PRESS RELEASE

FY2021 financial performance at the high-end of the guidance
Revenue of €663m and adjusted EBITDA margin of 39.5%
Acceleration path confirmed for 2022 and beyond

- **Healthy commercial performance with FY2021 revenue of €663 million, up 12% LFL[1], at the top end of the estimated range of €655-665 million**
- **Adjusted EBITDA[2] of €262 million, a 39.5% margin, at the upper end of the 38% to 40% guidance, and growing 15% LFL**
- **Positive FY2022 outlook with revenue growth expected in the upper half of the 10% to 15% initial guidance and adjusted EBITDA margin of around 40%**
- **Successful IPO with a final size of €450 million, highest retail participation in a decade for an IPO on Euronext Paris A-Compartment (excluding State-owned companies) and exceptional involvement of OVHcloud employees to the simultaneous reserved offer**

Roubaix, November 16th, 2021 – OVHcloud announced today its annual results for the period ending August 31, 2021. This press release relates to OVH Groupe consolidated accounts.

Michel Paulin, CEO of OVHcloud, said:

"*By reaching the high-end of the guidance, the 2021 full-year results demonstrate the Group's ability to deliver on its strategy. They also mark an important milestone in the life of OVHcloud as a newly listed company, evidencing that we are ready to accelerate our growth trajectory. Not only did we step up as a leading global provider, but we also opened new market segments, enhanced our go-to-market to better address corporate needs and widened our solutions portfolio to support an increasing number of use cases. Thanks to the talent of our 2500 employees worldwide, we proved the resilience of our model and broadened the relations with our trusted ecosystem across the four continents in which we operate. Building on favorable market tailwinds, OVHcloud is set up to seize the full potential of what a European Champion can get on the hypergrowth Cloud market. The company is today best positioned to meet its ambitions for FY2022 and achieve strong and continuous growth while deploying an ambitious roadmap, sustainably.*"

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[1] Like-for-like: at constant FX, constant perimeter and excluding Strasbourg (SBG) direct impacts vs. FY2020. Perimeter adjustments correspond to M&A and FY2020 US-entities non-recurring items

[2] Adjusted EBITDA is equal to current EBITDA excluding share-based compensation and expenses resulting from the payment of earn-outs

Key figures

In € million	FY2021	FY2020	Change (%)	Change LFL (%)
Revenue	**663**	**632**	**5%**	**12%**
Adjusted EBITDA[3]	**262**	**263**	**0%**	**15%**
Adjusted EBITDA margin (% revenue)	*39.5%*	*41.6%*	*(2.1)pp*	*1.3pp*
Current EBITDA[4]	**240**	**255**	**(6)%**	**10%**
Current EBITDA margin (% revenue)	*36.2%*	*40.3%*	*(4.1)pp*	*(0.7)pp*
Net cash flow from operations	**268**	**270**	**(1)%**	**-**
Recurring Capex	(122)	(127)	(4)%	-
Growth Capex	(221)	(149)	48%	-

FY2021 revenue at €663m, up 12% LFL[5]

OVHcloud's consolidated revenue for FY2021 reached €663 million, up 5% compared to FY2020 and delivering a 12% growth on a comparable basis, adjusted for exchange rates, perimeter changes and the direct one-off effects of the Strasbourg incident. This number is at the top end of our guidance and reflects a strong commercial performance with like-for-like growth mainly driven by ARPAC growth.

The revenue retention rate was 100%, or 103% adjusted for the one-off Strasbourg incident-related vouchers and credit notes, stable year-over-year, demonstrating the company's resilience.

Throughout FY2021, OVHcloud has fast-tracked the rollout of its technical and commercial roadmap to strengthen its positioning as a driving force for a trusted and collective alternative in the global cloud industry. Based on its unique competitive advantages, the company achieved numerous commercial successes. On its own or with the contribution of its global scale partners (Atos, CapGemini, Sopra Steria, HCL...), the Group has been able to support a wide range of use cases, from cutting-edge tech companies such as Peachtree Corner or Lydia, to the most critical ones in data sensitive sectors such as Aerospace and Defense (ESA via Serco), HCM (Talentsoft) or Finance (Paylib, Société Générale).
OVHcloud also continued to focus on developing new cloud usages and moved forward in building up its PaaS portfolio. The company successfully deployed new solutions based on its own technology, including AI notebook and ML engine, and on technological partnerships with leading players including Platform.sh and MongoDB.

[3] Adjusted EBITDA is equal to current EBITDA excluding share-based compensation and expenses resulting from the payment of earn-outs
[4] Definition in Appendix
[5] Like-for-like: at constant FX and constant perimeter vs. FY2020 and excluding Strasbourg (SBG) direct impacts. Perimeter adjustments correspond to M&A and FY2020 US-entities non-recurring items

Revenue by segment - in € million	FY2021	FY2020	Change (%)	Change LFL (%)
Private Cloud	398	389	2%	11%
Public Cloud	94	82	15%	23%
Web Cloud & Other	171	161	7%	8%
Total	**663**	**632**	**5%**	**12%**

Revenue by product segment

Private Cloud, which includes Bare Metal and Hosted Private Cloud, was the segment most impacted by the vouchers and credit notes following the fire in Strasbourg. However, the segment benefited from continued low customer attrition following this event, as well as a continued improvement in ARPAC. On a like-for-like[6] basis, Private Cloud revenue was up 11%.

This performance results from:

- increased spend by technology and software customers, due to their own increased needs resulting from traffic and activity growth;
- growth in spend by small and medium-sized business customers, due to increased use of the cloud and enhanced customer support; and
- increased sales and marketing efforts to support the digital acquisition of customers.

Public Cloud grew 23% on a like-for-like basis. This growth was driven by a solid increase in both ARPAC and net customer acquisition, despite the Strasbourg incident, reflecting the current market dynamics.

Web Cloud & Other maintained a relatively stable contribution to revenue compared to the previous year, reflecting growth in net customer acquisition resulting from extensive digital marketing efforts, and stable ARPAC.

Revenue by geographic region

Revenue by geographic region in € million	FY2021	FY2020	Change (%)	Change LFL (%)
France	343	329	4%	9%
Rest of Europe	193	180	7%	13%
Rest of the World	128	124	4%	18%
Total	**663**	**632**	**5%**	**12%**

Revenue growth in **France** was driven primarily by ARPAC growth from technology and software customers, public cloud expansion and continued web cloud customer acquisition. The French market also benefited from an increase in digital acquisitions resulting from marketing investments made in the second half of FY2020. Revenue growth also reflects the impact of the Strasbourg fire, to which France had a greater exposure than the other regions. On a like-for-like basis, revenue growth in France was 9%.

In **other European countries**, revenue growth was largely the result of the same trends as those observed in France, as well as the initial results of the implementation of dedicated regional sales teams. Digital revenues grew by 17% like-for-like, supporting OVHcloud’s European geographic expansion ambitions.

[6] Like-for-like: at constant FX, constant perimeter and excluding Strasbourg (SBG) direct impacts vs. FY2020. Perimeter adjustments correspond to M&A and FY2020 US-entities non-recurring items

In the **Rest of the World,** digital revenues grew by 41% like-for-like, with a particularly strong performance in the United States (+143% like-for-like).

Adjusted EBITDA of €262m, up 15% LFL, and adjusted EBITDA margin of 39.5%

Current and Adjusted EBITDA in € million	**FY2021**	**FY2020**	**Change (%)**	**Change LFL (%)**
Private Cloud	145	162	(11)%	7%
Public Cloud	34	32	7%	42%
Web Cloud & Other	61	61	0%	3%
Total Current EBITDA	**240**	**255**	**(6)%**	**10%**
Private Cloud	158	167	(5)%	12%
Public Cloud	37	33	12%	48%
Web Cloud & Other	67	63	6%	8%
Total Adjusted EBITDA	**262**	**263**	**0%**	**15%**

In FY2021, current EBITDA was €240 million and adjusted EBITDA[7], which is the non-GAAP indicator primarily followed by the Group, reached €262m. On a like-for-like[8] basis, adjusted EBITDA increased by 15%, and adjusted EBITDA margin reached 39.5%, at the high-end of the 38% to 40% guidance.

Operating income

Operating income was €6.5 million compared to a €30.6 million in FY2020. The impacts of the Strasbourg incident and one-off costs related to the IPO amounted €56 million. Excluding these effects, FY2021 operating income doubled compared to FY2020.

Net income

OVHcloud recorded a net loss of €(32) million compared to €(11) million in FY2020,reflecting the impact of the Strasbourg incident and one-time costs related to the IPO for a total pre-tax amount of €63 million. Excluding these one-offs, pre-tax income reached €41 million in FY2021 vs €0 million in FY2020.

[7] Adjusted EBITDA is equal to current EBITDA excluding share-based compensation and expenses resulting from the payment of earn-outs

[8] Like-for-like: at constant FX, constant perimeter and excluding Strasbourg (SBG) direct impacts vs. FY2020. Perimeter adjustments correspond to M&A and FY2020 US-entities non-recurring items

Cash flow

in € million	FY2021	FY2020
Gross cash flow from operating activities	**290**	**253**
Change in working capital	(20)	22
Corporate income taxes	(1)	(4)
Net cash flow from operating activities	**268**	**270**
Recurring Capex[9]	(122)	(127)
Growth Capex[9]	(221)	(149)
M&A and other[9]	(11)	(24)
Net cash flow from (used in) investing activities	**(354)**	**(300)**
Net cash flow from financing & change in cash	**86**	**30**

Gross cash flow from operating activities increased 15% to €290 million in FY2021 compared to €253 million in FY2020.

Net cash flow from operating activities was relatively stable at €268 million despite the €46 million one-off cash impacts related to the IPO and the Strasbourg incident. Excluding these impacts, net cash flow from operating activities increased by 16%, in line with the LFL adjusted EBITDA increase.

Capital expenditures (purchases of tangible and intangible assets, net of disposals of tangible and intangible assets) reached €343 million in FY2021 compared to €276 million the year before. These amounts included:

- recurring capital expenditures of €122 million, representing 18% of FY2021 revenue, in line with the guidance of 16-20%, compared to €127 million in FY2020;
- growth capital expenditures of €221 million, representing 33% of FY2021 revenue, in line with the guidance of 30-34%. This amount includes non-recurring capital expenditures related to the Strasbourg fire in the amount of €21 million, or 3 percentage points of revenue.

Net financial debt and leverage

As of August 31, 2021, OVHcloud's net financial debt was €709 million, including €53 million of lease liabilities in accordance with IFRS 16. The ratio of OVHcloud's net financial debt to Adjusted EBITDA was 2.7x as of August 31, 2021.

On September 24, 2021, OVHcloud entered into a new debt facilities agreement with a pool of banks for a €920 million unsecured refinancing package. The facilities, which have in the meantime become fully available to OVHcloud since the completion of its initial public share offering, include a term loan in the amount of €500 million and a revolving credit facility in the amount of €420 million. These amounts were partly used to repay in full the amounts outstanding under the Existing Facilities Agreement (term loan and revolving credit facility) and the remaining Euro private placement bonds on October 25, 2021.

OVHcloud estimates that the completion of its initial public offering, which included a primary component of €350 million, and the refinancing described above allowed to reduce the leverage ratio from 2.7x to 1.4x immediately after the IPO.

[9] Definition in Appendix

OUTLOOK

On the basis of a year 2021 at the high-end of the guidance and ongoing commercial momentum OVHcloud is on track to deliver growth acceleration in the current fiscal year and beyond.

FY2022 outlook

For the full year 2022 OVHcloud expects:

- revenue growth in the upper half of the target range of 10% to 15% initially set in the IPO documentation. Trading conditions in the first two months of the first quarter are consistent with this objective.
- an adjusted EBITDA[10] margin of around 40%, assuming inflation remains at levels consistent with FY21.

The Group continues to anticipate capital expenditures expressed as a percentage of revenue in line with the guidance given previously, i.e. between 16% and 20% of revenue for recurring capital expenditures and between 30% and 34% of revenue for growth capital expenditures.

Medium-term outlook reconfirmed

The Group reiterates its medium-term financial objectives and aims to achieve the following by 2025:

- organic revenue growth accelerating toward mid-twenties by FY2025 driven by a shift in business mix, the deployment of the move to PaaS strategy, international expansion, and the benefit from a market shift to hybrid- and multi-cloud as well as the focus on data sovereignty
- this accelerated growth is aimed to be achieved while maintaining adjusted EBITDA margin in line with that of FY2020, with benefits from economies of scale notably thanks to a better absorption of fixed costs over the period partly reinvested to support the ambition to accelerate growth
- similarly, growth capital expenditures expressed as a percentage of revenue are expected to remain in line with the guidance given previously, while recurring capital expenditures are anticipated to benefit from productivity improvements and decrease as a percentage of revenue to a range of between 14% to 16%

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The Board of Directors of OVHcloud, convened on November 15, 2021, reviewed and approved the Group's consolidated financial statements for the fiscal year ended August 31, 2021. Audit procedures are being finalized. Consolidated financial statements are available on corporate.ovhcloud.com website in Investor Relations section.

CALENDAR

January 12, 2022: First quarter FY2022 revenue
February 15, 2022: Annual General Meeting

[10] Adjusted EBITDA is equal to current EBITDA excluding share-based compensation and expenses resulting from the payment of earn-outs

About OVHcloud

OVHcloud is a global player and Europe's leading cloud provider operating over 400,000 servers within 33 data centers across four continents. For 20 years, the Group has relied on an integrated model that provides complete control of its value chain: from the design of its servers, to the construction and management of its data centers, including the orchestration of its fiber-optic network. This unique approach allows it to independently cover all the uses of its 1.6 million customers in more than 140 countries. OVHcloud now offers latest generation solutions combining performance, price predictability and total sovereignty over their data to support their growth in complete freedom.

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DISCLAIMERS

This press release contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors' behaviors. Any forward-looking statements made in this press release are statements about OVHcloud's beliefs and expectations and should be evaluated as such.

Forward-looking statements include statements that may relate to OVHcloud's plans, objectives, strategies, goals, future events, future revenues or performance, and other information that is not historical information. Actual events or results may differ from those described in this press release due to a number of risks and uncertainties that are described within the IPO Registration Document filed with the Autorité des marchés financiers (AMF) on September 17, 2021 under the approval number: I. 21-052.

All amounts are presented in € million without decimal. This may in certain circumstances lead to nonmaterial differences between the sum of the figures and the subtotals that appear in the tables. 2022 objectives are expressed according to Group's accounting standards. OVHcloud does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law.

This press release is disseminated for information purposes only and does not constitute an offer to purchase or sell, or a solicitation of an offer to sell or to purchase, any securities.

APPENDIX

Glossary

Like-for-like is calculated at constant FX, constant perimeter and excluding Strasbourg (SBG) direct impacts vs. FY2020. Perimeter adjustments correspond to M&A and US-entities FY2020 non-recurring items.

Net customer acquisitions for a given period are equal to the average number of customers in that period in that period less the average number of customers in the same period in the previous year. The average number of customers for a period is equal to the average number of unique customers generating revenue in each month of such period. A customer who subscribes for multiple services is treated as a single customer.

The **revenue retention rate** for any period is equal to the percentage calculated by dividing (i) the revenue generated in such period from customers that were present during the same period of the previous year, by (ii) the revenue generated from those customers in that previous year period. When the revenue retention rate exceeds 100%, it means that revenues from the relevant customers increased from the relevant period in the previous year to the same period in the current year, in excess of the revenue lost due to churn.

Average revenues per active customer (ARPAC) represents the revenues recorded in a given period from a given customer group, divided by the average number of customers from that group in that period (the average number of customers is determined on the same basis as in determining net customer acquisitions). ARPAC increases as customers in a given group spend more on OVHcloud services. It can also increase due to a change in mix, as an increase (or decrease) in the proportion of high-spending customers would increase (or decrease) ARPAC, irrespective of whether total revenues from the relevant customer group increase.

Current EBITDA is equal to revenues less the sum of personnel costs and other operating expenses (and excluding depreciation and amortization charges, as well as items that are classified as “other non-current operating income and expenses”).

Adjusted EBITDA is equal to current EBITDA excluding share-based compensation and expenses resulting from the payment of earn-outs from its adjusted EBITDA.

Recurring Capital Expenditures (Capex) reflects the capital expenditures needed to maintain the revenues generated during a given period for the following period.

Growth Capital Expenditures (Capex) represents all capital expenditures other than recurring capital expenditures.

Return on Growth Capital Expenditures (Capex) is calculated by dividing the difference between operating free cash flow less recurring capital expenditures for the current year and the previous year, by growth capital expenditures of the previous year.

M&A and Other include:

- Cash inflows/(outflows) related to business combinations net of cash;
- Receipts/(disbursements) related to disposals of consolidated securities and impact of reorganisations and loss of control;
- Receipts/(disbursements) related to loans and advances granted.

Reconciliation of like-for-like and reported growth

In € million – by segments	FY2020 Reported	FX impacts	Perimeter impacts	FY2020 LFL
Private cloud	389	(4)	(11)	374
Public cloud	82	0	3	85
Webcloud & Other	161	0	0	161
Total Revenue	**632**	**(4)**	**(8)**	**621**
Private cloud	162	(0)	(9)	153
Public cloud	32	0	(3)	30
Webcloud & Other	61	0	0	61
Total Current EBITDA	**255**	**(0)**	**(11)**	**244**
Private cloud	167	(0)	(9)	158
Public cloud	33	0	(3)	31
Webcloud & Other	63	0	0	63
Total Adjusted EBITDA	**263**	**(0)**	**(11)**	**252**

In € million – by segments	FY2021 Reported	Perimeter impacts	Strasbourg impacts	FY2021 LFL
Private cloud	398	0	19	416
Public cloud	94	3	8	105
Webcloud & Other	171	0	1	173
Total Revenue	**663**	**3**	**28**	**694**
Private cloud	145	0	19	164
Public cloud	34	1	8	42
Webcloud & Other	61	0	1	63
Total Current EBITDA	**240**	**1**	**28**	**269**
Private cloud	158	0	19	177
Public cloud	37	1	8	45
Webcloud & Other	67	0	1	68
Total Adjusted EBITDA	**262**	**1**	**28**	**291**

In € million – by geographies	FY2020 Reported	FX impacts	Perimeter impacts	FY2020 LFL
France	329	(0)	1	329
Rest of Europe	180	(1)	0	179
Rest of the World	124	(2)	(9)	113
Total Revenue	**632**	**(4)**	**(8)**	**621**

In € million – by geographies	FY2021 Reported	Perimeter impacts	Strasbourg impacts	FY2021 LFL
France	343	0	17	359
Rest of Europe	193	0	9	202
Rest of the World	128	3	2	133
Total Revenue	**663**	**3**	**28**	**694**

Consolidated statement of income

(€ thousands)	FY2021	FY2020
Revenue	**663,312**	**632,116**
Personnel expenses	(172,477)	(150,572)
Operating expenses	(250,805)	(226,579)
Current EBITDA	**240,030**	**254,964**
Depreciation and amortisation expenses	(224,042)	(215,624)
Current operating income	**15,988**	**39,340**
Other non-current operating income & expenses	(9,478)	(8,748)
Operating income	**6,510**	**30,592**
Cost of financial debt	(30,267)	(23,530)
Other financial income & expenses	1,654	(7,622)
Financial result	**(28,613)**	**(31,152)**
Pre-tax income (loss)	**(22,104)**	**(561)**
Income tax	(10,240)	(10,746)
Consolidated net income (loss)	**(32,344)**	**(11,306)**

Reconciliation between Current EBITDA and Adjusted EBITDA

(€ thousands)	FY2021	FY2020
Current EBITDA	**240,030**	**254,964**
Equity-settled and cash-settled compensation plans	20,998	8,182
Earn out compensation	945	-
Adjusted EBITDA	**261,972**	**263,146**

Consolidated statement of financial position

(€ thousands)	FY2021	FY2020
Goodwill	33,836	20,786
Other intangible assets	141,739	84,329
Property, plant and equipment	797,045	717,281
Rights of use assets	49,277	53,902
Non-current financial assets	1,303	1,280
Deferred tax assets	7,058	11,431
Other non-current assets	-	697
Total non-current assets	**1,030,258**	**889,706**
Trades receivables	35,481	25,363
Other receivables and current assets	131,959	43,385
Current tax assets	4,008	5,718
Derivative financial instruments - assets	140	121
Cash and cash equivalents	53,610	90,838
Total current assets	**225,198**	**165,425**
TOTAL ASSETS	**1,255,456**	**1,055,131**
Share capital	170,779	170,407
Share premiums	93,470	93,842
Reserves and retained earnings	(123,107)	(132,564)
Net income (loss)	(32,344)	(11,306)
Total equity	**108,798**	**120,379**
Non-current financial debt	639,583	579,711
Non-current lease liabilities	38,061	42,287
Other non-current financial liabilities	16,921	17,115
Non-current provisions	6,011	5,122
Deferred tax liabilities	14,144	10,961
Other non-current liabilities	7,783	7,079
Total non-current liabilities	**722,503**	**662,275**
Current financial debt	69,760	30,528
Current lease liabilities	14,837	13,871
Current provisions	31,361	21
Accounts payable	149,504	92,096
Current tax liabilities	1,694	2,075
Derivative financial instruments - liabilities	174	3,291
Other current liabilities	156,825	130,596
Total current liabilities	**424,155**	**272,478**
TOTAL LIABILITIES AND EQUITY	**1,255,456**	**1,055,131**

Net financial debt

(€ thousands)	FY2021	FY2020
Non-current financial debt	639,583	579,711
Current financial debt	69,760	30,528
Gross financial debt (excluding lease liabilities)	**709,343**	**610,239**
Cash and cash equivalents	(53,610)	(90,838)
Net debt	**655,733**	**519,401**
Lease liabilities	52,898	56,158
Net debt (including lease liabilities)	**708,631**	**575,559**

Consolidated statement of cash flows

(€ thousands)	FY2021	FY2020
Consolidated net income (loss)	**(32,344)**	**(11,306)**
Adjustments to net income items:		
Depreciation, amortisation and impairment of non-current assets and rights of use relating to leases	224,042	213,558
Changes in provisions	33,610	1,314
(Gains)/losses on asset disposals and other write-offs and revaluations	10,656	6,162
Expense related to share allocations (excluding social security contributions)	13,266	5,423
(Income)/Tax expense	10,240	10,746
Net financial income (excluding foreign exchange differences)	30,075	26,956
Cash flow from operations	**289,545**	**252,853**
Change in net operating receivables and other receivables	(100,009)	(9,634)
Changes in operating payables and other payables	80,004	31,578
Change in operating working capital requirement	**(20,004)**	**21,944**
Tax paid	(1,322)	(4,358)
Cash flows from operating activities	**268,218**	**270,438**
Payments related to acquisitions of property, plant and equipment and intangible assets	(343,232)	(280,289)
Proceeds from disposal of intangible assets	(0)	4,372
Cash inflows/(outflows) related to business combinations net of cash	(12,699)	(23,916)
Receipts/(disbursements) related to disposals of consolidated securities and impact of reorganisations and loss of control	1,233	-
Receipts/(disbursements) related to loans and advances granted	205	(68)
Net cash flows used in investing activities	**(354,493)**	**(299,901)**
Capital decrease	-	(150,000)
Increase in financial debt	120,000	509,374
Repayment of financial debt	(25,374)	(230,383)
Repayment of lease liabilities	(19,061)	(20,228)
Financial interest paid	(20,675)	(18,969)
Guarantee deposits received	(277)	1,162
Cash flows from financing activities	**54,613**	**90,960**
Effect of exchange rate on cash and cash equivalents	277	(1,280)
Change in cash and cash equivalents	**(31,385)**	**60,216**
Cash and cash equivalents at beginning of the period	**84,656**	**24,442**
Cash and cash equivalents at end of the period	**53,272**	**84,656**