

# VNET Group, Inc.

## Earnings Presentation for 1Q26

May 26, 2026

世纪互联  
VNET

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## Sharon Liu

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Rotating President of VNET



# 1Q26 Earnings Highlights

## IDC Business Growth Remained Strong



- Wholesale IDC Business: by 1Q26 end, capacity in service was **907MW** (+18MW, +2.0% QoQ), capacity utilized was **687MW** (+64MW, +10.2% QoQ); the utilization rate was **75.7%**
- Retail IDC Business: remained stable, retail MRR per cabinet was RMB**9,448** in 1Q26; the utilization rate was **64.1%**

## Solid Growth in Revenue & Adj. EBITDA



- Total Net Revenues: 1Q26 reached RMB**2,691**MM (+19.8% YoY, +0.2% QoQ)
- Wholesale IDC Revenues: 1Q26 reached RMB**1,064**MM (+58.1% YoY, +8.8% QoQ)
- Adj. EBITDA: 1Q26 reached RMB**892**MM (+30.6% YoY, +10.7% QoQ)

## 2026 Full-Year Guidance



- Total Net Revenues: expect to be in the range of RMB**11,500 ~ 11,800**MM (+15.6% - 18.6% YoY)
- Adj. EBITDA: expect to be in the range of RMB**3,550 ~ 3,750**MM (+19.2% - 25.9% YoY)
- Capex: expect to be in the range of RMB**10,000 ~ 12,000**MM (+21.4% - 45.6% YoY)
- Delivery: plan to deliver **450 ~ 500**MW (+11.4% - 23.8% YoY)

## Secured High-Quality Orders by Executing Dual-Core Strategy



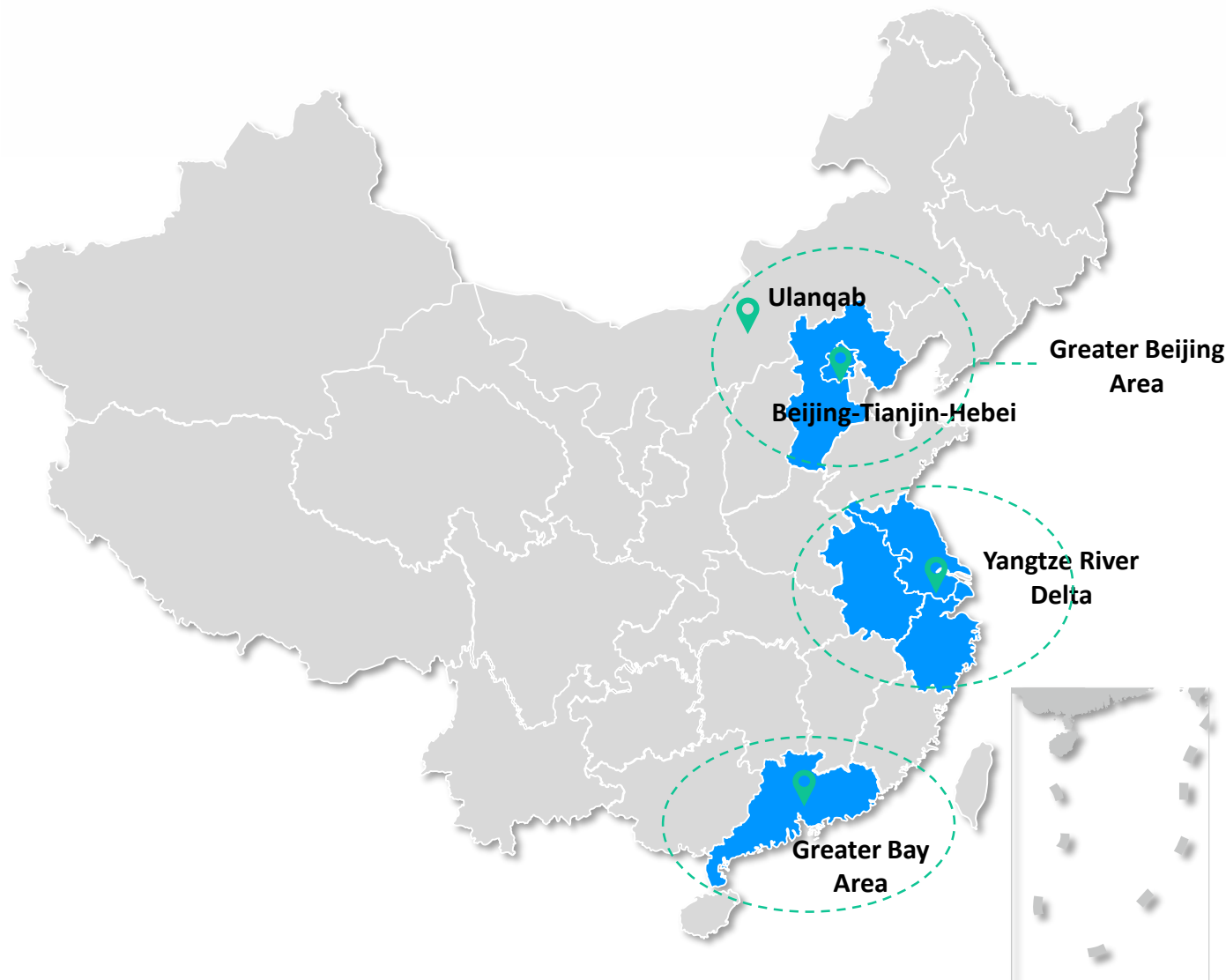
- Wholesale IDC Business: secured 3 wholesale orders totaling **517MW** year-to-date 2026
- Retail IDC Business: secured a combined capacity of around **2MW** in multiple retail data centers from customers in various industries

# Key IDC Customer Order Wins

Region	IDC Code	Capacity Contracted/ under MoU (MW)	Signing Time	Customer Sector	Project Type
	N-OR Campus 02	110	1Q26 to Date	Internet	Wholesale
Greater Beijing Area	N-OR Campus 03	400	1Q26 to Date	Internet	Wholesale
	N-HB04	7	1Q26	Local Services	Wholesale
Greater Beijing Area, Yangtze River Delta, Greater Bay Area, and Other Regions	Multiple Retail IDCs	2	1Q26	Local Services, Internet, IT Services, etc.	Retail
<b>Total</b>		<b>519</b>			



# Data Centers by Region



## Wholesale Capacity in Service (907MW)

Region	%
Greater Beijing Area	65.7%
Yangtze River Delta	34.3%
<b>Total</b>	<b>100.0%</b>

## Wholesale Capacity under Construction (516MW)

Region	%
Greater Beijing Area	91.5%
Yangtze River Delta	8.5%
<b>Total</b>	<b>100.0%</b>

## Wholesale Capacity Held for Future Development (1,056MW)

Region	%
Greater Beijing Area	96.5%
Yangtze River Delta	3.5%
<b>Total</b>	<b>100.0%</b>

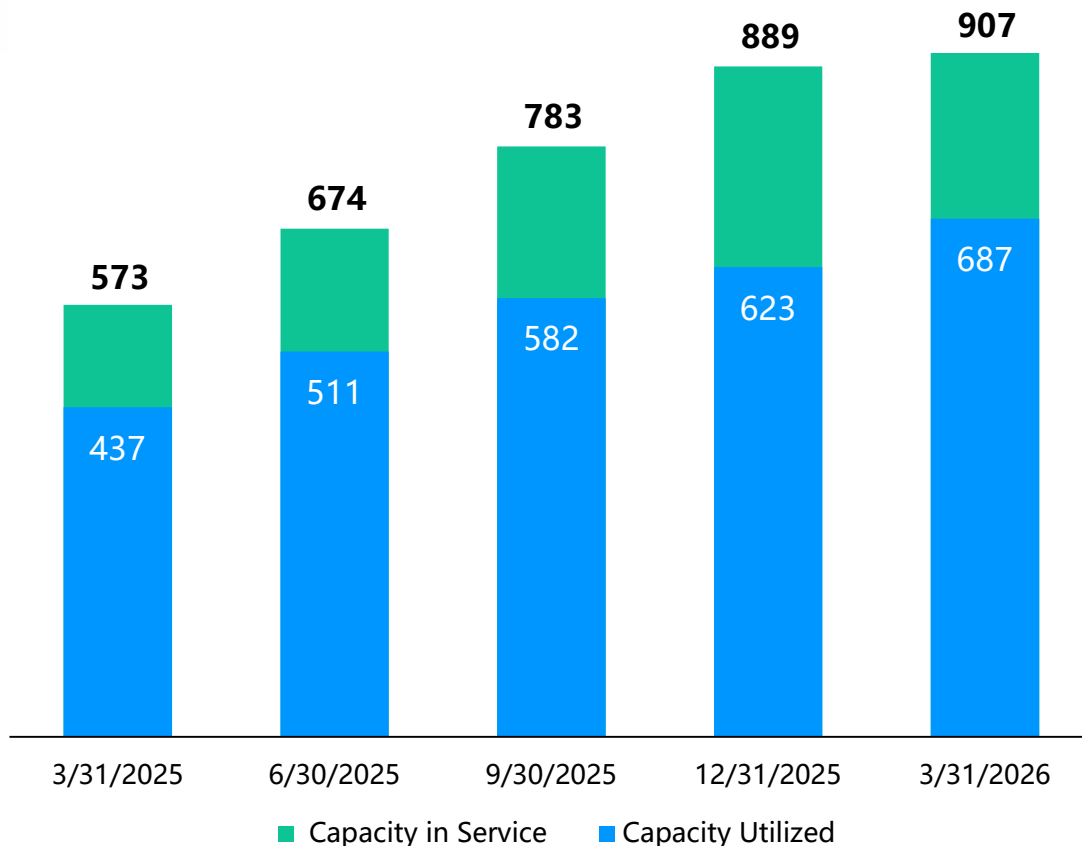
## Retail Capacity in Service (50,170R)

Region	%
Greater Beijing Area	53.8%
Yangtze River Delta	20.0%
Greater Bay Area	15.4%
Other Regions	10.8%
<b>Total</b>	<b>100.0%</b>

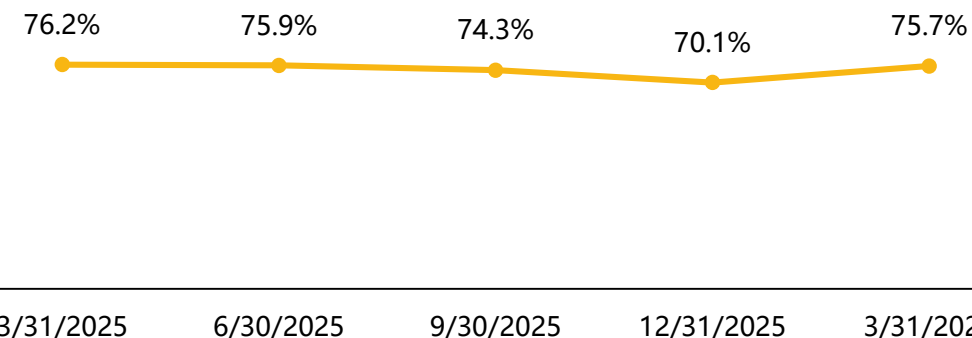
Source: Company data as of March 31, 2026

# Wholesale Data Centers at a Glance - Key Growth Driver

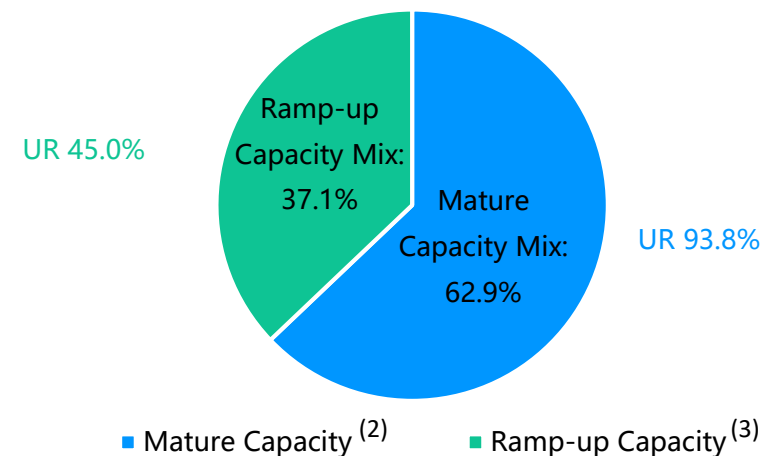
**Total Capacity in Service & Capacity Utilized (MW)**



**Utilization Rate <sup>(1)</sup>**



**Mature & Ramp-up Capacity Contribution & Utilization Rate**



Source: Company data as of March 31, 2026

Notes:

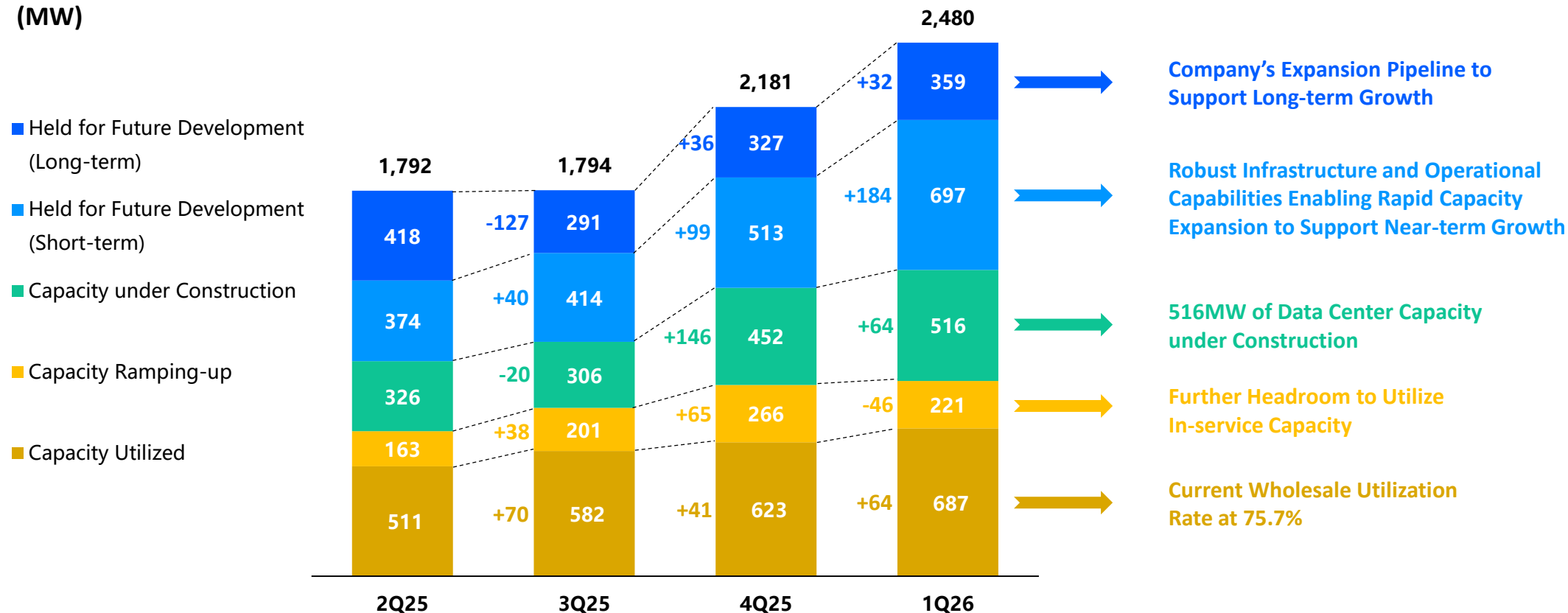
(1) The utilization rate ("UR") is calculated by dividing utilized capacity by the capacity in service

(2) Mature wholesale capacity refers to wholesale data centers in which utilization rate is at or above 80%

(3) Ramp-up capacity for wholesale data centers refers to the wholesale data centers with a utilization rate below 80%

# Wholesale Data Centers – Backlog Growth

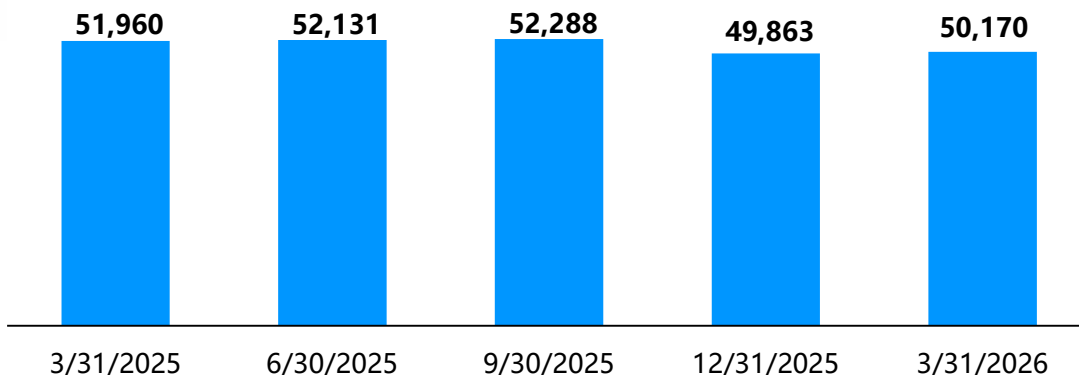
(MW)



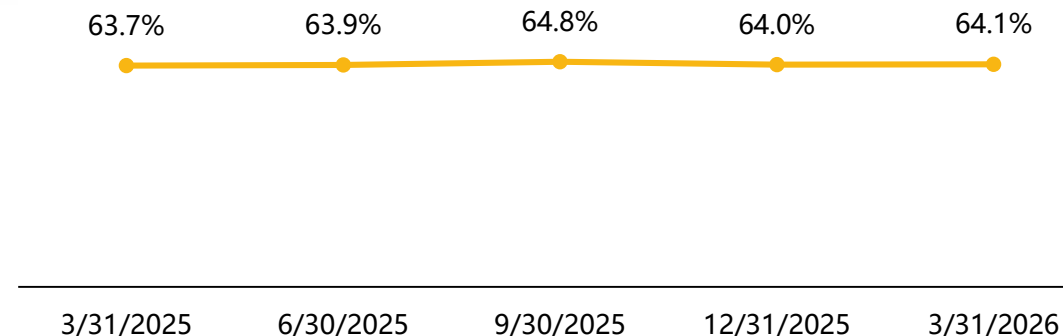
Source: Company data as of March 31, 2026

# Retail Data Centers at a Glance - Solid Foundation

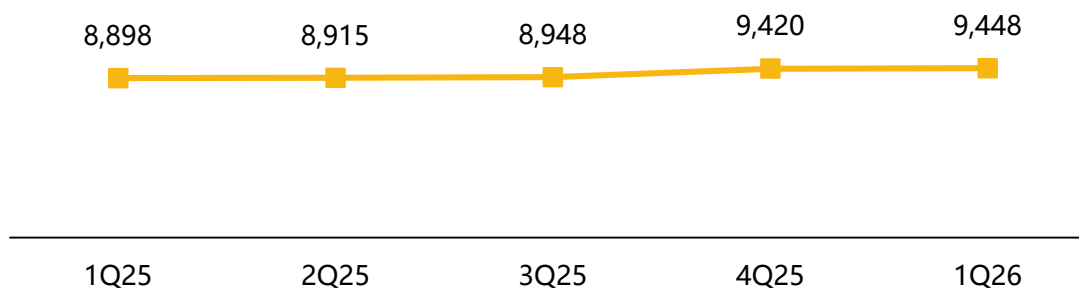
**Total Capacity in Service (Cabinet)**



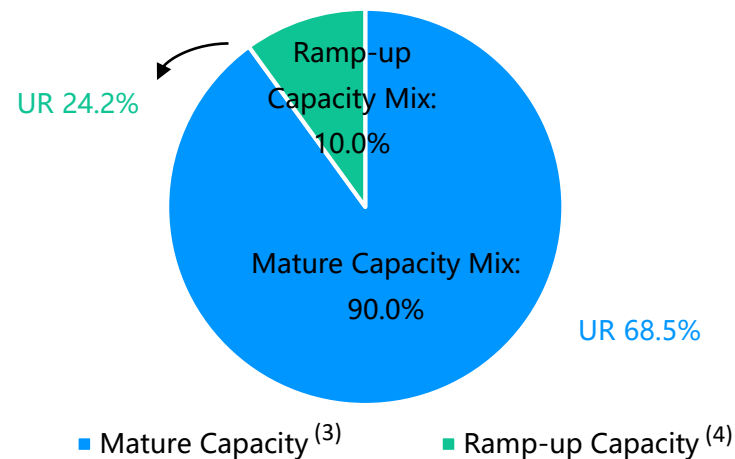
**Utilization Rate <sup>(1)</sup>**



**MRR per Retail Cabinet <sup>(2)</sup>**



**Mature & Ramp-up Capacity Contribution & Utilization Rate**



Source: Company data as of March 31, 2026

Notes:

(1) Utilization rate is calculated by dividing utilized capacity by customers by the capacity in service

(2) MRR per retail cabinet refers to monthly recurring revenues per cabinet for the retail IDC business

(3) Mature capacity for retail data centers refers to the retail data centers that came into service prior to the past 24 months

(4) Ramp-up retail capacity refers to retail data centers that came into service within the past 24 months, or mature retail data centers that have undergone improvements within the past 24 months

# Resource Pipeline for the Next 12 Months



Region	IDC Code	Tenure	Status	1Q26 Capacity (MW)	2Q26E-3Q26E Capacity (MW)	4Q26E-1Q27E Capacity (MW)	Next 12M Total (MW)
Yangtze River Delta	E-JS Campus 03B	Owned	Under Construction	-	44	-	44
	N-HB Campus 02	Owned	Under Construction	-	-	59	59
	N-HB Campus 03	Owned	Under Construction	18	4	-	4
	N-HB04	Leased	Under Construction	-	7	14	21
Greater Beijing Area	N-OR Campus 01	Owned	Under Construction	-	9	-	9
	N-OR Campus 02A	Owned	Under Construction	-	101	-	101
	N-OR Campus 02B	Owned	Under Construction	-	-	65	65
	N-OR Campus 03	Owned	Under Construction	-	85	128	213
<b>Total</b>				<b>18</b>	<b>250</b>	<b>266</b>	<b>516</b>

Source: Company data as of March 31, 2026

## Peter Zhang

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SVP, Operational Finance of VNET



# 1Q26 Financial Highlights



RMB MM	1Q25	4Q25	1Q26	YoY	QoQ
Total net revenues	2,246	2,687	2,691	19.8%	0.2%
Gross profit	565	540	616	8.9%	14.0%
Adjusted cash gross profit <sup>(1)</sup>	968	1,138	1,211	25.1%	6.5%
<i>Adjusted cash gross margin</i>	43.1%	42.3%	45.0%	1.9 pps.	2.7 pps.
<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>682</b>	<b>805</b>	<b>892</b>	<b>30.6%</b>	<b>10.7%</b>
<i>Adjusted EBITDA margin</i>	30.4%	30.0%	33.1%	2.7 pps.	3.2 pps.
<b>Net (loss) income</b>	<b>(220)</b>	<b>345</b>	<b>(445)</b>	-	-

Source: Company data as of March 31, 2026

Notes:

(1) Adjusted cash gross profit is defined as gross profit excluding depreciation, amortization, and share-based compensation expense

(2) Adjusted EBITDA is calculated as operating profit excluding depreciation and amortization, share-based compensation expenses, compensation for postcombination employment in an acquisition, allowance of loan receivables, impairment of long-lived assets, and impairment of goodwill

# Total Net Revenues Breakdown

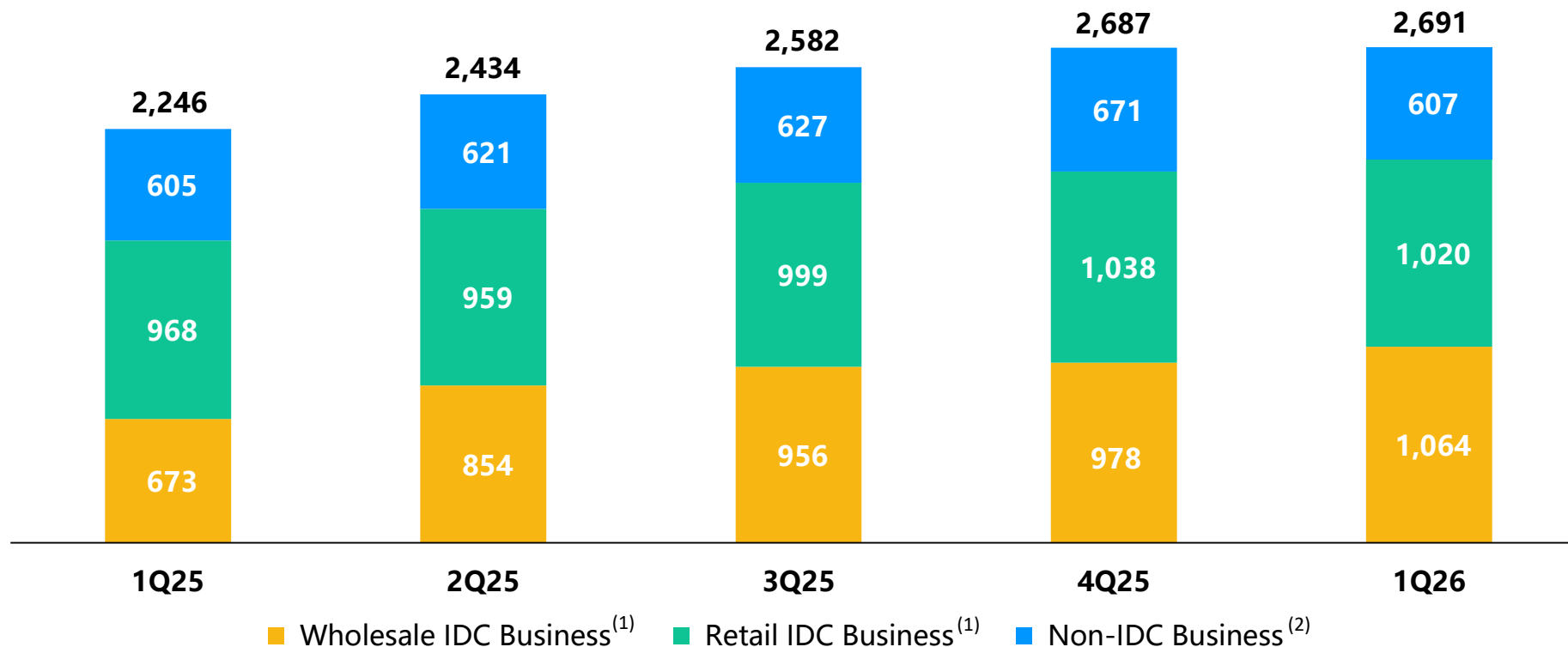
(RMB MM)

## Total Net Revenues YoY

+18.3%	+22.1%	+21.7%	+19.6%	+19.8%
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## Wholesale IDC Revenues YoY

+86.5%	+112.5%	+82.7%	+47.1%	+58.1%
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Source: Company data as of March 31, 2026

Notes:

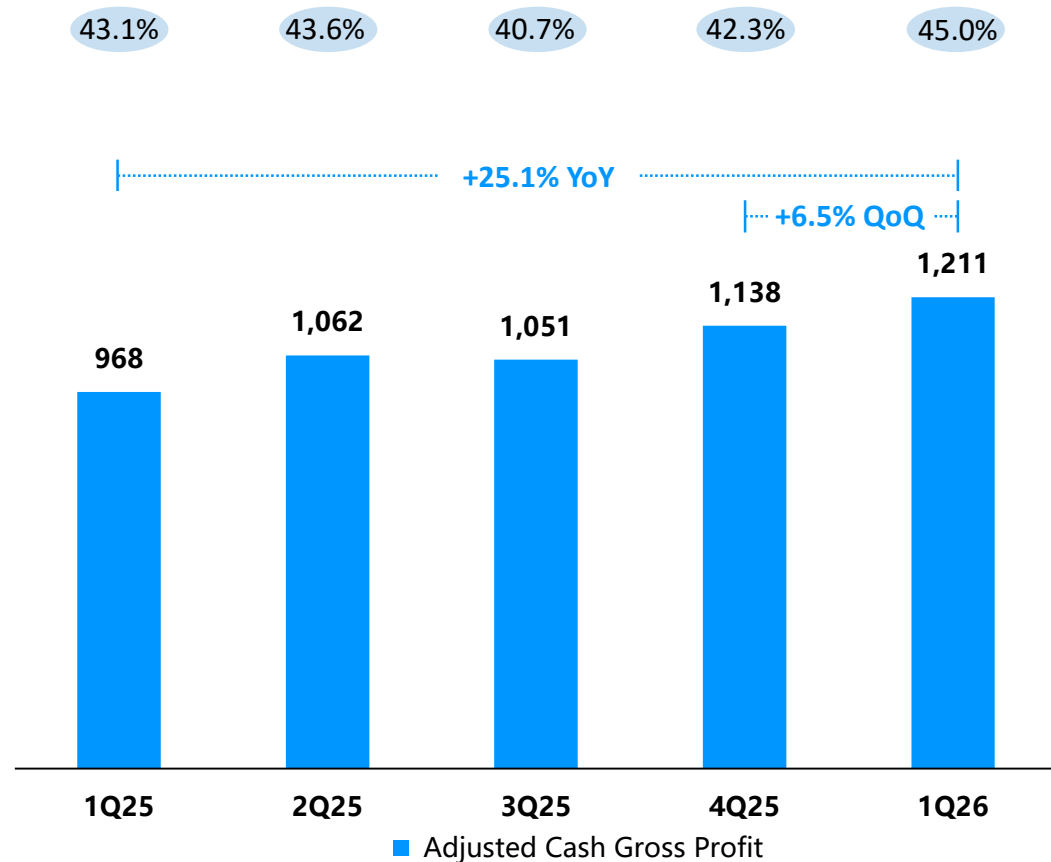
(1) IDC business refers to managed hosting services, consisting of the wholesale IDC business and the retail IDC business

(2) Non-IDC business consists of cloud services and VPN services

# Healthy Margins through Efficiency Enhancement

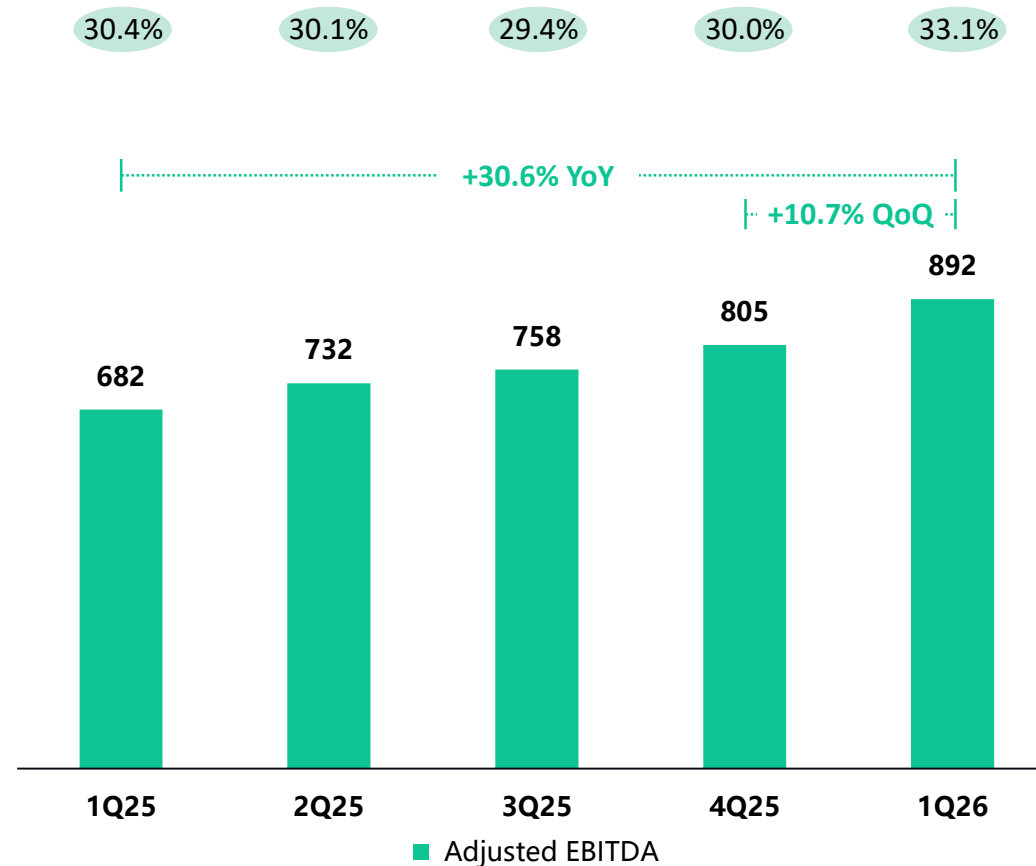
## Adjusted Cash Gross Profit & Margin <sup>(1)</sup>

(RMB MM)



## Adjusted EBITDA & Margin <sup>(2)</sup>

(RMB MM)



Source: Company data as of March 31, 2026

Notes:

(1) Adjusted cash gross profit is defined as gross profit excluding depreciation, amortization, and share-based compensation expense

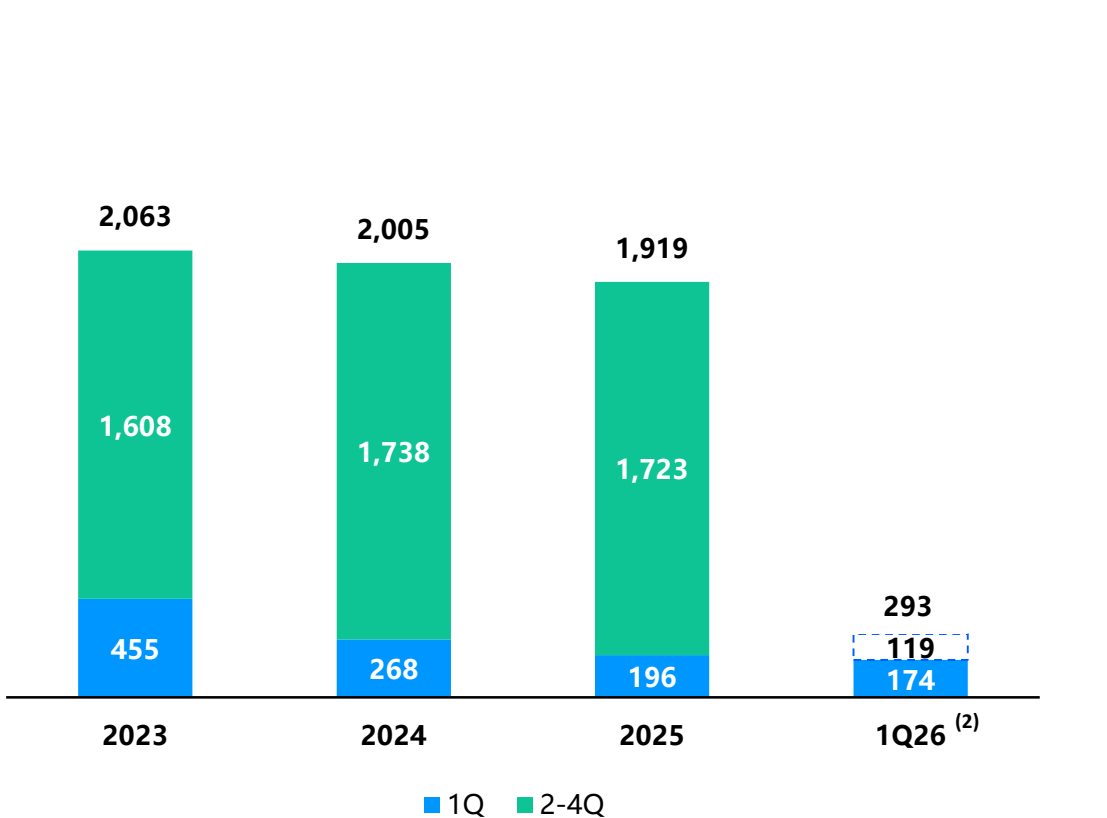
(2) Adjusted EBITDA is calculated as operating profit excluding depreciation and amortization, share-based compensation expenses, compensation for postcombination employment in an acquisition, allowance of loan receivables, impairment of long-lived assets, and impairment of goodwill

# Strong Liquidity Position



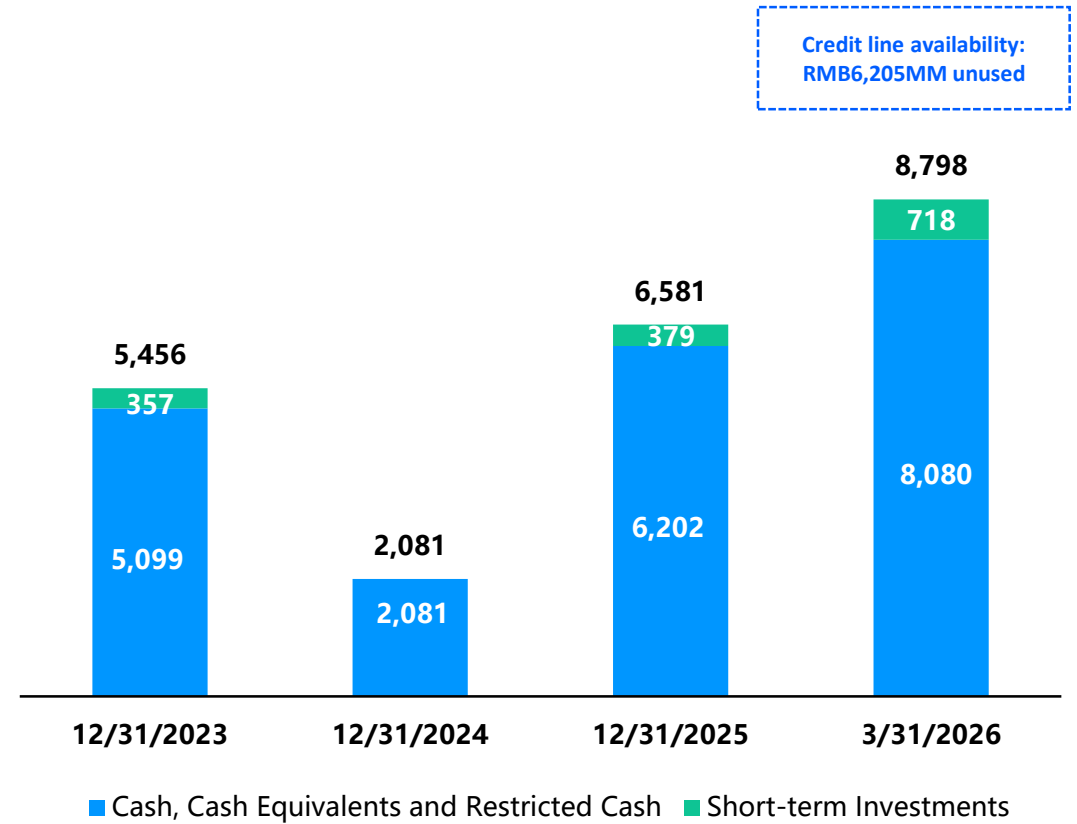
## Net Operating Cash Flow

(RMB MM)



## Cash Position <sup>(1)</sup>

(RMB MM)



Source: Company data as of March 31, 2026

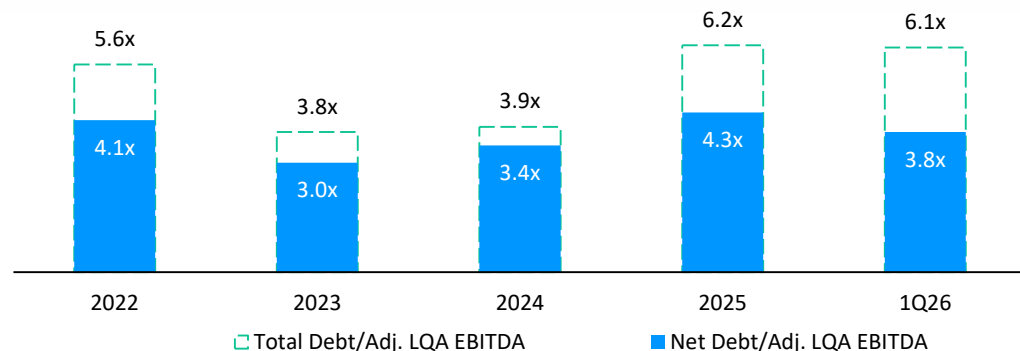
Notes:

(1) Cash position refers to cash, cash equivalents, restricted cash, and short-term investments

(2) Income tax related to capital transactions and other one-off items totaled approximately RMB119 million in 1Q26

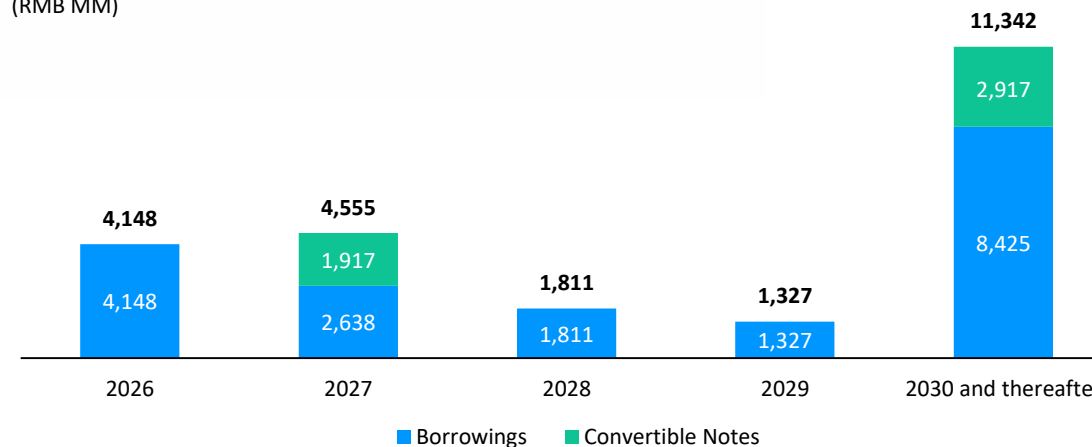
# Well Laddered Debt Profile

### Total Debt & Net Debt / Adj. LQA EBITDA (1)

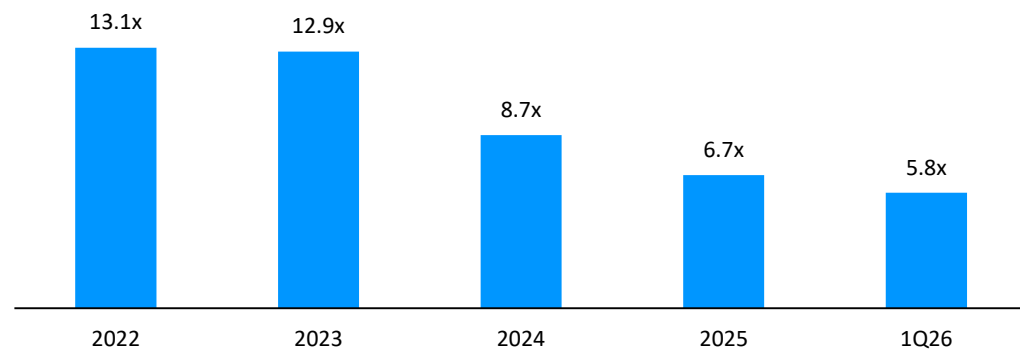


### Debt Breakdown by Maturity

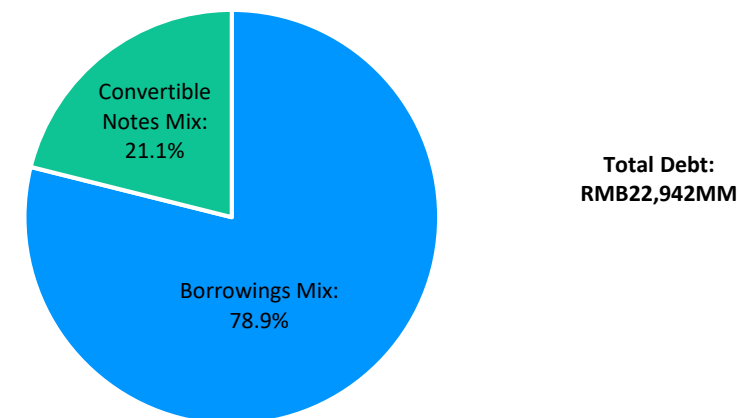
(RMB MM)



### Adj. TTM EBITDA Interest Coverage (2)



### Debt Structure



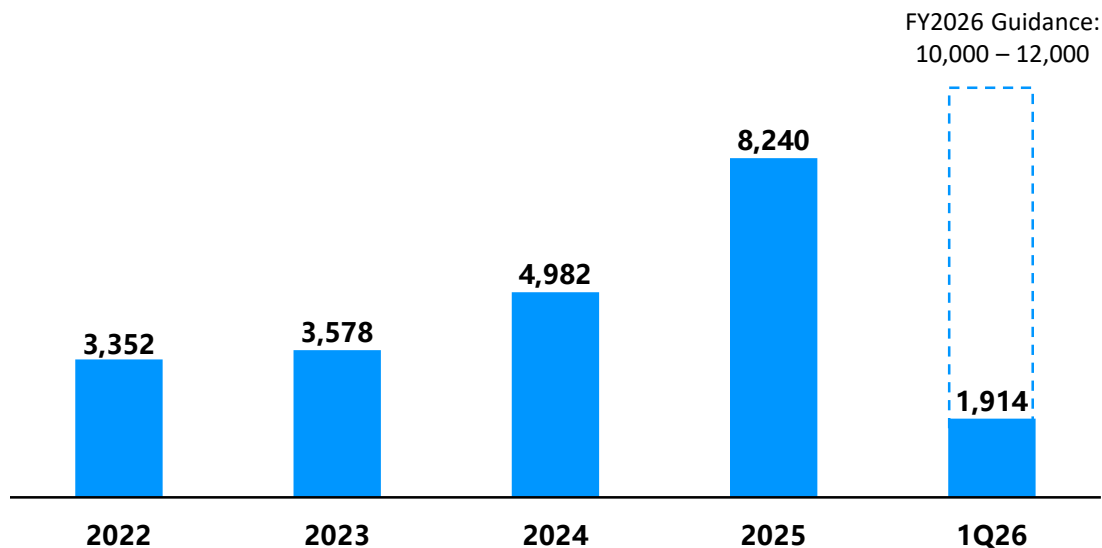
Source: Company data as of March 31, 2026

Notes:  
 (1) Total Debt = Short-term and long-term borrowings + Convertible notes; Net Debt = Total debt – Cash and cash equivalent – Short-term investments; Adjusted LQA (Last Quarter Annualized) EBITDA is calculated as the annualized value of the Adjusted EBITDA for 1Q26, after deducting the financing lease expense of RMB 30.3 million for 1Q26 and adding back the allowance for doubtful debt for 1Q26  
 (2) Adjusted TTM EBITDA Interest Coverage = Adjusted TTM EBITDA/Net Interest Expense (interest expense after excluding the TTM finance lease expense - interest income); Adjusted TTM EBITDA is calculated as TTM adjusted EBITDA, after deducting the TTM financing lease expense of RMB 120.8 million and adding back the TTM allowance for doubtful debt

# Capex Paid by Year

## Capital Expenditure <sup>(1)</sup>

(RMB MM)



## Highlights

- The majority of the RMB1.91 billion in capex for the 1Q26 was allocated to the expansion of our wholesale IDC business.
- Driven by the robust growth of our wholesale business, we plan to deliver 450 - 500MW in 2026. Accordingly, we expect our FY2026 capex to be in the range of RMB10.0 billion - 12.0 billion.

Source: Company data as of March 31, 2026

Notes:

(1) Capital expenditure refers to the overall outflow of funds for acquiring property and equipment, intangible assets, land use rights, engaging in mergers and acquisitions as well as long-term investments

# Guidance






RMB MM	FY2025 Actual	FY2026 Guidance	Implied YoY
Total Net Revenues	9,949	11,500 - 11,800	15.6% - 18.6%
Adjusted EBITDA <sup>(1)</sup>	2,978	3,550 - 3,750	19.2% - 25.9%
Capex	8,240	10,000 - 12,000	21.4% - 45.6%
Delivery Plan (MW)	404	450 - 500	11.4% - 23.8%

Source: Company data

Notes:

(1) Adjusted EBITDA is calculated as operating profit excluding depreciation and amortization, share-based compensation expenses, compensation for postcombination employment in an acquisition, allowance of loan receivables, impairment of long-lived assets, and impairment of goodwill

## ESG Initiatives – Commitment to Sustainability

-  Commitment to achieve both targets of operational **carbon neutrality** in Scope 1 and Scope 2 emissions, and **100% renewable energy usage** by 2030
-  Scored 73, and ranked **top 7%** of the IT services industry globally in the 2025 S&P Corporate Sustainability Assessment. Earning inclusion in the S&P Global Sustainability Yearbook **for two consecutive years**. Ranked **first** among Chinese enterprises in the IT services industry in the S&P Global Sustainability Yearbook (China) **for the four consecutive years**, winning the "**Top 1%**" award
-  Achieved **B** rating from CDP's 2025 climate change questionnaire, with 9 out of 16 categories achieving **A**-grade recognition. Also received **A** rating, which is **the highest rating** in CDP's Supplier Engagement Assessment, and has been recognized as a "**Supplier Engagement Leader**"
-  The total energy from renewable sources was about **1,253,719 MWh**, and the percentage of renewable energy reached approximately **36%** in 2025
-  The average annual power usage effectiveness (PUE) of data centers with stabilized operations in 2025 was **1.24**

# Appendix

# Differentiated Business Model with Comprehensive Offerings

**Managed Hosting Services (IDC)**

**Cloud Services**

**VPN Services <sup>(1)</sup>**



## Services

- Co-location
- Interconnectivity
- Hybrid IT Services
- Other Value-added Services
- Customized, High-power Density Solutions



- Multi-Protocol Label Switching (MPLS) & Software-Defined Wide Area Network (SD-WAN) Solutions
- Internet Access & Network Security Solutions
- Cloud & SaaS Solutions



## Strengths

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

- ✓ Long-term strategic partnership with Microsoft in mainland China for public and hybrid cloud services
- ✓ IaaS, PaaS, and SaaS to enterprise and individual end customers

- ✓ Best-in-class, enterprise-grade network services
- ✓ 220+ POPs <sup>(2)</sup> across the world
- ✓ Customized VPN solutions for enterprise customers across various verticals

**Broad-based and high quality solution suite to meet customers' mission critical needs**

Source: Company information

Notes:

(1) VPN refers to virtual private network

(2) POP refers to point of presence as of March 31, 2026

# Dual-Core Growth Strategy of IDC Business

## Wholesale Retail

### Hyperscale IDC



### Interconnectivity Services

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



### Retail Colocation



### Full-Stack Services

Covering large and loyalty customer base across verticals including: *financial services, IT service, enterprise digitalization, mobility, virtual reality and local service*



- >7,000 enterprise customers, of which ~1,500 customers are using our managed hosting services
- Around 90% of total net revenues have been recurring revenues since IPO
- Low churn rate for core IDC business, constantly below 1% demonstrating our high customer retention
- Maintain high level of customer diversification with top 20 customers contributing 60.7% of total revenues in 1Q26

# Wholesale Capacity in Service – Yangtze River Delta



Region	IDC Code	Tenure	Capacity in Service (MW)	Capacity Utilized (MW)	Total Capacity Committed <sup>(1)</sup> (MW)	Utilization Rate <sup>(2)</sup>	Commitment Rate <sup>(3)</sup>
	E-JS Campus 01 Phase 1	Owned	28	27	28	95.0%	100.0%
	E-JS Campus 01 Phase 2	Owned	16	13	16	79.0%	100.0%
	E-JS Campus 02A	Owned	25	24	25	95.7%	100.0%
	E-JS Campus 02B	Owned	24	24	24	99.8%	100.0%
	E-JS Campus 02C	Owned	26	26	26	98.1%	100.0%
	E-JS Campus 02D	Owned	26	26	26	99.8%	100.0%
Yangtze River Delta	E-JS Campus 02E	Owned	64	57	64	87.7%	100.0%
	E-JS Campus 03A	Owned	32	29	32	90.3%	100.0%
	E-JS02A	Leased	13	12	13	96.8%	100.0%
	E-JS02B	Leased	13	13	13	97.3%	100.0%
	E-JS02C	Leased	13	12	13	95.0%	100.0%
	E-JS03	Leased	15	14	15	97.4%	100.0%
	E-JS04	Leased	15	1	15	4.4%	100.0%
<b>Subtotal</b>			<b>311</b>	<b>277</b>	<b>311</b>	<b>89.2%</b>	<b>100.0%</b>

Source: Company data as of March 31, 2026

Notes:

(1) Total capacity committed is the capacity committed to customers pursuant to customer agreements remaining in effect

(2) Utilization rate is calculated by dividing utilized capacity by customers by the capacity in service

(3) Commitment rate is calculated by total capacity committed divided by total capacity in service

# Wholesale Capacity in Service – Greater Beijing Area



Region	IDC Code	Tenure	Capacity in Service (MW)	Capacity Utilized (MW)	Total Capacity Committed <sup>(1)</sup> (MW)	Utilization Rate <sup>(2)</sup>	Commitment Rate <sup>(3)</sup>
Greater Beijing Area	BJ15	Owned	9	0	0	0.0%	0.0%
	N-HB02 Phase 1	Owned	28	27	28	96.9%	100.0%
	N-HB Campus 01A	Owned	35	6	6	16.6%	16.6%
	N-HB Campus 01B	Owned	36	32	36	88.7%	100.0%
	N-HB Campus 03	Owned	47	11	47	22.8%	100.0%
	N-OR Campus 01	Owned	152	129	152	84.7%	100.0%
	N-OR Campus 02A	Owned	117	53	117	45.5%	99.7%
	N-HB02 Phase 2	Leased	19	18	19	97.7%	100.0%
	N-HB03	Leased	12	10	12	88.3%	100.0%
	N-HB04	Leased	14	5	14	34.2%	100.0%
	N-OR02	Leased	29	28	29	96.7%	100.0%
	N-OR04	Leased	14	14	14	95.2%	100.0%
	N-OR05	Leased	16	15	16	93.4%	100.0%
	N-OR06	Leased	32	31	32	95.8%	100.0%
N-OR07A	Leased	19	17	19	92.8%	100.0%	
N-OR08A	Leased	19	14	19	76.4%	100.0%	
<b>Subtotal</b>			<b>596</b>	<b>409</b>	<b>558</b>	<b>68.7%</b>	<b>93.5%</b>
<b>Total</b>			<b>907</b>	<b>687</b>	<b>869</b>	<b>75.7%</b>	<b>95.7%</b>

Source: Company data as of March 31, 2026

Notes:

(1) Total capacity committed is the capacity committed to customers pursuant to customer agreements remaining in effect

(2) Utilization rate is calculated by dividing utilized capacity by customers by the capacity in service

(3) Commitment rate is calculated by total capacity committed divided by total capacity in service

# Wholesale Capacity Under Construction & Held for Future Development



## Under Construction

Region	IDC Code	Tenure	Capacity under Construction (MW)	Total Capacity Pre-committed <sup>(1)</sup> (MW)	Pre-commitment rate <sup>(2)</sup>	Ready for Service
Yangtze River Delta	E-JS Campus 03B	Owned	44	44	100.0%	2H26
	N-HB Campus 02	Owned	59	0	0.0%	2H26
	N-HB Campus 03	Owned	4	4	91.4%	1H26
	N-HB04	Leased	21	7	33.0%	2H26/1H27
Greater Beijing Area	N-OR Campus 01	Owned	9	9	100.0%	1H26
	N-OR Campus 02A	Owned	101	101	100.0%	2H26
	N-OR Campus 02B	Owned	65	65	100.0%	2H26
	N-OR Campus 03	Owned	213	213	100.0%	2H26/1H27
<b>Total</b>			<b>516</b>	<b>443</b>	<b>85.8%</b>	

## Held for Future Development

Region	Capacity Held for Future (MW)
Greater Beijing Area	1,019
Yangtze River Delta	37
<b>Total</b>	<b>1,056</b>

Source: Company data

Notes:

(1) Total capacity pre-committed, on a year-to-date 2026 basis, is the capacity under construction which is pre-committed to customers pursuant to customer agreements remaining in effect

(2) Pre-commitment rate is calculated by total disclosed capacity pre-committed year-to-date 2026 divided by capacity under construction as of March 31, 2026

# Key P&L Items

Amount in thousands	Three months ended				
	March 31, 2025 RMB	December 31, 2025 RMB	March 31, 2026 RMB	US\$	
<b>Net revenues</b>	<b>2,246,220</b>	<b>2,687,089</b>	<b>2,691,136</b>	<b>390,133</b>	
Cost of revenues	(1,680,879)	(2,146,705)	(2,075,269)	(300,851)	
<b>Gross profit</b>	<b>565,341</b>	<b>540,384</b>	<b>615,867</b>	<b>89,282</b>	
Sales and marketing expenses	(64,346)	(73,564)	(53,682)	(7,782)	
Research and development expenses	(43,603)	(78,665)	(74,423)	(10,789)	
General and administrative expenses	(179,770)	(218,853)	(162,380)	(23,540)	
<b>Operating profit</b>	<b>248,531</b>	<b>153,007</b>	<b>246,929</b>	<b>35,798</b>	
Net Interest expense	(93,902)	(184,433)	(210,652)	(30,538)	
Others, net	(627)	36,205	(1,615)	(235)	
Changes in the fair value of financial instruments	(334,904)	287,384	(32,095)	(4,653)	
Gain on deconsolidation of a subsidiary	-	469,838	-	-	
Foreign exchange gain (loss)	9,527	(29,436)	36,083	5,231	
<b>(Loss) income before income taxes and gain from equity method investments</b>	<b>(171,375)</b>	<b>732,565</b>	<b>38,650</b>	<b>5,603</b>	
Income tax expenses	(52,062)	(388,933)	(486,161)	(70,479)	
Gain from equity method investments	3,214	1,710	2,611	379	
<b>Net (loss) income</b>	<b>(220,223)</b>	<b>345,342</b>	<b>(444,900)</b>	<b>(64,497)</b>	

# GAAP to Non-GAAP Reconciliations

Amount in thousands	Three months ended			
	March 31, 2025 RMB	December 31, 2025 RMB	March 31, 2026 RMB	US\$
Gross profit	565,341	540,384	615,867	89,282
Plus: depreciation and amortization	402,399	596,766	595,092	86,270
Plus: share-based compensation expenses	109	507	297	43
<b>Adjusted cash gross profit</b>	<b>967,849</b>	<b>1,137,657</b>	<b>1,211,256</b>	<b>175,595</b>
<i>Adjusted cash gross margin</i>	<i>43.1%</i>	<i>42.3%</i>	<i>45.0%</i>	<i>45.0%</i>
Operating profit	248,531	153,007	246,929	35,798
Plus: depreciation and amortization	427,440	644,349	637,551	92,425
Plus: share-based compensation expenses	6,438	7,698	7,054	1,023
<b>Adjusted EBITDA</b>	<b>682,409</b>	<b>805,054</b>	<b>891,534</b>	<b>129,246</b>
<i>Adjusted EBITDA margin</i>	<i>30.4%</i>	<i>30.0%</i>	<i>33.1%</i>	<i>33.1%</i>

# Key Balance Sheet Items

Amount in thousands	As of		As of	
	December 31, 2025	RMB	March 31, 2026	US\$
Cash, cash equivalents and restricted cash	6,201,685		8,080,028	1,171,358
Short-term investments	379,198		718,207	104,118
Accounts and notes receivable, net	2,222,106		2,682,764	388,919
Property and equipment, net	22,775,579		24,533,134	3,556,558
Intangible assets, net	2,004,710		1,987,282	288,095
Land use rights, net	867,765		868,577	125,917
Operating lease right-of-use assets, net	4,871,341		4,709,302	682,705
<b>Total assets</b>	<b>44,594,162</b>		<b>49,116,456</b>	<b>7,120,392</b>
Accounts and notes payable	741,878		832,786	120,729
Borrowings	14,811,379		18,108,627	2,625,200
Finance lease liabilities	2,001,708		1,979,653	286,989
Operating lease liabilities	4,963,322		4,847,980	702,810
Convertible notes	5,138,664		4,833,867	700,764
<b>Total liabilities</b>	<b>36,029,690</b>		<b>39,123,015</b>	<b>5,671,647</b>
<b>Total mezzanine equity</b>	<b>1,711,591</b>		<b>5,135,112</b>	<b>744,435</b>
<b>Total VNET Group, Inc. shareholders' equity</b>	<b>6,218,444</b>		<b>4,232,114</b>	<b>613,528</b>
Noncontrolling interest	634,437		626,215	90,782
<b>Total shareholders' equity</b>	<b>6,852,881</b>		<b>4,858,329</b>	<b>704,310</b>
<b>Total liabilities, mezzanine equity and shareholders' equity</b>	<b>44,594,162</b>		<b>49,116,456</b>	<b>7,120,392</b>

# Key Cash Flow Items

Amount in thousands	Three months ended			
	March 31, 2025	December 31, 2025	March 31, 2026	
	RMB	RMB	RMB	US\$
Net cash generated from operating activities	195,713	546,424	173,676	25,178
Net cash used in investing activities	(1,884,770)	(555,618)	(2,218,780)	(321,656)
Net cash generated from financing activities	5,366,622	2,130,316	3,947,807	572,311
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	9,020	(673)	(24,360)	(3,531)
Net increase in cash, cash equivalents and restricted cash	3,686,585	2,120,450	1,878,343	272,302
Cash, cash equivalents and restricted cash at beginning of period	2,081,073	4,081,235	6,201,685	899,056
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>5,767,658</b>	<b>6,201,685</b>	<b>8,080,028</b>	<b>1,171,358</b>

# Definitions



Term	Definition
IDC Business	IDC business refers to managed hosting services, consisting of the wholesale IDC business and the retail IDC business. Beginning in the first quarter of 2024, our IDC business was subdivided into wholesale IDC business and retail IDC business according to the nature and scale of our data center projects. Prior to 2024, the subdivision was based on customer contract types
Non-IDC Business	Non-IDC business consists of cloud services and VPN services
VPN Services	Virtual private network provided by VNET, including Multiprotocol Label Switching (“MPLS”), software-defined wide area network (“SD-WAN”), internet access and network security solutions, and fully managed network enabling connectivity to enterprises across various industries
Cloud Services	Microsoft’s cloud services, including Azure, Microsoft 365, Dynamics 365 and Power Platform, operated by VNET as strategic partner to customers in mainland China
Capacity in Service	Data centers which are ready for service
Capacity under Construction	Data centers which are actively under construction and have not yet reached the stage of being ready for service
Capacity Held for Future Development	Refers to the secured IDC resources that have been reserved for future development purposes and are not currently active for construction
Mature Capacity for Wholesale Data Centers	Refers to wholesale data centers in which utilization rate is at or above 80%
Ramp-up Capacity for Wholesale Data Centers	Refers to wholesale data centers in which utilization rate is below 80%
Mature Capacity for Retail Data Centers	Refers to retail data centers that came into service prior to the past 24 months
Ramp-up Capacity for Retail Data Centers	Refers to retail data centers that came into service within the past 24 months, or mature retail data centers that have undergone improvements within the past 24 months
Utilized Capacity	Capacity in service that is committed to customers and revenue generating pursuant to the terms of customer agreements remaining in effect
Utilization Rate	The utilization rate (“UR”) is calculated by dividing utilized capacity by customers by the capacity in service
Total Capacity Committed	Total capacity committed is the capacity committed to customers pursuant to customer agreements remaining in effect
Total Capacity Pre-committed	Total capacity pre-committed is the capacity under construction which is pre-committed to customers pursuant to customer agreements remaining in effect
Commitment Rate	Commitment rate is calculated by total capacity committed divided by total capacity in service
Pre-commitment Rate	Pre-commitment rate is calculated by total capacity pre-committed divided by capacity under construction
MRR per Retail Cabinet	MRR per retail cabinet refers to monthly recurring revenues per cabinet for the retail IDC business
MW	Megawatt
BTH	Beijing-Tianjin-Hebei Region
PUE	Power usage effectiveness, a ratio of the total power usage of a data center to the power usage of the IT equipment inside a data center

**THANKS!**

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