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21Vianet Group, Inc.

Investor Presentation

March, 2019



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At a Glance

Inception Time	In 1996
Listing Time	Apr, 2011
Exchange / Ticker	Nasdaq: VNET
Price (as of Feb 28, 2019)	\$ 9.44
Market Cap	\$ 1.06 Billion

A Leading Internet Data Centre Services Provider in China

Market

- China's internet infrastructure industry is among the fastest growing in the world.
- Carrier-neutrals internet data centers (IDC) are growing faster than the industry average.

Leadership

- VNET is a leading carrier-neutral & cloud-neutral IDC services provider with 20 years of experiences.
- World-class partners and loyal customers are attracted by VNET's renowned brand and service quality.

Key Strategies

- To fully focus on the hosting & enterprise hybrid cloud business
- To address clients' unique needs with highly customizable solutions
- To leverage competitive advantages in the retail market and expand into the wholesale market (build-to-suit)

Hyper Growth of China's Internet Traffic



China has the world's largest under-addressed IDC market with significant potentials driven by:



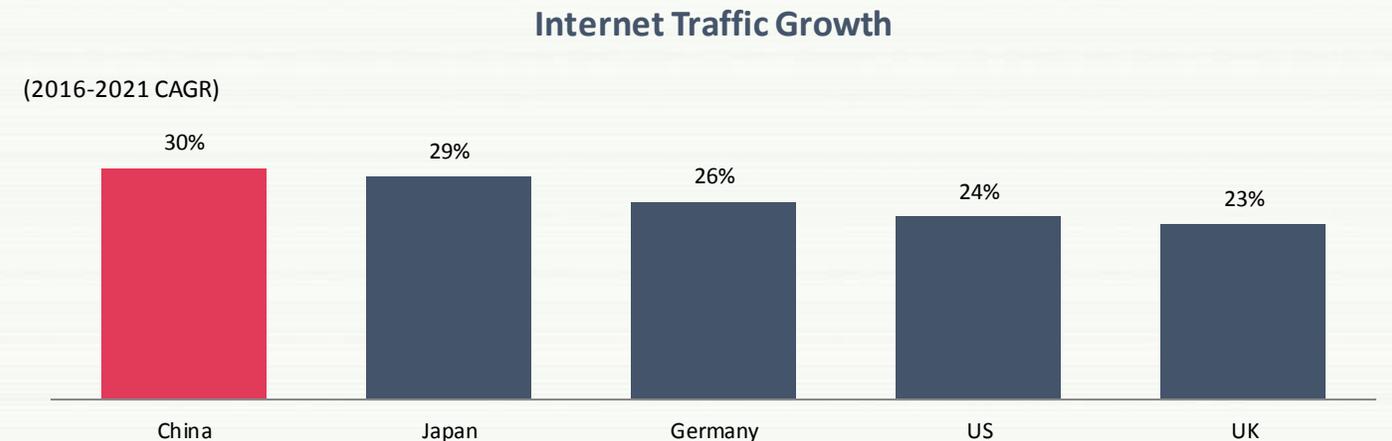
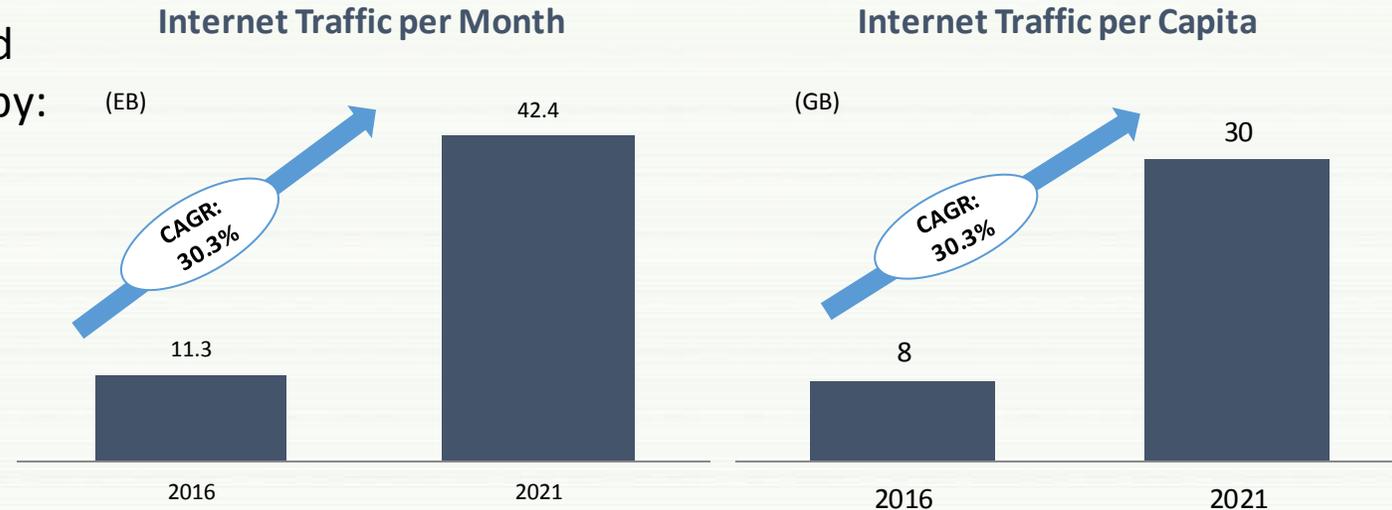
China's ever deepening Internet penetration accelerates the demand for online services.



Artificial Intelligence, Big Data, and IoT demand high-quality network & solutions.



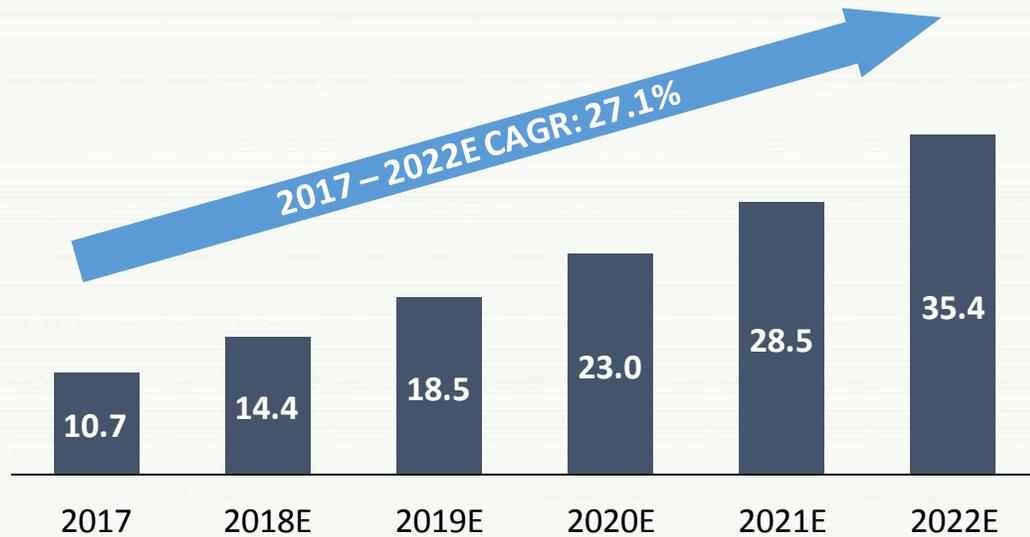
Entry barriers limit new IDC entrants while Internet companies continue to outsource.



IDC: One of the Fastest Growing Sectors

Internet Data Center (IDC) Market Size in China

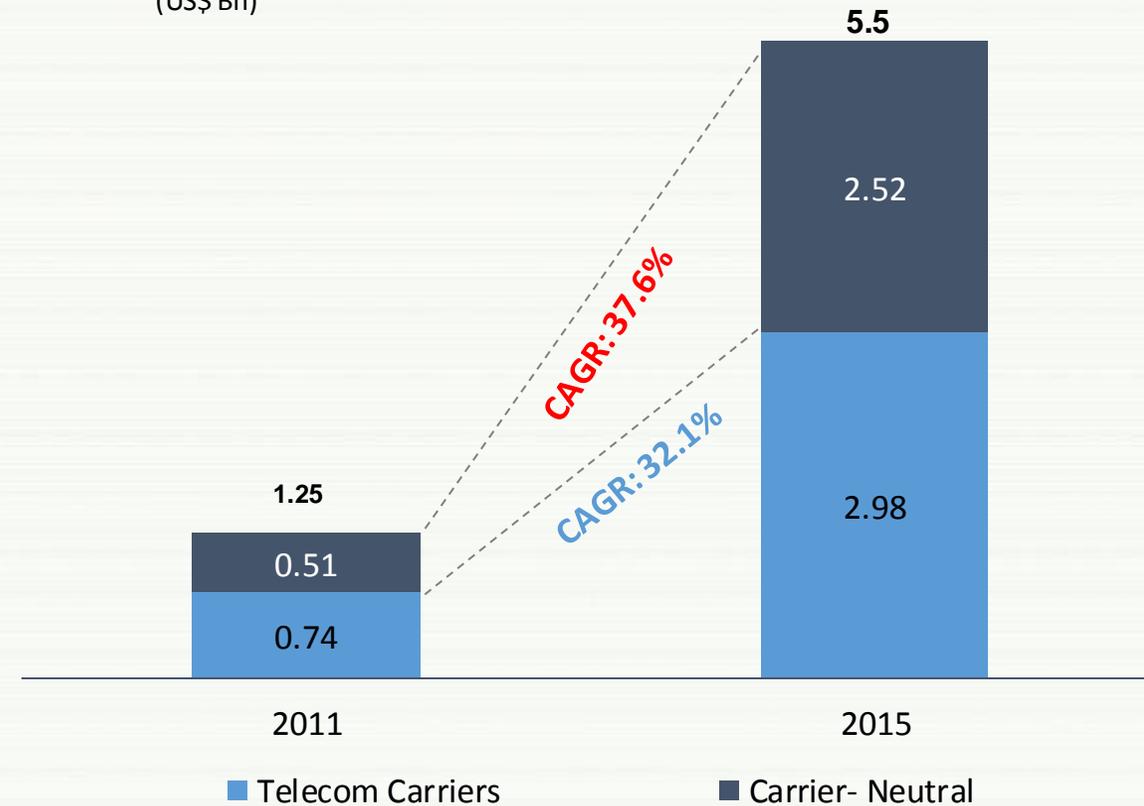
(US\$ Bn)



Major growth drivers are: **more data generated per internet user**, especially on mobile devices, **more IoT devices connected**, and **digitalization of enterprise data**.

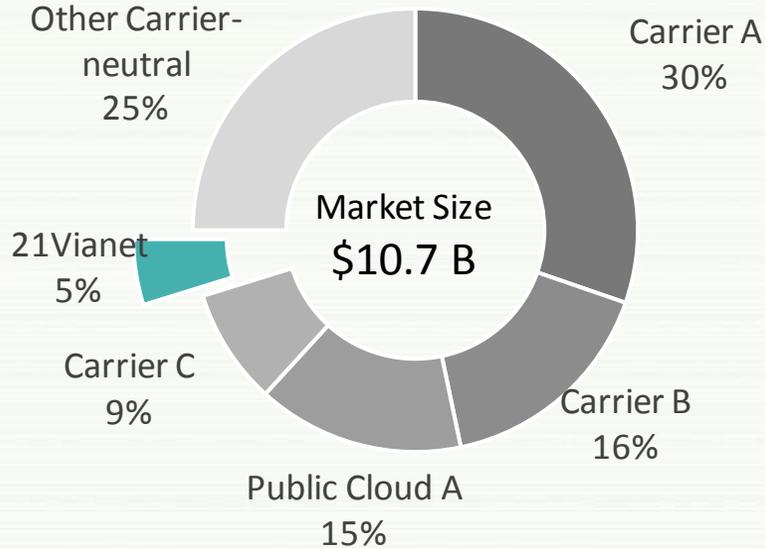
Carrier-Neutral IDC Market to Outgrow

(US\$ Bn)

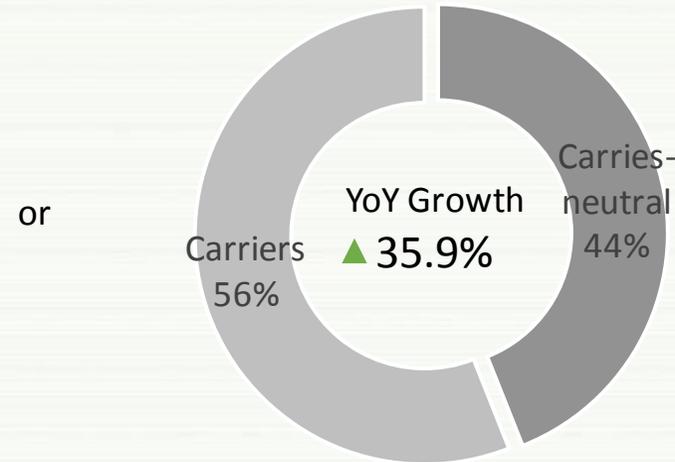


21Vianet's Market Leadership

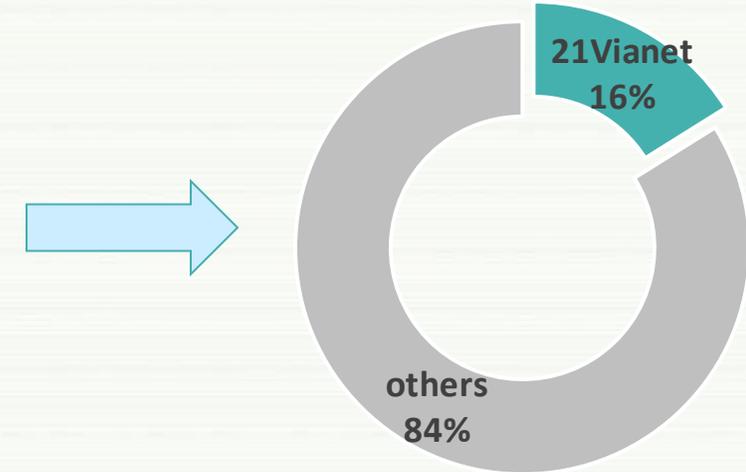
China IDC Market Share in 2017 ⁽¹⁾



Carrier-Neutral accounts for 44% Market ⁽¹⁾



Carrier-Neutral Market: top 6 players represent ~70% share in Tier-1 cities ⁽¹⁾



Leading Carrier-neutral IDC Service Provider in China ⁽²⁾

- **50+** premium data centers in **20+** cities
- **30,654** ⁽³⁾ cabinets, **84%** ⁽³⁾ self-built cabinets
- Connected to major carriers, non-carriers and ISPs
- Estimated capacity of **1,000+** gigabits per second to nearly all locations

Source:

1. IDC, Dec 2018 (Market share data as of year end 2017), 451 research, Bain analysis
2. Company filings, data as of December 31, 2017
3. Q4 2018 Company filings



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Investment Highlights

Investment Highlights

- Trusted Brand and Clear Leadership
- Advanced Technology with Customized Solutions
- Recurring Revenue and Diversified Customers
- Sustainable Growth and Profitability
- Strong Support from Shareholders and Partners

1 Trusted Brand and Clear Leadership

1 Certification



We build and operate our data centers in compliance with high industry standards in order to provide our customers with secure and reliable environments necessary for optimal internet interconnectivity.



2 Advanced Technology with Customized Solutions



Customers value the most:

- Multi-carrier & multi-cloud connectivity
- High-performing facility & network
- Nationwide coverage with accessible location
- Track record and service quality

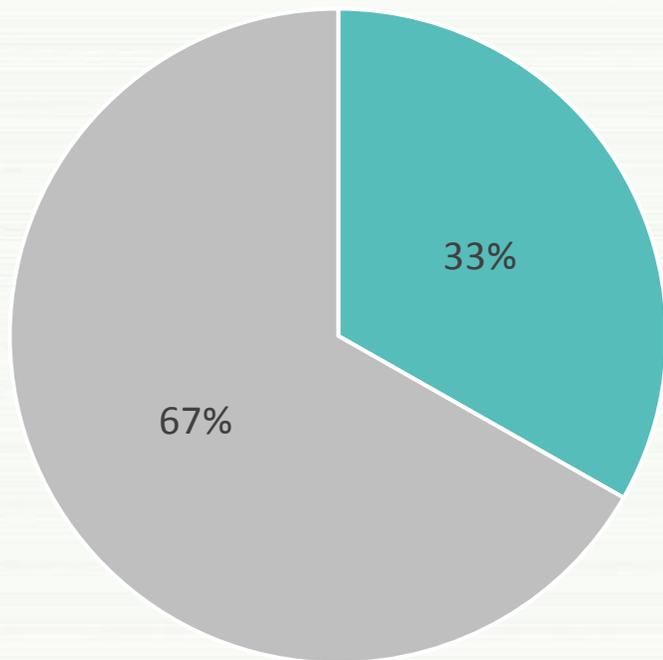
Our Advantages

- Network features numerous interfaces with multiple telecommunication carriers
- Turn-key solutions for colocation, interconnectivity, cloud and hybrid IT solutions tailored for customer needs
- 50+ premium data centers in 20+ cities
- ~5,000 enterprise and government customers spanning different industries; service guarantee 99.99% power uptime and 99.9% internet connectivity uptime

3 Recurring Revenue and Customer Concentration

Recurring revenues contributing to over 90% of our net revenues since IPO

Top 20 customers in 4Q18 Net Revenue %



■ Top 20 ■ Others

Top 5 Customers	% of 4Q Revenue
Internet Company	11.9%
e-Commerce	2.5%
Financial Service	2.3%
e-Commerce	2.2%
Social network	1.8%

Source: Q4 2018 Company filings.

3 Recurring Revenue and Diversified Customers



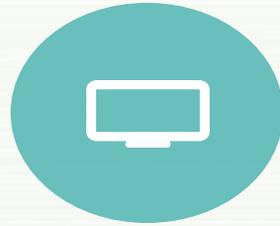
美团
meituan.com



Tencent 腾讯



今日头条



爱奇艺
iQIYI



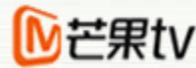
大麦
damai.cn



NIICC



IBM



JD.COM



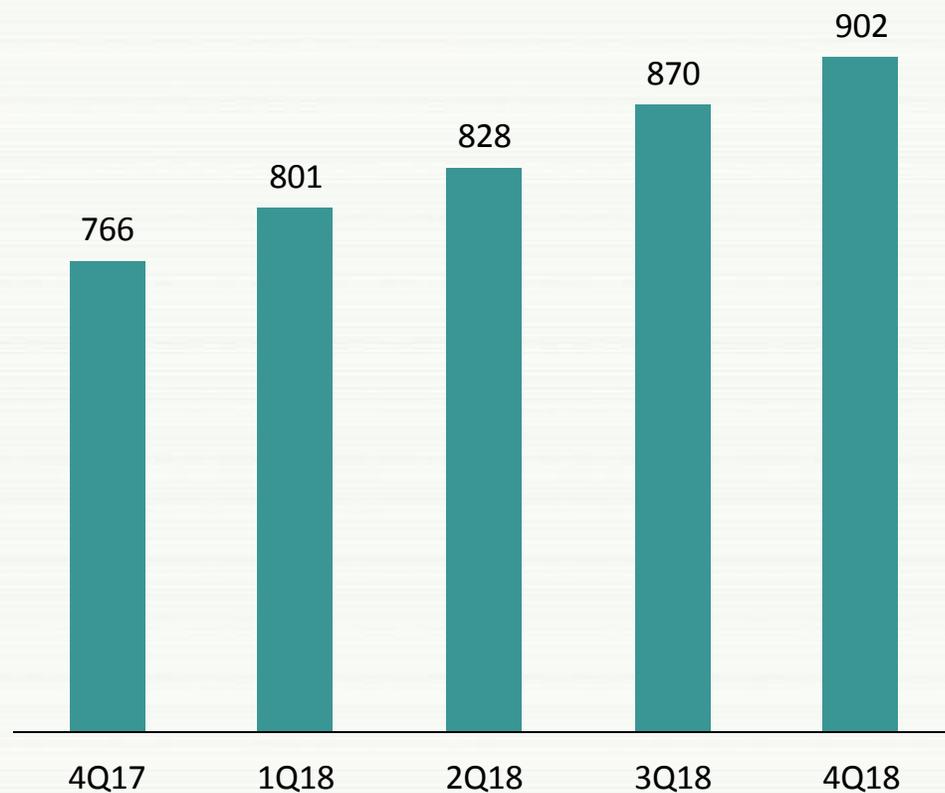
WELTMEISTER
威马汽车



4 Sustainable Growth and Profitability

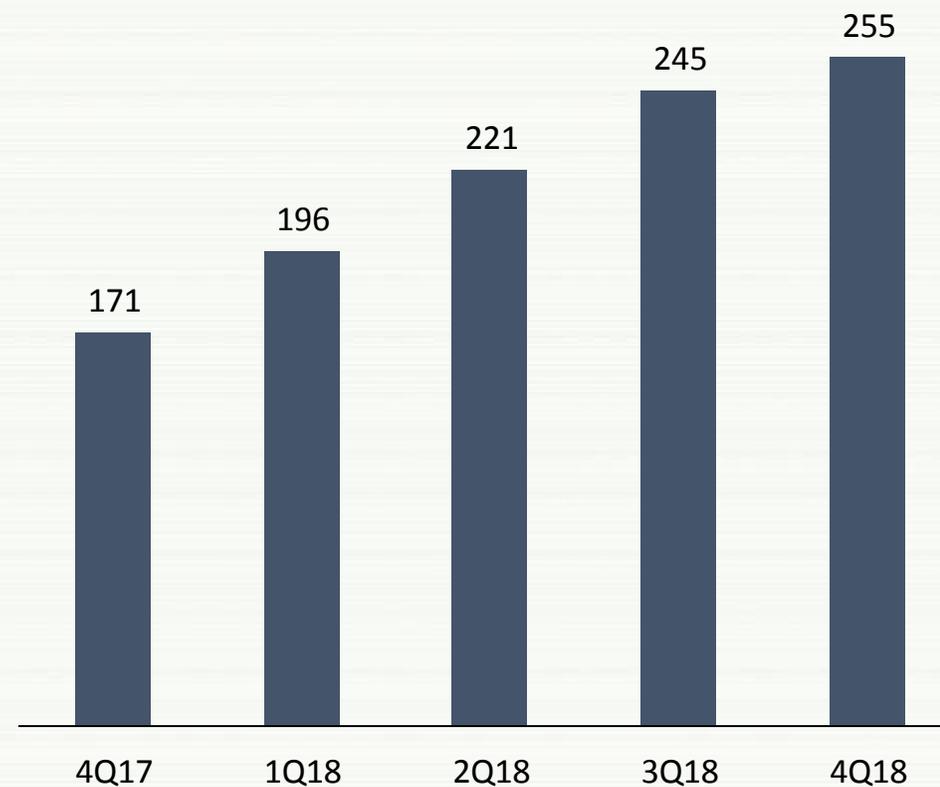
Net Revenues

(CNY mm)



Adjusted EBITDA

(CNY mm)



Source: Q4 2018 Company filings.

5 Strong Support from Shareholders and Partners

Shareholders



- TUS Holdings is an S&T investment holdings group established in reliance on Tsinghua University focusing on S&T services
- Controlling shareholder and strategic investor since May, 2016, which represents 21.3% stake, 50.9% voting right

Partners

- The largest investment amount that TUS-Holdings has made in the digital business segment
- Strong synergy: VNET to leverage TUS's resources in government relationships and science park planning
- Potential customer referral from TUS's investee pool of high-growth enterprises



TEMASEK
HOLDINGS



- In Dec, 2014, we received a combined strategic investment from Kingsoft, Temasek and Xiaomi
- As of Dec 31, 2018, Xiaomi has become the signal largest customer of the company, which represent 11.9% of company net revenue



Microsoft Azure
由世纪互联运营



- Long-term and exclusive partnership in China starting from 2014 in public cloud service sector
- Customer referral and potential opportunity in hosting service
- Cost-plus + revenue sharing model

WARBURG PINCUS
美国华平投资集团

- JV to focus on the wholesale business
- To combine Warburg Pincus' resources and experience in commercial real estate projects and fund-raising with VNET's IDC industry expertise

5 Strong Support from Shareholders and Partners

➤ Major beneficial ownership of our ordinary shares, as of March 31, 2018;

Principal Shareholders:	% of Share Holding	% of Voting Power
Tuspark Innovation Venture Ltd.	21.3	50.9
Esta Investments Pte Ltd (Temasek)	9.6	2.9
King Venture Holdings Limited	8.5	9.9
Xiaomi Ventures Limited	2.5	5.0
Sheng Chen	6.6	15.1

Source: Company filings.

Our Nationwide Data Centers



BJ 7



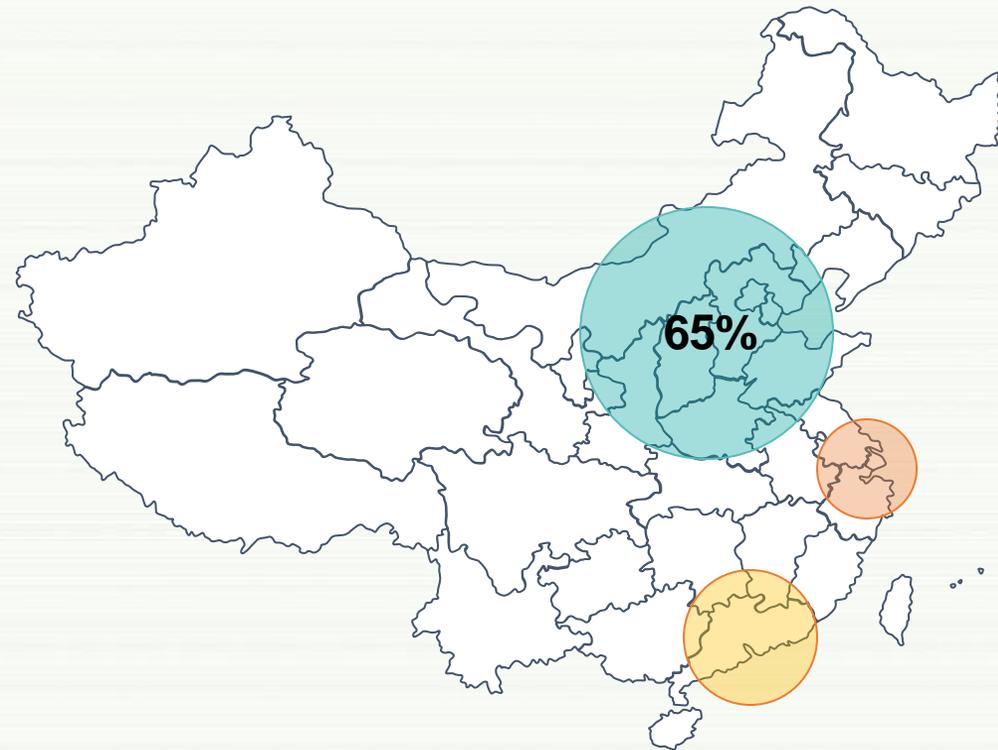
BJ 1



SH 1



SZ 2



SH 4



GD 1



ZJ 2

Source: Company Data.

The demographic displayed on the map only represent the range of company's self-built data center.



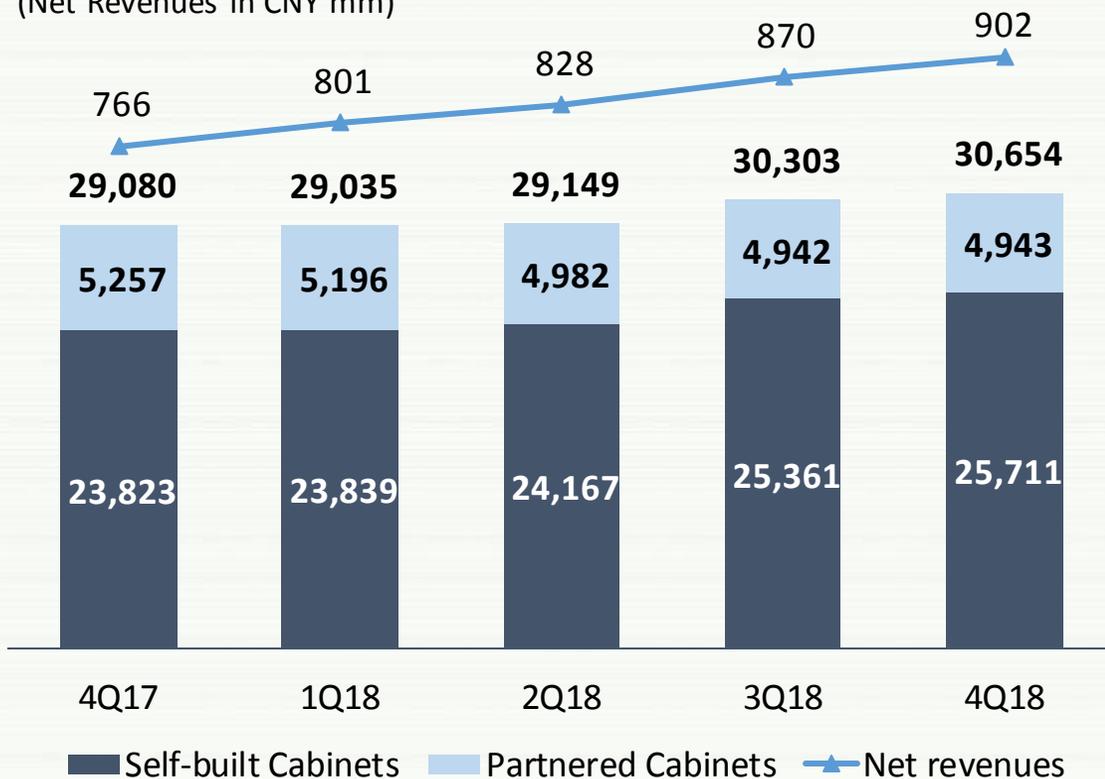
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Financial Overview

Revenue Growth Supported by Capacity, MRR & Utilization

Net Revenues & Cabinets ⁽¹⁾

(Net Revenues in CNY mm)



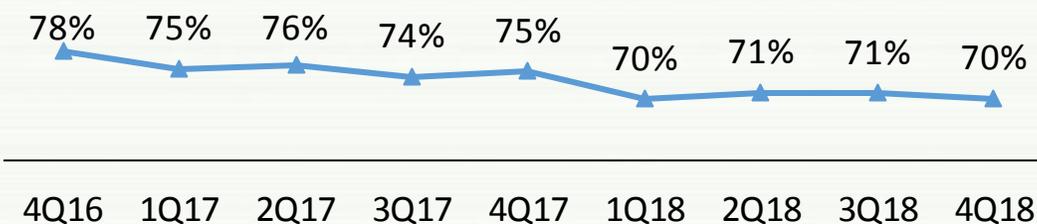
IDC MRR per Cabinet ⁽²⁾

(CNY)



Utilization Rate ⁽³⁾

(%)



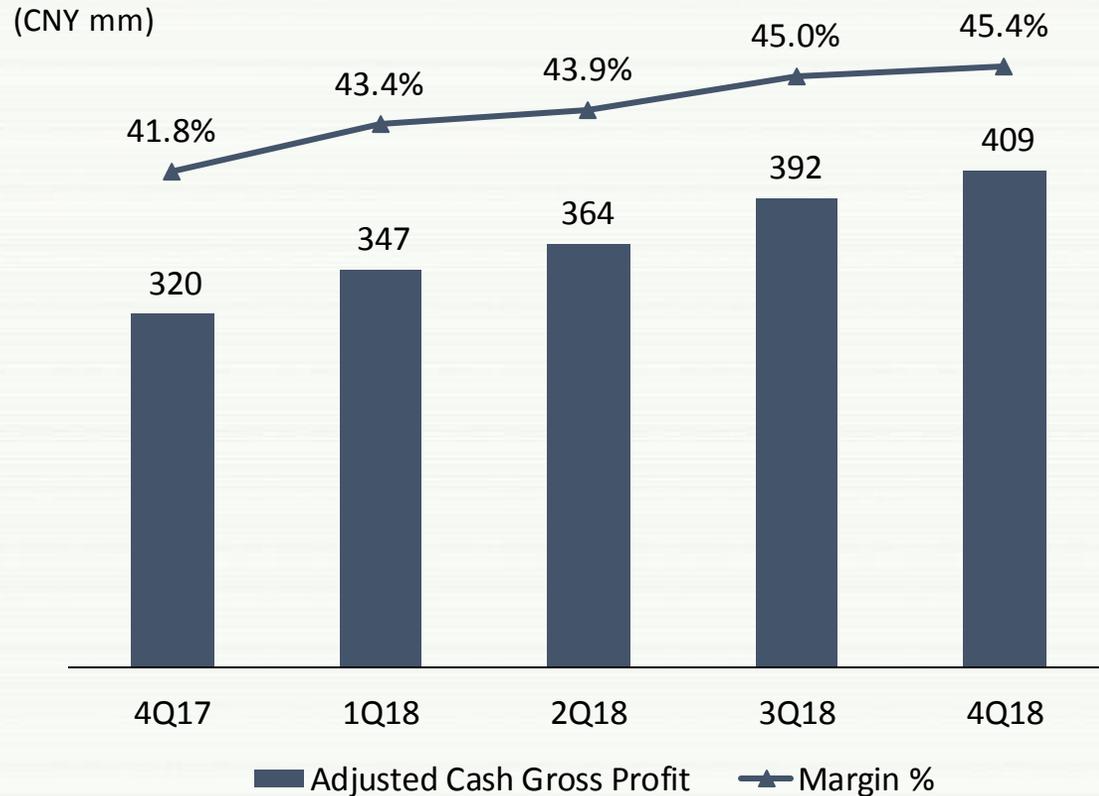
Proven capability to build capacity effectively to fulfill strong market demand

Source: Q4 2018 Company filings.

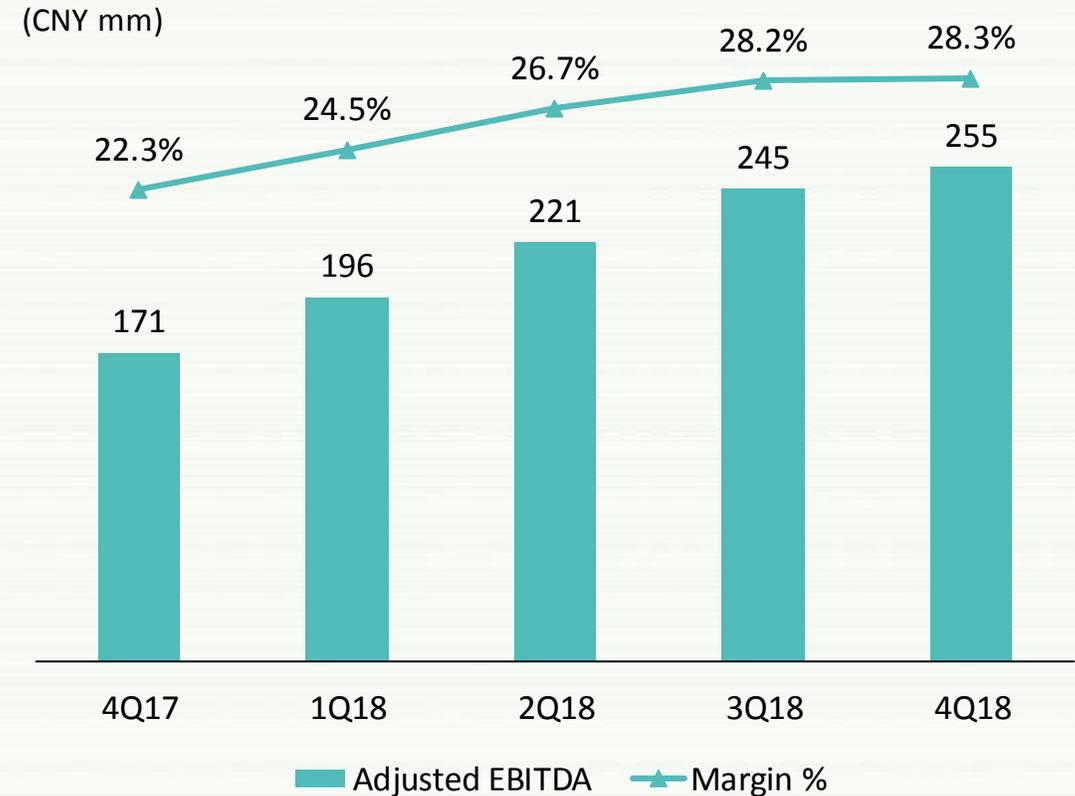
1. Net revenues include only revenues generated from the Company's core hosting and related services, the numbers of cabinet are measured by the actual numbers by the end of quarter.
2. MRRs refers to Monthly Recurring Revenues, and are based on the Company's core IDC business.
3. Utilization rates are based on quarterly average to measure.

Margin Improvements through Efficiency Enhancement

Adjusted Cash Gross Profit & Margin ⁽¹⁾



Adjusted EBITDA & Margin ⁽²⁾



Operational excellence supported by inventory management of cabinets, improved PUE and cost control measures

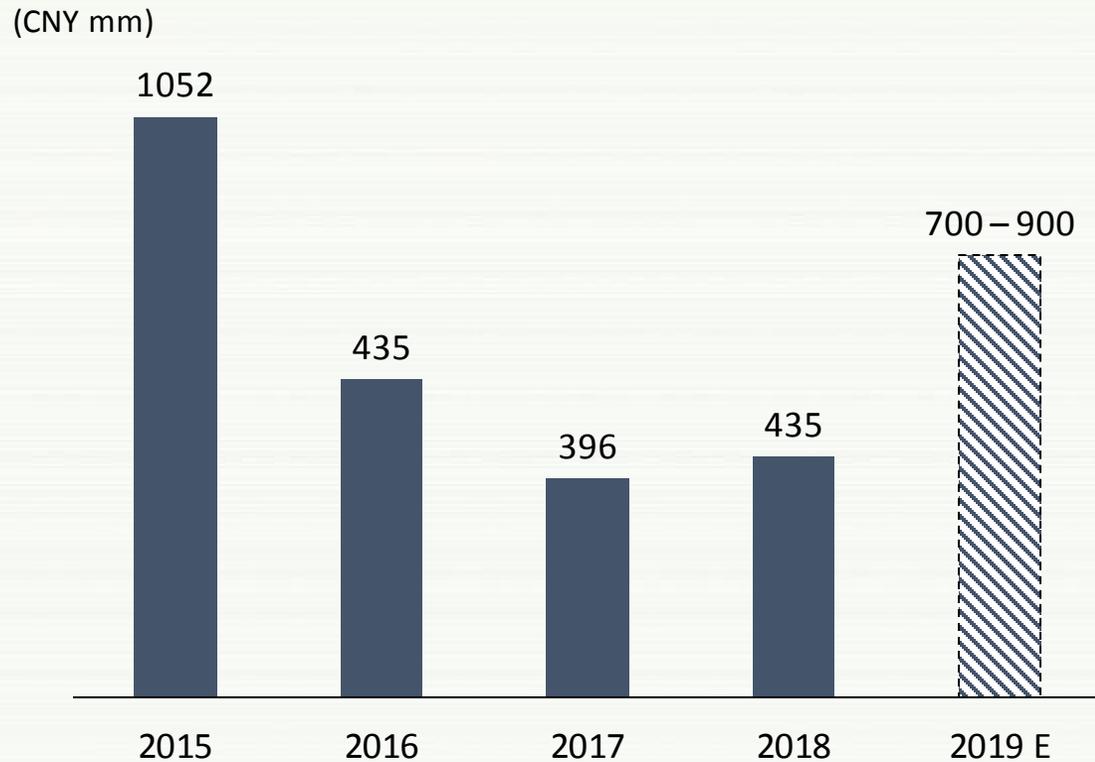
Source: Q4 2018 Company filings.

1. Adjusted cash gross profit defined as gross profit excluding depreciation, amortization and share-based compensation expenses.

2. Adjusted EBITDA defined as EBITDA excluding share-based compensation expenses, changes in the fair value of contingent purchase consideration payable, impairment of long-lived assets and loss on debt extinguishment.

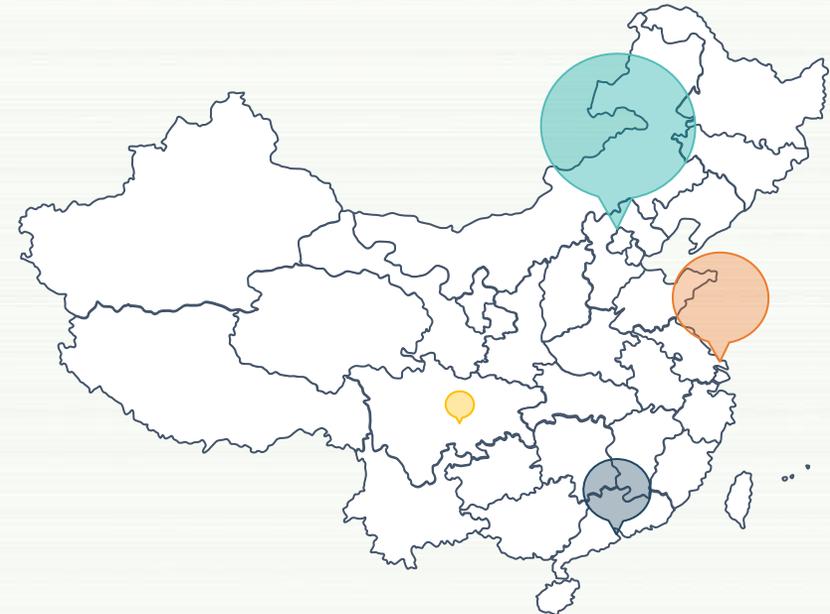
CAPEX Plan For Business Expansion

Capital Expenditures ⁽¹⁾



Estimated Investment Regions

- Focusing on expanding data center capacity mainly in tier 1 cities;
- Exploring the merging opportunities in nearby satellite cities and quasi - tier 1 cities.



The expenditures related to M&A or possible wholesale projects are not included in 2019 CAPEX guidance range.

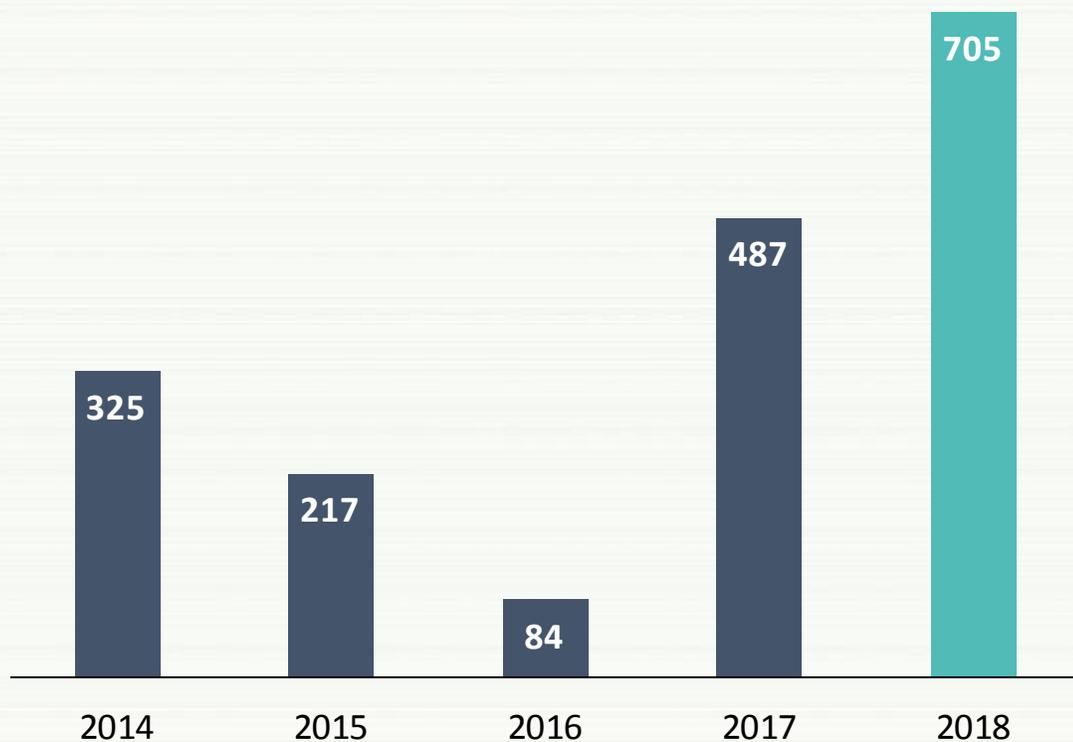
Source: Q4 2018 Company filings

1. The statistics displayed on the chart above for 2017 and beyond only contains the retail business data from Hosting and Related Services.

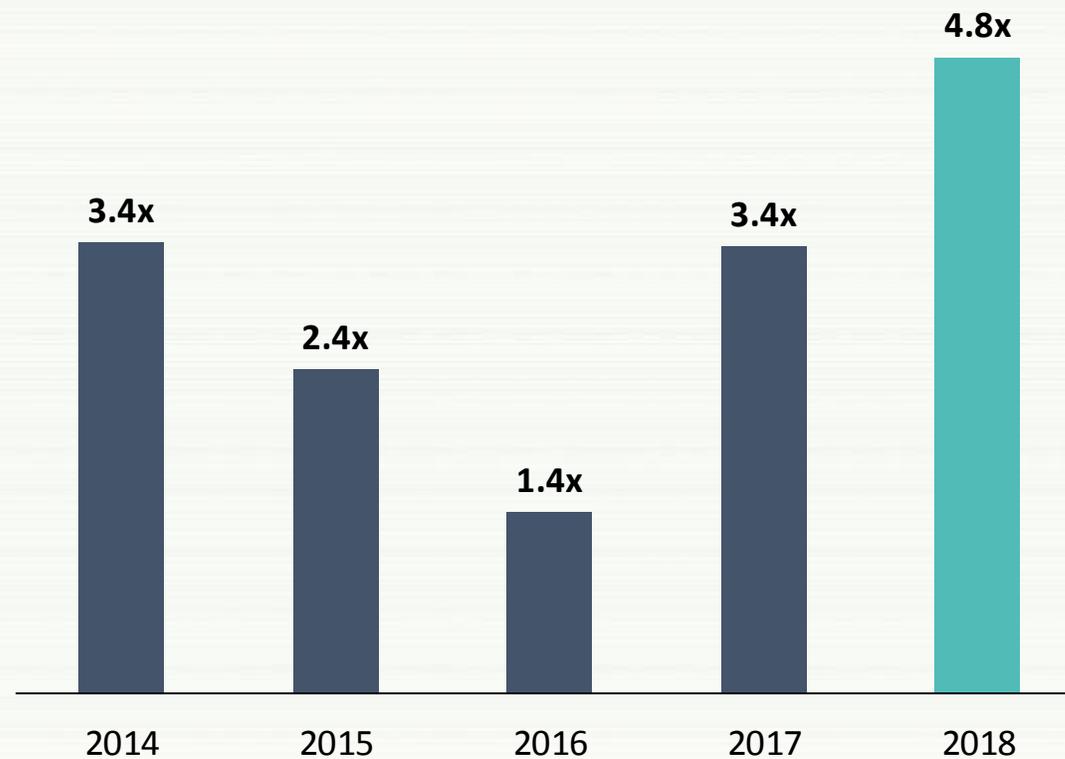
Cash Positions & Liquidity

Operating Cash Flow ⁽¹⁾

(CNY mm)



Adjusted EBITDA Interest Coverage ⁽²⁾



Source: Company filings.

1. The statistics displayed on the charts above for 2018 only represent Hosting and Related Services.
2. Adjusted EBITDA Interest Coverage defined as adjusted EBITDA divided by the net interest expenses.

Financial Highlights

CNY'000	4Q17	3Q18	4Q18	YoY	QoQ
Revenues	765,814	870,068	901,887	17.8%	3.7%
Gross profit	200,200	241,195	246,341	23.1%	2.1%
Adjusted cash gross profit ⁽¹⁾	320,067	391,940	409,214	27.9%	4.4%
<i>Adjusted cash gross margin</i>	<i>41.8%</i>	<i>45.0%</i>	<i>45.4%</i>	<i>3.6 pp</i>	<i>0.3 pp</i>
Operating (loss)/profit	7,795	64,645	64,899	732.6%	0.4%
Adjusted EBITDA⁽²⁾	170,996	245,231	255,330	49.3%	4.1%
<i>Adjusted EBITDA margin</i>	<i>22.3%</i>	<i>28.2%</i>	<i>28.3%</i>	<i>6.0 pp</i>	<i>0.1 pp</i>

CNY'000	Dec-15	Dec-16	Dec-17	Dec-18
Cash & cash equivalents, Restricted cash and Short-term investments	2,111,099	3,572,469	2,744,359	2,906,035

Source: Company filings for Hosting and Related Services.

1. Adjusted cash gross profit defined as gross profit excluding depreciation, amortization and share-based compensation expenses.

2. Adjusted EBITDA defined as EBITDA excluding share-based compensation expenses, changes in the fair value of contingent purchase consideration payable, impairment of long-lived assets and loss on debt extinguishment.

2018 Financial Highlights

CNY'mm	2016	2017	2017 vs. 2016	2018	2018 vs. 2017
Revenues	2,669	2,975	11.5%	3,401	14.3%
Gross profit	732	845	15.4%	944	11.8%
Adjusted cash gross profit ⁽¹⁾	N/A	1,248	N/A	1,513	21.2%
<i>Adjusted cash gross margin</i>	<i>N/A</i>	<i>42.0%</i>	<i>N/A</i>	<i>44.5%</i>	<i>2.5 pp</i>
Operating (loss)/profit	-65	157	N/A	237	51.6%
Adjusted EBITDA⁽²⁾	457	671	46.8%	918	36.8%
<i>Adjusted EBITDA margin</i>	<i>17.1%</i>	<i>22.5%</i>	<i>5.4 pp</i>	<i>27.0%</i>	<i>4.4 pp</i>

Source: Company filings for Hosting and Related Services.

1. Adjusted cash gross profit defined as gross profit excluding depreciation, amortization and share-based compensation expenses.

2. Adjusted EBITDA defined as EBITDA excluding share-based compensation expenses, changes in the fair value of contingent purchase consideration payable, impairment of long-lived assets and loss on debt extinguishment.

Guidance

CNY mm	1Q18 A	4Q18 A	1Q19 E	YoY ⁽¹⁾
Revenues	801	902	860 – 880	8.6%
Adjusted EBITDA	196	255	230 - 250	22.4%

CNY mm	2018 A	2019 E	YoY ⁽¹⁾
Revenues	3,401	3,760 – 3,860	12.0%
Adjusted EBITDA	918	1,000 – 1,100	14.4%

Source: Company filings

1. YoY represents the midpoints of the guidance ranges compared to the actual numbers in the previous year

Thank You!

Leading carrier-neutral & cloud-neutral service provider in China



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Julia Jiang