

Revenue growth of 10.1% in Q3 FY2024 (up 9.0% like-for-like)

Confirmation of annual targets and medium-term outlook

Revenue of €251 million in Q3 FY2024, up 10.1% (up 9.0% like-for-like)

- Like-for-like growth of 11.9% for the Public Cloud segment and 10.7% for the Private Cloud segment
- Good revenue growth of sovereign offerings, particularly in the public sector with our SecNumCloud-certified offerings

Revenue of €737 million for the first nine months of FY2024, up 10.5% (up 10.1% like-for-like)

Continued international expansion

- Strong growth in the United States thanks to our development strategy focused on the cloud migration needs of tech companies
- Opening of a new datacenter in Sydney, to meet demand in Asia Pacific and prepare for future growth in the region
- Continued deployment of Local Zones, with 8 locations opened to date (Brussels, Madrid, Milan, etc.), to grow in new geographies with reduced capital intensity

Development of the AI offering with new NVIDIA GPUs and cutting-edge AI models

- Complete range of NVIDIA GPUs
- Integration of the latest open-source Large Language Models (LLMs), such as Mixtral 8x22B, easily available thanks to the [OVHcloud AI Endpoints](#) serverless solution

Confirmation of annual targets and medium-term outlook

- 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:

"During the third quarter, OVHcloud demonstrated the resilience of its business by delivering good growth. In the United States, we saw a marked acceleration in growth, driven in particular by strong demand from tech companies seeking the best value for money for their complex needs. In Europe, the persistently challenging macroeconomic environment weighed on Cloud spending and projects.

Furthermore, the relevance of our sovereign cloud offering is being confirmed month after month, particularly with the public sector, which recognises the high added value of our certified solutions.

We confirm all of our FY2024 targets and remain focused on the strict execution of our strategy to grow profitably and sustainably and generate cash, while continuing to invest strategically in order to fuel future growth."

Key figures for Q3 FY2024

€251m

in revenue

9.0%

**Organic revenue
growth**

106%

**Net revenue
retention rate**

Third-quarter FY2024 revenue of €251 million, up 10.1% as reported and up 9.0% like-for-like

OVHcloud's third-quarter FY2024 consolidated revenue came in at €250.8 million, up 10.1% compared with third-quarter FY2023 as reported and up 9.0% like-for-like.

The Group posted robust growth in an economic environment that remains complex in Europe. This momentum was driven by an improvement in ARPAC on the Private Cloud, underpinned by strong take-up for a new range of high-performance servers, and a significant increase in the number of new Public Cloud customers as a result of a customer acquisition strategy initiated in the second quarter of FY2024. The net revenue retention rate was 106% on a like-for-like basis and 107% on a reported basis.

First and foremost, the quarter saw sustained business growth in the United States, particularly with US tech companies seeking the best price/performance ratio. Secondly, with €13 million of ARR at the end of the quarter, SecNumCloud's sovereign offerings are continuing to expand, particularly with public authorities who are looking for the most advanced solutions for securing their data. At the same time, thanks to having obtained one of the rare "Pinnacle" statuses (the highest status among partners) from Broadcom and to the adaptation of its Hosted Private Cloud offerings, OVHcloud is supporting its customers in the change to billing for VMware licences by Broadcom.

Lastly, the Group is continuing to develop its artificial intelligence offering with the availability of a full range of NVIDIA Tensor Core GPUs (H100, A100, L4, L40S) accessible in the Public Cloud and cutting-edge AI models

with the integration of the latest open-source LLMs, such as Mistral 8x22B or Llama3, which are notably available off-the-shelf via the [OVHcloud AI Endpoints](#) serverless solution.

Revenue by product segment

<i>(In € million)</i>	Q3 2023	Q3 2024	Change (%)	Change (%) LFL
Private Cloud	141.9	157.6	+11.0%	+10.7%
Public Cloud	39.4	46.0	+16.6%	+11.9%
Web Cloud & Other	46.6	47.3	+1.5%	+1.2%
Total revenue	227.9	250.8	+10.1%	+9.0%

Private Cloud, which includes Bare Metal Cloud and Hosted Private Cloud, posted revenue of €157.6 million in the third quarter of FY2024, up 11.0% as reported and up 10.7% like-for-like.

The segment's growth was driven by growth in ARPAC, thanks to an upmarket shift to new generations of servers. The Bare Metal segment was nevertheless impacted in Europe with customers and prospective customers continuing to optimise their workloads in the cloud. OVHcloud has recently introduced new incentive plans with the aim of strengthening the partner dynamic with key accounts. In addition, the Group has just announced a new generation of entry-level Bare Metal servers to improve the competitive positioning of its offering. In the United States, the sharp upturn in the Private Cloud segment was confirmed, supported in particular by strong demand from tech companies for high-performance Bare Metal servers.

Hosted Private Cloud business has continued to accelerate, particularly in Europe and France, driven by sovereign offerings such as SecNumCloud. OVHcloud's status as a Broadcom "Pinnacle" partner means it can provide customers with the best possible support in the change to billing for VMware licences by Broadcom.

Public Cloud posted revenue of €46.0 million for the period, up 16.6% as reported and up 11.9% like-for-like. The customer acquisition strategy delivered results in the third quarter, with an increase in the number of new customers and continued low churn, while ARPAC growth, particularly in Europe, was impacted by the postponement of projects by businesses and a more gradual than expected ramp-up of certain customers. However, the Group's PaaS, one of its growth drivers, continued to expand. PaaS offerings generated ARR of €19 million at the end of the third quarter, driven by container, database, storage and artificial intelligence solutions.

OVHcloud recently implemented a new Freemium and Postpaid marketing strategy to improve momentum in customer acquisitions in the Public Cloud segment. At the same time, the Group recently commercialised its 3-AZ offering, which provides a presence in three datacenters in relatively close proximity. This offering, located in the Paris region, initially concerns the Private Cloud, and will shortly be extended to Public Cloud products.

In the third quarter of FY2024, the **Web Cloud & Other** segment posted revenue of €47.3 million, up by 1.5% as reported and by 1.2% on a like-for-like basis, compared with the high basis of comparison in the third quarter of FY2023. This growth continues to be driven by positive momentum in domain names, supported by improvements in the user experience and the success of new web hosting offerings. The Connectivity and Telephony sub-segments, the Group's historic activities, continue to weigh on the overall segment's growth, which came in at 4.3% on a like-for-like basis excluding these two activities.

Revenue by region

(in € million)	Q3 2023	Q3 2024	Change (%)	Change (%) LFL
France	112.7	121.6	+7.9%	+7.9%
Europe (excl. France)	65.1	73.2	+12.4%	+8.6%
Rest of the World	50.1	56.0	+11.9%	+11.9%
Total revenue	227.9	250.8	+10.1%	+9.0%

Revenue in **France** reached €121.6 million in the third quarter, accounting for 49% of the Group's overall revenue, with double-digit growth for the Private Cloud and Public Cloud segments. The Web Cloud segment, and particularly the historical Telephony and Connectivity sub-segments, had a negative impact on growth in France during the quarter.

In **other European countries**, which accounted for 29% of the Group's total revenue, Germany and Eastern Europe continued to drive growth in the region. At the same time, the Group is continuing to roll out gridscale technology, with eight Local Zones now open (Brussels, Madrid, Milan, etc.).

In the **Rest of the World**, which accounts for 22% of the Group's total revenue, growth remained solid at 11.9% compared with the third quarter of FY2023. The United States confirmed its recovery, with strong growth over the period, particularly in the Private Cloud segment.

Outlook

FY2024 outlook

OVHcloud confirms all its annual targets for FY2024:

- Organic revenue growth of between 9% and 10%
- Adjusted EBITDA margin of over 37%
- Recurring and growth capex targets of between 12%-14% and 21%-23% of Group revenue, respectively
- Generation of unlevered free cash-flow for the full year

Medium-term outlook confirmed

OVHcloud confirms the expected trends for FY2025 and its financial targets for FY2026, including the achievement of positive Free Cash-Flow.

Recent highlights

Opening of a new datacenter in Sydney

Last May, OVHcloud opened its third datacenter in Sydney. It forms part of the network of six datacenters operated by OVHcloud in the Asia-Pacific region. The datacenter deploys proprietary watercooling technology with cloud infrastructure optimised for mission-critical workloads, and sustainably meets the region's growing demand for high compute cloud solutions. To bring more compute power, OVHcloud has equipped the datacenter with its high-performance Scale dedicated servers, launched for the first time in Australia and powered by the latest AMD and Intel processors.

Deployment of AMD-based solutions

OVHcloud uses AMD EPYC™ processors to offer its customers balanced solutions that are able to provide support across a wide range of cloud workloads, while benefiting from one of the best value-for-money products on the market.

Calendar

24 October 2024: FY2024 Results

About OVHcloud

OVHcloud is a global player and the leading European cloud provider operating over 450,000 servers within 43 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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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 revenue ones 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 capital expenditures.

Revenue by segment and geography

In € million	Q1 FY2023 Reported	Q2 FY2023 Reported	Q3 FY2023 Reported	9M FY23 Reported	Q1 FY2024 Reported	Q2 FY2024 Reported	Q3 FY2024 Reported	9M FY24 Reported
Private Cloud	133.0	139.9	141.9	414.8	149.6	152.9	157.6	460.1
Public Cloud	35.7	38.3	39.4	113.4	43.5	44.9	46.0	134.4
Webcloud & Other	47.3	45.1	46.6	138.9	46.7	48.5	47.3	142.4
Total revenue	216.0	223.3	227.9	667.2	239.8	246.3	250.8	736.9

Growth in %	Q1 FY2024 LFL	Q2 FY2024 LFL	Q3 FY2024 LFL	9M FY24 LFL	Q1 FY2024 Reported	Q2 FY2024 Reported	Q3 FY2024 Reported	9M FY24 Reported
Private Cloud	+14.9%	+9.4%	+10.7%	+11.6%	+12.5%	+9.3%	+11.0%	+10.9%
Public Cloud	+18.9%	+12.9%	+11.9%	+14.4%	+21.9%	+17.2%	+16.6%	+18.5%
Webcloud & Other	(1.4)%	+7.3%	+1.2%	+2.3%	(1.4)%	+7.6%	+1.5%	+2.5%
Total revenue	+12.0%	+9.6%	+9.0%	+10.1%	+11.0%	+10.3%	+10.1%	+10.5%

In € million	Q1 FY2023 Reported	Q2 FY2023 Reported	Q3 FY2023 Reported	9M FY2023 Reported	Q1 FY2024 Reported	Q2 FY2024 Reported	Q3 FY2024 Reported	9M FY2024 Reported
France	106.8	109.4	112.7	328.4	116.7	120.8	121.6	359.1
Europe (excl. France)	58.7	63.0	65.1	186.8	69.9	71.4	73.2	214.4
Rest of the World	50.5	51.4	50.1	152.0	53.2	54.1	56.0	163.4
Total revenue	216.0	223.3	227.9	667.2	239.8	246.3	250.8	736.9

Growth in %	Q1 FY2024 LFL	Q2 FY2024 LFL	Q3 FY2024 LFL	9M FY2024 LFL	Q1 FY2024 Reported	Q2 FY2024 Reported	Q3 FY2024 Reported	9M FY2024 Reported
France	+9.3%	+10.9%	+7.9%	+9.3%	+9.3%	+11.0%	+7.9%	+9.4%
Europe (excl. France)	+16.3%	+9.6%	+8.6%	+11.3%	+18.9%	+13.4%	+12.4%	+14.8%
Rest of the World	+12.6%	+6.9%	+11.9%	+10.4%	+5.4%	+5.2%	+11.9%	+7.5%
Total revenue	+12.0%	+9.6%	+9.0%	+10.1%	+11.0%	+10.3%	+10.1%	+10.5%

Reconciliation of like-for-like and reported growth

In € million by segment	Q3 FY23 Reported	FX impacts	Scope impacts	Strasbourg impacts	Q3 FY23 LFL
Private Cloud	141.9	0.5	0.0	0.0	142.4
Public Cloud	39.4	0.1	1.5	0.0	41.1
Webcloud & Other	46.6	0.2	0.0	0.0	46.7
Total revenue	227.9	0.8	1.5	0.1	230.2

In € million	Q3 FY24 Reported	Strasbourg impacts	Q3 FY24 LFL
Private Cloud	157.6	0.1	157.6
Public Cloud	46.0	0.0	46.0
Webcloud & Other	47.3	0.0	47.3
Total revenue	250.8	0.1	250.9

In € million	Q3 FY23 Reported	FX impacts	Scope impacts	Strasbourg impacts	Q3 FY23 LFL
France	112.7	0.0	0.0	0.0	112.8
Europe (excl. France)	65.1	0.8	1.5	0.0	67.4
Rest of the World	50.1	0.0	0.0	0.0	50.1
Total revenue	227.9	0.8	1.5	0.1	230.2

In € million	Q3 FY24 Reported	Strasbourg impacts	Q3 FY24 LFL
France	121.6	0.0	121.7
Europe (excl. France)	73.2	0.0	73.2
Rest of the World	56.0	0.0	56.0
Total revenue	250.8	0.1	250.9