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21Vianet Group, Inc.

Investor Presentation

September, 2018



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At a Glance

Inception Time	In 1996
Listing Time	Apr, 2011
Exchange / Ticker	Nasdaq: VNET
Price (as of Nov 16, 2018)	\$ 11.45
Market Cap	\$ 1.28 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:



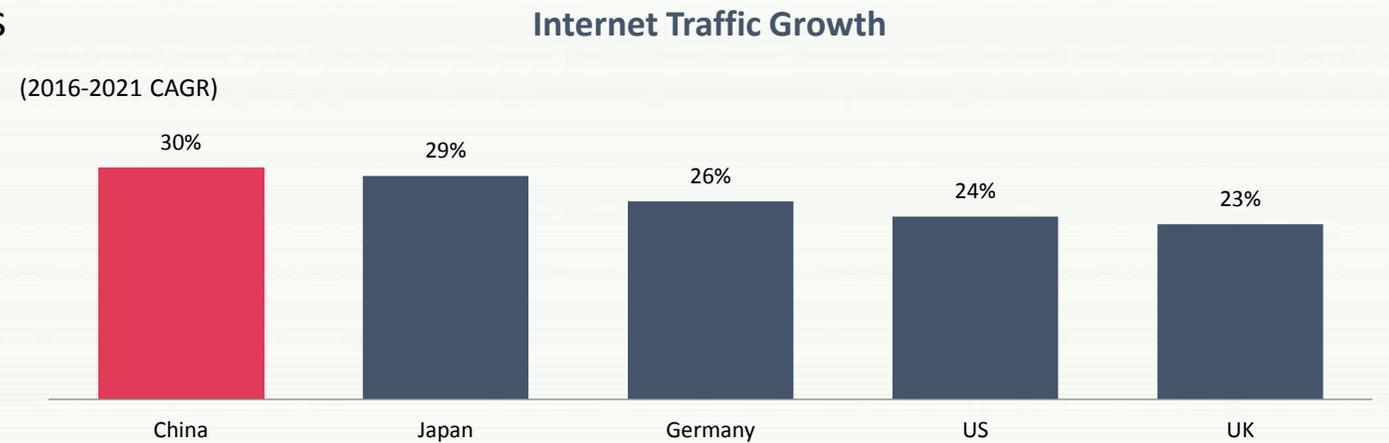
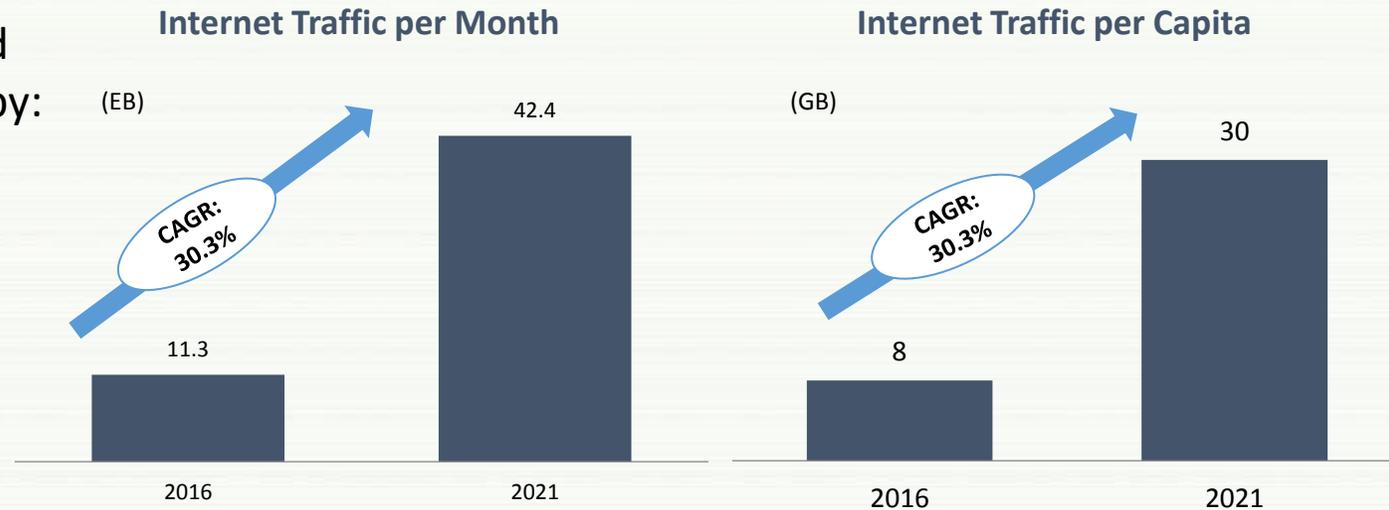
China's ever deepening Internet penetration accelerates the demand for online services.



Business Intelligence, Big Data, and IT services demand high-quality network & solutions.



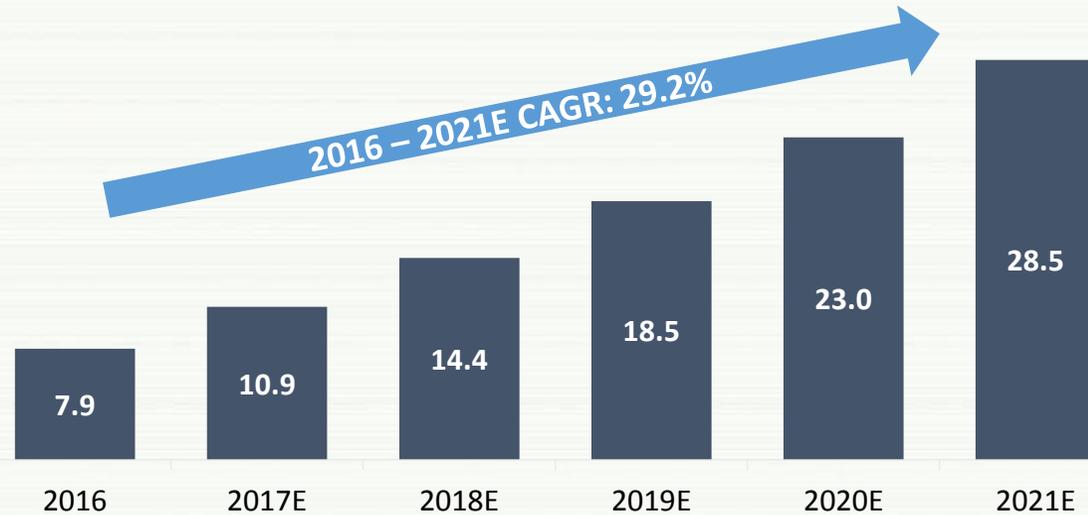
Entry barriers limit new IDC entrants while Internet companies continue to outsource.



IDC: One of the Fastest Growing Sectors

Internet Data Center (IDC) Market Size in China

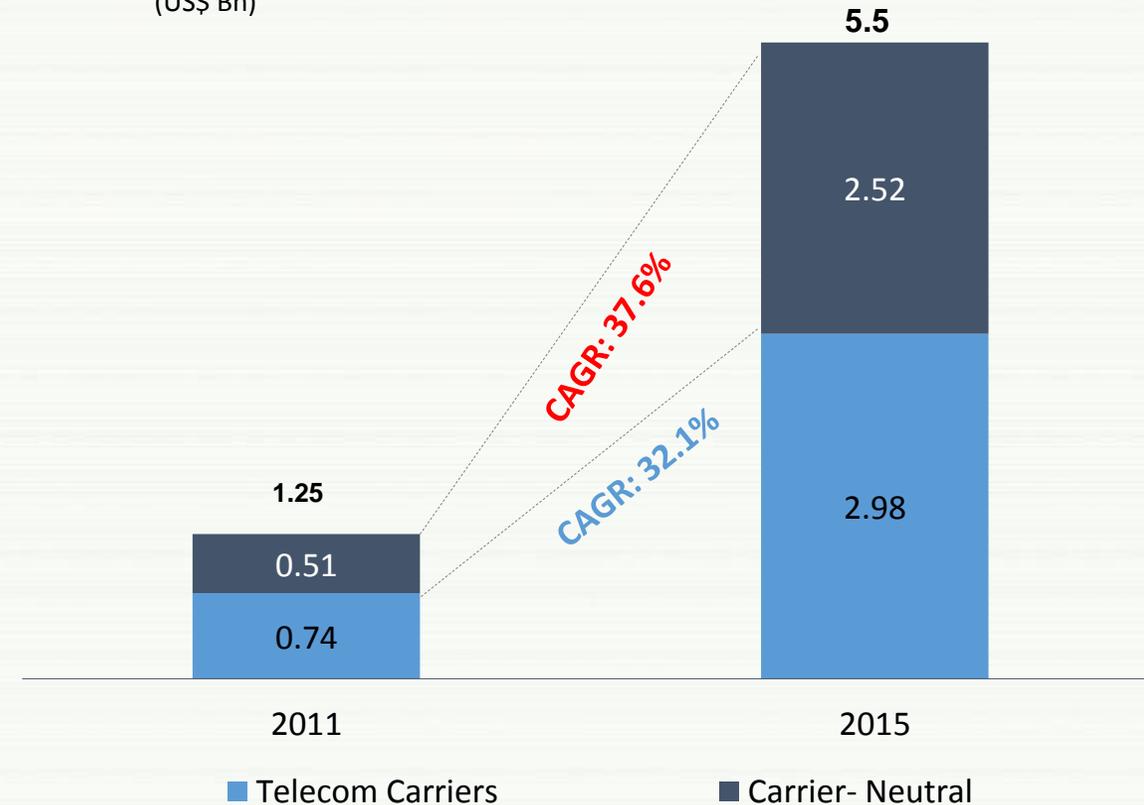
(US\$ Bn)



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

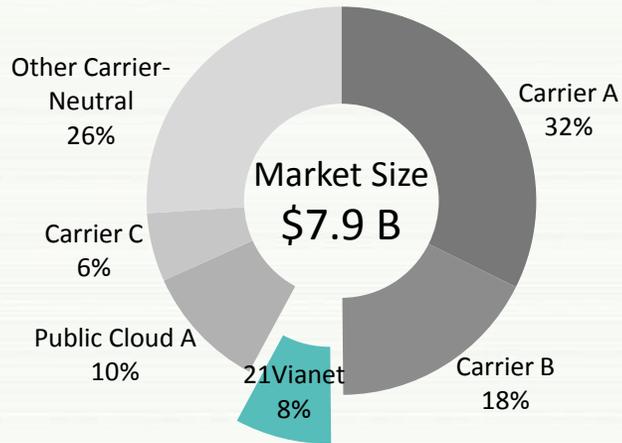
Carrier-Neutral IDC Market to Outgrow

(US\$ Bn)



21Vianet's Market Leadership

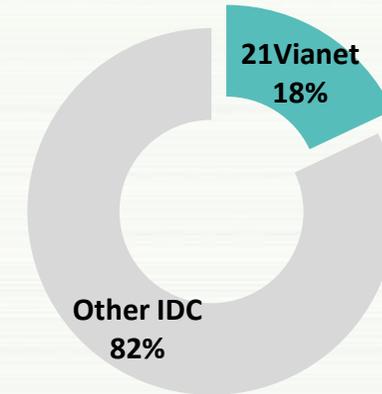
China IDC Market Share in 2016 ⁽¹⁾



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
- **30,303** ⁽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, Sep 2017 (Market share data as of year end 2016), 451 research, Bain analysis
2. Company filings, data as of December 31, 2017
3. Q3 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



Awards

- Well-Known Trademark Honor (“中国驰名商标”) in 2014
- Reliable Cloud Service (“可信云办公应用奖”) in 2015
- Most-Influential Enterprise (“最具影响力企业”) in China IDC Industry in 2015 and 2016
- Innovative Enterprise (“创新企业”) and Top Choice for Hybrid Cloud (“混合云首选品牌”) in China’s IDC Industry in 2016
- IDC Integrated Management Excellence (“综合管理优秀奖”) and China’s IDC Leading Enterprise (“领军企业”) in 2017
- Top 100 Internet

1st infrastructure service supplier to obtain **ISO09002 RAB (USA)** certification and **UKAS (Britain)** certification in China

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

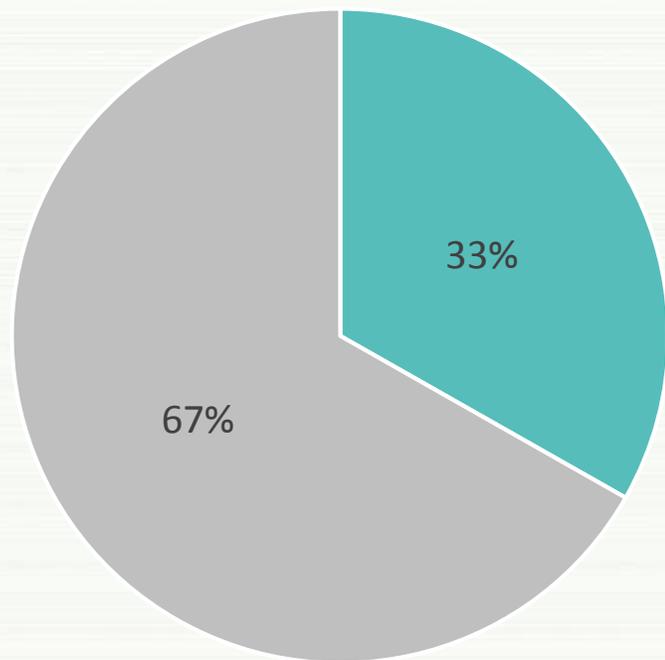
Our Advantages

- 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 2015

Top 20 customers in 3Q18 Net Revenue %



■ Top 20 ■ Others

Top 5 Customers	% of 3Q Revenue
Internet Company	11.2%
Financial Service	2.3%
e-Commerce	2.3%
e-Commerce	2.2%
e-Commerce	1.9%

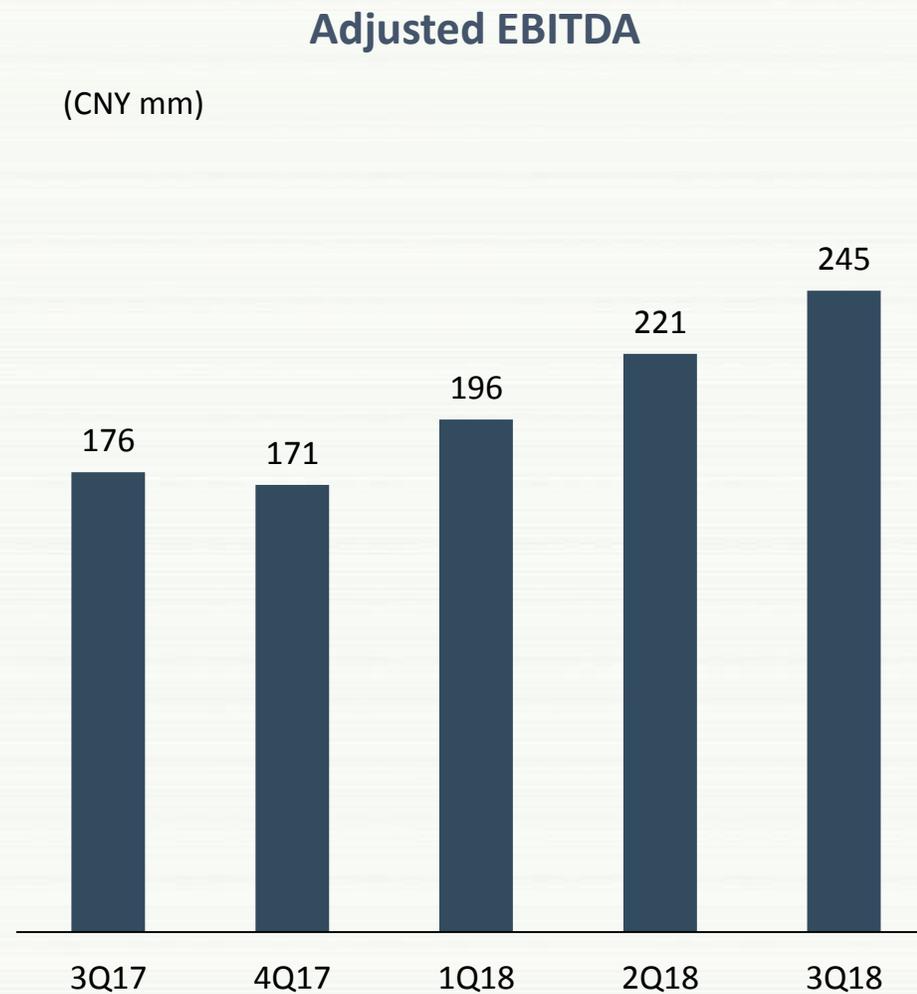
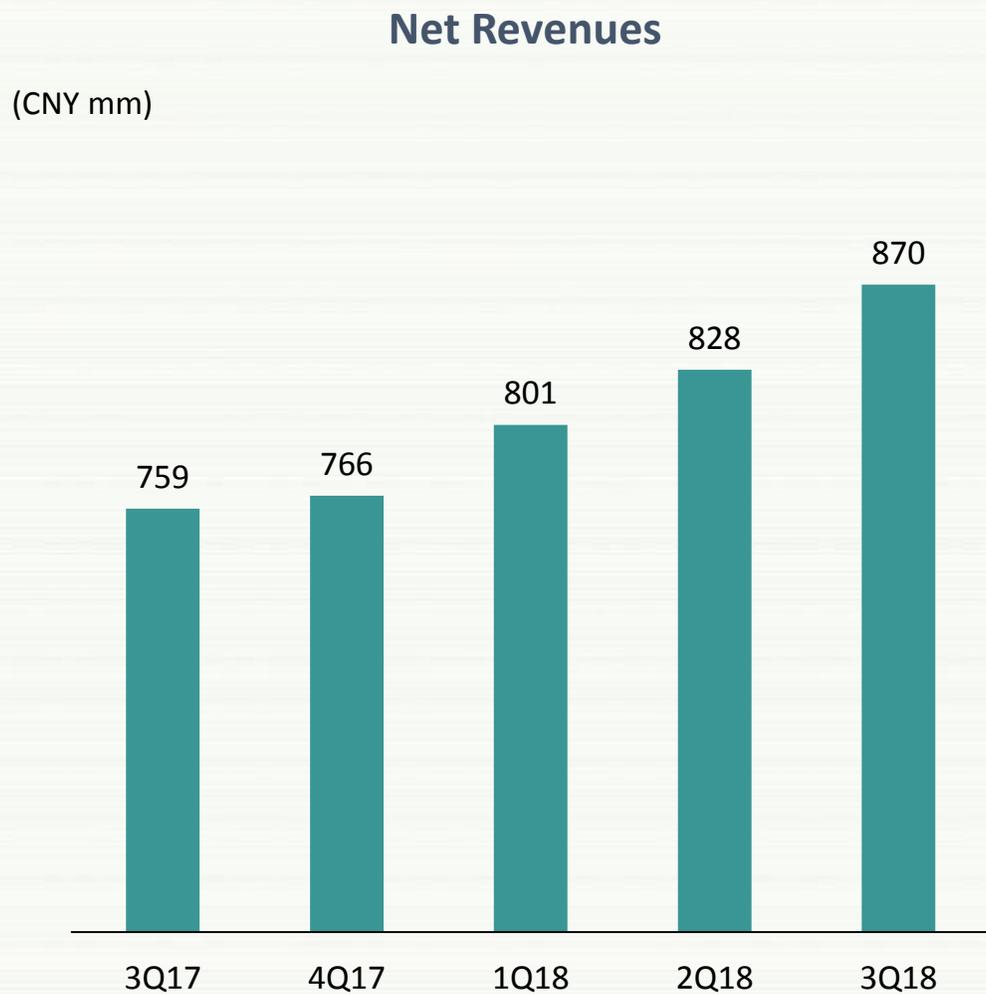
Source: Q3 2018 Company filings.

3 Recurring Revenue and Diversified Customers



Source: Company filings.

4 Sustainable Growth and Profitability



Source: Q3 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
- 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

Partners



TEMASEK
HOLDINGS



- In Dec, 2014, we received a combined strategic investment from Kingsoft, Temasek and Xiaomi
- As of 30th June 2018, Xiaomi has become the signal largest customer of the company, which represent 11% of company net revenue



Microsoft Azure
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Microsoft Office 365

- 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



- 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



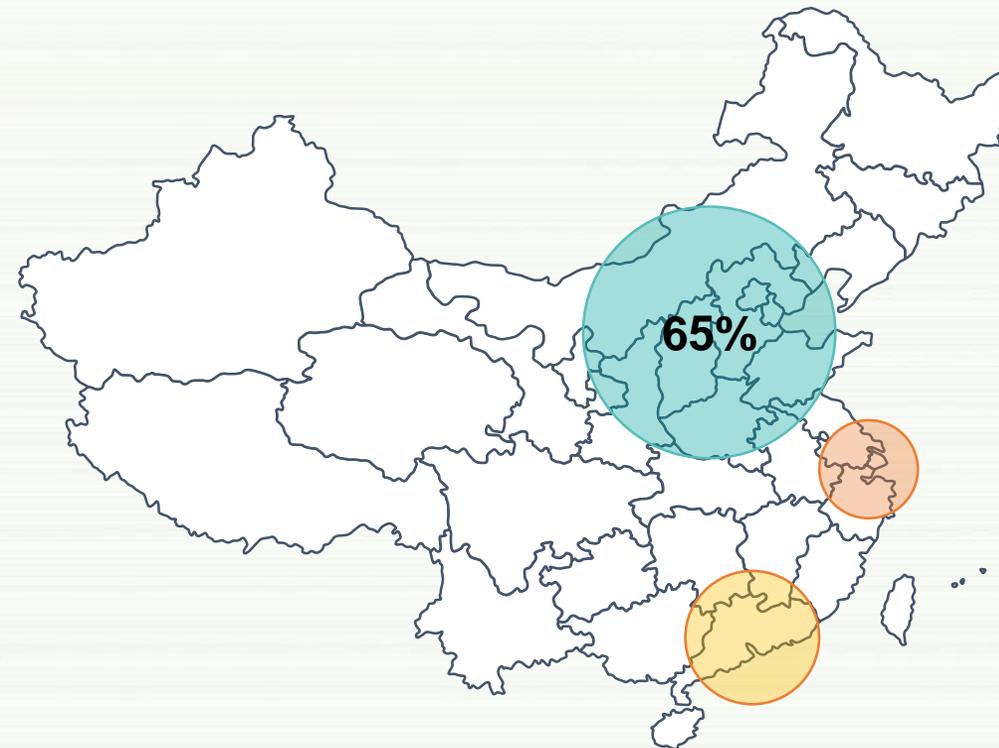
BJ 1



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.



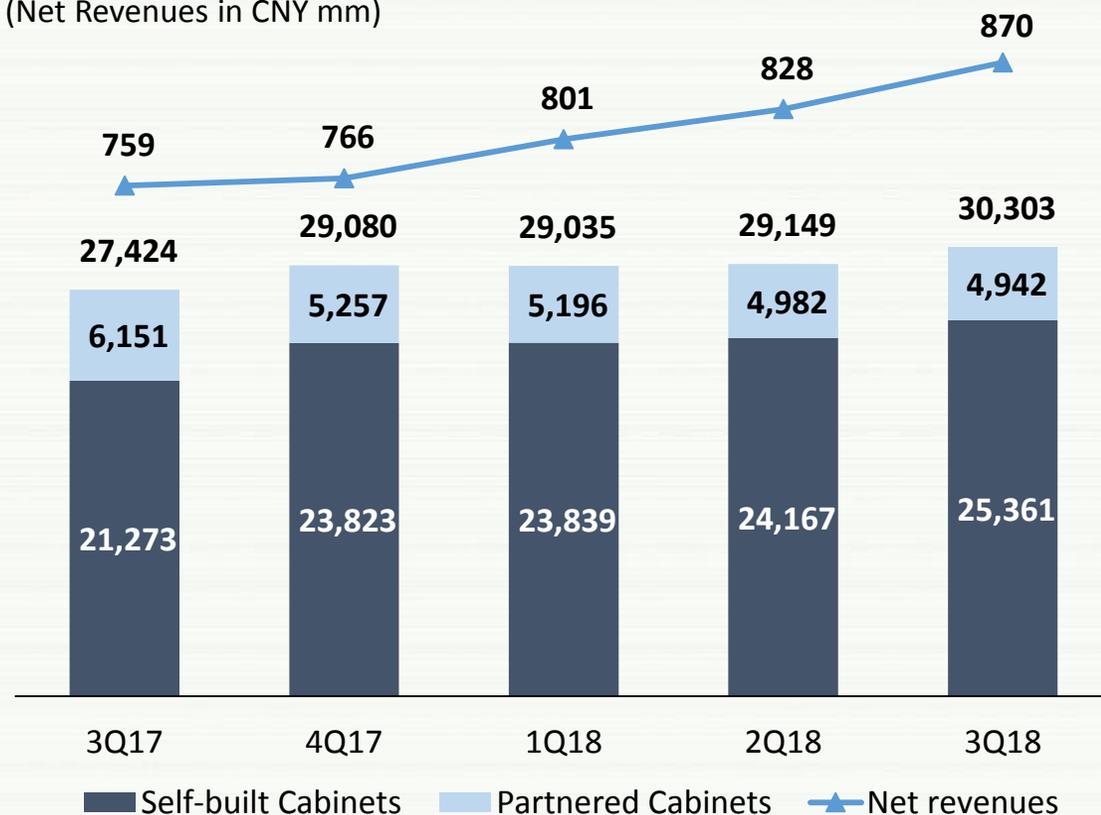
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Financial Overview

Revenue Growth Supported by Capacity, MRR & Utilization

Net Revenues & Cabinets ⁽¹⁾

(Net Revenues in CNY mm)



IDC MRR per Cabinet ⁽²⁾

(CNY mm)



Utilization Rate ⁽³⁾

(%)



Proven capability to build capacity effectively to fulfill strong market demand

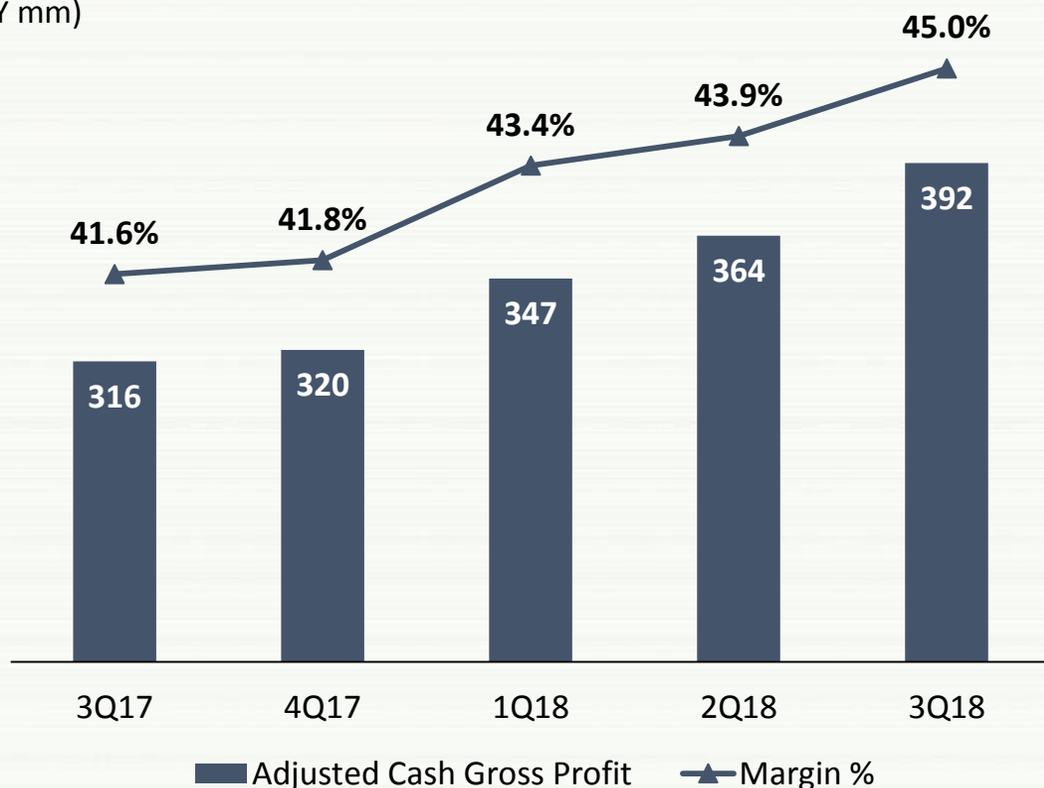
Source: Q3 2018 Company filings.

1. Net revenues include online 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. MRR refers to Monthly Recurring Revenues. And the figures are based on the Company's core IDC business.
3. Utilization rates are based on quarterly average to measure.

Margin Improvements through Efficiency Enhancement

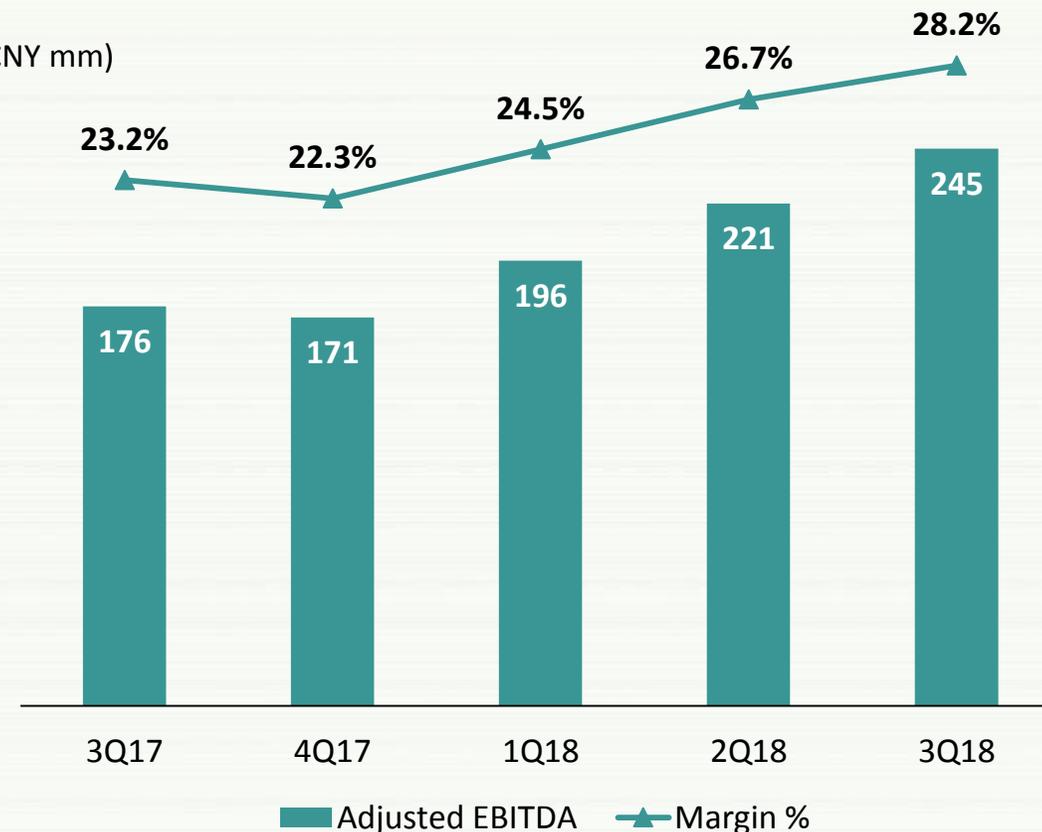
Adjusted Cash Gross Profit & Margin ⁽¹⁾

(CNY mm)



Adjusted EBITDA & Margin ⁽²⁾

(CNY mm)



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

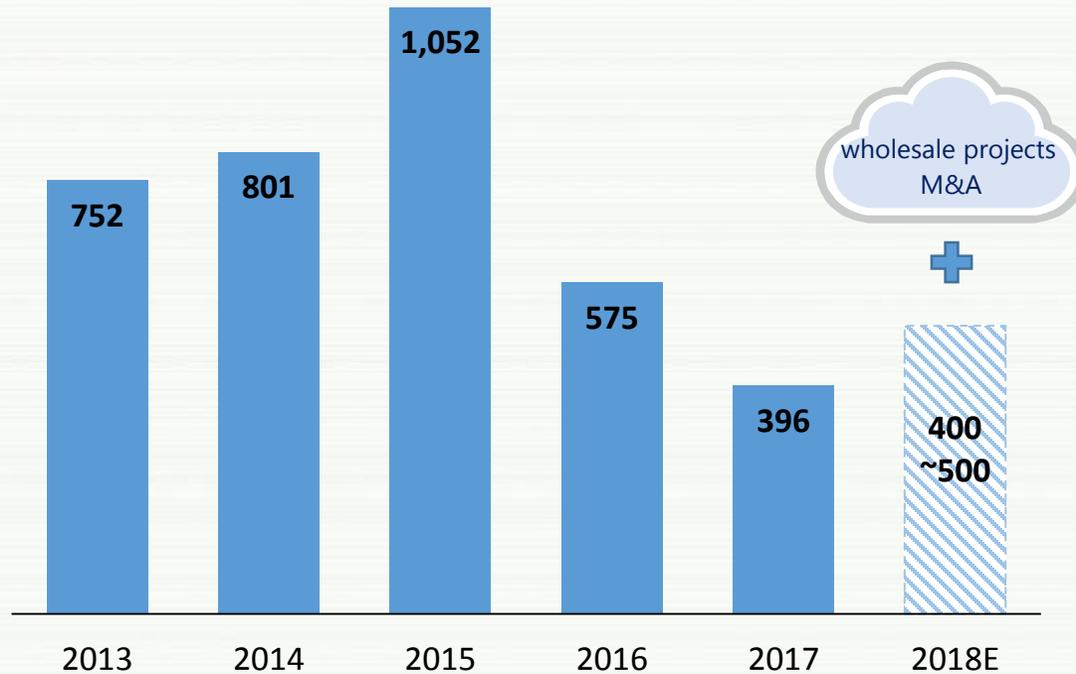
Source: Q3 2018 Company filings.

- 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, changes in the fair value of contingent purchase consideration payable, impairment of long-lived assets and loss on debt extinguishment.
- 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

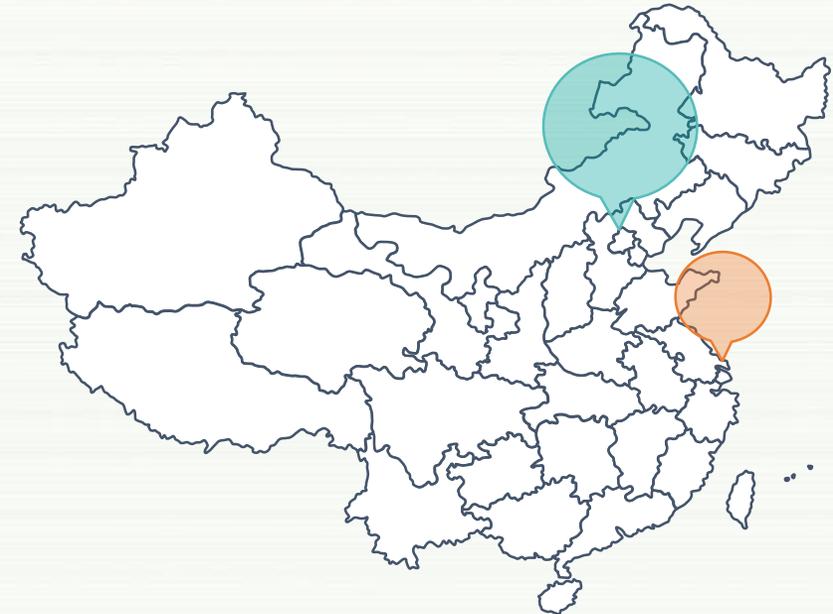
Capital Expenditures ⁽¹⁾

(CNY mm)



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 2018 CAPEX guidance range.

Source: Q3 2018 Company filings

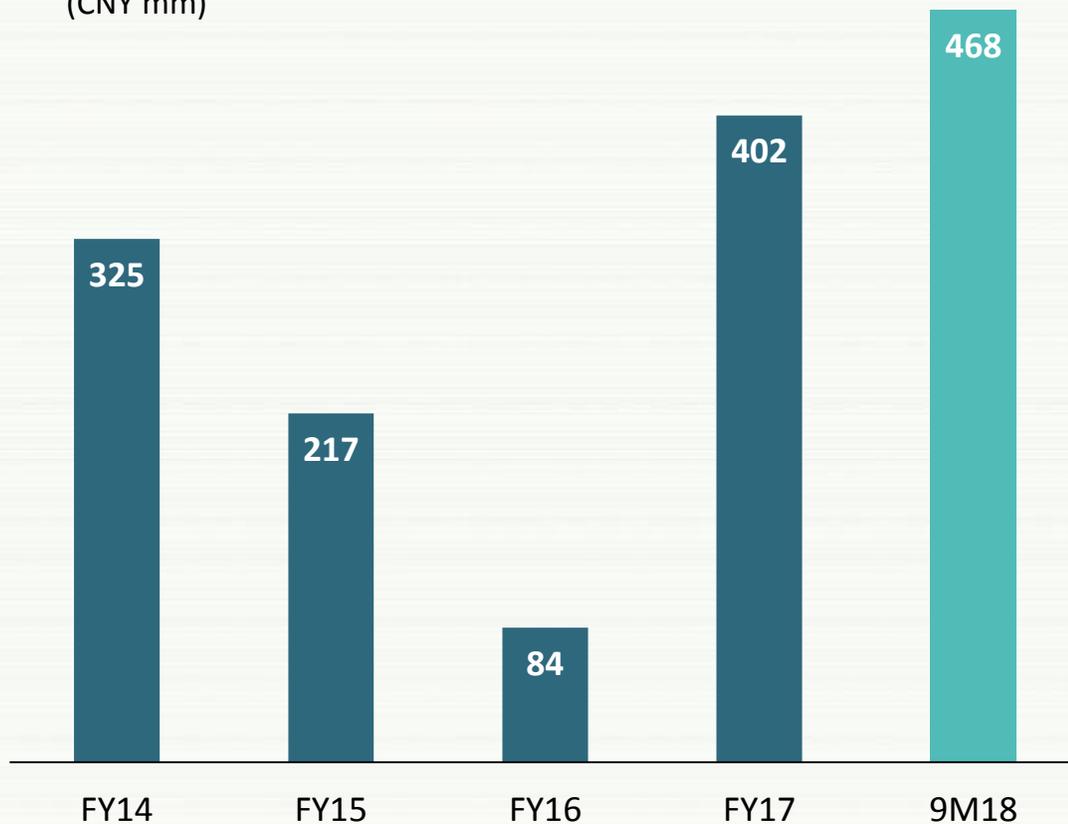
1. Purchases of property and equipment.

2. The statistics displayed on the chart above for 2017 and 2018 only contains the retail business data from Hosting and Related Services.

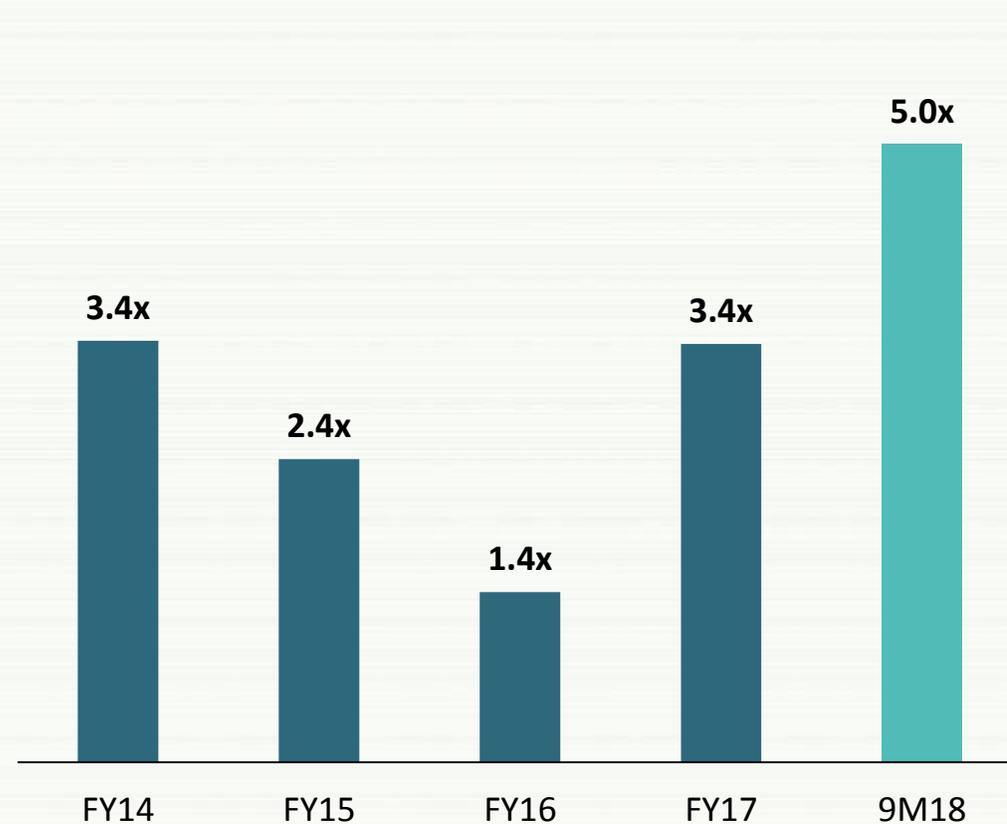
Cash Positions & Liquidity

Operating Cash Flow ⁽¹⁾

(CNY mm)



Adjusted EBITDA Interest Coverage ⁽²⁾



Source: Company filings.

1. The statistics displayed on the charts above for 2018 Q2 only represent the Hosting and Related Services.
2. Adjusted EBITDA Interest Coverage defined as adjusted EBITDA divided by the net interest expenses.

Financial Highlights

CNY'000	3Q17	2Q18	3Q18	YoY	QoQ
Revenues	759,255	828,317	870,068	14.6%	5.0%
Gross profit	217,076	229,433	241,195	11.1%	5.1%
Adjusted cash gross profit ⁽¹⁾	315,594	364,008	391,940	24.2%	7.7%
<i>Adjusted cash gross Margin</i>	<i>41.6%</i>	<i>44.0%</i>	<i>45.0%</i>	-	-
Operating (loss)/profit	47,927	51,496	64,645	34.9%	25.5%
Adjusted EBITDA⁽²⁾	175,765	221,143	245,231	39.5%	10.9%
<i>Adjusted EBITDA Margin</i>	<i>23.1%</i>	<i>26.7%</i>	<i>28.2%</i>	-	-

CNY'000	Dec-15	Dec-16	Dec-17	Sep-18
Cash & cash equivalents, Restricted cash and Short-term investments	2,111,099	3,572,469	2,744,359	2,962,972

Source: Company filings for Hosting and Related service.

- 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, changes in the fair value of contingent purchase consideration payable, impairment of long-lived assets and loss on debt extinguishment.
- 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	3Q18 A	4Q18 E	4Q17 A	YoY
Revenues	828	870 - 890	766	13.6% - 16.2%
Adjusted EBITDA	221	245 - 265	171	43.3% - 55.0%

CNY'MM	Previous FY18	Updated FY18	FY17 A	YoY
Revenues	3,280 - 3,380	3,370 - 3,390	2,975	13.3% - 13.9%
Adjusted EBITDA	800 - 880	905 - 925	671	34.9% - 37.9%

Thank You!

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



Contact Information:

Company website:
<http://www.21vianet.com>

Email: IR@21vianet.com

IR Contacts: Rene Jiang
Julia Jiang