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21Vianet Group, Inc.

Investor Presentation

May, 2019



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At a Glance

| | |
|----------------------------|----------------|
| Inception Time | In 1996 |
| Listing Time | Apr, 2011 |
| Exchange / Ticker | Nasdaq: VNET |
| Price (as of May 15, 2019) | \$ 7.97 |
| Market Cap | \$ 892 Million |

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

- Accelerate cabinet roll-out and accordingly increase our core data center service capacities
- Capture further market share in the wholesale IDC market and promote hybrid cloud services for our clients
- Selectively pursue strategic partnerships and investments

Comprehensive Customized Solutions

IDC Services

Core Business

60%-70% of total revenue

Product Offering

- Co-location
- Inter-connectivity
- Hybrid IT service
- Other value-added services

Our Advantages

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



Microsoft Cloud Services

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

VPN ⁽¹⁾ Services

- Customized VPN solutions for enterprise and carrier customers across various verticles
- Offer VPN services via Dermot Entities ⁽²⁾

Microsoft Azure
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Microsoft Office 365

Microsoft Dynamics 365

Source: Company filings.

1. Virtual private network.
2. Dermot Holdings Limited and its subsidiaries



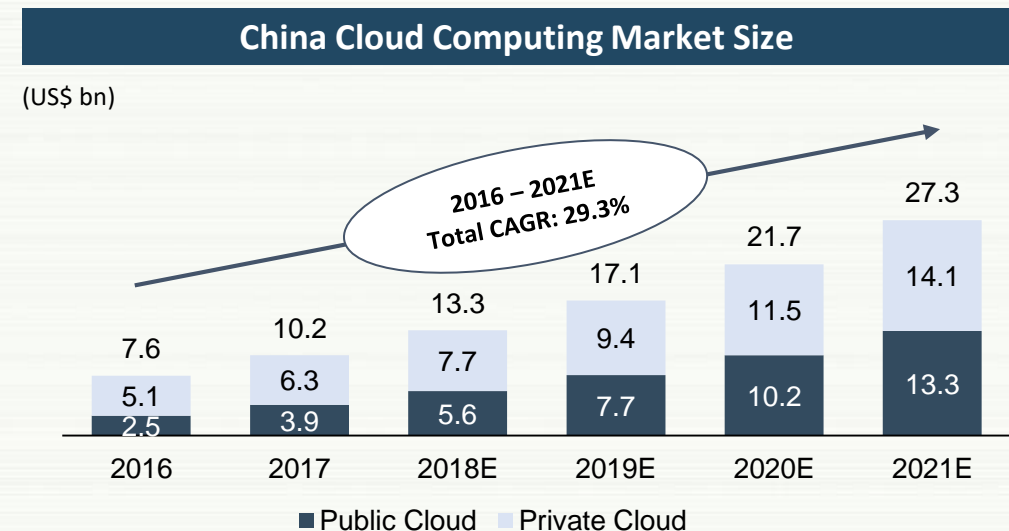
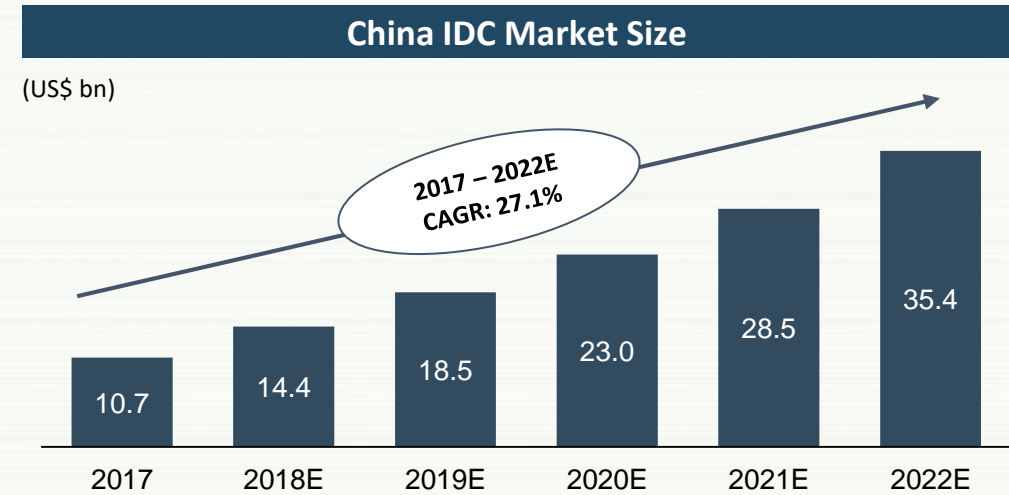
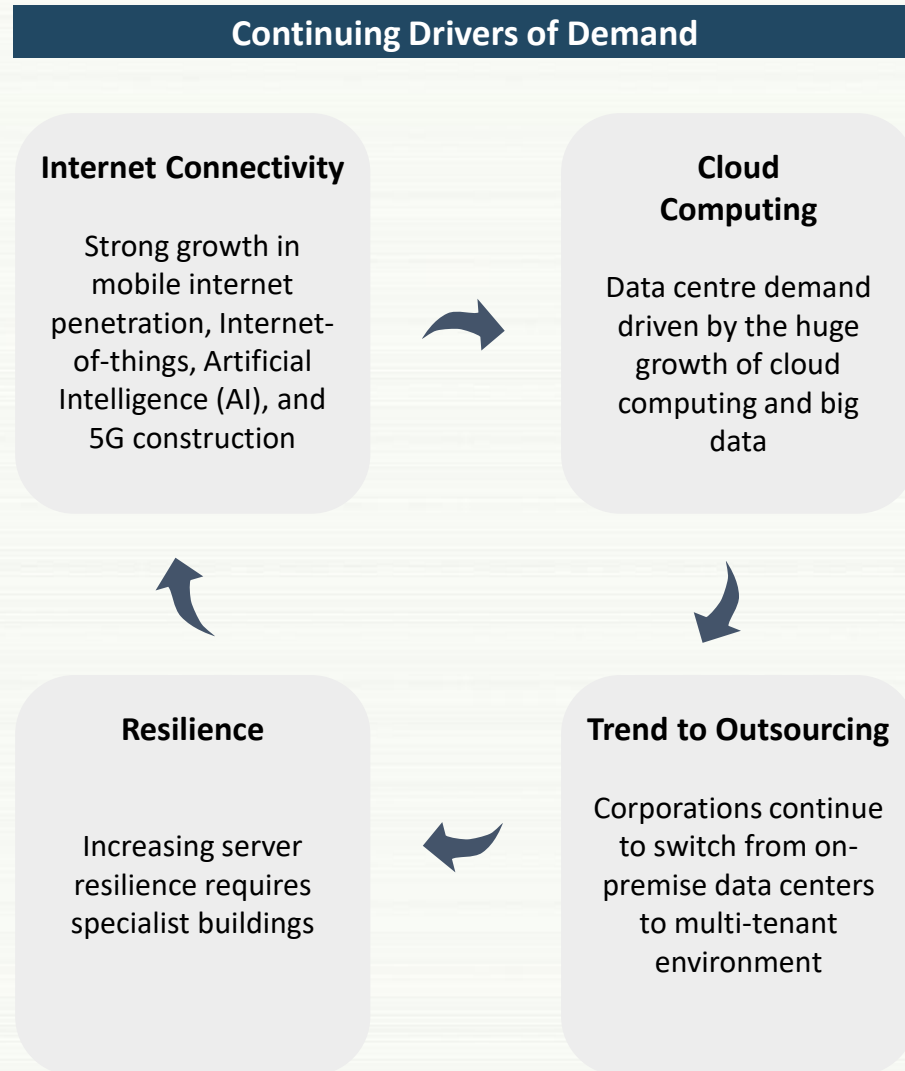
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Investment Highlights

Investment Highlights

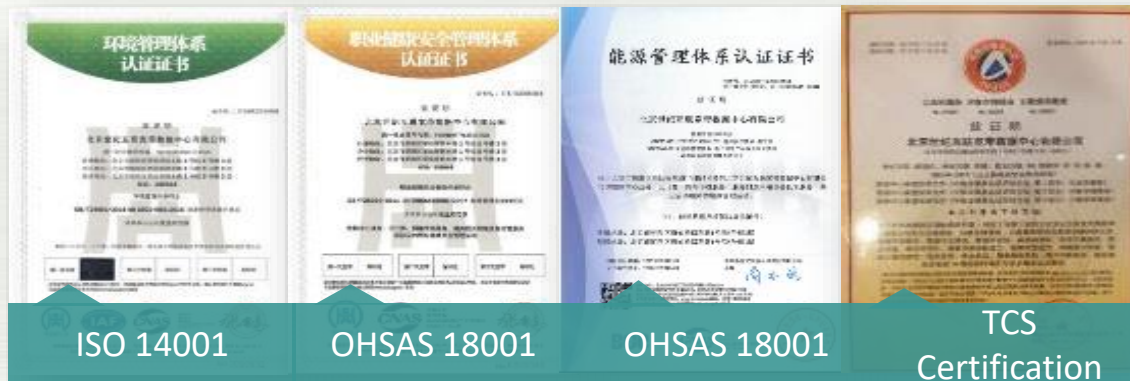


Hyper Growth Market for IDC Services in China



Trusted Brand and Clear Leadership

Certification

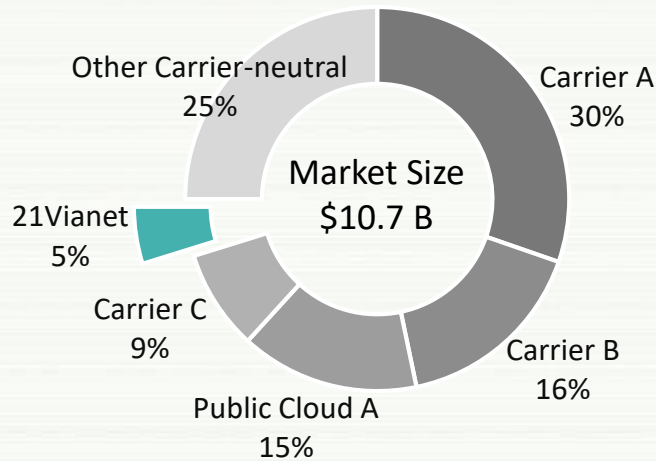


We build and operate our data centers in compliance with high industry standards in order to provide our customers with secure and reliable environments necessary for optimal internet interconnectivity.

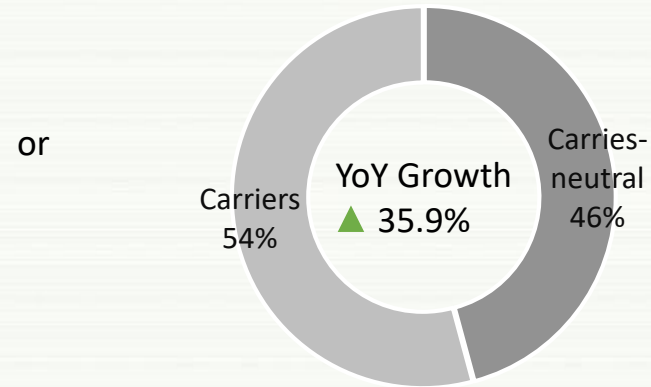


Trusted Brand and Clear Leadership (cont.)

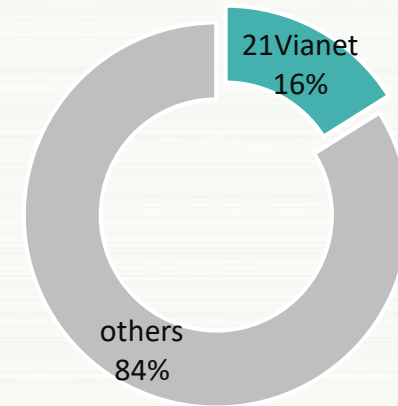
China IDC Market Share in 2017 ⁽¹⁾



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
- **30,578⁽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, 2018
3. Q1 2019 Company filings

High Entry Barriers

Resources

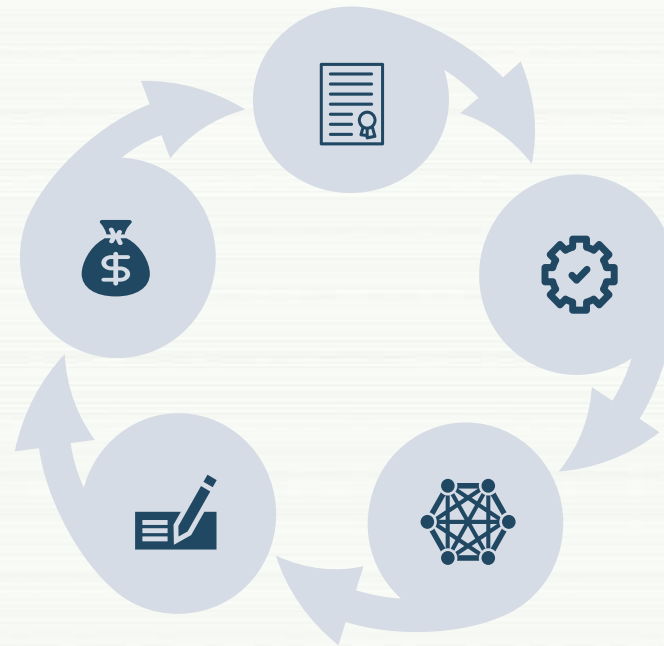
- Government-approved licenses or permits as prerequisites for data center, cloud and VPN
- Access to limited power quota in Tier-1 cities with high data center demand

Funding

- Significant capital required to fund IDC developments
- Capability to obtain lower funding cost and diversify the funding channels

Track Record

- Operators with long track records of good operational performance
- Switching costs for the enterprises on data center



Operating Efficiency

- Experienced operators being able to build and operate data centers with low PUE solutions
- Continuously shorten the ramp-up period and improve the utilization rate

Reliability and Connectivity

- Access to an abundant continuous power source with reliable back-up systems
- Long lead time to build critical connectivity access to multiple carriers

Recurring Revenue and Diversified Customers



美团
meituan.com



找钢 zhaogang.com



Tencent 腾讯



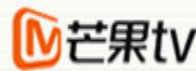
今日头条



Droi
卓易科技



爱奇艺



中文在线
www.ChineseAll.com



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damai.cn



搜房网 Fang.com



NUCC



都邦保险
DUBON INSURANCE



IBM



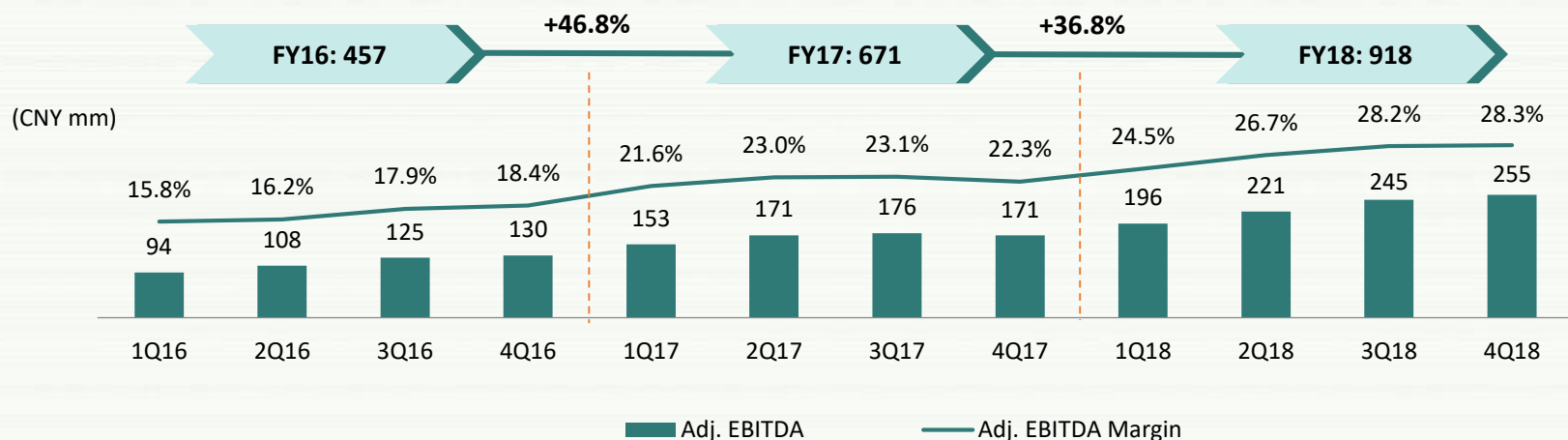
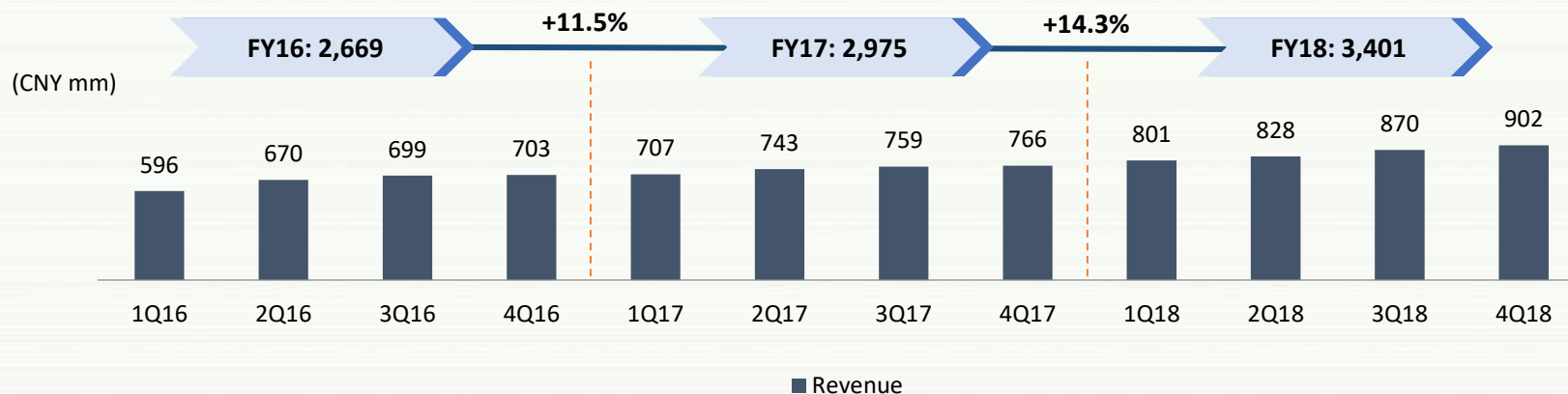
WELTMEISTER
威马汽车

- Low average quarterly hosting churn rate for core IDC business, consistently below **1%** on quarterly basis

- Recurring revenues contributing to over **90%** of net revenues since IPO

- Low concentration risk with top 20 customers contributing **34%** of revenue in 1Q19

Sustainable Growth and Profitability



Key Growth Drivers

- Increase in cabinet capacity
- Improvement on Hosting MRR⁽¹⁾ due to higher adoption of value-added services and high power density cabinets delivery
- Continuous growth in cloud and VPN business

Key Growth Drivers

- Improving proportion of self-built cabinets, growing from 73% in 4Q16 to 84% in 4Q18
- Significant turnaround and operating leverage

Consistent revenue expansion for Hosting and Related Services demonstrates good track record of execution
Growing EBITDA margin has benefitted from operating efficiency improvement and operating leverage

Source: Company filings.

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

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 21.2% 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 2014, a combined strategic investment from Kingsoft, Temasek and Xiaomi
- As of Dec 31, 2018, Xiaomi has become the single largest customer of the company, which represents 11.9% of the company's net revenues



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



• Land & property resources



• Local government relationships



• Access to power quota



• Potential customer referrals



• Capital investments



• Experience in cloud operating, fund raising

Strong Support from Shareholders and Partners (cont.)

- Major beneficial ownership of our ordinary shares, as of Feb 28, 2019;

| Principal Shareholders: | % of Share Holding | % of Voting Power |
|------------------------------------|--------------------|-------------------|
| Tuspark Innovation Venture Ltd. | 21.2 | 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 | 7.3 | 15.3 |

Source: Company filings.

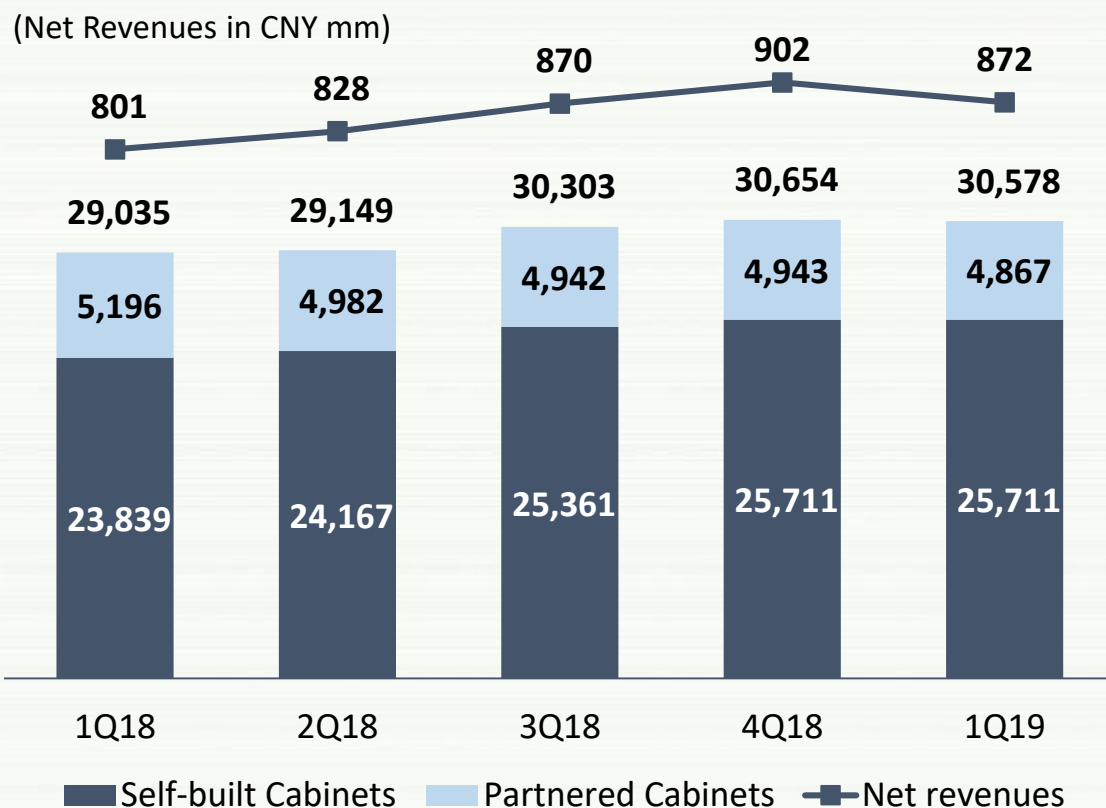


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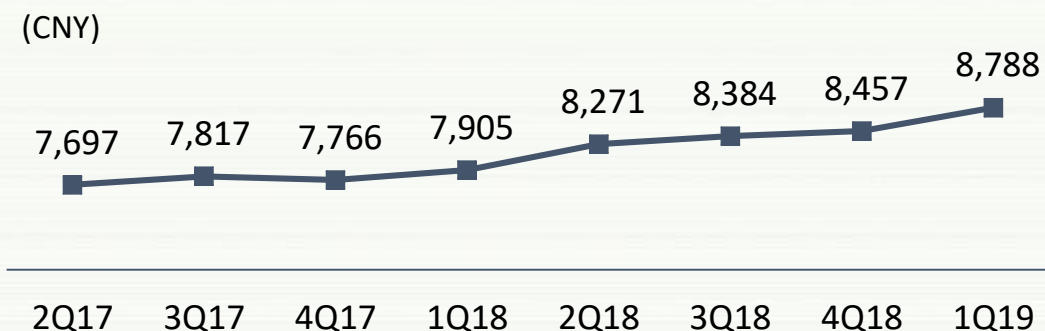
Financial Overview

Revenue Growth Supported by Capacity, MRR & Utilization

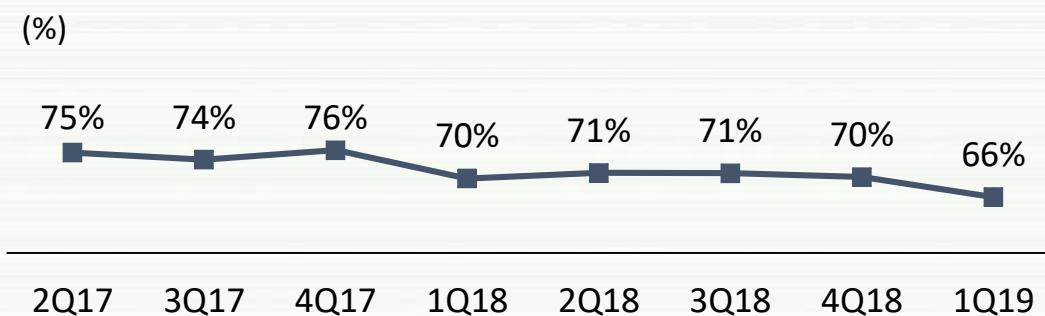
Net Revenues & Cabinets ⁽¹⁾



IDC MRR per Cabinet ⁽²⁾



Utilization Rate ⁽³⁾



Proven capability to build capacity effectively to fulfill strong market demand

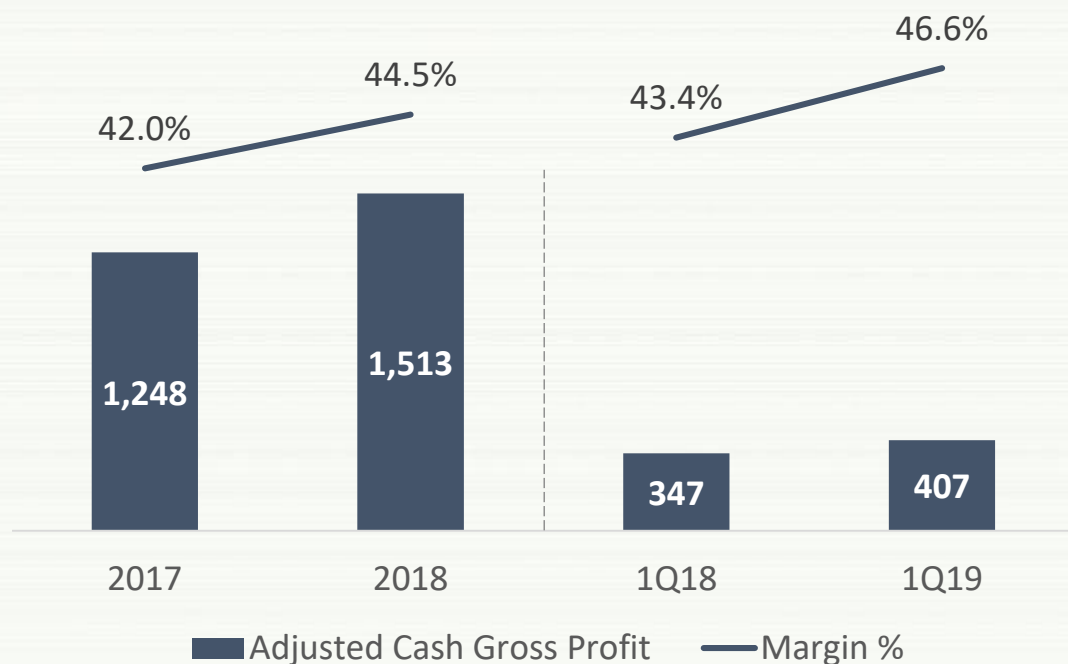
Source: Q1 2019 Company filings.

1. 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

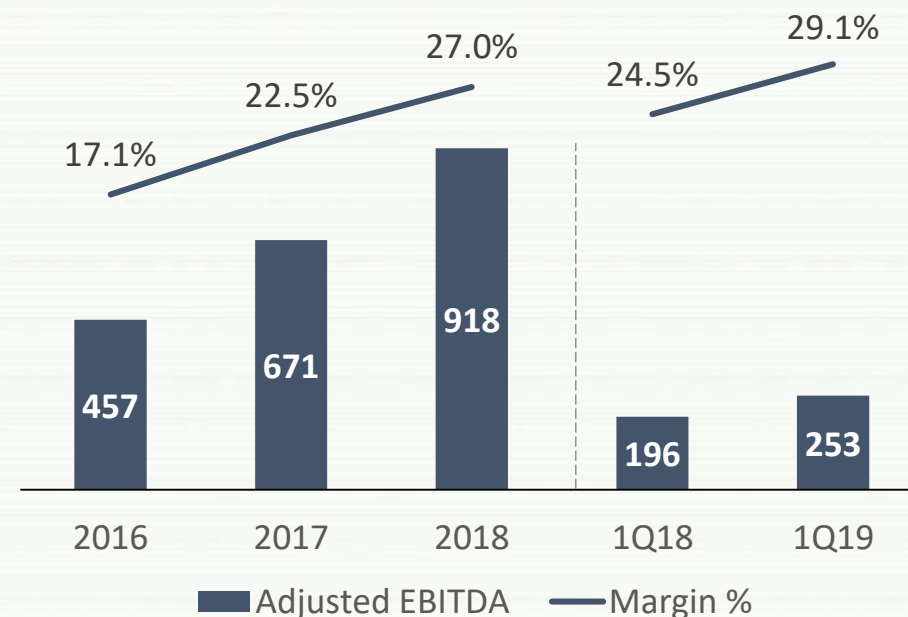
Adjusted Cash Gross Profit & Margin ⁽¹⁾

(CNY mm)



Adjusted EBITDA & Margin ⁽²⁾

(CNY mm)



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

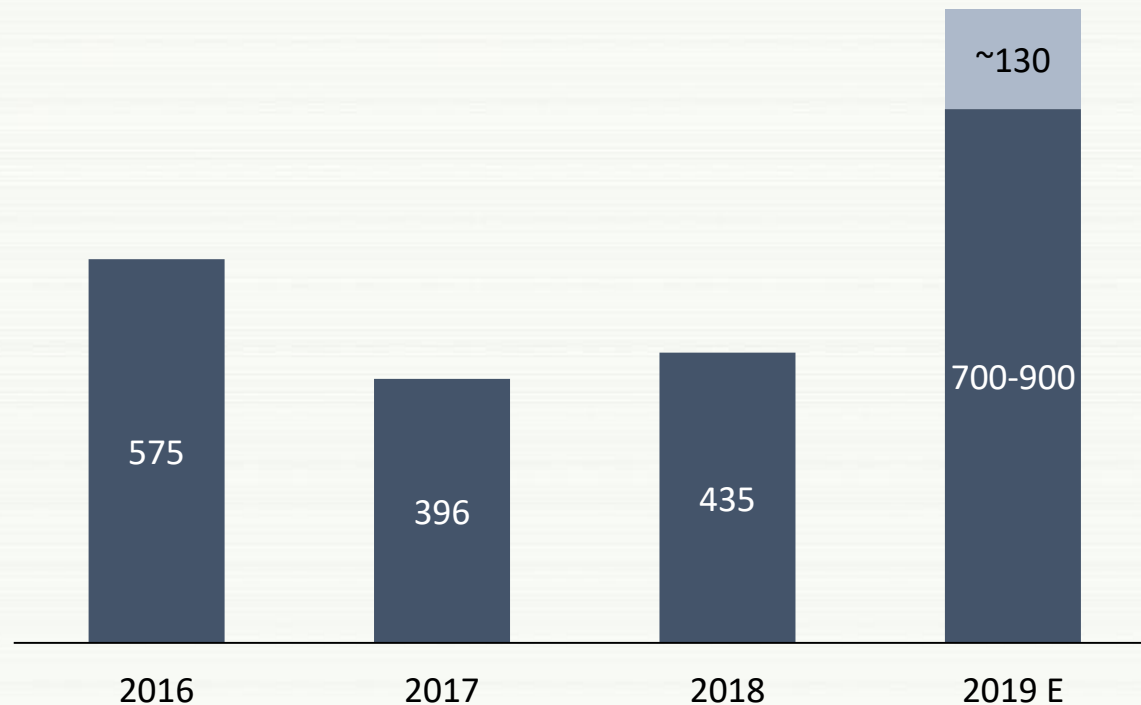
Source: Q1 2019 Company filings.

- 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.

CAPEX Plan For Business Expansion

Capital Expenditures ⁽¹⁾

(CNY mm)



Capital Expenditures Policy

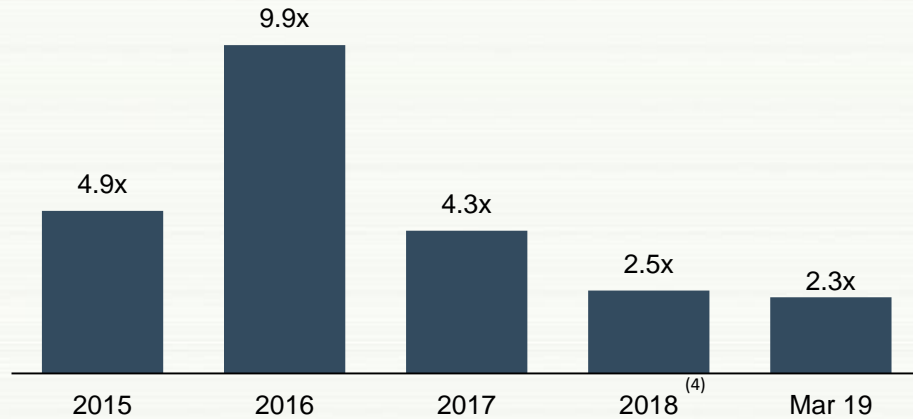
- We estimate that our data center capital expenditures in 2019 will be within the range of RMB700 - 900 million, which means 5,000 - 7,000 self-built cabinets addition, mostly in Tier-1 cities;
- We may have additional capital expenditure for potential wholesale and M&A projects
- Our capital expenditures are primarily funded by cash generated from our operations and net cash provided by financing activities
- Additional capital expenditures for other M&As,
 - BJ M&A: capex 130mm, ~1,000 cabinets

Source: Q1 2019 Company filings

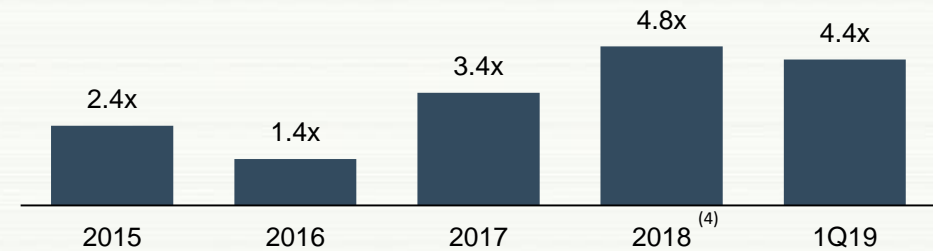
1. The statistics displayed on the chart above for 2017 and beyond only contains the retail business data from Hosting and Related Services.

Capital Structure, Credit Stats and Cash Flow

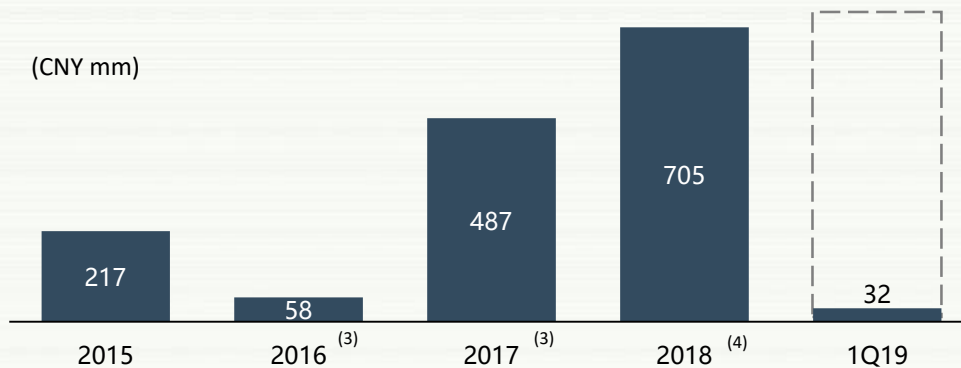
Total Debt ⁽¹⁾ / Adjusted EBITDA



Adjusted EBITDA Interest Coverage ⁽²⁾



Operating Cash Flow



- Healthy Working Capital
- Improved Margin of Existing Cabinets
- Opportunities to Increase Leverage

Source: Company filings. All financials and operating metrics include MNS business, unless otherwise notice.

1. Total Debt = Short-term and long-term bank borrowings + Bond payables.

2. Adjusted EBITDA Interest Coverage = Adjusted EBITDA / Net Interest Expense.

3. The amount is adjusted by adopting Accounting Standards Update (“ASU”) No. 2016 - 2018, Statement of Cash Flows, (Topic 230): Restricted Cash.

4. Only represents Hosting and Related Services.

1Q19 Financial Highlights

| CNY'000 | 1Q18 | 4Q18 | 1Q19 | YoY | QoQ |
|---|----------------|----------------|----------------|--------------|--------------|
| Net revenues | 800,765 | 901,887 | 871,859 | 8.9% | -3.3% |
| Gross profit | 227,902 | 246,341 | 240,775 | 5.6% | -2.3% |
| Adjusted cash gross profit ⁽¹⁾ | 347,478 | 409,214 | 406,670 | 17.0% | -0.6% |
| <i>Adjusted cash gross margin</i> | 43.4% | 45.4% | 46.6% | 3.2 bps | 1.2 bps |
| Operating (loss)/profit | 56,439 | 64,899 | 53,297 | -5.6% | -17.9% |
| Adjusted EBITDA⁽²⁾ | 196,014 | 255,330 | 253,468 | 29.3% | -0.7% |
| <i>Adjusted EBITDA margin</i> | 24.5% | 28.3% | 29.1% | 4.6 bps | 0.8 bps |

| CNY'000 | Dec-16 | Dec-17 | Dec-18 | Mar-19 |
|---|-----------|-----------|-----------|-----------|
| Cash & cash equivalents, Restricted cash and Short-term investments | 3,572,469 | 2,744,359 | 2,906,035 | 2,543,597 |

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 | 2Q18 A | 1Q19 A | 2Q19 E | YoY ⁽¹⁾ |
|-----------------|--------|--------|-----------|--------------------|
| Revenues | 828 | 872 | 880 - 900 | 7.5% |
| Adjusted EBITDA | 221 | 253 | 250 - 270 | 17.6% |

| 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

Three-Year Plan

| IDC Pipeline Capacity ⁽¹⁾ | Status | 2019 | 2020 | 2021 |
|--------------------------------------|--------------------|----------------------|---------------|---------------|
| Beijing West | Under Construction | ~1,900 | ~1,900 | |
| Beijing East I | Under Construction | ~1,300 | | |
| Beijing East II | Under Construction | ~2,200 | | |
| Beijing South | Acquisition | ~1,000 | | |
| Chengdu | Acquisition | ~500 | | |
| Shanghai SJ | Under Construction | ~1,400 | ~1,600 | |
| Jiangsu Campus | Greenfield | | ~3,000 | ~3,000 |
| HeBei Campus | Greenfield | | ~1,000 | ~3,000 |
| Guangzhou SC Phase II | Extension | | ~1,000 | ~1,000 |
| <i>Secured Resources</i> | | ~8,000 | ~8,500 | ~7,000 |
| Expansion Target | | 6,000 - 8,000 | 15,000 | 15,000 |
| Estimate Growth | | | | |
| YoY. Revenue Growth % | | Midpoint 12% | 20% - 24% | 23% - 27% |
| YoY. Adj. EBITDA Growth % | | Midpoint 14% | 25% - 30% | 35% - 40% |

1. Capacity: cabinet number includes blank space

Thank You!

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



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Email: IR@21vianet.com

IR Contacts: Rene Jiang
Julia Jiang



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Appendix

Our Nationwide Data Centers



BJ 7



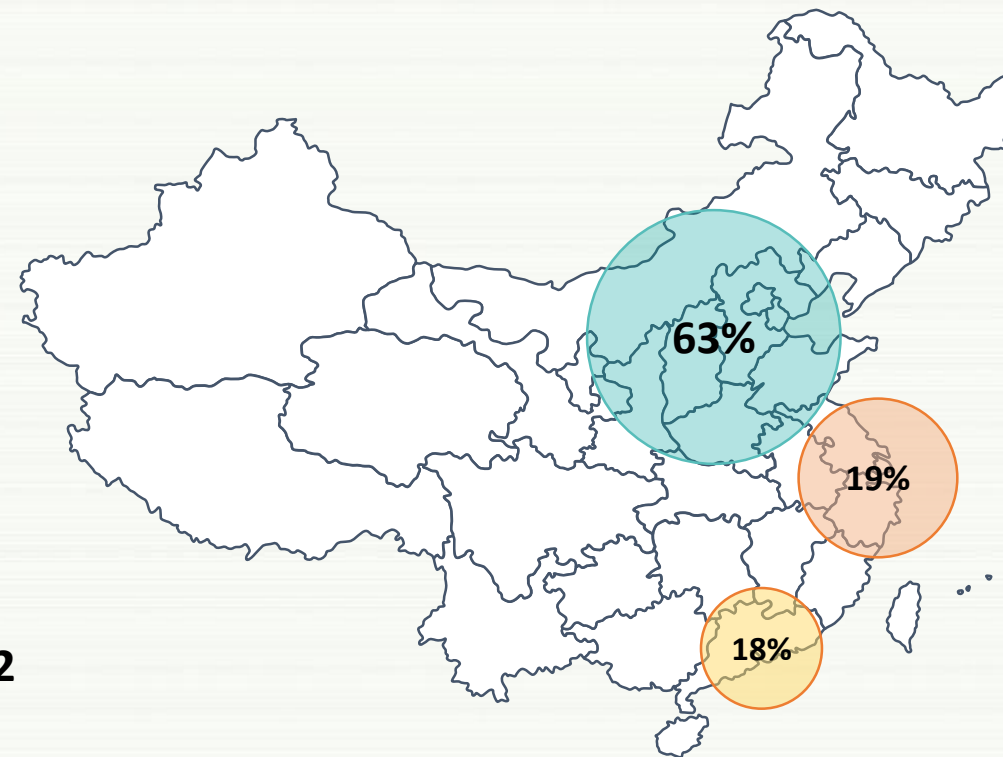
BJ 1



SH 1



SZ 2



SH 4



GD 1



ZJ 2

Source: Company Data as 31st Dec 2018.

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