



**GDS 万国数据**

**2Q20 Earnings Call**

**18 August 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, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses, and gain from purchase price adjustment, 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**



## 2Q20 HIGHLIGHTS

### Sales Momentum

- Record organic net additional total area committed of +26,544 sqm
- Total area committed increased by 51.0% y/y to 333,461 sqm
- 4 organic hyperscale orders between 8-20 MW each

### Capacity Expansion

- Total capacity (in service + under construction) grew by 54.3% y/y to 399,468 sqm
- Highest-ever level of active construction program of 133,208 sqm
- BJ10/11/12 closed; BJ13 newly acquired

### Financial Results

- Total revenue grew by 36.2% y/y to Rmb 1,342.2 mn (\$190.0 mn)
- Adjusted EBITDA grew by 47.8% y/y to Rmb 633.4 mn (\$89.7 mn)
- Adjusted EBITDA margin of 47.2%

### Financing Activities

- Obtained new HoldCo debt financing facilities of \$300 mn
- Obtained new project debt financing or refinancing facilities of Rmb 4,519.7 mn (\$639.7 mn)
- Raised \$505 mn of equity from Hillhouse and STT GDC

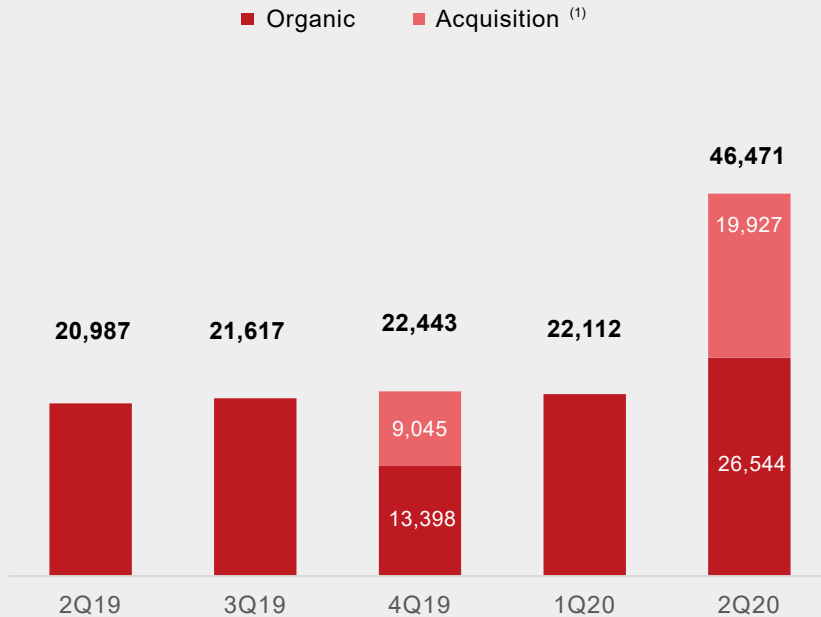
Note:

1. Exchange rate of 7.0651:1 (RMB:USD) is used throughout this presentation.
2. Numbers for area committed and capacity exclude Managed BTS Data Centers.



# Sales Achievement

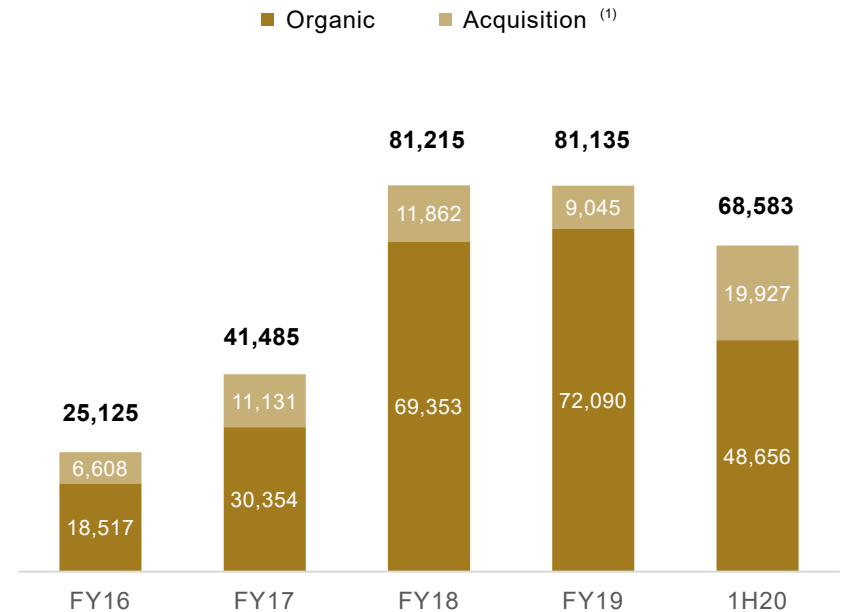
## Net Additional Total Area Committed (Sqm) by Quarter



Note:

- 1. Refers to customer agreements remaining in effect at the closing of the acquisition.
- 2. Numbers for area committed exclude Managed BTS Data Centers.

## Net Additional Total Area Committed (Sqm) by Year



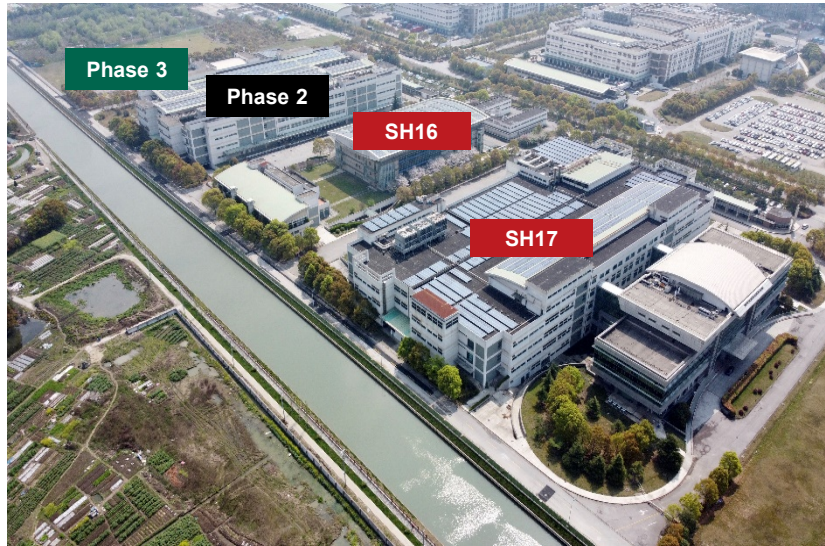


# Hyperscale Orders

Orders >5 MW Obtained During 2Q20

Data Center	Area (Sqm)	Power (MW)	Contract Commences
<b>Organic</b>			
SH17 Phase 1	6,188	14.1	1H21
CS1	6,060	14.1	2H21
LF5	7,665	20.0	2H21
LF8	2,663	8.0	4Q20
<b>Acquisition</b>			
BJ10	6,440	13.1	2Q20
BJ11	6,471	12.5	2Q20
BJ12	7,016	12.5	2Q20

## Anchor Order for Shanghai Pujiang Site



- Property acquired for Rmb 1,370 mn in 1Q20
- Anchor order for 6,188 sqm (100% of SH17 Phase 1) obtained in 2Q20
- SH16 and SH17 Phase 1 totaling 9,188 sqm currently under construction
- Remaining phases totaling ~64,000 sqm held for future development

## Anchor Order for Changshu Site

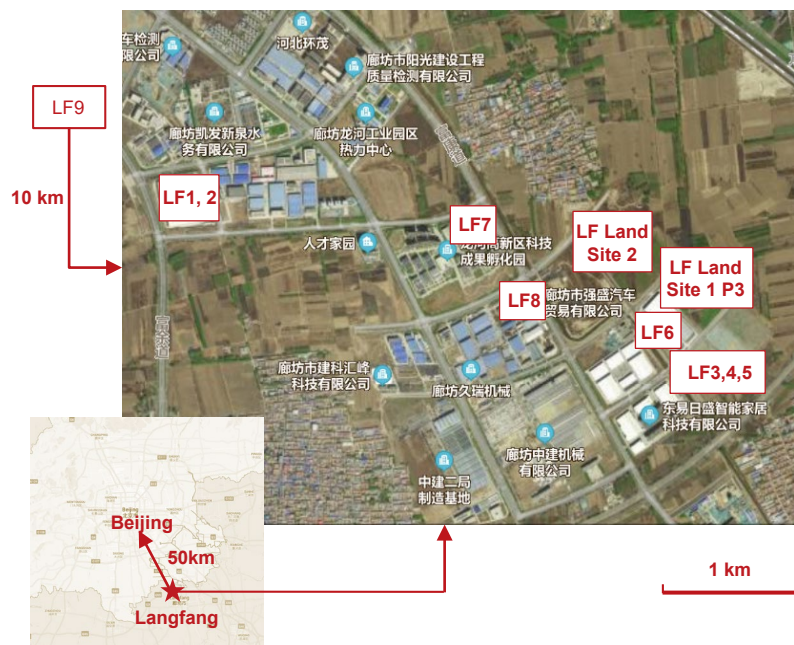


- Changshu campus, serving Shanghai
- ~65,000 sqm of total developable net floor area
- Sales memorandum with hyperscale customer for ~30,000 sqm
- Anchor order under the sales memorandum for 6,060 sqm in CS1
- CS1 under construction, with 54.7% of 11,088 sqm pre-committed
- High visibility into future purchase orders from the same customer over next 2 years





# Success in Langfang Since 1Q19



	Tenure	Status	NFA (Sqm)	Area Committed (Sqm)	Commitment Rate
LF1	Lease	In Service	4,949	4,949	100%
LF2	Lease	Under Construction	4,859	4,859	100%
LF3	Own	Under Construction	11,664	11,664	100%
LF4	Own	Under Construction	14,832	7,416	50.0%
LF5	Own	Under Construction	14,832	7,668	51.7%
LF6	Lease	In Service	3,787	3,787	100%
LF7	Lease	In Service	5,558	5,558	100%
LF8	Lease	Under Construction	2,663	2,663	100%
LF9	Lease	Held for future Development	10,830	--	--
LF Land Site 2	Own	Land Acquired	~24,000	--	--
LF Land Site 1 Phase 3	Own	Framework Agreement	~30,000	--	--
<b>Total</b>			<b>~127,974</b>	<b>48,564</b>	



# Customer Diversification

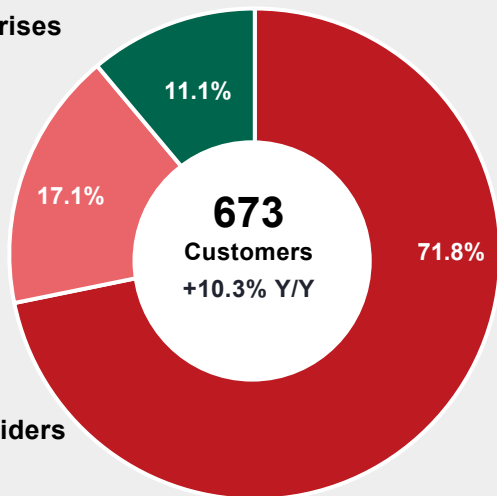
## Customer Segment Breakdown

## Leading CSP / Large Internet Customer Additions

FSI & Large Enterprises

Large Internet

Cloud Service Providers

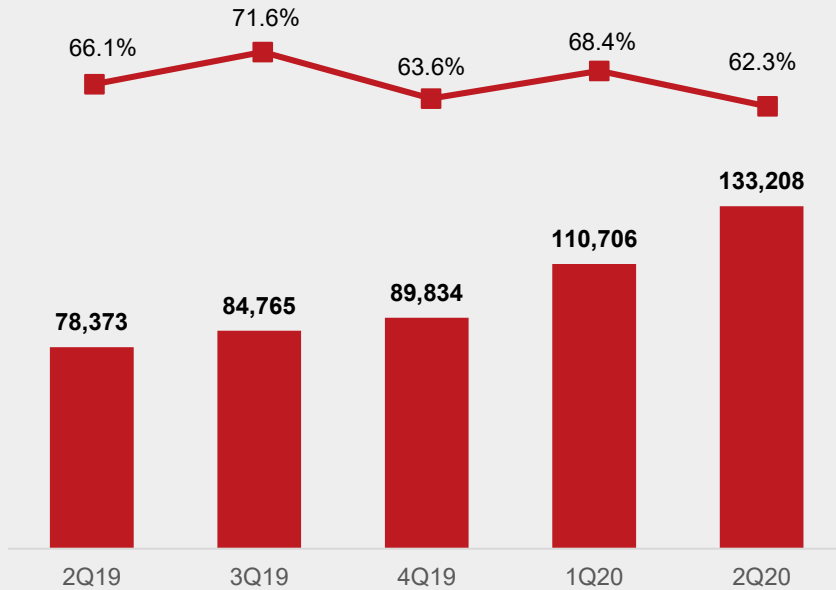


Notes:  
 1. Azure China is operated by a subsidiary of 21Vianet.  
 2. AWS Ningxia region is operated by NWCD and AWS Beijing region is operated by Sinnet.



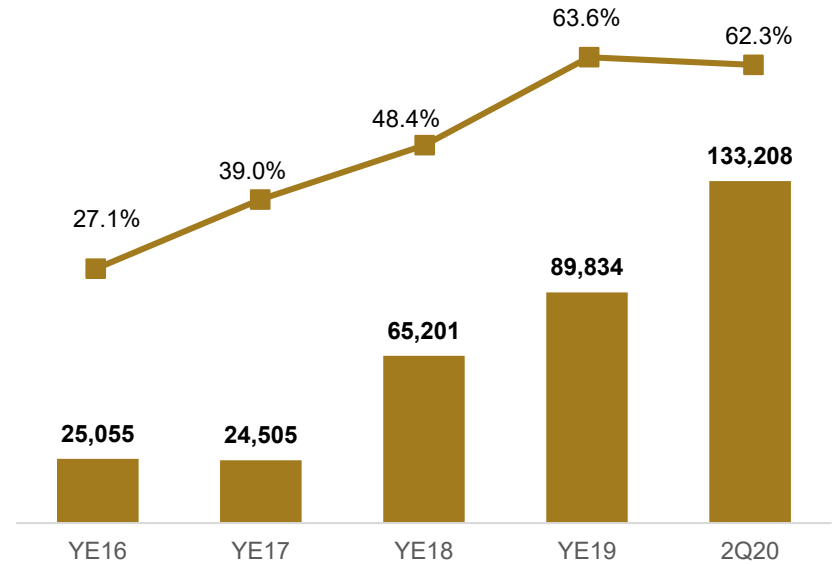
# Growing Construction Pipeline – Area Under Construction (U/C)

## Area U/C (Sqm) & Pre-commitment Rate by Quarter



Note: Numbers exclude Managed BTS Data Centers.

## Area U/C (Sqm) & Pre-commitment Rate by Year



## Strategic Resource Addition – BJ13



- Located in Tongzhou, new seat of Beijing Municipal Government
- 21,000 sqm of net floor area with owned land
- Strong customer interest to take all capacity
- JV with CPE for development phase
- Estimated cost to GDS of Rmb 2.6 bn for 100% ownership of completed data center



## Managed Build-to-Suit (“BTS”) Data Centers

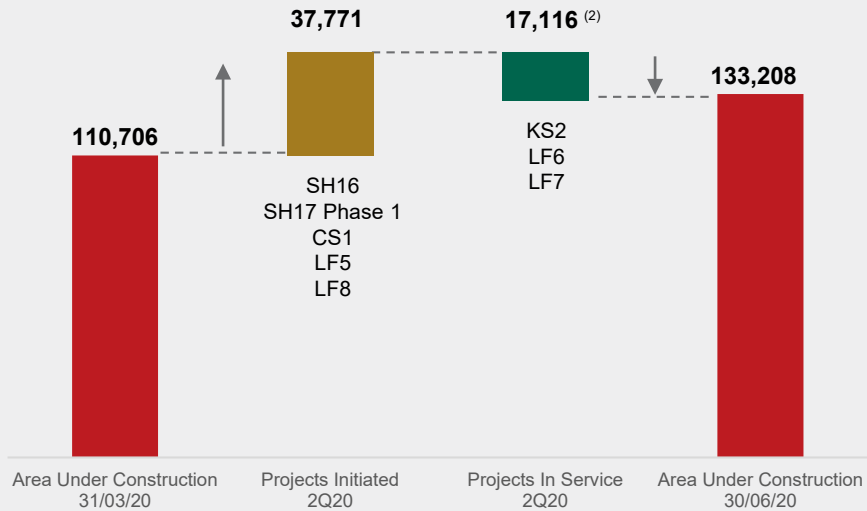
Note: These projects are not included in our KPIs.

	Number of Data Centers	Total Net Floor Area (Sqm)
<b>Customer 1 – GIC JV Data Centers</b>		
<i>Total Projects</i>	12	~48,000
Projects Under Construction	3	11,665
Project in Service Held for Sale	3	11,665
Project in Service Held by GIC JV	0	0
<b>Other Upcoming Projects</b>		
<b>Customer 2 –</b>		
<i>Total Projects</i>	1	~3,000



# Resource Progress

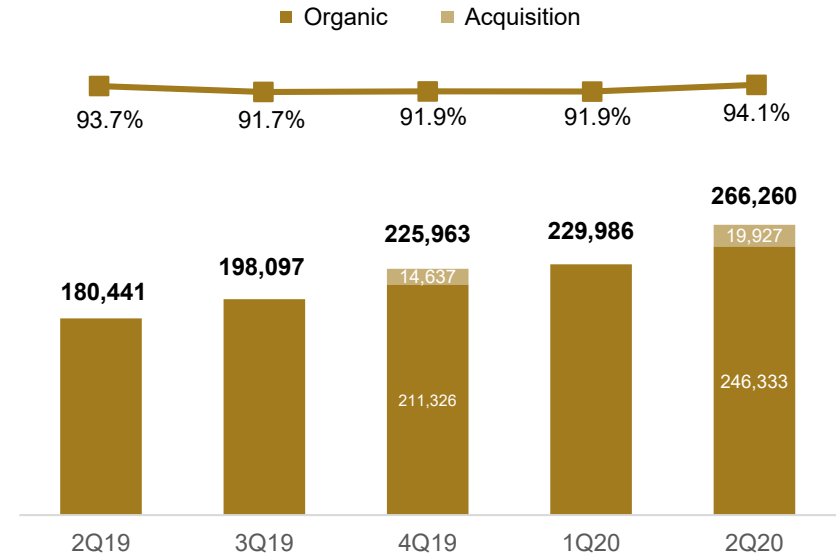
## Organic Capacity Expansion 2Q20<sup>(1)</sup> (Sqm)



Notes:

1. All area is based on the latest design net floor area of each project. Discrepancies from the previous quarters may arise from capacity adjustment. Please refer to historical earnings presentation for any prior adjustments.
2. Area In Service adjustments from construction completion include: KS2: +1,651 sqm, LF6: +145 sqm, LF7: +51 sqm, Other area in service adjustments include: SH6: -384 sqm, 3rd Party: -385 sqm

## Area In Service (Sqm) & Commitment Rate



Note: Numbers exclude Managed BTS Data Centers.

## New Data Centers In Service



**LF6**



**LF7**

- Two paired buildings for each data center
- Both 100% committed
- LF6 already 54.4% utilized

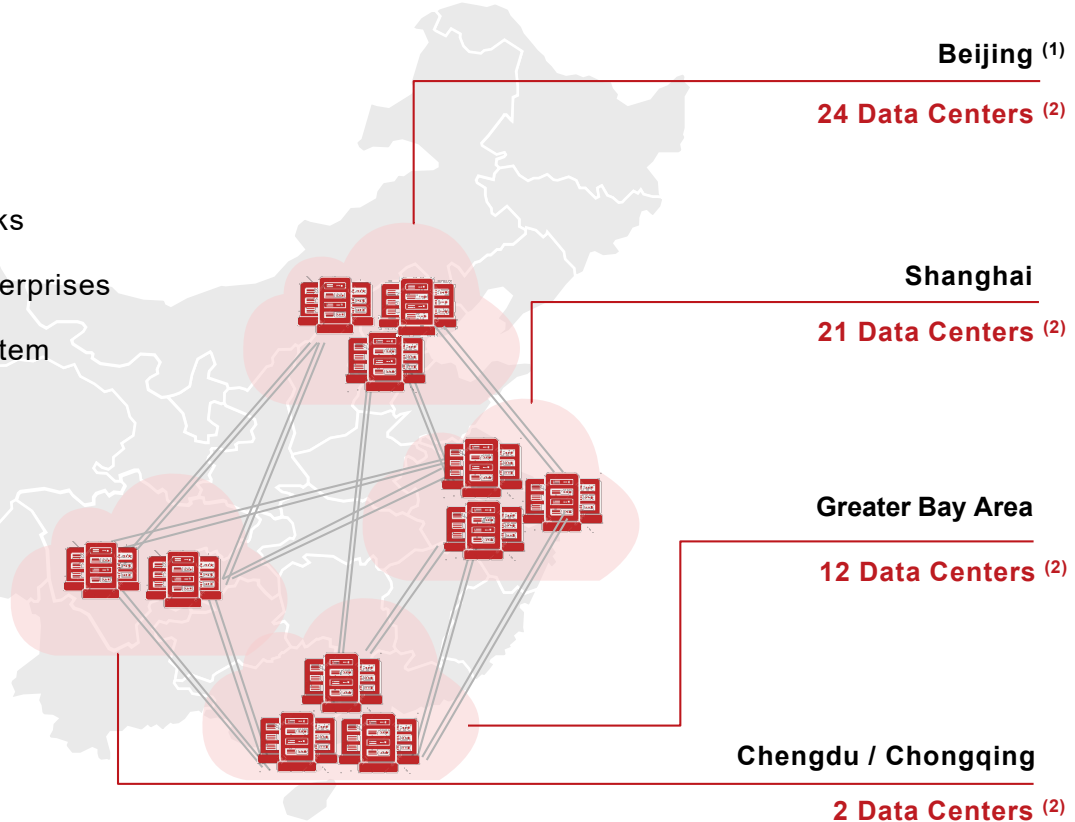
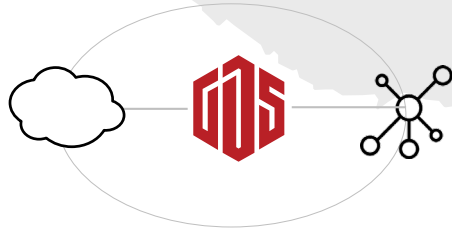


**KS2**

- Located in Kunshan campus alongside KS1 and KS3
- Owned land
- 100% committed

# GDS – Innovative and Unique New IT Infrastructure Platform

- Present in all data traffic hubs
- Multiple data centers in each hub
- Low latency access to all major networks
- Attracting all public cloud and large enterprises
- Enabling innovative and unique ecosystem



Note:  
1. Including ZB1/2/3/4 but excluding Managed BTS Data Centers.  
2. # of data centers include self-developed data centers in service and under construction.





# Financial & Operating Review

Dan Newman, CFO





# 2Q20 P&L Analysis

## Quarterly Financial Review

Rmb'000 (unless indicated)	2Q19	1Q20	2Q20	Y/Y	Q/Q
Service Revenue	985,094	1,232,589	1,334,475	35.5%	8.3%
Equipment Sales	95	7,829	7,730	8,036.8%	(1.3%)
<b>Total Net Revenue</b>	<b>985,189</b>	<b>1,240,418</b>	<b>1,342,205</b>	<b>36.2%</b>	<b>8.2%</b>
Cost of Revenue	(723,420)	(890,080)	(981,103)	35.6%	10.2%
Add Back: D&A, SBC & Asset Retirement Cost	260,154	314,600	359,898	38.3%	14.4%
<b>Adjusted NOI <sup>(1)</sup></b>	<b>521,923</b>	<b>664,938</b>	<b>721,000</b>	<b>38.1%</b>	<b>8.4%</b>
<i>Adjusted NOI Margin</i>	<i>53.0%</i>	<i>53.6%</i>	<i>53.7%</i>	<i>0.7 pts</i>	<i>0.1 pts</i>
SG&A	(128,707)	(156,092)	(196,677)	52.8%	26.0%
Add Back: D&A, SBC & Operating lease cost relating to prepaid land use rights	40,722	72,961	102,663	152.1%	40.7%
FX Change Gain (Loss) & Others, Net	(5,513)	(9,703)	6,401	(216.1%)	(166.0%)
<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>428,425</b>	<b>572,104</b>	<b>633,387</b>	<b>47.8%</b>	<b>10.7%</b>
<i>Adjusted EBITDA margin</i>	<i>43.5%</i>	<i>46.1%</i>	<i>47.2%</i>	<i>3.7 pts</i>	<i>1.1 pts</i>

Notes:

- Adjusted NOI (Adjusted Net Operating Income) is defined as net loss excluding: net interest expenses, income tax expenses (benefits), depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses, gain from purchase price adjustment, 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, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses, and gain from purchase price adjustment.



# 2Q20 Underlying Trends

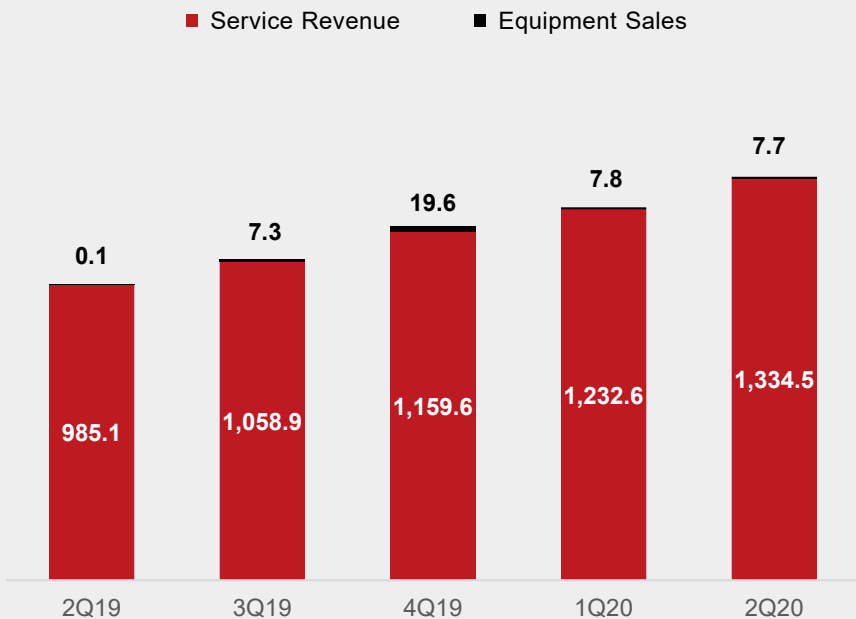
## Quarterly Financial Review

Rmb'000 (unless indicated)	2Q19	1Q20	2Q20	Y/Y	Q/Q
<b>Total Net Revenue</b>	985,189	1,240,418	1,342,205	36.2%	8.2%
Less: Equipment Sales	95	7,829	7,730	8,036.8%	(1.3%)
<b>Service Revenue</b>	985,094	1,232,589	1,334,475	35.5%	8.3%
<b>Adjusted NOI</b>	521,923	664,938	721,000	38.1%	8.4%
Less: Equipment Profit	13	595	453	3,384.6%	(23.9%)
<b>Underlying Adjusted NOI</b>	521,910	664,343	720,547	38.1%	8.5%
<i>Underlying Adjusted NOI Margin</i>	<i>53.0%</i>	<i>53.9%</i>	<i>54.0%</i>	<i>1.0 ppts</i>	<i>0.1 ppts</i>
<b>Adjusted EBITDA</b>	428,425	572,104	633,387	47.8%	10.7%
Less: Equipment Profit	13	595	453	3,384.6%	(23.9%)
Less: FX Change Gain (Loss)	(7,530)	(12,619)	(4,587)	(39.1%)	(63.7%)
<b>Underlying Adjusted EBITDA</b>	435,942	584,128	637,521	46.2%	9.1%
<i>Underlying Adjusted EBITDA Margin</i>	<i>44.3%</i>	<i>47.4%</i>	<i>47.8%</i>	<i>3.5 ppts</i>	<i>0.4 ppts</i>

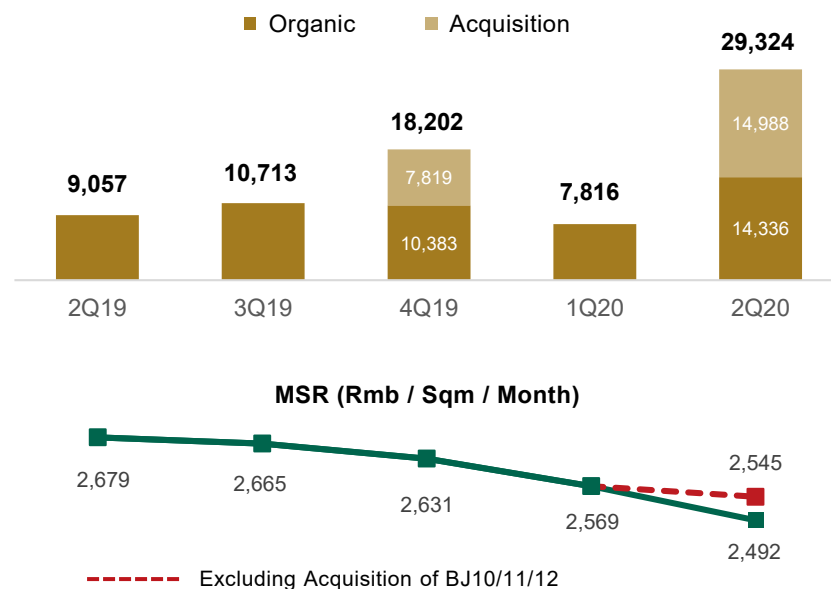


# Revenue & Area Utilized

## Revenue (Rmb Mn)



## Net Additional Area Utilized (Sqm) & MSR

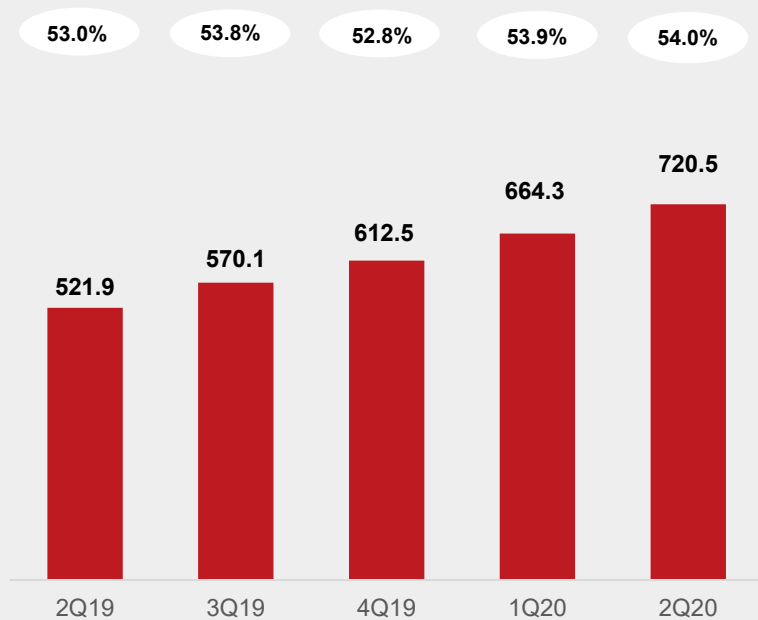


Note: Numbers exclude Managed BTS Data Centers.

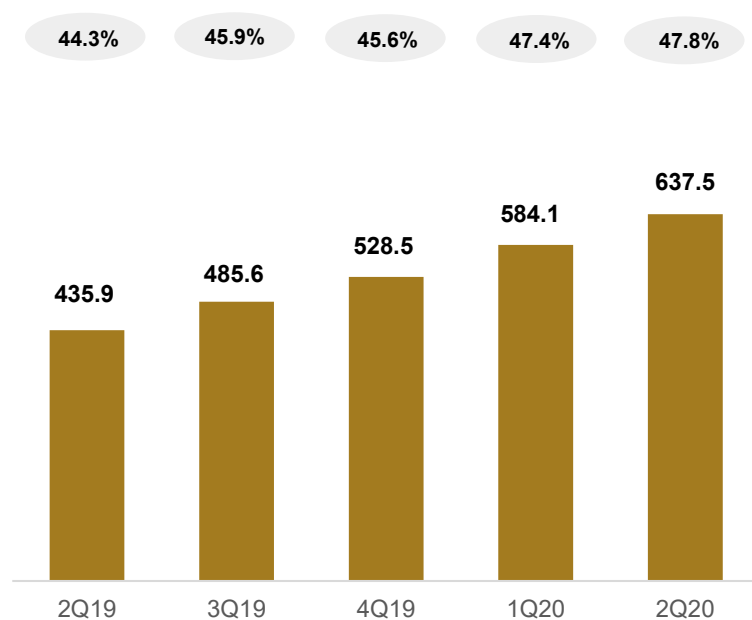


# Underlying Adjusted NOI & EBITDA

## Underlying Adjusted NOI (Rmb Mn) & Margin



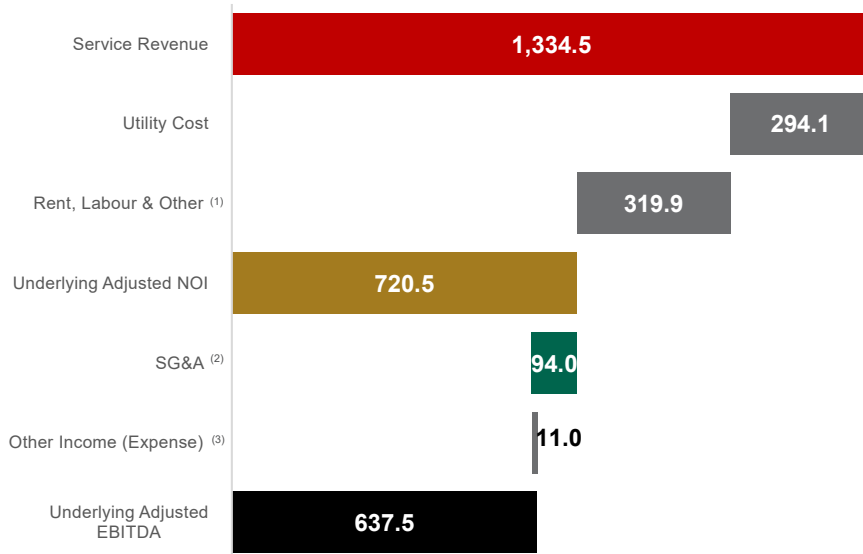
## Underlying Adjusted EBITDA (Rmb Mn) & Margin





# Cost Breakdown & Operating Leverage

## 2Q20 Cost Breakdown & Operating Leverage (Rmb Mn)



### % of Service Revenue

	2Q19	3Q19	4Q19	1Q20	2Q20
Utility Cost	23.3%	22.9%	21.4%	20.2%	22.0%
Rent, Labour & Other <sup>(1)</sup>	23.7%	23.3%	25.8%	25.9%	24.0%
Underlying Adjusted NOI	<b>53.0%</b>	<b>53.8%</b>	<b>52.8%</b>	<b>53.9%</b>	<b>54.0%</b>
SG&A <sup>(2)</sup>	8.9%	8.4%	7.8%	6.7%	7.0%
Other Income (Expense) <sup>(3)</sup>	0.2%	0.4%	0.6%	0.2%	0.8%
Underlying Adjusted EBITDA	<b>44.3%</b>	<b>45.9%</b>	<b>45.6%</b>	<b>47.4%</b>	<b>47.8%</b>

Notes:

1. Rent, Labor & Other excludes D&A, SBC and asset retirement cost.
2. SG&A excludes D&A, SBC and operating lease cost relating to prepaid land use rights.
3. Other Income (Expense) excludes interest expense / income and foreign exchange gain / loss.



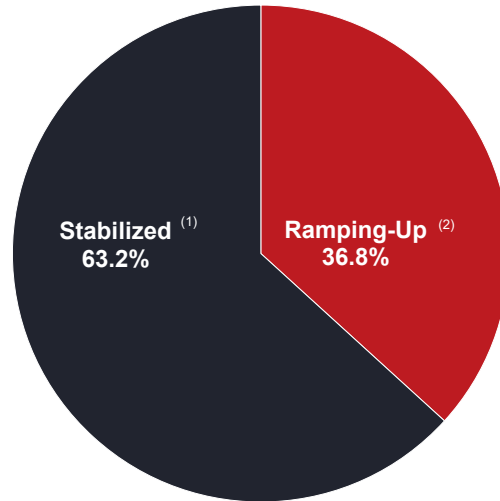
# Stabilized vs. Ramping-Up Data Centers

## Breakdown of Area In Service as at 2Q20

### Stabilized Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS1	6,546	98.2%	94.1%
SH1	6,432	98.0%	95.3%
SH2	7,712	98.8%	96.1%
SH3	7,950	99.9%	97.2%
SH4	8,415	98.7%	92.8%
SH8	4,924	97.2%	90.3%
SH9	3,330	100.0%	93.7%
SZ1	4,286	99.7%	99.5%
SZ2	4,308	100.0%	100.0%
SZ3	2,678	99.2%	95.8%
SZ5	20,583	100.0%	97.6%
GZ1	6,548	99.8%	99.7%
GZ2	6,131	100.0%	99.0%
GZ3 Phase 1	7,648	100.0%	98.3%
GZ3 Phase 2	3,423	100.0%	83.5%
BJ1	2,435	91.9%	89.9%
BJ2	5,819	99.7%	93.3%
BJ3	3,144	100.0%	96.3%
BJ5	13,366	99.0%	84.9%
BJ9	8,029	96.2%	94.6%
BJ10	6,440	100.0%	95.0%
BJ11	6,471	100.0%	93.7%
ZB1	5,132	100.0%	94.9%
ZB2	4,662	100.0%	93.4%
ZB3	4,662	100.0%	90.9%
ZB4	4,012	100.0%	80.2%
3rd Party	3,288	96.0%	93.6%
<b>Total</b>	<b>168,374</b>	<b>99.1%</b>	<b>94.2%</b>

### Area In Service



- Notes:
1. "Stabilized" is defined as Utilization Rate above 80%.
  2. "Ramping-Up" is defined as Utilization Rate below 80%.
  3. Numbers exclude Managed BTS Data Centers.

### Ramping-Up Data Centers

	Net Floor Area (Sqm)	Commitment Rate	Utilization Rate
KS2	7,771	100.0%	0.0%
SH5	2,062	74.7%	41.4%
SH6	7,620	94.2%	40.0%
SH7	6,352	33.2%	18.0%
SH10	3,745	100.0%	43.0%
SH11	4,214	100.0%	76.3%
SZ4 Phase 1	4,677	100%	69.7%
SZ6	2,133	0.8%	0.0%
GZ6	6,608	22.3%	0.5%
BJ4	4,695	87.8%	33.2%
BJ6	5,965	97.0%	49.3%
BJ12	7,016	100%	39.9%
LF1	4,949	100.0%	42.2%
LF6	3,787	100.0%	54.4%
LF7	5,558	100.0%	0.0%
CD1	6,262	95.2%	73.7%
CD2 Phase 1	8,250	100.0%	19.4%
3 <sup>rd</sup> Party	6,222	86.2%	60.8%
<b>Total</b>	<b>97,886</b>	<b>85.3%</b>	<b>35.4%</b>



# Capital Expenditure

## Capex Paid by Quarter (Rmb Mn) <sup>(1)</sup>

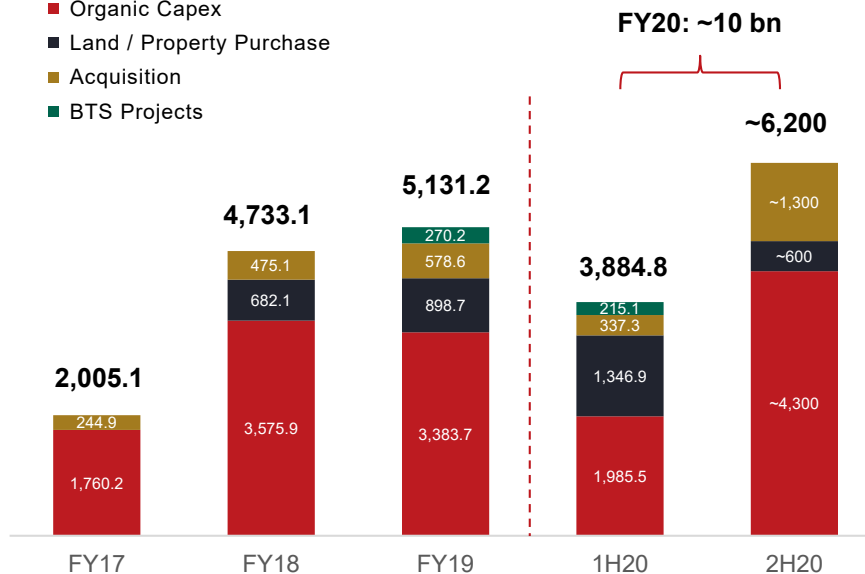
Rmb Mn	2Q19	3Q19	4Q19	1Q20	2Q20
Organic Capex	465.4	957.9	1,222.8	1,048.7	936.8
Land / Property	13.3	80.4	770.2	1,342.7	4.2
Acquisition	22.1	36.1	515.4	10.3	327.0
BTS	38.3	76.0	98.8	134.2	80.9
<b>Total</b>	<b>539.1</b>	<b>1,150.4</b>	<b>2,607.2</b>	<b>2,535.9</b>	<b>1,348.9</b>

Notes:

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

## Capex Paid by Year (Rmb Mn) <sup>(1)</sup>

- Organic Capex
- Land / Property Purchase
- Acquisition
- BTS Projects





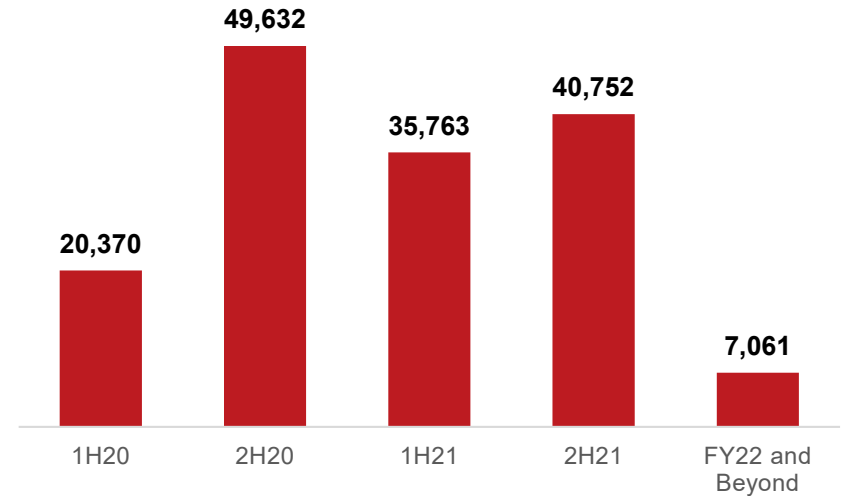


# Construction Program

## Self-Developed Data Centers

	RFS Date	Tenure	Type	Net Floor Area (Sqm)	Pre-Commitment Rate (%)
SH12	3Q20	Lease	Brownfield	3,653	100%
SH15	3Q20	Lease	Convert	1,518	100%
SH16	3Q20	Own	Convert	3,000	0.0%
KS3	3Q20	Own	Greenfield	5,290	100%
LF2	3Q20	Lease	Convert	4,859	100%
SH13	4Q20	Lease	Convert	6,493	65.5%
SH14	4Q20	Own	Convert	11,040	63.4%
BJ7	4Q20	Lease	Convert	11,116	34.7%
LF8	4Q20	Lease	Convert	2,663	100%
SH17 Phase 1	1H21	Own	Convert	6,188	100%
BJ8	1H21	Lease	Convert	10,911	100%
GZ4	1H21	Lease	Convert	7,000	0.0%
LF3	1H21	Own	Greenfield	11,664	100%
CS1	2H21	Own	Greenfield	11,088	54.7%
LF4	2H21	Own	Greenfield	14,832	50.0%
LF5	2H21	Own	Greenfield	14,832	51.7%
HK1	2H22	Own	Brownfield	7,061	0.0%
<b>Total</b>	--			<b>133,208</b>	<b>62.3%</b>

## Organic Capacity Delivery Schedule (Sqm)



Note: Numbers exclude Managed BTS Data Centers.



# Acquisition – BJ10/11/12

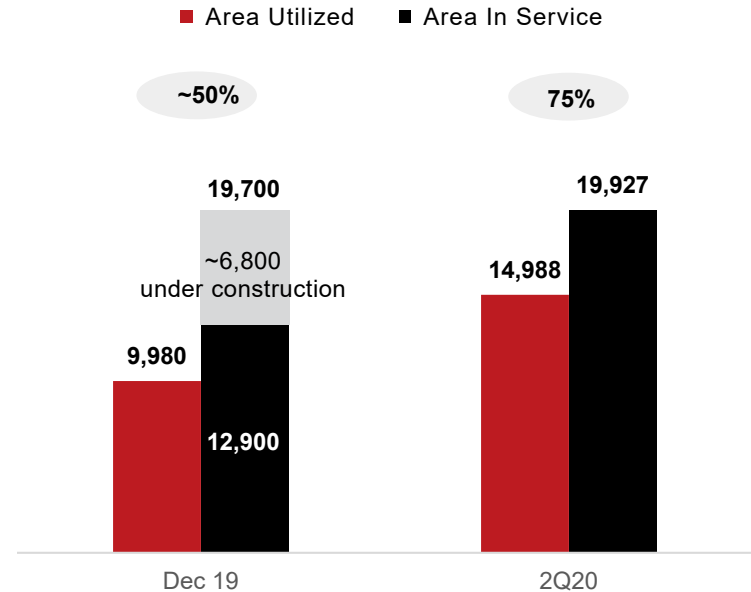
Closed on June 5, 2020

Area Utilized / Area In Service / Overall Utilization Rate

Total Cash Consideration (Including Contingent Payment)	847.6 (130.7)
Acquired Liabilities, Net <sup>(1)</sup>	1,640.1
Enterprise Value (EV)	2,487.4

Notes:

1. Excluding finance lease obligations related to leased buildings and net of receivables





# Financing Obligations & Liquidity

## Debt & Cash Outstanding

	30/06/19	31/03/20	30/06/20	
	Rmb Mn	Rmb Mn	Rmb Mn	/ LQA Adjusted EBITDA
Total Loan	7,611.4	9,466.4	11,019.7	4.4
Convertible Bond	2,013.9	2,084.7	2,086.2	0.8
Finance Lease	4,497.9	5,317.0	7,332.1	2.9
<b>Gross Debt</b>	<b>14,123.2</b>	<b>16,868.1</b>	<b>20,438.0</b>	8.1
<b>Cash</b>	<b>5,730.6</b>	<b>3,611.1</b>	<b>7,742.1</b>	3.1
<b>Net Debt</b>	<b>8,392.6</b>	<b>13,257.0</b>	<b>12,695.9</b>	5.0

	2Q19	3Q19	4Q19	1Q20	2Q20
Net Debt / LQA Adj. EBITDA	4.9	4.8	4.9	5.8	5.0
Interest Coverage Ratio <sup>(1)</sup>	1.93	2.01	2.26	2.19	2.11
Effective Interest Rate <sup>(2)</sup>	6.4%	6.6%	6.0%	6.3%	6.4%

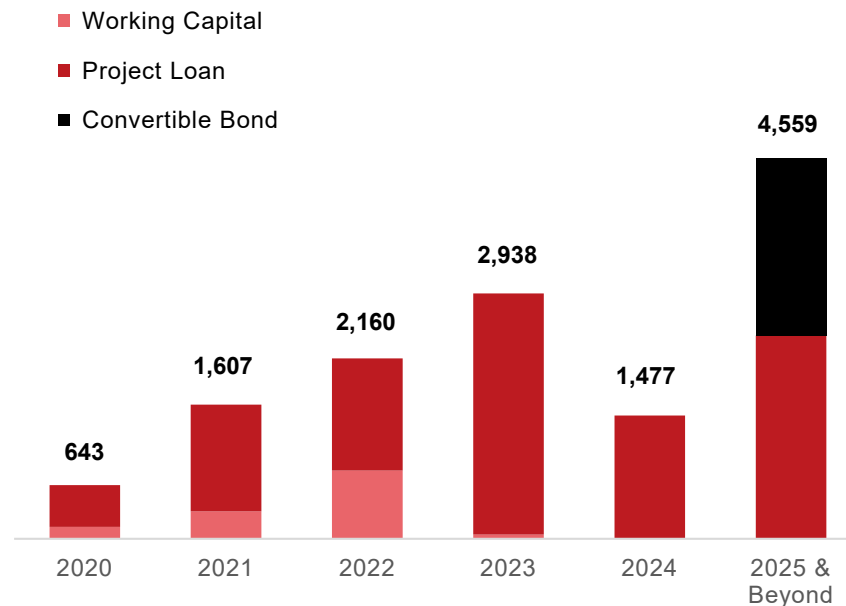
LQA Adjusted EBITDA = Rmb 633.4 mn \*4 = Rmb 2,533.5 mn

Note:

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

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

## Loan Maturity Schedule as at 30/06/20 (Rmb Mn)

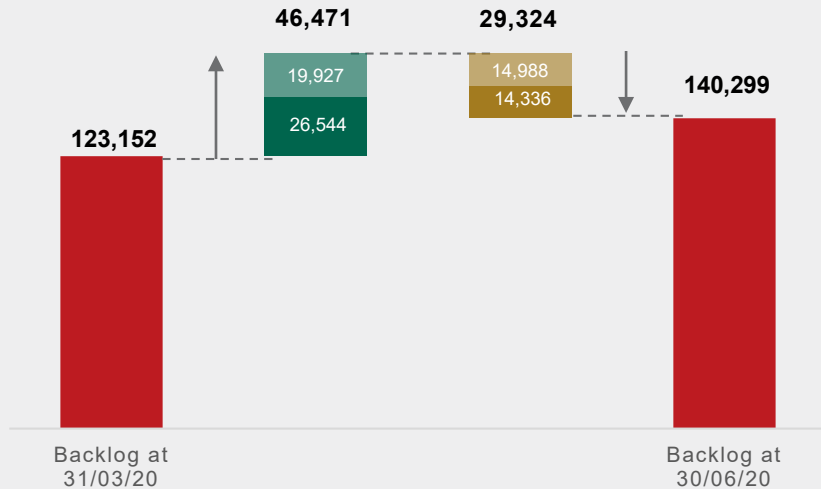




# Backlog & Move-In Analysis

## Backlog Build-Up for 2Q20 (Sqm)

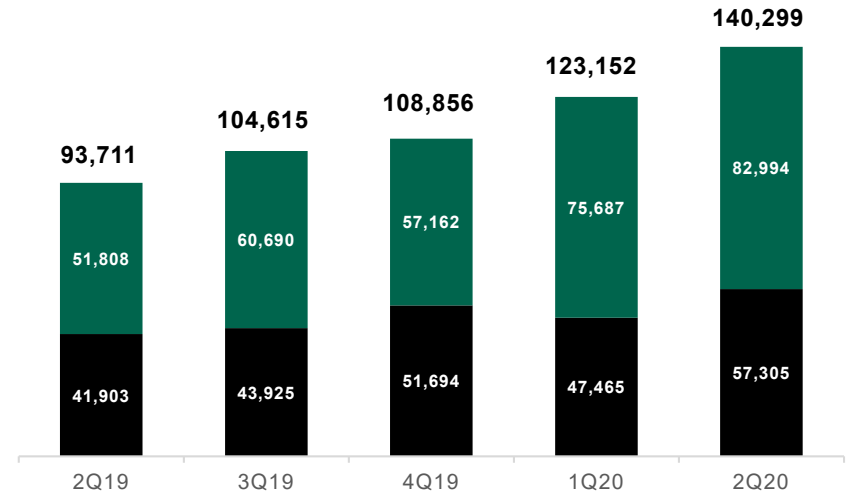
- Net Additional Total Area Committed – Organic / ■ Acquisition
- Net Additional Area Utilized – Organic / ■ Acquisition



Note: Numbers exclude Managed BTS Data Centers.

## Backlog by Data Center Status (Sqm)

- Backlog for Area In Service
- Backlog for Area Under Construction





# Updated Business Outlook

## FY20 Revised Guidance

Rmb Mn	FY19 Actual	FY20 Guidance	Implied Y/Y	Revised Guidance	Vs Original Guidance
Total Revenue	4,122.4	5,510 – 5,750	33.7% – 39.5%	No Change	--
Adjusted EBITDA	1,824.0	2,550 – 2,670	39.8% – 46.4%	No Change	--
Capex <sup>(1)</sup>	5,131.2	~7,500	~46%	~10,000	+33%

Note:

1. Refers to net cash used in investing activities.



# Questions & Answers

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

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



# Appendix

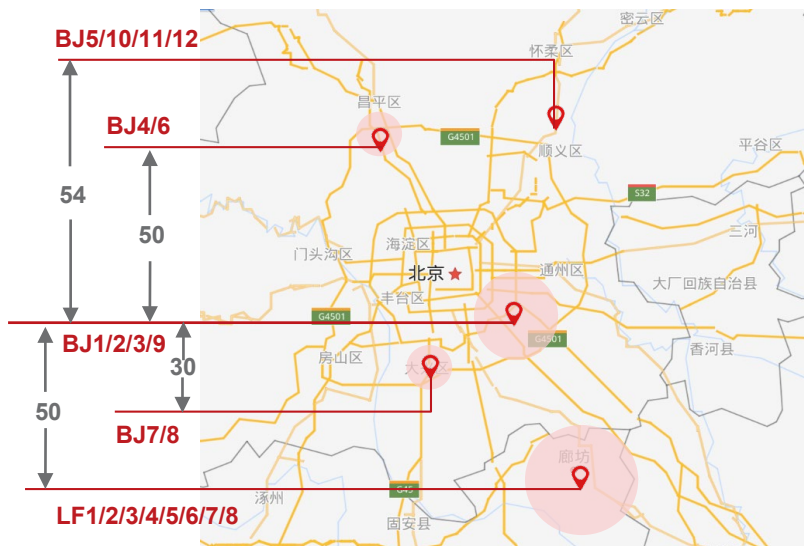




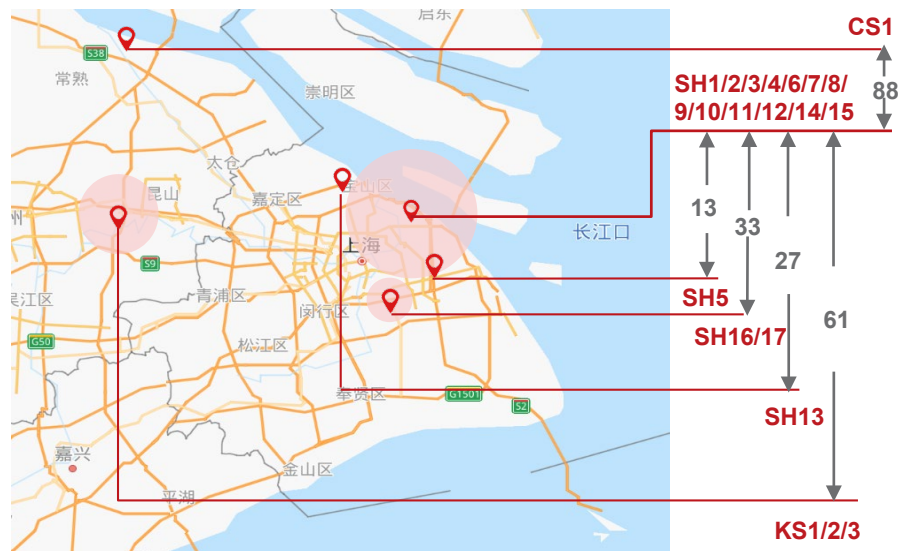
# Our Data Center Portfolio – Beijing & Shanghai Markets

## Self-Developed Data Centers In Service & Under Construction in Tier 1 Markets (1)

### Beijing – 20 DCs



### Shanghai – 21 DCs



Note:  
1. Distance in km..

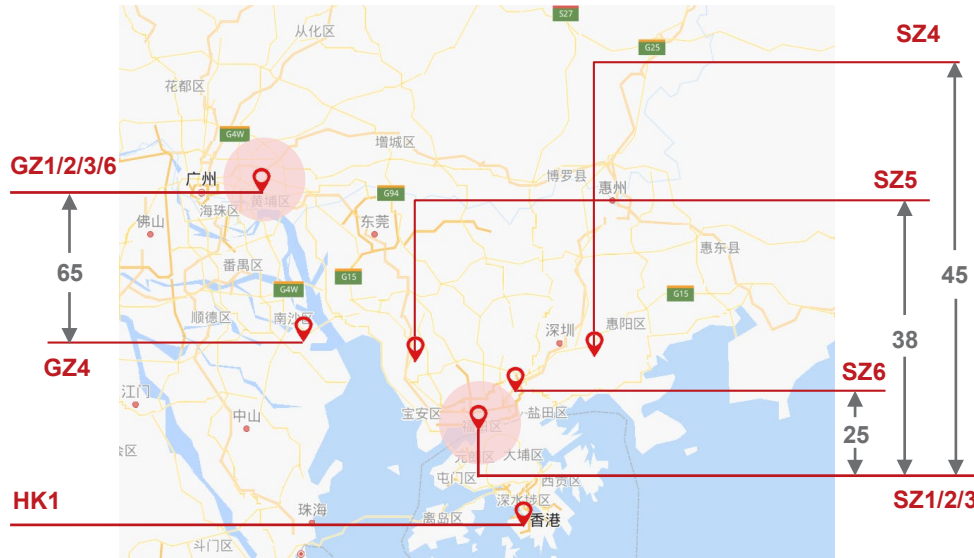




# Our Data Center Portfolio – Greater Bay Area & Chengdu / Chongqing

Self-Developed Data Centers In Service & Under Construction in Tier 1 Markets (1)

## Great Bay Area – 12 DCs



## Chengdu / Chongqing – 2 DCs



Note:  
1. Distance in km.



# Key Operating KPIs

## Last 8 Quarters

As at	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Area In Service (Sqm)	147,342	160,356	171,515	180,441	198,097	225,963	229,986	266,260
Area Under Construction (Sqm)	43,718	65,201	65,736	78,373	84,765	89,834	110,706	133,208
Total Capacity (Sqm)	191,060	225,557	237,251	258,814	282,862	315,797	340,692	399,468
Area Committed (Sqm)	141,931	152,163	164,747	169,010	181,745	207,716	211,303	250,467
Area Pre-Committed (Sqm)	19,868	31,580	35,084	51,808	60,690	57,162	75,687	82,994
Total Area Committed (Sqm)	161,799	183,743	199,831	220,818	242,435	264,878	286,990	333,461
Commitment Rate (%)	96.3%	94.9%	96.1%	93.7%	91.7%	91.9%	91.9%	94.1%
Pre-Commitment Rate (%)	45.4%	48.4%	53.4%	66.1%	71.6%	63.6%	68.4%	62.3%
Area Utilized (Sqm)	100,679	108,326	118,050	127,107	137,820	156,022	163,838	193,162
Utilization Rate %	68.3%	67.6%	68.8%	70.4%	69.6%	69.0%	71.2%	72.5%
Average MSR (Rmb / Sqm / Month)	2,678	2,644	2,624	2,679	2,665	2,631	2,569	2,492

Note: Numbers exclude Managed BTS Data Centers.



# Data Center Summary By Market

As at 30/06/20 (Sqm, Unless Indicated)

Market	# of Self-Developed Data Centers	Area in Service	Area Under Construction	Total Capacity	Area Held for Future Development	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)
Beijing	20	77,674	70,877	148,551	64,830	76,273	49,035	125,308	53,234	98.2%	69.2%	68.5%
Shanghai	21	77,073	48,270	125,343	122,082	71,273	33,959	105,232	52,686	92.5%	70.4%	68.4%
Greater Bay Area	12	69,023	14,061	83,084	81,596	61,723	0	61,723	57,483	89.4%	0.0%	83.3%
Chengdu / Chongqing	2	14,512	0	14,512	54,506	14,212	0	14,212	6,217	97.9%	0.0%	42.8%
Remote	4	18,468	0	18,468	0	18,468	0	18,468	16,682	100.0%	0.0%	90.3%
3 <sup>rd</sup> Party	--	9,510	0	9,510	0	8,518	0	8,518	6,861	89.6%	0.0%	72.1%
<b>Total</b>	<b>59</b>	<b>266,260</b>	<b>133,208</b>	<b>399,468</b>	<b>323,014</b>	<b>250,467</b>	<b>82,994</b>	<b>333,461</b>	<b>193,162</b>	<b>94.1%</b>	<b>62.3%</b>	<b>72.5%</b>

Note: Numbers exclude Managed BTS Data Centers.



# Self-Developed Data Centers In Service – Beijing

As at 30/06/20 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
BJ1	2H15	Converted	Lease	2,435	2,237	91.9%	2,189	89.9%
BJ2	2H17	Converted	Lease	5,819	5,802	99.7%	5,432	93.3%
BJ3	2H17	Converted	Lease	3,144	3,144	100.0%	3,028	96.3%
BJ4	1H19	Converted	Lease	4,695	4,122	87.8%	1,561	33.2%
BJ5	1H19	Converted	Lease	13,366	13,239	99.0%	11,344	84.9%
BJ6	2H19	Converted	Lease	5,965	5,786	97.0%	2,943	49.3%
BJ9	2H19	Converted	Lease	8,029	7,722	96.2%	7,598	94.6%
BJ10	1H20	Converted	Lease	6,440	6,440	100%	6,120	95.0%
BJ11	1H20	Converted	Lease	6,471	6,471	100%	6,066	93.7%
BJ12	1H20	Converted	Lease	7,016	7,016	100%	2,802	39.9%
LF1	2H19	Converted	Lease	4,949	4,949	100%	2,090	42.2%
LF6	1H20	Converted	Lease	3,787	3,787	100%	2,060	54.4%
LF7	1H20	Converted	Lease	5,558	5,558	100%	0	0.0%



# Self-Developed Data Centers In Service – Shanghai

As at 30/06/20 (Sqm, Unless Indicated)

Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
SH1	2H11	Purpose-Built	Lease	6,432	6,300	98.0%	6,128	95.3%
SH2	2H15	Purpose-Built	Lease	7,712	7,617	98.8%	7,412	96.1%
SH3	2H16	Purpose-Built	Lease	7,950	7,943	99.9%	7,732	97.2%
SH4	2H17	Purpose-Built	Lease	8,415	8,304	98.7%	7,811	92.8%
SH5	1H18	Converted	Lease	2,062	1,540	74.7%	855	41.4%
SH6	2H18	Purpose-Built	Lease	7,620	7,181	94.2%	3,052	40.0%
SH7	2H19	Purpose-Built	Lease	6,352	2,110	33.2%	1,142	18.0%
SH8	2H18	Converted	Lease	4,924	4,787	97.2%	4,447	90.3%
SH9	1H19	Converted	Lease	3,330	3,330	100%	3,122	93.7%
SH10	1H19	Converted	Lease	3,745	3,745	100%	1,609	43.0%
SH11	1H18	Converted	Lease	4,214	4,214	100%	3,216	76.3%
KS1	2H10	Purpose-Built	Own	6,546	6,430	98.2%	6,161	94.1%
KS2	1H20	Purpose-Built	Own	7,771	7,771	100%	0	0.0%



# Self-Developed Data Centers In Service – Greater Bay Area

As at 30/06/20 (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	4,272	99.7%	4,264	99.5%
SZ2	1H16	Converted	Lease	4,308	4,308	100.0%	4,308	100.0%
SZ3	2H16	Converted	Lease	2,678	2,655	99.2%	2,565	95.8%
SZ4 Phase 1	2H17	Converted	Lease	4,678	4,678	100.0%	3,262	69.7%
SZ5	2H19	Converted	Lease	20,583	20,583	100.0%	20,079	97.6%
SZ6	2H19	Converted	Lease	2,133	17	0.8%	0	0.0%
GZ1	1H16	Converted	Lease	6,548	6,531	99.8%	6,526	99.7%
GZ2	2H17	Converted	Lease	6,131	6,131	100.0%	6,069	99.0%
GZ3 Phase 1	1H18	Purpose-Built	Lease	7,648	7,648	100.0%	7,518	98.3%
GZ3 Phase 2	2H19	Purpose-Built	Lease	3,423	3,423	100.0%	2,857	83.5%
GZ6	2H19	Converted	Lease	6,608	1,477	22.3%	35	0.5%



# Self-Developed Data Center In Service – Chengdu / Lower Tier Markets

As at 30/06/20 (Sqm, Unless Indicated)

Market	Data Center	Ready For Service	Type	Tenure	Area in Service	Area Committed	Commitment Rate	Area Utilized	Utilization Rate
Chengdu	CD1	1H17	Purpose-Built	Own	6,262	5,962	95.2%	4,615	73.7%
	CD2 Phase 1	2H18	Purpose-Built	Own	8,250	8,250	100%	1,602	19.4%
Remote	ZB1	1H18	Build-To-Suit	Lease	5,132	5,132	100%	4,870	94.9%
	ZB2	2H18	Build-To-Suit	Lease	4,662	4,662	100%	4,353	93.4%
	ZB3	2H18	Build-To-Suit	Lease	4,662	4,662	100%	4,240	90.9%
	ZB4	1H20	Build-To-Suit	Lease	4,012	4,012	100%	3,219	80.2%



# Self-Developed Data Centers Under Construction

As at 30/06/20 (Sqm, Unless Indicated)

Market	Data Center	Ready for Service	Type	Tenure	Area Under Construction	Area Pre-Committed	Pre-Commitment Rate
Beijing	BJ7	4Q20	Converted	Lease	11,116	3,857	34.7%
	BJ8	1H21	Converted	Lease	10,911	10,911	100%
	LF2	3Q20	Converted	Lease	4,859	4,859	100%
	LF3	1H21	Purpose-Built	Own	11,664	11,664	100%
	LF4	2H21	Purpose-Built	Own	14,832	7,416	50.0%
	LF5	2H21	Purpose-Built	Own	14,832	7,665	51.7%
	LF8	4Q20	Converted	Lease	2,663	2,663	100%
Shanghai	SH12	3Q20	Purpose-Built	Lease	3,653	3,653	100.0%
	SH13	4Q20	Converted	Lease	6,493	4,250	65.5%
	SH14	4Q20	Converted	Own	11,040	7,000	63.4%
	SH15	3Q20	Converted	Lease	1,518	1,518	100.0%
	SH16	3Q20	Converted	Own	3,000	0	0.0%
	SH17 Phase 1	1H21	Converted	Own	6,188	6,188	100.0%
	KS3	3Q20	Purpose-Built	Own	5,290	5,290	100.0%
	CS1	2H21	Purpose-Built	Own	11,088	6,060	54.7%
Greater Bay Area	GZ4	1H21	Converted	Lease	7,000	0	0%
	HK1	2H22	Purpose-Built	Own	7,061	0	0%





# Self-Developed Data Center Capacity – Lease Vs Own

At 2Q20

Sqm	Area In Service	Area Under Construction	Area Held for Future Development	Total
<b>Lease</b>	227,921	48,213	54,286	330,420
<b>Own</b>	28,829	84,995	268,728	382,552
<b>Total</b>	<b>256,750</b>	<b>133,208</b>	<b>323,014</b>	<b>712,972</b>
<b>% Lease</b>	88.8%	36.2%	16.8%	46.3%
<b>% Own</b>	11.2%	63.8%	83.2%	53.7%

Note: Numbers exclude Managed BTS Data Centers.



# Top 5 Customers

## By Total Area Committed <sup>(1)</sup>

End User	% of Total Area Committed as at 2Q20	Number of Data Centers <sup>(2)</sup>
Customer 1	33.4%	26
Customer 2	21.6%	16
Customer 3	7.0%	5
Customer 4	5.8%	10
Customer 5	5.7%	6

Note:

1. Customers listed under "Total Area Committed" do not necessarily correspond to customers listed under "Revenue"

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

## By Revenue <sup>(1)</sup>

End User	% of 2Q20 Total Net Revenue
Customer 1	26.7%
Customer 2	19.0%
Customer 3	8.7%
Customer 4	4.0%
Customer 5	2.8%



# Contract Renewals

## Contract Renewal Schedule

Period	Sqm	% of Total Area Committed
2H20	16,062	4.8%
FY21	28,049	8.4%
FY22	18,498	5.5%
FY23	30,446	9.1%
Thereafter	240,407	72.1%
<b>Total Area Committed as at 30/06/20</b>	<b>333,461</b>	<b>100.0%</b>



# Principal Shareholders

As at 30/06/20

	Ordinary Shares <sup>(1)</sup>	Equivalent ADS	Pro Forma ADS Change <sup>(3)</sup>	Equivalent ADS	% of Total
William Huang <sup>(2)</sup>	79,654,240	9,956,780		9,956,780	6.2%
Directors & Officers	16,542,831	2,067,853		2,067,853	1.3%
STT	437,043,684	54,630,460		54,630,460	33.8%
Ping An	0	0	4,213,483	4,213,483	2.6%
Hillhouse	49,764,368	6,220,546		6,220,546	3.8%
Others / Free Float	678,210,928	84,776,366		84,776,366	52.4%
<b>Total</b>	<b>1,261,216,051</b>	<b>157,652,004</b>	<b>4,213,483</b>	<b>161,865,487</b>	<b>100%</b>

Notes:

1. Does not include options and RSUs to be exercised or vested within 60 days of 9,773,344 ordinary shares, or 1,221,668 ADSs, and after 60 days of 20,084,904 ordinary shares, or 2,510,613 ADSs. Does not include potential 5,815,950 ADSs from the existing Convertible Bonds conversion.

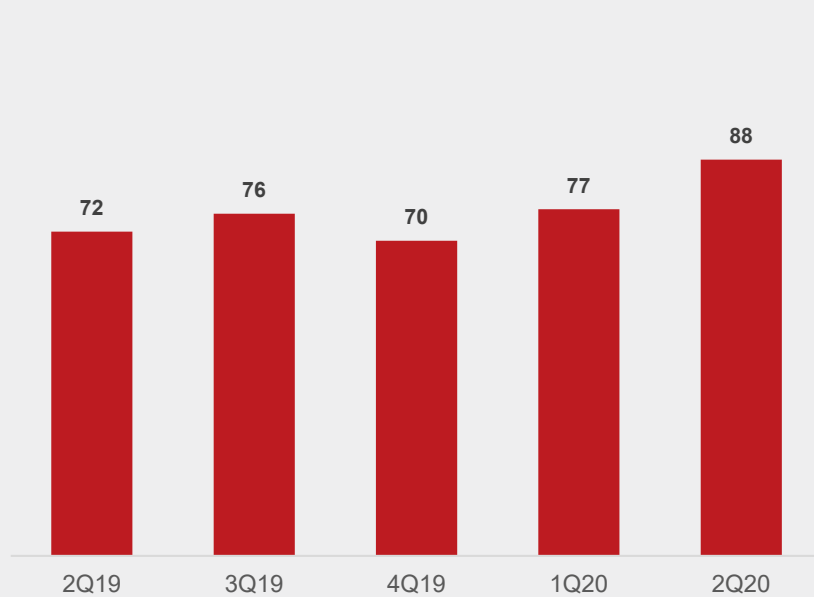
2. Including 67,590,336 Class B ordinary shares, and vested RSU and exercised options of 1,507,988 ADSs representing 12,063,904 Class A ordinary shares. All the other shares held by other shareholders are Class A shares. The voting power of Class B vs Class A is 20:1.

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) <sup>(1)</sup>

# of Days	2Q19	3Q19	4Q19	1Q20	2Q20
DPO – Opex	91	110	99	96	114
DPO – Capex	243	231	66	94	106
Total DPO	178	179	72	95	108
Total DPO (Excl. Acquisitions)	163	169	65	82	89

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 incurred, respectively in a consistent way



# Historical Financial Results

## Condensed Consolidated Statements of Operations

Amounts in thousands	Three Months Ended					
	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
<b>Net Revenue</b>						
Service revenue	985,094	1,058,921	1,159,610	1,232,589	1,334,475	188,883
Equipment sales	95	7,267	19,577	7,829	7,730	1,094
<b>Total net revenue</b>	985,189	1,066,188	1,179,187	1,240,418	1,342,205	189,977
Cost of revenue	(723,420)	(791,963)	(884,464)	(890,080)	(981,103)	(138,866)
<b>Gross profit</b>	261,769	274,225	294,723	350,338	361,102	51,111
<b>Operating expenses</b>						
Selling and marketing expenses	(29,805)	(32,596)	(39,668)	(30,305)	(29,755)	(4,212)
General and administrative expenses	(94,702)	(105,524)	(120,891)	(117,043)	(156,679)	(22,176)
Research and development expenses	(4,200)	(6,193)	(6,595)	(8,744)	(10,243)	(1,450)
<b>Income from operations</b>	133,062	129,912	127,569	194,246	164,425	23,273
<b>Other income (expenses)</b>						
Net interest expenses	(221,906)	(241,038)	(233,615)	(260,865)	(300,649)	(42,554)
Foreign currency exchange gain (loss), net	(7,530)	(2,796)	(446)	(12,619)	(4,587)	(649)
Others, net	2,017	4,602	6,341	2,916	10,988	1,555
Gain from purchase price adjustment					55,154	7,807
<b>Loss before income taxes</b>	(94,357)	(109,320)	(100,151)	(76,322)	(74,669)	(10,568)
<b>Income tax benefits (expenses)</b>	1,198	678	(3,511)	(15,709)	(26,378)	(3,734)
<b>Net loss</b>	(93,159)	(108,642)	(103,662)	(92,031)	(101,047)	(14,302)



# Historical Financial Results

## Condensed Consolidated Balance Sheets

Amounts in thousands. As of	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
Cash	5,730,578	5,752,790	5,810,938	3,611,121	7,742,082	1,095,821
Accounts receivable, net of allowance for doubtful accounts	855,203	952,184	879,962	1,248,279	1,388,535	196,534
<b>Total current assets</b>	<b>7,051,549</b>	<b>7,166,012</b>	<b>7,084,709</b>	<b>5,292,010</b>	<b>9,618,087</b>	<b>1,361,352</b>
Property and equipment, net	15,535,295	16,290,301	19,184,639	20,549,477	24,542,951	3,473,829
Prepaid land use rights, net	747,509	774,564	747,187	754,769	747,680	105,827
Operating lease right-of-use assets	483,531	469,407	796,679	1,497,002	1,909,239	270,235
Goodwill and intangible assets, net	2,160,947	2,146,466	2,300,468	2,287,546	2,967,296	419,994
<b>Total assets</b>	<b>26,964,521</b>	<b>28,003,591</b>	<b>31,492,531</b>	<b>31,904,364</b>	<b>41,608,850</b>	<b>5,889,350</b>
Short-term borrowings and current portion of long-term borrowings	900,354	916,596	1,137,737	1,406,969	1,681,787	238,041
Operating lease liabilities, current	65,352	63,719	55,139	50,924	73,362	10,384
Finance lease and other financing obligations, current	116,577	118,050	222,473	261,093	230,746	32,660
<b>Total current liabilities</b>	<b>3,501,213</b>	<b>3,578,291</b>	<b>3,999,514</b>	<b>4,013,203</b>	<b>6,468,154</b>	<b>915,508</b>
Long-term borrowings, excluding current portion	6,711,013	7,442,030	8,028,473	8,059,398	9,337,882	1,321,691
Convertible bonds payable	2,013,914	2,075,014	2,049,654	2,084,733	2,086,179	295,279
Operating lease liabilities, non-current	392,345	379,789	709,998	748,077	1,141,835	161,616
Finance lease and other financing obligations, non-current	4,381,340	4,565,929	4,751,121	5,055,923	7,101,401	1,005,138
<b>Total liabilities</b>	<b>17,511,913</b>	<b>18,552,566</b>	<b>20,136,969</b>	<b>20,591,113</b>	<b>26,716,051</b>	<b>3,781,411</b>
<b>Redeemable preferred shares</b>	<b>1,033,353</b>	<b>1,063,145</b>	<b>1,061,981</b>	<b>1,065,127</b>	<b>1,064,137</b>	<b>150,619</b>
<b>Total shareholders' equity</b>	<b>8,419,255</b>	<b>8,387,880</b>	<b>10,293,581</b>	<b>10,248,124</b>	<b>13,828,662</b>	<b>1,957,320</b>



# Historical Financial Results

## Condensed Consolidated Statements of Cash Flows

Amounts in thousands	Three Months Ended					
	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
Net cash provided by (used in) operating activities	115,910	165,219	72,113	(169,799)	186,037	26,332
Net cash used in investing activities	(539,147)	(1,150,440)	(2,607,198)	(2,535,940)	(1,348,896)	(190,923)
Net cash (used in) provided by financing activities	(20,334)	887,546	2,705,016	604,262	5,268,130	745,654
Effect of exchange rate changes on cash and restricted cash	122,535	109,558	(58,508)	25,587	23,900	3,383
Net (decrease) increase in cash and restricted cash	(321,036)	11,883	111,423	(2,075,890)	4,129,171	584,446
<b>Cash and restricted cash at beginning of period</b>	6,170,992	5,849,956	5,861,839	5,973,262	3,897,372	551,637
<b>Cash and restricted cash at end of period</b>	5,849,956	5,861,839	5,973,262	3,897,372	8,026,543	1,136,083





# Reconciliation from Net Loss to Adjusted NOI

## Adjusted NOI

Amounts in thousands	Three Months Ended					
	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
<b>Net loss</b>	(93,159)	(108,642)	(103,662)	(92,031)	(101,047)	(14,302)
Net interest expenses	221,906	241,038	233,615	260,865	300,649	42,554
Income tax (benefits) expenses	(1,198)	(678)	3,511	15,709	26,378	3,734
Depreciation and amortization	269,176	299,349	319,470	319,026	390,197	55,229
Operating lease cost relating to prepaid land use rights	0	0	0	496	4,721	668
Accretion expenses for asset retirement costs	723	743	813	896	944	134
Share-based compensation expenses	30,977	51,886	74,936	67,143	66,699	9,441
Gain from purchase price adjustment	0	0	0	0	(55,154)	(7,807)
Selling and marketing expenses <sup>(1)</sup>	22,610	22,330	25,195	17,063	16,873	2,388
General and administrative expenses <sup>(1)</sup>	61,898	61,676	59,769	58,762	68,743	9,730
Research and development expenses <sup>(1)</sup>	3,477	5,144	5,395	7,306	8,398	1,189
Foreign currency exchange loss, net	7,530	2,796	446	12,619	4,587	649
Others, net	(2,017)	(4,602)	(6,341)	(2,916)	(10,988)	(1,555)
<b>Adjusted NOI</b>	521,923	571,040	613,147	664,938	721,000	102,052
<b>Adjusted NOI margin</b>	53.0%	53.6%	52.0%	53.6%	53.7%	53.7%

Note:

1. Selling and marketing expenses, general and administrative expenses and research and development expenses exclude depreciation, amortization, operating lease cost relating to prepaid land use rights, and share-based compensation expenses.



# Reconciliation from Net Loss to Adjusted EBITDA

## Adjusted EBITDA

Amounts in thousands	Three Months Ended					
	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	
	RMB	RMB	RMB	RMB	RMB	USD
<b>Net loss</b>	(93,159)	(108,642)	(103,662)	(92,031)	(101,047)	(14,302)
Net interest expenses	221,906	241,038	233,615	260,865	300,649	42,554
Income tax (benefits) expenses	(1,198)	(678)	3,511	15,709	26,378	3,734
Depreciation and amortization	269,176	299,349	319,470	319,026	390,197	55,229
Operating lease cost relating to prepaid land use rights	0	0	0	496	4,721	668
Accretion expenses for asset retirement costs	723	743	813	896	944	134
Share-based compensation expenses	30,977	51,886	74,936	67,143	66,699	9,441
Gain from purchase price adjustment	0	0	0	0	(55,154)	(7,807)
<b>Adjusted EBITDA</b>	428,425	483,696	528,683	572,104	633,387	89,651
<b>Adjusted EBITDA margin</b>	43.5%	45.4%	44.8%	46.1%	47.2%	47.2%



# Definition of KPIs

Area In Service	Net floor area of data centers (or phases of data centers) which are ready for service
Area Under Construction	Net floor area of data centers (or phases of data centers) which are actively under construction and have not yet reached the stage of being ready for service
Area Held for Future Development	Estimated net floor area that we have secured for potential future development by different means, including greenfield and brownfield land which we have acquired or which we expect to acquire pursuant to binding framework agreements with local governments, building shells which we have purpose-built on land which we own, and existing buildings which we have acquired or leased with the intention of converting or redeveloping into data centers, but which are not actively under construction;
Area Committed	Area in service which is committed to customers pursuant to customer agreements remaining in effect
Area Pre-Committed	Area under construction which is pre-committed to customers pursuant to customer agreements remaining 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	Area in service that is committed to customers and revenue generating pursuant to the terms of customer agreements remaining in effect
Utilization Rate	Ratio of Area Utilized to Area In Service
Managed Build-to-Suit ("BTS") Data Centers	Data centers that we build-to-suit and operate for strategic customers
Joint Venture ("JV") Data Centers	Managed BTS data centers which, on completion, we intend to sell an equity interest to our joint venture partner, GIC



# Analyst Coverage

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