%	69.2%
Shenzhen / Guangzhou	49,107	-	49,107	48,169	-	48,169	35,369	98.1%	-	72.0%
Beijing	12,511	9,636	22,147	12,103	0	12,103	7,491	96.7%	0.0%	59.9%
Chengdu	6,287	5,400	11,687	6,287	5,075	11,362	2,175	100.0%	94.0%	34.6%
Hebei	5,132	9,984	15,116	5,132	9,984	15,116	4,185	100.0%	100.0%	81.5%
3 rd Party	11,638	-	11,638	9,749	-	9,749	7,487	83.8%	-	64.3%
Total	127,984	41,023	169,007	122,306	20,759	143,065	86,665	95.6%	50.6%	67.7%

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



Self-Developed Data Centers In Service – Shanghai / Kunshan

As At 30/06/18 (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	6,498	99.3%	6,301	96.3%
SH1	2H11	Purpose-Built	Leased	6,432	6,184	96.2%	5,814	90.4%
SH2	2H15	Purpose-Built	Leased	7,712	7,642	99.1%	7,097	92.0%
SH3	2H16	Purpose-Built	Leased	7,950	7,915	99.6%	5,589	70.3%
SH4	2H17	Purpose-Built	Leased	8,415	6,373	75.7%	3,517	41.8%
SH5 Phase1	1H18	Converted	Leased	2,040	2,040	100.0%	543	26.6%
SH11	1H18	Converted	Leased	4,214	4,214	100.0%	1,097	26.0%



Self-Developed Data Centers In Service – Shenzhen / Guangzhou

As At 30/06/18 (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	4,216	98.4%	4,216	98.4%
SZ2	1H16	Converted	Leased	4,308	4,038	93.7%	3,669	85.2%
GZ1	1H16	Converted	Leased	6,521	6,521	100%	6,521	100%
SZ3	2H16	Converted	Leased	2,678	2,201	82.2%	1,603	59.9%
SZ5 Phase 1	1H17	Converted	Leased	5,000	5,000	100%	5,000	100%
SZ4 Phase 1	2H17	Converted	Leased	4,677	4,555	97.4%	233	5.0%
GZ2	2H17	Converted	Leased	6,131	6,131	100%	5,665	92.4%
SZ5 Phase 2	1H18	Converted	Leased	7,858	7,858	100%	4,257	54.2%
GZ3 Phase 1	1H18	Purpose-Built	Leased	7,648	7,648	100%	4,205	55.0%



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

As At 30/06/18 (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	2,429	99.8%	2,374	97.5%
	BJ2	2H17	Converted	Leased	5,816	5,414	93.1%	1,801	31.0%
	BJ3	2H17	Converted	Leased	4,260	4,260	100.0%	3,316	77.8%
Chengdu	CD1	1H17	Purpose-Built	Owned	6,287	6,287	100.0%	2,175	34.6%
Hebei	HB1	1H18	Built-To-Suit	Leased	5,132	5,132	100.0%	4,185	81.5%



Self-Developed Data Centers Under Construction

As At 30/06/18 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area Under Construction	Area Pre-Committed	Pre-Commitment Rate
Shanghai	SH6	2H18	Purpose-Built	Leased	7,071	3,200	45.3%
	SH8	2H18	Converted	Leased	5,052	2,500	49.5%
	SH9	FY19	Converted	Leased	3,880	0	0%
Beijing	BJ4	FY19	Converted	Leased	4,500	0	0%
	BJ5 Phase 1	FY19	Converted	Leased	5,136	0	0%
Chengdu	CD2 Phase 1	2H18	Purpose-Built	Owned	5,400	5,075	94.0%
Hebei	HB2	2H18	Built-To-Suit	Leased	4,992	4,992	100%
	HB3	2H18	Built-To-Suit	Leased	4,992	4,992	100%



Top 5 Customers

Top 5 Customers in terms of Total Area Committed

End User	% of Total Area Committed	% of 2Q18 Service Revenue	Number of Data Centers
Internet / Cloud Service Provider	34.0%	28.3%	16
Internet / Cloud Service Provider	29.4%	16.1%	13 ⁽¹⁾
Internet	9.5%	7.3%	4
Cloud Service Provider	3.3%	2.3%	3
Internet	2.2%	0.0%	1

Note:
1.Excluding 3rd party data centers.



Principal Shareholders

As at 30/06/18

	Ordinary Shares	ADS	% of Total
William Huang ⁽¹⁾	67,590,336	8,448,792	6.8%
Directors & Officers ⁽²⁾	10,907,783	1,363,472	1.1%
SBCVC	72,492,246	9,061,531	7.3%
STT	341,737,732	42,717,217	34.3%
Ping An Insurance	63,369,856	7,921,232	6.4%
Cyrus One	64,257,028	8,032,129	6.5%
Others / Free Float	373,969,035	46,746,129	37.6%
Total	994,324,016	124,290,502	100.0%

Notes:

1. Representing Class B shares; all the others are Class A shares. The voting power of Class B vs Class A is 20:1. Does not include options exercisable within the next 60 days of 11,301,093 ordinary shares, or 1,412,636 ADSs, and the restricted shares to be vested within the next 60 days of 484,000 ordinary shares, or 60,500 ADSs.

2. Does not include options exercisable within the next 60 days of 5,337,000 ordinary shares, or 667,125 ADSs and the restricted shares to be vested within the next 60 days of 795,592 ordinary shares, or 99,449 ADSs



Historical Financial Results

Condensed Consolidated Statements of Operations

Amounts in thousands	Three Months Ended					
	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	
	RMB	RMB	RMB	RMB	RMB	USD
Net Revenue						
Service revenue	331,490	423,042	493,663	551,473	626,347	94,656
Equipment sales	4,724	1,391	11,813	10,752	11,163	1,687
Total net revenue	336,214	424,433	505,476	562,225	637,510	96,343
Cost of revenue	(254,853)	(321,709)	(387,287)	(439,308)	(499,989)	(75,560)
Gross profit	81,361	102,724	118,189	122,917	137,521	20,783
Operating expenses						
Selling and marketing expenses	(23,508)	(22,854)	(22,500)	(26,849)	(22,132)	(3,345)
General and administrative expenses	(47,733)	(63,972)	(68,391)	(62,936)	(86,737)	(13,108)
Research and development expenses	(1,203)	(2,059)	(2,541)	(2,672)	(3,201)	(484)
Income from operations	8,917	13,839	24,757	30,460	25,451	3,846
Other income (expenses)						
Net interest expenses	(85,755)	(105,733)	(136,307)	(115,054)	(137,274)	(20,745)
Foreign currency exchange gain (loss), net	(1,229)	(1,638)	(6,826)	(3,219)	9,778	1,478
Others, net	1,010	866	795	609	1,903	288
Loss before income taxes	(77,057)	(92,666)	(117,581)	(87,204)	(100,142)	(15,133)
Income tax benefits (expenses)	1,334	2,337	1,038	1,278	(1,935)	(292)
Net loss	(75,723)	(90,329)	(116,543)	(85,926)	(102,077)	(15,425)



Historical Financial Results

Condensed Consolidated Balance Sheets ⁽¹⁾

Amounts in thousands. As of	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	
	RMB	RMB	RMB	RMB	RMB	USD
Cash	1,466,013	1,174,079	1,873,446	2,978,627	4,450,958	672,645
Accounts receivable, net of allowance for doubtful accounts	308,137	306,308	364,654	469,173	531,490	80,321
Total current assets	2,002,961	1,710,969	2,454,028	3,710,263	5,322,382	804,338
Property and equipment, net	5,631,456	6,368,830	8,165,601	8,817,797	11,441,921	1,729,145
Goodwill and intangible assets, net	1,764,387	1,757,017	1,919,221	1,909,801	2,265,022	342,298
Total assets	9,752,723	10,254,301	13,144,567	15,135,127	19,860,438	3,001,382
Short-term borrowings and current portion of long-term borrowings	568,139	952,734	790,484	905,495	1,439,352	217,520
Capital leases and other financing obligations, current	132,151	38,594	97,943	120,718	151,598	22,910
Total current liabilities	1,685,931	1,906,446	2,423,071	2,445,779	3,525,311	532,759
Long-term borrowings, excluding current portion	2,382,276	2,241,895	3,459,765	4,244,884	4,550,852	687,741
Convertible bonds payable	1,016,160	995,535	0	0	1,925,339	290,964
Capital leases and other financing obligations, non-current	1,387,132	1,713,262	2,303,044	2,335,141	3,606,028	544,956
Total liabilities	6,862,287	7,430,185	8,669,055	9,483,420	14,202,348	2,146,311
Total shareholders' equity	2,890,436	2,824,116	4,475,512	5,651,707	5,658,090	855,071

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					
	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	
	RMB	RMB	RMB	RMB	RMB	USD
Net cash used in operating activities	(59,975)	(55,528)	(28,623)	(143,429)	(18,308)	(2,765)
Net cash used in investing activities	(402,128)	(443,690)	(779,265)	(806,779)	(1,157,452)	(174,919)
Net cash provided by financing activities	432,498	226,258	1,550,620	2,113,003	2,499,137	377,678
Effect of exchange rate changes on cash and restricted cash	(20,485)	(19,470)	(22,366)	(57,636)	153,167	23,147
Net increase (decrease) in cash and restricted cash	(50,090)	(292,430)	720,366	1,105,159	1,476,544	223,141
Cash and restricted cash at beginning of year / period	1,569,754	1,519,664	1,227,234	1,947,600	3,052,759	461,344
Cash and restricted cash at end of year / period	1,519,664	1,227,234	1,947,600	3,052,759	4,529,303	684,485

Notes:

1. 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 RMB11.2 mn, RMB0.5 mn and RMB21.0 mn for the three months ended June 30, September 30 and December 31, 2017, respectively.
2. 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					
	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(75,723)	(90,329)	(116,543)	(85,926)	(102,077)	(15,425)
Net interest expenses	85,755	105,733	136,307	115,054	137,274	20,745
Income tax expenses (benefits)	(1,334)	(2,337)	(1,038)	(1,278)	1,935	292
Depreciation and amortization	78,692	104,722	117,392	137,488	166,759	25,201
Accretion expenses for asset retirement costs	203	269	324	309	407	62
Share-based compensation expenses	12,294	15,594	18,449	15,633	27,954	4,225
Selling and marketing expenses ⁽¹⁾	19,831	18,109	16,889	21,819	17,835	2,696
General and administrative expenses ⁽¹⁾	35,422	47,595	47,201	43,958	49,318	7,452
Research and development expenses ⁽¹⁾	922	1,764	2,172	2,340	3,093	467
Foreign currency exchange loss (gain), net	1,229	1,638	6,826	3,219	(9,778)	(1,478)
Others, net	(1,010)	(866)	(795)	(609)	(1,903)	(288)
Adjusted NOI	156,281	201,892	227,184	252,007	290,817	43,949
Adjusted NOI margin	46.5%	47.6%	44.9%	44.8%	45.6%	45.6%

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					
	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(75,723)	(90,329)	(116,543)	(85,926)	(102,077)	(15,425)
Net interest expenses	85,755	105,733	136,307	115,054	137,274	20,745
Income tax (benefits) expenses	(1,334)	(2,337)	(1,038)	(1,278)	1,935	292
Depreciation and amortization	78,692	104,722	117,392	137,488	166,759	25,201
Accretion expenses for asset retirement costs	203	269	324	309	407	62
Share-based compensation expenses	12,294	15,594	18,449	15,633	27,954	4,225
Adjusted EBITDA	99,887	133,652	154,891	181,280	232,252	35,100
Adjusted EBITDA margin	29.7%	31.5%	30.6%	32.2%	36.4%	36.4%



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