Half Year Results 2021

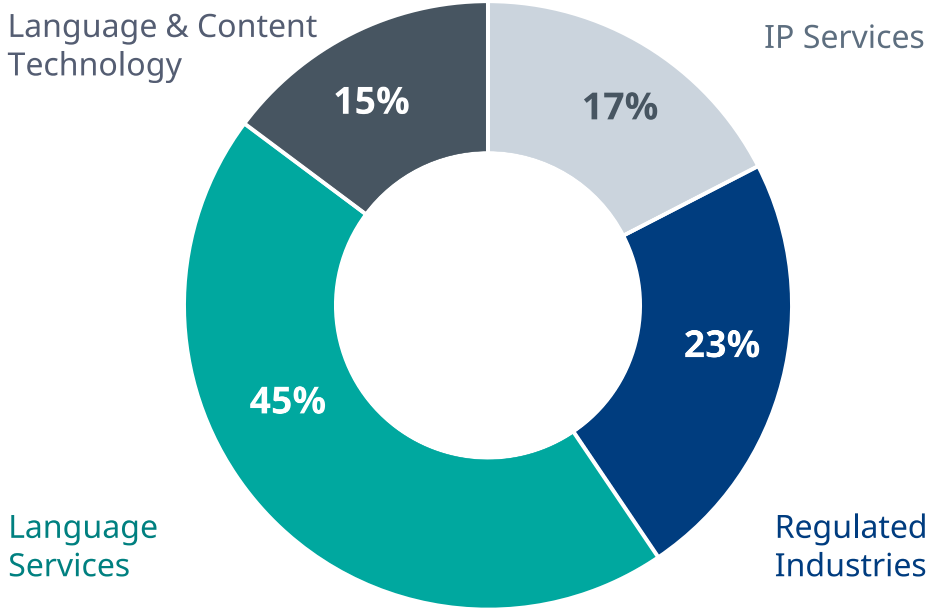
8 June 2021

Andrew Brode
Chairman

Richard Thompson
Chief Executive Officer

Des Glass
Chief Financial Officer

World's leading provider of technology-enabled language content and IP services



- The capabilities, scale and reach to serve the largest global companies
- Enhanced customer proposition
- Substantially strengthened positions in life sciences and technology sectors
- Strong financial profile
- A platform from which to invest

90 of the top 100 brands

18 of the top 20 patent filers

Major West Coast technology businesses

The top 10 pharma companies

RWS

A robust first half performance

REVENUE

£326.4m

+ 92%
+ 3% underlying[1]

H1 2020: £169.7m

ADJUSTED PBT[2]

£50.5m

+ 53%
+ 25% underlying[1]

H1 2020: £33.1m

ADJUSTED BASIC EPS[2]

10.5p

+ 12%

H1 2020: 9.4p

PROPOSED INTERIM DIVIDEND

2.00p

+ 14%

H1 2020: 1.75p

CASH

£62.2m

After the SDL combination and £52.2m of debt, interest, acquisition and dividend payments

H1 2020: £28.3m

NET CASH/(DEBT)[3]

£11.8m

Net cash[3] following the completion of the SDL combination in November 2020

H1 2020: (£34.5m)

[1] Excluding the impact of acquisitions and assumes constant currency.
[2] Before amortization of acquired intangibles, acquisition costs, share-based payment expenses, net gain loss on debt modification and exceptional items.
[3] Net debt comprises cash and cash equivalents less loans but before lease liabilities.

A transformational period

fSDL integration progressing well with cost synergies of £33m by Sept. 2022 now identified

Combination positions RWS as a leader in structural growth and fragmented markets

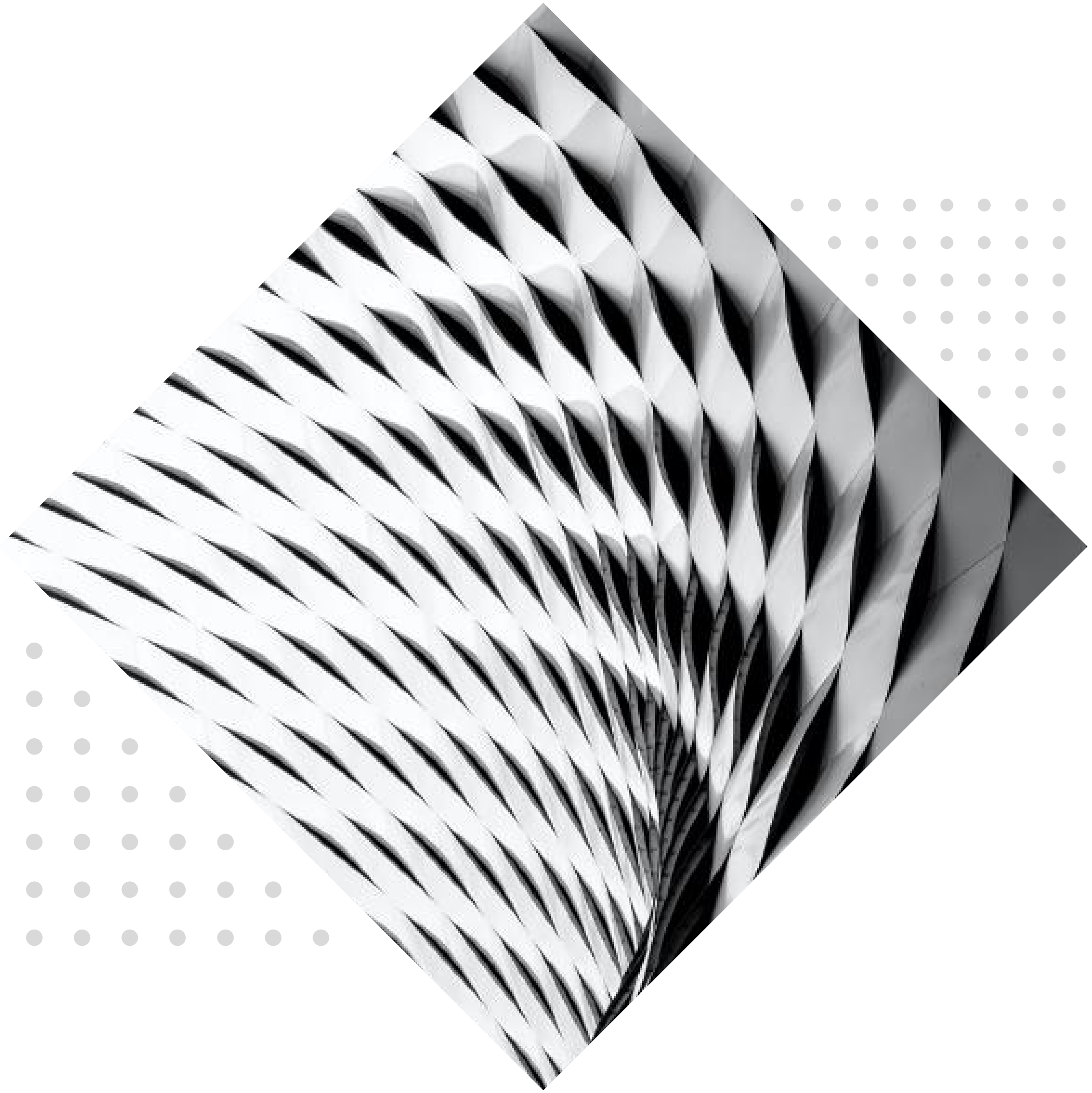
IP Services – improved trading compared to H2 2020, albeit held back by Covid-19

Regulated Industries – strong trading in former RWS business, increased sales in former fSDL division over five months since acquisition

Language Services – strong growth in fMoravia, certain segments of SDL C&E impacted by Covid-19

Language and Content Technology – a strong H1 performance with client wins to support H2

Financial Review
HY 2021



Income statement

	6 months ended 31 March 2021 (£m)	6 months ended 31 March 2020 (£m)
Revenue	**326.4**	**169.7**
Cost of sales	179.9	(103.9)
Gross profit	**146.5**	**65.8**
GM%	*44.9%*	*38.8%*
Administrative expenses (before adjusting items)	**(94.3)**	**(31.1)**
Net finance costs (before net gain on debt modification)	**(1.7)**	**(1.6)**
Adjusted profit before tax	50.5	33.1
NM%	*15.5%*	*19.5%*
Adjusting items[2] (including impact of prior year debt modification)	(26.5)	(7.2)
Tax expense	**(8.5)**	**(5.9)**
Profit for the year	**15.5**	**20.0**
Basic EPS (pence)	**4.2**	**7.3**
Adjusted Basic EPS (pence)	**10.5**	**9.4**

Reported revenue up significantly following the acquisition of SDL:

- LFL growth +0.2%
- Underlying[1] growth +3%

Gross margin 610bps higher at 44.9% driven by the SDL combination

- GM stable on a LFL pro-forma basis
- Underlying GM increased 80bps

Administrative expenses as a percentage of revenue has increased to 28.9% following the acquisition of SDL

53% YoY increase in Adjusted PBT

- Underlying[1] increase +25%

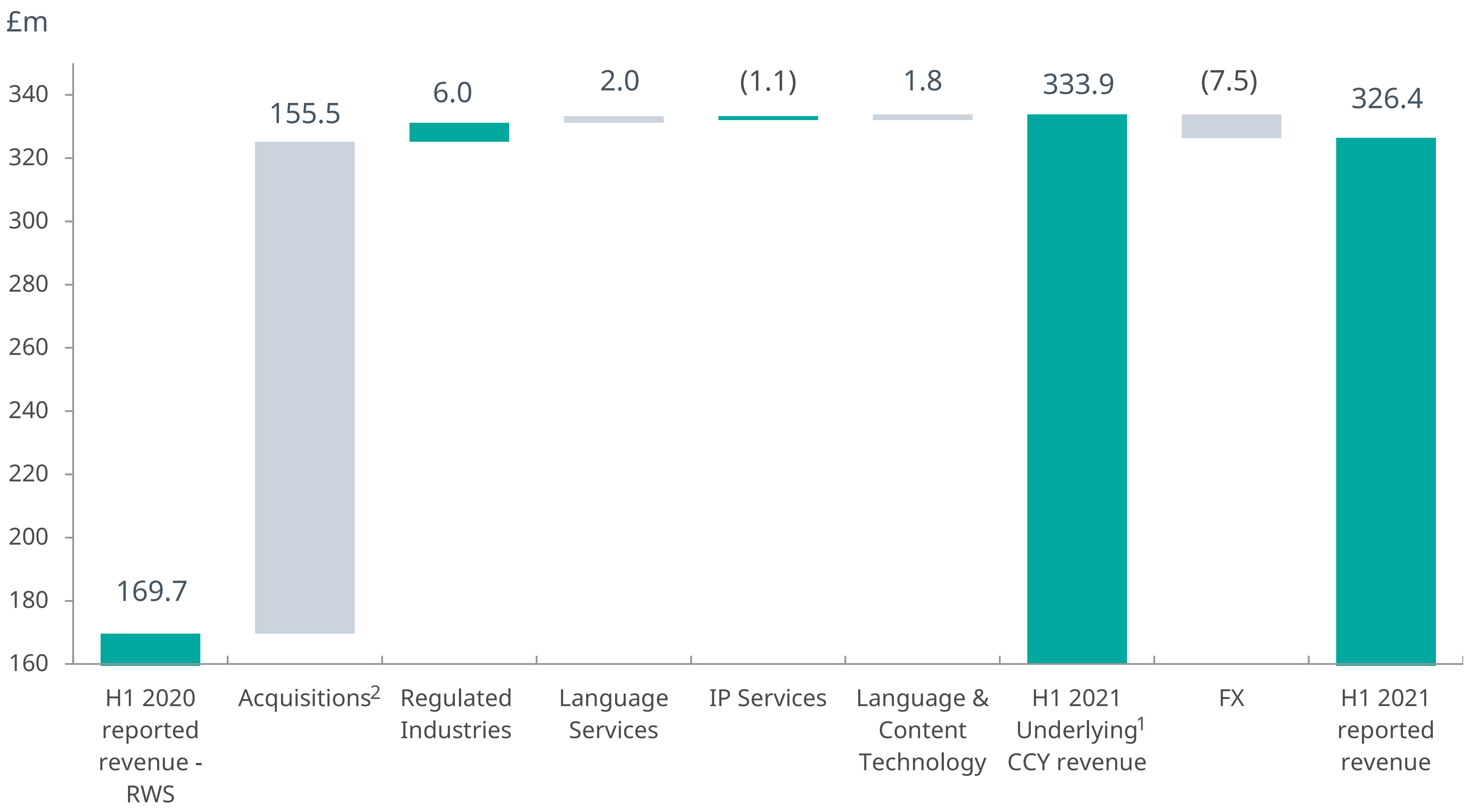
Adjusted effective tax rate[3] of 23.4%, up from 22.4% in the prior year

Basic EPS decreased by 42% to 4.2p

Adjusted Basic EPS increased 12% to 10.5p

[1] Adjusted for acquisitions and assumes constant currency.
[2] Includes acquisition costs £10.6m (2020: £0.2m), amortization on acquired intangibles £8.4m (2020: £7.6m), share-based payments expense £0.7m (2020: £nil), net impact of debt modification £nil (2020: £1.3m credit) and exceptional items £6.8m (2020: £0.7m).
[3] Adjusted effective tax rate is defined as amortisation on acquired intangible assets, exceptional items and exceptional tax items, divided by adjusted profit before tax.

Underlying segmental revenue bridge



UNDERLYING[1] REVENUE GROWTH

-2% IP Services

+9% Regulated Industries

+1% Language Services

+4% Language & Content Technology

+3% Group

[1] Adjusted for the effect of acquisitions and assumes constant currency i.e. H1 2020 results are retranslated at H1 2021 average exchange rates.
[2] Adjusted for the acquisition of SDL in November 2020, and the prior period acquisitions of Webdunia and Iconic.

Balance sheet

Balance sheet	As at 31 March 2021 (£m)	As at 30 September 2020 (£m)
Non-current assets	1,058.4	456.5
Trade and other receivables	173.1	82.1
Other current assets	4.1	0.6
Cash and cash equivalents	62.2	51.4
Total assets	**1,297.8**	**590.6**
Trade and other payables	143.3	57.9
Loans	50.4	66.5
Lease liabilities	48.7	22.8
Provisions	8.2	2.5
Other liabilities	42.3	32.0
Total liabilities	**292.9**	**181.7**
Net assets	**1,004.9**	**408.9**
Net cash/(debt) – excluding lease liabilities	11.8	(15.1)
Net cash/(debt) – including lease liabilities	(36.9)	(37.9)

SDL combination

- Goodwill and intangible assets have provisionally increased in advance of the completed purchase price allocation exercise

Working capital

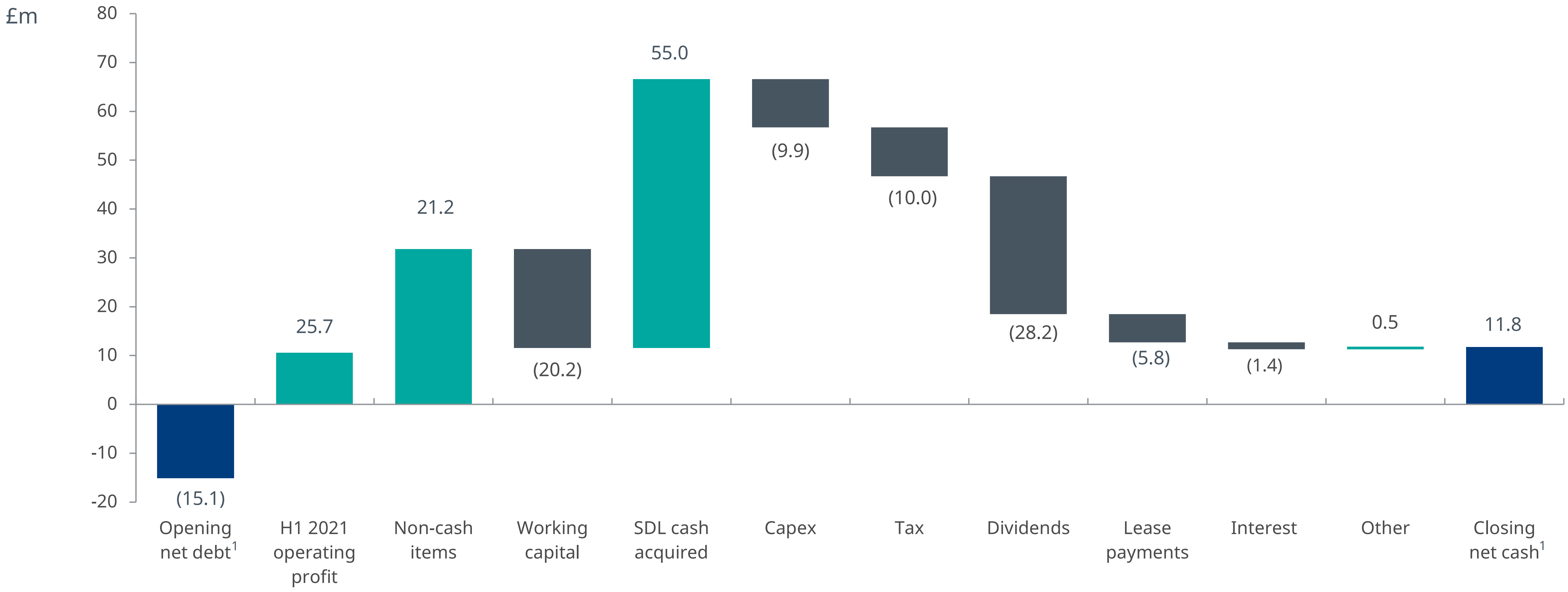
- Net working capital of £76.8 million
- DSO continues to improve

Net debt – excluding lease liabilities

- Moved to a net cash position during H1 2021
- Continuing to reduce debt periodically

RWS

Net debt/cash[1] bridge



[1] Net debt/cash comprises cash and cash equivalents less loans but before lease liabilities.

Operational Review 2021

IP Services

H1 performance

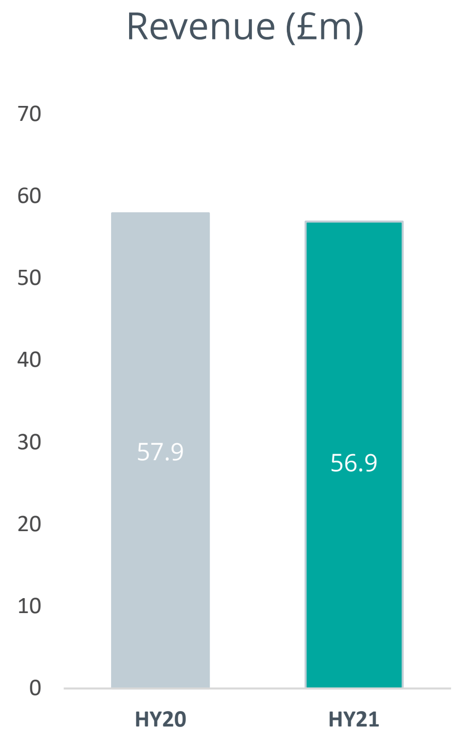
- Improved trading performance in H1 21 vs H2 20 reflecting stabilisation and upturn (CC revenue down 2% H1 21 on H1 20)
- Highly successful PatBase 2.0 launch – 8% growth year-on-year
- Continue to be held back by Covid-19 lockdowns in Europe

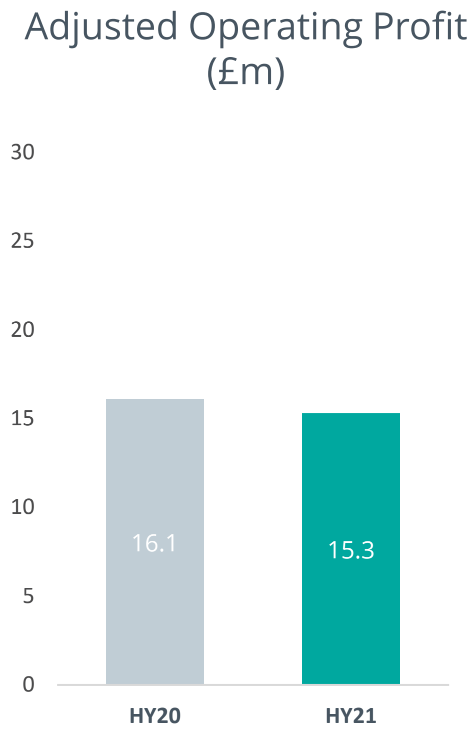
Integration

- Limited overlap or impact from integration work, leveraging and maximising on best practice
- Cross-selling – promising inbound and outbound opportunities identified and being worked on currently

Outlook and priorities

- Completing the ERP project in line with budget
- Promising pipeline for H1 FY22
- Prospects remain bright in Asia Pacific; particularly in China where revenue is up resulting from regearing market offerings to full suite of services





Adjusted operating margin

27.8% 26.9%

[1] CC = constant currency

Language and Content Technology

H1 performance

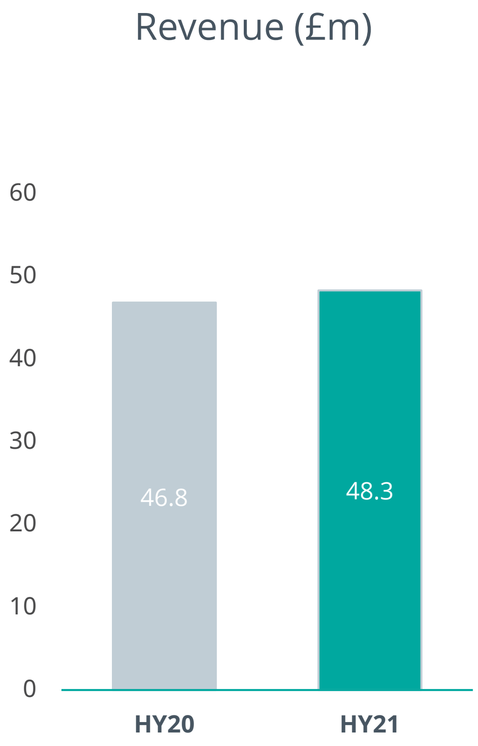
- A strong H1 with CC revenue +4%
- Growth coming from Content Technology

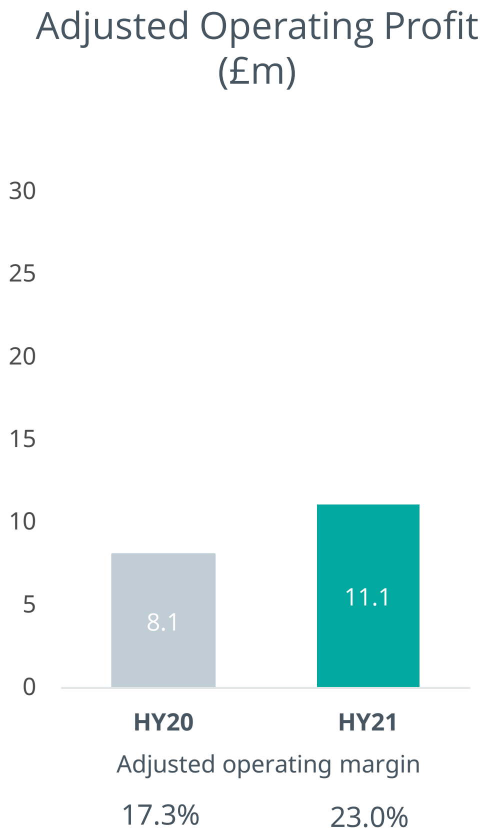
Integration process

- Focus on operational improvement
- Rationalising the Group's technology products
- Iconic Translation Machines and the fSDL Machine Translation teams being integrated
- Products being rebranded

Outlook and priorities

- Focus on the development of Language Cloud, Linguistic AI and evolution of content technology
- Accelerate transition towards Software as a Service model
- Good sales pipeline





[1] CC = constant currency and comparatives adjusted for RWS Language Solutions results.

Language Services

H1 performance

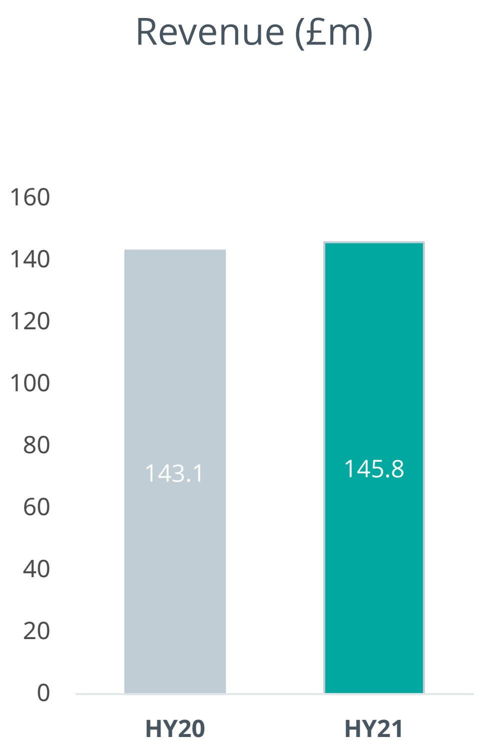
- Strong growth in fMoravia (revenue up +5% in CC), with increased sales to several major Technology customers (underlying currency)
- fSDL CE slightly impacted by accounts consolidation (dissynergies) resulting from the integration process and Covid-19 (down 2% on the prior year)

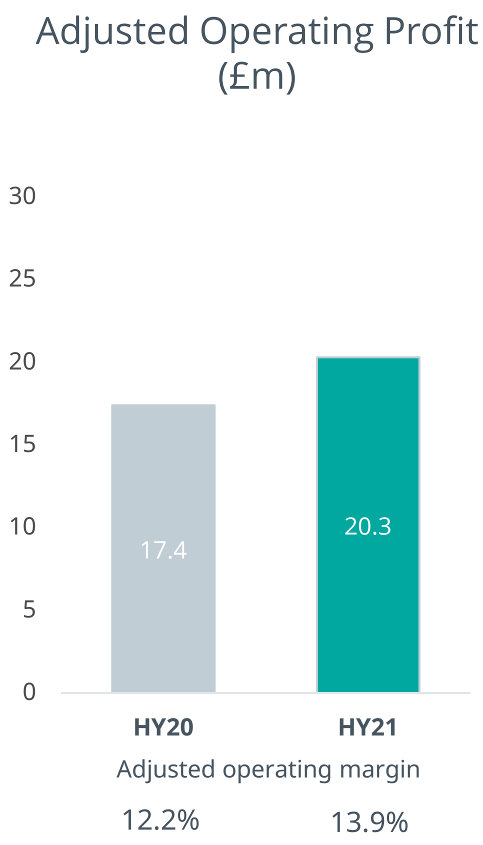
Integration process

- One operational structure with accountability for profit
- Consolidating biggest customer on to fSDL platform
- Webdunia (language service line) integrated into the Language delivery team
- Adopting fSDL process and platforms for Language Services Business Unit

Outlook and priorities

- fMoravia's large technology customers continue to be serviced by fMoravia's bespoke and successful operating model
- Broadening service offering to key accounts (multimedia and AI data services)
- Focusing on inclusive communication and wellbeing initiatives post-acquisition / Covid-19 impact





[1] CC = constant currency and comparatives adjusted for RWS Language Solutions results.

Regulated Industries

H1 performance

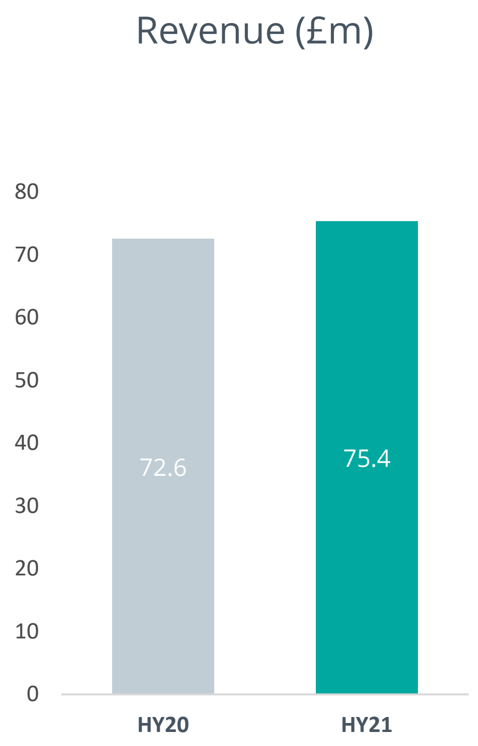
- Strong underlying revenue growth in the period +9%
- Growth is coming from all lines of business – Life Sciences, Linguistic Validation and Legal / Financial
- Impressive customer focus being maintained by all RI Teams
  - Record revenue performance
  - Significant ongoing integration work
  - Positive trend with fSDL Voice of the Customer

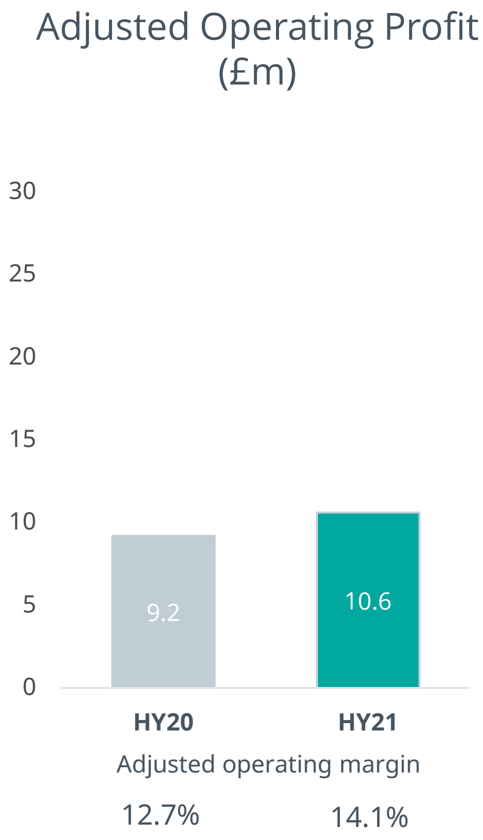
Integration process

- RWS Alpha team integrated into RI Legal vertical
- Cross selling rolled out with fSDL teams
- Integration work on fSDL acquisition, Donnelley Language Solutions, ongoing

Outlook and priorities

- Successful LV team start up in Poland
- People initiatives – career development and leadership programmes being extended through the division focusing on improving employee retention
- Executing strong sales pipeline
- Lower margin in fSDL being addressed as part of integration





[1] CC = constant currency

SDL integration

Expect to deliver significantly increased cost synergies

Additional cost savings as we progress integration

£33m by Sept. 2022

Original £15m expected by Sept 2022

£15.8m in FY 2021

- Savings from office consolidation, technology rationalisation
- Improved efficiency from greater use of technology in service delivery

- Elimination of duplication in Board, management, sales, marketing, back office and third party spend
- Re-branded and shared CRM systems
- Introduced a new cross-selling scheme

Multiple opportunities to drive efficiencies and leverage scale

Increased sales opportunities

- Enhanced status as world leader
- Leverage enlarged footprint and sales teams
- Increased cross sell opportunities
- New sales structures and process to reward cross selling across enlarged Group

Operational efficiencies and enhanced proposition

- Elimination of duplication to use best of both operating models, service and product offerings
- Enhanced focus on the customer, delivering maintained or improved satisfaction levels

Improved margins

- SDL - streamlined structure and process
- RWS - integration of technology
- Further utilisation of Helix platform, where it makes sense to do so
- Enhanced relationships with vendor networks

A better place to work

- Enhanced employee opportunities in the enlarged network
- Larger opportunities to be involved in Group’s ESG programme
- Wider and improved training opportunities

Environmental, Social and Governance

ESG – increased focus

Engagement on materiality

- Communicated with shareholders holding 80% of issued share capital (excluding directors)
- Embarked on engagement programme with selected clients across the Group

Environment

- Identified, assessed and managing climate-related risks. Taking steps to mitigate risks
- Currently working with fSDL offices to capture carbon emissions globally in a consistent manner
- Engaging and collaborating with employees globally to reduce carbon emissions

Social

- Employee health and wellbeing - special events, eg. Well-being week, mindfulness sessions, and Pilates and yoga classes
- Launched a group-wide employee engagement survey
- Initiated a full review across enlarged Group to identify and action steps required to improve diversity and inclusion
- Rolling out new group-wide intranet to enhance employee communications and involvement

ESG – increased focus

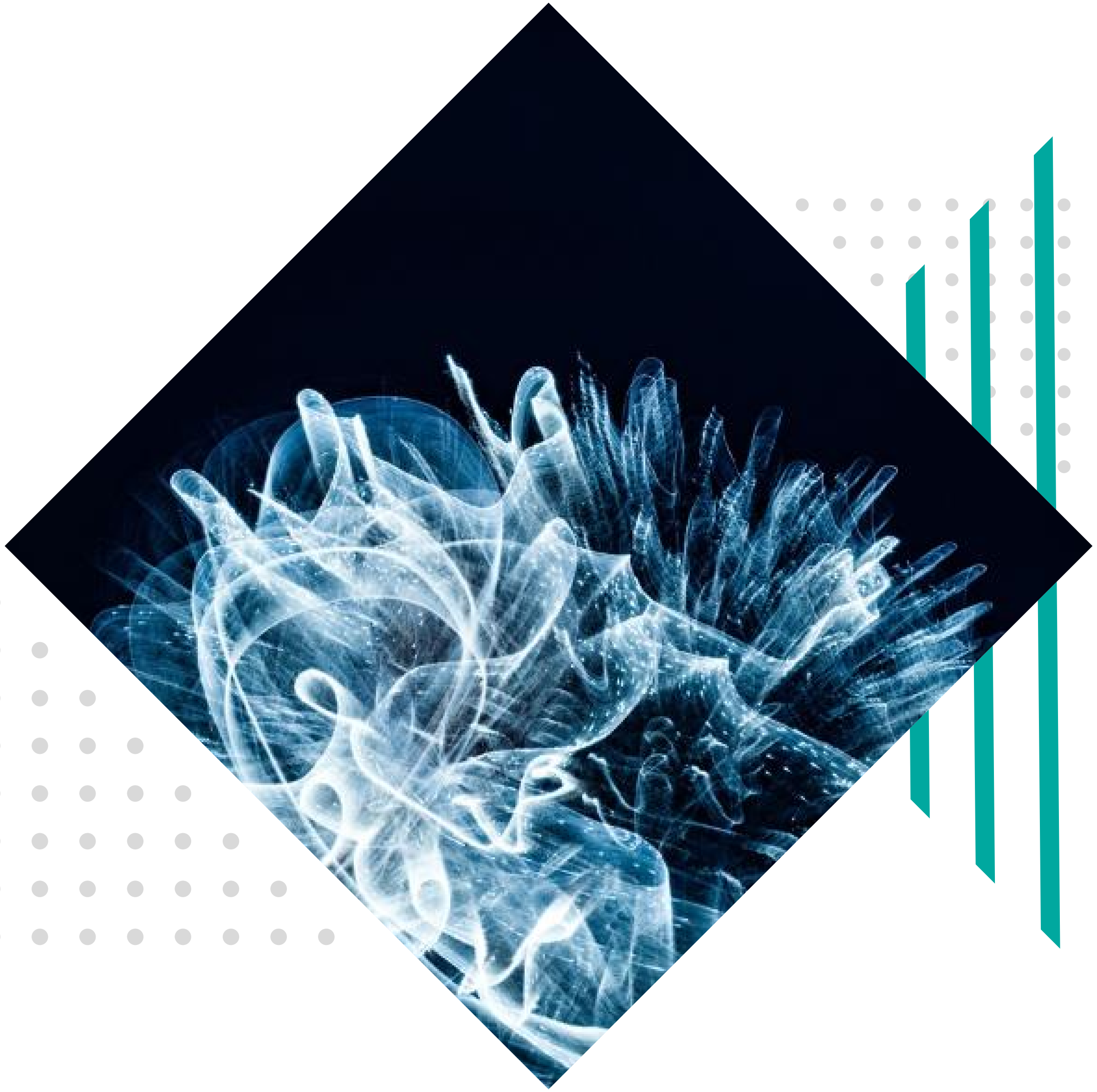
Community

- New enlarged intake of University of Manchester sponsored Language students welcomed
- RWS employees given the opportunity to work as mentors with University of Manchester and Urban Synergy students
- Integrating the fSDL Foundation and its initiatives and relaunching as the RWS Foundation

Governance

- Board and Committee independence
- Increased disclosure on website of internal governance documents
- Data security – continuing to improve corporate security incident response preparedness across the Group

Current trading & Outlook



Our strategic priorities remain

1 Drive organic growth

- Focus on quality of services to clients
- Development of new innovative services
- Develop and expand RWS team

2 Cross-sell and joint sell

- Strengthen Group mentality
- Sell our full service offering
- Increase 'stickiness' with clients
- Consolidate and centralize new offices
- Communication, sales training and joint events

3 Harness technology

- Focus on the development of Language Cloud, Linguistic AI and the evolution of content technology
- Continue to monitor, trial and introduce new technology
- Further utilize technology in production processes

4 Selective aquisitions

- Complementary to existing businesses, extend capabilities or access to new geographies
- Strengthen global presence around Group's core skills
- Accelerate and add strategic value

Summary and Outlook

- SDL integration progressing well, with a strong management team in place to realise the increased synergies
- The second half has started well, with a recovery in certain markets
- Well placed to deliver good progress in line with our expectations for the full year, despite foreign exchange headwinds
- Leading global position and expanded capabilities, scale and reach will enable us to capitalise on:
  - Our large, structural growth markets
  - The accelerating use of technology
- Strong balance sheet, with £62.2m cash at period end and significant headroom under our RCF, provides opportunity to:
  - Further consolidate - still a fragmented market with the top 10 players representing a 15% market share
  - Expand into adjacent sectors where RWS’s language skills and global reach provide a compelling proposition
- Confident about the Group’s future prospects

Thank you and questions?

Appendices

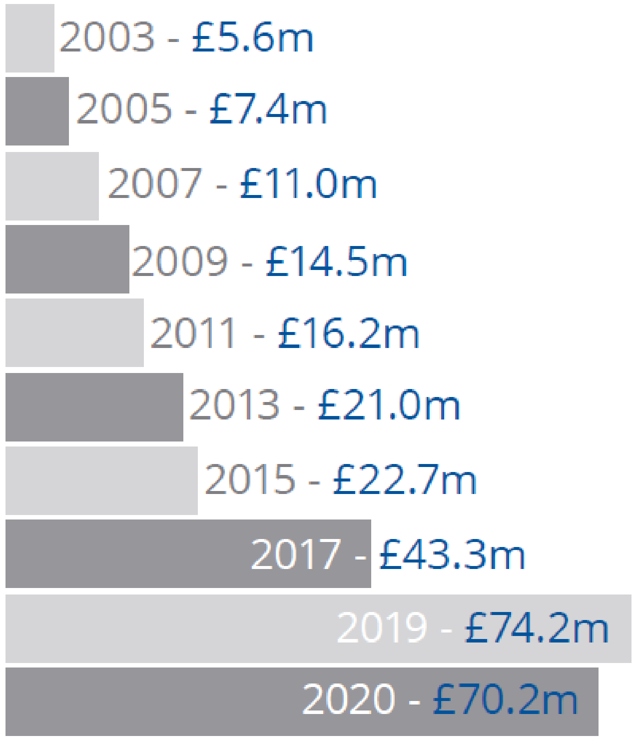
Key investment case highlights

- Strong market positions in structurally growing end markets
- Attractive and sustainable margins
- Market leading language and content technology products
- Strong cash generation growth
- Strong balance sheet ensuring financial flexibility
- Successful track record of value-enhancing M&A
- Experienced management team

A 17-year track record growth

ANNUAL REVENUE (£355.8M)

ANNUAL ADJUSTED PBT (£70.2M)



Shareholders list

As at 30 April 2021

Top shareholders	Holding (%)
Andrew S Brode	23.2
Liontrust Asset Management	8.6
Canaccord Genuity Wealth Management	5.0
Octopus Investments	3.5
Aberdeen Standard Investments	3.0
Financiere de l'Echiquier	2.5
Janus Henderson Investors	2.4

RWS