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## PRESS RELEASE

### **OVHcloud takes the first step towards its IPO on Euronext Paris**

*Approval of Registration Document by French Autorité des Marchés Financiers*

- *OVHcloud is the leading European cloud provider serving 1.6 million clients, including corporates moving to the cloud, digital native companies and public sector entities, in over 140 countries across the world, with a comprehensive suite of cloud solutions.*
- *As the only European pure cloud player of scale, OVHcloud is uniquely positioned to capture the exponential growth in global cloud and surging demand for data sovereignty.*
- *OVHcloud has a proven track record of strong, sustained and profitable growth, with revenues growing at a compound annual rate of over 20% in the last 10 fiscal years. In FY2020<sup>1</sup>, OVHcloud revenues were €632 million, adjusted EBITDA<sup>2</sup> was €263 million.*
- *Since its creation, OVHcloud has demonstrated its commitment to developing eco-friendly technologies thanks to its unique vertically integrated model, and to building an empowering and inclusive culture supporting innovation.*
- *OVHcloud is contemplating an Initial Public Offering (“IPO”) on Euronext Paris to accelerate its growth trajectory and consolidate its European leadership position while continuing to expand in North America and Asia. In connection with the IPO, OVHcloud intends to raise up to €400 million through the issuance of new shares. In addition, as part of the offer, the shareholders of OVHcloud who have been supporting the Group’s growth since 2016, have informed the Company of their intention to sell a part of their existing shares, while maintaining a significant position in OVHcloud’s capital.*
- *Following the IPO, the Klaba family will retain a substantial majority stake in the Company.*

**Roubaix, September 20, 2021** – OVH Groupe (the “Company” and, together with its subsidiaries, “OVHcloud” or the “Group”), the leading European cloud provider with a global footprint, announces today the approval of its Registration Document, dated September 17, 2021, by the French financial markets authority (*Autorité des marchés financiers*, “AMF”) under number I.21-052.

The approval of the Group’s Registration Document marks the first step of its IPO on the regulated market of Euronext Paris. The completion of the IPO is subject to the approval by the AMF of the Prospectus in relation to the offering, as well as favorable market conditions.

**Michel Paulin, CEO of OVHcloud**, said:

*“Data is everywhere. And while the digital world around us is changing at an exponential rate, there is surging demand for data sovereignty as corporates and the public alike, supported by strong European regulation, demand that their data be treated with the utmost level of care and protection. This fundamental shift represents*

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<sup>1</sup> Fiscal year ending August 31, 2020

<sup>2</sup> Adjusted EBITDA means current EBITDA adjusted to exclude share-based compensation expenses and expenses resulting from the payment of earn-outs.

*a tremendous opportunity for OVHcloud, the European cloud leader, to scale up its strategy as an open, trusted and sustainable cloud.*

*For over 20 years, OVHcloud has rolled-out an integrated model and maintained full control of its value chain. With its distinctive strategy to design and manufacture its own servers and datacenters, OVHcloud is a pioneer in sustainable cloud, with a steady track-record of innovation in eco-friendly technology.*

*Not only does its model set OVHcloud apart, it also delivers strong, sustainable and profitable growth: revenues grew at a compound annual rate of over 20% in the last decade, with an adjusted EBITDA margin of nearly 42% in FY2020<sup>3</sup>. We also successfully pursued our international expansion strategy, initiated as early as 2012, with almost half of our revenues outside France in FY2020.*

*Looking forward, our priority is to focus on fully capturing market growth and enhancing our scale. We aim for a mid-twenties organic revenue growth rate by 2025, which could be further enhanced by acquisitions. With the planned IPO, we want to consolidate our position as the leading pure play European cloud champion, by developing key customer segments in our main geographic markets, broadening our addressable markets through an advanced level of innovation, and expanding in and outside Europe, particularly in North America and Asia. I fully trust our teams' talent, expertise and engagement to accelerate our growth while upholding our two-decade commitment to sustainable operations with clear and measurable objectives."*

### **The leading European cloud player positioned to capitalise on the rapidly growing cloud market**

Founded by Octave Klaba in 1999 and led by its CEO Michel Paulin, OVHcloud provides business customers with a comprehensive suite of private, public and web cloud solutions designed to capture growing demand for multi-cloud and hybrid cloud strategies:

- OVHcloud is one of the two leading providers of private cloud services in Europe, and the leading player in Continental Europe. OVHcloud is also a European leader in Hosted Private Cloud services based on its current offering, market presence, and strategy.
- The Company has a growing presence in the public cloud market: it is the leading European provider and the 5<sup>th</sup> largest player in Europe.

OVHcloud addresses a global market for cloud infrastructure and software platform services estimated at €100-120 billion in 2020 which has grown substantially in recent years, as businesses have increasingly turned to cloud for their IT needs. Studies show that the global cloud market has been growing at a compound annual rate of over 20% year-on-year since 2017 and is expected to continue to grow rapidly in the coming years<sup>4</sup>, notably driven by higher business spending devoted to the cloud, and innovation. In parallel to this trend, there is a growing demand for data sovereignty as European regulation and public opinion urge companies to guarantee the use and protection of personal data.

For more than 20 years, OVHcloud has been leveraging an integrated model allowing full control of its value chain, from the design and manufacturing of servers datacenters and network resources, to the design and management of software resources. This vertically integrated model is also a driver of OVHcloud's performance, agility and sustainable innovation. Supported by proprietary technology, this enables the Company to offer its clients unparalleled pricing transparency and predictability.

This unique approach also enables the Company to cover, independently, the full spectrum of use cases for its 1.6 million<sup>5</sup> customers across the world, from SMBs, large and tech enterprises to the public sector. The customer base is very diverse, with the top 50 customers accounting for approximately 8% of FY2020 revenues,

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<sup>3</sup> Fiscal year ending August 31, 2020

<sup>4</sup> Sources: IDC, Gartner, Forrester, market studies commissioned by the Company

<sup>5</sup> Number of customers who generated revenue at least once during financial year 2020

and also very loyal with strong portfolio stickiness as evidenced by OVHcloud's 104% FY2019-2020 average net revenue retention.

OVHcloud has a proven track record of strong, sustained and profitable growth, with revenues growing at a compound annual rate of over 20% in the last 10 fiscal years, along with an adjusted EBITDA margin of 42% and a current EBITDA margin of 40% in FY2020<sup>6</sup>. Revenue growth has been broad-based from a product, geographic and customer perspective:

- In FY2020, OVHcloud revenues were €632 million, of which approx. 62% came from private cloud services (of which 16% Hosted Private Cloud), 13% from public cloud services and 25% from web cloud and other services.
- Circa half of revenues were generated outside France in FY2020, illustrating the Company's successful international expansion strategy initiated in 2012.
- From FY2019 to FY2020, OVHcloud has consistently grown its customer base, as well as its average revenue per customer, recording revenue retention rates (the percentage of revenues from customers generating revenue in one period retained in the following period) above 100%.
- FY2020 adjusted EBITDA was €263 million, current EBITDA was €255 million and operating income was €30,6 million.

On the night of 9-10 March 2021, a fire broke out in one of OVHcloud's four datacenters in Strasbourg (France), impacting OVHcloud's operating results in the third and fourth quarters of fiscal year 2021 (ending May 31, and August 31, 2021, respectively), and resulting in the issuance of credit notes to customers for interrupted service, the reduction of billed services and the issuance of vouchers to customers impacted by service interruptions.

Thanks to the strong support of its clients and partners, the Group has rapidly recovered from this incident, and continued to deliver double-digit underlying revenue growth<sup>7</sup>, demonstrating the resilience of its business model. OVHcloud is well positioned to capitalize on the rapidly growing cloud market, and this one-off incident does not change the overall dynamics of its business and its potential future growth. Furthermore, OVHcloud has implemented a hyper-resilience roadmap to increase datacenter and network resilience and support customers with back-up solutions as well as recovery plans solution.

In addition, the Group received, in August 2021, a commitment from its insurers to pay by the end of September 2021 the amount of €58 million to cover the consequences of the fire.

#### 4 pillars to accelerate growth

- 1- **Growing key client segments in core markets:** OVHcloud is pursuing a growth strategy tailored to its three main customer segments (digital native companies, corporate and public entities moving to the cloud, White-Labelers & Resellers) with whom it interacts through direct and indirect distribution channels (over 350 partners in the field of integration services around the world). OVHcloud addresses each of these customer segments with tailored product offerings and marketing channels. As the Trusted Cloud by design and by commitment, OVHcloud is building upon its solutions to answer the rising demand for data sovereignty, with: (1) Trusted Zone, a solution of primary interest to SMBs, corporates and public entities, (2) security & data protection technology via innovation, partnerships, and acquisitions, (3) education & lobbying through Open-Trusted Cloud or Gaia-X.
- 2- **Addressing a larger market via new cloud usages:** OVHcloud intends to expand its addressable market by integrating additional cloud usages in its offering (high-performance computing for artificial intelligence and machine learning, database management solutions, high-performance storage, security

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<sup>6</sup> Fiscal year ending August 31, 2020

<sup>7</sup> Adjusted for Strasbourg fire-related credit notes and vouchers

& data protection, etc.). The Company aims to offer integrated IaaS<sup>8</sup> and PaaS<sup>9</sup> solutions, building on its core IaaS solutions in private and public cloud. On the PaaS market, it intends to develop dedicated solutions via a mix of R&D, integration and acquisitions strategy, by leveraging (1) its infrastructure solutions, (2) its partnerships with leading software solution providers (e.g. partnership with Google Anthos, MongoDB, Aiven...), (3) targeted technology acquisitions. OVHcloud plans to offer a portfolio of 80+ services<sup>10</sup> in FY 2022 and to reach ~40 software solutions in its PaaS integration roadmap by FY2025.

- 3- **Strengthening European leadership and growing outside of Europe:** As the only European player of scale, accredited by a wide range of certification agencies in Europe, OVHcloud intends to consolidate its European leadership. Active in the US since 2012, the Company aims to further expand in the US, Canada and LATAM, serving both European clients in those regions as well as domestic clients looking to align with the high level of European data security requirements. OVHcloud also intends to increase its footprint in Asia and Australia, where it already operates three datacenters. The Company is also contemplating expansion opportunities in India, Indonesia, Japan, South Korea and Thailand, which are high potential markets.
- 4- **Rolling out a targeted, value-accretive M&A strategy:** The Company's M&A strategy aims to support OVHcloud's growth acceleration. It is twofold: (1) expand the breadth of the PaaS product offering, by integrating software technology (with targets ranging from start-up technology bricks to mature at-scale solutions) and talent pool, (2) expand customer footprint in Europe, by acquiring mature cloud companies with complementary customer bases in an opportunistic manner.

### Short and mid-term Outlook

*The following objectives relate to potential future performance and are necessarily subject to uncertainty. They should be read with precaution and in conjunction with the more detailed presentation of such objectives contained in the Registration Document and the related assumptions.*

### OVHcloud is on track to materially accelerate its growth towards the mid-twenties

For the full year 2021, revenues are expected to range between €655 million and €665 million, factoring in an impact of €28.1 million related to the Strasbourg incident. Adjusted EBITDA margin is estimated between 38% and 40% and current EBITDA margin is estimated between 35% and 37%.

FY2022 revenue is targeted to grow 10-15% year on year.

By FY2025, OVHcloud aims to drive organic revenue growth towards the mid-twenties, propelled by (i) a favourable business mix effect through accelerating demand in its fast-growing public cloud and Hosted Private Cloud segments, (ii) addressable market expansion through a strategic increase in OVHcloud's PaaS offering, (iii) accelerating international expansion and (iv) a unique positioning set to capture market tailwinds from increased hybrid- and multi-cloud solutions, as well as surging demand for data sovereignty.

The Company seeks to achieve these growth targets while maintaining its adjusted EBITDA margin in line with the FY2020 level.

No dividend payments are anticipated in the mid-term with cash-flows expected to be re-invested in line with the Company's accelerating growth trajectory.

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<sup>8</sup> Infrastructure as a Service

<sup>9</sup> Platform as a Service

<sup>10</sup> In Domain-specific solutions, Management, Resilience, Security identity & compliance, Compute, App. platform, Database, Hosted Private Cloud, Baremetal cloud, Storage & back-up, Networking & content delivery

### **IPO on Euronext Paris**

As part of the contemplated IPO, OVHcloud intends to raise up to €400 million through the issuance of new shares. In addition, as part of the offer, the shareholders of OVHcloud who have been supporting the Group's growth since 2016, have informed the Company of their intention to sell a part of their existing shares, while maintaining a significant position in OVHcloud's capital.

The potential IPO would accelerate OVHcloud's strategy to:

- consolidate its position as the leading, pure play, European cloud champion
- extend its addressable market by strengthening its offering based on technological solutions tailored to new cloud usages, and
- continue the Company's expansion, in particular in North America and Asia.

Following the IPO, the Klabá family will retain a substantial majority stake in OVHcloud.

BNP Paribas, Citigroup, JP Morgan and KKR Capital Markets are acting as Joint Global Coordinators and Joint Bookrunners; Credit Suisse, Goldman Sachs, Morgan Stanley and Société Générale are acting as Joint Bookrunners, and CIC is acting as Co-Lead Manager (together with the Joint Global Coordinators and Joint Bookrunners and the Joint Bookrunners, the "Banks") in the contemplated IPO. Rothschild & Co and Eight Advisory are acting as independent financial advisors, Cleary Gottlieb Steen & Hamilton LLP as legal advisor, Brunswick as financial communications advisor and Accellency as investor relations advisor to OVHcloud. White & Case LLP are acting as legal advisors to the Banks.

### **Availability of the registration document**

OVHcloud's Registration Document is available on the Company's website dedicated to its IPO process website <https://ipo.ovhcloud.com/en> and on the website of the AMF at [www.amf-france.org](http://www.amf-france.org). It is also available free of charge upon request from the Company at 2 rue Kellermann, 59100 Roubaix, France. The Group would like to draw the attention of potential investors to Chapter 3: 'Risk Factors' in the registration document approved by the AMF.

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*In addition, this press release includes consolidated financial information of the Group for the 9 months ended May 31, 2021.*

*The Banks are acting exclusively for the Company and no one else in connection with the contemplated IPO and will not regard any other person as their respective clients and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients in connection with any offer of shares of the Company or otherwise, nor for providing any advice in relation to the offer of shares, the content of this press release or any transaction, arrangement or other matter referred to herein. None of the Banks or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this press release (or whether any information has been omitted from this press release) or any other information relating to the Company, its subsidiaries or associated companies,*

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### **Forward-looking statements**

*This announcement contains statements regarding the prospects and growth strategies of OVH Groupe (“OVHcloud”). These statements are sometimes identified by the use of the future or conditional tense, or by the use of forward-looking terms such as “considers”, “envisages”, “believes”, “aims”, “expects”, “intends”, “should”, “anticipates”, “estimates”, “thinks”, “wishes” and “might”, or, if applicable, the negative form of such terms and similar expressions or similar terminology. Such information is not historical in nature and should not be interpreted as a guarantee of future performance. Such information is based on data, assumptions, and estimates that OVHcloud considers reasonable. Such information is subject to change or modification based on uncertainties in the economic, financial, competitive or regulatory environments.*

*This information includes statements relating to OVHcloud’s intentions, estimates and targets with respect to its markets, strategies, growth, results of operations, financial situation and liquidity. OVHcloud’s forward-looking statements speak only as of the date of this announcement. Absent any applicable legal or regulatory requirements, OVHcloud expressly disclaims any obligation to release any updates to any forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances, on which any forward-looking statement contained in this announcement is based.*

*OVHcloud operates in a competitive and rapidly evolving environment; it is therefore unable to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the occurrence of a risk or combination of risks could have significantly different results from those set out in any forward-looking statements, it being noted that such forward-looking statements do not constitute a guarantee of actual results. These risks and uncertainties include those set out and detailed in Chapter 3 “Risk Factors” of the registration document.*