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## Press Release

# **Majorel and Sitel Group® agree on key terms for a potential merger, transforming two high-profile CX groups into a global industry leader**

### Highlights

- ✓ **A new global customer experience (CX) leader in a \$300bn+ industry, with pro-forma revenues of €5.4bn<sup>1</sup> and pro-forma EBITDA of over €1bn<sup>2</sup>, over 240,000 team members across more than 55 countries, and serving over 1,000 clients<sup>3</sup>**
- ✓ **Setting the foundations for market leadership with a truly global platform spanning the Americas, Europe and APAC, serving vertical leaders and digital disruptors in their respective industries**
- ✓ **Deep cultural fit, and shared entrepreneurial mindset paves the way for successful integration and accelerated growth**
- ✓ **Majorel shareholders to own 43.9% of the enlarged group and to receive a €440m cash distribution, expected to be approved before the Merger**
- ✓ **Promising value creation potential for Majorel shareholders fuelled by enhanced momentum of the combined entity, the attractive financial terms of this potential transaction, and circa €100m p.a. expected run-rate net synergies from the potential merger**
- ✓ **Based on today's non-binding term sheet, parties will pursue confirmatory due diligence expeditiously to enter into binding merger agreement as soon as possible**

**Luxembourg, June 20, 2022** - Majorel Group Luxembourg S.A. ("Majorel"), a leading global provider of next-generation end-to-end customer experience ("CX") solutions for digital-native and vertical leading brands, listed on Euronext Amsterdam (Bloomberg Code: MAJ:NA / Reuters Code: MAJ.AS), today announces that it has, together with its major shareholders Bertelsmann Luxembourg S.à r.l. ("Bertelsmann"), Saham Customer Relationship Investment S.à r.l. Limited and Saham Outsourcing Luxembourg S.à r.l. (together "Saham"),

<sup>1</sup> Based on illustrative aggregation of 2021 figures and pro-forma for the full-year contribution from SYKES

<sup>2</sup> Based on illustrative aggregation of 2021 figures and pro-forma for the full-year contribution from SYKES, run-rate 2021 synergy impact of SYKES' acquisition, post IFRS-16, including circa €100m p.a. expected run-rate net synergies for the combined group

<sup>3</sup> Subject to confirmatory Due Diligence

agreed with Sitel Group S.A. (“Sitel”) and Sitel’s majority shareholder, the Mulliez family, on key terms for a potential merger of Majorel and Sitel.

Sitel is a leading provider of CX products and solutions, with 165,000+ employees across 40 countries, and serving 700+ clients in 50+ languages. Whether digital or voice-based, Sitel’s solutions deliver a competitive edge across all customer touchpoints. Their award-winning culture is built on more than 40 years of industry-leading experience and commitment to improving the employee experience. Sitel’s success draws upon a well-executed strategic roadmap including a number of game-changing acquisitions such as SYKES, and the merger with Acticall. The group generated €3.6bn<sup>4</sup> of revenues and pro forma EBITDA of €637m<sup>5</sup> in 2021.

## **CREATING A NEW GLOBAL LEADER IN THE CX INDUSTRY**

The proposed merger of Majorel and Sitel is a unique opportunity to create a new global industry leader and leverage the ever-increasing demand for advanced CX solutions.

This major milestone in both companies’ journeys would significantly enhance their value proposition for existing and new clients in a market worth over \$300bn.

Together, Majorel and Sitel would have a truly global, well-established platform across the Americas, EMEA and APAC, employing over 240,000 team members across more than 300 locations globally, serving over 1,000 clients<sup>6</sup> around the globe across all verticals in more than 70 languages. The group would benefit from complementary geographical presence and reach in key markets, leveraging Majorel’s and Sitel’s respective offshore platforms in Africa and APAC.

The proposed combination would create a strong force with combined pro-forma revenues of €5.4bn<sup>7</sup> and pro-forma EBITDA of over €1.0bn<sup>8</sup> post IFRS-16 for 2021, on a pro forma basis, including circa €100m p.a. expected run-rate net synergies derived from the proposed merger, and full-year contribution (including realized synergies) from the SYKES acquisition.

Thomas Mackenbrock, CEO of Majorel, said: “We are very excited to announce our intention to merge with Sitel. The combination of our two successful organizations would be a quantum leap towards our strategy of becoming a global leader in CX. I am looking forward to working closely with Laurent Uberti and the entire Sitel Group team.”

Laurent Uberti, CEO of Sitel, said: “With Majorel, we have found the perfect partner to accelerate our strategy delivery. We realized early on that we share the same DNA as Majorel and are excited to jointly write the next chapter in our growth while delivering best-in-class customer experience solutions around the globe.”

## **POTENTIAL TRANSACTION TERMS AND GOVERNANCE**

The non-binding term sheet provides for a legal merger of Majorel with Sitel under Luxembourg law with Majorel Group Luxembourg S.A. ceasing to exist (the “Proposed Merger”, and the surviving company the “Combined Entity”). The term sheet provides for a 3-month exclusivity agreement between the parties. As a

<sup>4</sup> Pro-forma for the full-year contribution from SYKES

<sup>5</sup> Pro-forma for the full-year contribution from SYKES, and including 2021 run-rate synergy impact of SYKES’ acquisition (€48M), post IFRS-16

<sup>6</sup> Subject to confirmatory Due Diligence

<sup>7</sup> Based on illustrative aggregation of 2021 figures pro-forma for the full-year contribution from SYKES

<sup>8</sup> Based on illustrative aggregation of 2021 figures and pro-forma for the full-year contribution from SYKES, run-rate 2021 synergy impact of SYKES’ acquisition, post IFRS-16, including circa €100m p.a. expected run-rate net synergies for the combined group

result of the Proposed Merger, Majorel shares would automatically be exchanged against shares in the Combined Entity which would be admitted to trading on Euronext Amsterdam.

The agreed upon terms of the Proposed Merger imply that the Majorel legacy shareholders would represent 43.9% and the Sitel legacy shareholders would represent 56.1% of the Combined Entity. As a result, the shareholding in the Combined Entity upon closing would be as follows: the Mulliez family (44.9%); Bertelsmann (17.3%); Saham (17.3%); Sitel management (11.2%); Majorel management (0.4%); and free float (8.8%). Furthermore, the Mulliez family, Bertelsmann and Saham have signaled their intention to increase the free float of the Combined Entity to at least 20% on a pro rata basis (to be further increased in the medium-term), by placing shares within 12 months of closing, via coordinated capital markets transactions executed in an orderly manner and subject to market conditions.

It is contemplated that all shareholders in Majorel (including Bertelsmann, Saham, Majorel management and free float shareholders) would receive an aggregate € 440 million cash distribution, expected to be approved before the Merger and payable around closing date.

As of December 2021, the post IFRS-16 combined net debt of the group, adjusted for the €440m cash distribution to Majorel shareholders, would have been around €2.7bn.

Upon the completion of the Proposed Merger, the Combined Entity would announce its new name and brand identity. It would have its operational headquarters in Luxembourg and would be listed on Euronext Amsterdam.

The Combined Entity will introduce a two-tier governance structure consisting of a management board (*directoire*) and a supervisory board (*conseil de surveillance*). The management board will consist of Laurent Uberti, as CEO, and Thomas Mackenbrock, as Chief Investment Officer and CEO of EMEA. The executive committee below the management board will be composed of strong and experienced representatives of both Majorel's and Sitel's current executive bodies. The initial supervisory board of the Combined Entity will have seven (7) members, three (3) of which will be nominated by the Mulliez family and two (2) of which will be nominated by Bertelsmann and Saham (one member each). The remaining two (2) members are proposed to be independent from either party. Neither the Mulliez family, Bertelsmann and Saham nor the nominated supervisory board members are subject to any shareholders or voting rights agreements. There will also be no structural majority at the supervisory board level, but the articles of association will include certain protection rights by increasing certain majority requirements for resolutions by the shareholders' meeting of the Combined Entity. Thus, it would benefit from a balanced governance structure.

The Combined Entity intends to largely comply with the 10 Principles of the Corporate Governance of the Luxembourg Stock Exchange on a voluntary basis.

These terms negotiated are conditional to the signing of the final agreements. The parties intend to enter into a legally binding definitive merger agreement subject to satisfactory results of confirmatory due diligence, following which Majorel and Sitel would each invite their shareholders to an extraordinary shareholders meeting to vote on the Proposed Merger.

Subject to the above, the Proposed Merger is expected to close in Q4/2022 or Q1/2023.

## **PRO-FORMA OUTLOOK FOR COMBINED ENTITY**

The combined group would expect to deliver sustainable growth, and margins in line with previously announced guidance for Majorel, before the effect of potential synergies and on a pro forma basis (purely illustrative aggregation).

On a pro-forma basis, the Combined Entity expects a double-digit revenue growth in 2022 (excluding Covid-19 business in 2021), and a pro-forma EBITDA margin of c.16.0%-17.0% excluding synergies derived from this potential transaction. At closing, the pro-forma net leverage post cash distribution is expected to be below 3.0x.

### **A HIGHLY COMPELLING TRANSACTION FOR ALL STAKEHOLDERS**

Together with Sitel, Majorel would reinforce its ability to serve an enlarged portfolio of clients with greater scale, increased global reach, and strengthened vertical expertise and capabilities. Furthermore, it is expected that Majorel would deliver additional value to Sitel's existing clients.

Majorel's team members would benefit from the greater opportunities for professional development, a shared commitment to employee experience programs and other opportunities that come from being part of a listed industry leader.

The proposed combination represents a unique value-accretive opportunity for Majorel's Shareholders.

Majorel shareholders would immediately benefit from the cash distribution, favorable transaction terms, exposure to circa €100m p.a. expected run-rate net synergies as well as from value creation opportunities driven by the strengthened business profile and potential rerating.

Based on 2021 current EV/EBITDA multiples and assumed pro-forma EBITDA of combined entity, the Majorel shareholders could benefit from a potential value appreciation of circa 20%<sup>9</sup>. Assuming a 2021 EV/EBITDA multiple of c.12x, derived from the consensus of equity research target prices, the potential combination could yield a potential value appreciation for Majorel shareholders of circa 91%<sup>9</sup> relative to current share price prior to announcement.

Together, the management teams of Majorel and Sitel are very excited to consider this industry defining merger and look forward to delivering superior value for clients, employees and shareholders.

### **ADVISORS**

J.P. Morgan acts as exclusive financial advisor to Majorel. Sullivan & Cromwell, Arendt & Medernach and Stibbe act as legal advisors to Majorel.

Lazard acts as exclusive financial advisor to Sitel. Freshfields and Elvinger Hoss Prussen act as legal advisors to Sitel.

### **ANALYST & INVESTOR CONFERENCE CALL**

A conference call for sell-side analysts and institutional investors will be held on Monday, June 20, 2022, at 9:00 AM (BST) / 10:00 AM (CET).

To pre-register for this call, please go to the following link:

<https://ige.netroadshow.com/registration/jpmorgan/11187/jp-morgan-monday-20th-june-2022-webinar/>

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<sup>9</sup> Purely illustrative simulation of potential value appreciation based on pro-forma numbers, including circa €100m p.a. expected run-rate net synergies and run-rate 2021 synergy impact of SYKES' acquisition.

## ABOUT MAJOREL

We design, build and deliver next-generation end-to-end CX solutions for many of the world's most respected digital-native and vertical leading brands. Our comprehensive east-to-west global footprint in 41 countries across five continents, with more than 75,000 team members and 60 languages, allows us to deliver flexible solutions that leverage our expertise in cultural nuance, which we believe to be essential for true excellence in CX. We have deep domain expertise in tech-augmented front to-back-office CX. Additionally, we offer Digital Consumer Engagement, CX Consulting, and an innovative suite of Proprietary Digital Solutions for industry verticals. We are a global leader in Content Services, Trust & Safety. We believe the 'Majorel difference' to be our culture of entrepreneurship. Majorel: Driven to go further. [www.majorel.com](http://www.majorel.com)

## ABOUT SITEL GROUP®

As one of the largest global providers of customer experience (CX) products and solutions, Sitel Group® empowers brands to build stronger relationships with their customers by creating meaningful connections that boost brand value. Inspired by each brands' unique vision and goals, we ask "what if?" applying our expertise to create innovative solutions that reduce customer effort. With 165,000+ people around the globe – working from home or from one of our CX hubs – we securely connect best-loved brands with their customers over 8 million times every day in 50+ languages. Whether digital or voice-based, our solutions deliver a competitive edge across all customer touchpoints. Our award-winning culture is built on 40+ years of industry-leading experience and commitment to improving the employee experience. [www.sitel.com](http://www.sitel.com)

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**DISCLAIMER**

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

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

This release contains "forward-looking statements." Forward-looking statements can be identified by words like "may," "will," "likely," "should," "expect," "anticipate," "future," "plan," "believe," "intend," "goal," "seek," "estimate," "project," "continue," and variations of such words and similar expressions. These forward-looking statements are not guarantees of future performance and involve risks, assumptions, and uncertainties, including, but not limited to, risks related to: (i) the satisfaction of the conditions to closing the transaction in the anticipated timeframe or at all; (ii) the failure to obtain necessary regulatory and stockholder approvals; (iii) the ability to realize the anticipated benefits of the transaction; (iv) the ability to successfully integrate the businesses; (v) disruption from the transaction making it more difficult to maintain business and operational relationships; (vi) the negative effects of this announcement or the consummation of the proposed transaction on the market price of Majorel's share price; (vii) significant transaction costs and unknown liabilities; and (viii) litigation or regulatory actions related to the proposed transaction. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by these forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

The forward-looking statements included in this press release are made only as of the date of this release, and except as otherwise required by U.S. federal securities law, neither Majorel nor Sitel assume any obligation nor do they intend to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.