

21Vianet Group, Inc.

Investor Presentation

August 2021



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01

Company Overview

Digital Economy
Infrastructure Service Provider

2Q21 Highlights



Financials

30.8% YoY
Net revenue growth
38.7% YoY
Adj. EBITDA growth



Capacity

6,950 R
Net adds
62,876 R
Total capacity



Sales Momentum

76.3% UR
Mature Cabinets

~230 MW
In service and/or
under MOU

9,015 RMB
Retail MRR per
Cabinet

A Pioneer and Leader in China's Fast Growing IDC Market

Pioneer and Leader



- ✓ A leading carrier-neutral and cloud-neutral data center services provider in China with 25 years of experience
- ✓ ~11%⁽¹⁾ market share in 2019
- ✓ Provides **Managed Hosting Services, Cloud Services and VPN⁽³⁾ Services**

Market Potential⁽²⁾



- ✓ China's carrier-neutral data center services market is **fast growing**
- ✓ **Favorable government policies** accelerate the construction of integrated, large-scale data centers
- ✓ The pandemic **accelerates enterprises' digital transformation** — either scaling the transformative efforts or rapidly pivoting to innovate, catch up and maintain operations

Future Upside



- ✓ **Dual-core strategy** addressing both wholesale and retail IDC market opportunities.
- ✓ **Accelerate capacity roll-out** and enrich value added services
- ✓ Invest in **technology**

Source:

1. China's carrier-neutral data center services market only, Frost & Sullivan 2020 report
2. Frost & Sullivan 2020 report
3. Virtual private network.

Dual-Core Growth Strategy



Retail

Retail Colocation



Full Stack Services

Focusing on **high-growth verticals** which require colocation space, connection, bare-metal, and other value-added managed services



Financial Services



IT Companies



Enterprises Digitalization



Mobility Industry



Big Data Companies



Media & Gaming Industry



Manufacturing Industry

Wholesale

Hyperscale IDC



Interconnection Services

Targeting **hyperscalers** which require huge amount of space and power to support massive scaling needs

 Alibaba Cloud

 Tencent Cloud



HUAWEI CLOUD

 Kingsoft Cloud
KSCLOUD

 JDCloud



Our Strength:

- ✓ Scalable IDCs located in Tier-1 metros, surrounding areas, and satellite cities, providing premium colocation and interconnection offerings
- ✓ Full stack managed services for enterprise companies, addressing various digital transformation needs
- ✓ All-round industry ecosystem, providing additional add-on solutions

Our Strength:

- ✓ Dedicated team with 25 years of experience and reputation in datacenter design, construction, and operations
- ✓ Providing tailor-made solutions suitable for clients' needs
- ✓ Established supply chain as well as comprehensive planning and service capabilities



Resource Pipeline to Support IDC Growth



IDC Pipeline Capacity ⁽¹⁾	Tenure	Status	1H21	2H21	FY2021
BJ11	Leased	In Service	~300		~300
BJ13	Leased	Under Construction		~1,200	~1,200
BJ14	Leased	In Service	~1,100		~1,100
BJ16	Leased	Under Construction		~600	~600
N-HB01	Leased	Under Construction		~2,000	~2,000
N-HB02	Leased	Under Construction	~3,500	~2,200	~5,700
N-HB Campus 01	Owned	Under Construction		~3,500	~3,500
E-JS Campus 01	Owned	Under Construction	~2,200	~1,100	~3,300
E-JS02	Leased	In Service	~2,300		~2,300
GZ04	Leased	Under Construction		~2,000	~2,000
N-OR02	Leased	Under Construction		~3,000	~3,000
Secured Resources			~9,400	~15,600	~25,000
Expansion Target					~25,000

1. Capacity: cabinet number includes blank space.

In-Service & Under Development (Yangtze River Delta)

E-JS02

E-JS Campus 01

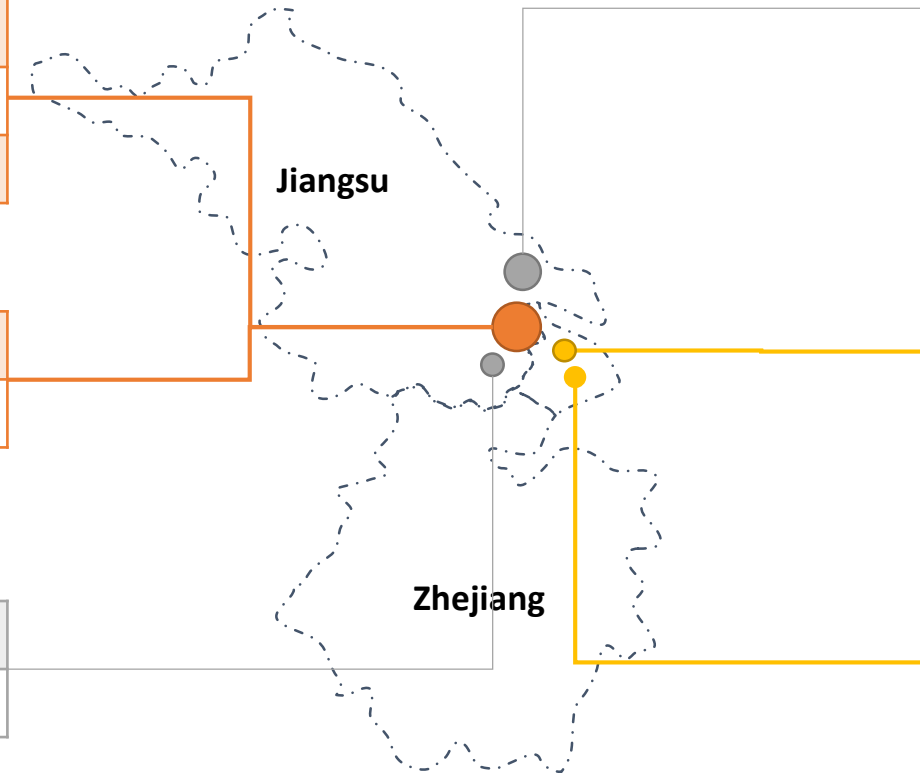
Total Capacity	~ 3,300 R
Pre-commitment Rate	95%
Expected Delivery Date	2021

E-JS Campus 02

Total Capacity	>8,000 R
Expected Delivery Date	2022 - 2025

E-JS01

Total Capacity	~ 500 R
Committed Rate	95%



Total Capacity	~ 5,000 R
Committed Rate	95%
Expected Delivery Date	2020 - 2021

SH04 / SH05

Total Capacity	~ 1,300 R
Committed Rate	95%

SH06

Total Capacity	~ 2,400 R
Committed Rate	95%

~ 230 MW in service and/or under MOU

In-Service & Under Development (Greater Beijing Area)

N-OR02

Total Capacity	~ 3,000 R
Committed Rate	>95%
Expected Delivery Date	2021

BJ12

Total Capacity	~ 1,400 R
Committed Rate	> 90%

BJ15

Total Capacity	~ 2,000 R
Committed Rate	>95%

N-HB02

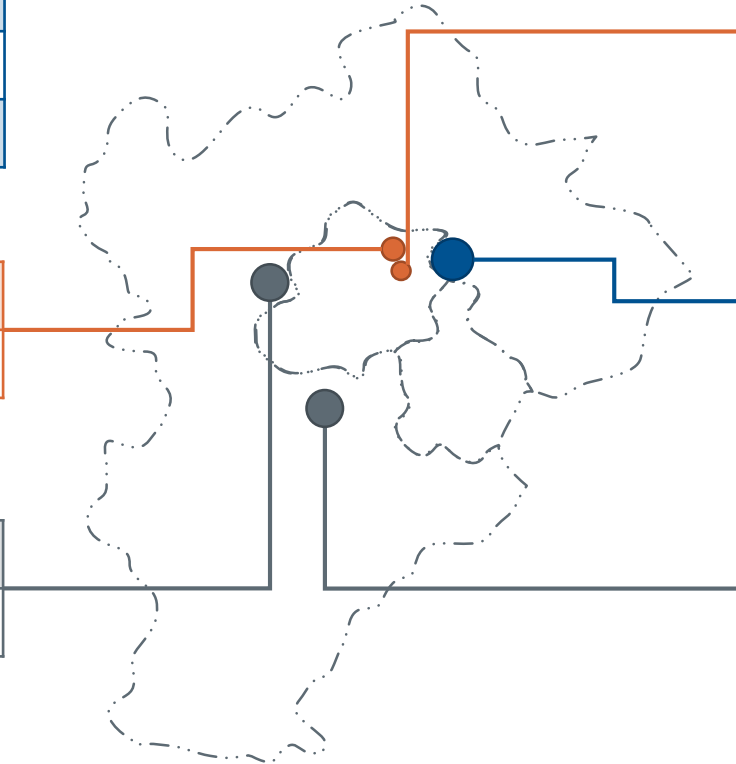
Total Capacity	~ 5,700 R
Committed Rate	>95%
Expected Delivery Date	2021

N-HB Campus 01

Total Capacity	~ 7,000 R
Expected Delivery Date	2021 - 2023

N-HB Campus 02

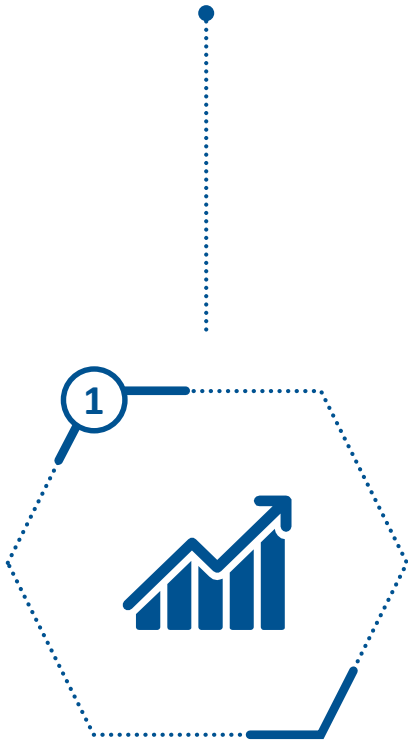
Total Capacity	~ 8,000 R
Expected Delivery Date	2022 - 2024



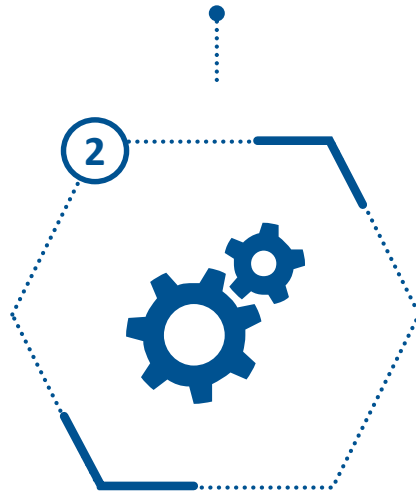
~ 230 MW in service and/or under MOU

Key Growth Pillars

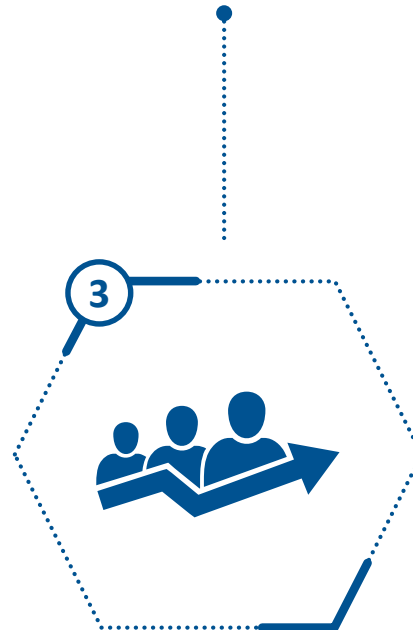
Accelerate
Capacity
Roll-out



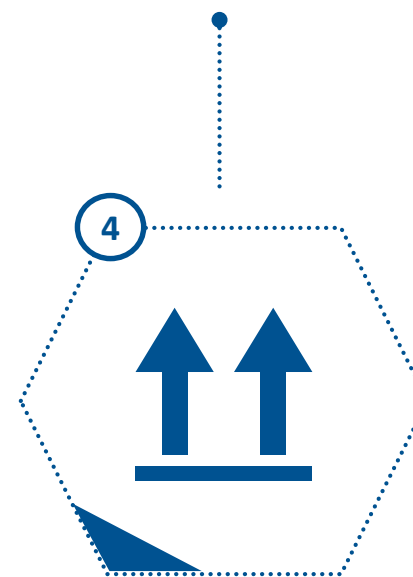
All-in
“Dual-core” Strategy and
Full-Stack Services



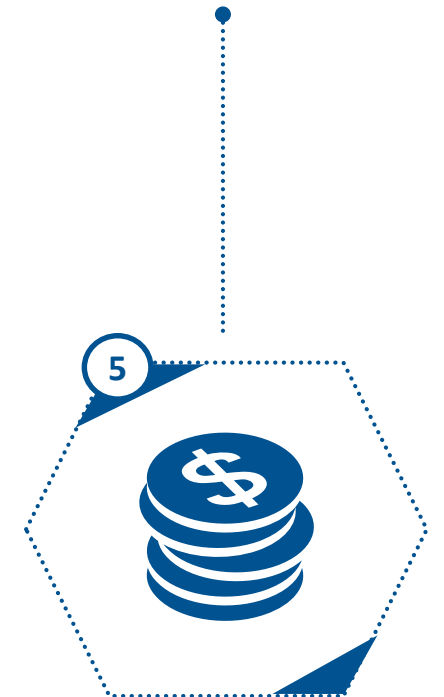
Strengthen
Customer
Relationships and
Attract New Ones



Harness the
Ecosystem to
Solidify Platform Play



Continue to
Invest in
Technology



02

Investment Highlights

Digital Economy
Infrastructure Service Provider

Investment Highlights



A Pioneer and Leader in China's Carrier-Neutral IDC Market



Premium Data Centers Located in Major Internet Hubs



Differentiated Business Model with Comprehensive Offerings



Large and Diversified Customer Base, with Strong Loyalty

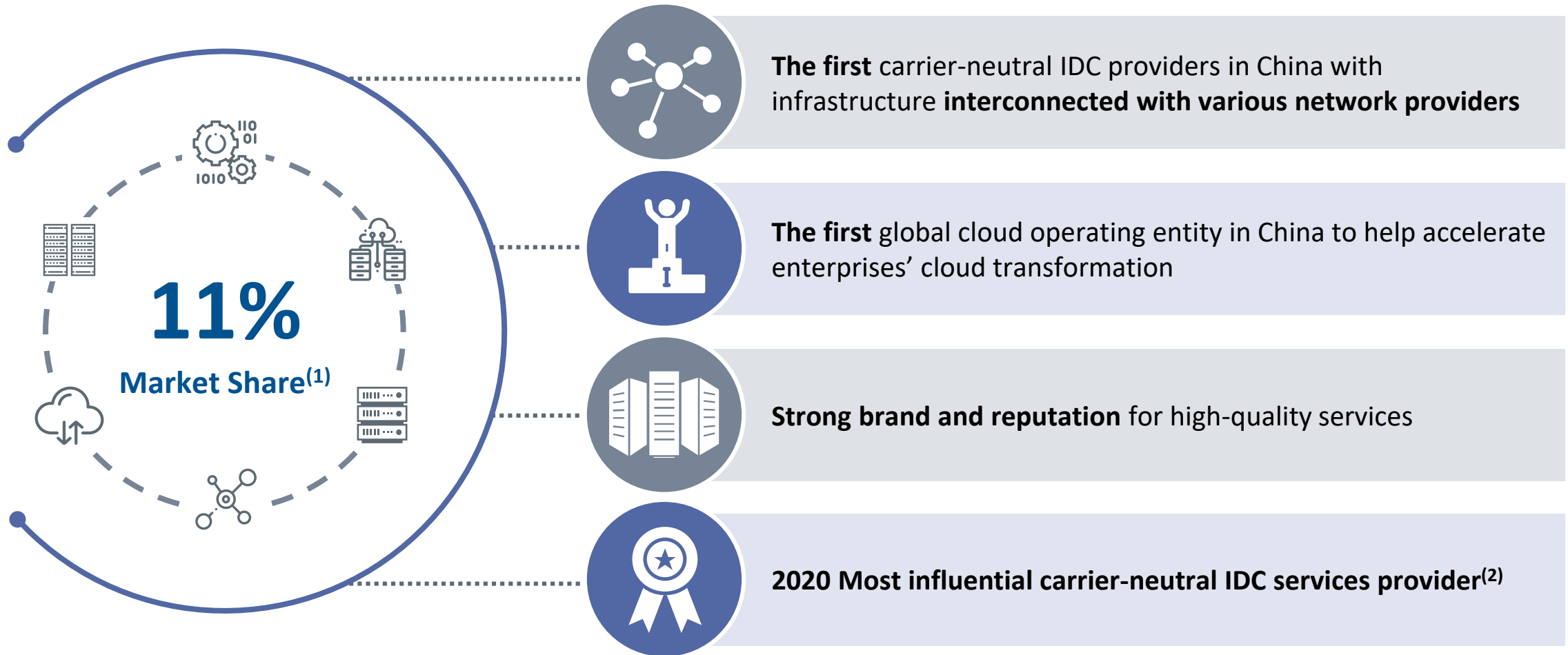


In-depth Industry Expertise with Strong Engineering Capabilities



Visionary Leadership with Stellar Track Record of Execution

A Pioneer and Leader in China's Carrier-Neutral IDC Market

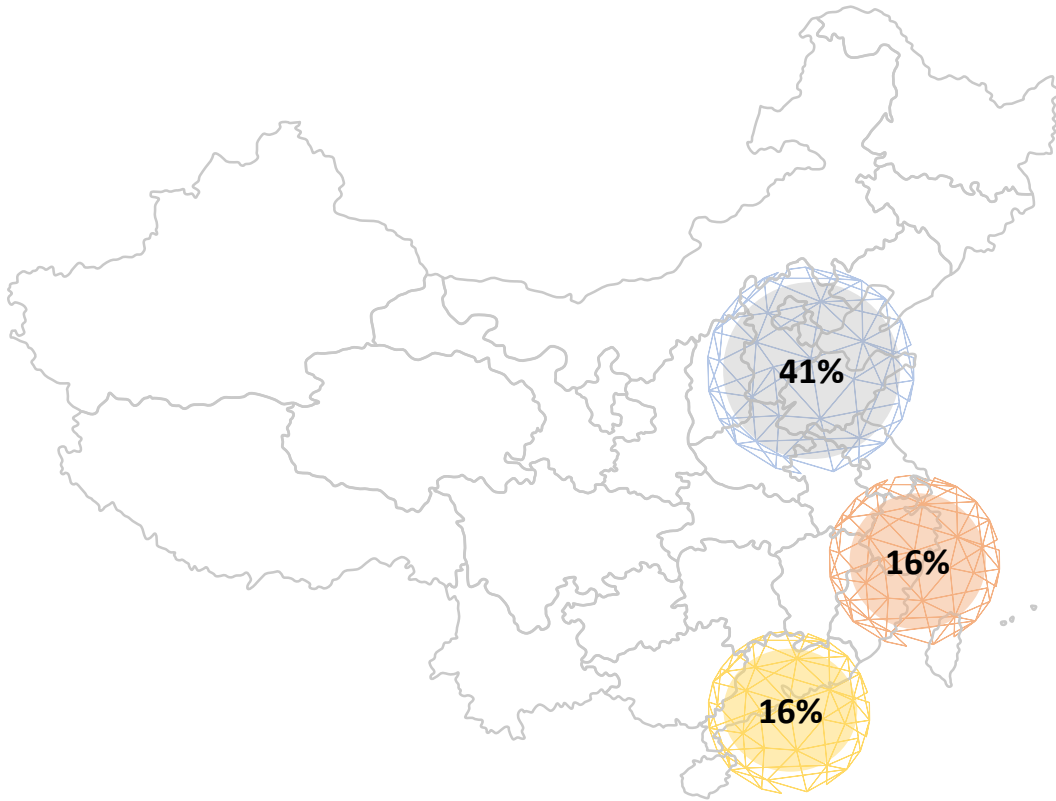


Leading carrier-neutral, cloud-neutral and tech agnostic IDC services provider in China with 20+ years of experience

Source:

1. Frost & Sullivan 2020 report
2. Award granted by ODCC Summit in 2020

Premium Data Centers Located in Major Internet Hubs



Self-built Data Centers

- We operate 32 self-built data centers with ~59,000 cabinets

	# of Self-built Cabinets	% Contribution
Beijing	~ 24,400	41%
Shanghai & Hangzhou	~ 9,300	16%
Greater Bay Area	~ 9,300	16%
Surrounding Area	~ 12,400	21%
Others	~ 3,500	6%
Total	~58,900	100%



BJ01



BJ07



SZ02



E-JS01

Partnered Data Centers

- We also operate partnered data centers with ~3,900 cabinets

✓ Favorable Supply-demand Dynamics

✓ Early-Mover Advantage Creates Barrier of Entry

✓ Superior and Scalable Interconnectivity

✓ Efficient and Cost Effective Connection

Differentiated Business Model with Comprehensive Offerings

Product Offerings

- Co-location
- Inter-connectivity
- Hybrid IT services
- Other value-added services
- Customized, high-power density solutions

Microsoft Cloud Services

- Long-term strategic partnership with Microsoft in China for public and hybrid cloud services

Microsoft Azure
由世纪互联运营

Microsoft Office 365

Microsoft Dynamics 365

IDC Services

“Dual Core”

Retail + Wholesale



Our Strength

- Multi-carrier & multi-cloud connectivity
- High-performing facility & network
- Turn-key solutions tailored for customer needs
- Long track record of outstanding operation performance

VPN Services

- Customized VPN solutions for enterprise customers across various industry verticles
- Offer VPN services via Dermot Entities⁽¹⁾

Large and Diversified Customer Base, with Strong Loyalty

Retail

- ~3,000 enterprise customers have enjoyed company's colocation, connectivity, bare metal, hybrid cloud and maintenance services

- Over 90% of net revenues have been recurring revenues since IPO

- Maintain low concentration of risk with top 20 customers contributing 35.4 % of total revenues in 2Q21



Wholesale

- Since 2020, Company begins to generate revenue from wholesale customers
- ~230MW in service and/or under MOU, ~150MW in service & ~80MW under MOU

In-depth Industry Expertise w/ Strong Engineering Capabilities



Innovative and Tailormade Technologies

- ✓ Power Management
- ✓ Smart Routing
- ✓ Energy Recycling
- ✓ Environmental Controls



125 Dedicated Engineering Professionals⁽¹⁾

155 Approved and Pending Patents⁽¹⁾

161 Copyright Certifications⁽¹⁾

Secure and Reliable Data Centers



Superior Interconnectivity



Highly Secure Buildings & Data Floors



Hypersensitive Detection & Supervision



99.9% Network Connectivity Uptime



99.99% Power Uptime⁽²⁾

1. As of 31 Dec, 2020
2. For self-built data centers

Visionary Leadership w/ Stellar Track Record of Execution



Josh Sheng CHEN

Founder and Chairman

China Energy
Internet Alliance



清华大学互联网产业研究院
Institute of Internet Industry, Tsinghua University



Samuel SHEN

Chief Executive Officer,
Executive Chairman of Retail IDC



JDCloud



Microsoft



Tim CHEN

Chief Financial Officer

Morgan Stanley J.P.Morgan



Shiqi WANG

Chief Executive Officer of Wholesale IDC



启迪数字集团
Tus-Digital Group

ERICSSON



Chunfeng CAI

Chief Operating Officer,
Chief Executive Officer of Retail IDC



ChinaCache



Qihang LIU

President, Cloud Business Unit

SONY



Microsoft



03

Financial Overview

Digital Economy
Infrastructure Service Provider

1Q21 Financial Highlights



RMB'000	2Q20	1Q21	2Q21	YoY	QoQ
Net revenues	1,144,061	1,386,923	1,496,978	30.8%	7.9%
Gross profit	272,332	323,312	359,515	32.0%	11.2%
Adjusted cash gross profit ⁽¹⁾	467,552	605,289	640,247	36.9%	5.8%
<i>Adjusted cash gross margin</i>	40.9%	43.6%	42.8%	1.9 pps	-0.8 pps
Adjusted EBITDA⁽²⁾	306,414	415,092	425,105	38.7%	2.4%
<i>Adjusted EBITDA margin</i>	26.8%	29.9%	28.4%	1.6 pps	-1.5 pps

RMB'000	31 Dec 18	31 Dec 19	31 Dec 20	30 Jun 21
Cash & cash equivalents, Restricted cash and Short-term investments	2,906,035	2,721,033	3,402,309	5,034,410

Source: Company filings, data as of 30 Jun, 2021.

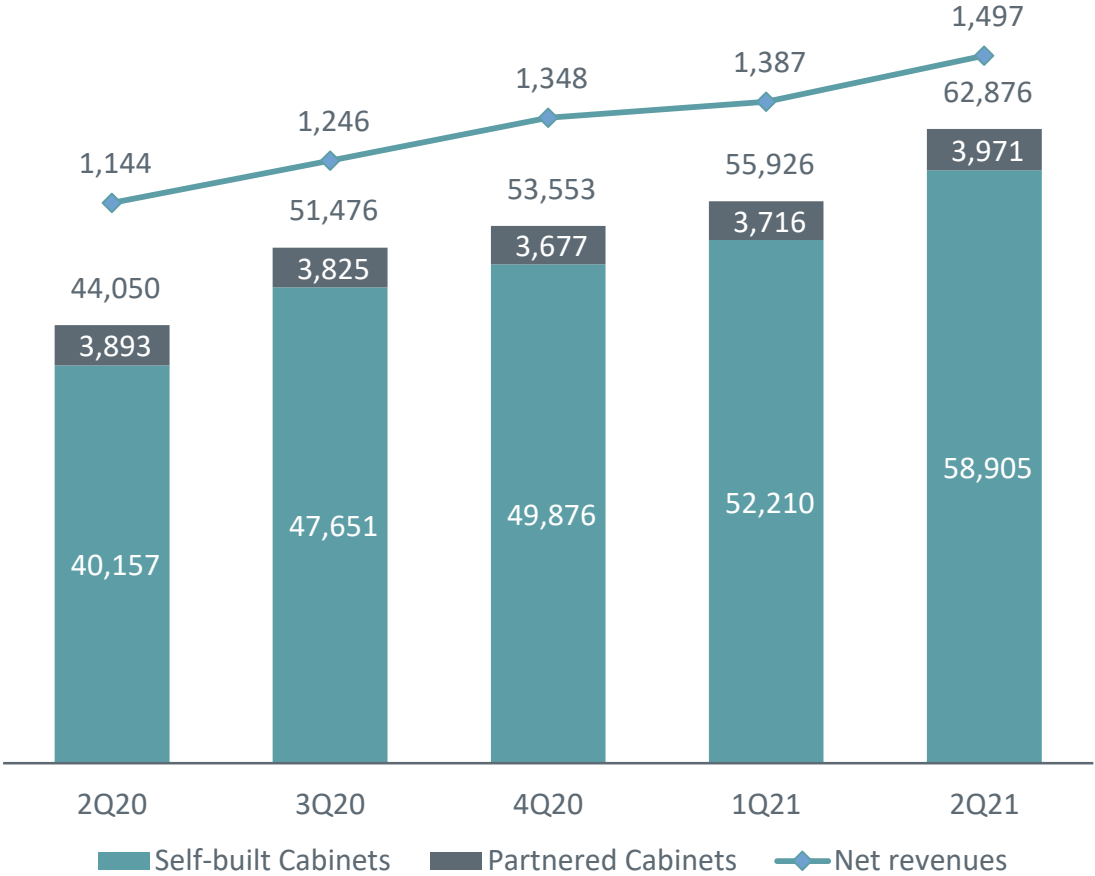
1. Adjusted cash gross profit defined as gross profit excluding depreciation, amortization and share-based compensation expenses.

2. Adjusted EBITDA defined as EBITDA excluding share-based compensation expenses, impairment of receivables from equity investees, and impairment of long-lived assets.

Sustainable Growth Driven by New Capacity Expansion

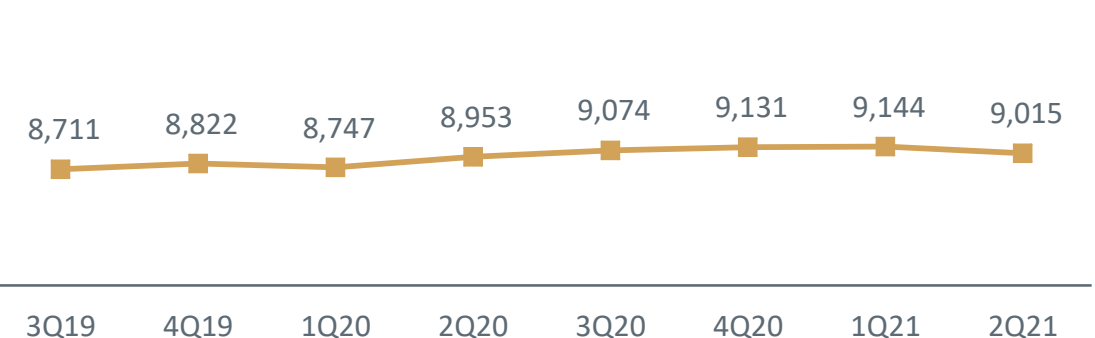
Net Revenue & Cabinets (1)

(RMB mm)



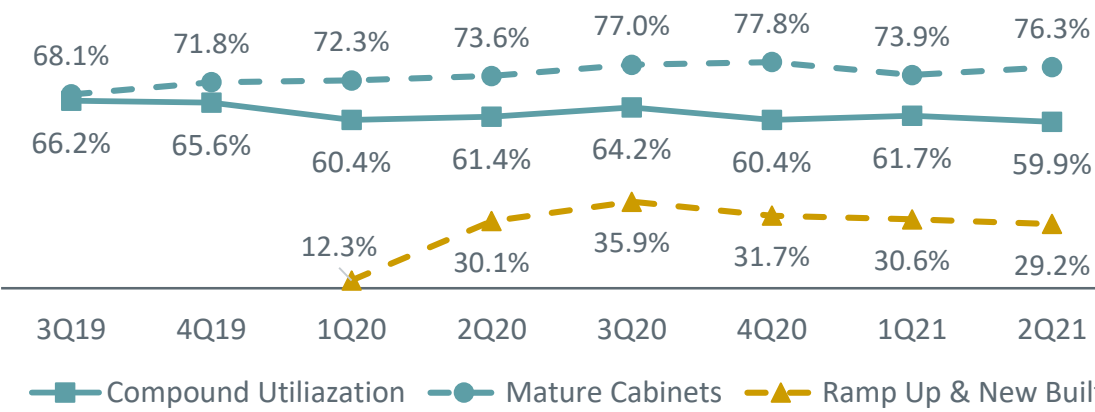
Retail IDC MRR per Cabinet (2)

(RMB)



Utilization Rate (3)

(%)



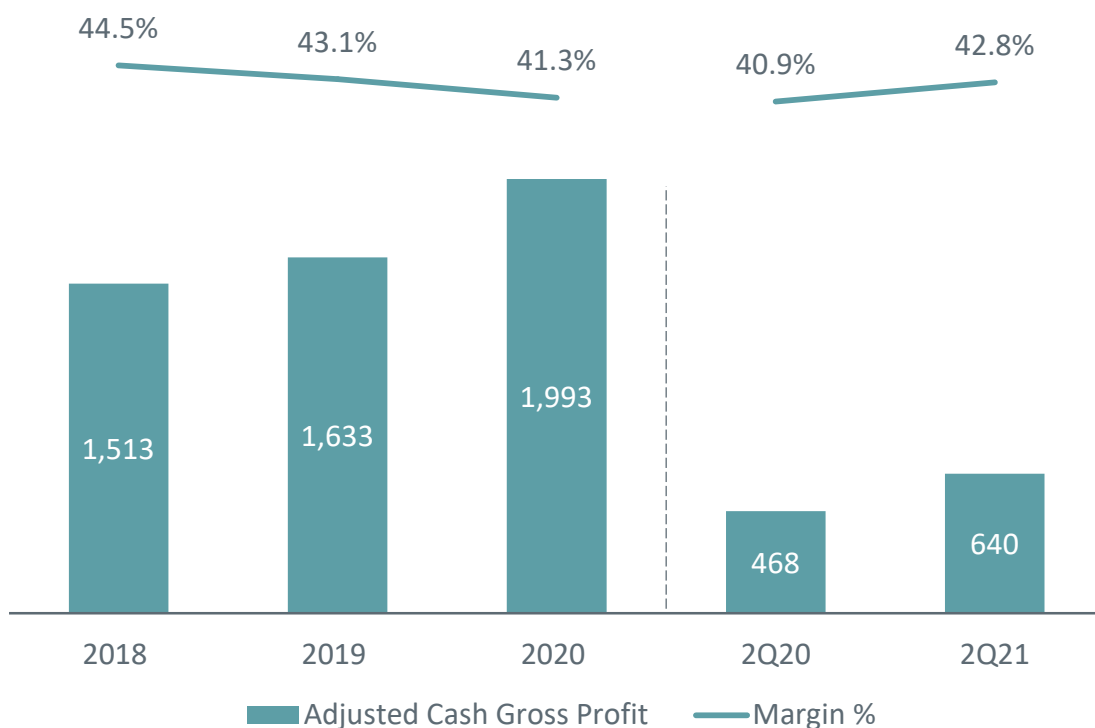
Source: Company filings, data as of 30 Jun, 2021

1. Numbers of cabinets are measured by the actual numbers at the end of each quarter.
2. MRRs refers to Monthly Recurring Revenues, and are based on the Company's retail IDC business.
3. Utilization rates are based on quarterly average rates. The dotted line refers the utilization rate for cabinets delivered over 2yrs; The triangle refers the utilization rate for cabinets built less than 2 yrs.

Margin Improvements Through Efficiency Enhancement

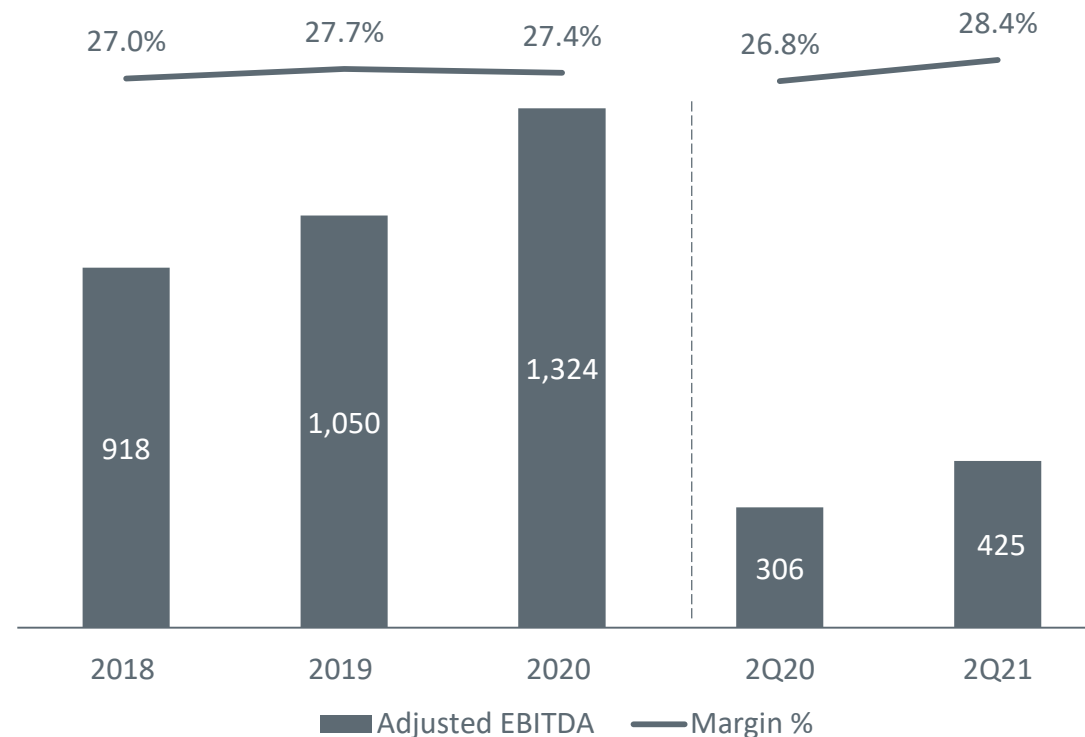
Adjusted Cash Gross Profit & Margin ⁽¹⁾

(RMB mm)



Adjusted EBITDA & Margin ⁽²⁾

(RMB mm)



Long-term upward trend supported by utilization improvement and operating leverage

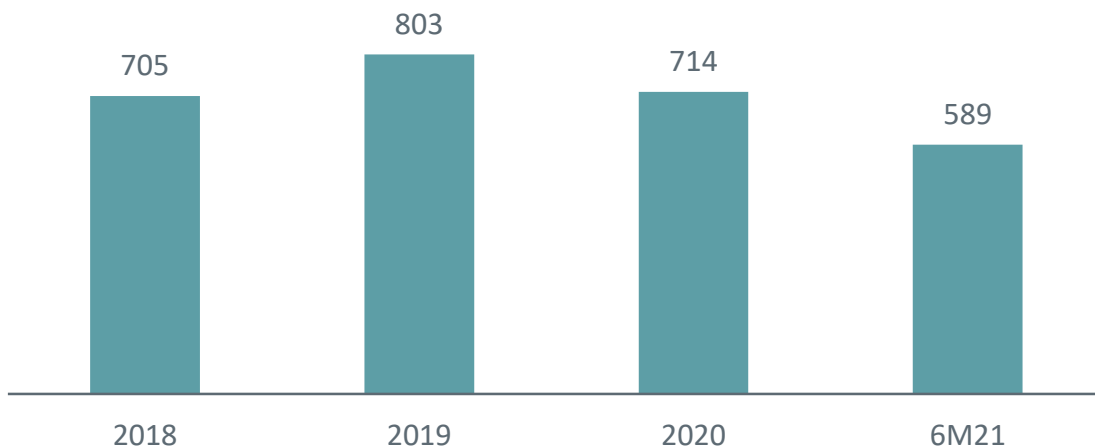
Source: Company filings, data as of 30 Jun, 2021

- Adjusted cash gross profit defined as gross profit excluding depreciation, amortization and share-based compensation expenses.
- Adjusted EBITDA defined as EBITDA excluding share-based compensation expenses, impairment of receivables from equity investees, and impairment of long-lived assets.
- Excluding MNS segment; margin based on revenue excluding MNS

Healthy Cash Flow Generation and Capital Expenditure

Operating Cash Flow

(RMB mm)

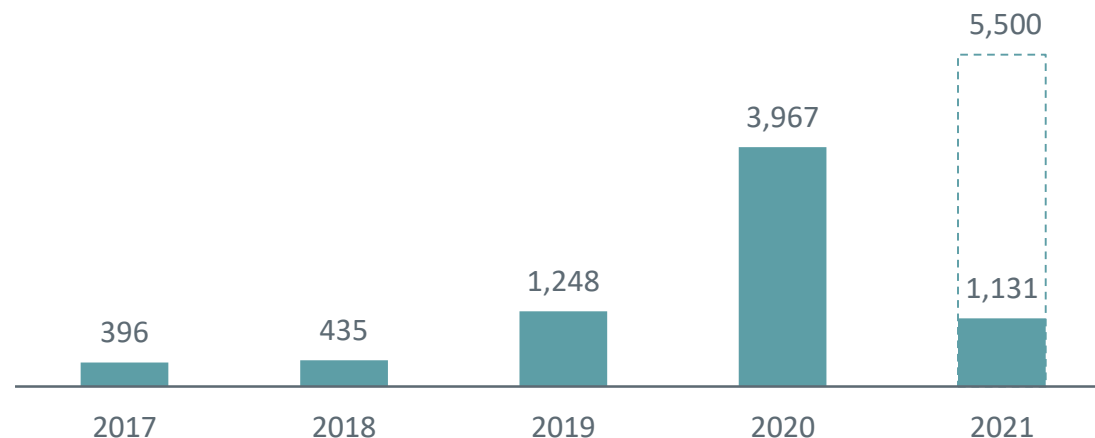


Key Drivers

- Continuously increasing cash flow from operations
- Mainly driven by growing top line and improved operating leverage

Capital Expenditure

(RMB mm)



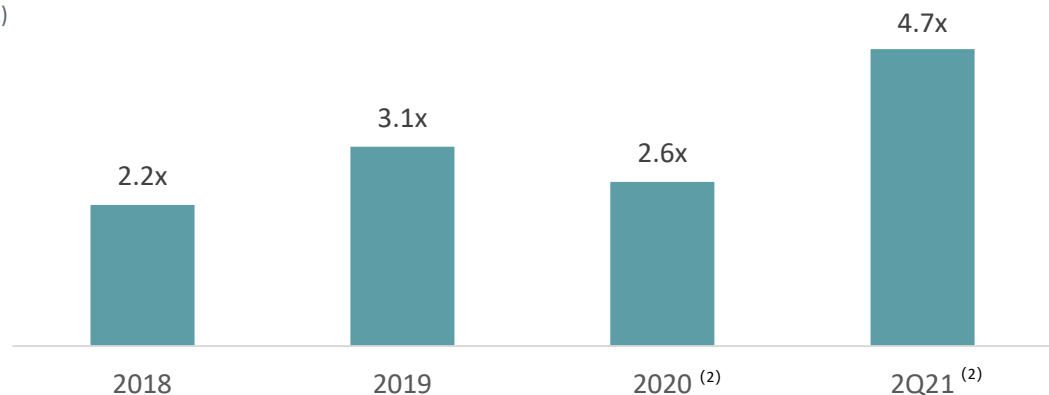
Key CapEx Spending & Expected Capacity Expansion

- Capex mainly include expenditure for data center property, construction and equipment procurement
- Additional capex includes payments of consideration price for certain acquisitions

Healthy Capital Structure

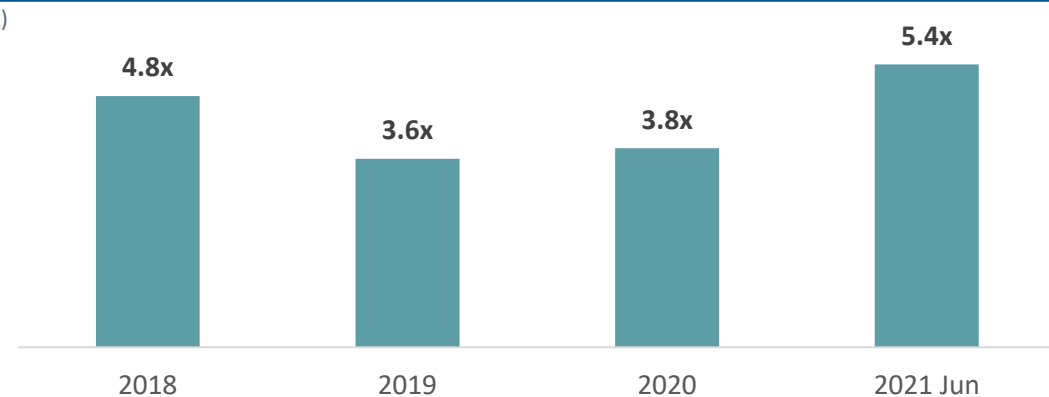
Total Debt ⁽¹⁾ / LQA Adjusted EBITDA⁽⁴⁾

(x)

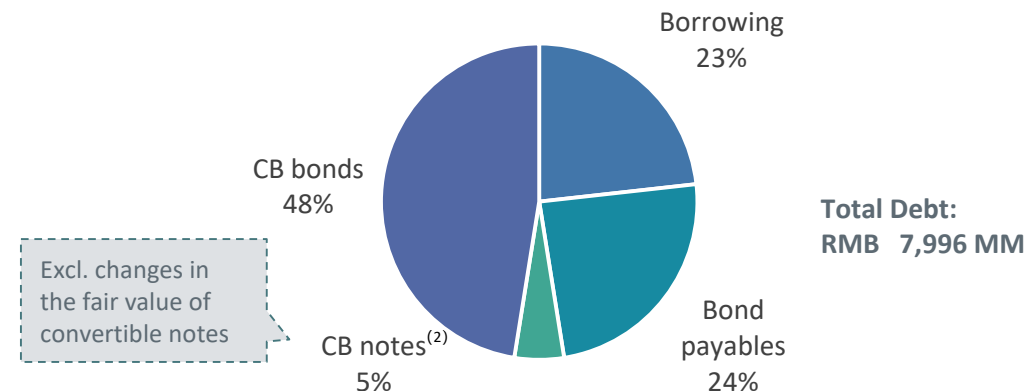


Adjusted EBITDA Interest Coverage⁽³⁾

(x)



Debt Structure as of 30 Jun, 2021



Prudent Financial Policies and Various Financing Channels

- We have applied stable and steady financial policies and prudently utilizes debt financing based on business needs. We have diversified financing channels and our current debt structure is a balanced mix of borrowings, bond payables, convertible notes and convertible bonds;
- We received net proceeds of approximately US\$600 million in the form of convertible note in Jan 2021

Source: Company filings, data as of 30 Jun, 2021

1. Total Debt = Short-term and long-term bank borrowings + Bond Payables + Convertible Notes, Net Debt = Total Debt – Cash and Cash Equivalent;
2. Excluding change in the fair value of convertible notes from convertible notes
3. Adjusted EBITDA Interest Coverage = Adjusted EBITDA / Net Interest Expense (interest expense – interest income)
4. LQA EBITDA represents the current quarter Adj. EBITDA*4 or Last Quarter Annualized

Guidance



RMB mm	3Q20 A	2Q21 A	3Q21 E	YoY ⁽¹⁾
Revenues	1,246	1,497	1,530 – 1,550	23.6%
Adjusted EBITDA	368	425	420 – 440	16.8%

RMB mm	2020 A	2021 E	YoY ⁽¹⁾
Revenues	4,829	6,100 - 6,300	28.4%
Adjusted EBITDA	1,324	1,680 – 1,780	30.7%

Source: Company filings.

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

04

Appendix

Digital Economy
Infrastructure Service Provider

Shareholding Structure



Major beneficial ownership of our ordinary shares, as of 30 June, 2021;

Principle shareholders	Number of Shares	% of Share Holding	% of Voting Power
Sheng Chen	44,761,879	5.1	28.6
Tuspark	94,415,771	10.9	8.0
GIC	75,913,716	8.7	6.4
Vector Holdco (Blackstone)	49,107,816	5.7	4.2
Others/Free Float	603,712,272	69.6	52.8
Total	867,911,454	100	100

Source: Company filings.

THANKS!



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IR Contacts: Xinyuan Liu
Julia Jiang