



majorel

**2021 Annual Results
Investor Presentation**

March 17, 2022

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Definitions

Net revenue	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 correspond to the according Segment revenues less certain direct, order-related inter-Segment and external costs. Management reporting data exclude revenues from minor activities (primarily the Sonopress Business) outside the 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).
Operating EBITDA	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) 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, and (vii) restructuring and other special items. We use operating EBITDA to assess the operating performance of our business as operating EBITDA shows our EBIT as adjusted for depreciation and amortization, which are non-cash charges, and specific periodic outcomes to enhance comparability of results over periods. When comparing operating EBITDA with peer group data, it should be taken into account that the total adjustments in a given year do not represent the full amount of all special effects incurred in a given year, as rather only material effects subject to certain thresholds will be considered for the purpose of calculating operating EBITDA.
Operating EBITDA Margin	We define Operating EBITDA margin as Operating EBITDA divided by Net Revenue.
Capital Expenditure	Capital Expenditure is defined as investments in intangible assets and investments in property, plant and equipment.
Free Cash Flow	Free cash flow is defined as operating EBITDA less adjustments minus increase/plus decrease in net working capital after net cash out from pensions, payments from leases and net investments in property, plant and equipment and intangible assets excluding net payments from acquisitions and disposals of financial assets.
Net Working Capital	Net working capital is defined as inventories plus trade and other current receivables, other current non-financial assets and deferred items (assets), less trade and other current payables, other current provisions and deferred items (liabilities). Current income tax receivables and payables and cash equivalents are not included in our definition of net working capital. We use net working capital to assess the capital requirements of our operating business.
Offshore	We define "Offshore" as net revenue from the following countries (even if some local business is included): Armenia, Colombia, Croatia, Egypt, Estonia, Georgia, Ghana, India, Ivory Coast, Kenya, Malaysia, Mexico, Morocco, North Macedonia, Peru, Philippines, Poland, Portugal, Romania, Senegal, Togo, and Turkey.
Net revenue Retention	Net revenue retention is defined as net revenue generated by clients in FY2021 divided by net revenue generated by the same cohort of clients in FY2020 (excluding China Business).
Cash conversion rate	Cash Conversion Rate is defined as Free Cash Flow divided by Operating EBITDA.
Economic Debt	Economic debt is defined as financial debt less cash and cash equivalents plus for pensions, similar obligations and lease liabilities.
Change in like-for-like Net Revenue	Change in like-for-like Net Revenue corresponds to Net Revenue growth year over year, adjusted for certain specific, probably non-recurring items. For 2021 to 2020 like-for-like Net Revenue comparison the contribution of the first time consolidation of the Chinese business and COVID-related business were adjusted.
China Business	China Business means the acquisition of Shanghai Majorel Commercial Services Co., Ltd. (previously, Shanghai Bertelsmann Commercial Services Co. Ltd.), Shanghai Majorel Digital Marketing Co., Ltd. (previously, Shanghai Bertelsmann-arvato Information Services Co. Ltd.) and Shanghai Majorel CX Business solutions Co., Ltd. (previously, Bertelsmann-Arvato Commercial Services (Shanghai) Co., Ltd.).
Covid-19 Business	COVID-19 Business means contracts to provide services in the fight against the COVID-19 pandemic.

Note: calculations of financial ratios are based on non-rounded absolute amounts, which can result in minor deviations

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Serraj

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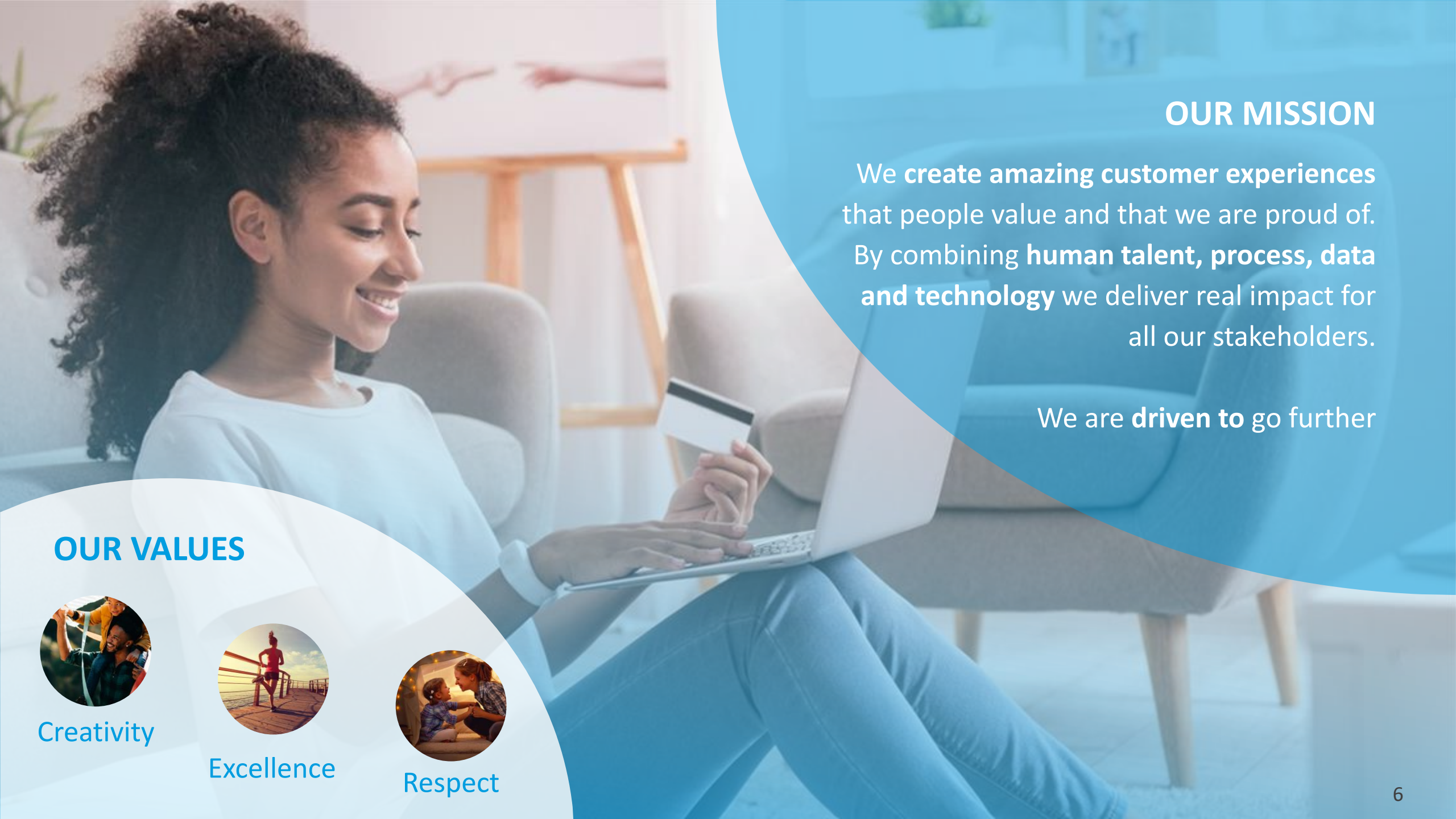
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Q&A



OUR MISSION

We create amazing customer experiences that people value and that we are proud of. By combining **human talent, process, data and technology** we deliver real impact for all our stakeholders.

We are **driven to go further**

OUR VALUES



Creativity



Excellence



Respect

1

2021 key figures and highlights



Strong financials

€1,752m

Net revenue
(+31% growth yoy)

€316m

Operating EBITDA
(18.0% Op. EBITDA margin)



Continued growth momentum

~69,000

Team members
(Dec 31, 2021)

+13,000

Team members (yoy)



Growth with existing clients and new logos

116%

Net revenue Retention

>40

New logos



On-going regional expansion

3 new countries recently launched



Croatia
(2021)



North
Macedonia



Ghana



Turkey
via Mayen acquisition



Continued digital expansion

45%

Global Internet clients¹

21%

Content Services,
Trust & Safety¹

9%

Tech & Expert Services¹

(1) As % of group Net revenue for 2021

1 Growth levers intact

Organic growth levers



Regional expansion



Expand services scope with existing clients



Attract new clients



Invest in new services

M&A announcements in 2021

arvato
China CRM Business

- With Majorel since January 1, 2021
- €98m net revenue contribution in 2021
- Major expansion in Asian market

jun kai
a majorel company

- With Majorel since June 2021
- German CX consultancy firm
- Strengthening Majorel's Tech & Expert Services activities

mayen

- With Majorel since January 1, 2022
- +3,500 new team members in seven locations in Turkey
- Strengthening our positioning

1 Key takeaways

Strong financials

- Net revenue of €1,752m (+31% yoy) coming in at top end of latest guidance of €1,700m-€1,750m
- Operating EBITDA of €316m (+61% yoy) and operating EBITDA margin expanded by 340 bps, reaching 18.0%

Strategy execution on track

- Substantial growth in global delivery and further regional expansion in four new countries (incl. M&A)
- Digital expansion: Global Internet clients, Content Services, Trust & Safety, Tech & Expert Services
- Strengthened Corporate Responsibility around four pillars

Outlook 2022

- Since January: Mayen completed, North Macedonia & Ghana entered, strategic partnership with Booking.com announced
- Positive outlook for 2022
 - €1,850-1,950 net revenue guidance (+12% to + 18% compared to 2021 net revenue without COVID-19 business)
 - Op. EBITDA margin guidance of 16.0%-17.0%

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2 Key financial highlights 2021



Record growth

- **Net revenue of €1,752m** resulting in **+31%** net revenue headline growth (yoy)
 - Growth driven by **Global Internet** and **BFSI** verticals, supported by growth with existing clients (**net revenue retention of 116%**)
 - Special effects from Covid-19 business (€102m) and first time consolidation of China Business (€98m)
 - Like-for-like net revenue growth of **+16%** (excl. Covid-19 related business and China Business)



Positive development in profitability

- **Operating EBITDA** growing by **+61%** yoy to **€316m** resulting in a **18.0%** operating EBITDA margin¹
- **EBIT of €105m (6.0%¹)** negatively impacted by special effects in connection with Company's private placement and listing in September 2021 in the amount of €128m
- **Group profit of €80m² (4.6%¹)** resulting in Earnings per Share of **€0.8**



Strong cash position

- **Free Cash Flow of €118m (Cash Conversion: 37%)**. Excluding Special Effects² the Cash Conversion would be 64% and above our target corridor of 51-56%.
- **Net cash position of €79m²** (vs. €141m at year end 2020)
- **Economic debt of €89m** (vs. €4m at year end 2020)

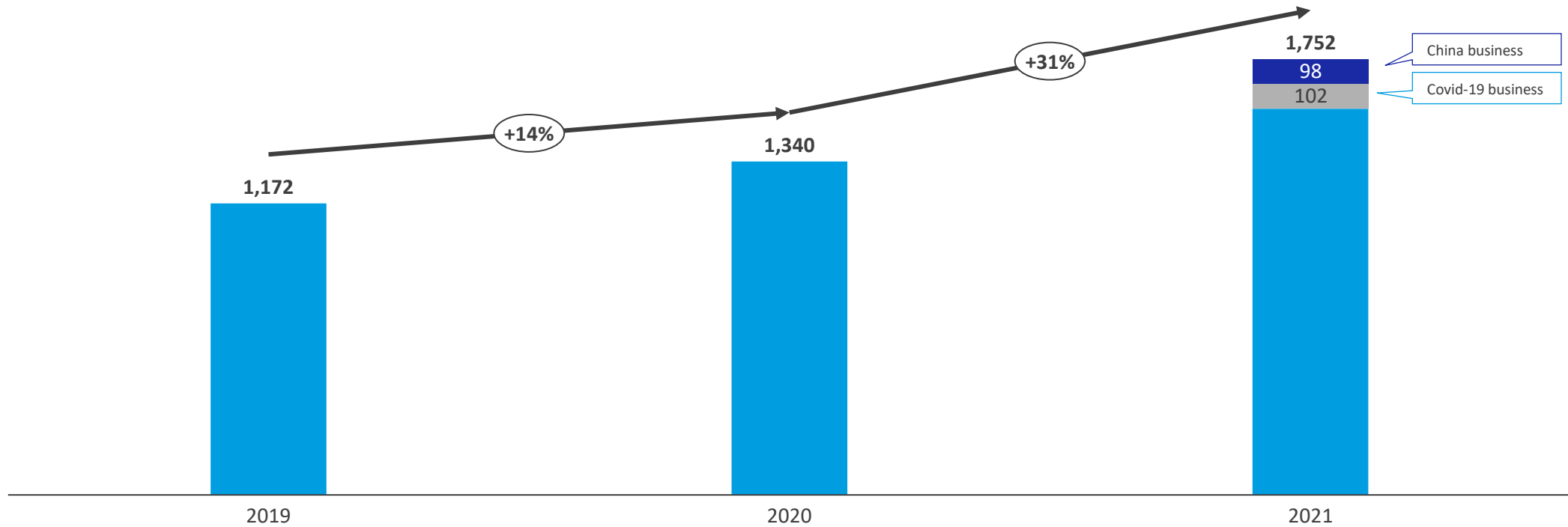
(1) As % of net revenue. (2) Results were negatively impacted by special effects in connection with Company's private placement and listing in September 2021

2

Strong net revenue development in 2021

Net revenue

€m, yoy growth



Guidance FY 2021

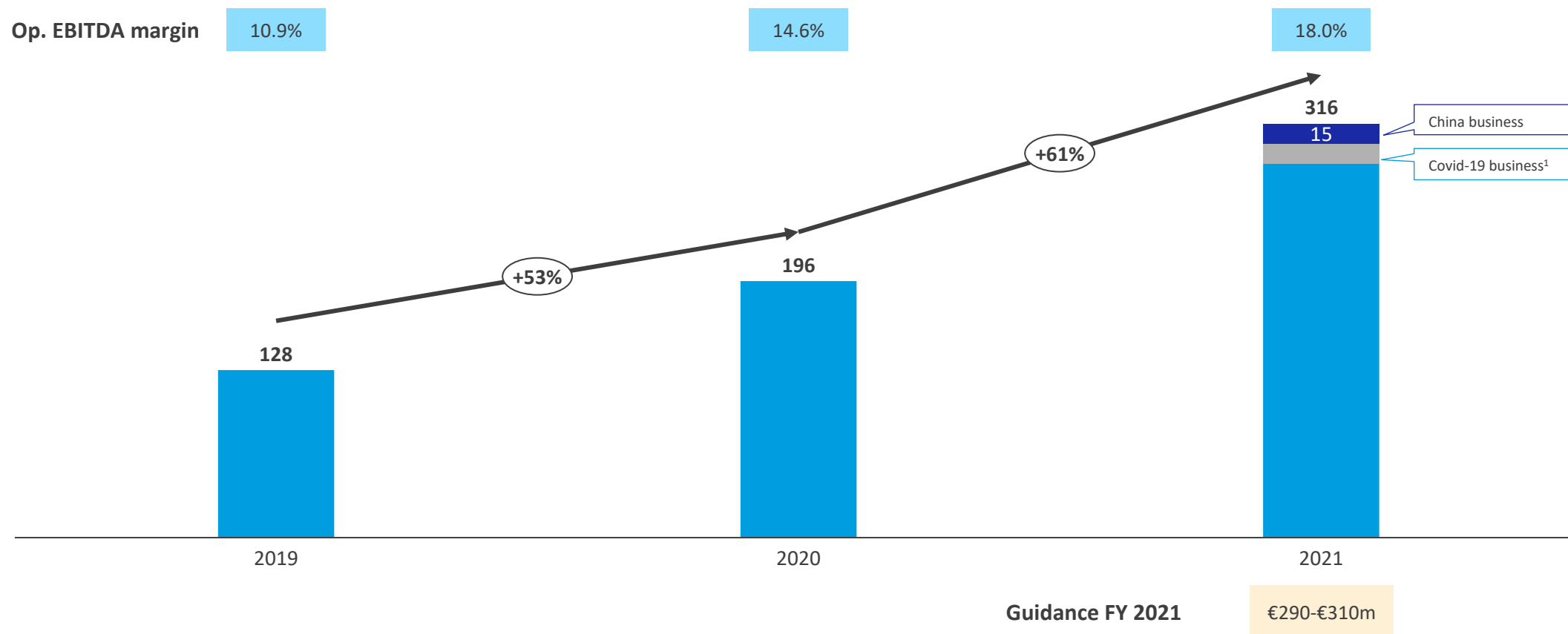
€1,700-€1,750m

2

Operating EBITDA above the top end of latest guidance

Operating EBITDA

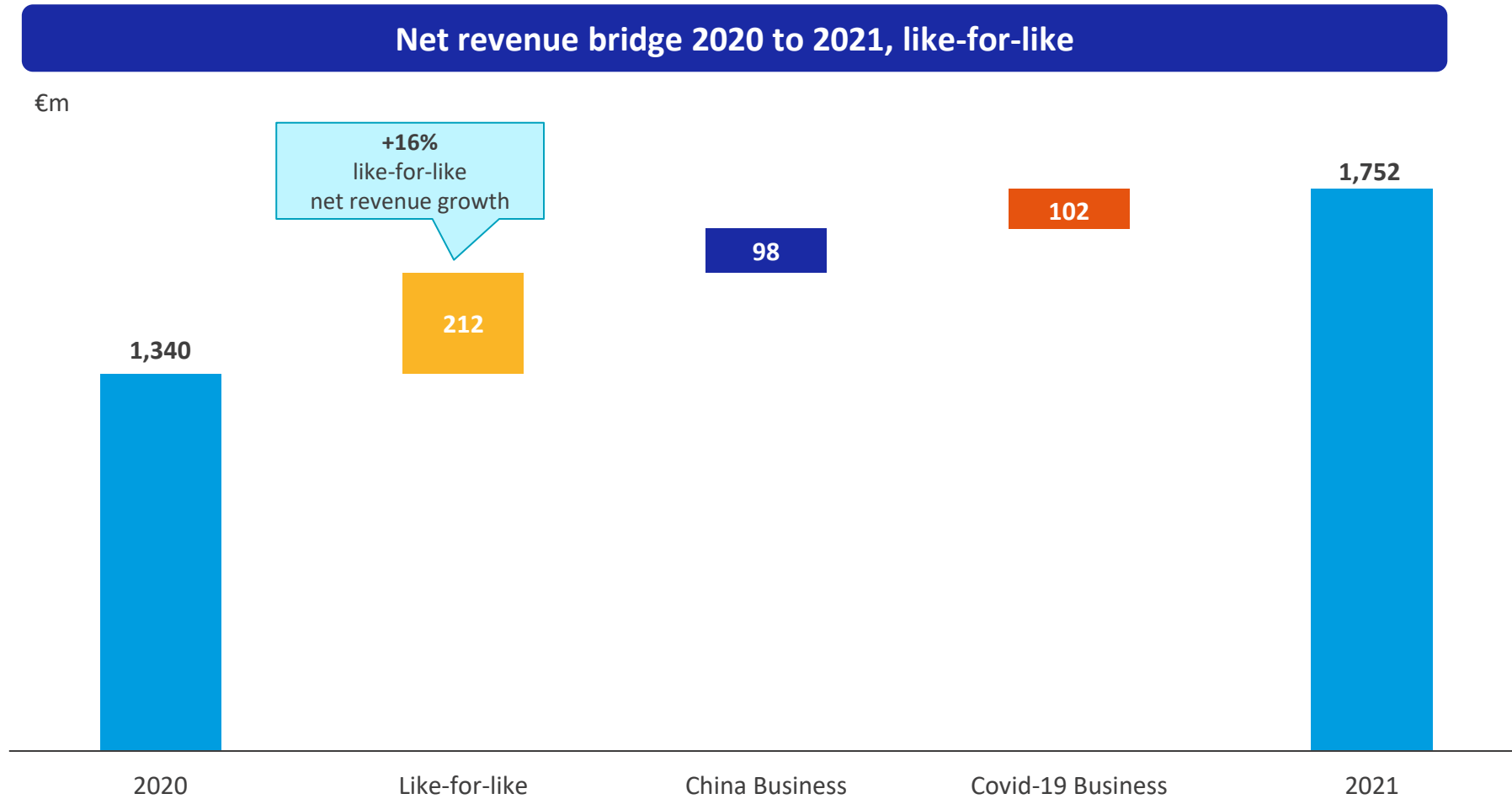
€m, yoy growth



(1) Illustrative presentation, not drawn to scale

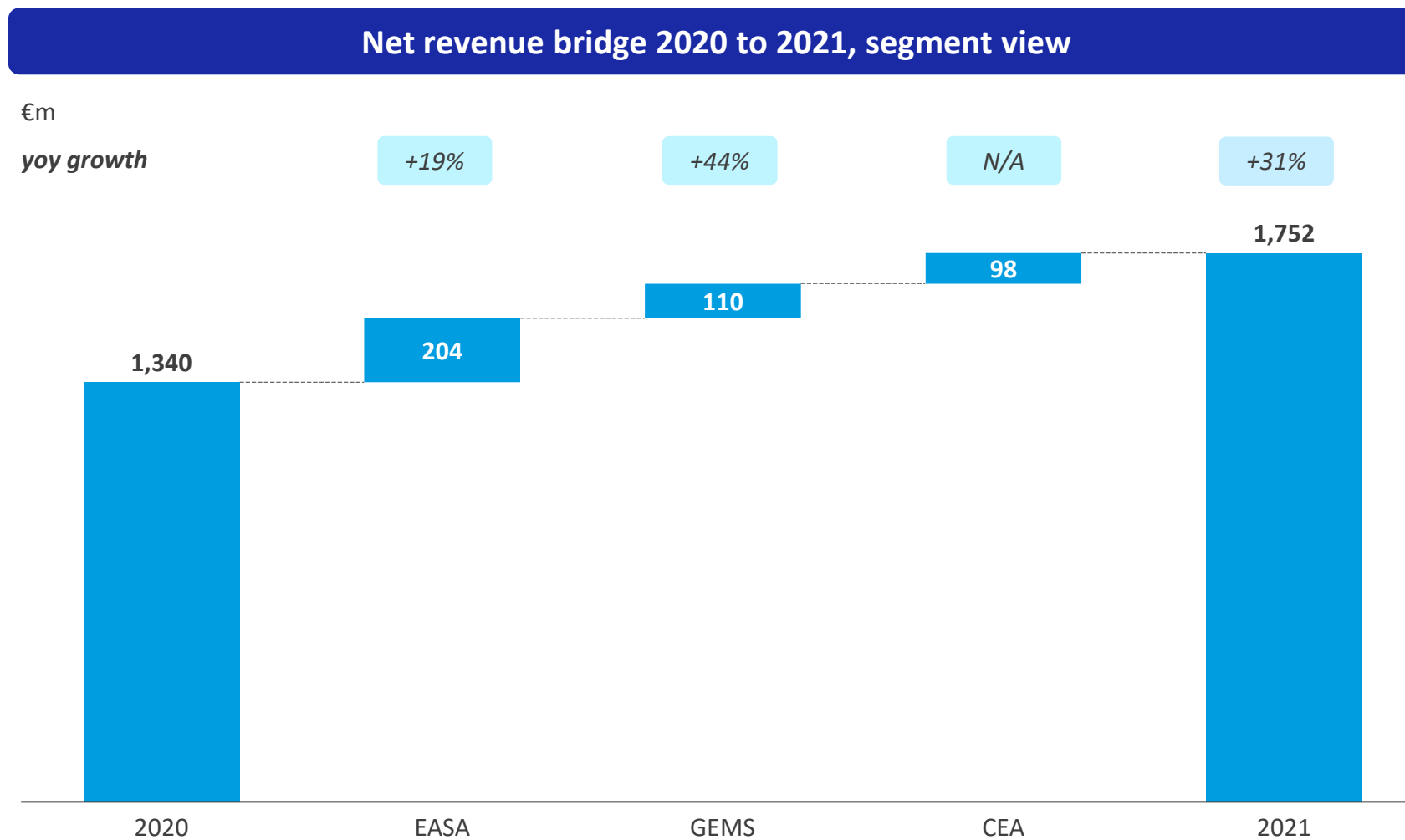
2

Strong like-for-like net revenue growth of +16%



Note: Like-for-like comparison includes first time consolidation of Junokai acquisition (medium sized single digit million Euro amount) and FX effects, excluding Covid-19 net revenue and first time consolidation of China

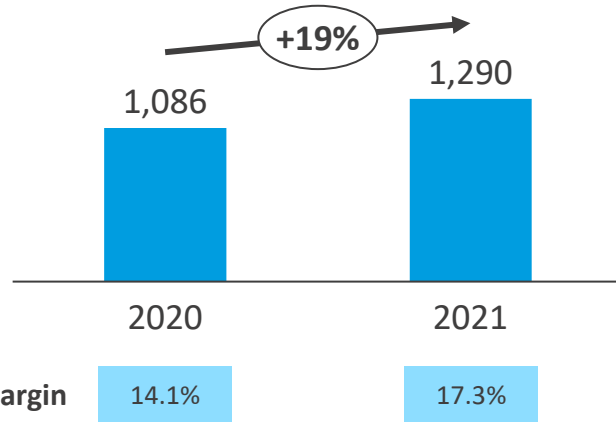
2 All segments contributed to Majorel's growth



2 EASA showing strong yoy net revenue growth

Net revenue FY 2020 and FY 2021

€m



+9%

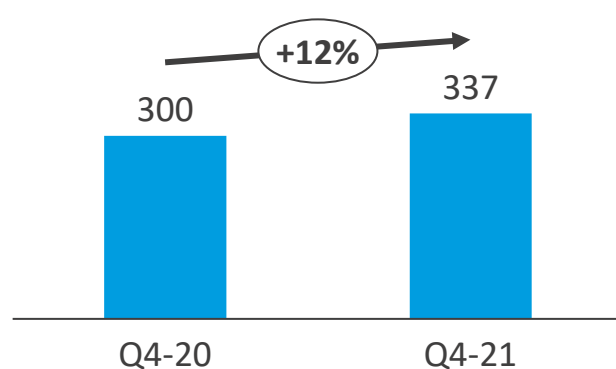
Like-for-like Net revenue growth

Comments

- Growth mainly driven by continued expansion with our target verticals Global Internet and BFSI clients
- Strong development in our near- and offshore locations in Africa, Eastern Europe and Latin America
- COVID-19 related services (all accounted for in this Segment)

Net revenue Q4 2020 and Q4 2021

€m



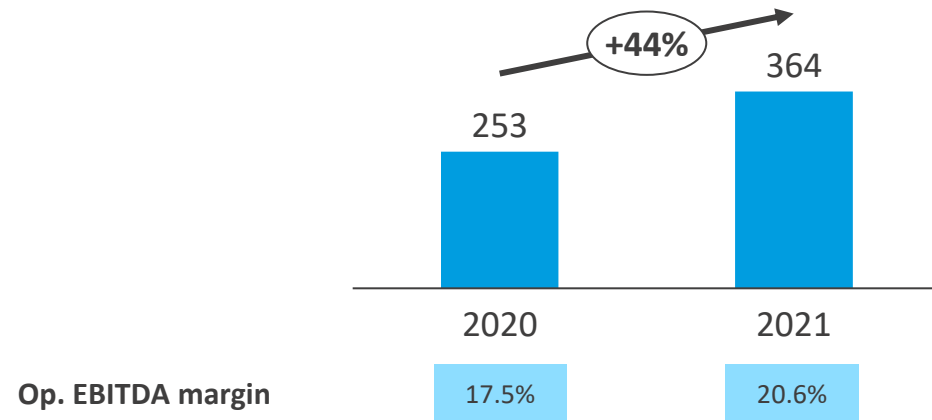
+6%

Like-for-like Net revenue growth

2 Very strong growth momentum in GEMS

Net revenue FY 2020 and FY 2021

€m

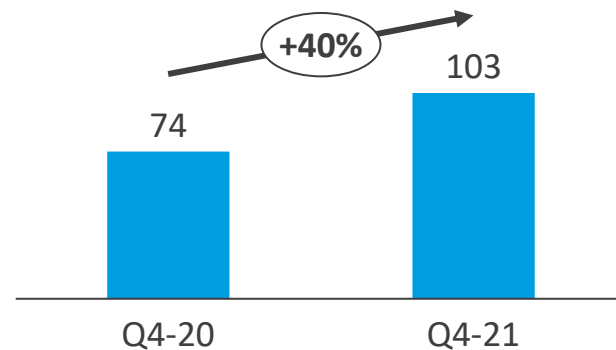


Comments

- Continued expansion with Global Internet clients
- Key driver for this growth was the strong increase of Net revenue particularly in the Philippines, Canada, the US, Egypt, Malaysia, India and Kenya

Net revenue Q4 2020 and Q4 2021

€m

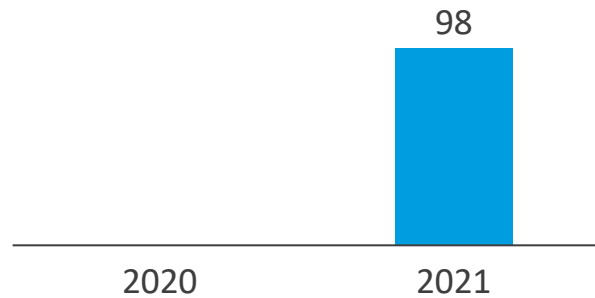


Note: Q4 numbers are unaudited, non-reviewed and based on management reporting.

2 Growing contribution from CEA business

Net revenue FY 2021

€m



Growth rate n/a due to first time consolidation as of January 1, 2021

Op. EBITDA margin

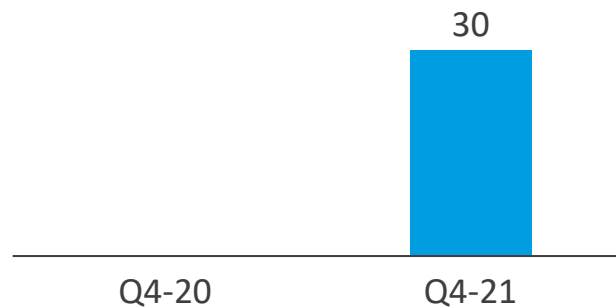
15.4%

Comments

- Expanding footprint in China
- Expansion of digital consumer engagement services and focus on consumer products and digital clients
- Net revenue contribution in line with Company's guidance of 5-7%

Net revenue Q4 2021

€m

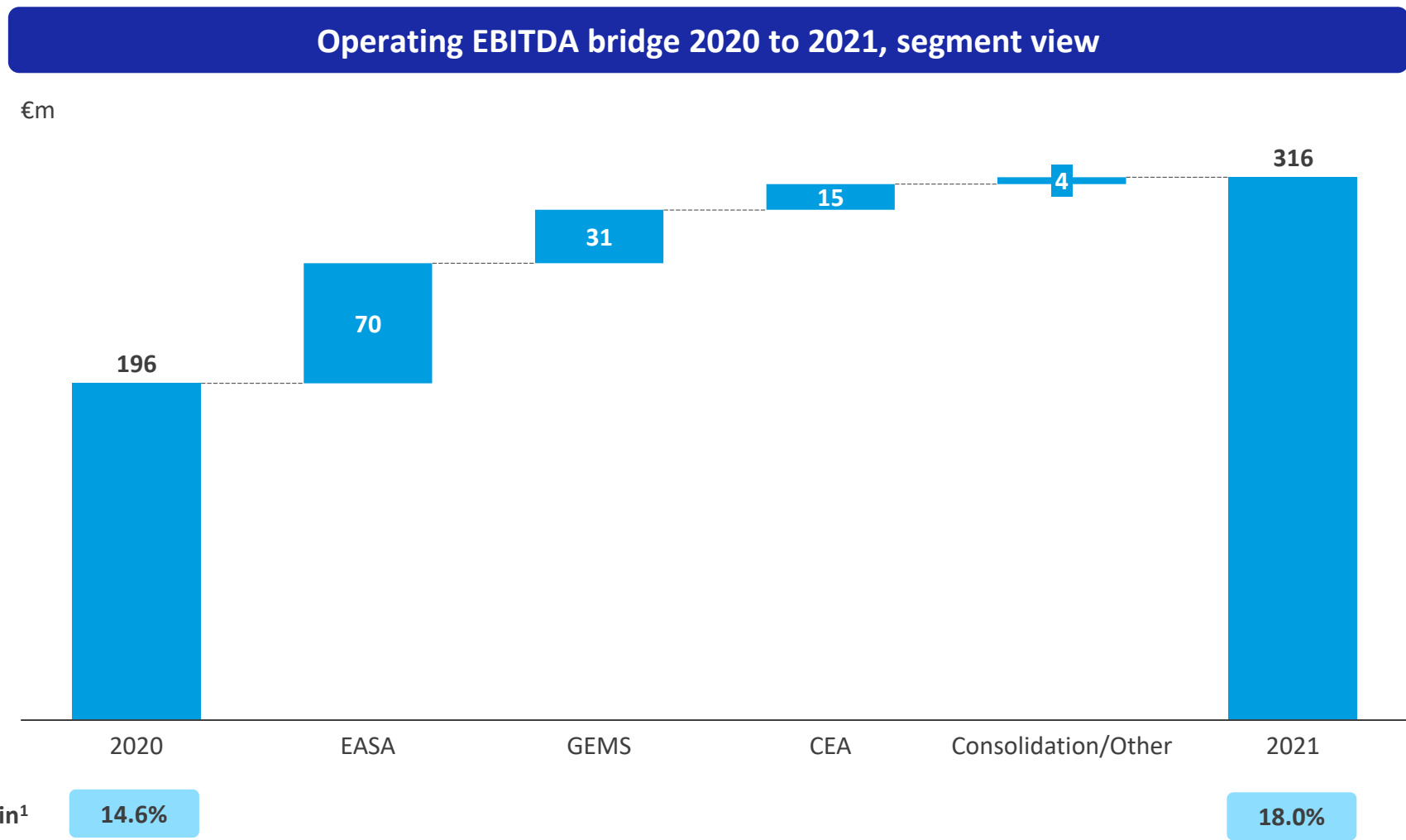


Growth rate n/a due to first time consolidation as of January 1, 2021

Note: Q4 numbers are unaudited and non-reviewed and based on management reporting.

2

Substantial increase in operating EBITDA margin to 18.0%



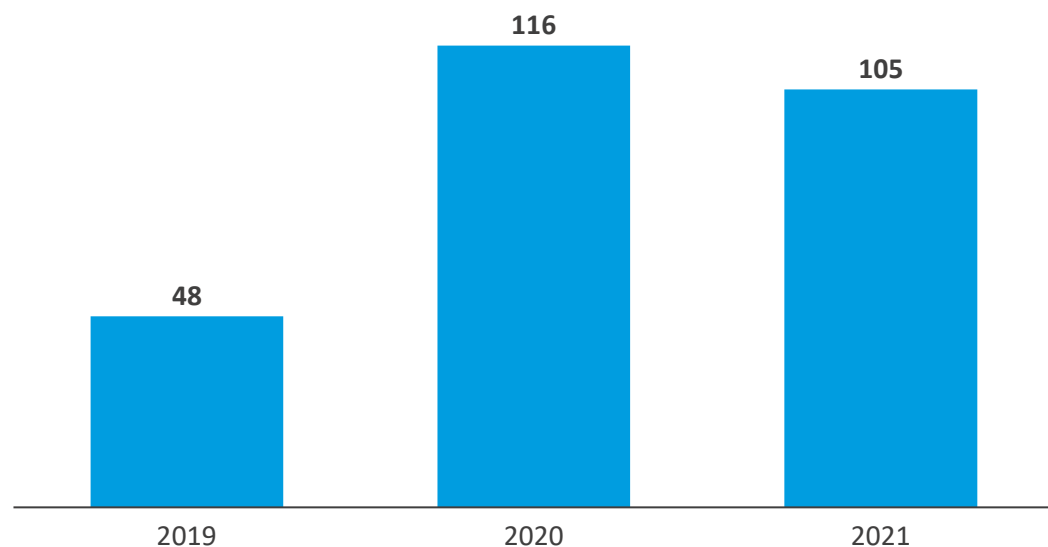
(1) As % of Net revenue.

2

EBIT and Group Profit in 2021 impacted by special effects

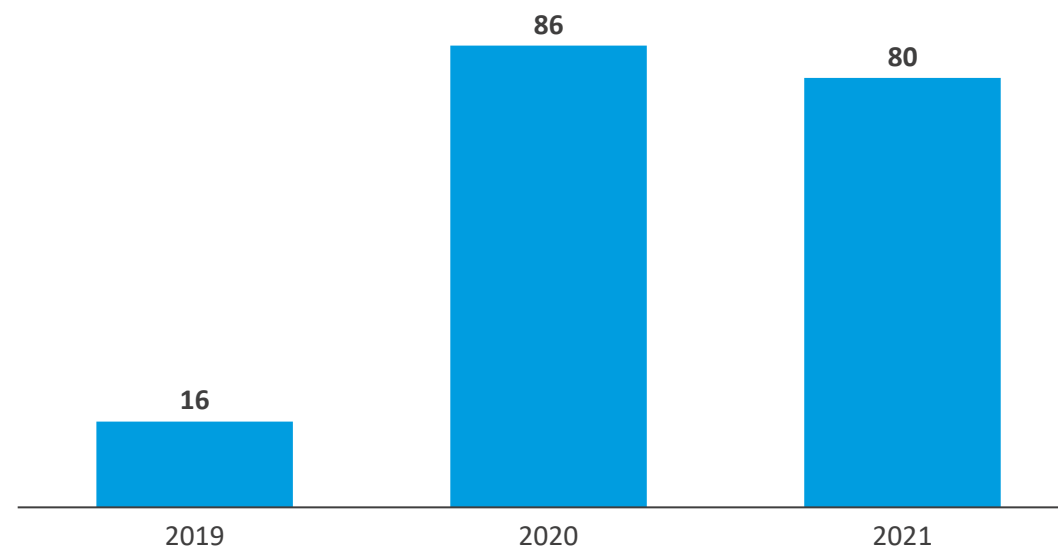
EBIT

€m



Group profit

€m



% Net revenue

4.1%

8.7%

6.0%

1.4%

6.4%

4.6%

Key reason for the decline in 2021 was the impact of special effects in connection with the Company's private placement and listing in September 2021

2

Free Cash Flow generation above our target corridor excluding special effects

€m	FY 2021	FY 2020
Cash flow from operating activities	185	223
add back: Taxes paid	40	17
add back: Other adjustments not included in free cash flow ¹	(1)	1
less: Capital Expenditure	(61)	(46)
less: Payment from leases	(50)	(43)
less: Scope and other effects ²	5	(2)
Free Cash Flow	118	150
% Operating EBITDA (CCR)	37%	77%

- The cash conversion rate (CCR) was at 37% in 2021 compared to 77% in 2020.
- Key reason for the decline in 2021 was the impact of special effects in connection with the Company's private placement and listing in September 2021
- Excluding this effect, the CCR would amount to 64% (and thus be above our target corridor of 51-56% of Operating EBITDA)

2

Strong balance sheet despite investments in strategic M&A

€m	FY 2021	FY 2020
Cash and cash equivalents	238	195
Liabilities to banks	(74)	(33)
Other financial debt	(85)	(21)
Net cash position	79	141
Provisions for pensions and similar	(43)	(50)
Lease liabilities	(125)	(95)
Economic Cash/ (Debt)	(89)	(4)

- Net cash position of €79 million includes an addition of new financial debt of €70m in December 2021, funding partially the year's investments, special effects in connection with the Company's private placement and listing in September 2021 and the acquisition of the new entity in Turkey.
- Adding the lease liabilities and the provisions for pensions and similar which have progressed by 16% in line with our growth, our economic debt lies at €89 million.

2

Results overview

€m	FY 2021	FY 2020	Growth (yoy)
Net revenue	1,752	1,340	+31%
Operating EBITDA	316	196	+61%
<i>% Net revenue</i>	<i>18.0%</i>	<i>14.6%</i>	<i>+340bps</i>
EBIT	105	116	-10%
<i>% Net revenue</i>	<i>6.0%</i>	<i>8.7%</i>	<i>-270bps</i>
Group profit	80	86	-7.0%
<i>% Net revenue</i>	<i>4.6%</i>	<i>6.4%</i>	<i>-180bps</i>
Free Cash Flow	118	150	-21%
<i>% Operating EBITDA (CCR)</i>	<i>37%</i>	<i>77%</i>	<i>n/m</i>
Net cash position at year end	79	141	-44%

2 Development of other financial KPIs

	2020	2021	Mid-term target
Right-of-use depreciation	€(44)m 3.3% of net revenue	€(45)m 2.6% of net revenue	Just below 3% of (recurring) net revenue
Financial result	€(9)m	€(5)m	Subject to leverage
Effective tax rate	€(21)m 20% of EBT	€(20)m 20% of EBT	Effective tax rate in the range of 22-24%
Capex	€(46)m 3.4% of net revenue	€(61)m 3.5% of net revenue	3.5-4.0% of net revenue, excluding Covid-19 related net revenues in 2021 at 3.7%
Net working capital	€58m 4.3% of net revenue	€31m ¹ 1.8% ¹ of net revenue	3.5-4.5% of net revenue
Free Cash Flow	€150m 77% op. EBITDA	€118m ¹ 37% ¹ op. EBITDA	Free Cash Flow generation in the range of 51-56% of operating EBITDA
Dividend policy	n/m	To be proposed to AGM (June 20, 2021)	30-50% of group profit, flexibility in case of transformational M&A

(1) Impacted by special effects in connection with Company's private placement and listing in September 2021

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3 Majorel is enabling rich end-to-end customer experience

Clients

Global Internet



Other verticals¹



BFSI² Auto CPG³ Utilities

 **Customer Interaction Services**

Global partner of choice for digital-native companies

 **Business Process Services**

Leader for Content Services, Trust & Safety

 **Tech & Expert Services**

Digital consumer engagement
Digital CX consultancy
Start-ups

Portfolio of vertical digital solutions

Long-term partner for industry leaders and digital disruptors in integrated end-to-end services

Leverage Domain expertise | Next generation technology | Global platform

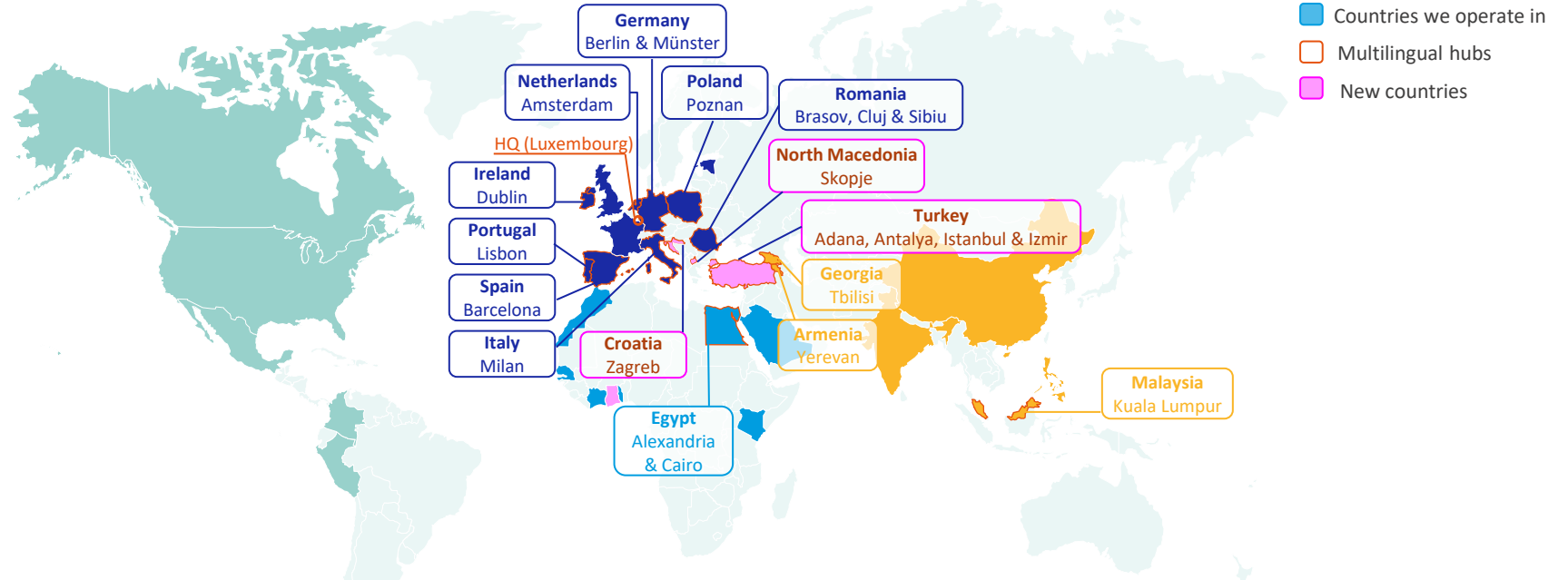
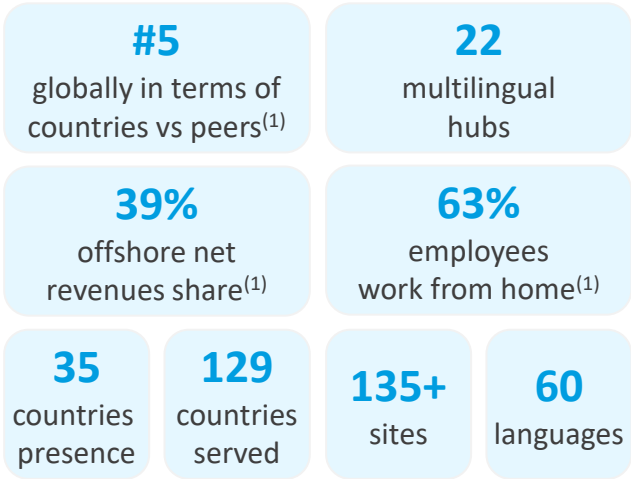
Delivery model Majorel Anywhere | Multilingual hubs | Global and regional

Talent Learning and development | Diversity and inclusion | Wellness and resiliency

(1) Selected verticals. (2) Banking, financial services and insurance. (3) Consumer packaged goods.

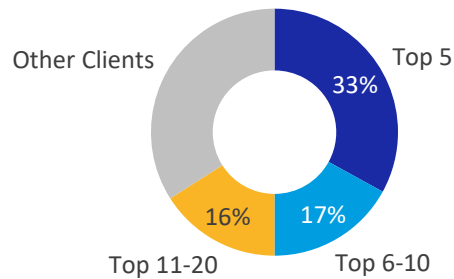
3

Majorel's global platform spanning from East to West



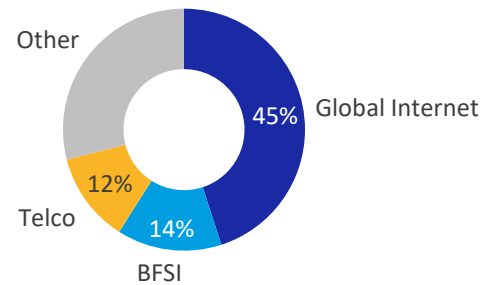
Client distribution

% of net revenues (2021)



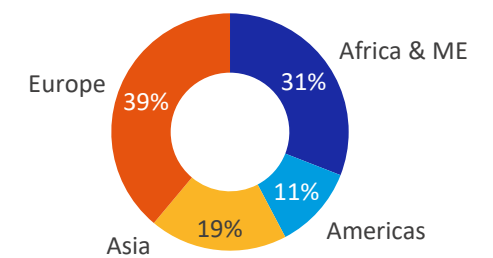
Industry verticals' view

% of net revenues (2021)⁽²⁾



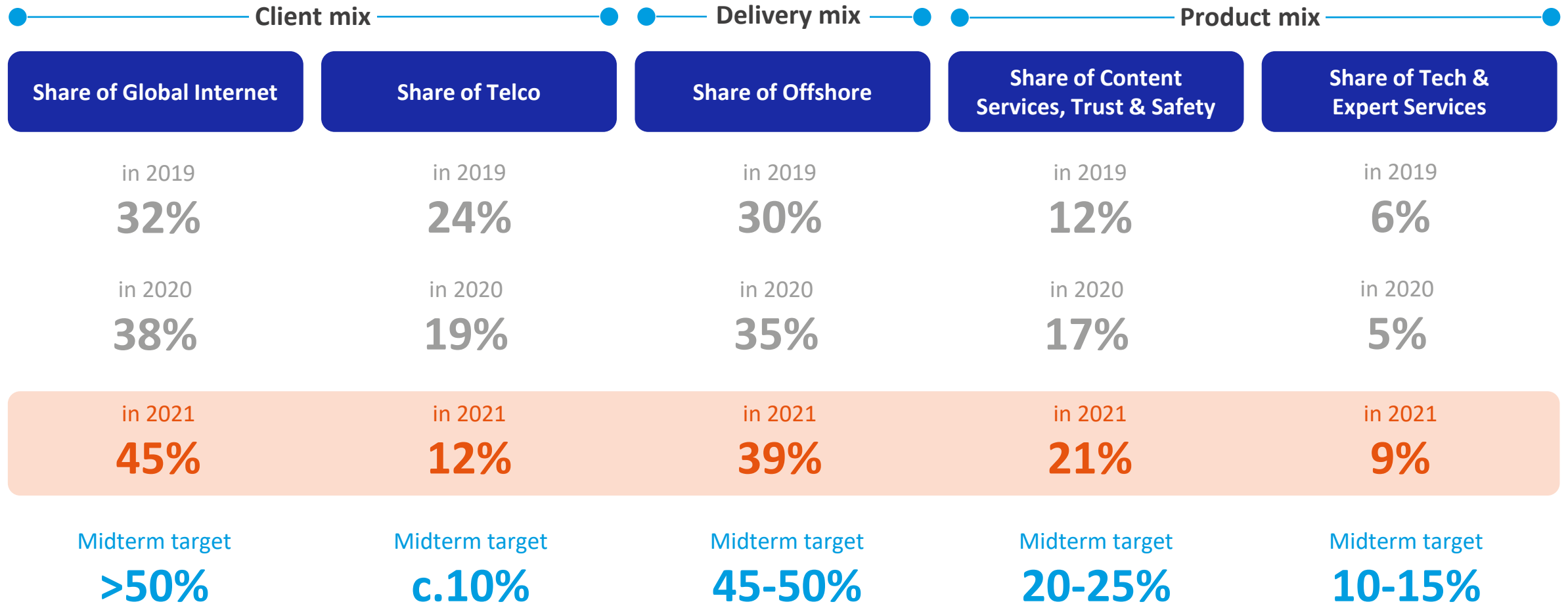
Employee distribution

Employees by location⁽¹⁾



Notes: Latest data unless otherwise stated. (1) As of 31 December 2021. (2) Split based on assessment of the management.

3 On track to achieve our operational KPI midterm targets



Note: All numbers are unaudited and non-reviewed and partially based on management reporting. All operational KPIs are expressed as % of group Net Revenues.

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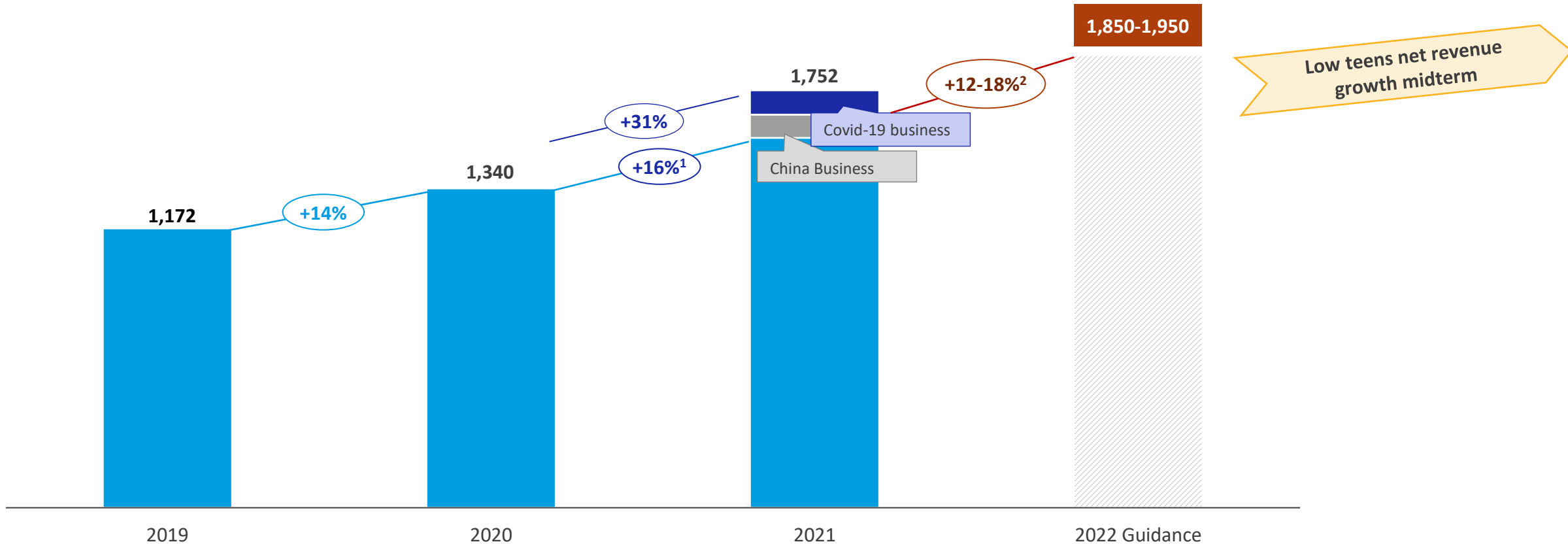
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Q&A

4 Net Revenue guidance for 2022: €1,850-1,950 million

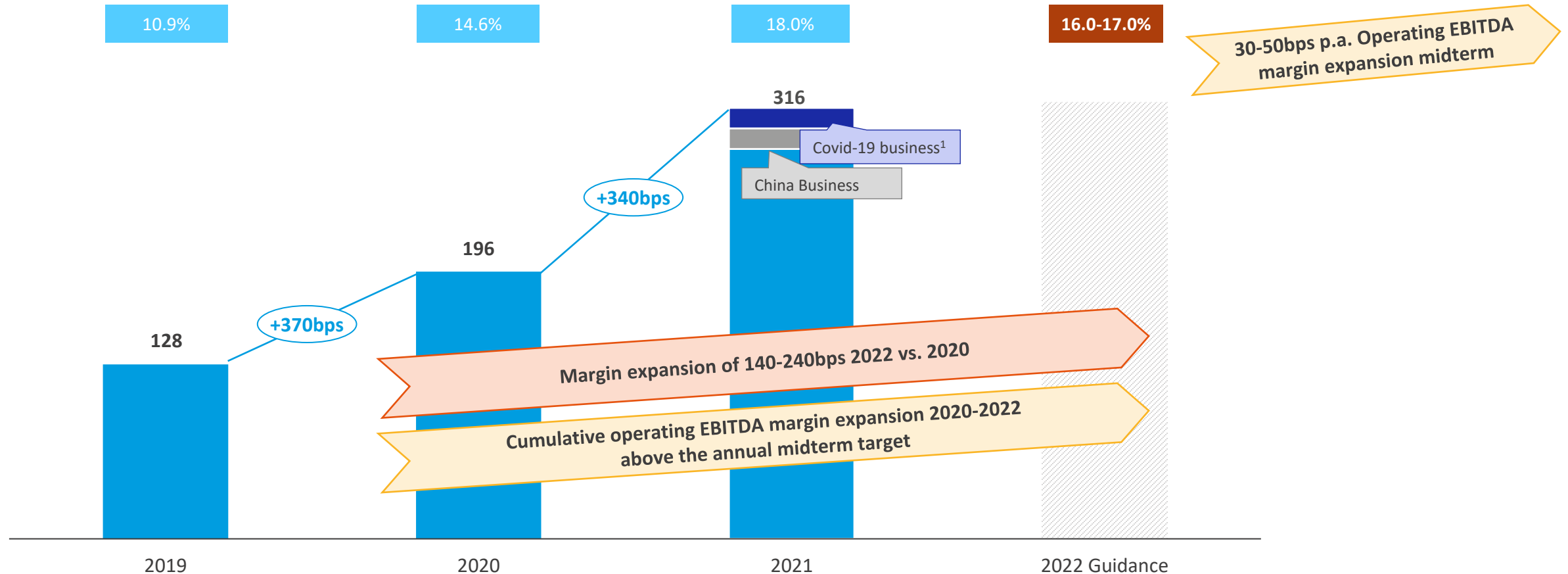
Net revenue
€m



(1) Like-for-like Net revenue growth 2021 yoy (excl. Covid-19 Business and effects from the first time consolidation of China Business). (2) Net revenue growth excl. COVID-19 business in 2021

4 Op. EBITDA guidance for 2022: 16.0-17.0% Operating EBITDA margin

Operating EBITDA
€m



(1) Illustrative presentation, not drawn to scale

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1 Key takeaways

Strong financials

- Net revenue of €1,752m (+31% yoy) coming in at top end of latest guidance of €1,700m-€1,750m
- Operating EBITDA of €316m (+61% yoy) and operating EBITDA margin expanded by 340 bps, reaching 18.0%

Strategy execution on track

- Substantial growth in global delivery and further regional expansion in four new countries (incl. M&A)
- Digital expansion: Global Internet clients, Content Services, Trust & Safety, Tech & Expert Services
- Strengthened Corporate Responsibility around four pillars

Outlook 2022

- Since January: Mayen completed, North Macedonia & Ghana entered, strategic partnership with Booking.com announced
- Positive outlook for 2022
 - €1,850-1,950 net revenue guidance (+12% to + 18% compared to 2021 net revenue without COVID-19 business)
 - Op. EBITDA margin guidance of 16.0%-17.0%



Appendix

Consolidated statement of profit and loss

in € millions	2021	2020
Revenues	1,811	1,375
Other operating income	37	20
External expenses and costs of materials	(423)	(308)
Personnel costs	(1,236)	(894)
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	(85)	(77)
Results from investments accounted for using the equity method	1	1
Results from disposals of investments	-	(1)
EBIT (earnings before interest and taxes)	105	116
Interest income	1	-
Interest expenses	(3)	(2)
Other financial income	2	-
Other financial expenses	(5)	(7)
Financial result	(5)	(9)
Earnings before taxes	100	107
Income tax expense	(20)	(21)
Group profit or loss	80	86
Earnings per share (in €)		
- Basic	0.80	0.86
- Diluted	0.80	0.86

Reconciliation of Net revenue

in € millions	2021	2020
Revenues¹	1,811	1,375
less: Revenue from minor activities ²	2	4
less: Direct costs ³	57	31
Net revenue	1,752	1,340

Reconciliation of Operating EBITDA

in € millions	2021	2020
Operating EBITDA	316	196
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	(85)	(77)
Special items	(126)	(3)
EBIT	105	116

Consolidated statement of financial position – Assets

in € millions	12/31/2021	12/31/2020
Assets		
Non-current assets		
Goodwill	94	53
Other intangible assets	20	8
Property, plant and equipment and right-of-use assets	245	190
Investments accounted for using the equity method	3	2
Trade and other receivables	1	1
Other non-financial assets	-	2
Deferred tax assets	38	15
	401	271
Current assets		
Trade and other receivables	467	307
Other financial assets	11	1
Other non-financial assets	68	56
Current income tax receivables	18	9
Cash and cash equivalents	238	195
	802	568
	1,203	839

Consolidated statement of financial position – Equity & liabilities

in € millions	12/31/2021	12/31/2020
Equity and liabilities		
Equity		
Subscribed capital ¹⁾	1	-
Capital reserve	255	275
Retained earnings	138	37
Majorel shareholders' equity	394	312
Non-controlling interests	5	5
	399	317
Non-current liabilities		
Provisions for pensions and similar obligations	43	50
Other provisions	8	5
Deferred tax liabilities	2	-
Financial debt	70	20
Lease liabilities	80	58
Other non-financial liabilities	-	1
	203	134
Current liabilities		
Other provisions	30	22
Financial debt	89	34
Lease liabilities	45	37
Trade and other payables	156	132
Other non-financial liabilities	261	153
Current income tax payables	20	10
	601	388
	1,203	839

Consolidated statement of cash flow

in € millions	2021	2020
Earnings before interest and taxes	105	116
Amortisation, depreciation and write-ups of non-current assets	85	77
Gains/losses from disposals of non-current assets	-	1
Change in provisions for pensions and similar obligations	(1)	(5)
Change in other provisions	11	13
Change in net working capital	24	39
Taxes paid	(40)	(17)
Other effects	1	(1)
Cash flow from operating activities	185	223
Investments in:		
– intangible assets	(4)	(3)
– property, plant and equipment	(57)	(43)
– purchase prices for consolidated investments (net of acquired cash)	(56)	(3)
– prepaid consideration for business acquisition	(58)	-
– other investments and financial assets	(5)	-
Disposals of other fixed assets	6	4
Cash flow from investing activities	(174)	(45)
Proceeds from/redemption of other financial debt	105	(16)
Redemption of lease liabilities	(46)	(40)
Interest paid	(6)	(5)
Change in equity	-	2
Dividends to Majorel shareholders	(19)	-
Other effects	(8)	1
Cash flow from financing activities	26	(58)
Change in cash and cash equivalents	37	120
Exchange rate effects and other changes in cash and cash equivalents	6	(4)
Cash and cash equivalents as of 1/1	195	79
Cash and cash equivalents as of 12/31	238	195

Calculation of Net Working Capital

in € millions	2021	2020
Inventories	0	0
+ Trade receivables	388	291
- Trade payables	-129	-104
Trade working capital	259	187
+ Other receivables and other current assets	75	60
+ Deferred items (assets)	15	12
- Other payables	-285	-174
- Deferred items (liabilities)	-2	-5
- Other provisions	-30	-22
Other working capital	-228	-129
Net working capital	31	58

Our other payables were affected by IPO-related bonus payments. Trade and other receivables acquired in business combinations equaled €34 million. These effects aside, the trade working capital has improved.