

Goldman Sachs



2020 Q3 Investor Presentation

Nov 19, 2020





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This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “aims,” “future,” “intends,” “plans,” “believes,” “estimates,” “confident,” “potential,” “continue” or other similar expressions. Among other things, the business outlook and quotations from management in this announcement, as well as Chindata Group’s strategic and operational plans, contain forward-looking statements. Chindata Group may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including but not limited to statements about Chindata Group’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Chindata Group’s goals and strategies; its future business development, financial condition and results of operations; the expected growth and competition of the data center and IT market; its ability to generate sufficient capital or obtain additional capital to meet its future capital needs; its ability to maintain competitive advantages; its ability to keep and strengthen its relationships with major clients and attract new clients; its ability to locate and secure suitable sites for additional data centers on commercially acceptable terms; government policies and regulations relating to Chindata Group’s business or industry; general economic and business conditions in the regions where Chindata Group operates and globally and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Chindata Group’s filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and Chindata Group undertakes no obligation to update any forward-looking statement, except as required under applicable law.

This document also contains non-GAAP financial measures, the presentation of which is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America. In addition, the Company’s calculation of these non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable GAAP measures is contained within this document or the earnings press release.



Operation Performance



Leading Hyperscale Data Center Solution Provider in Emerging Markets

2020 Q3 Operation Highlights



248 MW

IT Capacity in Service



226 MW

IT Capacity under Construction



720 Mn kwh

YTD total Power Consumption



194

Approved Patents and Pending Patents



88%

% of In-service Data Centers Capacity with Contracts



69%

% of Under Construction Data Centers Capacity with Contracts



PUE 1.22

YTD average PUE

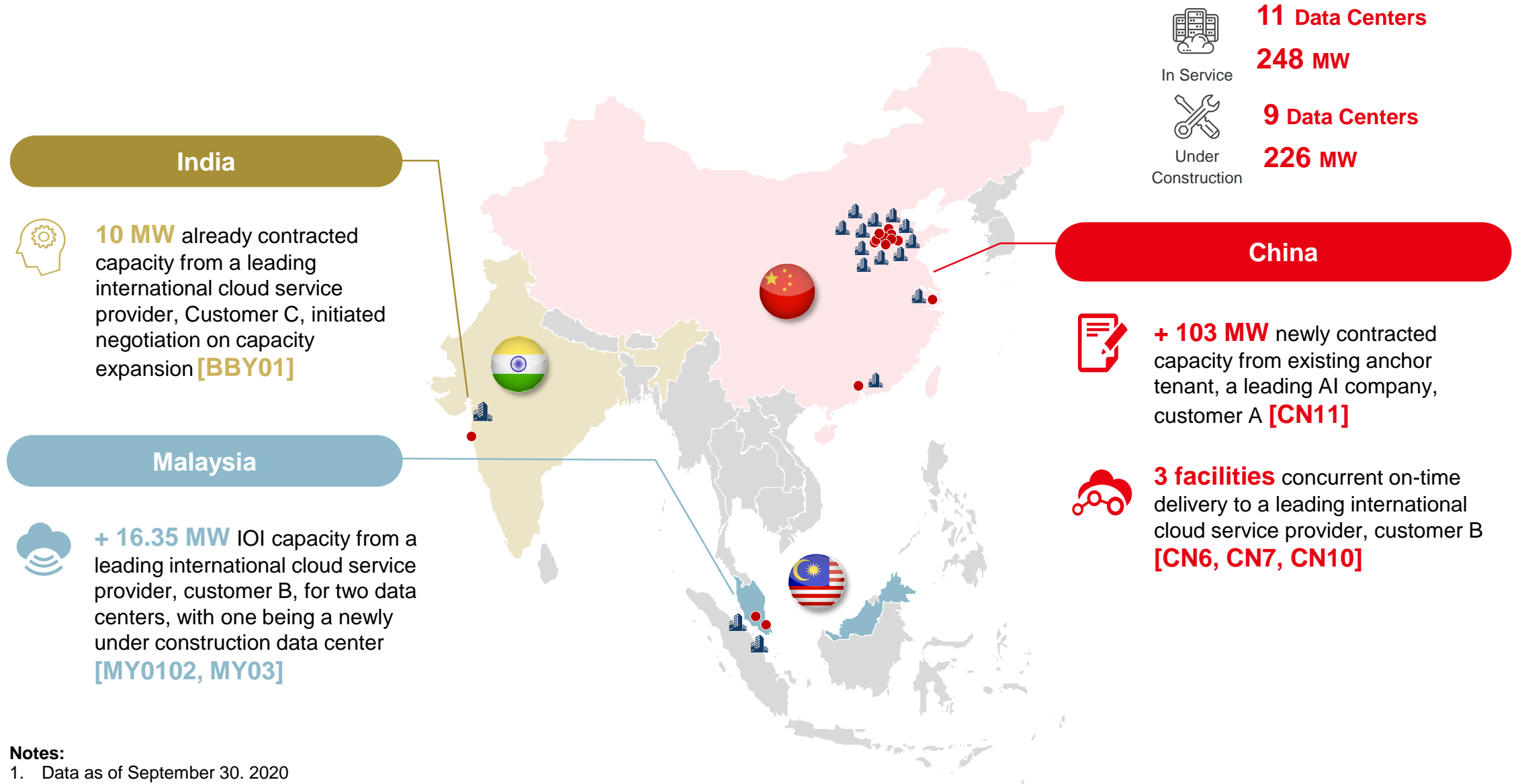


<3.0 Mn⁽²⁾

Average Construction Cost per IT MW for All In-service Data Centers

Notes: 1. Data as of September 30, 2020
2. in US Dollar

Data Center Footprint



Notes:
1. Data as of September 30, 2020

Asset Overview

as of September 30, 2020

Data Center	Type	Leased/ Owned	Designed IT capacity (MW)	Contracted IT capacity (MW)	IOI IT capacity (MW)	Contracted+IOI IT capacity (MW)	Utilized IT capacity (MW)	Ready for Service
In-Service								
CN01	Hyperscale	Owned	36	36	-	36	35	2019Q2
CN02	Wholesale	Leased	11	10	-	10	10	2017
CN03	Hyperscale	Owned	17	17	-	17	17	2017Q3
CN04	Hyperscale	Owned	28	27	-	27	26	2018Q4
CN05	Hyperscale	Owned	23	21	-	21	21	2019Q2
CN06	Hyperscale	Owned	29	26	3	28	26	2019Q2
CN07	Hyperscale	Owned	29	27	-	27	27	2019Q4
CS01	Wholesale	Leased	5	3	-	3	2	2017
MY0102	Hyperscale	Owned	20	7	8	15	7	2018Q2
CN08	Hyperscale	Owned	47	39	8	47	-	2020Q3
CN10	Hyperscale	Owned	3	3	-	3	3	2020Q3
Subtotal			248	218	19	237	175	
Under Construction								
CN09	Hyperscale	Owned	45	39	-	39		2020Q4
CN11-A	Hyperscale	Owned	23	23	-	23		2020Q4
CN11-B	Hyperscale	Owned	23	23	-	23		2021Q1
CN11-C	Hyperscale	Owned	57	57	-	57		2022Q1
CN12	Hyperscale	Owned	5	-	-	-		2022Q1
CE01	Hyperscale	Owned	18	4	-	4		2020Q4
CE02	Hyperscale	Owned	19	-	-	-		2022
MY03	Hyperscale	Owned	16	-	8	8		2022Q3
BBY01	Hyperscale	Owned	20	10	-	10		2021Q4
Subtotal			226	155	8	164		
Total			474	373	27	400		

New data centers in service and under construction

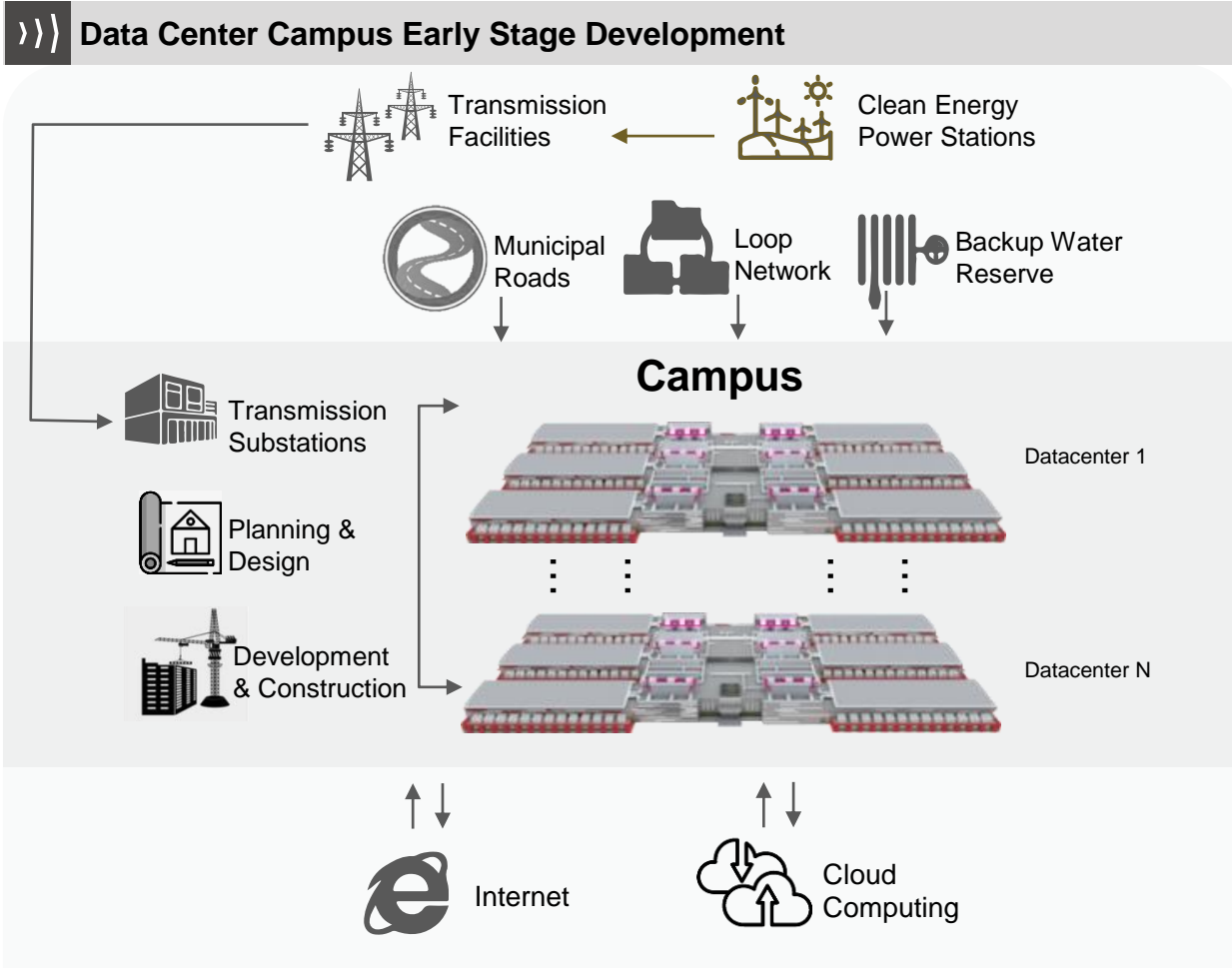
Data centers with new contracted and/or IOI capacities



Company Strategies



1 Comprehensive Development Capabilities



Source: Company filings, Uptime Institute report

Cost Advantage

Efficiently managed construction cost significantly lower than global comps



<US\$3.0 Mn per IT MW

Average construction cost for all in-service data centers

Self-built Substation

Largest self-built substation dedicated for data center campus in China went into operation



210MW

Self-built substation began operation in Q3

In-House Design Capability

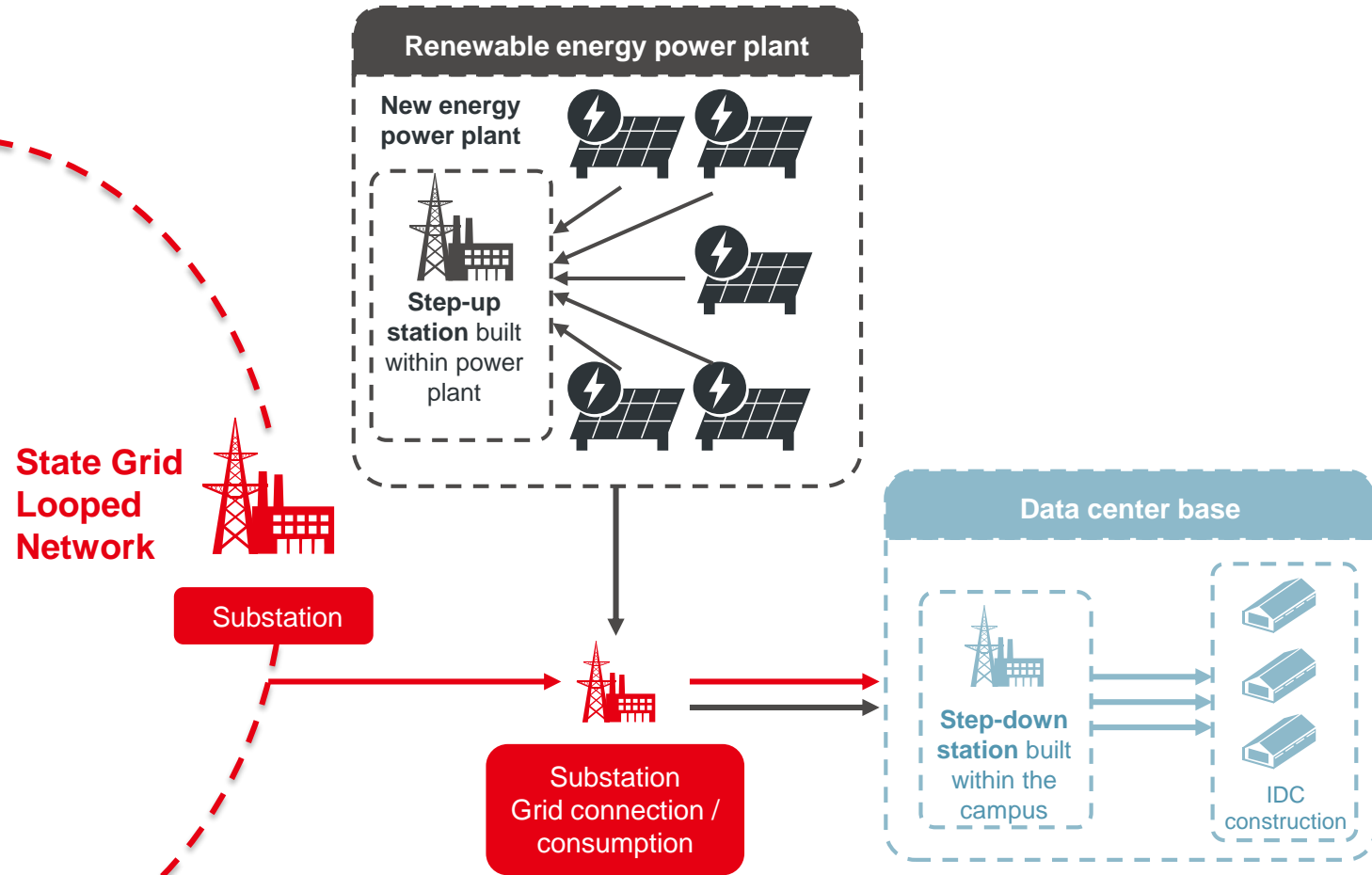
In-House Design Capability Enables Proprietary Modular Design Solutions



In-House Design Institute

Acquired in Q3

2 Energy Procurement and Transmission Capabilities



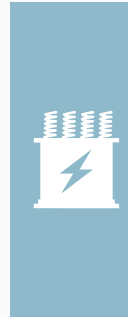
Stable, Abundant and Cost-effective Power Supply



720 million kWh
total energy used in 9M2020



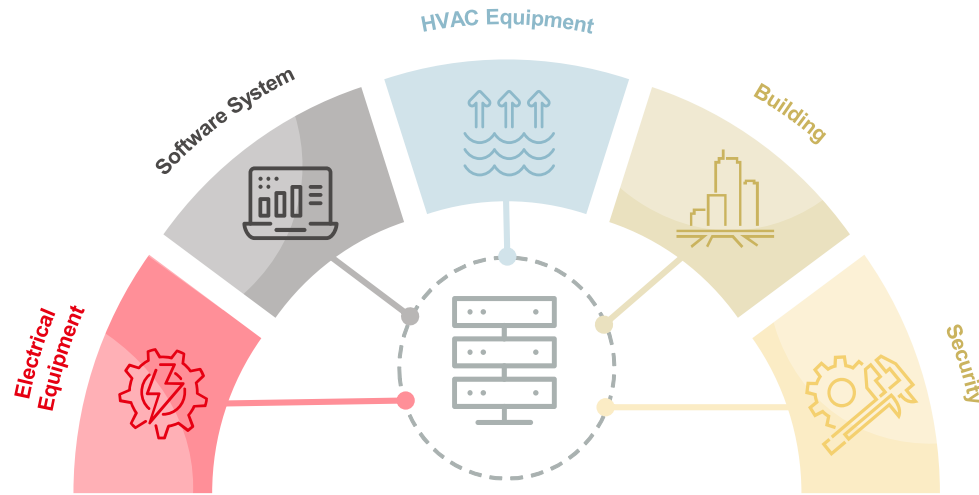
361 million kWh
total renewable energy used in 9M2020



RMB 0.47 per kWh
average utility cost in 9M2020

3 Equipment Manufacturing Capabilities

))) Proven Strong R&D Capabilities



194 Proprietary Patents & Applications⁽¹⁾

14 New Patents Developed in 3Q2020

Satisfy the demands from China's leading AI companies to bring AI computing power clusters to large-scale deployments

))) Key Patents



Indirect Evaporative Cooling Frozen Water Unit

- Modularity design philosophy
- Breaking the temperature and humidity restrictions of external environment
- Longer natural cooling time, shorter mechanical refrigeration usage, achieve optimized PUE



New Generation Terminal Ultra-density Precision Refrigeration Unit

- Able to support high density cabinet up to 40KW & 60U
- Already deployed to support 11MW in-service IT capacity



New Generation of Terminal Precision Distribution Unit

- Able to satisfy different server densities
- Low cost, quick deployment and reliable maintenance

Notes:
1.As of September 30, 2020



Financial Overview

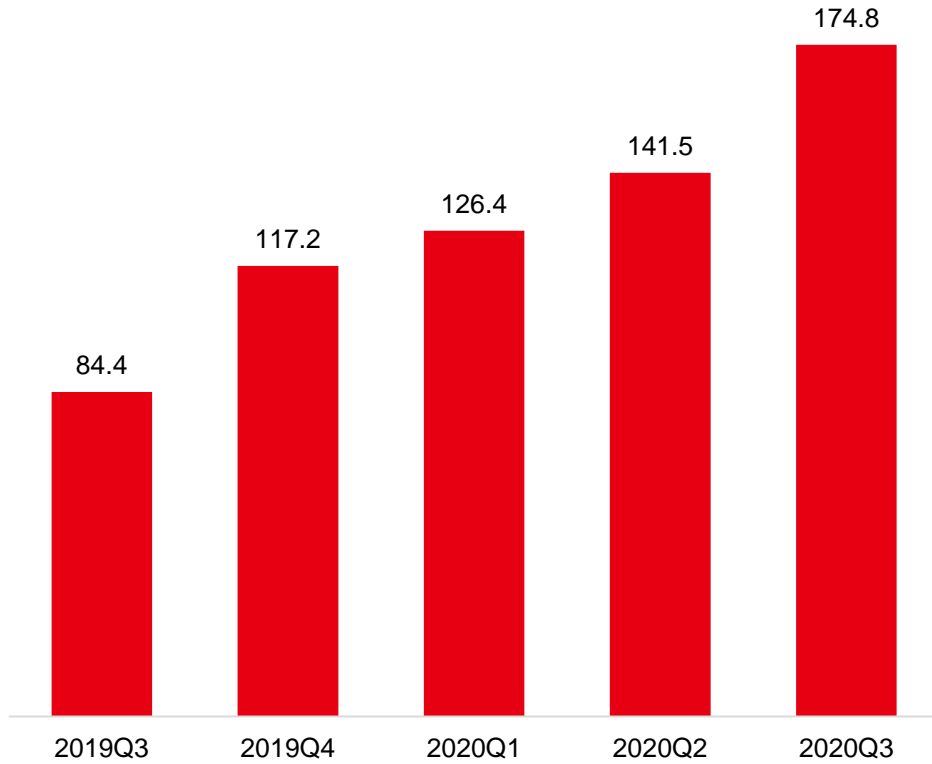
CHINDATA
GROUP



Continuous Revenue Growth

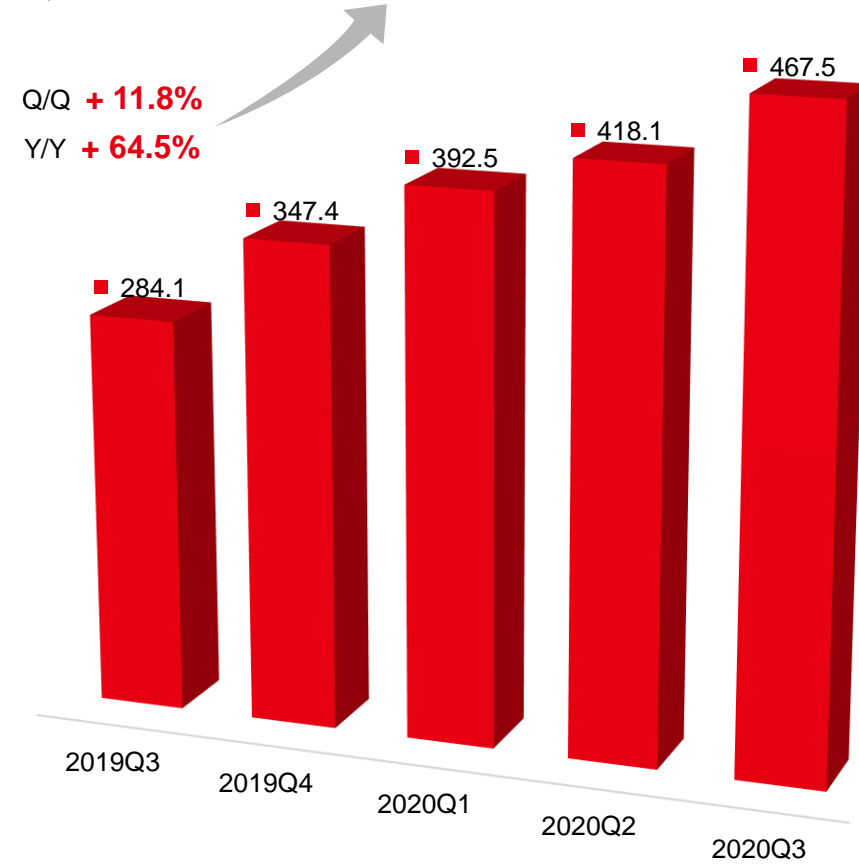
Quarter end utilized IT capacity

(MW)



Revenue

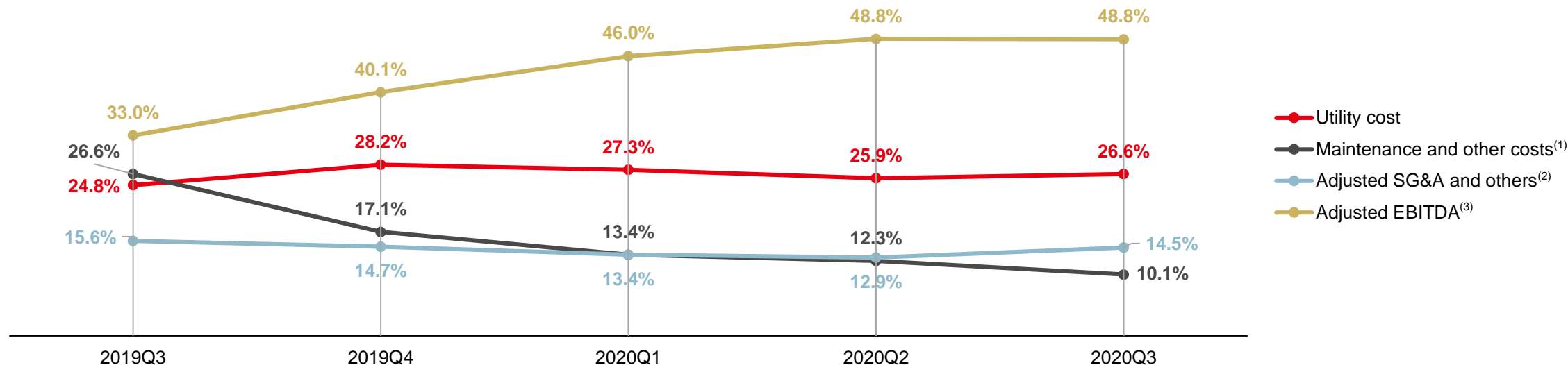
(RMBmn)



Cost and expense

Cost and expense breakdown

(% of revenue)



(RMB mn)	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	Q/Q	Y/Y
Revenue	284.1	347.4	392.5	418.1	467.5	11.8%	64.5%
Utility cost	70.4	97.8	107.1	108.4	124.4	14.8%	76.7%
Maintenance and other costs⁽¹⁾	75.6	59.4	52.4	51.6	47.2	-8.5%	-37.6%
Adjusted SG&A and others⁽²⁾	44.4	51.0	52.4	53.9	67.9	26.0%	52.9%
Adjusted EBITDA⁽³⁾	93.7	139.2	180.6	204.2	228.0	11.7%	143.3%

Note:

1. Maintenance and other cost includes maintenance cost, resource cost, labor costs (excluding share-based compensation) and operating lease cost and etc.

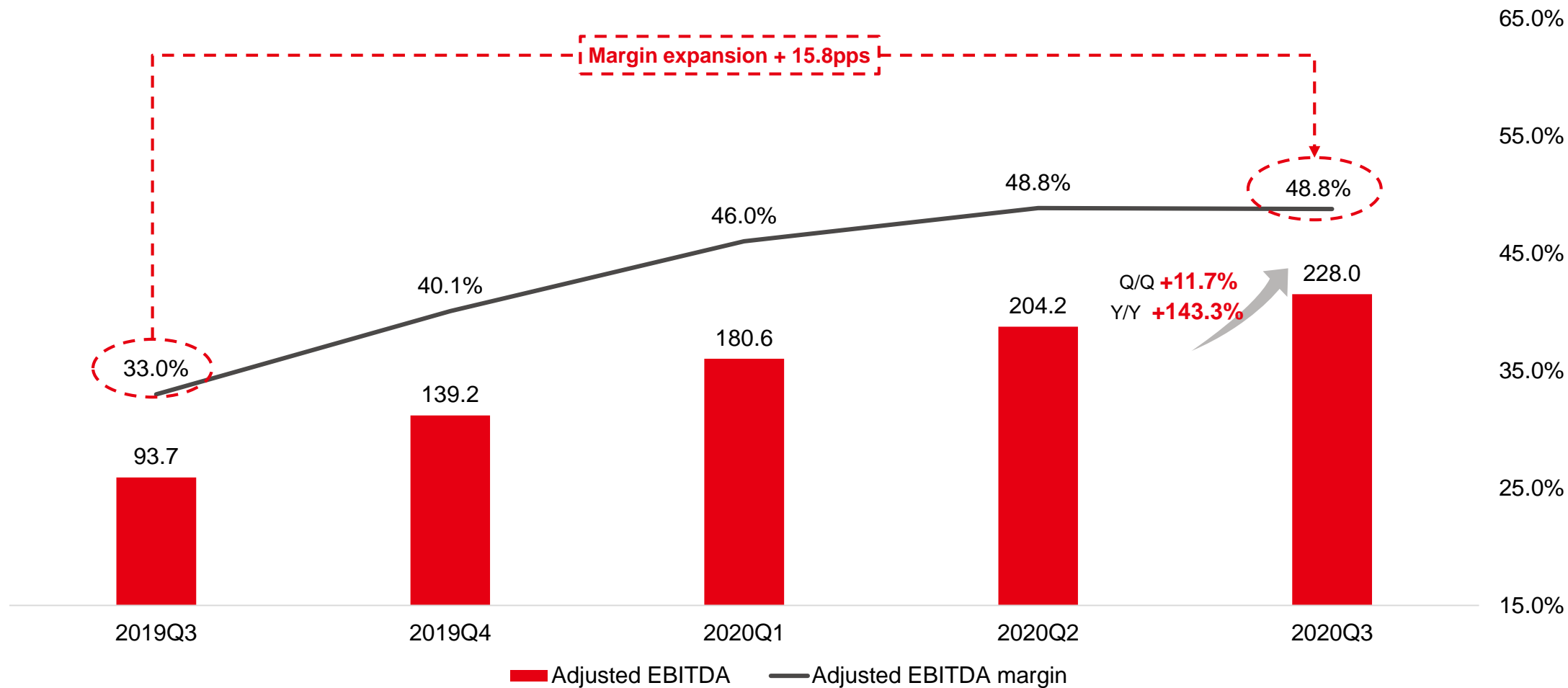
2. Adjusted SG&A and others includes operating expenses without depreciation and amortization, share-based compensation expenses, and one-off management consulting fee.

3. Adjusted EBITDA is defined as net loss excluding depreciation and amortization, interest income and expenses, income tax (benefits) expenses, share-based compensation, expense related to the reorganization, management consulting service fee, change in fair value of financial instruments, foreign exchange (gain) loss and non-cash operating lease cost relating to prepaid land use rights.

Adjusted EBITDA

Adjusted EBITDA

(RMBmn)



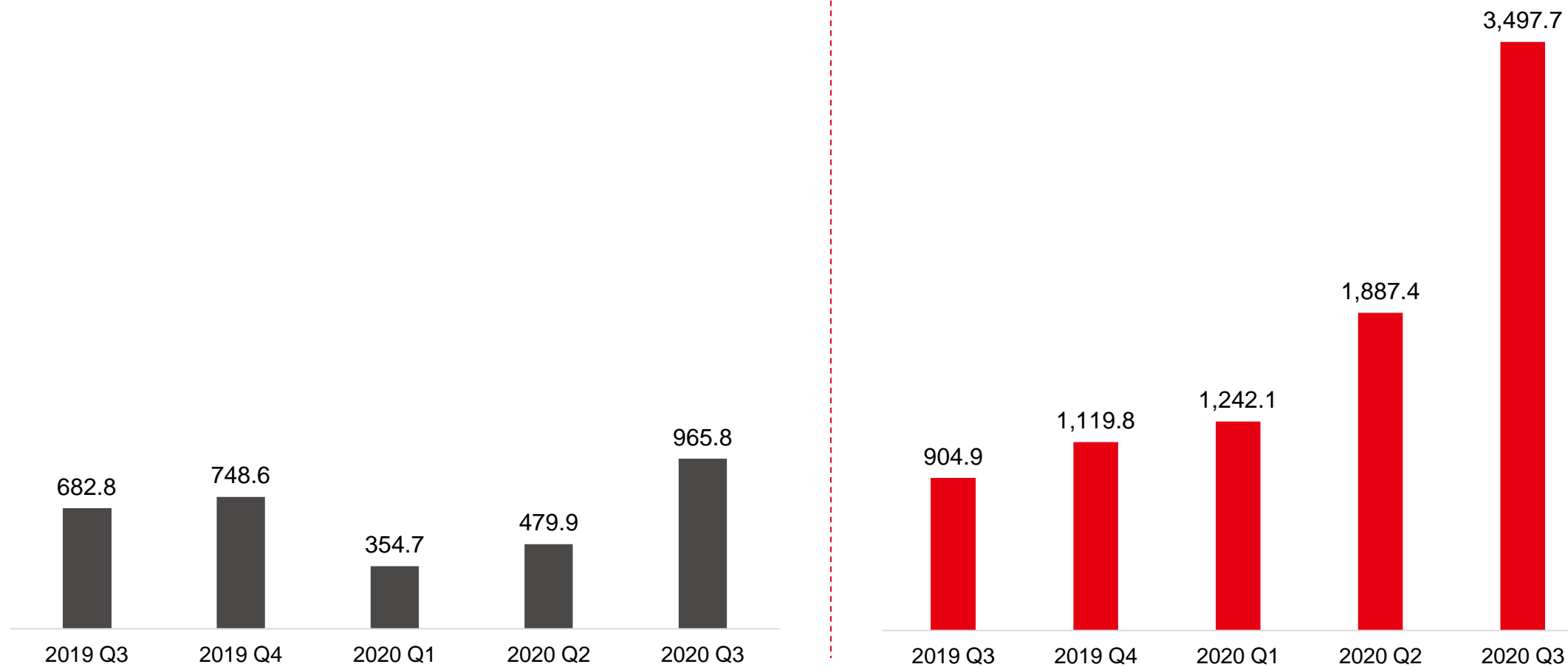
Capital expenditure

Capex by quarter

(RMBmn)

Capex⁽¹⁾

Cash, cash equivalents and restricted cash at end of period



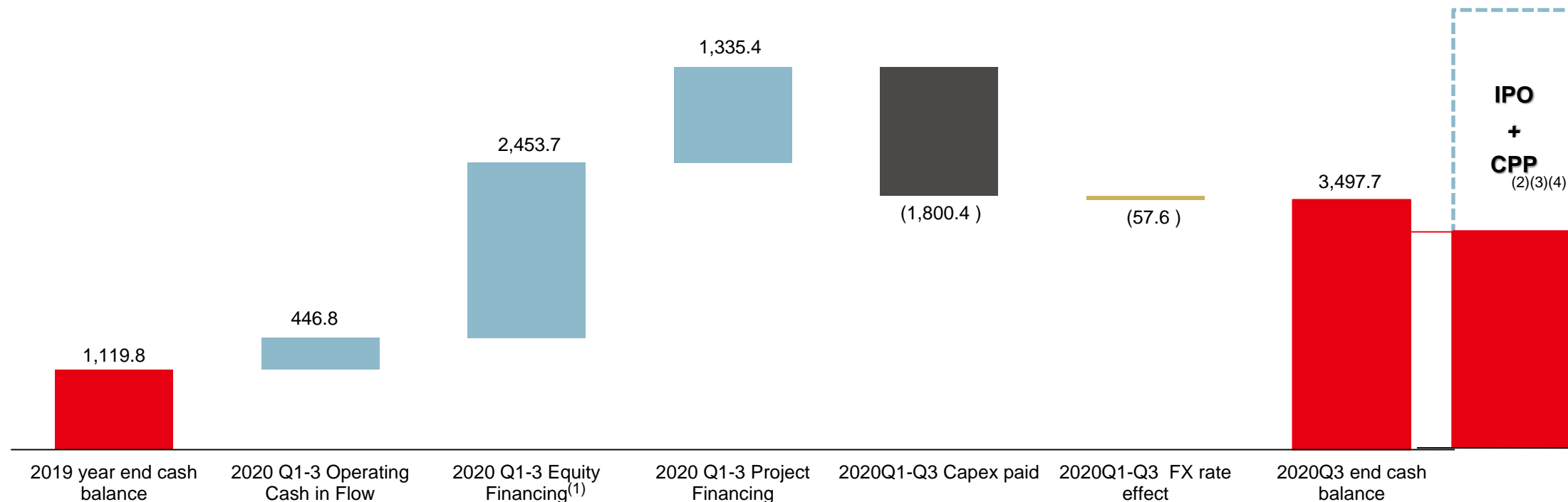
Note:

1. Capex refers to net cash used in investing activities.

Stable financing liquidity whilst pursuing expansion

Liquidity analysis from 2019 to 2020 3Q

(RMBmn)



Note:

1. Including net cash received from private placement and part of concurrent private placement (“CPP”).
2. On October 2, 2020, the Company successfully completed its initial public offering (“IPO”) of 40,000,000 ADSs, each representing two Class A ordinary shares of the Company, at a price of US\$13.50 per ADS for a total offering size of US\$540 million. And on the same day, the Company’s underwriters exercised their options to acquire additional 6,000,000 ADSs at the public offering price. On the same day, the Company also closed its CPP of 9,629,630, 5,925,926 and 4,444,444 class A ordinary shares to Joyful Phoenix Limited, SCEP Master Fund, and Shiyang Finance Limited at the public offering price, respectively.
3. To better illustrate the effect of the IPO and CPP transactions on the Company’s cash balance, this graph includes an indicative graph demonstration at far right side. The IPO proceeds and part of the CPP proceeds will be recorded in the Company’s Q4 financial results, and this graph is to provide an approximate net proceeds based on the number disclosed in the Company’s F-1 disclosure. In this demonstrative calculation, net proceeds already received from the CPP has been excluded from the “IPO and CPP” part, so to reflect the additional cash received from the two transactions on top of the cash balance of this quarter end.
4. Translations from Renminbi into U.S. dollars were made at RMB6.7896 to US\$1.00, the noon buying rate on September 30, 2020

Guidance

RMB Mn	FY2019 Pro Forma	FY2020 Guidance	Implied YoY
Revenue	1,098	1,770 – 1,790	61% – 63%
Adjusted EBITDA	404	830 – 850	105% – 110%

Growth Strategies



Explore more regional opportunities for hyperscale data centers to further develop China, India and Southeast Asia Market



Deepen relationships with existing clients and grow as a trusted partner to new clients



Continue to solidify our core capabilities and enhancing our leadership as a comprehensive IDC solution provider



Become an industry leader for environmental and social responsibility



Question & Answers



Appendix

Summary of key P&L items

(RMBmn)	For the three months ended					Q/Q	Y/Y	For the nine months ended
	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 2020	Sep 30, 2020			
Total revenue	284.1	347.4	392.5	418.1	467.5	11.8%	64.5%	1278.1
Cost of revenue	(201.9)	(232.7)	(242.9)	(251.4)	(277.2)	10.3%	37.2%	(771.5)
Gross profit	82.2	114.7	149.6	166.7	190.3	14.2%	131.6%	506.6
Selling and marketing expenses	(16.6)	(14.4)	(15.7)	(21.3)	(34.5)	62.0%	107.7%	(71.5)
General and administrative expenses	(82.5)	(62.6)	(84.5)	(99.1)	(236.6)	138.7%	186.6%	(420.2)
Research and development expenses	(10.3)	(11.8)	(8.4)	(7.4)	(12.5)	68.9%	21.3%	(28.3)
Total operating expenses	(109.4)	(88.8)	(108.6)	(127.8)	(283.6)	121.9%	159.1%	(520.0)
Operating (loss) income	(27.2)	25.9	41.0	38.9	(93.2)	-339.8%	243.0%	(13.4)
Net Interest expense	(19.6)	(49.1)	(49.9)	(63.7)	(54.6)	-14.3%	178.6%	(168.2)
Others	0.7	(6.3)	7.7	(4.6)	(9.3)	102.2%	-1,428.6%	(6.2)
Net Loss before taxes	(46.1)	(29.5)	(1.2)	(29.4)	(157.2)	434.7%	241.0%	(187.8)
Income tax expense	0.4	0.4	(12.9)	(15.9)	(16.5)	3.8%	-4,225.0%	(45.3)
Net Loss	(45.7)	(29.1)	(14.1)	(45.3)	(173.7)	283.4%	280.1%	(233.1)

GAAP to Non-GAAP Reconciliations

Reconciliation from Net Loss to Adjusted EBITDA

(RMBmn)	For the three months ended					Q/Q	Y/Y	For the nine months ended
	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 2020	Sep 30, 2020			
	Net loss	(45.7)	(29.1)	(14.1)	(45.3)			(173.7)
Add: Depreciation & amortization	68.1	89.8	96.5	97.0	103.3	6.5%	51.7%	296.8
Add: Interest income & expenses	19.6	49.1	49.9	63.7	54.6	-14.3%	178.6%	168.2
Add: Income tax (benefit) expenses	(0.4)	(0.4)	12.9	15.9	16.5	3.8%	-4,225.0%	45.3
EBITDA	41.6	109.4	145.2	131.3	0.7	-99.5%	-98.3%	277.2
Add: One-off and other non-operating expenses	5.2	3.1	4.1	3.9	64.9	1,564.1%	1,148.1%	72.9
Add: Changes in fair value of financial instruments	1.0	7.9	(9.7)	8.2	10.0	22.0%	900.0%	8.5
Add: Foreign exchange (gain) loss	(0.4)	0.3	0.1	(0.9)	1.3	-244.4%	-425.0%	0.5
Add: Operating lease cost related to prepaid land use rights	0.4	0.6	0.6	0.7	0.7	0.0%	75.0%	2.0
Add: Share-based compensation	45.9	17.9	40.3	61.0	150.4	146.6%	227.7%	251.7
Adjusted EBITDA	93.7	139.2	180.6	204.2	228.0	11.7%	143.3%	612.8
Adjusted EBITDA Margin	33.0%	40.1%	46.0%	48.8%	48.8%	-0.1%	47.9%	47.9%

Summary of key balance sheet items

(RMBmn)	As of December 31, 2019		As of September 30, 2020	
	Audited		Unaudited	
Total Asset		7,771.2		11,624.1
	Property and equipment, net	4,404.6		5,480.5
	Accounts receivable, net	304.7		328.5
	Cash, cash equivalents and restricted cash	1,119.8		3,497.7
Net Asset		3,237.2		4,988.8
Liability to asset ratio		58.3%		57.1%
Total Debt		2,822.1		4,123.7
	Bank Loan	2,755.5		4,058.6
	Finance Lease liabilities	66.6		65.1
Net Debt		1,702.3		626.0
Net Debt to LTM Adj. EBITDA		5.7		0.8
Total Debt to LTM Adj. EBITDA		5.5		5.5

Definitions

Terms	Definitions
IT Capacity in service	The total capacity available for utilization; this capacity does not include capacity from our retail data centers
IT Capacity under construction	The total capacity under construction and have not yet reached the stage of being ready for service
Colocation services	Services to store and support IT equipment at data centers facilities for clients
Contracted IT capacity	Capacity for which clients are required to pay us colocation service or rental fees or reservation fees
Contracted ratio	The ratio of contractually committed capacity to capacity in service.
lol IT capacity	Capacity with Indication of Interest”, the capacity for which clients have indicated interest in and had substantial negotiation for binding service agreements with us
lol ratio	The ratio of capacity with indication of interest from customers to capacity in service.
(IT) MW	Megawatts
PUE	Power Usage Effectiveness, a ratio of the total power usage of a data center to the power usage of the IT equipment inside such data center
Utilization ratio	The ratio of utilized capacity as of September 30, 2020 to capacity in service
Utilized IT capacity	Capacity in service that is committed to customers and revenue generating pursuant to the terms of customer agreements remaining in effect

Thank You

