

PRESS RELEASE

Acceleration during Q1 in line with annual targets Revenue of €187m, up 13.9%

- **Q1 reflects a solid commercial performance with significant customer gains, continued launch of new PaaS solutions and confirmed international acceleration**
- **+13.9% reported growth in revenue and +13.5% like-for-like, in line with targets**
- **Strong growth in reported data for Public Cloud (+24.9%) and Private Cloud (+14.6%)**
- **Continued strong growth internationally, particularly in the United States and Asia at +55.4% and +26.0% respectively (reported data)**
- **Confirmed FY2022 outlook with revenue growth expected in the upper half of the 10% to 15% initial guidance and adjusted EBITDA¹ margin of around 40%**

Roubaix, 12 January 2022 – OVHcloud announced today its revenue for the period ended 30 November 2021. This press release relates to OVH Groupe’s consolidated revenue.

Michel Paulin, Chief Executive Officer of OVHcloud, said:

“With a 13.9% increase in revenue compared to the previous fiscal year, this first quarter confirms the Group’s ability to implement an ambitious strategy, which allows us to accelerate our growth trajectory. These results reflect the signature of large accounts, our ability to federate and extend our ecosystem of international partners, and the continued success of our international expansion, in Europe but also in the United-States and in Asia. All of these factors allow us to confidently carry out our strategy in order to assert our European leadership, capitalise on the exponential growth of the Cloud market and achieve our objectives throughout 2022”.

Q1 2022 revenue of €187m, up 13.9%

OVHcloud’s consolidated revenue for Q1 2022 reached €187 million, up 13.9% compared to Q1 FY2021 in reported data and 13.5% like-for-like². The acceleration in revenue during Q1 reflects a good commercial performance, with growth driven by the continued improvement of ARPAC.

The net revenue retention rate reached 112% over the period (vs 100% in FY21). Adjusted for the credit notes and bonds issued following the Strasbourg incident and for exchange rates, it also reached 112% (vs 103% in FY21), which is a strong increase compared to previous years, demonstrating the Group’s ability to grow with its customers.

¹ Adjusted EBITDA is equal to current EBITDA excluding share-based compensation and expenses resulting from the payment of earn-outs.

² Like-for-like: at constant exchange rates and constant perimeter vs. FY2021 and excluding direct effects of the Strasbourg incident.

Throughout this first quarter, OVHcloud continued to sign new customers, such as EDF Renewables and HarfangLab, in its various segments and across its various geographies. Those commercial successes confirm the relevance of OVHcloud's positioning as a trusted alternative in the global cloud industry.

The Group's various acquisition channels contributed to growth acceleration, whether it be via the digital channel, particularly in Europe excluding France and in the Rest of the World in Asia and in the United-States, or via its international partners. Since the beginning of its fiscal year, OVHcloud has continued to forge and strengthen ties with its European partners such as Sopra Steria, Atos, OCTO Technology (part of Accenture), Bechtle or Inetum.

Alongside those successes, OVHcloud has continued to develop and deploy PaaS services, which today enables it to offer sixty IaaS and PaaS solutions on its marketplace. In particular, the Group deployed MongoDB, a Database-as-a-Service solution, whose commercial launch in November confirms the initial success of the Beta version.

Recent highlights



Revenue by segment

Revenue by segment - in € million	Q1 2022	Q1 2021	Change (%)	Change LFL ³ (%)
Private Cloud	113.3	98.8	+14.6%	+14.3%
Public Cloud	29.0	23.2	+24.9%	+22.4%
Web Cloud & Others	44.9	42.3	+6.1%	+6.6%
Total	187.2	164.3	+13.9%	+13.5%

Private Cloud, which includes Baremetal and Hosted Private Cloud, achieved a revenue of €113m, i.e. a +14.6% growth on a reported basis and +14.3% like-for-like. The segment grew strongly in the United States and in Asia, notably via the digital channel, and worldwide thanks to significant ARPAC growth. On a reported basis, revenue includes €1.4m of Strasbourg incident-related commercial gestures.

Public Cloud recorded strong growth and achieved revenue of €29m over the period, delivering a +24.9% growth on a reported basis and +22.4% like-for-like. Growth was notably driven by a strong increase in ARPAC, reflecting the success of the upsell and cross-sell efforts. Both Beta and recently released PaaS services are showing encouraging signs of adoption by our customers. On a reported basis, revenue includes €0.6m Strasbourg incident-related commercial gestures.

³ Like-for-like: at constant exchange rates and constant perimeter vs. FY2021 and excluding direct effects of the Strasbourg incident.

The **Web Cloud & Others** segment was up by +6.1% on a reported basis and by +6.6% like-for-like compared to the previous year. This performance reflects double-digit growth in the Enterprise segment, which includes partners and resellers, and the continued build-up of direct sales forces. On a reported basis, revenue includes €0.2m of Strasbourg incident-related commercial gestures.

Revenue by region

Revenue by region in € million	Q1 2022	Q1 2021	Change (%)	Change LFL (%)
France	93.2	86.8	+7.4%	+8.7%
Europe (excluding France)	53.5	47.8	+11.9%	+12.7%
Rest of the world	40.5	29.7	+36.2%	+28.2%
Total	187.2	164.3	+13.9%	+13.5%

Revenue growth in **France** is mainly driven by the Enterprise customer segment and Public Cloud. It includes a limited impact related to the Strasbourg incident, to which France was more exposed than the other regions. On a like-for-like basis, revenue growth in France was +8.7%.

In **Europe excluding France**, revenue growth is driven by a good performance overall. The Group continues to see the benefits of the recent implementation of dedicated regional sales teams.

In the **Rest of the world**, revenues continued to grow strongly with +36.2% reported growth and +28.2% like-for-like, with a consistently strong performance, especially in the US (+41.0% on a like-for-like basis and +55.4% as reported), in Asia (+20.7% on a like-for-like basis and +26.0% as reported) and in the US digital channel (+105.4% on a like-for-like basis and +109.1% as reported).

OUTLOOK

On the basis of a sustained commercial momentum, OVHcloud is well positioned to accelerate its growth in the current fiscal year and beyond.

Outlook confirmed for FY2022

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. The commercial performance recorded by the Group over the last few months is consistent with this objective.
- an adjusted EBITDA margin of around 40%, assuming inflation remains at levels consistent with FY2021.

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 progressively accelerating toward mid-twenties by FY2025, driven by a shift in business mix, the deployment of the “Move to PaaS” strategy, international expansion, a rising focus on data sovereignty and the benefit from a market shift to hybrid- and multi-cloud.

- maintaining adjusted EBITDA margin in line with that of FY2020, with benefits from economies of scale 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 progressively decrease as a percentage of revenue to a range of between 14% to 16%.

The 2021 Universal Registration Document, filed with the French Financial Markets Authority (Autorité des marchés financiers – AMF) on December 16, 2021 under the number R.21-067, has been approved by the Board of Directors, which met on 15 December 2021. The audit procedures, concerning OVH Groupe SA’s consolidated and annual financial statements for the fiscal year ended 31 August 2021 were finalised and the related audit reports were issued on the same day.

CALENDAR

15 February 2022: Annual Shareholders’ Meeting

14 April 2022: FY2022 half-year results

About OVHcloud

OVHcloud is a global player and Europe’s leading cloud provider operating over 400,000 servers within 33 data centres 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 centres, including the orchestration of its fibre-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' behaviours. 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 2021 Universal Registration Document, filed with the French Financial Markets Authority (Autorité des marchés financiers – AMF) on December 16, 2021 under the number R.21-067.

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 exchange rates, constant perimeter and excluding Strasbourg (SBG) direct impacts. Perimeter adjustments correspond to M&A.

The net **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 all 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.

APRAC (Average revenues per active customer) 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 amortisation 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.

Reconciliation of like-for-like and reported growth

In € million – by segments	Q1 2021	Exchange rate impacts	Impacts of perimeter	Q1 2021 like-for-like
Private Cloud	98.8	1.5	0.0	100.3
Public Cloud	23.2	0.2	0.7	24.2
Web Cloud & Other	42.3	-0.0	0.0	42.3
Total Revenue	164.3	1.7	0.7	166.7

In € million – by segments	Q1 2022	Impacts of perimeter	Strasbourg impacts	Q1 2022 like-for-like
Private Cloud	113.3	0.0	1.4	114.7
Public Cloud	29.0	0.0	0.6	29.6
Web Cloud & Other	44.9	0.0	0.2	45.1
Total Revenue	187.2	0.0	2.1	189.3

In € million – by geographies	Q1 2021	Exchange rate impacts	Impacts of perimeter	Q1 2021 like-for-like
France	86.8	0.0	0.0	86.8
Europe (excluding France)	47.8	0.4	0.0	48.2
Rest of the world	29.7	1.3	0.7	31.7
Total Revenue	164.3	1.7	0.7	166.7

In € million – by geographies	Q1 2022	Impacts of perimeter	Strasbourg impacts	Q1 2022 like-for-like
France	93.2	0.0	1.1	94.4
Europe (excluding France)	53.5	0.0	0.8	54.3
Rest of the world	40.5	0.0	0.2	40.7
Total Revenue	187.2	0.0	2.1	189.3