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Copenhagen Economics

CLOUD COMPUTING SECTOR IN EUROPE

Sector brief with a focus on European providers

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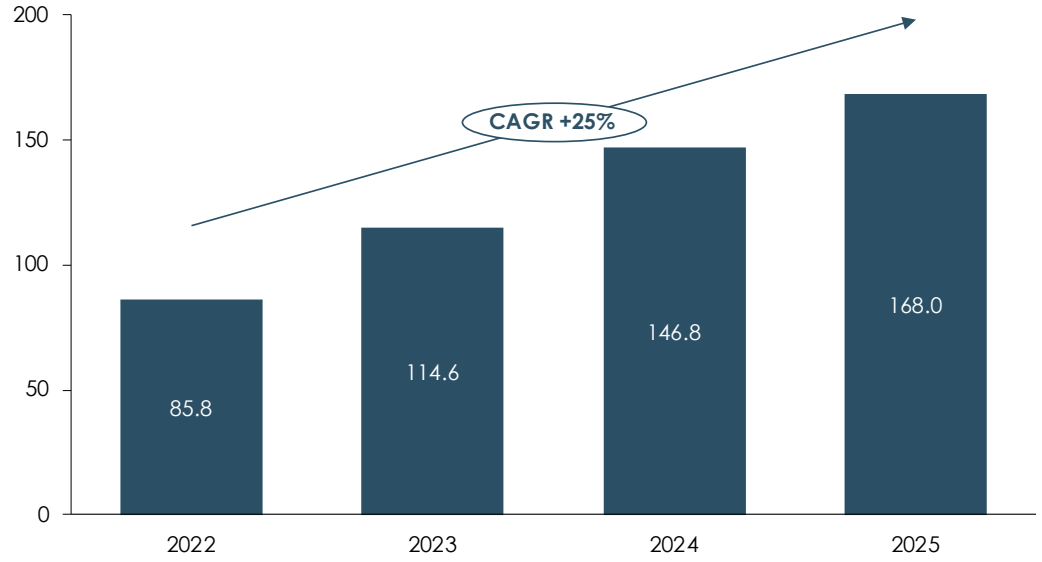
Box 1 Key findings

- The cloud computing sector in Europe grew by circa 25 per cent annually between 2022 and 2025, according to Statista. Growth in the cloud computing sector is projected to continue at 16 per cent annually until 2030.
- More than 200 European providers currently offer cloud computing services according to the website European Tech Map. These companies range from established IT or telecom suppliers like SAP, Scaleway (a subsidiary of Iliad), T-Systems (a business unit of Deutsche Telekom) or TIM, to spin-offs from large retail groups, such as StackIT (a subsidiary of the Schwarz Group), to newer innovative companies such as Verda or Nscale.
- While there are few publicly available sources on how European providers are faring overall, one report from the market intelligence firm Synergy Research Group estimates that European companies as a whole have maintained a stable share (around 15 per cent) of the European cloud sector since 2022, suggesting that European providers are growing broadly in line with the sector as a whole. According to the same source, the two largest European providers, OVHcloud and T-systems, each account for circa 2 per cent of the cloud computing sector in Europe. This source has limitations, as Synergy does not disclose its underlying data or methodology and appears to exclude the potentially relevant SaaS segment.
- Several European providers have announced significant investments totalling more than 45 billion euro in the coming years, including various investments by SAP totalling 20 billion euro, Schwarz Group's StackIT's investment of 11 billion euro in a data centre in Germany, and Nebius's investment of 8.5 billion euro in a large artificial intelligence ('AI') specialised data centre in Finland. These investments suggest confidence in future growth prospects.
- Significant public investment is expected from the European Union in the near future in cloud, including through the recently announced Cloud and AI Development Act. More generally, there is a policy push in Europe for technological sovereignty, which is likely to further support the growth of European cloud computing providers, although non-European providers may also benefit via their own sovereign cloud computing solutions.
- Generative AI ('Gen AI') is expected to continue to increase companies' computing needs by 39 per cent annually until 2030, and AI adoption is seen as a priority for 62 per cent of European companies, according to a survey by Strand Partners.
- Significant investment in AI-focused 'neocloud' providers also suggests that investors see substantial growth potential. Nscale, a United Kingdom-based specialist cloud computing provider for AI, recently attracted the largest amount of investment ever by a European start-up company. Similarly, specialist provider Nebius is publicly listed and reports a market capitalisation of more than 30 billion euro, including a recent investment of 2 billion euro by NVIDIA. In parallel, established European cloud computing providers, including SAP, T-Systems, OVHcloud, and Scaleway, have also announced significant investment in AI.

1. INTRODUCTION

In Europe, cloud computing services have grown rapidly over the past two decades, with an average annual growth rate of 25 per cent between 2022 and 2025, see Figure 1. [1]

Figure 1
Cloud computing sector revenues in Europe from 2022 to 2025
Billion euro



Note: Figures converted from the original USD to EUR using annual average exchange rates from the European Central Bank.
Source: Statista, European cloud computing market size in Europe from 2018 to 2030, by segment, Available here.

The trajectory of growth in cloud computing services is expected to continue in the near future, according to various sources:

- Gartner projects end-user public cloud computing services spending in Europe to grow by 24 per cent in 2026 relative to 2025.[2]
- Statista predicts that the cloud computing sector in Europe will continue to grow at an annual average rate of 16 per cent until 2030.[3]
- A previous Copenhagen Economics report on compute for 'Gen AI [4] explains that the projected growth of Gen AI will lead to an increase in demand for compute for Gen AI of 39

[1] Throughout this sector brief, we use the terms "cloud computing sector" and "cloud computing services" to refer to *public* cloud suppliers and the services they offer to business and public services. Public cloud suppliers give their customers access to shared computing resources on demand. They are often distinguished from "private cloud", which refers to off-site computing resources that firms develop for their own internal needs. Private clouds are not the subject of this sector brief.
[2] Gartner (2025), Gartner Forecasts IT Spending in Europe to Grow 11% in 2026, Press Release, Available here.
[3] Statista, European cloud computing market size in Europe from 2018 to 2030, by segment, Available here. Accessed 28 May 2026.
[4] Copenhagen Economics (2026), Compute for Gen AI: Assessment of competitive conditions, Available here.

per cent on average per year globally between 2023 and 2030. Some of this growth is also likely to benefit cloud computing services.

The three largest global suppliers, Microsoft, AWS, and Google, together account for circa 70 per cent of the cloud computing sector in Europe, according to the market intelligence company Synergy Research Group.[5] This sector brief has a focus on European providers[6] and the impact of AI.

2. A LARGE NUMBER OF EUROPEAN CLOUD COMPUTING PROVIDERS ARE ACTIVE AND GROWING

A large number of providers are active in the cloud computing sector. At the time of writing, the European Tech Map website lists 227 European companies offering cloud computing services.[7]

To understand the level of growth among European cloud computing providers, we sought to review the revenue growth of a sample of European cloud computing providers, including many AI-specialised cloud computing providers (often called 'neocloud' providers), SAP, OVHcloud, StackIT (a subsidiary of the Schwarz Group), and all the members of the Cloud Infrastructure Service Providers in Europe ('CISPE') association.[8] Our review of these 66 suppliers covers a variety of providers from across Europe, including newer providers launched recently and companies that have been active for many years, see Table 1.

5 Synergy Research Group (2025), European Cloud Providers' Local Market Share Now Holds Steady at 15%, Available here.

6 Throughout this sector brief we use "European" to refer to the European Economic Area and the United Kingdom. Some data points from third party sources may also additionally include firms and providers based in the remainder of the European continent except Russia.

7 European Tech Map (2026) number of companies in the category "cloud computing", Available here. Accessed 28 May 2026.

8 See CISPE, Members, Available here. We exclude GTT Communications, which is listed as a member but is headquartered in the United States.

Table 1
Many cloud computing providers are active across Europe

SUPPLIER (COUNTRY, YEAR FOUNDED)				
Adestis Germany, 2000	dade2 UK, 2008	Ikoula France, 1998	OVHcloud France, 1999	SolidData Italy, 2022
Aitire Spain, 2006	deda.tech Deda Group Italy, 2024	Infomaniak Switzerland, 1994	oXya France, 1998	SysEleven Germany, 2007
Anexia Austria, 2006	Dinova France, 2014	IONOS Group Germany, 1988	plusserver Germany, 1999	Systema Italy, Unknown
Aruba Italy, 1994	Elastsx Sweden, 2012	JOTELULU Spain, 2020	Psideo Switzerland, 2001	Taiga Cloud Germany, 2023
BBBell Italy, 2003	Evroc Sweden, 2022	Leaseweb Netherlands, 1997	ReeVo Italy, 2003	Thesee France, 2016
BlackBox UK, 2013	Exoscale Switzerland, 2011	M2 Informatica Italy, 1991	Register.it Italy, 1995	TIM Group Noovle Italy, 2021
Blue Day Italy, 2008	facility24 Germany, Unknown	Nebius Group Netherlands, 2024	Retelit Italy, 1999	T-systems Germany, 2000
Caelis France, Unknown	FlameNetworks Italy, 2003	Netalia Italy, 2010	SAP Germany, 1972	UpCloud Finland, 2011
Cleura Sweden, 2002	Gcore Luxembourg, 2014	Nscale UK, 2024	Scaleway France, 1999	Verda Finland, 2020
Clever Cloud France, 2010	Genesis Cloud Germany, 2018	NumSpot France, 2023	Schiffl Germany, Unknown	worldstream Netherlands, 2006
CleverIT Spain, 2018	Gigas Spain, 2011	OnWork Spain, 2003	StackIT Germany, 2023	
Combell Cloud Belgium, 1999	Hetzner Online Germany, 1997	Orange business France, 2006	SeeWeb Italy, 1998	

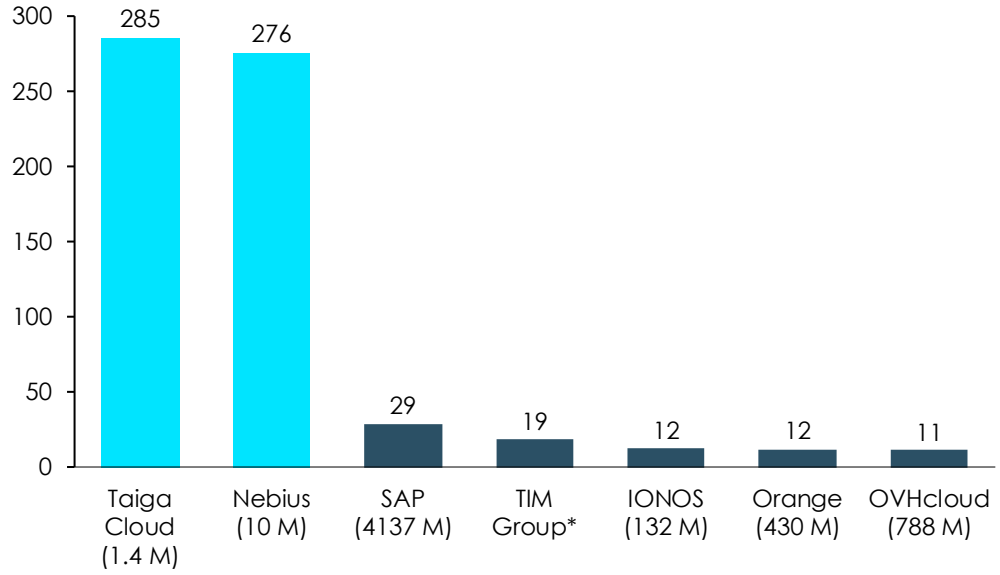
Source: Desk research by Copenhagen Economics from providers' websites

Many European cloud computing suppliers are not publicly listed companies and do not publicly report their financial information. In addition, some companies that provide revenue figures do not provide figures for cloud computing services specifically.

Focusing on the above-listed cloud computing providers with publicly reported financial results for cloud computing services separately, their average annual growth rate in the period ranges from 11 per cent for OVHcloud to 29 per cent for SAP, after excluding companies with revenue of less than 50 million euro (the EU threshold for small and medium enterprises) in 2022, see Figure 2.[9]

[9] In addition to the companies listed, Nvidia's CEO Jensen Huang predicted that the United Kingdom's neocloud Nscale "could generate as much as 50 billion GBP [equivalent to 58 billion EUR] over the coming six years [by 2032]" when justifying Nvidia' two billion euro investment in the startup. See Nicol-Schwarz, Kai (2025), AI cloud startup Nscale raises $433m days after billion-dollar Series B, Sifted., Available here.

Figure 2
Average annual growth of European cloud computing providers' cloud computing revenues between 2022 and 2025
Per cent



Note: Figures represent total cloud computing revenue growth globally, not just in Europe. The bars for Taiga Cloud and Nebius are coloured differently because their revenue was below the EU threshold for a small and medium enterprise (50 million euro in 2022). The figures under the name of the company represent the cloud revenue of each company in 2022. * TIM Group does not report its total cloud computing revenues but only the annual growth rate of those revenues.
Source: Copenhagen Economics based on providers' financial reports and public announcements

While there are few publicly available sources on how European providers are faring overall, one report from the market intelligence firm Synergy Research Group estimates that European companies as a whole have maintained a stable share (around 15 per cent) of the European cloud sector since 2022, suggesting that European providers are growing broadly in line with the sector as a whole.[10] According to the same source, the two largest European providers, OVHcloud and T-systems, each account for circa 2 per cent of the cloud computing sector in Europe. This source has limitations, as Synergy does not disclose its underlying data or methodology and appears to exclude the potentially relevant SaaS segment.

3. SIGNIFICANT INVESTMENTS ARE EXPECTED BY EUROPEAN CLOUD COMPUTING PROVIDERS

Besides recent growth, European providers also have many planned new investments in cloud computing infrastructure. These investments total more than 45 billion euro over the next five years, see Table 2.

[10] Synergy Research Group (2025). European Cloud Providers' Local Market Share Now Holds Steady at 15%. Available here.

Table 2
Many large cloud computing infrastructure investments are expected by European providers

PROVIDER	VALUE OF INVESTMENT (BILLION EURO)
SAP[1]	20
StackIT	11
Nebius Group	8.5
Scaleway	3
Nscale[4]	2
T-Systems[5]	1
OVHcloud[6]	0.5
Verda	0.1

Source: 1) CNBC (2025). SAP to invest over 20 billion euros in 'sovereign cloud' in boost to Europe's AI ambitions, Available here. 2) Nemitz, M. (2025). Schwarz Digits invests 11 billion euros in Europe's digital sovereignty, *Start Base*, Available here. 3) Iliad Group (2025). The Iliad Group is investing €3 billion in AI, Available here. 4) Nscale (2026). Nscale Raises $2 billion in Series C, Available here. 5) T-Systems (2025). We are building Europe's most modern AI factory, Available here. 6) European Investment Bank (2022). OVH European cloud expansion, Available here.

These investments include Nebius investing 8.5 billion euro in one of the largest AI-specialised data centres in Europe in Finland and Schwarz Group's StackIT investing in an 11-billion-euro data centre in Germany, the company's largest ever single investment. Additionally, German software giant SAP has announced multiple investments totalling over 20 billion euro to build its European sovereign cloud computing capabilities.

4. SIGNIFICANT PUBLIC INVESTMENT IS ALSO EXPECTED IN CLOUD COMPUTING SERVICES

The private investment outlined above is expected to be supplemented by significant public investment in European-based cloud computing services in the coming years. Notably, the EU plans to invest substantially in AI and the cloud computing sector over the next five years, with a number of projects already ongoing, including (note that some of the projects listed below may partially overlap):

- The European Commission's InvestAI initiative is one example, with the Commission pledging to invest 50 billion euro in AI initiatives to top up 150 billion euro from the private sector. The investment includes a 20-billion-euro fund to create up to five AI Gigafactories.[11,12]

[11] European Commission (2025), Speech by President von der Leyen at the Artificial Intelligence Action Summit, delivered 11 February 2025, Available here.

[12] European Commission (2026), AI Factories, Available here. AI Gigafactories are large-scale facilities dedicated to the development and training of next-generation AI models containing trillions of parameters.

- A study by the European Joint Research Council identified that more than 30 billion euro of the EU's largest investment initiatives in recent years were invested in the cloud computing sector between 2021 and 2027.[13]
- In December 2023, the Commission approved a 1.2-billion-euro Important Project of Common European Interest on Next Generation Cloud Infrastructure and Services involving seven member states and many companies.[14]
- The recently proposed by the Commission Cloud and AI Development Act (CADA) through its Cloud and AI Leadership initiatives which will receive funding from the Union programmes as well as EU Member States.[15]

As part of this increased investment in cloud computing, digital sovereignty and resilience have become important objectives for policymakers across Europe. A recent study for the European Parliament highlighted the policy interest in strengthening Europe's technological sovereignty and capabilities.[16] The CADA draft proposed by the Commission introduces a single EU-wide cloud policy for public administrations and public procurement including conditions on sovereignty. This push is likely to further support the growth of European cloud computing providers,[17] although non-European providers may also benefit via their own sovereign cloud computing solutions.[18]

The European Commission recently conducted a Sovereign European Cloud tender. The tender was won by four separate suppliers, including several European providers, suggesting that European suppliers can be competitive with larger global suppliers when offering sovereign cloud computing solutions, see Box 2.

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13 Torrecillas Jodar, J. and Nepelski, D., Update of Mapping of EU funds to Digital Decade targets 2021–2027, Publications Office of the European Union, Luxembourg, 2025, Available here. Figure 4.

14 European Commission (2023), Approved IPCEI Next Generation Cloud Infrastructure and Services, Available here.

15 European Commission. (2026, June 3). *Proposal for the Cloud and AI Development Act (CADA)*. Shaping Europe's Digital, Future.Available here. Pre-amble paragraph 29.

16 European Parliament (2025). Study on European Software and Cyber Dependencies, p. 16, Available here

17 For example, the European Commission's own website notes that "[t]o strengthen Europe's digital sovereignty in the cloud sector, the Act will work in tandem with a proposed single EU-wide cloud policy for public administrations and public procurement. This combined **approach will foster the growth of European cloud providers** and prioritise the use of highly secure cloud capacity for highly critical use cases." [Note that originally emphasis removed and **new emphasis added.**] European Commission (2026), Cloud Computing, Digital Strategy. Available here.

18 For example, among the four awardees in the Sovereign Cloud call by the European Commission, one contract is operated by a Belgian–French–Luxembourgish partnership led by Proximus, using services from a joint venture with Thales and Google Cloud, thus involving a non-European provider. EC (2026). Commission advances cloud sovereignty through strategic procurement, Available here. Amazon, Delos, Google, Microsoft and Oracle each offer European sovereign versions of their cloud products, see for example European Cloud Providers website, Available here.

Box 2 European Commission's Sovereign Cloud tender

In October 2025, the European Commission launched a call for tender for the European Sovereign Cloud to allow EU institutions, bodies, offices and agencies to procure sovereign cloud computing services for up to 180 million euro over six years.

The tender was designed to strengthen the digital sovereignty of European suppliers and selected suppliers based on a variety of criteria, including their sovereignty scores, developed by the Commission under the Cloud Sovereignty Framework. The Commission awarded four providers:

- A partnership led by Post Telecom with OVHcloud and CleverCloud,
- StackIT
- Scaleway
- A partnership led by Proximus with SN3S (a joint venture of Thales and Google Cloud), Clarence, and Mistral.

Source: Commission (2026), Commission advances cloud sovereignty through strategic procurement, Available here. Commission (2026), Cloud Sovereignty Framework, Available here. techUK News (2026), Dispatch from Brussels: Updates on EU Tech Policy, Available here.

5. AI GROWTH, INCLUDING IN EUROPE, IS DRIVING SIGNIFICANT INVESTMENT IN CLOUD COMPUTING

AI is driving significant investment throughout the economy, with the Stanford University's 2026 AI Index Report indicating that corporate AI investment more than doubled in 2025 to 582 billion US dollars.[19] AI data centre capacity in Europe has tripled between 2024 and 2025 driven by neocloud providers, according to research from CBRE.[20,21]

The growth and increasing adoption of AI tools across the economy are expected to bring a new boom to the cloud computing sector. A recent CMA report on business software and cloud computing notes that '[a]s AI adoption accelerates, demand for cloud resources is forecast to grow significantly'.[22]

Firms across Europe are already increasingly using AI in their businesses, and this adoption is expected to grow even further. A recent survey conducted by Strand Partners for Amazon Web Services suggests that more than half of European businesses (54 per cent) have already adopted AI, an increase of more than 21 percentage points over the same study in 2024. According to the same

[19] Stanford Institute for Human-Centered Artificial Intelligence (2026), "Economy," *The 2026 AI Index Report*, Stanford University, Available here. Accessed 3 June 2026.

[20] Data Center Dynamics (2025). CBRE: European AI data center capacity triples as neocloud demand rises, Available here

[21] See, for example, Copenhagen Economics (2026), Compute for Gen AI: Assessment of competitive conditions, Available here.

[22] Competition and Markets Authority (2026). "Actions on Cloud and Business Software through the UK Digital Markets Competition Regime," Available here.

study, 62 per cent of European businesses reported that AI adoption was a priority for their business.[23]

The impact of AI on the future development of the cloud computing sector is evident in investors' interest in neocloud providers. Various neocloud providers, including some European providers, have secured valuations significantly above the one-billion-euro mark in the past 12 months, including UK-based Nscale's recent investment round, which raised 2 billion US dollars, the largest funding ever raised by a European company, and which valued Nscale at 14.6 billion US dollars. Nebius, a Dutch company, is publicly listed and reports a market capitalisation of more than 30 billion euro, including a recent investment of 2 billion euro by NVIDIA, see Table 3.

Table 3
Valuation of neocloud providers

NEOCLOUD PROVIDER	COUNTRY	VALUATION (BILLION USD)
CoreWeave	United States	62.9[1] (May 2026)
Nebius	Netherlands	39.1[2] (May 2026)
FluidStack	United Kingdom	18[3] (Apr 2026)
Nscale	United Kingdom	14.6[4] (Mar 2026)
Lambda	United States	10.1[5] (May 2026)
Crusoe	United States	10[6] (Oct 2025)

Note: Valuation figures are based on the current market capitalisation or a valuation based on the latest funding rounds.

Source: 1) Yahoo Finance, CoreWeave, Available here; 2) Yahoo Finance, Nebius Group, Available here; 3) TechCrunch (2026), AI data center startup Fluidstack in talks for $1B round at $18B valuation months after hitting $7.5B, says report, 14 April 2026, Available here; 4) Nscale (2026), Nscale Raises $2 Billion in Series C — the Largest in European History, Press release, Available here; 5) Yahoo Finance, Lambda Labs, Available here; 6) Crusoe (2025), Crusoe, the AI factory company, raising $1.375 billion at a valuation above $10 billion to power the future of AI infrastructure, Available here; (All accessed: 3 June 2026);

The impact of AI is also being felt by more established European cloud computing providers. For example, SAP, T-Systems, and other companies recently launched the European Industrial AI Cloud project, starting with a one billion euro partnership between T-Systems and NVIDIA.[24] In 2024, OVHcloud built one of Europe's largest public cloud AI clusters,[25] and recently acquired Dragon-LLM, a developer of specialised Gen AI models.[26] Last year, Scaleway announced an investment of 3 billion euro in AI, affirming its ambition to be Europe's market leader in AI.[27] Finally, the Japanese multinational Softbank has recently pledged to invest 75 billion euro in Europe's largest AI facility in France.[28]

23 Strand Partners (2026), Unlocking Europe's AI potential, Available here.

24 Hett, S. (2025, November 4). Industrial AI made in Europe: Digital sovereignty through partnership and innovation. *SAP News Center*, Available here.

25 See https://matrixbcg.com/blogs/growth-strategy/ovhcloud.

26 OVHcloud (2026), OVHcloud announces the acquisition of Dragon LLM, a developer of specialised Gen AI models, and is launching its AI lab to offer new services to its customers based on LLMs, Press Release, Available here.

27 Iliad Group (2025), The iliad Group is investing €3 billion in AI, Press Release, Available here.

28 Bradsaw, T., White, Sara, and Keohane, David (2026), SoftBank pledges €75bn to build Europe's biggest AI facility in France, *Financial Times*, Available here.

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