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Majorel increases guidance for FY 2022 on the back of strong preliminary net revenue growth for H1 of +16%

Luxembourg, August 9, 2022: Majorel Group Luxembourg S.A. (Euronext Amsterdam: MAJ) (“Majorel” or the “Company”), a leading global provider of next-generation end-to-end customer experience (CX) solutions for digital-native and vertical leading brands, today reports on preliminary topline results for H1 2022¹.

H1 2022 HIGHLIGHTS

- Strong topline growth of +16% YOY, resulting in net revenue² of €976 million (H1 2021: €842 million); adjusted for M&A³ and COVID-19 related business⁴, like-for-like growth was +17% YOY.
- Continuing momentum across business Segments: GEMS (Global English, Middle East and South East Asia) at +35%, CEA (China and East Asia) at +26%, and EASA (Europe, Africa and South America) at +10% net revenue growth.
- Strong profitability with Operating EBITDA⁵ in H1 2022 of €175 million (17.9%), compared to €153 million⁶ (18.2%) in H1 2021.
- Continued successful strategy execution: geographical expansion (nine new countries); expansion with existing and new clients (net revenue retention⁷ of 114%); expanded partnership with Booking.com completed; M&A (Mayen and Alembo completed; IST announced) and progress in all strategic KPIs.
- Potential merger: on June 20, 2022 Majorel announced it had agreed on key terms for a potential merger with Sitel Group® (“Sitel”), transforming two high-profile CX groups into a global industry leader.

Commenting on the preliminary results, Thomas Mackenbrock, CEO of Majorel Group says: "Majorel's performance in the first half of 2022 was strong, and we have increased our guidance for the full year to €1.9-2.0 billion net revenue. Through our relentless focus on executing our proven strategy, we have entered nine new countries, expanded our workforce to more than 78,000 team members and completed two acquisitions in H1. In addition, we have announced our agreement on key terms for a potential merger with Sitel, transforming two high-profile CX groups into a global industry leader. We will continue to build on our success to deliver positive outcomes for our clients, our people, our shareholders and the local communities where we operate."

CONTINUING MOMENTUM ACROSS BUSINESS SEGMENTS

The Company reported net revenue of €976 million for H1 2022, representing YOY growth of +16% with continued momentum across its business Segments.

The first time consolidation of the Turkish Mayen business, which became part of Majorel on January 1, 2022, and Alembo (June 2, 2022) contributed approximately 2 percentage points to the overall net revenue growth for H1 2022.

Net revenue from non-recurring COVID-19 related business contributed €37 million (H1 2021: €59 million). Therefore, adjusted for M&A and COVID-19 related business, like-for-like growth was +17%.

Revenue, net revenue and net revenue by business Segment

	H1 2022	H1 2021	YOY change
Revenue	€992m	€877m	+13%
Net revenue	€976m	€842m	+16%
EASA Segment	€702m	€637m	+10%
GEMS Segment	€221m	€163m	+35%
CEA Segment	€52m	€42m	+26%

Note: H1 2022 numbers are based on unaudited and non-reviewed management reporting.

EASA Segment: Europe, Africa and South America

The EASA Segment has delivered YOY growth in net revenue for H1 of +10%. The main driver for this was the continuing strong development of the Company's near- and offshore locations in Africa, Eastern Europe, and Latin America. As outlined above, EASA also includes the COVID-19 related business and the first time consolidation of the Turkish Mayen and Alembo businesses. Adjusted for these effects, the like-for-like growth in EASA was +11%.

GEMS Segment: Global English, Middle East and South East Asia

The GEMS Segment has delivered YOY growth in net revenue for H1 of +35%. This strong increase continues to be driven by the Company's continued expansion with its Global Internet Clients, particularly in the Philippines, Canada, the US, Malaysia, Egypt, and Kenya.

CEA Segment: China and East Asia

The CEA Segment has delivered net revenue for H1 of +26%, and a contribution of 5% of group net revenue, both in line with management expectations supported by the continuing growth of digital consumer engagement services, and the focus on consumer products, automotive, and digital-native clients. Despite the growth in net revenue, the CEA segment experienced some challenges in H1 2022 due to COVID-19 restrictions.

CONTINUED SUCCESSFUL STRATEGY EXECUTION

Geographical expansion: Majorel further extended its offshore capabilities and entered nine new countries in H1, 2022 – Ghana, Greece, Japan, Lithuania, North Macedonia, South Korea, Suriname, Thailand, and Turkey – enabling the Company to offer even more delivery options to its clients. Majorel is now present in 41 countries on five continents and its workforce has expanded to more than 78,000 team members at June 30, 2022 (FY 2021: 69,000).

Growth with clients: Majorel delivered net revenue retention (NRR) of 114% in H1 2022 including the reduction of COVID-19 related services. Excluding this, the NRR is 117% (H1 2021: 118%).

Growth through M&A: In addition to completing the acquisition of Mayen, the Company announced that it had signed a contract to acquire IST Networks, a leading full-service CX Technology Services provider – completion is now expected in Q3. In June, Majorel completed the acquisition of Alembo, a CX and BPO company based in Suriname, serving the Dutch speaking markets, further strengthening its near- and offshore leverage.

Strategic partnership: Majorel completed its expanded strategic partnership with its client Booking.com in June, fulfilling the Company's strategic goal of expanding into new countries and further consolidating its existing presence in other markets too.

Potential merger with Sitel: On June 20, 2022 Majorel announced it had agreed on key terms for a potential merger with Sitel. In the past weeks, good progress has been made on the reciprocal due diligence and the validation of synergies between the two companies.

Progress in all strategic KPIs: In H1, 2022, 49% of net revenue was from Global Internet Clients (FY 2021: 45%), including 23% of net revenue from Majorel's Content Services, Trust & Safety line of business (FY 2021: 21%). Tech & Expert services represented 9% of net revenue (FY 2021: 9%). Offshore represented 42% of net revenue (FY 2021: 39%). In line with our previous guidance, net revenue from the Telco sector is 10% of group net revenues in H1 2022 (FY 2021: 12%).

OUTLOOK

Majorel increases its guidance for the full fiscal year 2022. The outlook is based on the Company's current assessment on the development of the business in H1 2022 and the general CX market, combined with economic and labor market conditions in its geographic footprint, including expected effects from inflation.

Against this background and Majorel's strong performance in H1 2022, the Company expects net revenue for the full year 2022 to grow to €1,900-2,000 million (previously €1,850-1,950 million), Operating EBITDA margin guidance is unchanged (16.0-17.0%⁸) resulting in a correspondingly higher absolute Operating EBITDA outlook for the full year 2022.

Naturally, Majorel will continue to keep a careful watch on the saddening events in Ukraine, the ongoing COVID-19 situation, and increased macro-economic volatility. This includes monitoring any economic consequences around the world, and their potential impact on Majorel's business.

CONFERENCE CALL WITH ANALYSTS

A conference call for sell-side analysts only will be held on Tuesday, August 9, 2022 at 13:00hrs CEST. To participate, please reach out to the IR team at ir@majorel.com to receive the dial-in details.

FINANCIAL CALENDAR (INDICATIVE)

H1 2022 Audited Results & Report	August 30, 2022
Q3/9M Trading Update	November 3, 2022

ABOUT MAJOREL

We design, build and deliver next-generation end-to-end CX solutions for many of the world's most respected digital-native and vertical leading brands. Our comprehensive east-to-west global footprint in 41 countries across five continents, with more than 78,000 team members 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.

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DISCLAIMER

This announcement is released by Majorel Group Luxembourg S.A. ("Company") and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR). This announcement is made for the purposes of MAR and pursuant to Article 2 of Commission Implementing Regulation (EU) 2016/1055.

All financials are based on unaudited and non-reviewed management reporting. It does not purport to contain all information required to evaluate the Company and/or its financial position. All forward-looking statements are based on the Company's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the

“Risk Factors” section of our Prospectus, available at <https://www.bourse.lu/issuer/MajorelGroupSA/105258>. The Company undertakes no obligation to publicly update or revise any of these forward-looking statements.

This announcement does not constitute an offer of securities for sale or a solicitation of an offer to purchase the securities described in such release in the United States. In particular, any securities referred to in this announcement have not been and will not be registered under the US Securities Act of 1933 (the Securities Act), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of securities in the United States.

NOTES

¹ All financials are based on preliminary unaudited and non-reviewed management reporting.

² Net revenue for the Group corresponds to revenues as reported in our management reporting less 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). Net revenue for each Segment corresponds to the according Segment revenues less certain direct, order-related inter-Segment and external costs. Management reporting data excludes revenues from minor activities (primarily the Sonopress Business) outside Majorel Group’s core business which are reported in the consolidated income statement (the “Sonopress Business” is defined as certain non-core business activities historically carried out by Arvato de Mexico, S.A. de C.V., which was wound down in 2021).

³ First time consolidation of Turkish Mayen business January 1, 2022 and Alembo June 2, 2022

⁴ Adjusted for non-recurring COVID-19 related business in H1 2021 and H1 2022.

⁵ As of January 2022, the definition of Operating EBITDA has been updated: Operating EBITDA is defined as EBIT (earnings before interest and taxes) adjusted for amortization and depreciation, 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) impairment on 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, (vii) results from disposals of intangible assets and property, plant and equipment, (viii) operating realized and unrealized forex gains and losses including on derivatives (ix) expenses on long-term incentive programs and (x) further adjustments such as restructuring, acquisition-related and integration expenses, and other special items.

⁶ H1 2021 Operating EBITDA has been restated to comply with the updated EBITDA definition. Reported in 2021 € 154 million, restated for operating forex gains/losses: € 153 million.

⁷ Net revenue retention H1 2022 is defined as net revenue generated by clients in H1 2022 divided by net revenue generated by the same cohort of clients in H1 2021 (excluding M&A in 2022). Net revenue retention H1 2021 is defined as net revenue generated by clients in H1 2021 divided by net revenue generated by the same cohort of clients in H1 2020 (excluding the China Business in 2021).

⁸ We define Operating EBITDA margin as Operating EBITDA divided by net revenue.