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21Vianet Group, Inc. Investor Presentation

November 2020



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Company Overview

Financials



27.0% YoY
Net revenue growth

35.2% YoY
Adj. EBITDA growth



Capacity

7,426 R
Net adds

51,476 R
Total capacity

Pipeline Resource



~ 8,000 R / ~ 50 MW
adds in 3Q Surrounding
Beijing Area



Capital Structure

USD ~400mm
Equity follow-on

平安银行
PINGAN BANK



Pioneer and Leader



- ✓ A leading **carrier-neutral and cloud-neutral data center services provider in China** with 20+ 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
- ✓ **Adoption of new disruptive technologies** creates massive demand for data usage, storage and analytics

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
2. Frost & Sullivan 2020
3. Virtual private network.

Dual-core Strategy for IDC Business

Retail

Turn-key hybrid cloud solutions + Value added services

Focus on **high-growth verticals**:



Fintech



Online streaming



Mobile IoT



Internet

Wholesale

Hyperscale IDC + Wholesale colocation

Targeting **large enterprise customers**:



Our Strength:

- ✓ Scalable IDCs located in strategic tier-1 and satellite cities provide reliable interconnectivity offerings
- ✓ Turn-key hybrid cloud solutions tailored for various industry verticals help clients to better prepare for the era of 5G and cloud computing
- ✓ Established supply chain as well as comprehensive planning and service capabilities



Our Strength:

- ✓ Dedicated team with 20+ years of experience in IDC design, construction, and operations
- ✓ Providing customized solutions suitable for client needs
- ✓ Hyperscale cloud customers are able to leverage our platform to establish relationship with our diverse retail customers

Resource Pipeline to Support IDC Growth

IDC Pipeline Capacity ⁽¹⁾	Tenure	Status	1H20	3Q20	FY2020	FY2021
BJ11	Leased	In Service		~1,100	~1,100	
BJ12	Leased	In Service		~1,400	~1,400	
BJ13	Leased	Under Construction				~1,200
BJ14	Leased	Under Construction				~1,100
N-HB01 <i>NEW</i>	Leased	Brownfield				~2,000
N-HB02 <i>NEW</i>	Leased	Brownfield				~6,000
SH05	Owned	In Service	~2,400		~2,400	
SH06	Leased	Fully Utilized	~2,400		~2,400	
SH07	Owned	Under Construction			~1,800	
E-JS Campus 01	Owned	Under Construction				~3,000
E-JS Campus 02	Owned	Greenfield				~3,000
E-JS01	Leased	In Service	~1,400		~1,400	
E-JS02	Leased	Under Construction	~2,000	~1,000	~3,000	~2,000
GZ03	Leased	In Service		~3,500	~3,500	
GZ04	Leased	Under Construction				~2,000
Secured Resources					~17,000	~20,300
Expansion Target			~8,200	~7,000	~17,000	~25,000

1. Capacity: cabinet number includes blank space.

In-Service & On-Going Development of Wholesale Projects - Yangtze River Delta

E-JS Campus 01

Total Capacity	~ 3,000 R
Pre-commitment Rate	95%
Expected Delivery Date	2021

E-JS Campus 02

Total Capacity	>8,000 R
Expected Delivery Date	2021 - 2025

E-JS01

Total Capacity	~ 500 R
Committed Rate	95%

E-JS02

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

SH04

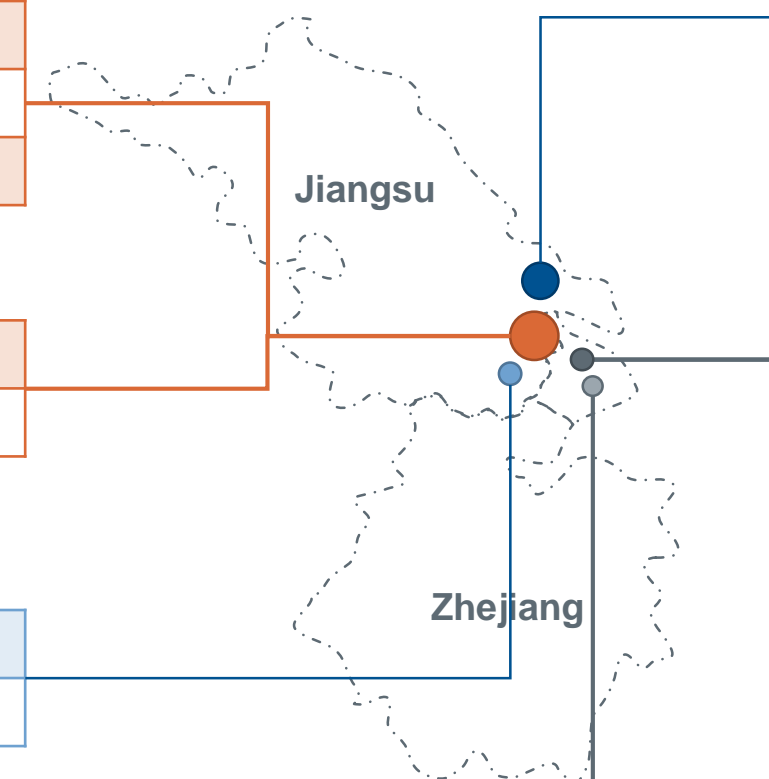
Total Capacity	~ 400 R
Committed Rate	95%

SH05

Total Capacity	~ 900 R
Committed Rate	95%

SH06

Total Capacity	~ 2,400 R
Committed Rate	95%



~ 140 MW in service and/or under MOU

In-Service & On-Going Development of Wholesale Projects - Greater Beijing Area

BJ12

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

N-HB Campus 01

Total Capacity	~ 7,000 R
Expected Delivery Date	2022 - 2023

New N-HB01

Total Capacity	~ 2,000 R
Expected Delivery Date	2021

New N-HB02

Total Capacity	~ 6,000 R
Expected Delivery Date	2021



~ 140 MW in service and/or under MOU

Investment Highlights





A Pioneer and Leader in China's Carrier-neutral IDC Market with a Strong Brand Recognition



Premium Data Centers Located Strategically in Major Internet Hubs



Differentiated Business Model with a Comprehensive Service Offering

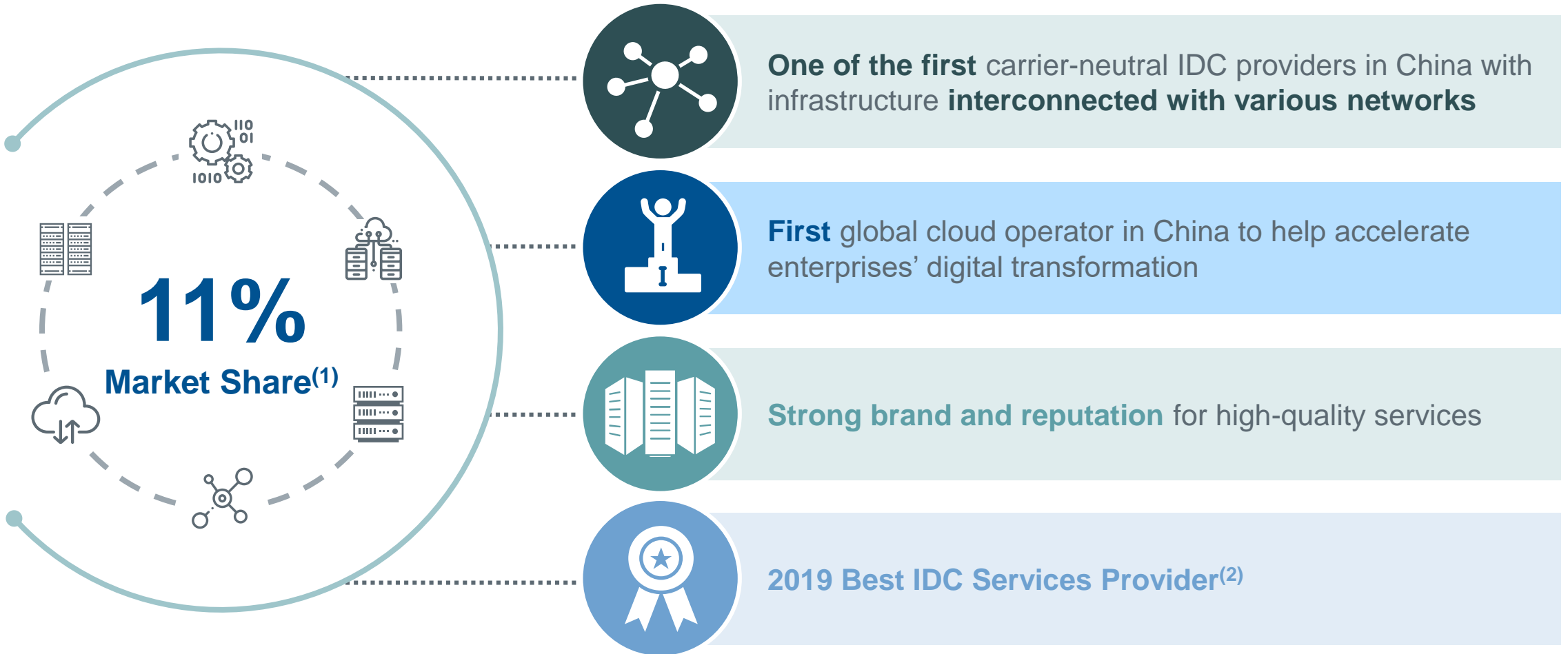


Large, Diversified and Loyal Customer Base



In-depth Industry Expertise with Strong Research and Development Capabilities

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

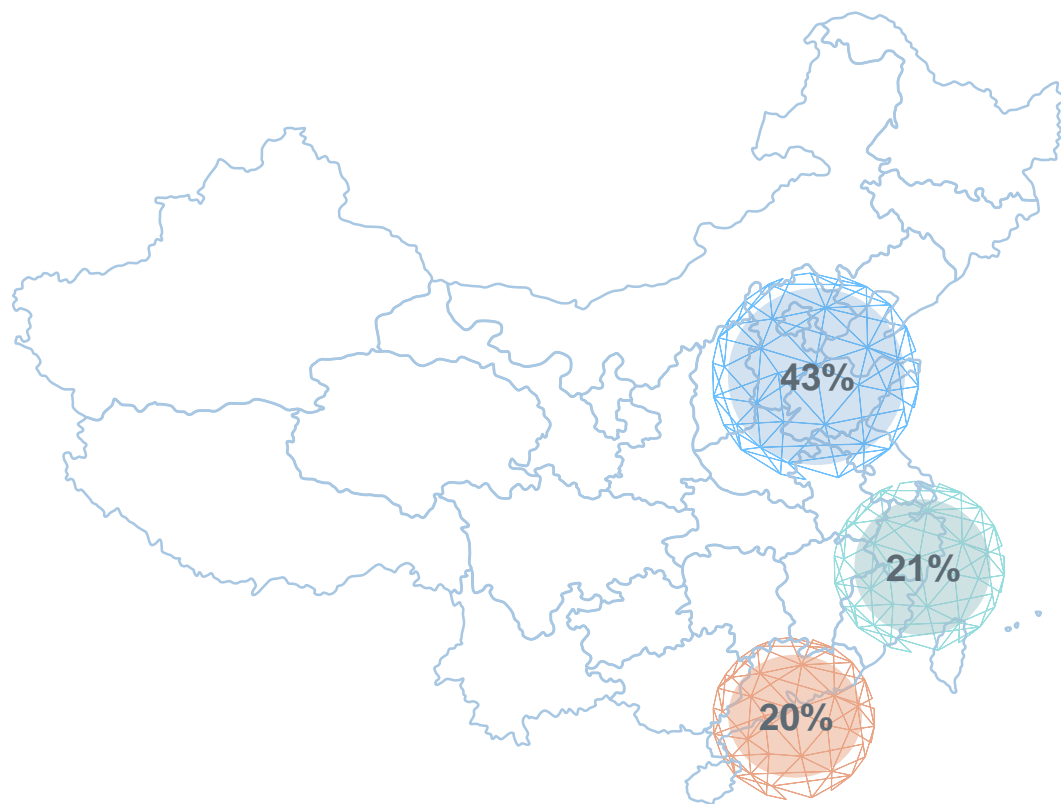


Leading carrier-neutral, cloud-neutral and tech agnostic IDC services provider in China with 20+ years of experience

Source:

1. Frost & Sullivan 2020
2. Award granted by CTDC Summit in 2019

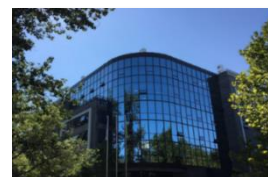
Premium Data Centers Located in Major Internet Hubs



Self-built Data Centers

- We operate 31 self-built data centers with ~47,650 cabinets

	# of Self-built Cabinets	% Contribution
Beijing	~20,700	43%
Shanghai & Hangzhou	~9,800	21%
Great Bay Area	~9,300	20%
Satellite Cities	~4,350	9%
Others	~3,500	7%
Total	~47,650	100%



BJ01



BJ07



SH02



GZ02

Partnered Data Centers

- We also operate 54 partnered data centers with ~3,800 cabinets

✓ Favorable Supply-demand Dynamics

✓ Early Mover Advantage Creates Barrier of Entry

✓ Superior and Scalable Interconnectivity

✓ Efficient and Cost Effective Connection

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



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 verticals
- Offer VPN services via Dermot Entities⁽¹⁾

Large, Diversified and Loyal Customer Base

Retail

- ~1,300+ enterprise customers for retail IDCs: 70% internet customers and 30% financial institutions and Government Owned Enterprise (GOE)

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

- Maintain low concentration of risk with top 20 customers contributing 34.9% of total revenues in 3Q20



Wholesale

- Since 2020, Company begins to generate revenue from wholesale customers
- ~140MW in service and/or under MOU

In-depth Industry Expertise with Strong R&D Capabilities

Innovative and Recognized Technology

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



172 Dedicated Engineering Professionals⁽¹⁾

114 Approved and Pending Patents⁽¹⁾

148 Copyright Certifications⁽¹⁾

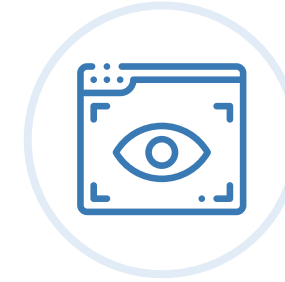
Secure and Reliable Data Centers



Superior Interconnectivity



Highly Secure Buildings & Data Floors



Hypersensitive Detection & Supervision



99.9% Network Connectivity Uptime



99.99% Power Uptime⁽²⁾

1. As of 30 Jun, 2020
2. For self-built data centers

Financial Overview

3Q20 Financial Highlights

RMB'000	3Q19	2Q20	3Q20	YoY	QoQ
Net revenues	980,969	1,144,061	1,245,794	27.0%	8.9%
Gross profit	222,555	272,332	275,143	23.6%	1.0%
Adjusted cash gross profit ⁽¹⁾	396,731	467,552	526,230	32.6%	12.6%
<i>Adjusted cash gross margin</i>	<i>40.4%</i>	<i>40.9%</i>	<i>42.2%</i>	<i>1.8 pp</i>	<i>1.4 pp</i>
Adjusted EBITDA⁽²⁾	272,502	306,414	368,456	35.2%	20.2%
<i>Adjusted EBITDA margin</i>	<i>27.8%</i>	<i>26.8%</i>	<i>29.6%</i>	<i>1.8 pp</i>	<i>2.8 pp</i>

RMB'000	30 Dec 17	30 Dec 18	30 Dec 19	30 Sep 20
Cash & cash equivalents, Restricted cash and Short-term investments	2,744,359	2,906,035	2,721,033	5,534,755

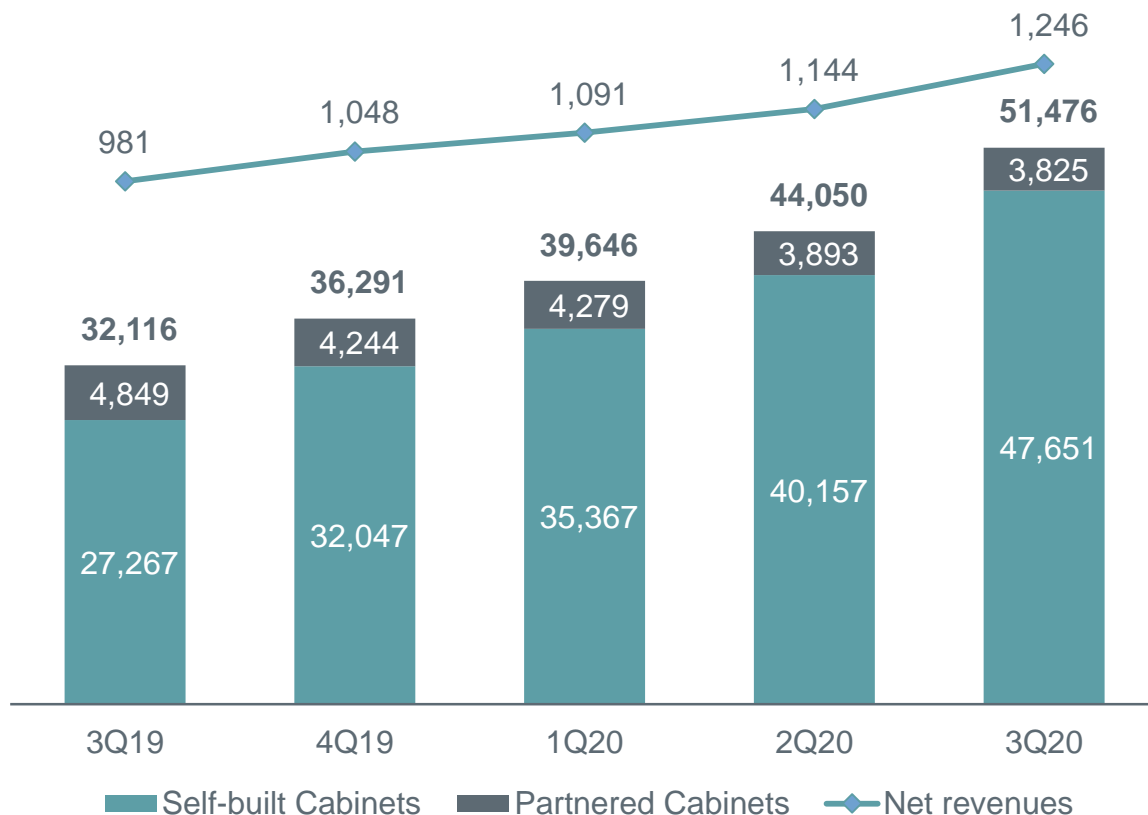
Source: Company filings, data as of 30 Sep, 2020.

- 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.

Sustainable Growth Driven by New Capacity Expansion

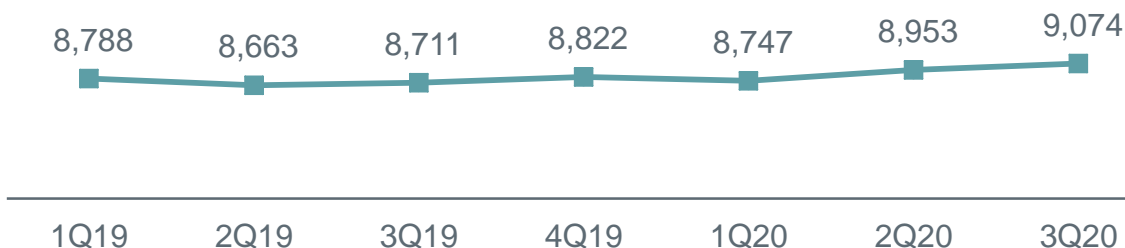
Net Revenue & Cabinets (1)

(RMB mm)



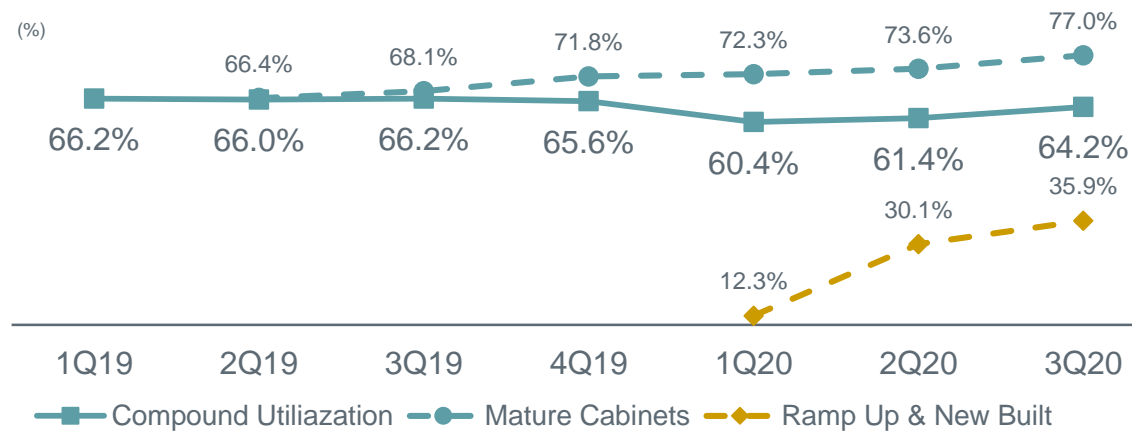
Retail IDC MRR per Cabinet (2)

(RMB)



Utilization Rate (3)

(%)



Source: Company filings, data as of 30 Sep, 2020

1. Numbers of cabinets are measured by the actual numbers at the end of each quarter.

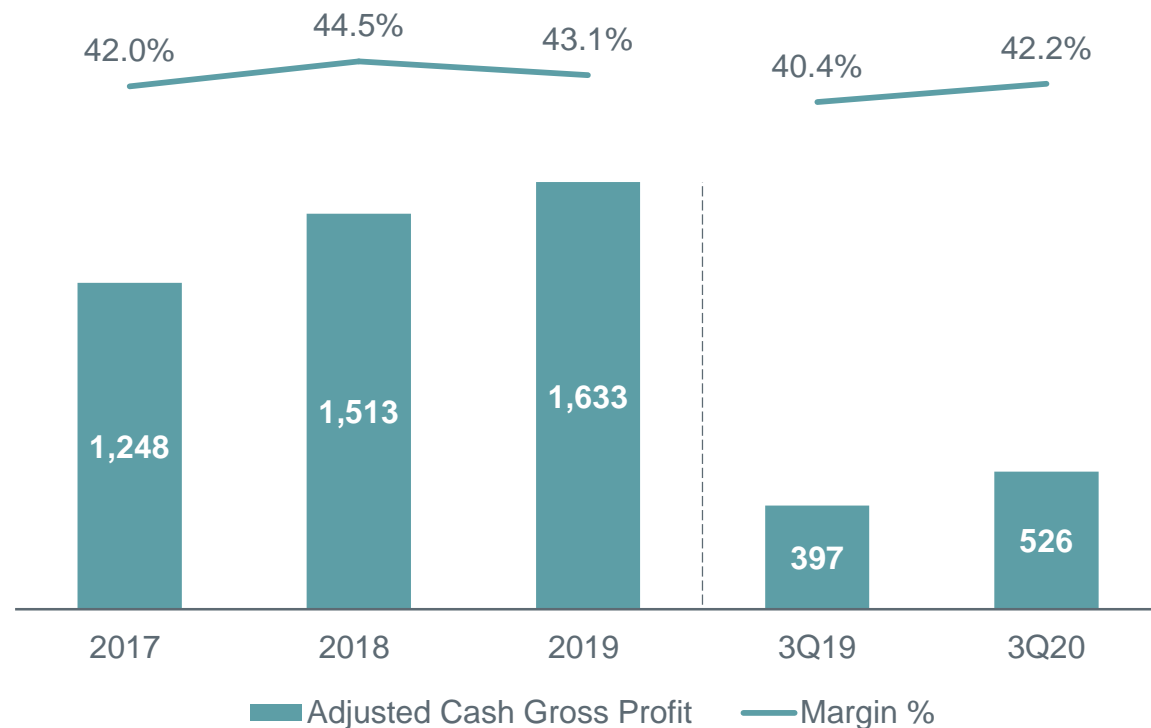
2. MRRs refers to Monthly Recurring Revenues, and are based on the Company's retail IDC business.

3. Utilization rates are based on quarterly average rates. The dotted line refers the utilization rate for cabinets built before 2019; The triangle refers the utilization rate for cabinets built since 2019.

Margin Improvements Through Efficiency Enhancement

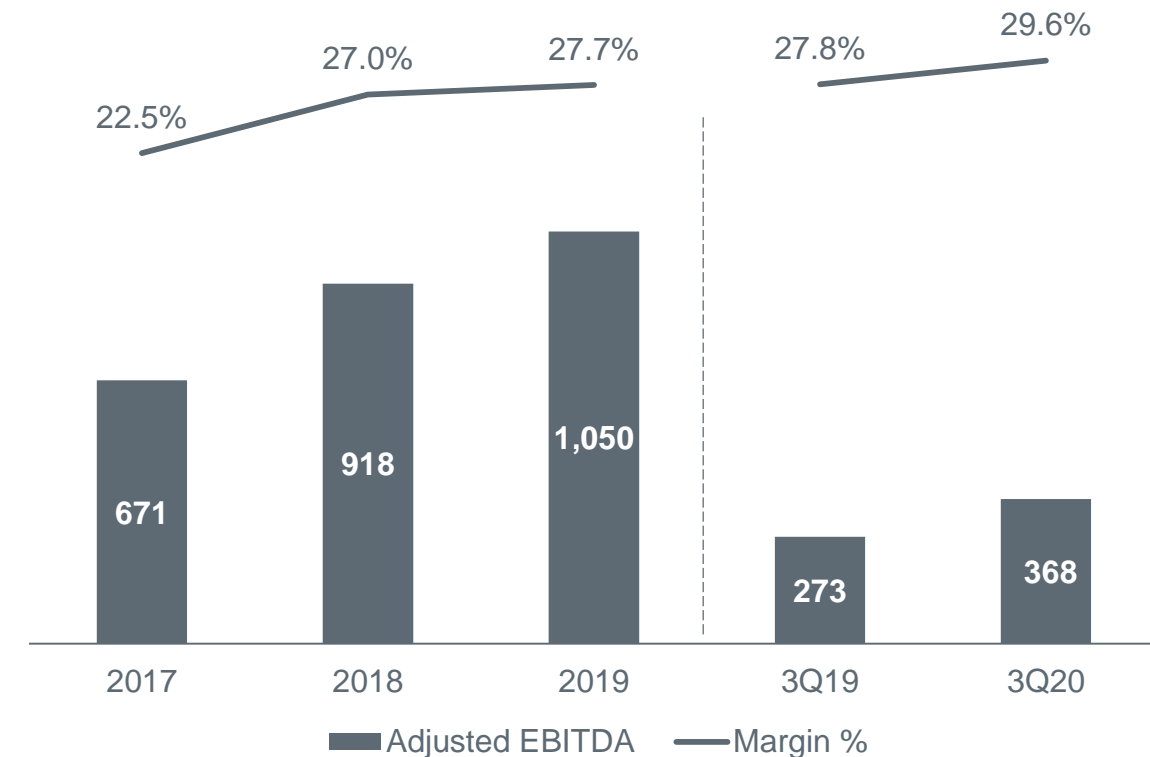
Adjusted Cash Gross Profit & Margin ⁽¹⁾

(RMB mm)



Adjusted EBITDA & Margin ⁽²⁾

(RMB mm)



**Temporary margin pressure caused by concentrated new capacity delivery;
long-term upward trend supported by utilization improvement and future operating leverage**

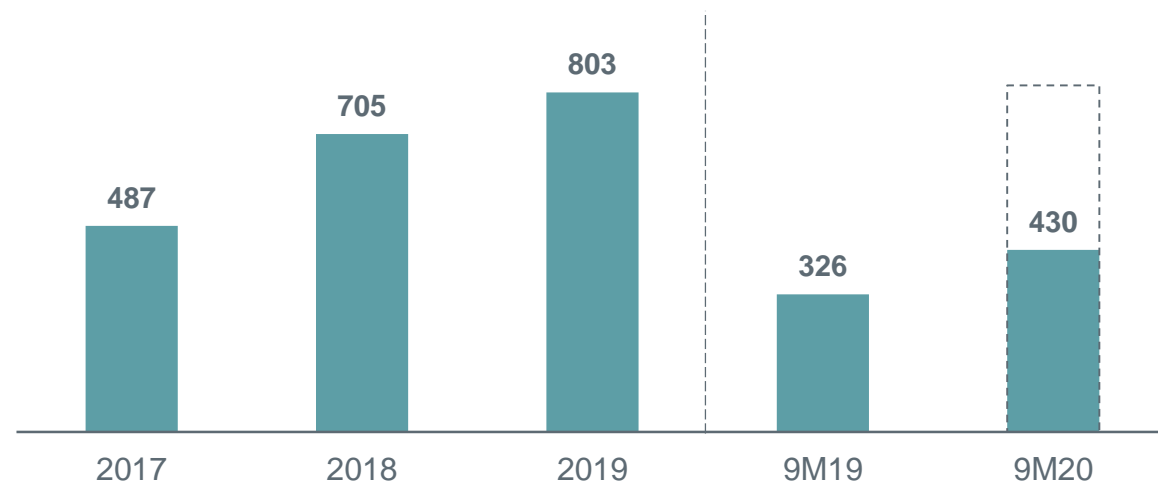
Source: Company filings, data as of 30 Sep, 2020

- 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.
- Excluding MNS segment; margin based on revenue excluding MNS

Healthy Cash Flow Generation and Capital Expenditure

Operating Cash Flow

(RMB MM)

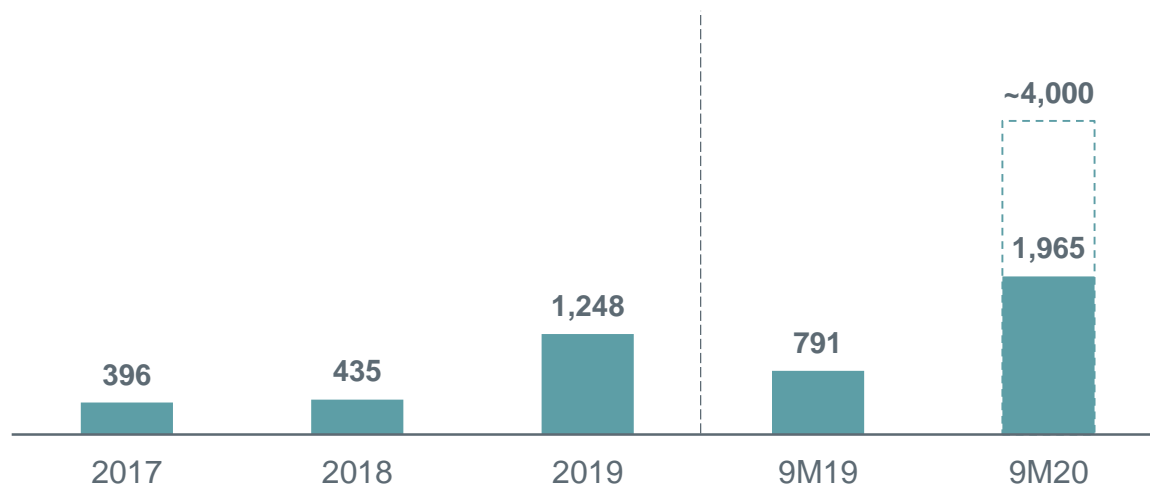


Key Drivers

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

Capital Expenditure

(RMB MM)

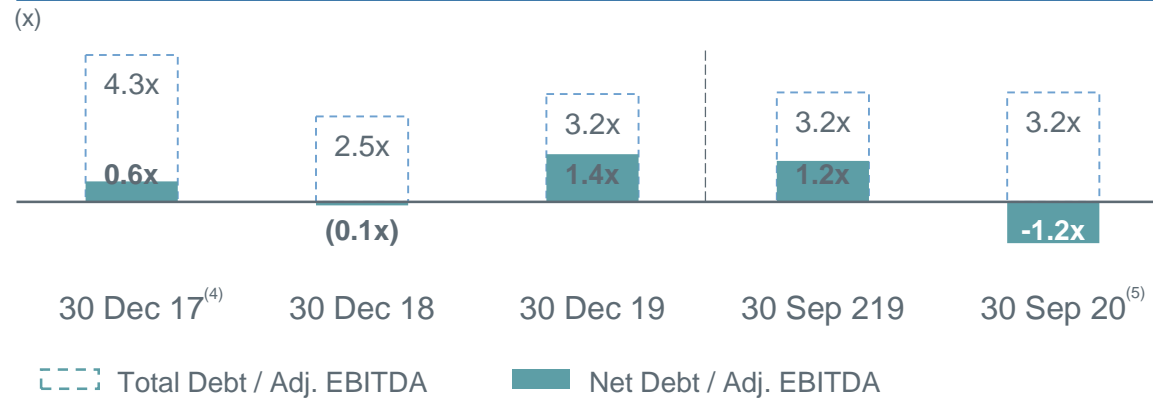


Key Capital Expenditure Spending & Expected Capacity Expansion

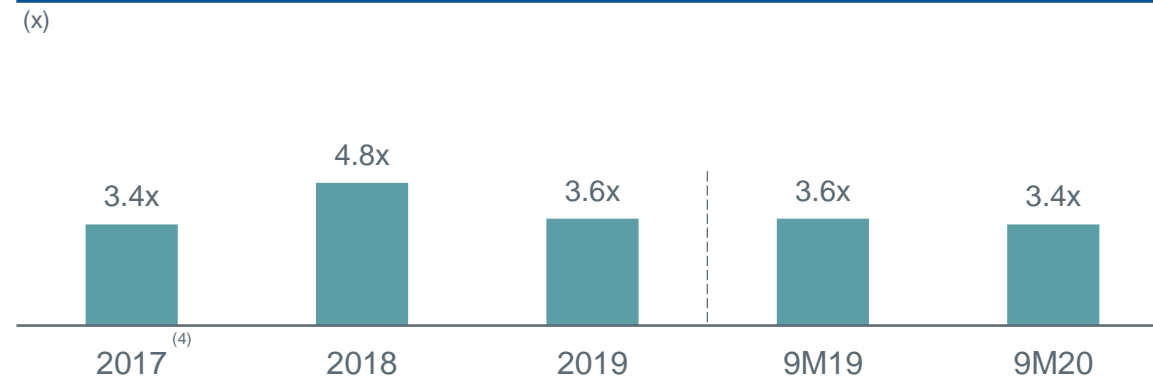
- Capex mainly include expenditure for data center property, construction and equipment procurement
- Additional capex includes payments of consideration price for certain acquisitions

Healthy Capital Structure Thanks to Prudent Financial Policies & Various Financing Channels

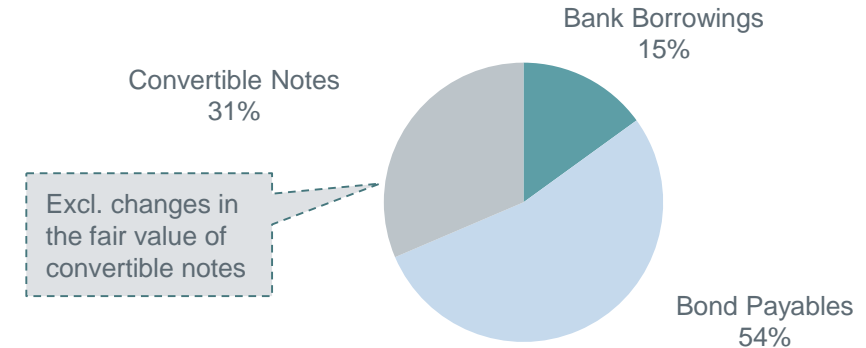
Total Debt or Net Debt⁽¹⁾⁽²⁾ / Adjusted EBITDA⁽³⁾



Adjusted EBITDA Interest Coverage⁽³⁾⁽⁶⁾



Debt Structure as of 30 Sep, 2020



Total Debt: RMB 3,781 MM⁽⁵⁾

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 bank borrowings, bond payables and convertible notes
- We received Blackstone's investment of US\$150 million in the form of preferred shares on June 22, 2020
- We receives net proceed of US\$ 390.5 million in the form of equity follow-on in Aug 2020

Source: Company filings, data as of 30 Sep, 2020

1. Total Debt = Short-term and long-term bank borrowings + Bond Payables + Convertible Notes
2. Net Debt = Total Debt – Cash and Cash Equivalent
3. Jun 20 multiples are based on LTM Adjusted EBITDA as of June 30
4. FY2017 adjusted EBITDA including MNS
5. Excluding change in the fair value of convertible notes from 9M20 convertible notes
6. Adjusted EBITDA Interest Coverage = Adjusted EBITDA / Net Interest Expense (interest expense – interest income)

RMB mm	4Q19 A	3Q20 A	4Q20 E	YoY ⁽¹⁾
Revenues	1,048	1,246	1,320 - 1,340	27%
Adjusted EBITDA	264	368	380-400	48%

RMB mm	2019 A	2020 E	YoY ⁽¹⁾
Revenues	3,789	4,800 - 4,820	27%
Adjusted EBITDA	1,050	1,314 - 1,334	26%

Source: Company filings.

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

Appendix



Shareholding Structure

Major beneficial ownership of our ordinary shares, as of 30 Sep, 2020;

Principle shareholders	% of Share Holding	% of Voting Power
Tuspark	16.6 ⁽¹⁾	48.8 ⁽¹⁾
Sheng Chen	5.0 ⁽¹⁾	14.4 ⁽¹⁾
Kingsoft	4.1 ⁽⁴⁾	8.5 ⁽⁴⁾
GIC	7.3% ⁽⁵⁾	2.7% ⁽⁵⁾
Blackstone ⁽²⁾	6.1 ⁽³⁾	2.3 ⁽³⁾
Fidelity International	4.7% ⁽⁶⁾	1.7% ⁽⁶⁾

1. Source from 20-F
2. Investment in form of preferred shares;
3. Source from 13-D filing on 22 Jun, 2020;
4. Source from 13-D filing on 19 May, 2020;
5. Source from 13-G filing on 01 Sep, 2020;
6. Source from 13-D filing on 31 Dec, 2019;

Thank You!

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



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