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## Press release

### **Majorel announces its intention to launch a private placement and list on Euronext Amsterdam**

**Luxembourg, 7 September, 2021:** Majorel, a leading global provider of next-generation end-to-end customer experience (“CX”) solutions for digital-native and vertical leading brands, today announced its intention to list its shares on the regulated market of Euronext Amsterdam in the second half of 2021.

#### **Key Highlights:**

- Majorel is a leader in the global CX market with more than 63,000 team members in 31 countries and across five continents.
- Majorel serves more than 400 clients worldwide, including digital-native and vertical leading brands in high-growth industries that are leading digital transformation. In H1 2021, 42% of net revenues<sup>1</sup> derived from Internet and High Tech clients (“Global Internet”).
- Majorel offers end-to-end CX solutions worldwide comprising: Customer Interaction Services, Business Process Services, and Tech & Expert Services, with advanced capabilities in complex, value-add CX services such as Content Services, Trust & Safety and Vertical Digital Solutions.
- Majorel operates in a large and structurally growing approximately \$305 billion total addressable market<sup>2</sup> and benefits from its strong long-term client base with net revenues retention of 113% (2020)<sup>3</sup> and 118% (H1 2021)<sup>4</sup> and high average client tenure of about 12 years<sup>5</sup>.
- In 2020, Majorel generated €1.34 billion in net revenues<sup>6</sup>, growing at 14% YoY, and an operating EBITDA<sup>7</sup> of €196 million, driving strong organic growth and margin improvement.

<sup>1</sup> Net revenues for the group corresponds to revenues as reported in our consolidated income statement less (i) revenues from minor activities (primarily the Sonopress Business) outside the Majorel Group’s core business which are reported in the column “consolidation / other” in the Company’s segment reporting and (ii) certain direct, order-related external costs which are part of external expenses and costs of materials and consist mainly of cost of services purchased (subcontracted or outsourced services). The Sonopress Business is defined as certain non-core business activities historically carried out by Arvato de Mexico, S.A. de C.V., which is currently being wound down.

<sup>2</sup> Everest Group May 2021. Market size in 2020, including Content Services, Trust & Safety at \$5 billion.

<sup>3</sup> Net revenues generated by clients in 2020 divided by net revenues generated by the same cohort of clients in 2019.

<sup>4</sup> Net revenues generated by clients in H1-2021 divided by net revenues generated by the same cohort of clients in H1-2020 (excluding China Business).

<sup>5</sup> Average tenure of top 20 clients in 2020.

<sup>6</sup> In the same period, Majorel generated revenues of €1,375 million.

<sup>7</sup> Operating EBITDA is defined as EBIT (earnings before interest and taxes) adjusted for depreciation / amortization, impairment and reversal on intangible assets, property, plant and equipment and right-of-use assets, adjusted for (i) impairment on goodwill and other intangible assets with indefinite useful life as well as gains from business combinations, (ii) adjustments to carrying amounts on assets held for sale, (iii) impairment/reversals on other financial assets at amortized cost, (iv) impairment/reversals on investments accounted for using the equity method, (v) results from disposals of investments, (vi) fair value measurement of investments, and (vii) restructuring and other special items.

- In H1 2021, Majorel's accelerating growth momentum has increased to 35% (18% like-for-like organic growth<sup>8</sup>), growing to €842 million in net revenues. Operating EBITDA reached €154 million for the same period.
- Majorel has a large and growing pipeline of potential M&A targets to drive its plans for further geographic expansion, and ongoing development of its global service delivery capabilities, domain expertise and digital capabilities.
- Majorel is currently a 50-50 venture between Bertelsmann (an international media, services and education company, with its headquarters in Germany) and the Saham Group (an international real estate, education, agriculture and services company, with its headquarters in Morocco) who will remain major shareholders, with Bertelsmann envisaged to continue consolidation post-IPO.
- Shares held by Bertelsmann and the Saham Group will be offered to institutional investors in a private placement. An appropriate level of free float will ensure attractive trading liquidity.
- BNP Paribas, Citigroup and J.P. Morgan are acting as Joint Global Coordinators and Joint Bookrunners, with Bank of America, Goldman Sachs and UBS Investment Bank also acting as Joint Bookrunners.

**Thomas Mackenbrock, CEO of Majorel Group** said: "Our key focus has always been on developing deep, long-term partnerships with our clients in delivering next-generation end-to-end CX solutions. Every day we are driven by the unique entrepreneurial spirit and excellence of our team members worldwide. This has allowed us to continuously grow Majorel. Pursuing a listing is the next logical step in Majorel's development and will further enhance our position as a leading player in the global CX industry."

**Otmame Serraj, Chief Financial & Shared Services Officer of Majorel Group** said: "We are particularly pleased with our strong operational and financial performance which testifies to the strength and expertise of our teams across the world, especially in the context of the COVID-19 pandemic. In 2020, net revenues grew by 14% year-on-year and we have accelerated this trajectory in the first half of 2021, with net revenues up by 35% (18% on a like-for-like basis)."

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Majorel Group Luxembourg S.A. ("Majorel", the "Company" and, together with its consolidated subsidiaries, "Majorel Group") is preparing for a listing of its shares on the regulated market operated by Euronext Amsterdam N.V.. The Company plans to complete a private placement to institutional investors in the second half of 2021, subject to general market conditions. The private placement is intended to comprise existing shares from the holdings of the Company's existing shareholders (the "Selling Shareholders") as well as existing shares in connection with possible over-allotments, covered by a greenshoe option provided by the Selling Shareholders, which will be offered to certain institutional investors in various jurisdictions (the "Private Placement").

Majorel was established in January 2019 through the successful combination of Bertelsmann's CX business in Europe, the Americas and Asia (Arvato CRM Solutions), the Saham Group's CX business in Egypt, Saudi Arabia and Qatar, ECCO Outsourcing and Pioneers Outsourcing, and the long-standing Bertelsmann / Saham venture, Phone Group.

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<sup>8</sup> Excluding the China business and the COVID-19 business

## **Key differentiators:**

### **1. Majorel offers next-generation end-to-end CX solutions to meet evolving client demand**

The Company delivers its end-to-end CX operations to more than 400 clients worldwide. The average duration of Majorel's client relationships is about 12 years<sup>9</sup> and net revenues retention was 118% in H1 2021.

- **Customer Interaction Services:** Majorel provides industry-leading customer interaction solutions, based on human expertise augmented through data and advanced technology. The Company offers full-service omnichannel solutions covering the entire customer lifecycle, including: customer service, sales and marketing, tech support, customer acquisition, and loyalty and retention services.
- **Business Process Services:** Majorel's business process services focus on providing next-generation solutions for clients in different growth verticals. For Global Internet, this includes comprehensive Content Services, Trust & Safety. For clients in the other verticals, Majorel has implemented industry-specific services, for example, claims management for insurance, e-mobility services for Automotive and specialized back-office services for its Utility and Banking clients.
- **Tech and Expert Services:** Majorel provides a variety of digital consumer engagement services, which include direct-to-consumer (D2C) digital marketing campaigns to enable its clients to engage with their customers across multiple touchpoints. With its dedicated digital CX consulting practice, Majorel helps clients in their digital transformation by providing, among others, CX strategy development. In addition, the Company has developed a portfolio of services specifically designed for start-ups (MajUp™) as well as proprietary vertical digital solutions - for example, a market-leading digital banking platform (Majorel Digital Banking™) for the BFSI (Banking, Financial Services and Insurance) sector.

### **2. Majorel focuses on digital native and vertical leading brands in a large and structurally growing approximately \$305 billion total addressable market**

Majorel operates in a total addressable market (TAM) for CX solutions, comprising outsourced and insourced CX, of approximately \$305 billion in 2020. The global outsourced CX market had a market size of \$89 to \$91 billion in 2020 and is expected to grow at a CAGR of 4% to 5% from 2020 until 2022<sup>10</sup>. With a current outsourcing share of approximately 30%<sup>11</sup>, the CX market is still largely underpenetrated, leaving \$210 billion of the TAM still serviced by in-house CX teams.

Majorel has more than 400 clients worldwide with a particular focus on industries that have experienced high growth in recent years and are leading digital transformation, e.g. Global Internet, BFSI and Automotive.

### **3. A CX leader with a truly global delivery platform spanning from East to West**

To provide seamless client support globally, Majorel's highly agile delivery model, with more than 63,000 team members worldwide, includes onshore and offshore locations, 16 multilingual hubs and remote working from a digital workplace (Majorel Anywhere™). Its global platform spans more than 120 locations in 31 countries across Europe, the Middle East, the Americas, Africa and Asia. Ensuring global operational excellence and consistency is a key focus for Majorel.

<sup>9</sup> Average tenure of top 20 clients in 2020.

<sup>10</sup> Everest Group, May 2021

<sup>11</sup> Everest Group, May 2021

As one of the very few players with operations of scale in China, Majorel is well-positioned to benefit from China's advanced digital ecosystem.

#### **4. Comprehensive and innovative CX solutions enabled with best-in-class technology**

Majorel has built a next-generation global delivery model enabled by advanced technologies to deliver agile, secure, reliable and innovative services to its clients by leveraging a cloud-first approach.

The Company partners with best-in-class solution providers, complemented by its own proprietary technology solutions, to deliver a turnkey CX environment including CXaaS (CX as a Service), Advanced Analytics, Robotic Process Automation/Automation, Automated Interactions/Bots and specialized tools, for example, Majorel Lingua™ (an omni-language solution).

To constantly improve services and to offer clients state-of-the-art solutions, Majorel has established multiple innovation hubs in Europe and Asia, which serve to augment team members' capabilities or develop complementary proprietary digital solutions – for example, the digital consumer engagement solutions that are a core element of Majorel's Tech & Expert Services offering.

#### **5. Multiple organic growth vectors, supplemented with M&A, accelerating future expansion**

Majorel intends to continue to increase its global footprint by expanding its operations to more than 40 countries, including increasing its onshore presence in East Asia.

With the top ten CX outsourcing providers capturing approximately 27% of the market in 2020<sup>12</sup>, the CX landscape is highly fragmented, providing various growth opportunities through strategic acquisitions. Majorel has a large and growing pipeline of potential acquisition targets, to drive the development of its capabilities, in particular to further widen the scale and scope of its Tech & Expert Services; to gain additional domain expertise for the Company's Business Process Services; and to further expand geographically.

Moreover, the Company is ideally positioned to take advantage of both synergetic and strategic opportunities that may arise.

#### **6. Entrepreneurial and agile corporate culture led by best-in-class management team**

Majorel is led by a highly experienced leadership team with a proven track record of leading innovation, integrating, optimizing and scaling businesses, expanding distribution and managing global operations. This team successfully combined four CX service providers in 2019, having mastered the challenges of integrating businesses across the globe, managing a diverse mix of cultural heritages and labor markets.

The Company benefits from the diversity of its more than 63,000 highly skilled team members and strongly believes that its strong corporate culture with an entrepreneurial focus, together with its core values, "creativity, excellence and respect", will further drive its growth and success. The Company believes it is this entrepreneurial spirit that underlined Majorel's resilience during the COVID-19 pandemic.

Moreover, Majorel's global focus on Corporate and Social Responsibility, which encompasses Diversity & Inclusion, Environment & Local Communities, Employee Rights & Fair Working Conditions, and

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<sup>12</sup> NelsonHall, 2021

Wellbeing & Resiliency, is an important driver in attracting and retaining the best talent and new business.

## **Risk Factors**

Investing in Majorel involves certain risks. A description of these risks, which include risks relating to Majorel as well as risks relating to the Private Placement and its shares, will be included in the prospectus to be published in connection with the listing. Any decision to participate in the Private Placement should be made solely on the basis of the information contained in the Prospectus.

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## **About Majorel**

We design, build and deliver next-generation end-to-end CX for many of the world's most respected digital-native and vertical leading brands. Our comprehensive east-to-west global footprint in 31 countries across five continents, with more than 63,000 people and 60 languages, allows us to deliver flexible solutions that leverage our expertise in cultural nuance, which we believe to be essential for true excellence in CX. We have deep domain expertise in tech-augmented front to-back-office CX. Additionally, we offer Digital Consumer Engagement, CX Consulting, and an innovative suite of Proprietary Digital Solutions for industry verticals. We are a global leader in Content services, Trust & Safety. We believe the 'Majorel difference' to be our culture of entrepreneurship.

## **About Bertelsmann**

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company has around 130,000 employees and generated revenues of €17.3 billion in the financial year 2020. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world. Bertelsmann aspires to achieve climate neutrality by 2030. In 2021, Bertelsmann commemorates the 100th birthday of Reinhard Mohn, the Group's late post-war founder and longtime Chairman and CEO.

## **About Saham**

Saham Group is a Moroccan based international investment company that operates in a variety of industries. Driven by a strong entrepreneurial approach, Saham first began in the insurance sector, eventually becoming Africa's industry leader with a presence in 30 countries. After selling its insurance business in 2018, the Group has invested further in strategic targeted partnerships in sectors such as customer experience services/BPO, real estate, education, and agriculture.

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The Underwriters are acting exclusively for Majorel and the selling shareholders and no-one else in connection with the planned Private Placement. They will not regard any other person as their respective clients in relation to the planned Private Placement and will not be responsible to anyone other than Majorel and the selling shareholders for providing the protections afforded to its clients, nor for providing advice in relation to the offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the planned Private Placement, the Underwriters and their respective affiliates may take up a portion of the shares offered in the Private Placement as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of Majorel or related investments in connection with the planned Private Placement or otherwise. In addition, the Underwriters and their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Underwriters and their respective affiliates may from time to time acquire, hold or dispose of shares of Majorel. The Underwriters do not intend to disclose the extent of any such investment or transactions, other than in accordance with any legal or regulatory obligations to do so.

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