



3Q19 Earnings Call

14 November 2019

NASDAQ: GDS





DISCLAIMER

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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.



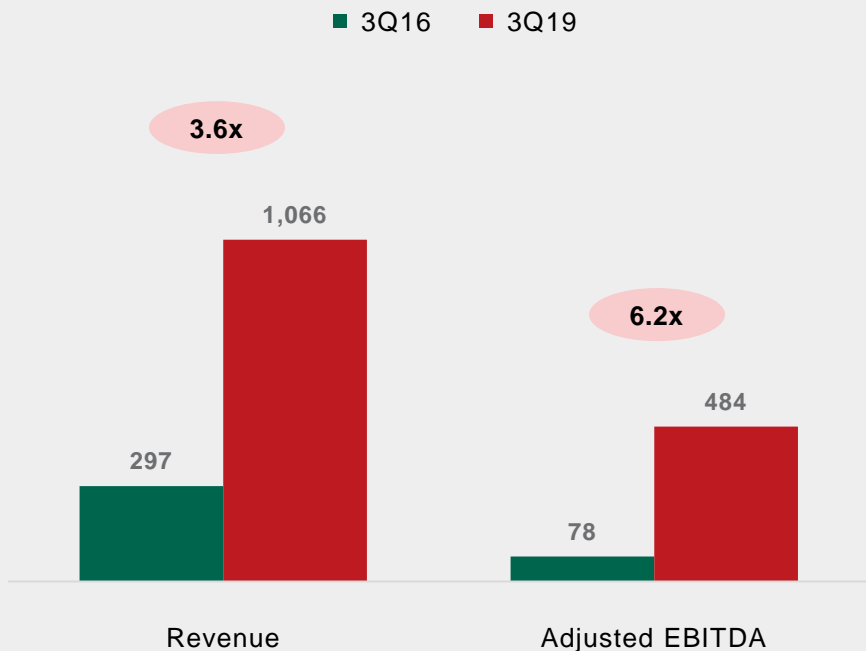
Business Strategy & Performance Highlights

William Huang, Chairman & CEO

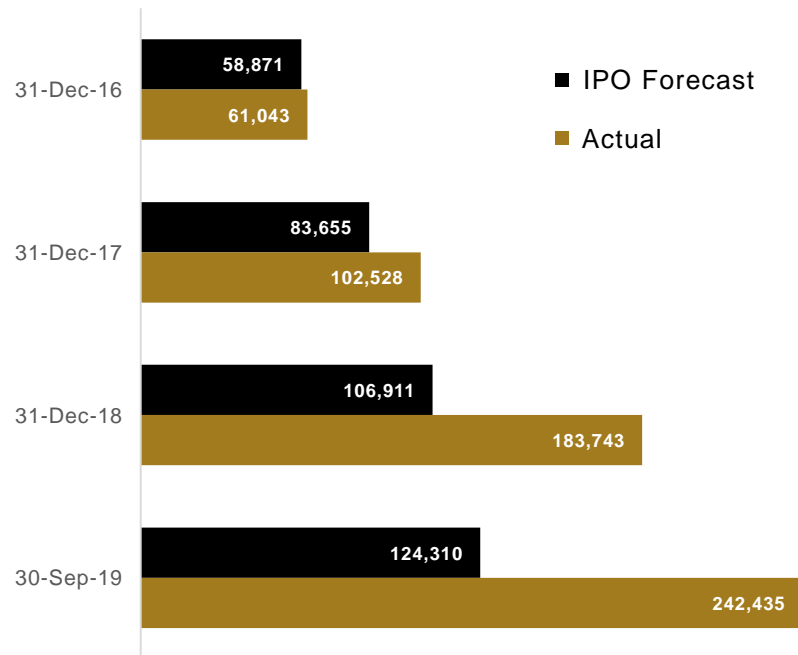


Performance Since IPO

Revenue & Adjusted EBITDA (Rmb Mn)



Total Area Committed (Sqm)





3Q19 HIGHLIGHTS

Sales Momentum

- Net additional total area committed of +21,617 sqm
- Total area committed increased by 49.8% y/y to 242,435 sqm

Capacity Expansion

- Total capacity (in service + under construction) grew by 48.0% y/y to 282,862 sqm
- Invested Rmb 1,150.4 mn (\$161.0 mn) of capex for capacity expansion

Financial Results

- Area utilized increased by 36.9% y/y and total revenue grew by 39.8% y/y
- Adjusted EBITDA grew by 60.6% y/y and adjusted EBITDA margin of 45.4%

Funding Solutions

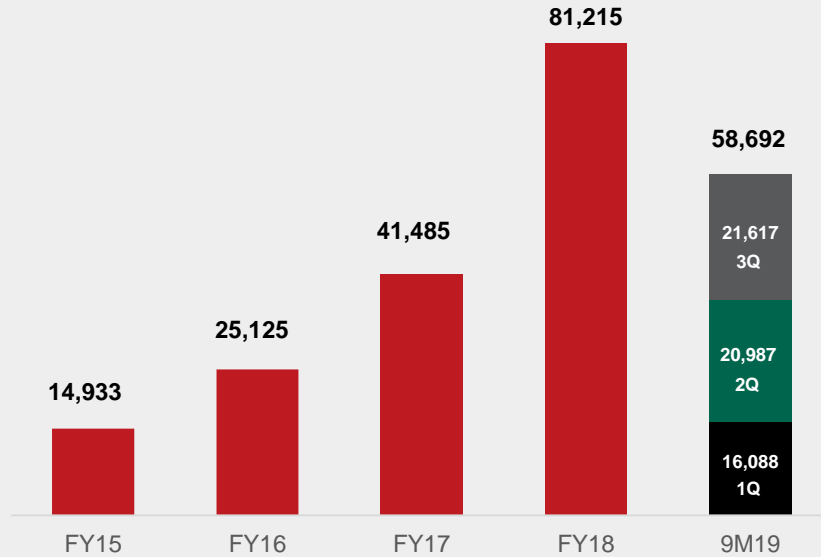
- Obtained Rmb 1,380.3 mn (\$193.1 mn) of new debt facilities
- Strategic partnership with GIC for remote build-to-suit projects

Note:
Exchange rate of 7.1477:1 (RMB:USD) is used throughout this presentation.

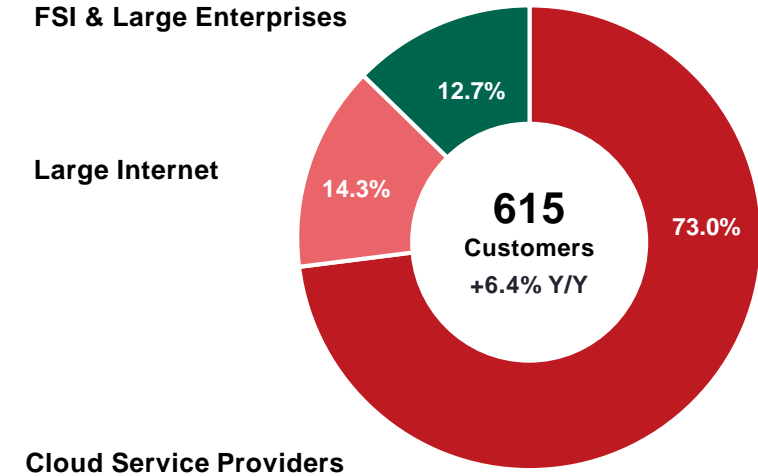


Sales Achievement

Net Additional Area Committed (Sqm)



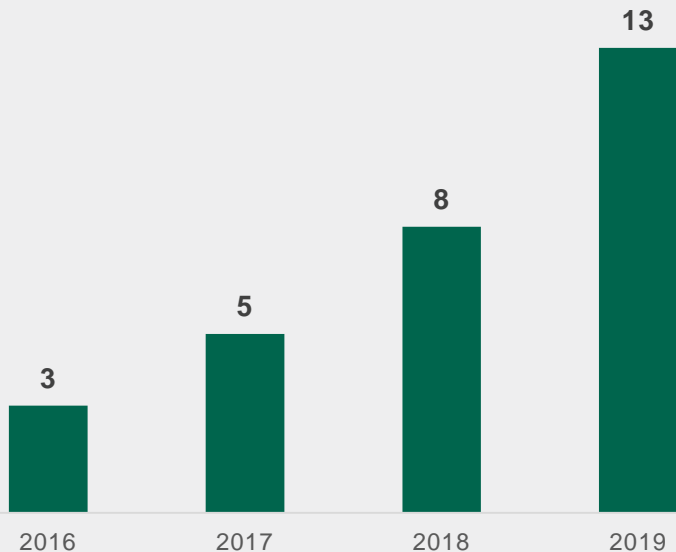
Total Area Committed by Customer Segment



Customer Diversification

Hyperscale Customer Count

of Customers with >5 MW in a Single Order



Hyperscale Customer Additions By Year



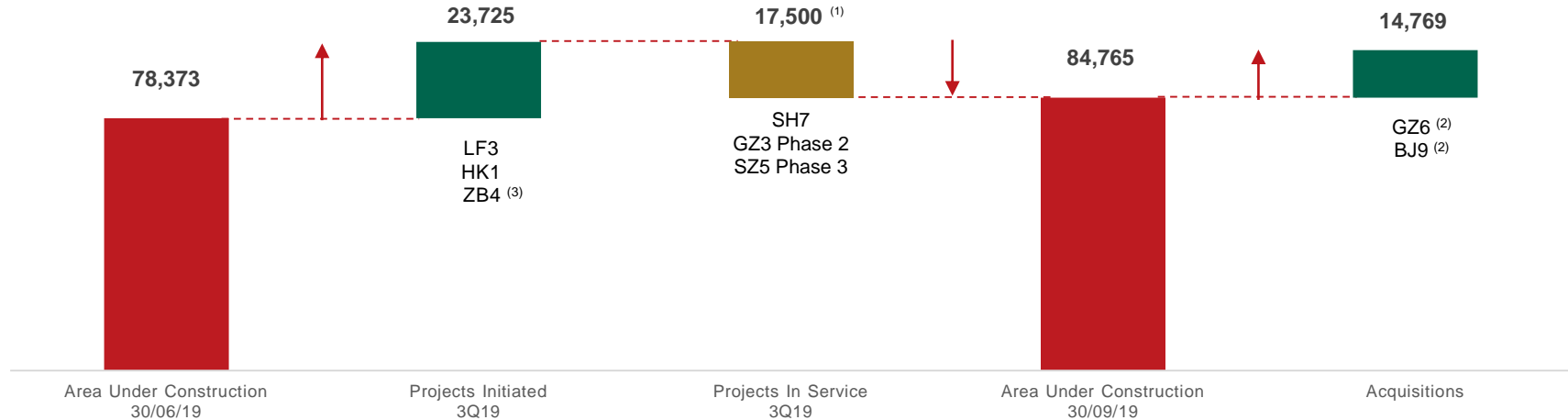
Notes:

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.

Resource Progress

Capacity Expansion – 3Q19



Notes:

1. Area in Service adjustments: SH7: -719 sqm, GZ3 Phase 2: -18 sqm, SZ5 Phase 3: +904 sqm. Other area in service adjustments include: GZ1: +27 sqm; 3rd party: +129 sqm.

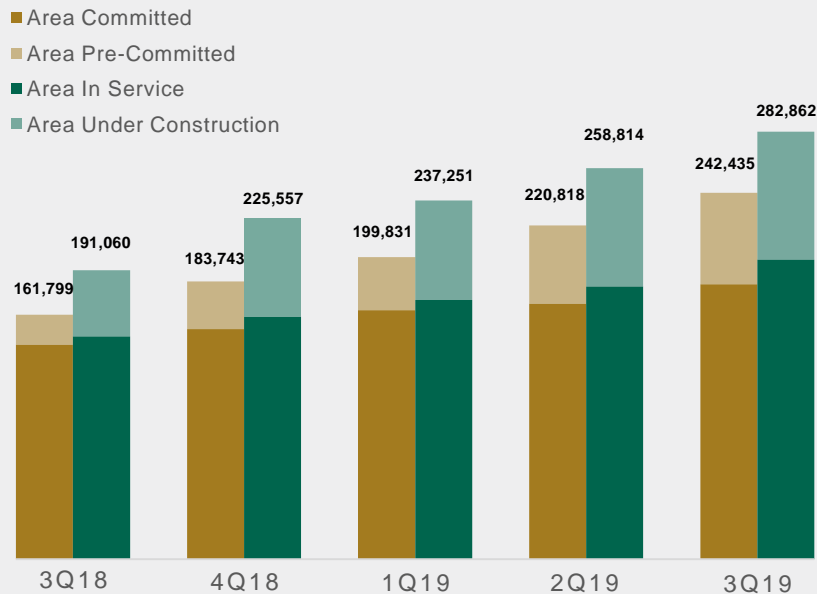
2. GZ6 acquisition closed after the quarter end in October. BJ9 acquisition is expected to close in late 4Q19.

3. The initial letters "HB" were previously used to refer to the three existing data centers on the same site (HB1/2/3). Henceforth, we will refer to all of our data centers on this site using the initial letters "ZB".

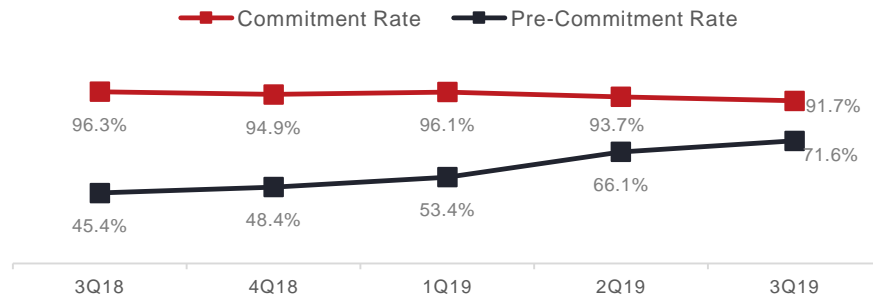


Synchronized Sales & Capacity Growth

Commitments vs. Capacity (Sqm)



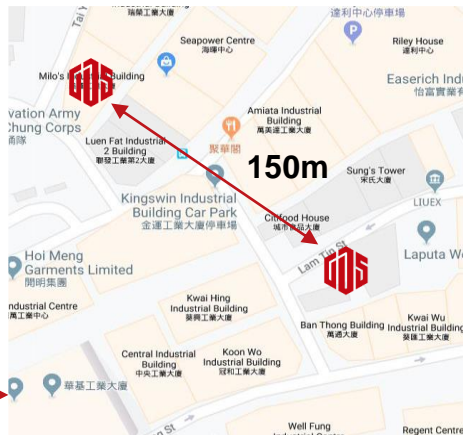
Commitment Rates & Capacity Overview



Capacity Overview

Sqm	Beijing	Shanghai	Shenzhen / Guangzhou / Hong Kong
In Service	29,456	69,686	60,282
Under Construction	48,575	15,063	16,127
Pipeline	~80,000	~90,000	~60,000

Hong Kong Market



HK1



HK2

Key Metrics	HK1 + HK2
Property Purchase Cost (HKD Mh)	1,650
Planned GFA (Sqm)	42,438
Planned IT Area (Sqm)	14,501
Planned IT Power Capacity (kW)	35,426

Notes:

1. Excluding stamp duty, lease modification premium, agency and legal fees.

Build-to-Suit Strategy

Build-to-Suit Data Centers at Customer Sites



Current Committed Projects

Data Center	Estimated IT Area (Sqm)	RFS
Project 1	4,000	1H20
Project 2	4,000	1H20
Project 3	4,000	2H20
Project 4	4,000	1H21
Project 5	4,000	1H21
Project 6	4,000	TBD
Project 7	4,000	TBD
Total	28,000	



Financial & Operating Review

Dan Newman, CFO



3Q19 P&L Analysis

Quarterly Financial Review

Rmb'000 (unless indicated)	3Q18	2Q19	3Q19	Y/Y	Q/Q
Service Revenue	752,620	985,094	1,058,921	40.7%	7.5%
Equipment Sales	10,201	95	7,267	(28.8%)	7,549.5%
Total Net Revenue	762,821	985,189	1,066,188	39.8%	8.2%
Cost of Revenue	(590,956)	(723,420)	(791,963)	34.0%	9.5%
Add Back: D&A, SBC & Asset Retirement Cost	195,037	260,154	296,815	52.2%	14.1%
Adjusted NOI ⁽¹⁾	366,902	521,923	571,040	55.6%	9.4%
<i>Adjusted NOI Margin</i>	<i>48.1%</i>	<i>53.0%</i>	<i>53.6%</i>	<i>5.5 pts</i>	<i>0.6 pts</i>
SG&A	(121,905)	(128,707)	(144,313)	18.4%	12.1%
Add Back: D&A and SBC	39,551	40,722	55,163	39.5%	35.5%
FX Change Gain (Loss) & Others, Net	16,617	(5,513)	1,806	(89.1%)	(132.8%)
Adjusted EBITDA ⁽²⁾	301,165	428,425	483,696	60.6%	12.9%
<i>Adjusted EBITDA margin</i>	<i>39.5%</i>	<i>43.5%</i>	<i>45.4%</i>	<i>5.9 pts</i>	<i>1.9 pts</i>

Notes:

1. 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.
2. 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.



3Q19 Underlying Trends

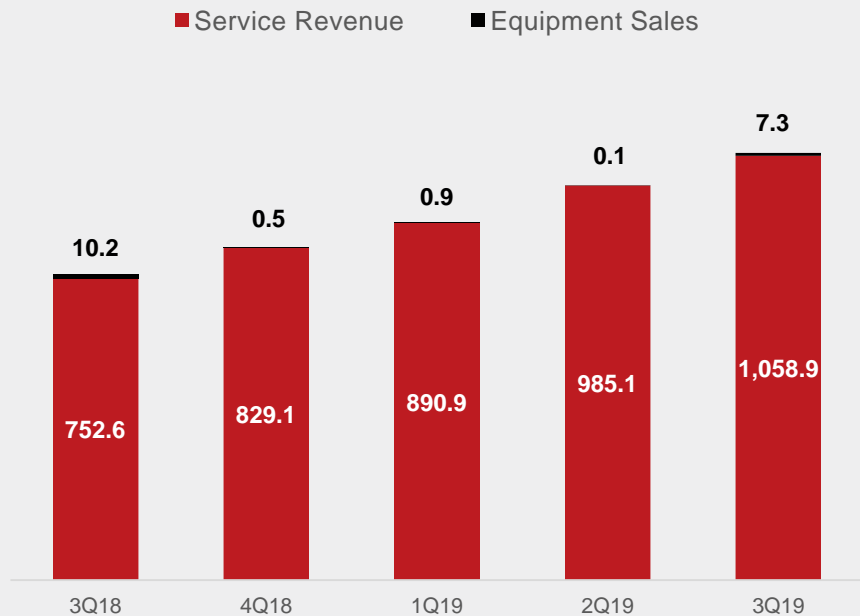
Quarterly Financial Review

Rmb'000 (unless indicated)	3Q18	2Q19	3Q19	Y/Y	Q/Q
Total Net Revenue	762,821	985,189	1,066,188	39.8%	8.2%
Less: Equipment Sales	10,201	95	7,267	(28.8%)	7,549.5%
Service Revenue	752,620	985,094	1,058,921	40.7%	7.5%
Adjusted NOI	366,902	521,923	571,040	55.6%	9.4%
Less: Equipment Profit	1,670	13	923	(44.7%)	7,000.0%
Underlying Adjusted NOI	365,232	521,910	570,117	56.1%	9.2%
<i>Underlying Adjusted NOI Margin</i>	<i>48.5%</i>	<i>53.0%</i>	<i>53.8%</i>	<i>5.3 pts</i>	<i>0.8 pts</i>
Adjusted EBITDA	301,165	428,425	483,696	60.6%	12.9%
Less: Equipment Profit	1,670	13	923	(44.7%)	7000.0%
Less: FX Change Gain (Loss)	13,420	(7,530)	(2,796)	(120.8%)	(62.9%)
Underlying Adjusted EBITDA	286,075	435,942	485,569	69.7%	11.4%
<i>Underlying Adjusted EBITDA Margin</i>	<i>38.0%</i>	<i>44.3%</i>	<i>45.9%</i>	<i>7.9 pts</i>	<i>1.6 pts</i>

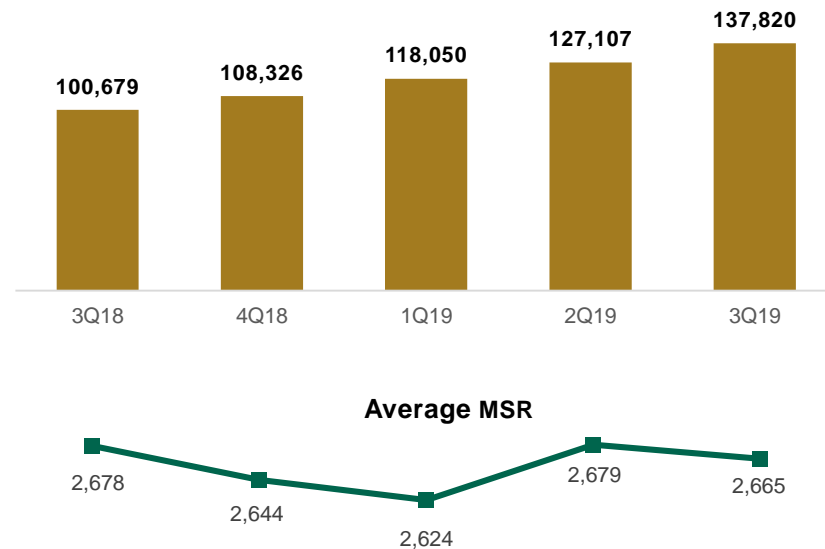


Revenue & Area Utilized

Revenue (Rmb Mn)



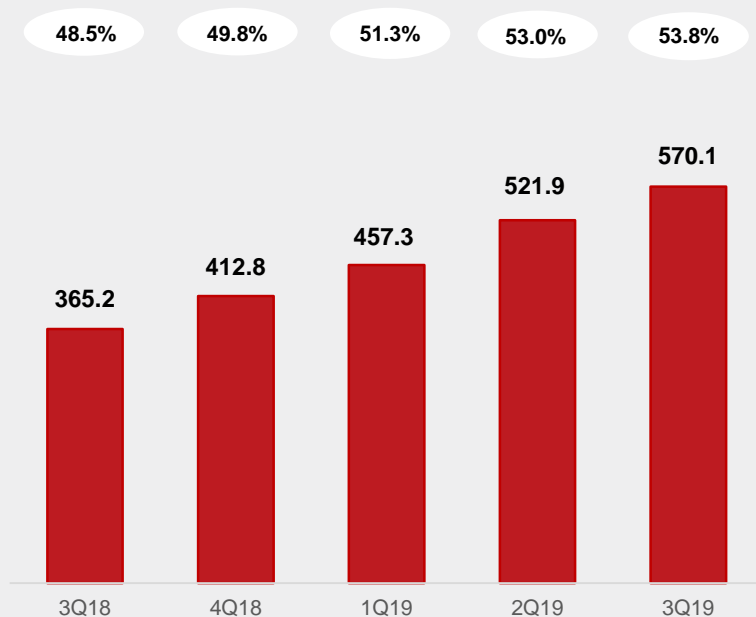
Area Utilized (Sqm) & MSR (Rmb / Sqm / Month)



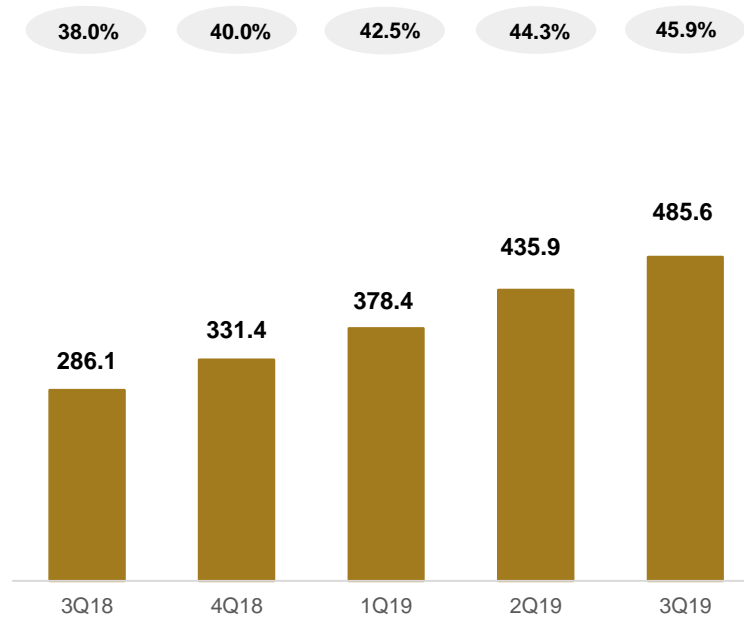


Underlying Adjusted NOI & EBITDA

Underlying Adjusted NOI (Rmb Mn) & Margin



Underlying Adjusted EBITDA (Rmb Mn) & Margin





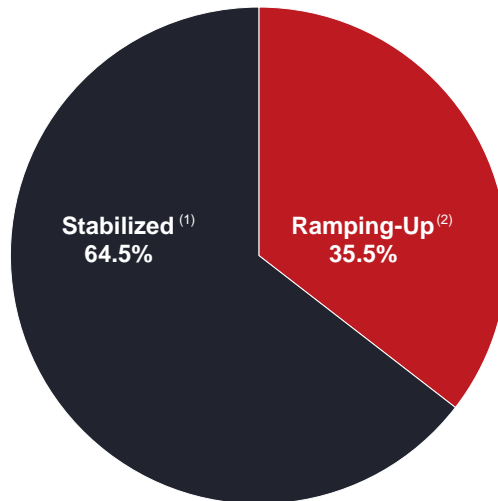
Stabilized vs. Ramping-Up Data Centers

Breakdown of Area In Service as at 3Q19

Stabilized Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS1	6,546	98.1%	93.6%
SH1	6,432	96.7%	94.4%
SH2	7,712	99.3%	96.0%
SH3	7,950	100%	94.9%
SH4	8,415	98.0%	80.2%
SH8	4,924	94.7%	84.2%
SH9	3,330	100%	83.8%
SZ1	4,286	98.4%	98.3%
SZ2	4,308	100%	99.9%
SZ3	2,678	92.5%	86.8%
SZ5	20,583	100%	80.0%
GZ1	6,548	99.7%	99.6%
GZ2	6,131	100%	99.6%
GZ3 Phase 1	7,648	100%	97.1%
BJ1	2,435	93.9%	92.1%
BJ2	5,816	99.9%	93.3%
BJ3	3,144	100%	92.2%
ZB1	5,132	100%	89.5%
ZB2	4,662	100%	90.1%
ZB3	4,662	100%	86.1%
3 rd Party	4,480	94.2%	90.7%
Total	127,822	98.8%	90.5%

Area In Service



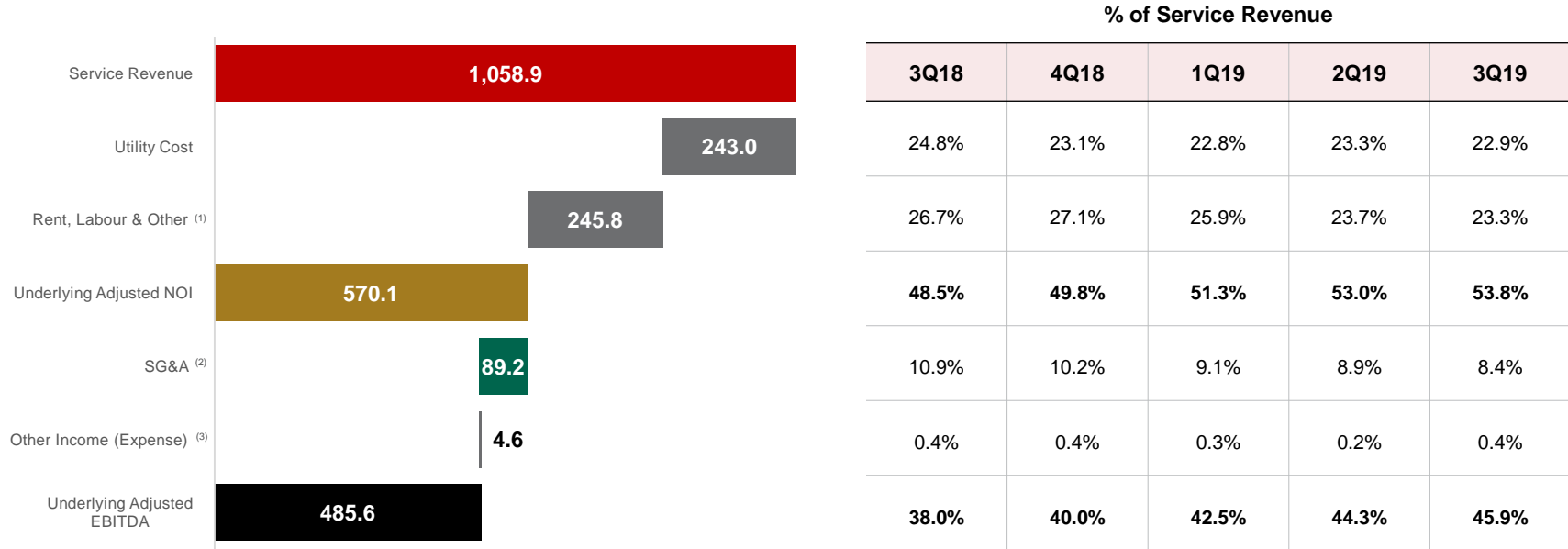
Notes:
 1. "Stabilized" is defined as Utilization Rate above 80%.
 2. "Ramping-Up" is defined as Utilization Rate below 80%.

Ramping-Up Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
SH5 Phase 1	2,062	100%	51.0%
SH6	8,004	69.1%	16.1%
SH7	6,352	15.1%	0.9%
SH10	3,745	0%	0%
SH11	4,214	100%	72.6%
SZ4 Phase 1	4,677	96.8%	42.7%
GZ3 Phase 2	3,423	100%	0%
BJ4	4,695	63.0%	0%
BJ5	13,366	97.1%	52.5%
CD1	6,262	98.2%	65.6%
CD2 Phase 1	8,250	100%	5.3%
3 rd Party	5,225	84.1%	60.3%
Total	70,275	78.9%	31.6%

Cost Breakdown & Operating Leverage

3Q19 Cost Breakdown & Operating Leverage (Rmb Mn)



Notes:

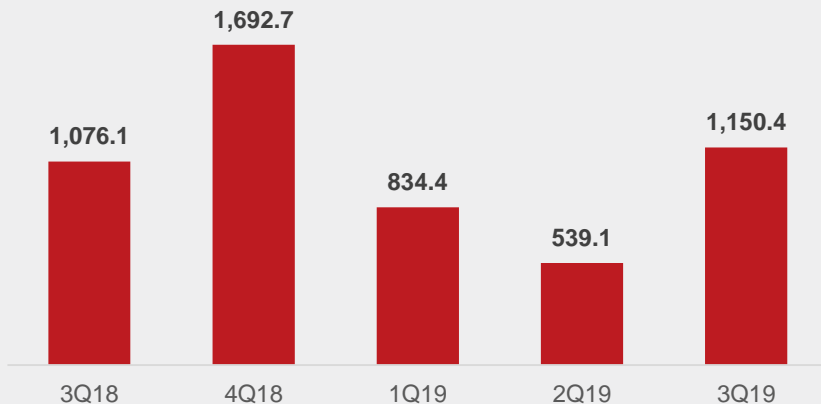
1. Rent, Labor & Other excludes D&A, SBC and asset retirement cost.

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 (Rmb Mn) ⁽¹⁾⁽²⁾



Notes:

- Refers to net cash used in investing activities, including premium paid for acquisitions.
- The following table shows the capex paid for acquisitions and build-to-suit (BTS) projects:

Capex Paid (Mn)	3Q18	4Q18	1Q19	2Q19	3Q19
Acquisitions	110.6	31.2	5.0	22.1	36.1
BTS projects			57.0	38.3	76.1

Construction Program 3Q19

	RFS Date	Net Floor Area (Sqm)	Pre-Commitment Rate (%)
SH12	2H20	3,653	100%
KS2	1H20	6,120	100%
KS3	2H20	5,290	100%
SZ6	4Q19	2,066	0%
GZ4	1H20	7,000	0%
BJ6	1H20	5,167	86.7%
BJ7	1H20	11,116	34.7%
BJ8	1H20	10,911	100%
LF1	4Q19	4,858	100%
LF2	1H20	4,859	100%
LF3	2H20	11,664	100%
HK1	2H22	7,061	0%
ZB4	1H20	5,000	100%
Total	--	84,765	71.6%



Financing Obligations & Liquidity

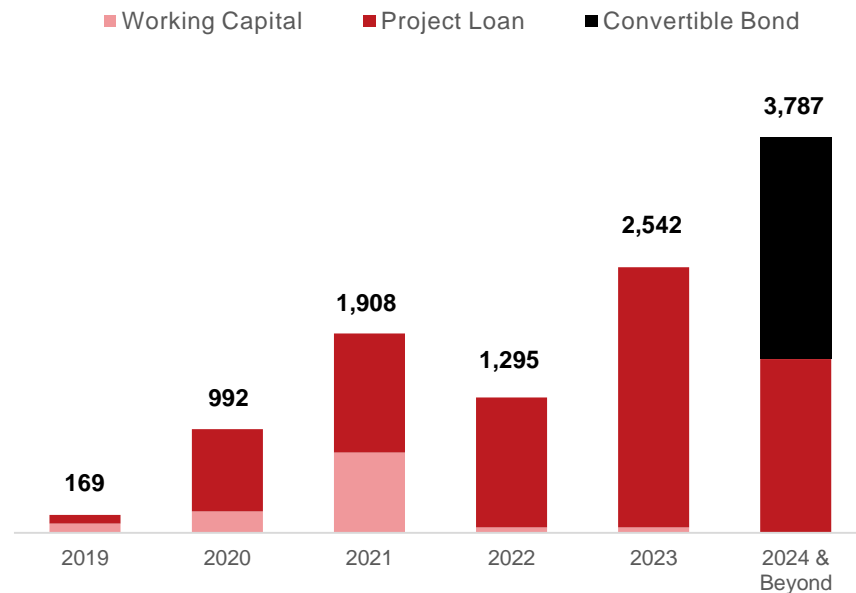
Debt & Cash Outstanding

	30/09/18	30/06/19	30/09/19	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adjusted EBITDA
Total Loan	6,060.2	7,611.4	8,358.6	4.3
Convertible Bond	2,005.0	2,013.9	2,075.0	1.1
Finance Lease	4,241.5	4,497.9	4,684.0	2.4
Gross Debt	12,306.7	14,123.2	15,117.6	7.8
Cash	3,491.7	5,730.6	5,752.8	3.0
Net Debt	8,815.0	8,392.6	9,364.8	4.8

	3Q18	4Q18	1Q19	2Q19	3Q19
Net Debt / LQA Adjusted EBITDA	7.3	8.0	4.9	4.9	4.8
Interest Coverage Ratio ⁽¹⁾	1.65	1.64	1.75	1.93	2.01

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

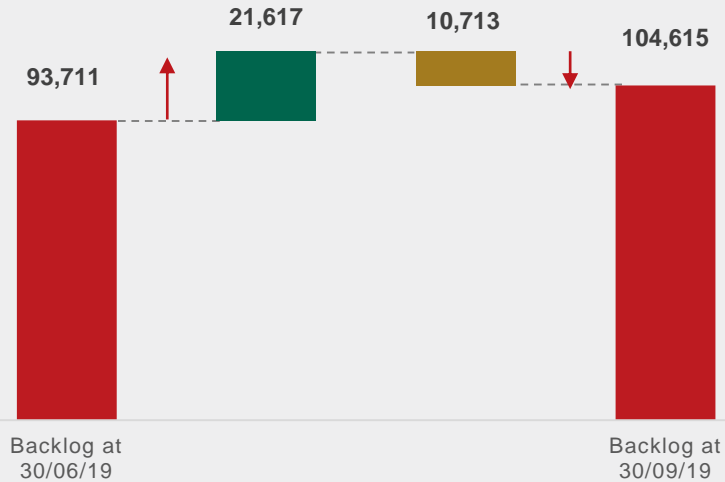
Loan Maturity Schedule as at 30/09/19 (Rmb Mn)



Contract Backlog

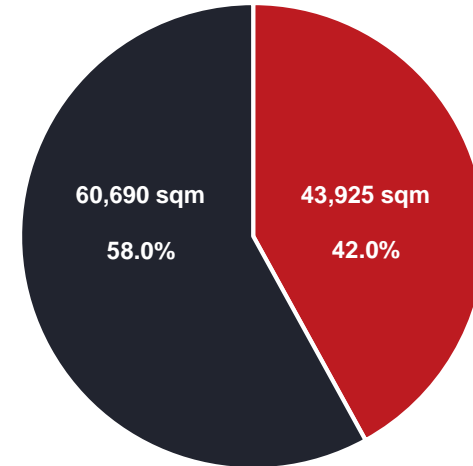
Backlog Build-Up 3Q19 (Sqm)

■ Net Additional Area Committed
■ Net Additional Area Utilized



Backlog by Data Center Status

■ In Service ■ Under Construction





Updated Business Outlook

FY19 Revised Guidance

Rmb Mn	FY18 Actual	FY19 Original Guidance	Implied Y/Y	FY19 Revised Guidance 2Q19	Implied Y/Y	FY19 Revised Guidance 3Q19	Implied Y/Y	3Q19 vs. 2Q19 Revised Guidance
Total Revenue	2,792.1	3,900 – 4,100	39.7% – 46.8%	4,000 – 4,100	43.3% – 46.8%	No Change	43.3% – 46.8%	No Change
Adjusted EBITDA	1,046.5	1,640 – 1,700	56.7% – 62.4%	1,760 – 1,800	68.2% – 72.0%	1,800 – 1,820	72.0% – 73.9%	+2.3% – +1.1%
Capex	4,733.1 ⁽¹⁾	4,500 – 5,000	--	No Change	--	No Change	--	--

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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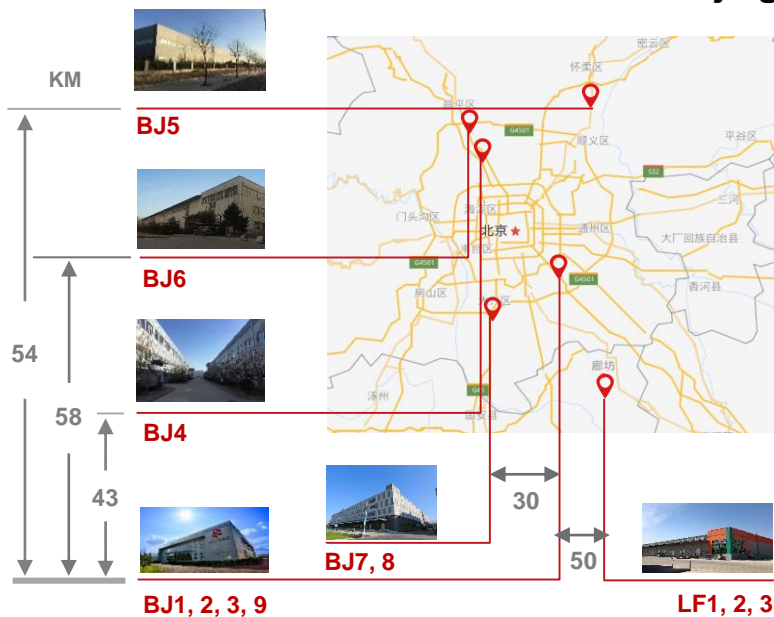
Appendix



Our Data Center Portfolio – Beijing & Shanghai

Self-Developed Data Centers in Tier 1 Markets

Beijing

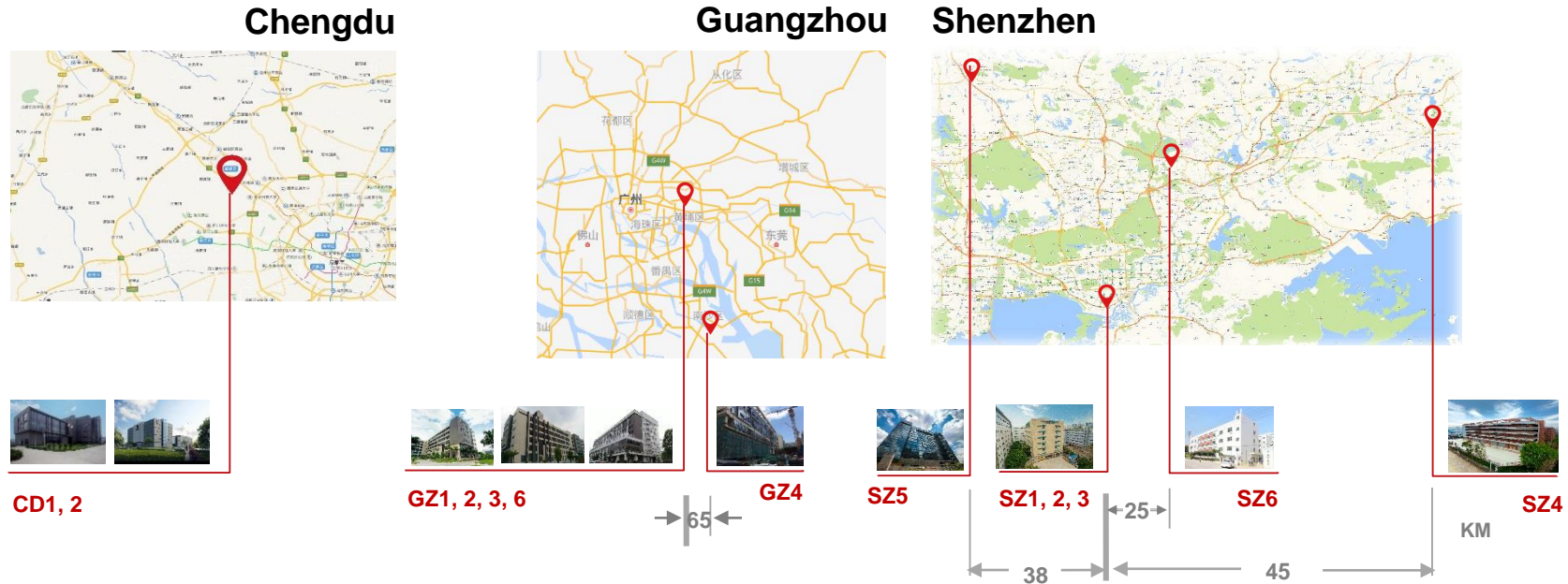


Shanghai



Our Data Center Portfolio – Shenzhen, Guangzhou & Chengdu

Self-Developed Data Centers in Tier 1 Markets





Key Operating KPIs

Last 8 Quarters

As At:	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Area In Service (Sqm)	101,258	103,475	127,984	147,342	160,356	171,515	180,441	198,097
Area Under Construction (Sqm)	24,505	40,357	41,023	43,718	65,201	65,736	78,373	84,765
Total Capacity (Sqm)	125,763	143,832	169,007	191,060	225,557	237,251	258,814	282,862
Area Committed (Sqm)	92,961	97,068	122,306	141,931	152,163	164,747	169,010	181,745
Area Pre-Committed (Sqm)	9,567	25,751	20,759	19,868	31,580	35,084	51,808	60,690
Total Area Committed (Sqm)	102,528	122,819	143,065	161,799	183,743	199,831	220,818	242,435
Commitment Rate (%)	91.8%	93.8%	95.6%	96.3%	94.9%	96.1%	93.7%	91.7%
Pre-Commitment Rate (%)	39.0%	63.8%	50.6%	45.4%	48.4%	53.4%	66.1%	71.6%
Area Utilized (Sqm)	61,713	66,905	86,665	100,679	108,326	118,050	127,107	137,820
Utilization Rate %	60.9%	64.7%	67.7%	68.3%	67.6%	68.8%	70.4%	69.6%
Average MSR (Rmb / Sqm / Month)	2,931	2,858	2,719	2,678	2,644	2,624	2,679	2,665



Data Center Summary By Market

As at 30/09/19 (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	15,063	84,749	57,257	15,063	72,320	46,295	82.2%	100.0%	66.4%
Shenzhen / Guangzhou	60,282	9,066	69,348	59,844	0	59,844	49,363	99.3%	0.0%	81.9%
Beijing / Langfang	29,456	48,575	78,031	27,178	40,627	67,805	17,588	92.3%	83.6%	59.7%
Chengdu	14,512	-	14,512	14,397	0	14,397	4,550	99.2%	0.0%	31.4%
Hong Kong	-	7,061	7,061	-	-	-	-	-	-	-
Hebei – ZB	14,456	5,000	19,456	14,456	5,000	19,456	12,808	100.0%	100.0%	88.6%
3 rd Party	9,705	-	9,705	8,613	0	8,613	7,215	88.7%	0.0%	74.3%
Total	198,097	84,765	282,862	181,745	60,690	242,435	137,819	91.7%	71.6%	69.6%

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



Self-Developed Data Centers In Service – Shanghai / Kunshan

As at 30/09/19 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
KS1	2H10	Purpose-Built	Owned	6,546	6,423	98.1%	6,130	93.6%
SH1	2H11	Purpose-Built	Leased	6,432	6,219	96.7%	6,075	94.4%
SH2	2H15	Purpose-Built	Leased	7,712	7,657	99.3%	7,402	96.0%
SH3	2H16	Purpose-Built	Leased	7,950	7,949	100.0%	7,545	94.9%
SH4	2H17	Purpose-Built	Leased	8,415	8,245	98.0%	6,749	80.2%
SH5 Phase1	1H18	Converted	Leased	2,062	2,062	100.0%	1,051	51.0%
SH6	2H18	Purpose-Built	Leased	8,004	5,534	69.1%	1,286	16.1%
SH7	2H19	Purpose-Built	Leased	6,352	962	15.1%	60	0.9%
SH8	2H18	Converted	Leased	4,924	4,663	94.7%	4,147	84.2%
SH9	1H19	Converted	Leased	3,330	3,330	100.0%	2,790	83.8%
SH10	1H19	Converted	Leased	3,745	0	0.0%	0	0.0%
SH11	1H18	Converted	Leased	4,214	4,214	100.0%	3,061	72.6%



Self-Developed Data Centers In Service – Shenzhen / Guangzhou

As at 30/09/19 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
SZ1	2H14	Converted	Leased	4,286	4,218	98.4%	4,214	98.3%
SZ2	1H16	Converted	Leased	4,308	4,308	100.0%	4,305	99.9%
SZ3	2H16	Converted	Leased	2,678	2,477	92.5%	2,324	86.8%
SZ4 Phase 1	2H17	Converted	Leased	4,677	4,528	96.8%	1,998	42.7%
SZ5	2H19	Converted	Leased	20,583	20,583	100.0%	16,466	80.0%
GZ1	1H16	Converted	Leased	6,548	6,529	99.7%	6,523	99.6%
GZ2	2H17	Converted	Leased	6,131	6,131	100.0%	6,108	99.6%
GZ3 Phase 1	1H18	Purpose-Built	Leased	7,648	7,648	100.0%	7,425	97.1%
GZ3 Phase 2	2H19	Purpose-Built	Leased	3,423	3,423	100.0%	0	0.0%



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

As at 30/09/19 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
Beijing	BJ1	2H15	Converted	Leased	2,435	2,286	93.9%	2,242	92.1%
	BJ2	2H17	Converted	Leased	5,816	5,809	99.9%	5,427	93.3%
	BJ3	2H17	Converted	Leased	3,144	3,144	100.0%	2,899	92.2%
	BJ4	1H19	Converted	Leased	4,695	2,959	63.0%	0	0.0%
	BJ5	1H19	Converted	Leased	13,366	12,979	97.1%	7,021	52.5%
Chengdu	CD1	1H17	Purpose-Built	Owned	6,262	6,147	98.2%	4,110	65.6%
	CD2 Phase 1	2H18	Purpose-Built	Owned	8,250	8,250	100.0%	441	5.3%
Hebei – ZB	ZB1	1H18	Build-To-Suit	Leased	5,132	5,132	100.0%	4,594	89.5%
	ZB2	2H18	Build-To-Suit	Leased	4,662	4,662	100.0%	4,199	90.1%
	ZB3	2H18	Build-To-Suit	Leased	4,662	4,662	100.0%	4,016	86.1%



Self-Developed Data Centers Under Construction

As at 30/09/19 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area Under Construction	Area Pre-Committed	Pre-Commitment Rate
Shanghai / Kunshan	SH12	2H20	Purpose-Built	Leased	3,653	3,653	100%
	KS2	1H20	Purpose-Built	Owned	6,120	6,120	100%
	KS3	2H20	Purpose-Built	Owned	5,290	5,290	100%
Beijing / Langfang	BJ6	1H20	Converted	Leased	5,167	4,478	86.7%
	BJ7	1H20	Converted	Leased	11,116	3,857	34.7%
	BJ8	1H20	Converted	Leased	10,911	10,911	100%
	LF1	2H19	Converted	Leased	4,858	4,858	100%
	LF2	1H20	Converted	Leased	4,859	4,859	100%
	LF3	2H20	Purpose-Built	Owned	11,664	11,664	100%
Shenzhen / Guangzhou	SZ6	2H19	Converted	Leased	2,066	0	0%
	GZ4	1H20	Converted	Leased	7,000	0	0%
Hong Kong	HK1	2H22	Purpose-Built	Owned	7,061	0	0%
Hebei - ZB	ZB4	1H20	Build-To-Suit	Leased	5,000	5,000	100%



Top 5 Customers

In Terms of Total Area Committed

End User	% of Total Area Committed	% of 3Q19 Service Revenue	Number of Data Centers ⁽¹⁾
Internet / Cloud Service Provider	29.5%	28.3%	18
Internet / Cloud Service Provider	22.5%	17.9%	12
Cloud Service Provider	11.4%	0.6%	5
Internet	7.9%	10.9%	6
Cloud Service Provider	2.5%	0.8%	7

Note:
1.Excluding 3rd party data centers.



Contracts Renewal

Contracts Renewal Schedule

Period	Sqm	% of Total Area Committed
4Q19	9,605	4.0%
FY20	23,021	9.5%
FY21	22,262	9.2%
FY22	7,983	3.3%
FY23	25,405	10.5%
Thereafter	154,159	63.5%
Total Area Committed as at 3Q19	242,435	100.0%



Principal Shareholders

As at 30/09/19

	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	5.9%
Directors & Officers	14,963,599	1,870,449		1,870,449	1.3%
STT	405,922,804	50,740,350		50,740,350	34.9%
Ping An	63,369,856	7,921,232	+ 4,213,483	12,134,715	8.3%
CyrusOne	18,411,756	2,301,469		2,301,469	1.6%
Others / Free Float	558,413,118	69,801,639		69,801,639	48.0%
Total	1,130,281,877	141,285,232	+ 4,213,483	145,498,715	100.0%

Notes:

1. Does not include options and RSUs to be exercised or vested within 60 days of 15,231,904 ordinary shares, or 1,903,988 ADSs, and after 60 days of 33,805,088 ordinary shares, or 4,225,636 ADSs. Does not include potential 5,815,950 ADSs from the existing Convertible Bonds conversion.

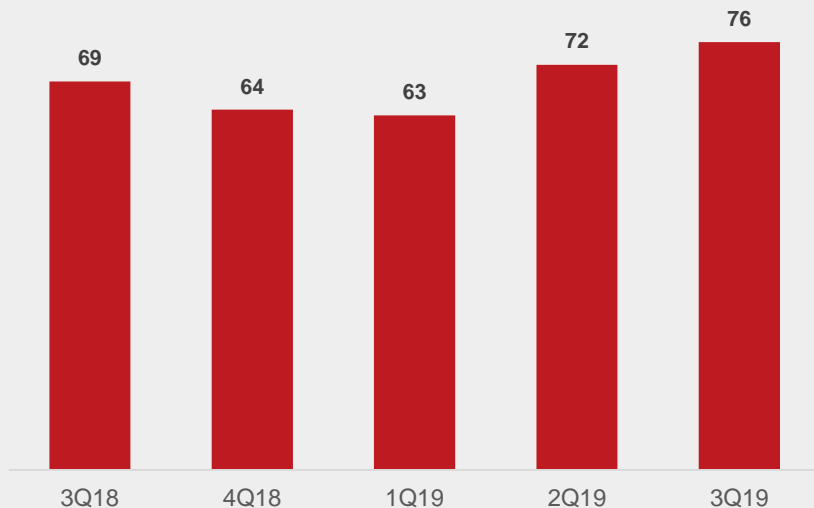
2. Including vested RSU and exercised options (not sold) of 1,610,408 ordinary shares, or 201,301 ADSs, which are Class A shares. The rest represents Class B shares; all the other shares held by other shareholders are Class A shares. The voting power of Class B vs Class A is 20:1.

3. 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	3Q18	4Q18	1Q19	2Q19	3Q19
DPO – Opex	80	80	82	91	110
DPO – Capex	196	75	162	243	231
Total DPO	153	76	136	178	179
Total DPO (Excl. Acquisitions)	122	64	121	163	169

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

Accounting Impacts for JV with GIC

	Pre-Sale	Post-Sale
Income Statement	<ul style="list-style-type: none"> Operating expenses (if any) 	<ul style="list-style-type: none"> Management fee as Revenue Disposal gain from 90% ownership Operating expenses Minority effect for 10% ownership as Gain on investment
Balance Sheet	<ul style="list-style-type: none"> Total capex on Property, plant & equipment Total equity and liabilities 	<ul style="list-style-type: none"> Investment in association of 10% ownership Management fee receivables
Cashflow	<ul style="list-style-type: none"> Investing outflows (Capex payment) Financing inflows (Capital injection and loan financing) Operating Cycle (if operating expenses incurred) 	<ul style="list-style-type: none"> Operating inflows and outflows Investing inflows (disposal of 90% ownership) Financing outflows (if any)



Historical Financial Results

Condensed Consolidated Statements of Operations

Amounts in thousands	Three Months Ended					
	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net Revenue						
Service revenue	752,620	829,050	890,946	985,094	1,058,921	148,148
Equipment sales	10,201	471	895	95	7,267	1,017
Total net revenue	762,821	829,521	891,841	985,189	1,066,188	149,165
Cost of revenue	(590,956)	(639,383)	(679,832)	(723,420)	(791,963)	(110,800)
Gross profit	171,865	190,138	212,009	261,769	274,225	38,365
Operating expenses						
Selling and marketing expenses	(29,320)	(32,269)	(27,832)	(29,805)	(32,596)	(4,560)
General and administrative expenses	(89,267)	(90,661)	(90,301)	(94,702)	(105,524)	(14,763)
Research and development expenses	(3,318)	(4,724)	(4,639)	(4,200)	(6,193)	(866)
Income from operations	49,960	62,484	89,237	133,062	129,912	18,176
Other income (expenses)						
Net interest expenses	(182,152)	(202,493)	(219,117)	(221,906)	(241,038)	(33,722)
Foreign currency exchange gain (loss), net	13,420	327	4,772	(7,530)	(2,796)	(391)
Others, net	3,197	2,944	2,503	2,017	4,602	644
Loss before income taxes	(115,575)	(136,738)	(122,605)	(94,357)	(109,320)	(15,293)
Income tax (expenses) benefits	(3,779)	13,827	(14,015)	1,198	678	95
Net loss	(119,354)	(122,911)	(136,620)	(93,159)	(108,642)	(15,198)



Historical Financial Results

Condensed Consolidated Balance Sheets ⁽¹⁾

Amounts in thousands. As of	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Cash	3,491,694	2,161,622	6,001,214	5,730,578	5,752,790	804,845
Accounts receivable, net of allowance for doubtful accounts	625,087	536,842	713,601	855,203	952,184	133,215
Total current assets	4,459,868	3,037,396	7,131,358	7,051,549	7,166,012	1,002,562
Property and equipment, net	12,581,602	13,994,945	14,630,720	15,535,295	16,290,301	2,279,097
Prepaid land use rights, net	25,713	756,957	735,971	747,509	774,564	108,365
Operating lease right-of-use assets	-	-	497,600	483,531	469,407	65,672
Goodwill and intangible assets, net	2,249,763	2,234,462	2,175,429	2,160,947	2,146,466	300,302
Total assets	20,217,060	20,885,243	26,140,704	26,964,521	28,003,591	3,917,846
Short-term borrowings and current portion of long-term borrowings	1,310,991	1,283,320	860,139	900,354	916,596	128,236
Operating lease liabilities, current	-	-	70,124	65,352	63,719	8,915
Finance lease and other financing obligations, current	148,980	166,898	119,919	116,577	118,050	16,516
Total current liabilities	3,160,711	3,507,879	3,219,256	3,501,213	3,578,291	500,621
Long-term borrowings, excluding current portion	4,749,184	5,203,708	6,582,579	6,711,013	7,442,030	1,041,178
Convertible bonds payable	2,004,993	2,004,714	1,969,683	2,013,914	2,075,014	290,305
Operating lease liabilities, non-current	-	-	402,420	392,345	379,789	53,134
Finance lease and other financing obligations, non-current	4,092,532	4,134,327	4,039,333	4,381,340	4,565,929	638,797
Total liabilities	14,619,471	15,363,318	16,717,996	17,511,913	18,552,566	2,595,598
Redeemable preferred shares	-	-	1,010,586	1,033,353	1,063,145	148,739
Total shareholders' equity	5,597,589	5,521,925	8,412,122	8,419,255	8,387,880	1,173,509

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					
	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net cash provided by (used in) operating activities	37,460	111,367	(59,806)	115,910	165,219	23,117
Net cash used in investing activities	(1,076,111)	(1,692,708)	(834,446)	(539,147)	(1,150,440)	(160,952)
Net cash provided by (used in) financing activities	1,066	263,600	4,789,711	(20,334)	887,546	124,171
Effect of exchange rate changes on cash and restricted cash	115,650	(4,879)	(9,215)	122,535	109,558	15,327
Net (decrease) increase in cash and restricted cash	(921,935)	(1,322,620)	3,886,244	(321,036)	11,883	1,663
Cash and restricted cash at beginning of year / period	4,529,303	3,607,368	2,284,748	6,170,992	5,849,956	818,439
Cash and restricted cash at end of year / period	3,607,368	2,284,748	6,170,992	5,849,956	5,861,839	820,102



Reconciliation from Net Loss to Adjusted NOI

Adjusted NOI

Amounts in thousands	Three Months Ended					
	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(119,354)	(122,911)	(136,620)	(93,159)	(108,642)	(15,198)
Net interest expenses	182,152	202,493	219,117	221,906	241,038	33,722
Income tax expenses (benefits)	3,779	(13,827)	14,015	(1,198)	(678)	(95)
Depreciation and amortization	206,661	230,599	254,037	269,176	299,349	41,880
Accretion expenses for asset retirement costs	569	555	711	723	743	104
Share-based compensation expenses	27,358	34,932	31,957	30,977	51,886	7,259
Selling and marketing expenses ⁽¹⁾	22,206	23,497	20,330	22,610	22,330	3,124
General and administrative expenses ⁽¹⁾	57,319	56,660	57,090	61,898	61,676	8,629
Research and development expenses ⁽¹⁾	2,829	4,132	3,970	3,477	5,144	720
Foreign currency exchange (gain) loss, net	(13,420)	(327)	(4,772)	7,530	2,796	391
Others, net	(3,197)	(2,944)	(2,503)	(2,017)	(4,602)	(644)
Adjusted NOI	366,902	412,859	457,332	521,923	571,040	79,892
Adjusted NOI margin	48.1%	49.8%	51.3%	53.0%	53.6%	53.6%

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					
	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	
	RMB	RMB	RMB	RMB	RMB	USD
Net loss	(119,354)	(122,911)	(136,620)	(93,159)	(108,642)	(15,198)
Net interest expenses	182,152	202,493	219,117	221,906	241,038	33,722
Income tax expenses (benefits)	3,779	(13,827)	14,015	(1,198)	(678)	(95)
Depreciation and amortization	206,661	230,599	254,037	269,176	299,349	41,880
Accretion expenses for asset retirement costs	569	555	711	723	743	104
Share-based compensation expenses	27,358	34,932	31,957	30,977	51,886	7,259
Adjusted EBITDA	301,165	331,841	383,217	428,425	483,696	67,672
Adjusted EBITDA margin	39.5%	40.0%	43.0%	43.5%	45.4%	45.4%



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