OVHcloud improves its profitability and cash generation in the first half of FY2024, in a challenging environment

Organic revenue growth of 10.8% compared to the first half of FY2023
Organic adjusted EBITDA growth of 19.6% compared to the first half of FY2023
Adjusted EBITDA margin at 37.9 %, up 2.5 points compared to the first half of FY2023
Generation of €14 million in unlevered free cash-flow

Revised 2024 forecasts: adjustment of revenue growth, confirmation of EBITDA margin and improvement of cash generation

OVHcloud's business model proves its resilience despite an economic context that remains challenging, particularly in Europe

- Revenue of €486 million in the first half of FY2024, up 10.8% like for like and up 10.6% as reported
- 15.8% and 12.0% like-for-like growth in the Public Cloud and Private Cloud segments respectively, with an upturn at the end of the second quarter in the USA in a challenging macroeconomic environment, in particular in Europe
- Strong growth in Webcloud, up 2.9% like for like in the first half of FY2024

Improvement in profitability and generation of positive unlevered free cash-flow from the first half of the year

- Adjusted EBITDA of €184 million in the first half of FY2024, reaching a margin of 37.9%, up 2.5 points compared with the first half of 2023
- Capex normalisation thanks to optimised usage and stabilised products development capex leading to a reduced capital intensity, with recurring capex and growth capex, representing 12% and 21% of revenue respectively in the first half of FY2024
- Generation of €14 million in unlevered free cash-flow in the first half of FY2024, six months earlier than forecast

Revised 2024 full-year targets and confirmation of medium-term targets

- Organic FY2024 revenue growth of between 9% and 10%
- FY2024 adjusted EBITDA margin of over 37%
- Recurring capex representing between 12% and 14% of revenue
- Growth capex representing between 21% and 23% of revenue
- Generation of unlevered free cash-flow throughout FY2024

OVHcloud CEO **Michel Paulin** said:

"In line with our strategic plan, we are publishing a sharp increase in profitability and the generation of positive unlevered free cash-flow for the second consecutive half-year, six months ahead of schedule. This improvement is the result of the efforts and successful implementation of the strategic plan by the Group's teams.
The challenging economic environment, particularly in Europe, does not change our priority which is to continue to execute our strategy rigorously, to deliver long-term profitable and sustainable growth while generating cash.
This reduced economic visibility in 2024 has led us to review our revenue targets, but the resilience of the business model means that we can confirm the profitability trajectory while improving the cash generation. We are continuing to invest over the long term to offer sovereign cloud solutions at the best value for money, thereby strengthening our position as a major player on the cloud market."

On April 22, 2024, the OVHcloud Board of Directors reviewed and approved the Group consolidated financial statements for the six months ended February 29, 2024. Limited review procedures are completed, and audit reports are available in the condensed half-year consolidated financial report. The consolidated financial statements are available on the website in the Investor Relations section (corporate.ovhcloud.com).

Key figures for H1 FY2024

€486m	10.8%	110%
in revenue	**Organic revenue growth** compared with H1 FY2023	**Net revenue retention rate**

First-half FY2024 revenue of €486 million, up 10.6% as reported and up 10.8% like for like

OVHcloud's first-half FY2024 consolidated revenue came in at €486.1 million, up 10.6% compared with first-half FY2023 as reported and up 10.8% like for like.

In an economic context with little visibility, particularly in Europe where customers are optimising their cloud resources, OVHcloud has demonstrated resilience, as illustrated by the strong growth in its ARPAC[1], as well as the maintaining of its net revenue retention rate at 110% and its churn rate at just 2% over the half-year.

[1] ARPAC: Average Revenue Per Active Customer

The dynamic second quarter of FY2024 was marked by sustained demand in the strategic data sovereignty market. As a key player in this field, OVHcloud saw a sharp increase in its sovereign offering, which generated €12 million in ARR at the end of the second quarter of FY2024.

The Group has also been active in the artificial intelligence market, proposing a wider range of high-performance solutions that respect the confidentiality of customer data. At the end of February 2024, NVIDIA's H100 and A100 GPUs had a 100% utilisation rate, and new H100, L4 and L40S capacities have been available since early April.

Revenue by product segment

(in € million)	First half-year 2023	**First half-year 2024**	Change *(%)*	Change (%) LFL
Private Cloud	272.9	302.5	+10.8%	+12.0%
Public Cloud	74.0	88.4	+19.5%	+15.8%
Web Cloud & Other	92.4	95.1	+3.0%	+2.9%
Total revenue	**439.3**	**486.1**	**+10.6%**	**+10.8%**

Cloud offerings continue to gain momentum, accounting for 80.4% of total revenue in the first half of FY2024

Private Cloud, which includes BareMetal Cloud and Hosted Private Cloud, posted revenue of €302.5 million for the first half of FY2024, up 10.8% as reported and up 12.0% like for like, with 9.3% reported growth and 9.4% like-for-like growth during the second quarter. The slowdown in growth in the second quarter was due to lower-than-expected new customer acquisitions through the digital channel. The Enterprise channel also saw a slowdown in performance, as prospects and customers optimise their workloads, particularly in Europe. At the end of the second quarter, the Group benefited from an upturn in demand in the USA.

Since the start of the second half of FY2024, OVHcloud has been introducing new incentive plans designed to boost the indirect sales channel. The aim is to strengthen the partners dynamic with key accounts. Following Broadcom's acquisition of VMware, and to enables customers to limit the increase in their licensing costs, OVHcloud has adapted its Hosted Private Cloud offerings. These developments allow customers to optimise Broadcom's new billing scheme and represent a high-performing alternative for customers who are currently on-premises. Lastly, in the second half of FY2024, OVHcloud will launch a new generation of entry-level BareMetal servers to significantly improve the competitive positioning of its Private Cloud offering.

Public Cloud posted revenue of €88.4 million for the period, up 19.5% as reported and up 15.8% like for like. In the second quarter, it delivered growth of 17.2% on a reported basis and 12.9% like for like. The contribution of price rises was less significant in the second quarter than in the first quarter of FY2024, and demand from businesses weaker, particularly in Europe, with projects being postponed and a more gradual than expected ramp-up. The artificial intelligence business, which includes NVIDIA GPUs and solutions such as AI Notebooks, AI Training and AI Deploy, contributed 2 percentage points to the growth of the Public Cloud segment in the first half of FY2024.

Since the end of the first half, OVHcloud has been implementing a new Freemium and Postpaid marketing strategy to improve momentum in customer acquisitions. Following the launch of this strategy in March

2024, the number of new Public Cloud projects has tripled compared with the average number of projects generated in the first half of the year. At the same time, in order to generate more Tech prospects, OVHcloud took part in and organised sector-specific events (such as PaaS Forward, Kubecon and World AI Cannes Festival). Lastly, OVHcloud recently commercialised its 3-AZ offering, which provides a presence in three datacenters located in proximity. This offering, located in the Paris region, initially concerns the Private Cloud, and will shortly be extended to Public Cloud products.

The **Web Cloud & Other** segment posted first-half revenue growth of 3.0% as reported and 2.9% like for like compared to the previous year. In the second quarter, growth was up sharply by 7.6% on a reported basis and 7.3% like for like. This acceleration is mainly due to the positive momentum in domain names, supported by improvements in the user experience, such as the implementation of multi-year domain name renewal schemes with customers and the success of new web hosting offerings launched during the first quarter of 2024.

Revenue by region

(in € million)	First half-year 2023	**First half-year 2024**	Change (%)	Change (%) LFL
France	215.6	237.5	+10.1%	+10.1%
Europe (excl. France)	121.7	141.2	+16.0%	+12.8%
Rest of the World	101.9	107.3	+5.3%	+9.7%
Total revenue	**439.3**	**486.1**	**+10.6%**	**+10.8%**

Revenue in **France** reached €237.5 million in the first half-year, with double-digit growth in the Private Cloud and Public Cloud segments. The Web Cloud segment improved over the period, with growth of 1.4% as reported and 1.3% like for like, mainly due to the domain name segment.

In the second half of the year, in **other European countries,** the Group successfully integrated gridscale in Germany and began deploying its technology. Commercial performance in Central and Eastern Europe remains sustained, despite difficult economic conditions, particularly in Germany. Southern Europe suffered due to a high basis of comparison over the period.

In the **Rest of the World,** the USA reported a very good successful closing period, with a strong recovery at the end of the second quarter, in particular in the Private Cloud segment. In the Asia-Pacific region, the digital channel has seen increased competition for new customer acquisitions, particularly Tech customers.

Adjusted EBITDA of €184 million in the first half of FY2024, up 19.6% like-for-like compared with the first half of FY2023, representing a margin of 37.9%, a sharp 2.5 point rise over first-half FY2023

(in € million)	First half-year 2023	**First half-year 2024**	Change *(%)*	Change (%) LFL
Private Cloud	102.2	118.7	+16.1 %	+31.7 %
Public Cloud	21.4	31.4	+46.8 %	+3.3 %
Web Cloud & Other	28.1	31.2	+10.8 %	+6.0 %
Recurring EBITDA	**151.8**	**181.2**	**+19.4 %**	**+20.9 %**
Private Cloud	103.4	121.6	+17.6 %	+31.3 %
Public Cloud	23.4	30.2	+29.0 %	(3.3) %
Web Cloud & Other	28.6	32.1	+12.2 %	+7.6 %
Adjusted EBITDA	**155.5**	**184.0**	**+18.3 %**	**+19.6 %**

A new, more precise methodology for calculating margins by segment has been introduced from the first half of FY2024. The methodology is detailed in the section entitled "Change in the method for breaking down costs by business segment" at the end of this press release.

Adjusted EBITDA reached €184.0 million, representing a margin of 37.9%

Over the first half of FY2024 adjusted EBITDA rose sharply by 18.3% as reported and 19.6% like for like compared to the first half of FY2023. Adjusted EBITDA reached €184.0 million, representing an adjusted EBITDA margin of 37.9%, compared to 35.4% in the first half of FY2023.

In line with the new strategic plan announced on 17 January 2024, this significant 2.5 point increase in the EBITDA margin can be explained by an improvement in operating leverage, with contained operating expenses, a limited increase in indirect costs and improved productivity of the administrative teams.

In the first half of FY2024, electricity costs represented almost 6% of Group revenue, stable compared to the same prior-year period. As a reminder, for the full year FY2024, 95% of OVHcloud's electricity consumption has been hedged at a price per MWh comparable to the average price for FY2023. The 5% not hedged mainly relates to consumption in Germany.

During the second half of FY2024, OVHcloud will continue to rigorously manage its various cost lines and to invest its resources in innovation and the development of its high-potential cloud offerings.

Net operating income of €5.8 million for the first half of FY2024

The Group posted net operating income of €5.8 million in the first half of FY2024, compared to a €6.5 million operating loss in the first half of FY2023. Net operating income includes a contained negative change in depreciation, amortisation, and impairment of €20.3 million, which is impacted by increased commissioning of capitalised development projects, rights-of-use from leased datacenters and depreciation of internal software and legacy Covid stocks on this semester. It also includes non-recurring items for a negative €2.8 million, primarily made up of acquisition and temporary insurance costs.

Consolidated net income (loss)

OVHcloud ended the first half of FY2024 with a net loss of €17.2 million, an improvement over the net loss of €26.6 million recorded for the first half of FY2023. The first-half FY2024 figure notably includes €15.8 million in interest expenses, up by €6.9 million notably linked to a rise in interest rates over the period.

Cash flow – Unlevered free cash-flow of €14 million generated in the first half of FY2024 due to capex optimisation

(In € million)	First half-year 2023	**First half-year 2024**
Gross cash flow from operating activities	**142.5**	**179.7**
Change in operating working capital requirement	2.6	4.0
Tax paid	(2.9)	(7.4)
Net cash flows from operating activities	**142.1**	**176.3**
Recurring Capex [2]	(74.2)	(59,8)
Growth Capex [3]	(120.0)	(102.3)
M&A and other	0	(26.9)
Net cash flows used in investing activities	**(194.5)**	**(189.0)**
Net cash flows from financing activities	**54.6**	**10.3**
Unlevered Free Cash-Flow	**(52.1)**	**14.2**

Gross cash flow from operating activities is improving and totalled €179.7 million in the first half of FY2024 compared to €142.5 million in the first half of FY2023.

Capex excluding acquisitions amounted to €162.1 million in the first half of the financial year compared to €194.2 million in the first half of FY2023. Resulting from the reduction in capital intensity linked, in particular, to the installation of new servers less capital-intensive in proportion to revenue and an increased vigilance on other investments, capex has been significantly optimised, representing 33.3% of revenue in the first half of FY2024, compared with 44.2% in the first half of FY2023, which was a period of high investment. Capex includes:

- €60 million in recurring capex, representing 12.3% of revenue for the first half of the financial year;

[2]Recurring capex corresponds to the capital expenditure needed to maintain the revenue generated during a given period for the following period.
[3]Growth capex represents all capital expenditure other than recurring capex.

- €102 million in growth capex, representing 21.0% of revenue for the first half of the financial year.

This capex optimisation reflects the efficiency and flexibility of OVHcloud's industrial model and highlights the Group's efforts to improve the efficiency of its investments. At the same time, to fuel future growth, OVHcloud is continuing to invest in the development of new products and software.

In line with its objective of maximising cash generation, OVHcloud generated unlevered free cash-flow of €14.2 million euros in the first half of FY2024, six months earlier than forecast in the roadmap. The Group is now aiming to generate positive unlevered free cash-flow for the full year FY2024.

Net debt

Consolidated net debt (excluding lease liabilities) at 29 February 2024 was €648.6 million compared to €607.5 million at 31 August 2023.

At the end of February 2024, 96% of the Group's debt was hedged at an average fixed interest rate of 3.6%, margin included. The Group's leverage at 29 February 2024 improved to 1.9x.

The solid financial structure of the Group, whose needs are amply covered until end-2026 with more than €477 million in available cash and cash equivalents, and a cash flow generation trajectory, means that OVHcloud can continue to invest responsibly to deliver on its development plan.

OUTLOOK

Adjustment of annual targets for 2024

For FY2024, OVHcloud is adjusting its organic revenue growth target to between 9% and 10% (initially between 11% and 13%) and confirms its adjusted EBITDA margin target of over 37%.

The Group has also improved cash generation forecasts for FY2024:

- Recurring and growth capex of between 12%-14% (initially around 16%) and 21%-23% (initially around 24%) of Group revenue, respectively.
- Generation of unlevered free cash-flow for the full year (initially in the second half of FY2024)

Medium-term outlook confirmed

OVHcloud confirms the expected trends for FY2025 and its financial targets for FY2026.

KEY HIGHLIGHTS AND EVENTS AFTER THE REPORTING DATE

Opening of the first two Local Zones in Spain and Belgium

Driven by innovative technology from gridscale, OVHcloud's latest acquisition in September 2023, the Group can now deploy cloud capacity within weeks to serve new international locations. The Local Zones in Belgium and Spain bring new options for customers to access the Group's Public Cloud services, with low latency and local data residency.

Inauguration of a quantum computer

OVHcloud has inaugurated the commissioning of the first Quantum computer available from a European Cloud service provider. At a time when European countries express a growing aspiration in spearheading innovation, regaining control over their future, preserving sovereignty and upholding their values, OVHcloud fully plays its role as a technological leader, investing in state-of-the-art solutions to support Europe's strategic autonomy.

Opening of new datacenters

OVHcloud continues its international expansion, particularly in North America, with the opening of a second Canadian site in March 2024. Located in Cambridge, Ontario, the OVHcloud data centre is in the heart of one of North America's most dynamic innovation clusters, the ideal location to provide reliable cloud solutions meeting the heightened demands of Canadian and international businesses in terms of performance, resilience and data governance.

In addition, on 28 March 2024, the Group acquired a new datacenter in Italy (Milan) for €2.6 million. It will take several months to align the Italian site with OVHcloud standards, before it opens for business.

Change in the method for breaking down costs by business segment

As from the first half of FY2024, the Group is changing the method used to break down costs by business segment. This change does not entail any changes at consolidated level.

Thanks to the ongoing improvement of its financial management tools, the Group has been able to reallocate certain costs more accurately. The main changes concern the allocation of sales and marketing costs, as well as infrastructure costs and general and administrative expenses for the Webcloud & Other segment.

Pro forma adjusted EBITDA by segment for FY2023 is available in the appendix to this press release.

Calendar

27 June 2024: Third-quarter FY2024 revenue
23 October 2024: FY2024 Results

About OVHcloud

OVHcloud is a global player and the leading European cloud provider operating over 450,000 servers within 42 data centers across 4 continents to reach 1,6 million customers in over 140 countries. Spearheading a trusted cloud and pioneering a sustainable cloud with the best performance-price ratio, the Group has been leveraging for over 20 years an integrated model that guarantees total 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 enables OVHcloud to independently cover all the uses of its customers so they can seize the benefits of an environmentally conscious model with a frugal use of resources and a carbon footprint reaching the best ratios in the industry. OVHcloud now offers customers the latest-generation solutions combining performance, predictable pricing, and complete data sovereignty to support their unfettered growth.

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This document 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 document are statements about OVHcloud's beliefs and expectations as of the date of this presentation and should be evaluated as such.

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All amounts are presented in € million. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

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Appendices

Glossary

Like-for-like is calculated at constant exchange rates, constant perimeter and excluding Strasbourg 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.

ARPAC (Average revenues per active customer) represents the revenunones 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.

Recurring 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-recurring operating income and expenses").

Adjusted EBITDA is equal to recurring 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.

Unlevered free cash-flow represents cash flows from operating activities minus cash flows used in investing activities.

Revenue by segment and geography

In € million	Q1 FY2023 Reported	Q2 FY2023 Reported	H1 FY2023 Reported	Q1 FY2024 Reported	Q2 FY2024 Reported	H1 FY2024 Reported
Private cloud	133.0	139.9	272.9	149.6	152.9	302.5
Public cloud	35.7	38.3	74.0	43.5	44.9	88.4
Webcloud & Other	47.3	45.1	92.4	46.7	48.5	95.1
Total Revenue	**216.0**	**223.3**	**439.3**	**239.8**	**246.3**	**486.1**

Growth in %	Q1 FY2024 LFL	Q2 FY2024 LFL	H1 FY2024 LFL	Q1 FY2024 Reported	Q2 FY2024 Reported	H1 FY2024 Reported
Private cloud	+14.9%	+9.4%	+12.0%	+12.5%	+9.3%	+10.8%
Public cloud	+18.9%	+12.9%	+15.8%	+21.9%	+17.2%	+19.5%
Webcloud & Other	(1.4)%	+7.3%	+2.9%	(1.4)%	+7.6%	+3.0%
Total Revenue	**+12.0%**	**+9.6%**	**+10.8%**	**+11.0%**	**+10.3%**	**+10.6%**

In € million	Q1 FY2023 Reported	Q2 FY2023 Reported	H1 FY2023 Reported	Q1 FY2024 Reported	Q2 FY2024 Reported	H1 FY2024 Reported
France	106.8	109.4	216.4	116.7	120.8	237.5
Europe (excl. France)	58.7	64.1	124.3	69.9	71.4	141.2
Rest of the World	50.5	49.8	98.7	53.2	54.1	107.3
Total Revenue	**216.0**	**223.3**	**439.3**	**239.8**	**246.3**	**486.1**

Growth in %	Q1 FY2024 LFL	Q2 FY2024 LFL	H1 FY2024 LFL	Q1 FY2024 Reported	Q2 FY2024 Reported	H1 FY2024 Reported
France	+9.3%	+10.9%	+10.1%	+9.3%	+11.0%	+10.1%
Europe (excl. France)	+16.3%	+9.6%	+12.8%	+18.9%	+13.4%	+16.0%
Rest of the World	+12.6%	+6.9%	+9.7%	+5.4%	+5.2%	+5.3%
Total Revenue	**+12.0%**	**+9.6%**	**+10.8%**	**+11.0%**	**+10.3%**	**+10.6%**

Reconciliation of like-for-like and reported growth

In € million	H1 FY23 Reported	FX impacts	Perimeter impacts	Strasbourg impacts	H1 FY23 LFL
Private cloud	272.9	-3.0	0.0	0.1	270.0
Public cloud	74.0	-0.4	2.7	0.1	76.2
Webcloud & Other	92.4	0.1	0.0	0.0	92.5
Total Revenue	**439.3**	**-3.3**	**2.7**	**0.2**	**438.9**

In € million	H1 FY24 Reported			Strasbourg impacts	H1 FY24 LFL
Private cloud	302.5			0.1	302.6
Public cloud	88.4			0.0	88.4
Webcloud & Other	95.1			0.0	95.1
Total Revenue	**486.1**			**0.1**	**486.1**

In € million	H1 FY23 Reported	FX impacts	Perimeter impacts	Strasbourg impacts	H1 FY23 LFL
France	215.6	0.0	0.0	0.1	215.8
Europe (excl. France)	121.7	0.8	2.7	0.1	125.3
Rest of the World	101.9	-4.1	0.0	0.0	97.9
Total Revenue	**439.3**	**-3.3**	**2.7**	**0.2**	**438.9**

In € million	H1 FY24 Reported			Strasbourg impacts	H1 FY24 LFL
France	237.5			0.0	237.5
Europe (excl. France)	141.2			0.0	141.3
Rest of the World	107.3			0.0	107.3
Total Revenue	**486.1**			**0.1**	**486.1**

Proforma for Revenue by geography by "Country by Residence" (old method)

In € million	Q1 FY2023	Q1 FY23 Proforma
France	107.1	106.8
Europe (excl. France)	60.1	58.7
Rest of the World	48.8	50.5
Total Revenue	**216.0**	**216.0**

In € million	Q2 FY23	Q2 FY23 Proforma
France	109.4	108.9
Europe (excl. France)	64.1	63.0
Rest of the World	49.8	51.4
Total Revenue	**223.3**	**223.3**

Proforma for Recurring EBITDA and Adjusted EBITDA (previous method)

(in € million)	H1 FY2023	H1 FY2024
Private Cloud	91.5	102.2
Public Cloud	30.8	21.4
Web Cloud & Other	29.3	28.1
Recurring EBITDA	**151.6**	**151.8**
Private Cloud	94.0	103.4
Public Cloud	31.7	23.4
Web Cloud & Other	29.8	28.6
Adjusted EBITDA	**155.5**	**155.5**

Consolidated statement of income

(in thousand euros)	1st semester 2023	1st semester 2024
Revenue	**439,343**	**486,091**
Personnel expenses	(111,905)	(116,741)
Operating expenses	(175,668)	(188,109)
Recurring EBITDA[1]	**151,770**	**181,240**
Depreciation, amortisation and impairment expenses	(152,487)	(172,778)
Net recurring operating income	**(717)**	**8,462**
Other non-recurring operating income	28	23
Other non-recurring operating expenses	(5,811)	(2,715)
Net operating income	**(6,500)**	**5,770**
Net operating income (loss)	(8,938)	(15,822)
borrowing costs	5,776	5,389
Other financial expenses	(12,881)	(10,363)
Financial result	**(16,043)**	**(20,795)**
Pre-tax income (loss)	**(22,544)**	**(15,026)**
Income tax	(4,041)	(2,217)
Consolidated net income (loss)	**(26,585)**	**(17,243)**

[1] The recurring EBITDA indicator corresponds to operating income before depreciation, amortisation and other non-recurring operating income and expenses.

Reconciliation between Recurring EBITDA and Adjusted EBITDA

(in thousand euros)	1st semester 2023	1st semester 2024
Recurring EBITDA	**151,770**	**181,240**
Equity-settled and cash-settled compensation plans	2,117	4,790
Earn out compensation	1,762	(2,037)
Adjusted EBITDA	**155,650**	**183,993**

Consolidated statement of financial position

(in thousand euros)	31 August 2023	29 February 2024
Goodwill	43,971	60,004
Other intangible assets	264,779	288,379
Property, plant and equipment	954,342	954,969
Rights of use assets	122,845	132,349
Non-current derivative financial instruments - assets(1)	22,236	16,811
Non-current financial assets	1,127	896
Deferred tax assets	10,141	17,921
Total non-current assets	**1,419,441**	**1,471,329**
Trades receivables	33,787	42,354
Other receivables and current assets	93,308	93,047
Current tax assets	4,368	3,228
Current derivative financial instruments - assets	2,730	1,567
Cash and cash equivalents	48,999	46,941
Total current assets	**183,192**	**187,138**
TOTAL ASSETS	**1,602,633**	**1,658,467**

(in thousand euros)	31 August 2023	29 February 2024
Share capital	190,541	190,541
Share premiums	418,256	418,256
Reserves and retained earnings	(157,502)	(196,930)
Net income (loss)	(40,320)	(17,243)
Equity	**410,975**	**394,625**
Non-current financial debt	649,194	689,899
Non-current lease liabilities	108,541	118,238
Other non-current financial liabilities	15,573	15,535
Non-current provisions	5,535	9,791
Deferred tax liabilities	14,104	15,404
Other non-current liabilities	11,110	12,764
Total non-current liabilities	**804,057**	**861,632**
Current financial debt	7,360	5,667
Current lease liabilities	18,760	27,439
Current provisions	22,871	20,274
Accounts payable	139,592	155,598
Current tax liabilities	12,572	178,152
Derivative financial instruments - liabilities	93	142
Other current liabilities	186,353	171,337
Total current liabilities	**387,601**	**402,210**
TOTAL LIABILITIES AND EQUITY	**1,602,633**	**1,658,467**

(1) Interest rate swaps are recognised as non-current derivative financial assets at 29 February 2024.

Consolidated statement of cash flows

(in thousand euros)		1st semester 2023	1st semester 2024
Consolidated net income (loss)		**(26,585)**	**(17,243)**
Adjustments to net income items:			
Depreciation, amortisation and impairment of non-current assets and rights of use relating to leases		152,487	172,778
Changes in provisions		(4,078)	1,923
(Gains)/losses on asset disposals and other write-offs and revaluations		(1,406)	376
Expense related to share allocations (excluding social security contributions)		1,628	2,706
(Income)/Tax expense		4,041	2,217
Net financial income (excluding foreign exchange differences)		16,414	16,948
Cash flow from operations	**A**	**142,502**	**179,705**
Change in net operating receivables and other receivables		(1,589)	(5,067)
Changes in operating payables and other payables		4,135	9,109
Change in operating working capital requirement	**B**	**2,545**	**4,042**
Tax paid	C	(2,953)	(7,434)
Cash flows from operating activities	**D=A+B+C**	**142,094**	**176,313**
Payments related to acquisitions of property, plant and equipment and intangible assets		(194,204)	(162,091)
Proceeds from disposal of assets		3	-
Receipts/(disbursements) related to business combinations, net of cash			(26,514)
Receipts/(disbursements) related to loans and advances granted		(348)	(362)
Net cash flows used in investing activities	**E**	**(194,550)**	**(188,967)**
Acquisition of treasury shares		(2,849)	113
Increase in financial debt		294,698	60,012
Repayment of financial debt		(220,319)	(20,812)
Repayment of lease liabilities		(11,375)	(13,364)
Financial interest paid		(5,853)	(15,446)
Guarantee deposits received		360	(199)
Cash flows from financing activities	**F**	**54,662**	**10,304**
Effect of exchange rate on cash and cash equivalents	G	(1,073)	10
Change in cash and cash equivalents	**D+E+F+G**	**1,134**	**(2,340)**
Cash and cash equivalents at beginning of the period		**36,181**	**48,999**
Cash and cash equivalents at end of the period		**37,315**	**46,659**