

## OVH: Reducing Data Center Energy Use\*



An increasing number of people and devices are connecting to the Internet and interacting with more data-intensive web content. This creates a need for more data than ever before. While this interaction enables important flows of information, it also consumes a tremendous amount of energy. Thus, we believe improving data center efficiency is critical to managing not only the energy inputs required for more data, but also the climate impacts that this energy demand places on the planet.

OVH, a leading provider of cloud services, is taking an integrated approach to reducing its environmental impact and associated costs through better data center design. As part of its efforts to reduce the use of energy, all of OVH's data centers use a combination of water-cooling technology and building design instead of air conditioning to cool its servers. Through this and other tactics, OVH has achieved a Power Usage Effectiveness (PUE) of 1.09, which means that the company's operations are approximately 36 percent more energy efficient than an average data center. Recognizing the need for continuous improvement, OVH is leading other environmentally focused initiatives such as investing directly in turbines for the production of wind power in France.

\* The case study about the company from the private equity portfolio shown above represents what we believe to be the most demonstrative example of the corresponding challenge. The specific portfolio company identified is not representative of all of the investments made, sold, or recommended for advisory clients, and it should not be assumed that the investment in the company identified was or will be profitable. Sourced information for this case study is Solon Consulting (July 2016).