

An abstract graphic made of many thin, white, curved lines that originate from the left side of the page and fan out towards the center, creating a sense of motion and depth. It partially overlaps the text and the background image.

# HALF-YEAR FINANCIAL REPORT 2023

DRIVEN TO GO FURTHER

# Contents

<b>1. Introduction</b>	<b>3</b>
<b>2. Directors' Report</b>	<b>7</b>
2.1 CEO STATEMENT	7
2.2 A GLOBAL CX LEADER	9
2.3 CORPORATE RESPONSIBILITY	11
2.4 FINANCIAL REVIEW	12
2.5 RISK MANAGEMENT	19
<b>3. Corporate Governance</b>	<b>20</b>
3.1 COMPOSITION OF THE SUPERVISORY BOARD AND COMMITTEES	21
3.2 ANNUAL GENERAL MEETING OF SHAREHOLDERS	21
<b>4. Alternative Performance Measures (APMs)</b>	<b>22</b>
<b>5. Glossary of Terms</b>	<b>27</b>
<b>6. Consolidated Financial Statements</b>	<b>30</b>
Consolidated statement of profit and loss	31
Consolidated statement of comprehensive income	32
Consolidated statement of financial position	33
Consolidated statement of cash flow	34
Consolidated statement of changes in equity	35
Notes to the consolidated financial statements	36
Additional disclosures	41
Responsibility statement	46
<b>7. Report on Review of Condensed Consolidated Interim Financial Statements</b>	<b>47</b>









# Introduction

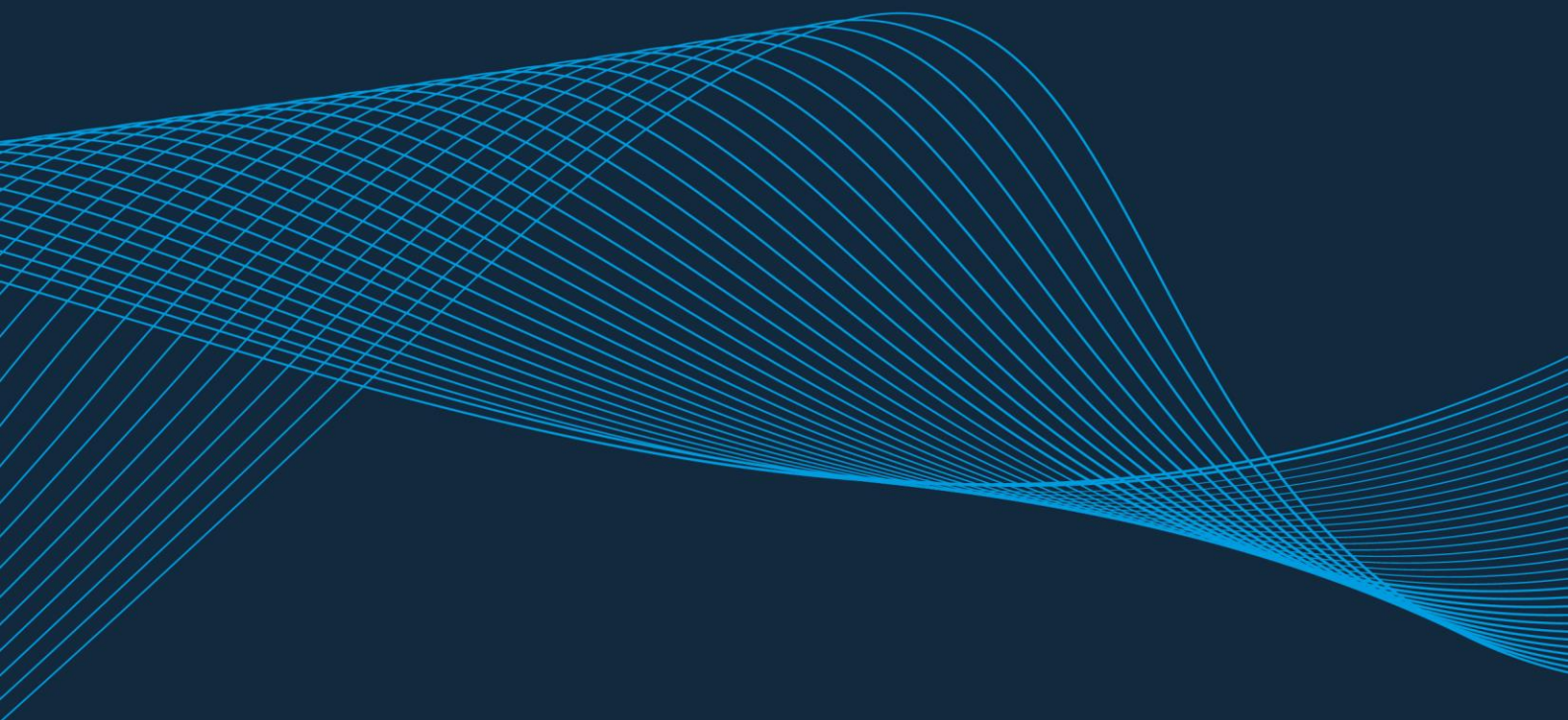


# 1. Introduction

We're a global CX leader. Clients say that our agile culture makes us special, which means that doing business with us is easy. As experts in customer experience management, we've seen it all, so we're able to ensure the reliability our clients need and the care their customers deserve. Our team members love nothing more than to just get things done, secure in the knowledge that we strive to be the best home for their talent. Our spirit is relentless, resilient, and resourceful, and this is what drives us to go further.

82,000 Team members 	70+ languages 	45 countries 
End-to-end CXM 	Tech-human augmentation 	Global and local 

Majorel: **Driven to go further.** [www.majorel.com](http://www.majorel.com)

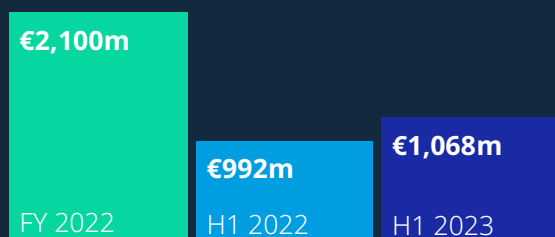


## Financial highlights

### Revenue

+8% compared to H1 2022

€1,068m



### Net revenue<sup>1</sup>

+8% compared to H1 2022

€1,058m



### Operating EBITDA<sup>1</sup>

+1% compared to H1 2022

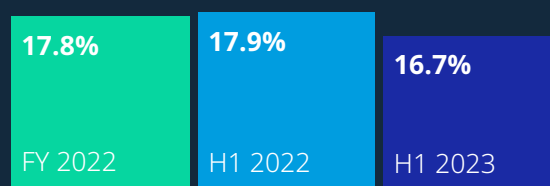
€177m



### Operating EBITDA margin<sup>1</sup>

-120bps compared to H1 2022

16.7%



### Group profit

-€22m compared to H1 2022

€80m

### Earnings per share (EPS)<sup>2</sup>

€0.80

<sup>1</sup> For more information, see APM section on page 22.

<sup>2</sup> For more information, see Glossary of Terms section on page 27; see the Note 3 on page 42.



# Directors' Report

## 2. Directors' Report

### 2.1 CEO STATEMENT



*"I am pleased to report that we have delivered a good performance with solid topline growth in H1 2023. Despite a continuing challenging and uncertain macroeconomic environment, all of Majorel's business Segments have contributed to this result. I'd like to thank our clients for placing their trust in us and our team members worldwide for their passion and commitment to Majorel."*

**Thomas Mackenbrock**  
CEO

Majorel delivered solid results in H1 2023, despite a challenging macroeconomic environment, with net revenue growth of 8% YOY. Like-for-like net revenue growth adjusted for M&A<sup>3</sup> and COVID-19-related business<sup>4</sup> was 10%. In line with prior guidance, Operating EBITDA was €177 million in H1 2023, demonstrating robust profitability (H1 2022: €175 million), with an Operating EBITDA margin of 16.7% (H1 2022: 17.9%).

We continue to be a long-term and trusted partner to many of the world's leading digital-native brands and other key verticals such as BFSI, automotive, consumer goods, telecommunications, public sector, and utilities. Our total focus is on meeting our clients' needs and striving to exceed their expectations. In H1 2023, we've also added 30+ new logos to our global client portfolio.

Looking ahead to the second half of 2023, we continue to expect shifting client needs, an absence of COVID-19-related business, softness in demand, and continued inflation due to the challenging and more volatile environment. We will maintain our relentless focus on the fundamentals of the business, with the unique entrepreneurial drive that defines Majorel - to deliver excellence for our clients and their customers.

#### Business Segment development

Our EASA (Europe, Africa, and South America) Segment delivered net revenue of €764 million, an increase of +9% (H1 2022: €702 million). Growth was mainly driven by existing and new clients in the Global Internet, Energy & Utilities, and BFSI verticals, as well as solid development of our locations in France, Germany, Africa, Eastern Europe, and South America. The increase included the contribution of the acquisitions<sup>5</sup> completed in 2022 (in total accounting for €19 million of net revenue), partially compensating for the natural ending of COVID-19-related business at the end of 2022 (€37 million net revenue contribution in H1 2022). Adjusted for these effects, the like-for-like net revenue growth for EASA was +11%.

Our GEMS (Global English, Middle East, and Southeast Asia) Segment net revenue increased +6% to €233 million (H1 2022: €221 million). This growth was driven by the Company's expansion with its Global Internet vertical, particularly in the US, Philippines, Malaysia, and Kenya.

Our CEA (China and East Asia) Segment delivered net revenue of €61 million, in H1 2023 (H1 2022: €52 million). The growth rate of 16% was driven by Japan and South Korea, and digital clients in China.

#### Business highlights

Across all our verticals, we continue to work in true partnership with our clients, and with deep roots built on mutual trust. Majorel delivered net revenue retention (NRR) of 111% in H1 2023 (H1 2022: 114%), demonstrating the strength of the trusted long-term partnerships we have developed with our clients. Majorel X, which we launched in December 2022, has developed xSUITE – a suite of CX technology solutions spanning

<sup>3</sup> The contribution from last year's acquisitions: Alembo (June 2, 2022), Findasense (September 1, 2022), and IST (December 1, 2022).

<sup>4</sup> Adjusted for the delta of COVID-19-related business in H1 2023 versus H1 2022.

<sup>5</sup> In accordance with IFRS 3, Booking.com CX centers were integrated as business combination in the condensed consolidated interim financial statements.



Conversational AI (xCAI), Voice of Customer (xHIVE) and real-time translation (xCHANGE), addressing increasing client demand for an integrated approach to CX transformation. In addition, our teams have successfully completed multiple pilots with a focus on generative AI.

Regarding our strategic KPIs in H1 2023: 52% of net revenue was from Global Internet Clients (FY 2022: 52%), in line with our mid-term target of >50% and including 24% of net revenue from Majorel's Content Services, Trust & Safety line of business (FY 2022: 23%); Tech & Expert services represented 9% of net revenue (FY 2022: 9%); offshore represented 43% of net revenue (FY 2022: 43%); and, in line with our previous guidance, net revenue from the Telco sector is 8% of group net revenues (FY 2022: 9%).

## People & Communities

Everyone at Majorel shares a very particular kind of drive that's captured in our Company tagline – "Driven to go further". This entrepreneurial culture unites our team members worldwide and is something that we cherish and continue to nurture, since it's the very heart of the Majorel difference. And one of the key reasons why clients choose Majorel as their trusted long-term partner.

The safety, wellbeing, and personal development of our team members remain a primary objective, supported by Majorel Feel Good, our established global wellbeing and resiliency (W&R) program. We continuously strive to improve our support structures and have further strengthened this program, which receives high praise from our team members, clients, and industry commentators.

Following the earthquakes in Türkiye and Syria in February 2023, we were especially concerned for the safety of our Majorel team members, and their families, directly affected at our locations in Adana, Diyarbakır, Kayseri, and Elazığ. In addition to the direct and financial support we gave to our team members, Majorel donated to a local NGO involved in search, assist, and rescue.

## Subsequent events

On August 11, 2023, Majorel published its position statement regarding the voluntary public cash and exchange offer for all shares in Majorel by Teleperformance SE. In the position statement, the management board and supervisory board of Majorel support the offer and recommend to the shareholders to accept the offer and to tender their shares pursuant to the offer.

On August 17, 2023, Majorel launched Majorel Infinity ([www.majorelinfinity.com](http://www.majorelinfinity.com)), as a platform for digital consumer engagement services, to serve the needs of clients in Asia-Pacific and to support our further development in the region. With more than 600 specialists, its core services include consumer data & insights, technology, and digital marketing strategy & services. It is a part of Majorel's Tech & Expert Services.

## Thank you

The drive and commitment of our team members around the globe is remarkable, and the solid performance we are reporting today would not have been possible without their talent and expertise, working together as #OneTeam. Thank you.

I'd also like to thank our clients for placing their trust in us to care for what is most important to them – their customers and their brands. Please be assured that we will continue to focus on your evolving needs as your long-term partner – we are at your side for the journey.

Finally, I'd like to thank our investors for their confidence in Majorel as we embark on the next stage of our development.

**Thomas Mackenbrock**

CEO



## 2.2 A GLOBAL CX LEADER

We design, build, and deliver end-to-end customer experience (CX) for many of the world's most respected digital-native and vertical leading brands.

### 2.2.1 BUSINESS MODEL

#### Our strengths drive us to go further...

#### Passionate team members

Our 82,000 team members across 160+ sites are passionate about delivering great CX. They are resourceful, resilient, agile, energetic, and focused, with a can-do-attitude, and a drive to get things done. They truly act as #OneTeam and are fun to work with. To enable our team members to excel, we provide a positive working environment and continuously invest in developing, retaining, and promoting the right talent.



#### Long-term client partnerships

We 'become' our clients, in two senses. We are trusted to act as an extension of their brand, interacting with, and looking after, their customers every day on their behalf. But more than that, we evolve and grow with our clients, creating long and fruitful partnerships, in some cases, decades-long. In the case of one leading insurance company, our tenure is now over 25 years.



#### End-to-end capabilities

We combine human talent with our deep process expertise, advanced technology, and data. This enables us to offer a comprehensive suite of next-generation solutions, across Customer Interaction Services and Tech & Expert Services. In Business Process Services we offer leading Content Services, Trust & Safety as well as managing end-to-end vertical-specific business processes. We add value to our clients' operations and enable them to focus on their core competencies.



#### Digital native

Digital is Majorel's heartland, and more than half of our business comes from digital-born clients. We augment our human talent with technology and digital tools, such as analytics and automated interactions, that optimize the customer experience. Our innovative Tech & Expert Services deliver a slick and seamless experience through digital consumer engagement, Majorel X (CX transformation services), MajUp for startups, Majorel Infinity (digital consumer engagement) and vertical digital solutions.



#### Deep domain expertise

Every sector has its own highly specific characteristics, and every brand has a signature style of its own. We are experts in both industry-specific processes and individual client needs. This enables us to customize our approach to meet those needs of sector and client alike – and to deliver great CX. We are entirely at home in a diverse selection of verticals, including Global Internet, BFSI (with the stringent security they clearly require), automotive, consumer goods, telecoms, and utilities.



#### A truly global footprint

Our East-to-West presence spanning 45 countries and 160+ sites enables us to deliver CX that is attuned to local culture and needs, to customers from 130+ countries. Our footprint includes a strong presence in China, and one of the largest CX footprints in Africa.

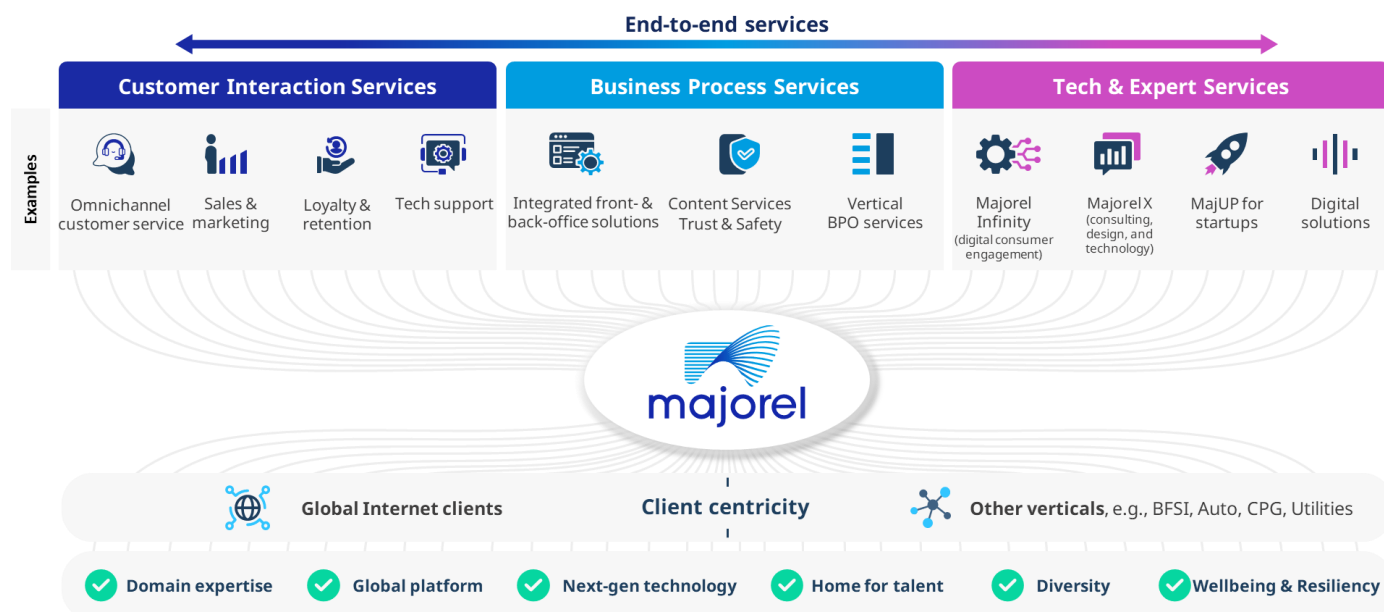


#### Operational excellence

We support our delivery model through a relentless focus on operational excellence. We have dedicated our entire organization and culture to maintaining our high standards and the continuous optimizing of our performance. To deliver the CX that our clients expect, we focus on three aspects: customer satisfaction and quality, optimization, and the harmonization of processes, tools, reporting and organization.



## ...supporting our diverse, client-centric proposition...



## ...to drive value creation for our stakeholders

### Our value creation for our stakeholders

#### People

We provide high-quality employment, training, and career development for around 82,000 team members worldwide.

#### Shareholders

We are committed to creating shareholder value. For H1 2023, our Operating EBITDA was €177 million (H1 2022: €175 million).

#### Communities

Community outreach and volunteering programs at 160+ sites across five continents, with our team members making a real difference to their local communities.

#### Clients

We serve the customers of our 500+ clients in 130+ countries. In our client satisfaction survey, the highest ratings we received were for the way we manage customer relationships and our flexibility.

## ...harnessing the opportunities of Artificial Intelligence (AI)

The Majorel AI Alliance (our multidisciplinary taskforce) leverages group-wide proficiency in Conversational AI and Generative AI. In addition to honing Majorel's growing AI portfolio, the AI Alliance has created the "Majorel Trust Assessment" for AI-driven solutions that aims to ensure that all of our solutions meet key requirements for responsible AI<sup>6</sup>, highlighting Majorel as a trusted provider in this rapidly evolving landscape. In addition, in H1 2023, we launched MAIA Cognitive, a new AI solution focused primarily on Spanish-speaking markets, enabling clients in any industry to maximize every interaction with their customers, by delivering seamless CX (<https://www.maiacognitive.com/en/>).

<sup>6</sup> Definition adapted from the framework of trustworthy AI by the European Union (European Commission, 8 April 2019).

## 2.3 CORPORATE RESPONSIBILITY

We see Corporate Responsibility (CR) as a fundamental part of Majorel's DNA and a natural extension of the Company's core values – Creativity, Excellence and Respect.



In the first half of 2023 we have made further progress toward our ESG goals. This includes making a positive contribution to the wellbeing and prosperity of our team members, our local communities, our environment, and society in general.

In addition to the many programs and local initiatives we have implemented in H1 2023, we focused on wellbeing and resiliency, as well as on our carbon footprint, to meet the expectations and promote ESG goals globally. Majorel further expanded its two flagship projects in 2023 – with new, well-received initiatives for “Majorel Women” and the “Majorel Impact Sourcing Standard”.

For more information about our corporate responsibility activities, please see the various publications (including Majorel's Corporate Responsibility Report), published on our website.



## 2.4 FINANCIAL REVIEW<sup>7</sup>

The accounting policies applied by the Group in the preparation of its condensed consolidated interim financial statements as of June 30, 2023, are disclosed in the Accounting and Measurement Policies to the Consolidated Financial Statements as of December 31, 2022.

A description of the internal controls in place for financial reporting can be found in the Annual Report 2022, section 2.9.

In all sections of this Half-Year Financial Report, calculations of financial ratios are based on non-rounded absolute amounts, which can result in minor deviations.

### 2.4.1 Financial KPIs

#### Revenue

Revenue for the Group in H1 2023 was €1,068 million, representing an increase of +8% compared to H1 2022 (€992 million). In particular, we saw positive developments with clients in the Global Internet, Energy & Utilities, and BFSI verticals. This growth was supported by the integration of recent acquisitions, partially compensating for the decline of COVID-19-related business.

The impact of foreign exchange (FX impact)<sup>8</sup> on group revenue was -1% in H1 2023 (H1 2022: +2%).

#### Net revenue

Net revenue in H1 2023 was €1,058 million, which represents an increase of +8% compared to H1 2022 (€976 million). As with revenue, this growth was supported by the contribution of the acquisitions of Alembo, Findasense, and IST, completed in 2022, which partially compensated for the natural end of COVID-19-related business (€37 million) compared to H1 2022.

In € million	H1 2023	H1 2022	growth
<b>Revenue</b>	<b>1,068</b>	<b>992</b>	<b>+8%</b>
Less minor activities	0	0	
Less direct costs	10	16	
<b>Net revenue</b>	<b>1,058</b>	<b>976</b>	<b>+8%</b>

#### Like-for-like net revenue

Like-for-like net revenue growth corresponds to net revenue growth year-over-year, adjusted for certain specific non-recurring items. For H1 2023, the reduction in COVID-19-related business (€37 million) was partially offset by the contribution from last year's acquisitions of Alembo, Findasense, and IST (€19 million). Adjusted for these effects, like-for-like net revenue growth in H1 2023 was +10%.

Net revenue from Global Internet clients was €552 million, representing 52% of net revenue (FY 2022: 52% net revenue share), in line with our mid-term target of Global Internet to be more than 50% of Group net revenue. The net revenue share of Telco clients decreased to 8% at the end of H1 2023 (FY 2022: 9%), in line with our mid-term target of around 10%.

<sup>7</sup> The accounting policies applied by the Group in the preparation of its consolidated financial statements are disclosed in the Accounting and Measurement Policies to the Consolidated Financial Statements. An explanation and use of the Alternative Performance Measurements (APMs) used throughout this Report can be found in section 4 of this report. In all sections of this Report, except Section 6, calculations of financial ratios are based on non-rounded absolute amounts, which can result in minor deviations.

<sup>8</sup> Change in revenue at constant currency exchange rates is calculated as current year revenue less prior year revenue at current year exchange rates, divided by prior year revenue at current year exchange rates.

The net revenue share of Content Services, Trust & Safety was 24% for H1 2023 (FY 2022: 23%) with a mid-term target of 20-25%. The net revenue share of Tech & Expert Services remained stable at 9% in H1 2023, with a mid-term target 10-15%. Offshore delivery for H1 2023 was at 43% of net revenue (mid-term target: 45-50%).

## Segment reporting

Net revenue in € million	H1 2023	H1 2022	% change	
			Reported	Like-for-like
EASA	764	702	+9%	+11%
GEMS	233	221	+6%	+6%
CEA	61	52	+16%	+16%
<b>Total</b>	<b>1,058</b>	<b>976</b>	<b>+8%</b>	<b>+10%</b>

### EASA Segment

Net revenue from the EASA Segment (Europe, Africa, South America) was €764 million in H1 2023 (H1 2022: €702 million). The increase of +9% compared to H1 2022 included the contribution of the acquisitions completed in 2022 (accounting for €19 million of net revenue), partially compensating for the natural ending of COVID-19-related business at the end of 2022 (€37 million net revenue contribution in H1 2022).

Like-for-like net revenue in EASA, adjusted for M&A<sup>9</sup> and the ending of COVID-19-related business, increased by +11% in H1 2023. This growth was mainly driven by existing and new clients in the Global Internet, Energy & Utilities and BFSI verticals, and the solid development of our locations in France, Germany, Africa, Eastern Europe, and South America.

### GEMS Segment

Net revenue from the GEMS Segment (Global English, Middle East, Southeast Asia) was €233 million in H1 2023 (H1 2022: €221 million), an increase of +6%. This growth was driven by the Company's expansion with its Global Internet vertical, particularly in the US, Philippines, Malaysia, and Kenya.

### CEA Segment

The CEA (China, East Asia) Segment reported net revenue of €61 million in H1 2023 (H1 2022: €52 million). The growth rate of +16% was driven by Japan and South Korea (added in 2022) and digital clients in China.

## 2.4.2 Operating EBITDA

### Majorel Group

For the H1 2023, Operating EBITDA was €177 million, a slight increase compared to H1 2022, when Operating EBITDA was €175 million. The Operating EBITDA margin for H1 2023 decreased from 17.9% in H1 2022, to 16.7% in H1 2023, in line with provided guidance in March 2023.

The decrease in the Operating EBITDA margin is a result of the natural ending of COVID-19-related business in the EASA Segment. In addition, there were ongoing challenges in the macroeconomic environment, subsequent cost focus from clients, (wage) inflation, and increased costs due to return to site.

<sup>9</sup> The contribution from last year's acquisitions, being Alembo (June 2, 2022), Findasense (September 1, 2022), and IST (December 1, 2022).

in € million	H1 2023	H1 2022
EASA	117	122
<i>in% of net revenue</i>	15.3%	17.4%
GEMS	52	49
<i>in% of net revenue</i>	22.2%	22.2%
CEA	8	4
<i>in% of net revenue</i>	14.0%	7.6%
Other/minor activities	-	-
<b>Total</b>	<b>177</b>	<b>175</b>
<i>in % of net revenue</i>	16.7%	17.9%

## Segment reporting

For all three Segments, our ongoing focus on operational excellence, more complex, value-added services, client portfolio management, and offshore delivery, helped to mitigate the effects of the outlined challenges.

### EASA Segment

Operating EBITDA for EASA was €117 million at the end of H1 2023 (H1 2022: €122 million). The Operating EBITDA margin decreased from 17.4% in H1 2022 to 15.3% in H1 2023. In addition to the mentioned challenges, this decrease was also due to the natural ending of the COVID-19-related business, which is fully attributed to EASA.

### GEMS Segment

Operating EBITDA for GEMS was €52 million for H1 2023, increasing by +6% year over year (H1 2022: €49 million). The Operating EBITDA margin remained stable at 22.2% in H1 2023 (H1 2022: 22.2%).

### CEA Segment

Operating EBITDA for CEA was €8 million for H1 2023 (H1 2022: €4 million) and the Operating EBITDA margin increased from 7.6% to 14.0%. In H1 2022, the CEA Segment experienced challenges due to COVID-19 restrictions and the lockdown in China, which affected the margins.

## 2.4.3 EBIT and Group profit

In H1 2023, EBIT was €118 million compared to €138 million in H1 2022, and corresponds to Operating EBITDA after:

- deducting depreciation/amortization, impairment and reversal on intangible assets, property, plant and equipment and right-of-use assets, amounting to €57 million in H1 2023 (H1 2022: €48 million);
- adding gains from business combinations (no equivalent amount in H1 2023; H1 2022: €3 million);
- adding operating realized and unrealized foreign exchange gains of €5 million (H1 2022: €13 million);
- deducting expenses from long-term incentive programs of €4 million (H1 2022: €2 million)
- adding restructuring costs of €1 million (relating to release of provisions; H1 2022: no equivalent amount); and
- deduction of acquisition-related and other special items of €4 million (H1 2022: €3 million).

The financial result reflects expenses of €10 million in H1 2023 (H1 2022: €5 million). The Euribor interest rate has risen since the second semester of 2022, increasing our financial expenses linked to debt. The appreciation of Eastern European currencies vs. the Euro has contributed positively to the valuation of lease liabilities. This was negatively compensated by effects of Euro vs. USD hedge. In addition, interest expenses on leases and other financial expenses grew in line with business growth.



Income tax expenses amounted to €28 million in H1 2023 (H1 2022: €31 million). The effective tax rate of Majorel Group in H1 2023 was 24% (H1 2022: 23%).

Group profit amounted to €80 million for H1 2023 (H1 2022: €102 million). Earnings per share (EPS) were €0.80<sup>10</sup>.

#### 2.4.4 Free cash flow and capital structure

##### Free cash flow

In € million	H1 2023	H1 2022
<b>Cash flow from operating activities</b>	<b>116</b>	<b>79</b>
Add back: Taxes paid	33	21
Add back: Other adjustments not included in free cash flow	-	-
Less: Capital expenditure	(28)	(38)
Less: Payment from lease	(31)	(26)
Less: Scope and other effects	2	-
<b>Free cash flow</b>	<b>92</b>	<b>36</b>
<i>In % of Operating EBITDA (CCR)</i>	<i>52%</i>	<i>21%</i>

##### Cash conversion rate

The cash conversion rate (CCR) increased to 52% in H1 2023 (H1 2022: 21%). Excluding the effects of the IPO bonus with Equity Deferral the CCR was at 46% in H1 2022.

##### Net working capital

in € million	30.06.2023	31.12.2022
Inventories	-	-
+ Trade receivables	431	491
- Trade payables	(118)	(137)
<b>Trade working capital</b>	<b>313</b>	<b>354</b>
+ Other receivables and other current assets <sup>11</sup>	90	87
+ Deferred items (assets)	25	21
- Other payables <sup>12</sup>	(265)	(308)
- Deferred items (liabilities)	(3)	(4)
- Other provisions	(29)	(45)
<b>Other working capital</b>	<b>(182)</b>	<b>(249)</b>
<b>Net working capital</b>	<b>131</b>	<b>105</b>

Net working capital increased from €105 million at year end 2022 to €131 million at the end of June 2023, reflects the growth of the business, and have been impacted by some extension of payment behaviors.

<sup>10</sup> For more information, see the Note 3 on page 42.

<sup>11</sup> Other receivables excluded: advance payments for business acquisitions €6 million as at 30.06.23 (€6 million as at 31.12.22).

<sup>12</sup> Other payables excluded: contingent consideration for acquisition of investments €20 million as at 30.06.23 (€20 million as at 31.12.22) dividends €68 million as at 30.06.23 (nil as at 31.12.22).

### Capital expenditure

CAPEX, investments in intangible assets, property, plant and equipment, amounted to €28 million in H1 2023 (€38 million in H1 2022), reflecting the expansion and refurbishment of some existing sites, and opening of a few new sites. CAPEX in relation to net revenue was at 2.6%, compared to 3.9% in H1 2022.

### Equity

The equity at the end of June 2023, amounts to €555 million (FY 2022: €558 million). Group profit represented €80 million. On June 22, 2023, the General Meeting of shareholders resolved to declare and pay a dividend of €68 million to the shareholder of the Group. In July 2023, €68 million was paid out of retained earnings. Other changes in equity arose from the negative cumulative foreign exchange differences of €24 million (H1 2022: €3 million, (positive)), and positive effects from the restatement for hyperinflation in Türkiye of €9 million.

### Net cash position and economic cash/debt

Our level of cash and cash equivalents is above last year's. Cash flow from operating activities was strong. Our free cash flow was €92 million. Our net cash position is €154 million.

Adding the lease liabilities and the provisions for pensions and similar obligations, our economic debt lies at €24 million.

In € million	30.06.2023	31.12.2022
Cash and cash equivalents	278	245
Liabilities to banks	(122)	(136)
Other financial debt	(2)	(4)
<b>Net cash position</b>	<b>154</b>	<b>105</b>
Provisions for pensions and similar obligations	(33)	(32)
Lease liabilities	(145)	(140)
<b>Economic cash/(debt)</b>	<b>(24)</b>	<b>(67)</b>

### 2.4.5 Subsequent events

Following the end of H1 2023:

- On July 18, 2023, a dividend of €0.68 per share was paid out to Majorel Shareholders.
- On August 11, 2023, Majorel published its position statement regarding the voluntary public cash and exchange offer (the 'Offer') for all shares in Majorel by Teleperformance SE. In the position statement, the management board and supervisory board of Majorel declared to support the Offer and recommend to the shareholders to accept the Offer and to tender their shares pursuant to the Offer. The position statement is available on Majorel's website at <https://www.majorel.com/voluntary-public-takeover-offer/>.
- On August 17, 2023, Majorel launched Majorel Infinity ([www.majorelinfinity.com](http://www.majorelinfinity.com)), as a platform for digital consumer engagement services, to serve the needs of clients in Asia Pacific and to support our further development in the region. With more than 600 specialists, its core services include consumer data & insights, technology, and digital marketing strategy & services. It is a part of Majorel's Tech & Expert Services.

## 2.4.6 Outlook

This outlook is based on Majorel's current assessment on the development of the business in 2023 and the general CX market, combined with economic and labor market conditions in the Company's global geographic footprint.

For the second half of 2023, we continue to expect shifting client needs, softness in demand, absence of COVID-19-related business, and continued (wage) inflation due to the challenging and more volatile environment. Moreover, ongoing macroeconomic uncertainties serve to highlight the importance of ongoing vigilance.

We maintain our net revenue guidance for 2023 of €2,150-2,250 million (excluding COVID-19-related business in 2022, this results in net revenue growth of +6% to +11%). Given the prevailing challenging conditions, we don't expect to be in the upper half of this range, while high volatility (including FX) remains.

Further, the Company expects its Operating EBITDA margin for 2023 to be between 16.5%-17.0%, also factoring in the aforementioned effects, and as communicated before.

We will continue to execute our proven strategy, driven by the expertise and commitment of our people, and built on the trust and loyalty of our long-term clients.



## 2.5 RISK MANAGEMENT

### 2.5.1 Principles of our risk management system

As with all enterprises, risk accompanies the everyday business of Majorel. We define “risk” as a potential future development or event that can negatively affect our ability to achieve Majorel’s strategic, operational, reporting-related, and compliance-related objectives. Majorel’s risk management system (RMS) continuously helps to protect us through prevention and mitigation of risks in the course of day-to-day operations, as well as the execution of Majorel’s mission and strategic objectives.

The RMS applies globally to all Majorel Segments, legal entities, and reporting units. It is designed to identify risks at an early stage, to monitor them within defined levels of risk exposure and to ensure, with reasonable assurance through the implementation of an internal control system (ICS), that Majorel’s objectives are achieved. The ICS is considered an integral part of the RMS.

Majorel follows the key principle that managing risk is everyone’s responsibility. Accordingly, the risk management process is focused on the following three main objectives: promote and embed a culture of common risk management in the daily work of Majorel team members at all levels; develop consistent risk policies on key matters at reporting unit level while also considering local challenges and environments; and ensure a harmonized set of measures for prevention, detection and mitigation when assessing key risks, with continuous monitoring and improvement.

Please refer to the Majorel Annual Report 2022, for a complete overview of Risk Management.

### 2.5.2 Principal risks and uncertainties

As part of our regular assessment and monitoring of risks, this section provides a summary of the main changes to Majorel’s risk landscape since 31 December 2022.

Majorel is exposed to a variety of risks. The top ten risks to Majorel identified in its most recent risk review in June 2023 are listed in order of priority in the table below. In line with the level of potential financial impact, the risks are classified as low, moderate, significant, considerable, or endangering, for the purposes of risk tolerability.

While the following chart has been prepared to the best of Majorel’s knowledge and is based on its risk management framework, there may be other risks not currently known to Majorel or not considered material on the date of this Half-Year Report, which may become major factors and may adversely impact Majorel.

		Risk classification				
Priority	Type of risk	Low	Moderate	Significant	Considerable	Endangering
1	Client risks					
2	Integrity and compliance risks					
3	Pricing and discounting					
4	Hazard risks					
5	Legal and regulatory risks					
6	Changes in market environment					
7	Cyclical development of economy					
8	Employee-related risks					
9	Contracts and litigation					
10	Country Risks					

Risk classification (potential financial loss in a three-year period): low: <€3.6 million, moderate <€6 million, significant: <€18 million, considerable: <€36 million, endangering: >€36 million. This chart is based on the data captured in our risk management tool. The half year risk assessment process was completed in June 2023. There are no risks classified as endangering in this reporting cycle.

### 2.5.3 Updates to principal risks and uncertainties

Majorel is committed to the vigilant management of material risks. Key updates to our principal risks and uncertainties identified by Majorel's most recent half-year risk review are discussed here and should be read in combination with the Risk paragraph of the Annual Report 2022 that is available on our website. Majorel recognizes that risks can and will evolve over time.

Specifically, since our previous overview published in the Annual Report 2022, Pricing and Discounting has moved from a 'moderate' risk classification to 'significant', and there have also been some further developments around Artificial Intelligence – both of which are covered in summary below.

In addition, Majorel cannot guarantee that all objectives will be achieved and that risks will be completely mitigated.

#### Market risks

##### *Pricing and discounting*

In the current macro-economic environment, cost savings are being intensively pursued. Majorel has observed a notable increase in pricing pressures and discounting requests from its clients. This includes the moving of volumes to offshore locations as well as overall cost reduction measures at all levels.

##### *Mitigation activities*

Majorel continuously assesses its competitive environment and is always abreast of competitor performance and aspirations. Majorel continues to deliver a competitive offering to the market, with a wide range of efficiency measures and cost-effective locations under continuous assessment.

#### Integrity and compliance risks

##### *Impacts of Artificial Intelligence (AI) developments and associated uses*

Majorel is committed to the careful management of new technologies such as Artificial Intelligence platforms like ChatGPT. As a result, operational instructions have been adopted globally. However, residual risk still exists. Regarding Data Protection - restricted data may be used/consumed by AI, which violates the GDPR without the consent of the respective data owner.

In relation to Information Security frameworks, ChatGPT itself can be analysed and validated before use. However, the verification of the outcome of processed data from ChatGPT may be in violation of Majorel's ISMS compliance.

Majorel and its employees are committed to the adhering to the Majorel Code of Conduct. However, there is also a risk that the outputs from ChatGPT (where used) do not conform with our Code of Conduct. Our internal rules of conduct and values cannot be incorporated automatically by AI.

##### *Mitigation activities*

Majorel continues to closely monitor the use of AI tools. Oversight is centrally managed and clear instructions are provided to our employees. Additional mitigation measures include assessments and reviews of any proposed uses of AI, particularly in areas of Data Protection, Information Security and Compliance.



# Corporate Governance



## 3. Corporate Governance

Majorel Group Luxembourg S.A. (referred to here as “**Majorel**” or the “**Company**” and with its subsidiaries “**Majorel Group**”) is publicly listed on the Euronext Amsterdam stock exchange. As a public company, Majorel recognizes the importance of appropriate corporate governance procedures in the management and oversight of its business.

For information on the Corporate Governance framework of Majorel, see pages 52 to 78 of the Majorel Annual Report 2022.

During the half-year ended June 30, 2023, the following notable events occurred.

### 3.1 COMPOSITION OF THE SUPERVISORY BOARD AND COMMITTEES

On June 22, 2023, the AGM (as defined in Section 3.2. herein) acknowledged the resignations of Mr. Jörn Caumanns as class A member of the Supervisory Board, and of Ms. Ghita Lahlou as class B member of the Supervisory Board with effect as of August 26, 2022, and December 12, 2022, respectively. The AGM also acknowledged the co-optation by the Supervisory Board of Ms. Bettina Wulf as class A member as of August 26, 2022, and of Mr. Geoffroy Dedieu as class B member as of December 16, 2022, to fill in the vacancies until the date of the AGM.

The AGM has also decided to appoint Ms. Bettina Wulf as class A member of the Supervisory Board and Mr. Geoffroy Dedieu as class B member of the Supervisory Board with effect as of the date of the AGM and for a period ending at the general meeting of shareholders approving the annual accounts relating to the financial year ending on December 31, 2024, to be held in 2025.

The biographies of Ms. Bettina Wulf and Mr. Geoffroy Dedieu can be seen on pages 55 and 57 of the Majorel Annual Report 2022.

The composition of the Supervisory Board and committees as described in the Majorel Annual Report 2022 remains unchanged.

### 3.2 ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders of the Company (the “AGM”) was held on June 22, 2023, in person and it was broadcasted via video conference initiated from Luxembourg. The AGM approved the statutory and consolidated accounts as at December 31, 2022, and all proposed resolutions, including the proposed dividend of €0.68 per share. The AGM minutes and voting results, as well as an audio recording of the AGM, are available on the Majorel website.



# Alternative Performance Measures (APMs)

## 4. Alternative Performance Measures (APMs)

Throughout its financial publications, Majorel uses Alternative Performance Measures (APMs) in addition to the figures that are prepared in accordance with IFRS. Majorel uses APMs to provide additional information to investors and to enhance the understanding of the results. Majorel's management considers them important supplemental measures of its performance, as we believe those help to illustrate underlying trends in the Group's business and use the measures to establish budgets and operational goals, communicate internally and externally, for managing the Group's business and evaluating its performance. We also believe these measures are meaningful for investors to evaluate and compare the Group's operating performance with its results in prior periods. These non-IFRS financial measures should be read in conjunction with and not as an alternative for the Group's financial information prepared in accordance with IFRS. All measures that are covered by IFRS are not considered to be APMs.

### **Majorel uses the following APMs:**

Net revenue  
Change in like-for-like net revenue, %  
Net revenue retention (NRR), %  
Change in revenue at constant currency exchange rates (FX impact)  
Operating EBITDA  
Operating EBITDA margin, %  
Free cash flow  
Cash conversion rate, %  
Capital expenditure  
Net working capital  
Economic debt.

Investors should consider that similarly titled APMs reported by other companies may be calculated differently. For that reason, the comparability of APMs across companies might be limited. In accordance with the guidelines of the European Securities and Markets Authority (ESMA), the following information is given in regard to the above-mentioned alternative performance measures:

1. Definition of the APM.
2. Reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the financial statements.

Majorel's most recent financial publications at any time are available on our website.

### **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 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 Condensed Consolidated Interim Financial Statements (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). Management believes that the inclusion of supplementary adjustments to revenue applied in presenting net revenue are appropriate to provide additional information. Management believes that net revenue is a non-IFRS measure representing a core business growth indicator.

In € million	H1 2023	H1 2022	growth
<b>Revenue</b>	<b>1,068</b>	<b>992</b>	<b>+8%</b>
Less minor activities	0	0	
Less direct costs	10	16	
<b>Net revenue</b>	<b>1,058</b>	<b>976</b>	<b>+8%</b>

### Change in like-for-like net revenue

Like-for-like net revenue growth corresponds to net revenue growth year-over-year, adjusted for certain specific non-recurring items. For H1 2023 the reduction in COVID-19-related business (€37 million) was partially offset by the contribution from last year's acquisitions of Alembo, Findasense, and IST (€19 million). Adjusted for these effects, like-for-like net revenue growth in H1 2023 was +10%. Management believes that like-for-like net revenue growth is a non-IFRS measure representing a business growth indicator.

In € million	Total
Net revenue H1 2022	976
COVID-19-related business	(37)
Acquisitions	19
<b>Like-for-like</b>	<b>100</b>
Net revenue H1 2023	1,058

### Net revenue retention

Net revenue retention H1 2023 is defined as net revenue generated by clients in H1 2023 divided by net revenue generated by the same cohort of clients in H1 2022 (excluding net revenue contributed by Alembo, Findasense, and IST that were acquired during 2022 and the COVID-19-related business that ended at the end of 2022).

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, including the decline of the COVID-19-related business).

The data for calculating this indicator is derived from the Group's client management reporting, which is not part of financial reporting. Management believes that this measure is an indicator for assessing the growth with the existing client base.

### Change in revenue at constant currency exchange rates (FX impact)

Change in revenue at constant currency exchange rates is calculated as current year revenue less prior year revenue at current year exchange rates, divided by prior year revenue at current year exchange rates. Management believes that this non-IFRS measure is an indicator for assessing business growth.

### Operating EBITDA

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.

We use Operating EBITDA to assess the operating performance and the profitability development 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 our results over periods or with other companies.

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.

In € million	H1 2023	H1 2022
<b>EBIT (earnings before interest and taxes)</b>	<b>118</b>	<b>138</b>
Amortization/depreciation, impairment, and reversals on intangible assets, property, plant and equipment and right-of-use assets	57	48
Gains from business combinations	-	(3)
Restructuring	(1)	-
Operating realized and unrealized forex gains and losses	(5)	(13)
Expenses on long-term incentive programs	4	2
Acquisition-related and other special items	4	3
<b>Operating EBITDA</b>	<b>177</b>	<b>175</b>

### Operating EBITDA margin

We define Operating EBITDA margin as Operating EBITDA divided by net revenue. Management uses Operating EBITDA margin as indicator for assessing the development of Group and Segment profitability.

### 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.

Our management uses free cash flow to demonstrate growth and operational performance and the capacity of Majorel Group to generate liquidity from operating activities in order to meet its commitments.

In € million	H1 2023	H1 2022
<b>Cash flow from operating activities</b>	<b>116</b>	<b>79</b>
Add back: Taxes paid	33	21
Add back: Other adjustments not included in free cash flow	-	-
Less: Capital expenditure	(28)	(38)
Less: Payment from lease	(31)	(26)
Less: Scope and other effects	2	-
<b>Free cash flow</b>	<b>92</b>	<b>36</b>
<i>in % of Operating EBITDA (CCR)</i>	<i>52%</i>	<i>21%</i>

### Cash conversion rate

Cash conversion rate (CCR) is defined as free cash flow divided by Operating EBITDA. Management believes that cash conversion rate is a non-IFRS measure representing a financial indicator to assess the capacity of the Group to generate cash flow compared to its profits. The CCR for H1 2023 is 52%.

### Capital expenditure

Capital expenditure is defined as investments in intangible assets and investments in property, plant, and equipment.



In € million	H1 2023	H1 2022
Investments in intangible assets	2	1
Investments in property, plant and equipment	26	37
<b>Capital expenditure</b>	<b>28</b>	<b>38</b>

Management uses capital expenditure to assess the capacity of the Group for future business growth.

### 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.

In € million	30.06.2023	31.12.2022
Inventories	-	-
+ Trade receivables	431	491
- Trade payables	(118)	(137)
<b>Trade working capital</b>	<b>313</b>	<b>354</b>
+ Other receivables and other current assets <sup>13</sup>	90	87
+ Deferred items (assets)	25	21
- Other payables <sup>14</sup>	(265)	(308)
- Deferred items (liabilities)	(3)	(4)
- Other provisions	(29)	(45)
<b>Other working capital</b>	<b>(182)</b>	<b>(249)</b>
<b>Net working capital</b>	<b>131</b>	<b>105</b>

### Economic debt

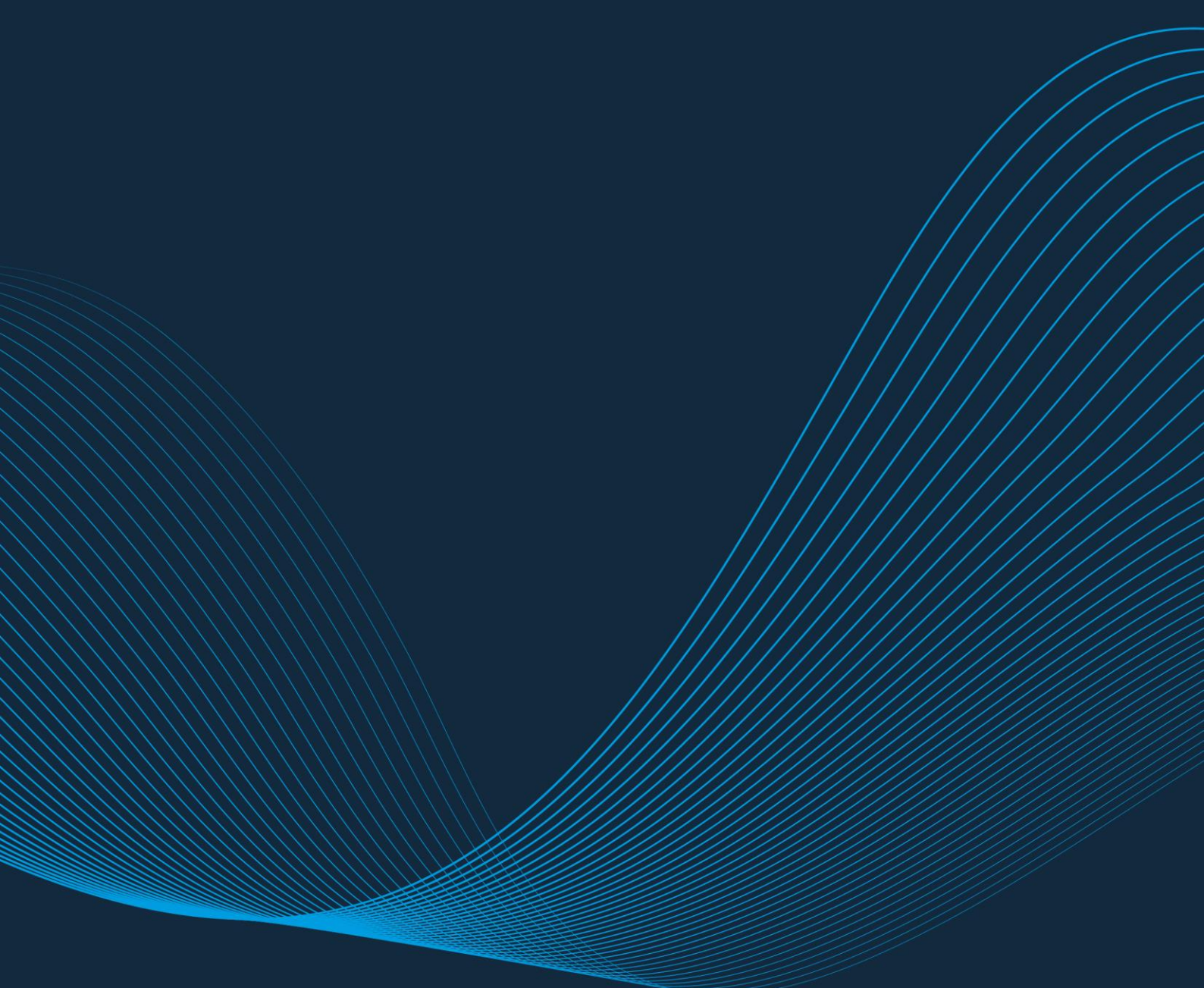
Economic debt is defined as financial debt less cash and cash equivalents plus pensions, similar obligations, and lease liabilities.

Management believes that economic debt is a non-IFRS measure representing a financial position indicator to assess Group's funding capacity and its liquidity.

In € million	30.06.2023	31.12.2022
Cash and cash equivalents	278	245
Liabilities to banks	(122)	(136)
Other financial debt	(2)	(4)
<b>Net cash position</b>	<b>154</b>	<b>105</b>
Provisions for pensions and similar obligations	(33)	(32)
Lease liabilities	(145)	(140)
<b>Economic cash/(debt)</b>	<b>(24)</b>	<b>(67)</b>

<sup>13</sup> Other receivables excluded: advance payments for business acquisitions €6 million as at 30.06.23 (€6 million as at 31.12.22).

<sup>14</sup> Other payables excluded: contingent consideration for acquisition of investments €20 million as at 30.06.23 (€20 million as at 31.12.22) dividends €68 million as at 30.06.23 (nil as at 31.12.22).



# Glossary of Terms

## 5. Glossary of Terms

### **Capital expenditure (CAPEX)**

Capital expenditure is defined as investments in intangible assets and investments in property, plant, and equipment. For details see APM section on page 79 of the Annual Report 2022.

### **Cash conversion rate**

Cash conversion rate is defined as free cash flow divided by Operating EBITDA. For details see APM section on page 79 of the Annual Report 2022.

### **CEA**

CEA refers to Majorel's China, East Asia business Segment.

### **Change in like-for-like net revenue**

Like-for-like net revenue growth corresponds to net revenue growth year-over-year, adjusted for certain specific non-recurring items. For H1 2023 the reduction in COVID-19-related business and the contribution from last year's acquisitions of Alembo, Findasense, and IST were adjusted. For details see APM section on page 79 of the Annual Report 2022.

### **Change in revenue at constant currency exchange rates (FX Impact)**

Change in revenue at constant currency exchange rates is calculated as current year revenue less prior year revenue at current year exchange rates, divided by prior year revenue at current year exchange rates. Management believes that this non-IFRS measure is an indicator for assessing business growth.

### **COVID-19-related business**

COVID-19-related business means contracts to provide services in the fight against the COVID-19 pandemic.

### **CR**

CR refers to Corporate Responsibility and also includes ESG (Environmental, Social and Governance).

### **CX/CXM**

CX refers to Customer Experience and CXM to Customer Experience Management.

### **DE&I**

DE&I refers to Diversity, Equity & Inclusion and is one of Majorel's five CR pillars.

### **EASA**

EASA refers to Majorel's Europe, Africa, and South America business Segment.

### **EBIT**

EBIT is defined as earnings before interest and taxes.

### **Economic debt**

Economic debt is defined as financial debt less cash and cash equivalents plus pensions, similar obligations, and lease liabilities. For details see APM section on page 79 of the Annual Report 2022.

### **EPS**

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares and the shares held under the liquidity program, if any. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There is currently no category of dilutive potential ordinary shares.

### **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. For details see APM section on page 79 of the Annual Report 2022.

## **GEMS**

GEMS refers to Majorel's Global English, Middle East, and Southeast Asia business Segment.

## **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 consists 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 Condensed Consolidated Interim Financial Statements (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). For details see APM section on page 79 of the Annual Report 2022.

## **Net revenue retention (NRR)**

Net revenue retention H1 2023 is defined as net revenue generated by clients in H1 2023 divided by net revenue generated by the same cohort of clients in H1 2022 (excluding net revenue contributed by Alembo, Findasense, and IST that were acquired during 2022 and the COVID-19-related business that ended at the end of 2022). 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, including the decline of the COVID-19-related business).

## **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. For details see APM section on page 79 of the Annual Report 2022.

## **Offshore**

We define "Offshore" as net revenue from the following countries (even if some local business is included): Armenia, Colombia, Costa Rica, Croatia, Egypt, Estonia, Georgia, Ghana, Greece, India, Ivory Coast, Kenya, Lithuania, Malaysia, Mexico, Morocco, North Macedonia, Peru, Philippines, Poland, Portugal, Romania, Senegal, Suriname, Togo, and Türkiye.

## **Operating EBITDA**

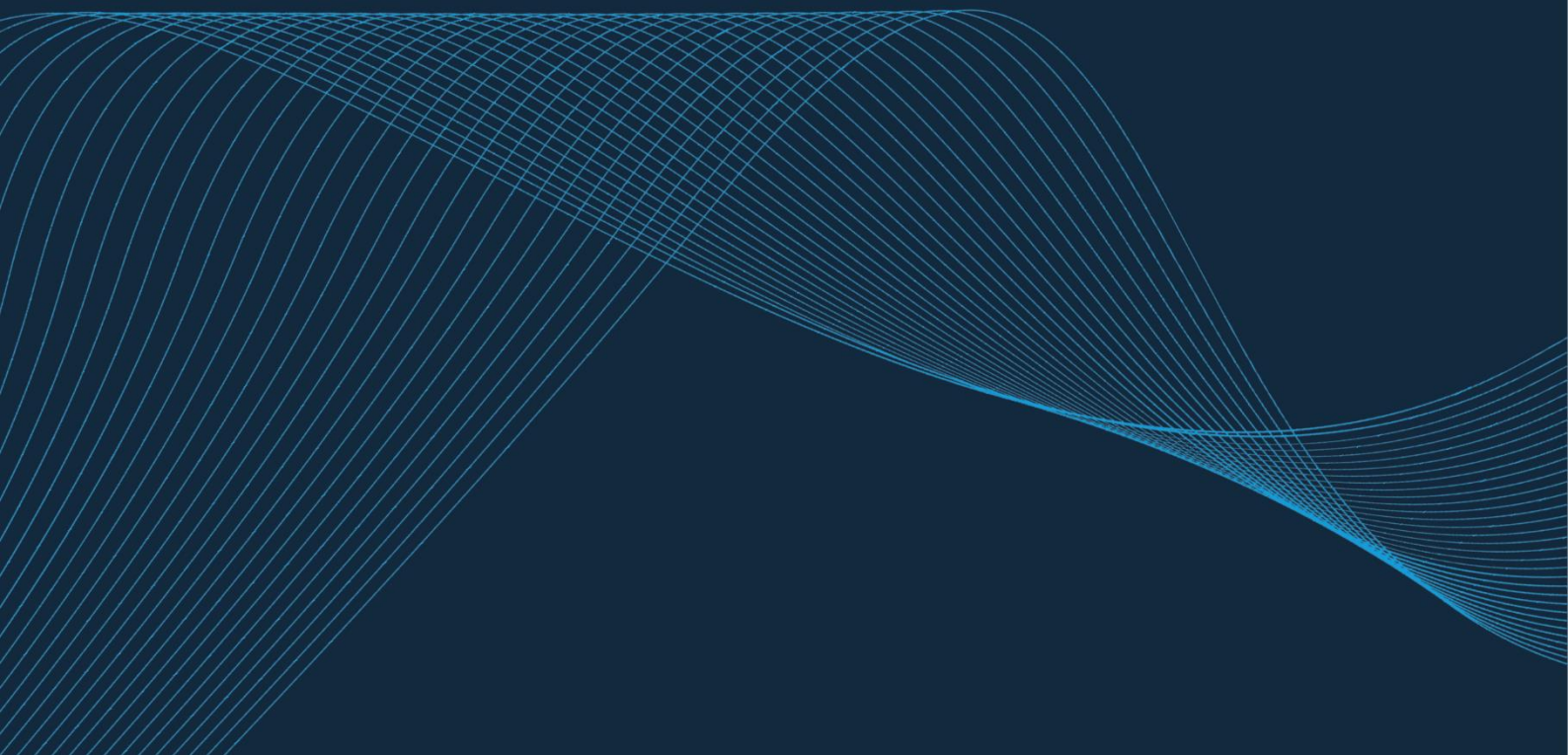
Operating EBITDA is defined as EBIT (earnings before interest and taxes) adjusted for amortization and depreciation, impairment and reversal on intangible assets, property, plant and equipment and right-of-use assets, adjusted for (i) impairment on goodwill and other intangible assets with indefinite 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. For details see APM section on page 79 of the Annual Report 2022.

## **Operating EBITDA margin**

We define Operating EBITDA margin as Operating EBITDA divided by net revenue. For details see APM section on page 79 of the Annual Report 2022.



# Consolidated Financial Statements





## 6. Consolidated Financial Statements

### Condensed Consolidated Interim Statement of Profit and Loss

For the six months ended 30 June

In € millions	Notes	2023	2022
Revenues	1	1,068	992
Other operating income		19	30
External expenses and costs of materials		(186)	(196)
Personnel costs		(726)	(640)
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets		(57)	(48)
EBIT (earnings before interest and taxes)		118	138
Interest income		1	-
Interest expenses		(2)	(2)
Other financial income		-	1
Other financial expenses		(9)	(4)
Financial result		(10)	(5)
Earnings before taxes		108	133
Income tax expense	2	(28)	(31)
Group profit or loss		80	102
attributable to:			
Majorel shareholders		80	101
Non-controlling interests		-	1
<b>Earnings per share (in €)</b>			
- Basic	3	0.80	1.01
- Diluted	3	0.80	1.01

The notes on pages 36 to 45 are an integral part of these Condensed Consolidated Interim Financial Statements.

## Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June

In € millions	Notes	2023	2022
Group profit or loss		80	102
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement component of defined benefit plans		-	11
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>			
Exchange differences			
– changes recognized in other comprehensive income		(24)	3
Other comprehensive income net of tax		(24)	14
<b>Group total comprehensive income</b>		<b>56</b>	<b>116</b>
attributable to:			
– Majorel shareholders		58	115
– Non-controlling interests		(2)	1

The notes on pages 36 to 45 are an integral part of these Condensed Consolidated Interim Financial Statements.

## Condensed Consolidated Interim Statement of Financial Position

In € millions	Notes	June 30, 2023	December 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill		185	196
Other intangible assets		38	44
Property, plant and equipment and right-of-use assets		288	282
Investments accounted for using the equity method		4	4
Trade and other receivables		2	9
Other financial assets		1	-
Deferred tax assets		42	41
		560	576
<b>Current assets</b>			
Trade and other receivables		465	526
Other financial assets		3	2
Other non-financial assets		84	70
Current income tax receivables		17	12
Cash and cash equivalents		278	245
		847	855
		<b>1,407</b>	<b>1,431</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	4		
Subscribed capital		1	1
Capital reserve		231	231
Retained earnings		315	316
Majorel shareholders' equity		547	548
Non-controlling interests		8	10
		555	558
<b>Non-current liabilities</b>			
Provisions for pensions and similar obligations		33	32
Other provisions		10	11
Deferred tax liabilities		5	6
Financial debt		117	132
Lease liabilities		90	91
Trade and other payables		22	20
Other non-financial liabilities		19	18
		296	310
<b>Current liabilities</b>			
Other provisions		29	45
Financial debt		7	8
Lease liabilities		55	49
Trade and other payables		208	179
Other non-financial liabilities		225	252
Current income tax payables		32	30
		556	563
		<b>1,407</b>	<b>1,431</b>

The notes on pages 36 to 45 are an integral part of these Condensed Consolidated Interim Financial Statements.

## Condensed Consolidated Interim Statement of Cash Flow

For the six months ended 30 June

In € millions	Notes	2023	2022
Earnings before interest and taxes		118	138
Amortization, depreciation and write-ups of non-current assets		57	48
Gains from business combinations		-	(3)
Change in provisions for pensions and similar obligations		(1)	(1)
Change in other provisions		(17)	(4)
Change in net working capital		(4)	(75)
Taxes paid		(33)	(21)
Other effects		(4)	(3)
Cash flow from operating activities		116	79
Investments in:			
– intangible assets		(2)	(1)
– property, plant and equipment		(26)	(37)
– purchase prices for consolidated investments (net of acquired cash)	6	-	25
Disposals of other fixed assets		2	6
Cash flow from investing activities		(26)	(7)
Proceeds from/redemption of other financial debt		(16)	49
Redemption of lease liabilities		(29)	(24)
Interest paid		(5)	(4)
Dividends to non-controlling interests		-	(2)
Other effects		(3)	3
Cash flow from financing activities		(53)	22
Change in cash and cash equivalents		37	94
Exchange rate effects and other changes in cash and cash equivalents		(4)	(2)
Cash and cash equivalents as of January 1		245	238
<b>Cash and cash equivalents as of June 30</b>		<b>278</b>	<b>330</b>

The notes on pages 36 to 45 are an integral part of these Condensed Consolidated Interim Financial Statements.

## Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June

In € millions	Notes	Subscribed capital	Capital reserve	Retained earnings	Major shareholders' equity	Non-controlling interests	Total
Balance as of January 1, 2022		1	255	138	394	5	399
Group profit or loss		-	-	101	101	1	102
Other comprehensive income		-	-	14	14	-	14
Group total comprehensive income		-	-	115	115	1	116
Dividend distributions		-	(24)	(8)	(32)	(2)	(34)
Acquisition of subsidiary with non-controlling interests		-	-	-	-	5	5
Equity transactions with shareholders		-	(24)	(8)	(32)	3	(29)
Balance as of June 30, 2022	4	1	231	245	477	9	486
Balance as of January 1, 2023		1	231	316	548	10	558
Group profit or loss		-	-	80	80	-	80
Other comprehensive income		-	-	(22)	(22)	(2)	(24)
Group total comprehensive income		-	-	58	58	(2)	56
Dividend distributions	4	-	-	(68)	(68)	-	(68)
Equity transactions with shareholders		-	-	(68)	(68)	-	(68)
Hyperinflation impact		-	-	9	9	-	9
Balance as of June 30, 2023	4	1	231	315	547	8	555

The notes on pages 36 to 45 are an integral part of these Condensed Consolidated Interim Financial Statements.



### Reporting Unit

Majorel is a customer experience (CX) service provider with 82,000 employees based in 48 countries (45 operating countries) as of June 30, 2023, in Europe, the Middle East, Africa, the Americas and Asia.

Majorel (hereafter also referred to as "Majorel Group" or "Group") was established when the German-based Bertelsmann SE & Co. KGaA (hereafter referred to as "Bertelsmann" or "Bertelsmann Group") and the Moroccan-based Saham Group (hereafter also referred to as "Saham") merged their respective customer relationship management (CRM) businesses Arvato Customer Relationship Management and Phone Group, ECCO Outsourcing and Pioneers Outsourcing. The transaction was agreed upon between Bertelsmann and Saham in September 2018, following which Bertelsmann contributed its customer relationship management business subsidiaries. On January 4, 2019, Saham contributed its customer relationship management business subsidiaries. Since then, the Majorel Group has been operating as a venture between Bertelsmann and Saham.

Majorel Group Luxembourg S.A. is the parent company of the Majorel Group and domiciled in Boulevard de Kockelscheuer 18, 1821, Luxembourg. The Company is a stock company (société anonyme) registered in Luxembourg and entered in the trade register Registre de Commerce et des Sociétés under the number B227626. On September 24, 2021, Majorel Group completed the initial public offering of own shares on Euronext Amsterdam N.V. ("Euronext Amsterdam"). As of June 30, 2023, the total number of public shares is 20,109,627, representing 20.1% of Majorel Group's issued share capital. Following the completion of the public offering, Bertelsmann and Saham Group each holds or controls 39.5%, Management of Majorel Group holds 0.9% of the issued share capital of Majorel.

As ultimate parent, Bertelsmann SE & Co. KGaA is consolidating Majorel Group Luxembourg S.A. and its subsidiaries in its Consolidated Financial Statements. Bertelsmann SE & Co. KGaA is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Straße 270, D-33311 Gütersloh, Germany. Consolidated Financial Statements for Bertelsmann SE & Co. KGaA can be obtained at its registered office; it is entered in the commercial register of the Gütersloh Local Court (Amtsgericht) under HRB 9194.

Majorel consists of Majorel Group Luxembourg S.A. and its direct and indirect subsidiaries and associates.

### Basis of Accounting

The Majorel Condensed Consolidated Interim Financial Statements as of June 30, 2023, comply with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the related interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) that are applicable in the European Union (IFRS-EU). They were prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the Consolidated Financial Statements of the Group as of December 31, 2022.

These Condensed Consolidated Interim Financial Statements were prepared using fundamentally the same accounting and measurement policies as in the Consolidated Financial Statements of December 31, 2022. A detailed description of these policies is presented in the notes to the Consolidated Financial Statements of December 31, 2022 (section "Accounting and Measurement Policies"). The first-time application of new financial reporting standards had no material impact on Majorel. Majorel has not opted for early adoption of any standards, interpretations or amendments that have been issued but are not yet effective. The Condensed Consolidated Interim Financial Statements were authorized for issue by the Management Board on August 23, 2023.

## Hyperinflation in Türkiye

Since April 2022, Türkiye is considered to be a hyperinflationary economy as per IAS 29. As a result, the financial statements of the subsidiary whose functional currency is Turkish Lira have therefore been restated for the effects of inflation by applying the customer price index and then translated into Euro using the exchange rate at the reporting date.

## Effects of the Coronavirus Pandemic on the Condensed Consolidated Interim Financial Statements

During the ongoing coronavirus pandemic, accounting impacts continue to be evaluated for the particularly relevant areas of impairment testing for goodwill and individual assets, leasing, trade receivables, government grants, deferred tax assets, losses from onerous contracts and revenues. No significant issues have been noted. Due to the overall economic situation in 2023, which appears to be significantly more stable and is expected to remain more stable, no triggering event has been identified for a necessary impairment test of goodwill during the period, despite the ongoing coronavirus pandemic. Overall, no negative effects on the Majorel Group's financial position, performance and cash flows are currently expected. Furthermore, the information presented in the notes to the Consolidated Financial Statements of December 31, 2022, in section "Significant Accounting Judgments, Estimates and Assumptions" applies. Management is of the opinion that the additional estimates and discretionary decisions required by the coronavirus pandemic take appropriate account of the currently foreseeable microeconomic and macroeconomic situation.

## Effects of Russia's invasion of Ukraine on the Condensed Consolidated Interim Financial Statements

The Majorel Group's core business may be impacted by additional macroeconomic challenges and related uncertainties as a result of external events, such as geopolitical tensions in the current financial year. The balance sheet effects are therefore being evaluated for the particularly relevant issues which are impairment of goodwill and individual assets, leasing, trade receivables, losses from onerous contracts as well as revenues. As a result of the current business development, there was no requirement to recognize an impairment loss on goodwill, even in light of the geopolitical and economic uncertainty caused by Russia's invasion of Ukraine. This also refers to the accounting areas deemed vulnerable, for which no material negative effects anticipated on the financial position or financial performance of the Majorel Group are currently anticipated. The assessment is based on discretionary judgments, estimates and assumptions that contain additional uncertainties in the current situation characterized by geopolitical and macroeconomic developments. Management is of the opinion that these uncertainties have been taken into account to an adequate degree.

## Scope of Consolidation

The Condensed Consolidated Interim Financial Statements as of June 30, 2023, include Majorel Group Luxembourg S.A. and all material subsidiaries over which Majorel Group Luxembourg S.A. is able to exercise control in accordance with IFRS 10. Associates are accounted for using the equity method in accordance with IAS 28. As of June 30, 2023, the scope of consolidation consists of 131 (December 31, 2022: 130) companies. This includes 130 (December 31, 2022: 129) fully consolidated companies. In addition, 1 associate (December 31, 2022: 1) is accounted for using the equity method in the Condensed Consolidated Interim Financial Statements. There were 2 companies without significant business operations which were excluded from the scope of consolidation due to their negligible importance for the financial position and financial performance of Majorel (December 31, 2022: 2).

As of June 30, 2023, the detailed list of fully consolidated subsidiaries (FC) and associates accounted for using the equity method (EM) is as follows:

Name	Country	Consolidation Method	HY 2023
			Share
3media SARL	France	FC	100
ACR France SARL	France	FC	100
Administration Personnel Services Sp. z o.o.	Poland	FC	100
Advanced Solutions Iberia S.L.U.	Spain	FC	100

Alembo B.V.	Netherlands	FC	100
Alembo N.V.	Suriname	FC	100
Anteles SARL	France	FC	100
AQUITEL SAS	France	FC	100
Arvalife SAS	France	FC	100
Arvato Services S.A.C.	Peru	FC	100
Call Insurance SARL	France	FC	100
Camaris SARL	France	FC	100
Cap2Call SARL	France	FC	100
Capdune SARL	France	FC	100
Ceacom SARL	France	FC	100
Changzhou Majorel Management Consulting Co., Ltd.	China	FC	100
Cometz SARL	France	FC	100
CRM Holding GmbH	Germany	FC	100
CX Technology Services GmbH	Germany	FC	100
Digileo SARL	France	FC	100
Document Channel SAS	France	FC	100
Duacom SARL	France	FC	100
Ecco Gulf WLL	Qatar	EM	49
Eclipse Holdings Limited	Malta	FC	100
Eclipse Technologies for Business Services Majorel S.A.E.	Egypt	FC	100
Egyptian Call Center Operators Majorel S.A.E.	Egypt	FC	100
EMEA CRM hub Netherlands B.V.	Netherlands	FC	100
Entegrasyon Servis Ve Teknoloji Ticaret Anonim Sirketi	Türkiye	FC	100
Findasense Brasil Digital Ltd*	Brazil	FC	100
Findasense Chile S.p.A.	Chile	FC	100
Findasense Colombia S.A.S	Colombia	FC	100
Findasense Cono Sur S.A.	Argentina	FC	100
Findasense Costa Rica, LTDA	Costa Rica	FC	100
Findasense Ecuador, S.A.	Ecuador	FC	100
Findasense España, S.L.	Spain	FC	100
Findasense Global, S.L.	Spain	FC	100
Findasense México S.A. de CV	Mexico	FC	100
Findasense Perú, S.A.C	Peru	FC	100
Global Technical Services LLC	Egypt	FC	100
Hainan Mairui Information Technology Co. Ltd	China	FC	100
International Company for Human Resources and Management Services IMI Majorel S.A.E.	Egypt	FC	100
Integration Services Technologies Company	Saudi Arabia	FC	100
Isilis SAS	France	FC	100
IST Egypt S.A.E	Egypt	FC	100
Majorel X Holding B.V.	Netherlands	FC	100
ISTTEK Ltd	Great Britain	FC	100
Junokai GmbH	Germany	FC	100
KWS Kontowechsel Service GmbH	Germany	FC	100
Majorel Academy SARL	Morocco	FC	100
Majorel Africa S.A.	Morocco	FC	100
Majorel Africa Services SARL	Morocco	FC	100

Majorel Armenia LLC	Armenia	FC	100
Majorel Benelux B.V.	Netherlands	FC	100
Majorel Berlin GmbH	Germany	FC	100
Majorel Brandenburg GmbH	Germany	FC	100
Majorel Bucaramanga S.A.S.	Colombia	FC	100
Majorel C d.o.o.	Croatia	FC	100
Majorel Canada, Inc.	Canada	FC	100
Majorel Colombia S.A.S.	Colombia	FC	100
Majorel Corporate Portugal, SGPS, Lda.	Portugal	FC	100
Majorel Cote D'Ivoire S.A.R.L.	Cote d'Ivoire	FC	100
Majorel Cottbus GmbH	Germany	FC	100
Majorel CX Services Iberia S.L.U.	Spain	FC	100
Majorel de Mexico, S.A. de C.V.	Mexico	FC	100
Majorel Deutschland GmbH	Germany	FC	100
Majorel Dev Shore SARL*	Morocco	FC	100
Majorel Dortmund GmbH	Germany	FC	100
Majorel Energy GmbH	Germany	FC	100
Majorel Erfurt GmbH	Germany	FC	100
Majorel Estonia OÜ	Estonia	FC	100
Majorel Ghana Limited	Ghana	FC	100
Majorel Georgia LLC	Georgia	FC	100
Majorel Greece Limited Liability Company	Greece	FC	100
Majorel Group Luxembourg S.A.	Luxembourg	FC	100
Majorel Holding Deutschland GmbH	Germany	FC	100
Majorel Holding International B.V.	Netherlands	FC	100
Majorel Holding Nederland B.V.	Netherlands	FC	100
Majorel Hong Kong Limited	China	FC	100
Majorel Iberia, S.L.U.	Spain	FC	100
Majorel India Private Limited	India	FC	100
Majorel Ireland Limited	Ireland	FC	100
Majorel Italy S.r.l.	Italy	FC	100
Majorel Japan KK	Japan	FC	100
Majorel Kenya Solutions EPZ Limited	Kenya	FC	100
Majorel Kenia Limited	Kenya	FC	100
Majorel Korea Limited	South Korea	FC	100
Majorel Lithuania UAB	Lithuania	FC	100
Majorel Malaysia Sdn. Bhd.	Malaysia	FC	100
Majorel Morocco SARL	Morocco	FC	100
Majorel Münster GmbH	Germany	FC	100
Majorel Nordhorn GmbH	Germany	FC	100
Majorel Outsourcing SARL	Morocco	FC	100
Majorel Philippines Corp.	Philippines	FC	100
Majorel Polska Sp. z o.o.	Poland	FC	100
Majorel Portugal, Unipessoal, Lda.	Portugal	FC	100
Majorel QA Solutions, S.A.U.	Spain	FC	100
Majorel Real Estate GmbH	Germany	FC	100
Majorel Rostock I GmbH	Germany	FC	100
Majorel Rostock II GmbH	Germany	FC	100

Majorel Saarbrücken GmbH	Germany	FC	100
Majorel Saudi for Business Services Co. Limited	Saudi Arabia	FC	70
Majorel Senegal SUARL	Senegal	FC	100
Majorel Services Berlin GmbH	Germany	FC	100
Majorel Severna Makedonija Dooel Skopje	North Macedonia	FC	100
Majorel Singapore Holding Pte,Ltd	Singapore	FC	100
Majorel SP Solutions, S.A.U.	Spain	FC	100
Majorel Systems Spain, S.A.U.	Spain	FC	100
Majorel (Thailand) Ltd	Thailand	FC	100
Majorel Togo SARL	Togo	FC	100
Majorel Tria, S.L.U.	Spain	FC	100
Majorel USA Holding, Inc.	USA	FC	100
Majorel USA, Inc.	USA	FC	100
Majorel Wilhelmshaven GmbH	Germany	FC	100
Majorel Telekomunikasyon Hizmetleri Anonim Sirketi	Türkiye	FC	80
MBD - Majorel Business Developpement SAS	France	FC	100
MSE - Majorel Strategie & Expertises SARL	France	FC	100
MSE - Majorel Strategy & Expertise SRL	Romania	FC	100
Neijiang Majorel Information Technology Co., Ltd.	China	FC	100
Nordcall SARL	France	FC	100
Ramyam Intelligence Lab Private Limited	India	FC	100
Majorel Uruguay SA	Uruguay	FC	100
Shanghai Majorel CX Business Solutions Co. Ltd.	China	FC	100
Shanghai Majorel Commercial Services Co. Ltd.	China	FC	100
Shanghai Majorel Digital Marketing Co. Ltd.	China	FC	100
Shanghai Kaichang information technology Co., Ltd	China	FC	100
Soneo SARL	France	FC	100
TEC – Tourcoing Excellence Center SAS	France	FC	100
Tellis Telephone Limousin Services SARL	France	FC	100
Twin Trust SARL	Morocco	FC	100
Wuxi Kaize Information Technology Services Co. Ltd	China	FC	100
yzee - services SARL	France	FC	100

\* Acquired or incorporated in 2023

## Currency Translation

The following Euro exchange rates were used for currency translation purposes for the most significant foreign currencies for Majorel.

		Average rates		Closing rates	
Foreign currency unit per €1		H1 2023	H1 2022	6/30/2023	12/31/2022
Moroccan Dirham	MAD	11.0218	10.6050	10.7618	11.1307
Philippine Peso	PHP	59.7010	57.0209	60.0820	59.32
Polish Zloty	PLN	4.6256	4.6409	4.4388	4.6808
US Dollar	USD	1.0807	1.0934	1.0866	1.0666
Yuan Renminbi	CNY	7.4893	7.0870	7.8983	7.3582



## Additional Disclosures

### 1. Revenues

In the first half of 2023, Group revenues of €1,068 million (H1 2022: €992 million) were generated from contracts with customers in accordance with IFRS 15 and primarily relate to the end-to-end CX services and content services, trust & safety. The following table shows the revenues from contracts with customers in accordance with IFRS 15 by segment and broken down by revenue sources and timing of revenue recognition. Further details on segment reporting are presented in the section "Segment information".

#### Revenue from Contracts with Customers

H1 2023				
in € millions	Europe, Africa, South America	Global English, Middle East, Southeast Asia	China, East Asia	Total segments
<b>Revenue sources</b>				
End-to-end CX services	657	103	51	811
Content services, trust & safety	225	32	-	257
Other	-	-	-	-
	<b>882</b>	<b>135</b>	<b>51</b>	<b>1,068</b>
<b>Timing</b>				
Point in time	3	-	-	3
Over time	879	135	51	1,065
	<b>882</b>	<b>135</b>	<b>51</b>	<b>1,068</b>

H1 2022				
in € millions	Europe, Africa, South America	Global English, Middle East, Southeast Asia	China, East Asia	Total segments
<b>Revenue sources</b>				
End-to-end CX services	597	115	58	770
Content services, trust & safety	192	30	-	222
Other	-	-	-	-
	<b>789</b>	<b>145</b>	<b>58</b>	<b>992</b>
<b>Timing</b>				
Point in time	-	1	-	1
Over time	789	144	58	991
	<b>789</b>	<b>145</b>	<b>58</b>	<b>992</b>

### 2. Income Taxes

The tax expense for the first half of 2023 was calculated in accordance with IAS 34 using the average annual tax rate expected for the whole of 2023, in relation to earnings before taxes, which is calculated at 24 percent according to Majorel Group management's current estimation. In addition, special tax effects were included in income tax expense and in current and deferred taxes, which were not material in total.

The reported tax rate for the first half of 2023 was higher than in the same reporting period 2022 (23 percent), mainly due to special tax effects from the measurement of withholding taxes in the first half year 2023.

### 3. Earnings Per Share

As of June 30, 2023 and December 31, 2022, the Company's share capital amounted to €1,000,000, the value of the Company's shares amounted to a nominal value of €0.01 (one Eurocent). The Company's share capital amounts to €1,000,000, represented by 100,000,000 Shares with an accounting par value of €0.01 (one Eurocent) each.

The calculation of basic earnings per share is based on the profit attributable to Majorel Group shareholders of €80 million (H1 2022: €101 million) and a weighted average number of ordinary shares outstanding during the period of 100,000,000 (H1 2022: previous year: 100,000,000), calculated as follows:

	H1 2023	H1 2022
Profit attributable to Majorel Group shareholders (in € million)	80	101
Weighted average number of ordinary shares	100,000,000	100,000,000
Basic earnings per share (in €)	0.80	1.01
Diluted earnings per share (in €)	0.80	1.01

### 4. Equity

As of June 30, 2023, the subscribed capital amounts to €1 million (December 31, 2022: €1 million) and is represented by 100,000,000 shares (December 31, 2022: 100,000,000 shares) with an accounting par value of €0.01 (one Eurocent) each.

On June 22, 2023, the General Meeting of shareholders resolved to declare and pay a dividend of €68 million to the shareholder of the Group. In July 2023, €68 million was paid out of retained earnings.

On June 20, 2022, the General Meeting of shareholders resolved to declare and pay a dividend of €32 million to the shareholders of the Group. In July 2022, €24 million was paid out of capital reserves and €8 million was paid out of retained earnings.

### 5. Financial Risk Management

#### *Financial Risk Factors*

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk) and credit risk. The 2023 update of the assessment of the risks existing as of December 31, 2022, did not report significant changes within the Group risk environment. These Condensed Consolidated Interim Financial Statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should therefore, be read in conjunction with the Group's Consolidated Financial Statements as at December 31, 2022.

#### *Fair value hierarchy*

The principles and methods used for the fair value measurement remain unchanged compared with those used in the previous year. Only disclosures on financial instruments that are significant to an understanding of the changes in financial position and financial performance since the end of the last annual reporting period are explained below.

In the case of financial assets and financial liabilities measured at fair value, the valuation technique applied depends on the respective inputs present in each case. If listed prices can be identified for identical assets on active markets, they are used for measurement (level 1). If this is not possible, the fair values of comparable market transactions are applied, and financial methods that are based on observable market data are used (level 2). For measuring the fair value of unlisted derivatives (level 2), Majorel uses various financial methods reflecting the prevailing market conditions and risks at the respective balance sheet dates. Irrespective of the type of financial instrument, future cash flows are discounted at the end of the reporting period based on the respective market interest rates and yield curves at the end of the reporting period. If the fair values are not based on observable market data, they are identified using established financial methods or on the basis of observable

prices obtained as part of the most recently implemented qualified financing rounds, taking into account the life and developmental cycle of the respective entity (level 3).

In December 2021 Majorel contracted a committed Facility Agreement of €150 million with a group of banks. The Facility Agreement includes term loan facility of €70 million (Facility A) valid until December 2025 and multicurrency revolving loan facility of €80 million (Facility B) valid until December 2024 with an option to extend the maturity for next 12 months. In March 2023, the Facility B was replaced by a new revolving loan facility of €350 million until March 2028. During 2023, an amount of €35 million was withdrawn and an amount €50 million was paid back to the bank. As of June 30, 2023, the Facility A balance amounting to €70 million and the revolving loan facility balance amounting to €45 million were included in the non-current balance sheet position "Financial debt". The Facility A and new revolving loan facility bear floating interest calculated as EURIBOR 3M + margin and EURIBOR 1M + margin respectively.

The fair value of each class of financial assets and liabilities measured at amortized cost represent a reasonable approximation of fair value. The fair value of the loan under Facility A with group of banks with a carrying amount of €70 million amounts to €73 million (level 2). The fair value of the loan under Facility B with group of banks with a carrying amount of €45 million amounts to €45 million (level 2).

Financial Assets Measured at Fair Value Categorized Using the Fair Value Measurement Hierarchy:

in € millions	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	Balance as of 6/30/2023
Derivative financial assets	-	2	-	2
	-	2	-	2

As of June 30, 2023 the total amount of €2 million is recognized in the balance sheet position "Other financial assets."

As of June 30, 2023, other financial liabilities consisted of earn-out contingent consideration from acquisitions amounting to €20 million which were measured at fair value at the acquisition date as part of the business combination. The determination of the fair value is based on discounted cash flows (level 3).

There were no transfers between levels 1, 2 and 3 during the first half of 2023.

## 6. Acquisitions and Disposals

In the first half of 2023, Majorel did not acquire or dispose any business. The Group completed the purchase price allocation for the acquisitions of Apollo, Alembo and Findasense without any adjustment into goodwill and fair value amounts attributable to the identifiable assets and liabilities. As of June 30, 2023, the Group recognised the goodwill and fair value amounts attributable to the identifiable assets and liabilities based on the preliminary purchase price allocation related to the acquisition of IST.

## 7. Segment information

IFRS 8 Operating Segments requires that external segment reporting must be based on the internal organizational and management structure, and on management and reporting indicators used internally. The segment reporting reflects three reportable operating segments (Europe, Africa, South America; Global English, Middle East, Southeast Asia; China, East Asia), differentiated according to the geographical region in which services are offered and which are reported by segment managers to the Board of Majorel Group Luxembourg

S.A. in its role as the chief operating decision maker in accordance with IFRS 8. The column "Consolidation/other" comprises intersegment eliminations.

	Europe, Africa, South		Global English, Middle East,		China, East Asia		Total segments		Consolidation/ other		Total Group	
In € millions	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Revenues from external customers	882	789	135	145	51	58	1,068	992	-	-	1,068	992
Intersegment revenues	26	23	125	102	11	1	162	126	(162)	(126)	-	-
<b>Segment revenues</b>	<b>908</b>	<b>812</b>	<b>260</b>	<b>247</b>	<b>62</b>	<b>59</b>	<b>1,230</b>	<b>1,118</b>	<b>(162)</b>	<b>(126)</b>	<b>1,068</b>	<b>992</b>
Operating EBITDA	117	122	52	49	8	4	177	175	-	-	177	175
Depreciation, amortization and impairment	(40)	(31)	(11)	(12)	(6)	(5)	(57)	(48)	-	-	(57)	(48)
Results from investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-

Operating EBITDA serves as a key performance indicator for a sustainable determination of operating result. Assessment of the operating segments' performance is also based on this performance indicator. Majorel calculates operating EBITDA adjusting EBIT (earnings before interest and taxes) 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.

Elimination of these special items allows the determination of a normalized performance indicator, to reflect normal operational business activities, and which are not influenced by periodic outcomes or structural distortions, thus simplifying forecasting and comparability.

## Reconciliation of Segment Information to Group Profit or Loss

In € millions	H1 2023	H1 2022
Operating EBITDA	177	175
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	(57)	(48)
Gains from business combinations	-	3
Restructurings	1	-
Operating realized and unrealized forex gains and losses including on derivatives	5	13
Expenses on long-term incentive programs	(4)	(2)
Acquisition-related and other special items	(4)	(3)
EBIT	118	138
Financial result	(10)	(5)
Earnings before taxes	108	133
Income tax expense	(28)	(31)
<b>Group profit or loss</b>	<b>80</b>	<b>102</b>

### 8. Related Parties

On June 22, 2023 the General Meeting of shareholders resolved to declare and pay a dividend of €68 million to the shareholder of the Group. Apart from the new transactions cited above that Majorel entered into with its shareholders, the nature and amounts of related party transactions of the first half of 2023 are consistent with those previously reported.

### 9. Other Information

Majorel Group's core business might be subject to moderate seasonal fluctuations. Additionally in the interim current financial year, the core business is subject to macroeconomic effects of the coronavirus pandemic and Russia's invasion of Ukraine (further explanations are presented in the section "Effects of the Coronavirus Pandemic on the Condensed Consolidated Interim Financial Statements" and "Effects of Russia's invasion of Ukraine on the Condensed Consolidated Interim Financial Statements"). The revenue is typically higher in the third and fourth quarters due to the spending patterns of Majorel Group's business customers. The results for the first six months of the financial period 2023 are not necessarily predictive of future business performance.

Within the "Cash flow from financing activities" in the Condensed Consolidated Interim Statement of Cash Flow, the item "Proceeds from/redemption of other financial debt" includes receipts in the amount of €36 million (H1 2022: €52 million), and payments in the amount of €52 million (H1 2022: €1 million).

### 10. Events after the Reporting Period

On August 11, 2023, Majorel published its position statement regarding the voluntary public cash and exchange offer (the 'Offer') for all shares in Majorel by Teleperformance SE. In the position statement, the management board and supervisory board of Majorel declared to support the Offer and recommended to the shareholders to accept the Offer and to tender their shares pursuant to the Offer.

# Responsibility Statement

We, Thomas Mackenbrock, Chief Executive Officer and Otmane Serraj, Chief Financial & Shared Services Officer, confirm, to the best of our knowledge, that these H1 2023 Condensed Consolidated Interim Financial Statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Majorel Group and the undertakings included in the consolidation taken as a whole and that the Directors' report includes a fair view of the development and performance of the business and the position of Majorel Group and the undertakings included in the consolidation taken as a whole, together with the description of the principal risks and uncertainties they face.

Luxembourg, August 23, 2023

Majorel Group Luxembourg S.A.

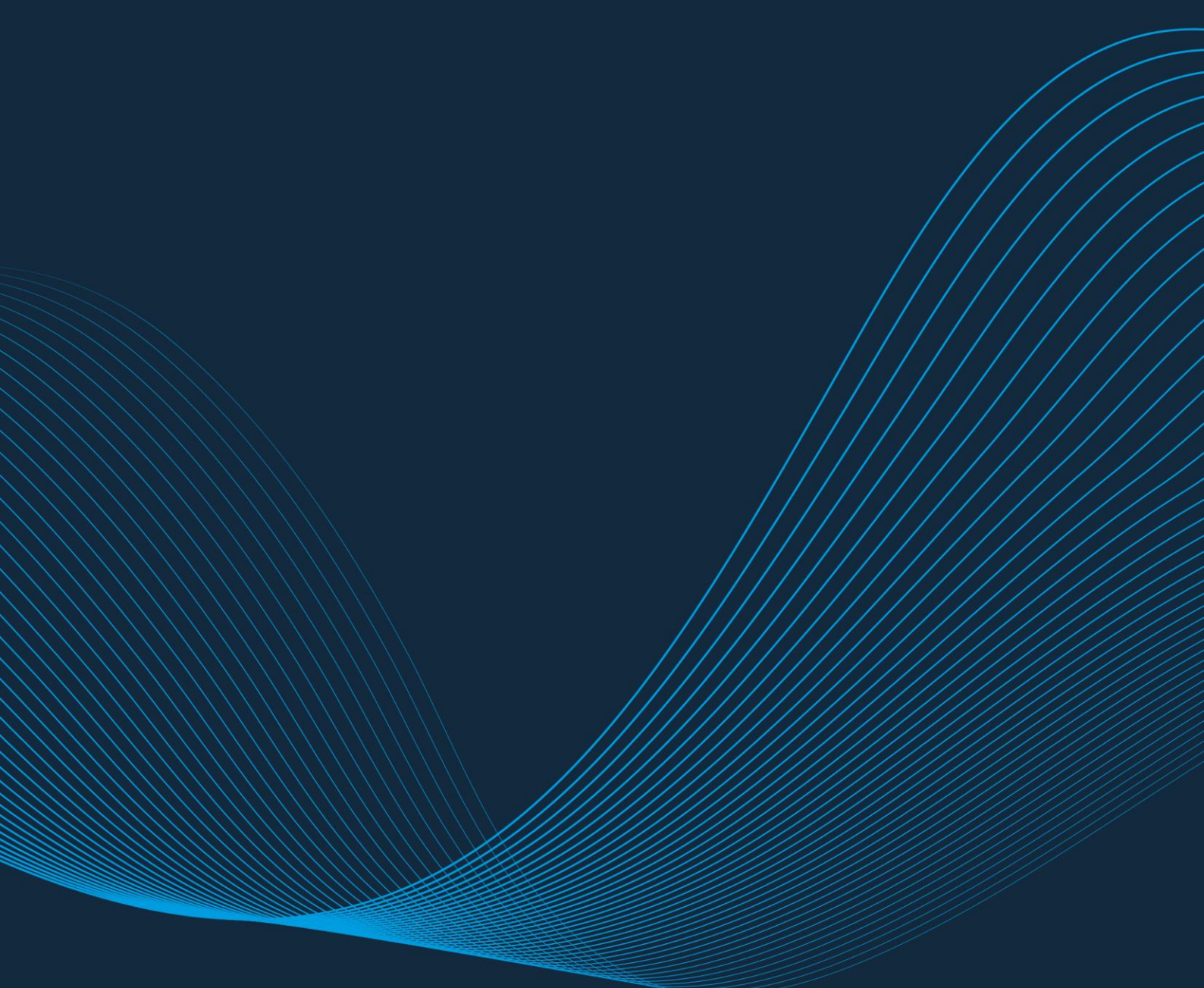
---

Thomas Mackenbrock (Chief Executive Officer)

---

Otmane Serraj (Chief Financial & Shared Services Officer)





# Report on Review of Condensed Consolidated Interim Financial Statements

## 7. Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of  
Majorel Group Luxembourg S.A.  
18, Boulevard de Kockelscheuer  
L-1821 Luxembourg  
Luxembourg

### REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### **Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements of Majorel Group Luxembourg S.A. and its subsidiaries (the "Group"), which comprise the condensed consolidated interim statement of financial position as at 30 June 2023, and the related condensed consolidated interim statement of profit and loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management Board's responsibility for the condensed consolidated interim financial statements**

The Management Board is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

#### **Responsibility of the Réviseur d'Entreprises Agréé**

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises".

This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed interim consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'Entreprises Agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, August 23, 2023

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Thierry Ravasio

# Find out more about what it takes to be a global CX leader at [majorel.com](http://majorel.com)

## **PUBLISHER**

Majorel Group Luxembourg S.A.  
18, Boulevard de Kockelscheuer,  
L-1821 Luxembourg  
Luxembourg

## **CONTACT**

Investor Relations  
Michèle Negen  
SVP, Investor Relations  
[ir@majorel.com](mailto:ir@majorel.com)

## **MEDIA RELATIONS**

Andrew Slater  
SVP, Global Marketing & Communications  
[media@majorel.com](mailto:media@majorel.com)

## **VISIT [MAJOREL.COM](http://MAJOREL.COM) AND FOLLOW US ON**

[in](#) LinkedIn [Twitter](#) [Facebook](#)

