

# RWS Full Year Results 2022

15 Dec 2022





**Andrew Brode**  
Chairman



**Ian El-Mokadem**  
Chief Executive  
Officer



**Candy Davies**  
Chief Financial  
Officer



**Rod Day**  
Deputy Chief  
Financial Officer

# Agenda

Overview

Financial Review

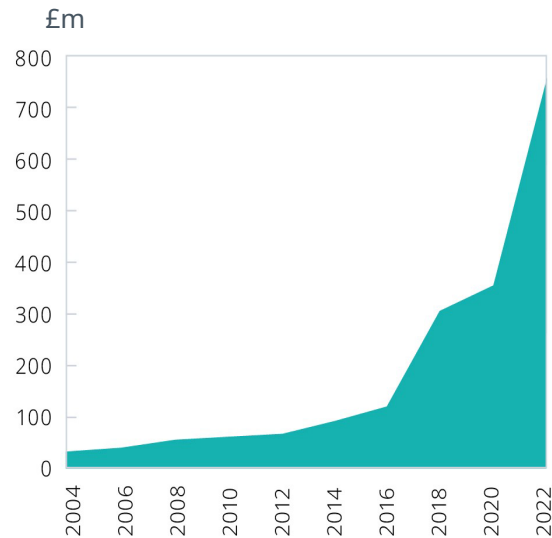
Strategic and Operational Review

Current Trading and Outlook

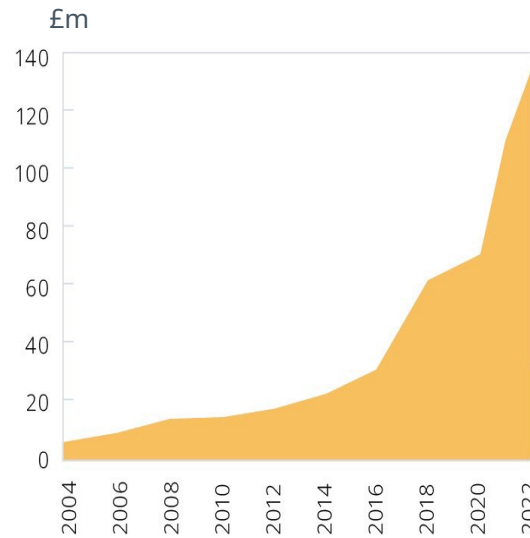
Appendix

# Unique, world-leading provider of technology-enabled language, content and IP services

## Revenue<sup>1</sup>



## Adjusted PBT<sup>1</sup>



## Expertise

2003



400

2022



7,761<sup>2</sup>

## Reach

2003



2022



Long track record of sustained growth and customer delivery

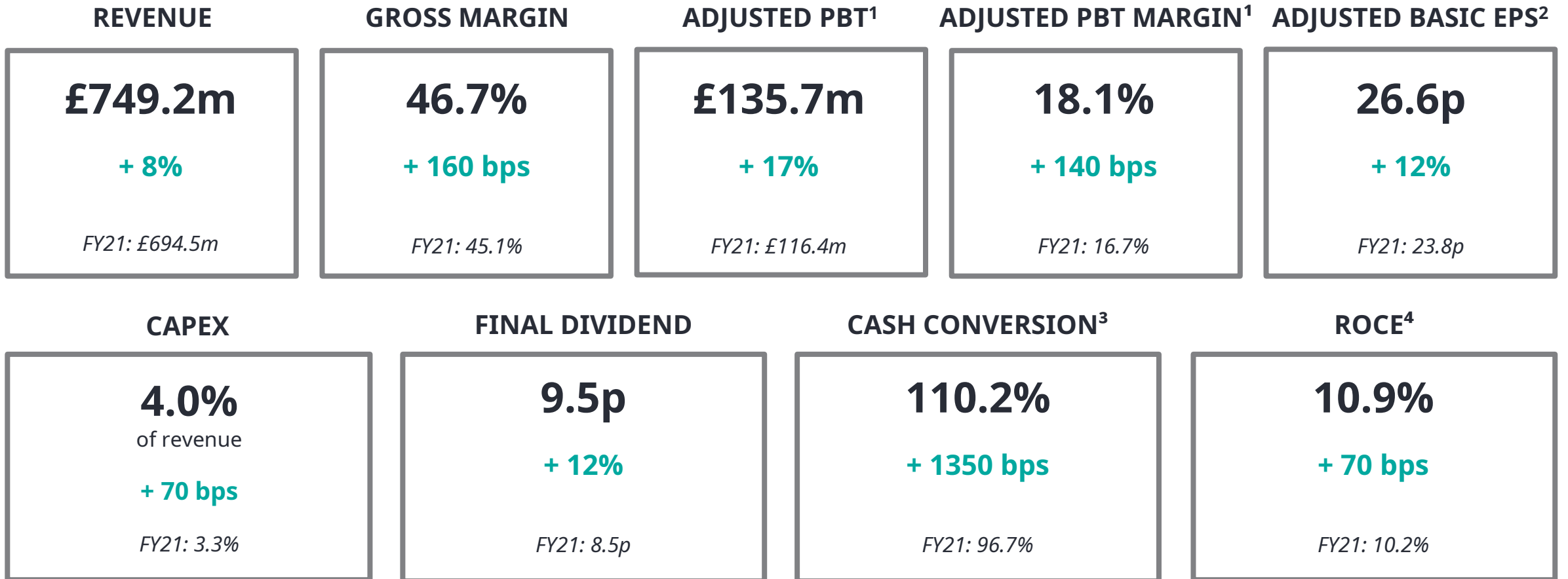
# High quality, long-term client relationships

Supporting our ability to grow organically on a sustainable basis

- **Diversified client base:**
  - Top 10 = 29% of Group revenues
  - Top 30 = 43% of Group revenues
- **High loyalty - average tenure:**
  - 13 years (Top 10)
  - 15 years (Top 30)
- **High satisfaction**
  - +41 NPS (12 month rolling average)

88 of the Top 100 brands	16 of Fortune's Top 20 most admired companies	Major global technology businesses
19 of the Top 20 asset management companies	18 of the Top 20 law firms	18 of the Top 20 patent filers
19 of the Top 20 pharmaceutical companies	10 of the Top 10 contract research organisations	18 of the Top 20 medical device companies

# Robust, cash-generative, profitable growth in line with expectations



<sup>1</sup> Calculated before exceptional items, share-based payment expenses and amortisation of acquired intangibles.

<sup>2</sup> Calculated before exceptional items, share-based payment expenses and amortisation of acquired intangibles, net of associated tax effects.

<sup>3</sup> Cash conversion is defined as adjusted operating cash flows divided by adjusted operating profit.

<sup>4</sup> ROCE is adjusted operating profit, divided by total assets less current liabilities

# RWS Growth Model – continued good progress

## Building long-term client relationships

- Investments in sales and marketing, including sales improvement initiatives in IP Services
- Expanded 'voice of the customer' programme

## Deepening our cultural and technical expertise

- eLearning - upsell to established clients; Asia expansion; new logos
- Further growth in Linguistic Validation segment to new and existing clients

## Deploying our unique technology and AI

- Accelerated growth in L&CT (driving gross margin improvement) enabled by clear accountability / ownership
- Clear, focused development roadmaps and plans for legacy solutions in place

## Developing our portfolio

- Development of Data Annotation proposition and marketing plans well underway
- Fonto integration proceeding well

## Leveraging our global scale and reach

- Increased use of our unique production platform, Language eXperience Delivery (LXD), driving gross margin improvement
- Transformation programmes established & Business Transformation Office strengthened

# Tracking our Growth Model and ESG progress

	Measure	FY22	FY21
Building long-term client relationships	1 Organic revenue growth at constant currency	-1%	4%
	2 Net Promoter Score	+41	+43
	3 Repeat revenue rate (Services)	99%	96%
Deepening our cultural and technical expertise	1 Incremental revenue from defined growth initiatives	£5.1m	n/a
Deploying our unique technology and AI	1 % SaaS licence growth – L&CT	26%	18%
	2 % SaaS revenue – L&CT	29%	24%
	3 Development spend as % of L&CT revenue	12.0%	8.0%
Developing our portfolio	1 <i>To be reported on specific transactions when they occur</i>	n/a	n/a
Leveraging our global scale and reach	1 Gross margin %	46.7%	45.1%
	2 Overheads divided by Gross Profit, as a percentage	60.5%	62.2%
	3 Adjusted PBT margin %	18.1%	16.7%
	4 Capex spend	4.0%	3.3%
Environment, social and governance	1 % voluntary colleague attrition	15.9%	19.2%
	2 Colleague engagement score	69%	n/a
	3 Number of women in SLT positions	37%	38%
	4 EcoVadis business sustainability rating - score	63%	48%



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# Income statement

	12 months ended 30 September 2022 (£m)	12 months ended 30 September 2021 (£m)
<b>Revenue</b>	<b>749.2</b>	<b>694.5</b>
Cost of sales	(399.0)	(381.3)
<b>Gross profit</b>	<b>350.2</b>	<b>313.2</b>
<i>GM%</i>	46.7%	45.1%
Administrative expenses (before adjusting items)	(211.7)	(194.7)
Net finance costs	(2.8)	(2.1)
Adjusted profit before tax	<b>135.7</b>	<b>116.4</b>
<i>Adjusted PBT margin%</i>	18.1%	16.7%
Adjusting items <sup>2</sup>	(52.5)	(61.4)
Tax expense	(20.5)	(13.8)
<b>Profit for the year</b>	<b>62.7</b>	<b>41.2</b>
<b>Basic EPS (pence)</b>	<b>16.1</b>	<b>10.9</b>
<b>Adjusted Basic EPS (pence)</b>	<b>26.6</b>	<b>23.8</b>

- Revenue up 8% following the acquisition of SDL in November 2020:
  - Organic revenue growth +3%
  - Organic constant currency<sup>1</sup> -1%
- Gross margin 160bps higher at 46.7%:
  - Greater use of LXD
  - Higher proportion of revenues from L&CT
- Administrative expenses as a percentage of Gross Profit has fallen to 60.5% from 62.2%
- 17% year-on-year increase in Adjusted PBT:
  - Adjusted PBT margin up 140bps to 18.1%
  - Like-for-like<sup>3</sup> Adjusted PBT growth was 16%
  - SDL synergies in line with expectations
- Effective tax rate of 24.6% (FY 21: 25.1%)
- Basic EPS increased 48% to 16.1p
- Adjusted basic EPS<sup>4</sup> increased 12% to 26.6p

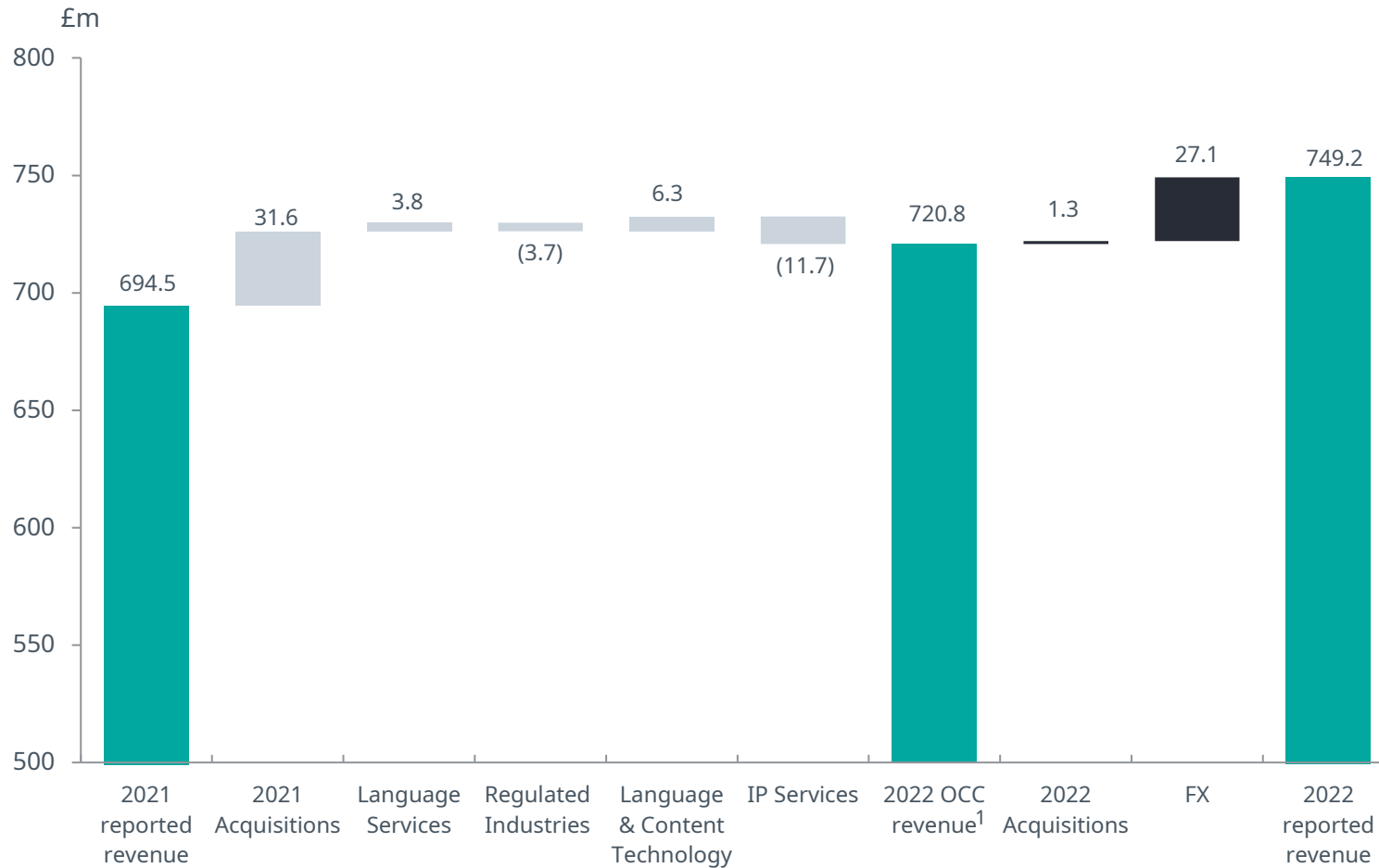
<sup>1</sup> Adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods.

<sup>2</sup> Includes acquisition costs £2.1m (FY 21: £11.2m), amortisation of acquired intangibles £34.4m (FY 21: £34.4m), share-based payment expenses £3.2m (FY 21: £1.4m), exceptional items £12.5m (FY 21: £14.1m) and exceptional finance costs of £0.3m (FY 21: £0.3m)

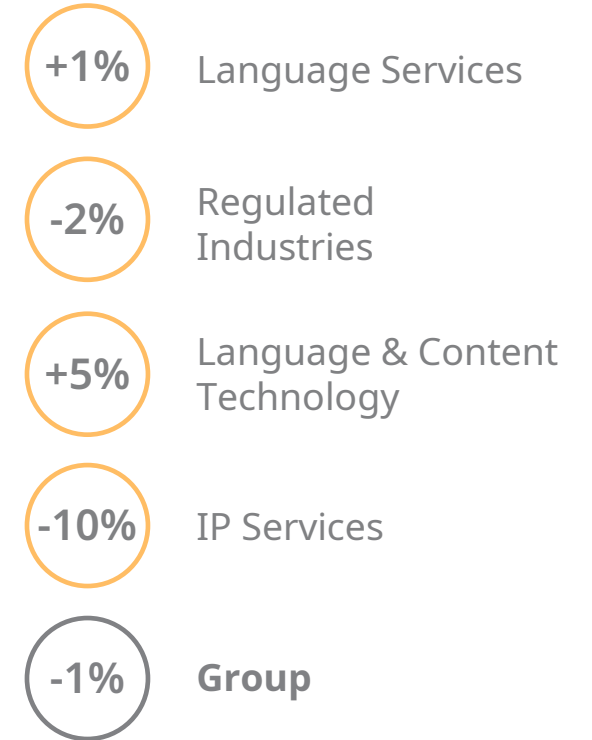
<sup>3</sup> Adjusted for additional month of SDL trading in FY22.

<sup>4</sup> Adjusted basic EPS is earnings per share before exceptional items net of tax, share-based payments net of tax, amortisation of acquired intangibles and exceptional tax items.

# Group revenue bridge



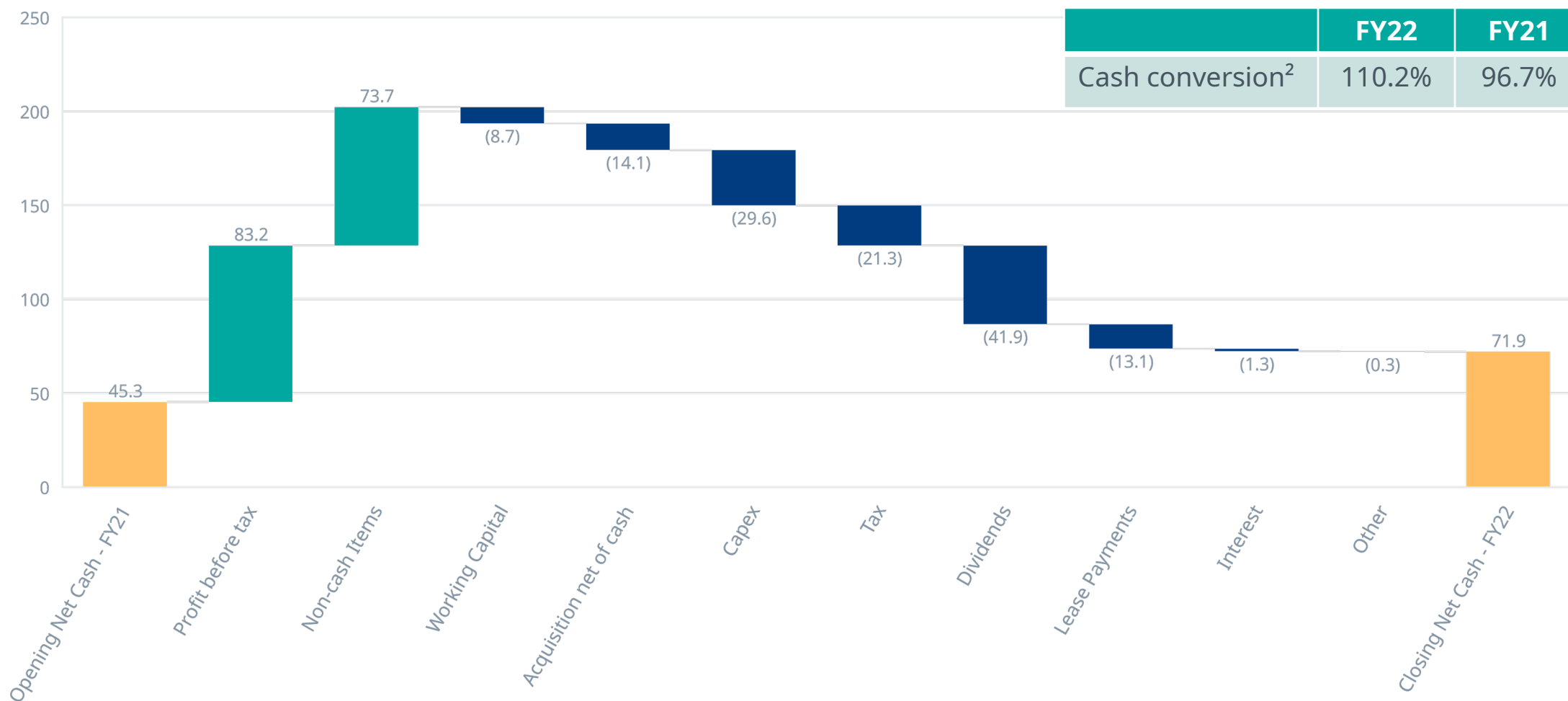
## ORGANIC CONSTANT CURRENCY<sup>1</sup> REVENUE GROWTH



<sup>1</sup> Adjusted for the effect of acquisitions and assumes constant currency i.e. FY21 results are retranslated at FY22 average exchange rates.

# Net cash<sup>1</sup> bridge & cash conversion

£m



<sup>1</sup> Net cash comprises cash and cash equivalents less loans but before lease liabilities

<sup>2</sup> Cash conversion is measured as adjusted operating profit plus depreciation, amortisation of non-acquired intangibles and net changes to working capital divided by adjusted operating profit; when calculated as Free Cash Flow before exceptional cash flows divided by Adjusted Net Income, Cash conversion is 83.3%, in line with CMD guidance

# Balance sheet

	As at 30 September 2022 (£m)	As at 30 September 2021 (£m)
Non-current assets	1,150.4	1,059.4
Trade and other receivables	220.5	191.8
Other current assets	4.2	3.5
Cash and cash equivalents	101.2	92.5
<b>Total assets</b>	<b>1,476.3</b>	<b>1,347.2</b>
Trade and other payables	169.1	154.4
Loans	29.3	47.2
Lease liabilities	46.7	51.5
Deferred tax liabilities	58.4	51.2
Other liabilities	31.1	32.0
<b>Total liabilities</b>	<b>334.6</b>	<b>336.3</b>
<b>Net assets</b>	<b>1,141.7</b>	<b>1,010.9</b>
<b>Net cash</b>	<b>71.9</b>	<b>45.3</b>
<b>Net cash/(debt) – including lease liabilities</b>	<b>25.2</b>	<b>(6.2)</b>

## Non-current assets

- Goodwill increased £76.8m or 12% following the acquisition of Finto and the impact of FX during the year
- Intangible assets have increased £18.8m due to the acquisition of Finto and the impact of FX, partly offset by associated amortisation

## Working capital

- Net working capital has increased by £15.1m, primarily driven by higher revenue and favourable FX in H2 2022
- Debt collection rates are consistent with FY21 after adjusting for FX

## Cash and net debt

- Cash has increased by 9% to £101.2m
- Net cash (excluding lease liabilities) increased by £26.6m to £71.9m during the year, after:
  - Finto initial net consideration of €17.5m (£14.4m); and
  - Record dividend payments of £41.9m
- Refinanced our RCF increasing committed debt to US\$220m while extending maturity to August 2026

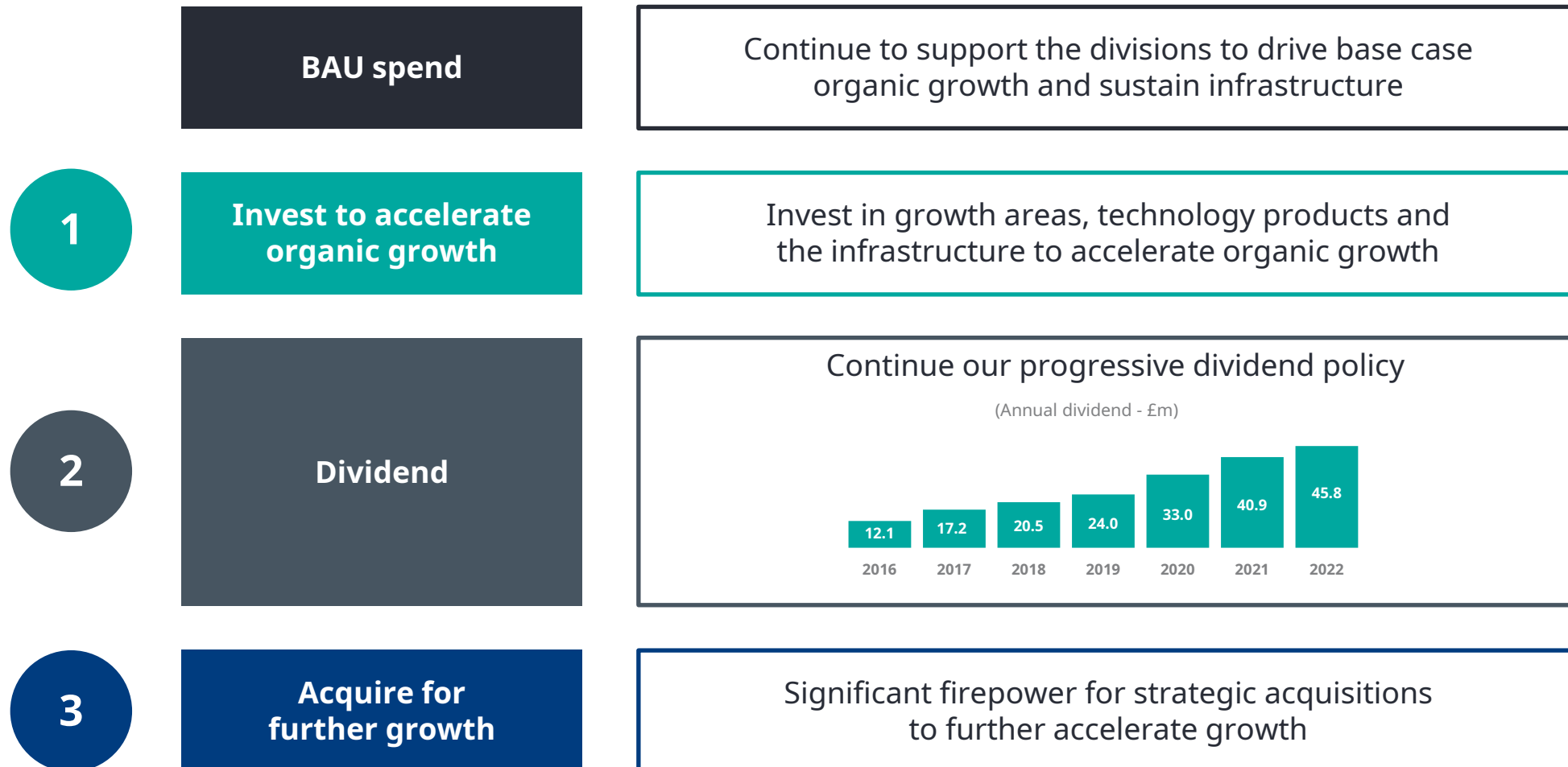
# Capex in line with guidance

Rising to 7% of revenue in FY23, as planned, expected to trend downwards thereafter

Programme	What is it?	Key benefits	Scheduled completion					
			2023		2024		2025	
			H1	H2	H1	H2	H1	H2
<b>Highlander</b>	<ul style="list-style-type: none"> <li>Consolidation of Microsoft collaboration tools</li> </ul>	<ul style="list-style-type: none"> <li>Foundation for business transformation</li> <li>Reduced complexity and increased flexibility</li> <li>First class collaboration experience</li> </ul>	●					
<b>LXD</b>	<ul style="list-style-type: none"> <li>Unified operating model for production, supporting all divisions</li> </ul>	<ul style="list-style-type: none"> <li>Efficient 24/7 delivery platform, leveraging in-house and external linguistic resource &amp; RWS technology</li> <li>Operational leverage opportunity</li> <li>Time and cost savings</li> </ul>						●
<b>IP Services</b>	<ul style="list-style-type: none"> <li>Common backbone</li> <li>Optimised operating model</li> </ul>	<ul style="list-style-type: none"> <li>Fully integrated service offering</li> <li>Ability to cross-sell and up-sell solutions</li> <li>Enhanced digital engagement with clients</li> <li>Time and cost savings</li> </ul>				●		
<b>Finance</b>	<ul style="list-style-type: none"> <li>Consolidation to Group-wide Finance operating model and platform</li> </ul>	<ul style="list-style-type: none"> <li>Scalable solution</li> <li>Reduced complexity driving efficiency</li> <li>Enhanced reporting and insight</li> <li>Time and cost savings</li> </ul>				●		
<b>HR</b>	<ul style="list-style-type: none"> <li>Consolidation to Group-wide HR operating model and platform</li> </ul>	<ul style="list-style-type: none"> <li>Scalable solution</li> <li>Improved colleague experience</li> <li>Enhanced reporting and insight</li> <li>Time and cost savings</li> </ul>				●		

# Investments governed by capital allocations policy

## Continued strong cash generation and disciplined capital allocation



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# Strategy on a page

<b>Purpose</b>	<b>Why we exist</b>	Unlocking global understanding
<b>Our business</b>	<b>Who we are</b>	A unique, world leading technology-enabled language, content and IP services business
<b>Proposition</b>	<b>What we do</b>	Through content transformation and multi-lingual data analysis, our unique combination of technology and cultural expertise helps our clients to grow, by ensuring they are understood anywhere, in any language
<b>Growth model</b>	<b>How we win</b>	<ul style="list-style-type: none"><li>• Long-term relationships</li><li>• Cultural and technical expertise</li><li>• Unique technology and AI</li><li>• Developing our portfolio</li><li>• Leveraging our global scale</li></ul>
<b>Values</b>	<b>How we think, act and behave</b>	<ul style="list-style-type: none"><li>• We partner</li><li>• We pioneer</li><li>• We progress</li><li>• We deliver</li></ul>

# Strong portfolio, unique production platform

OPERATING DIVISIONS	<b>Language Services</b> <ul style="list-style-type: none"> <li>Localisation solutions to multiple verticals</li> <li>Includes data training, eLearning, video localisation and interpreting services</li> </ul>		<b>Regulated Industries</b> <ul style="list-style-type: none"> <li>Life sciences</li> <li>Financial services</li> <li>Legal services</li> <li>Highly specialised technical translations</li> </ul>		<b>Language &amp; Content Technology</b> <ul style="list-style-type: none"> <li>Linguistic AI - neural MT</li> <li>Language technology - translation management and productivity</li> <li>Content technology</li> </ul>		<b>IP Services</b> <ul style="list-style-type: none"> <li>Patent translation and filing</li> <li>Search, retrieval and monitoring services</li> <li>Highly specialised technical translations</li> </ul>		
	REVENUE SPLIT	FY22: 46%	FY21: 46%	FY22: 23%	FY21: 23%	FY22: 17%	FY21: 15%	FY22: 14%	FY21: 16%
PRODUCTION PLATFORM	<h2>Language eXperience Delivery</h2>								
SUPPORT FUNCTIONS	Finance	HR	Corporate Development	Technology & Data	Legal & Company Secretary				

# Language Services

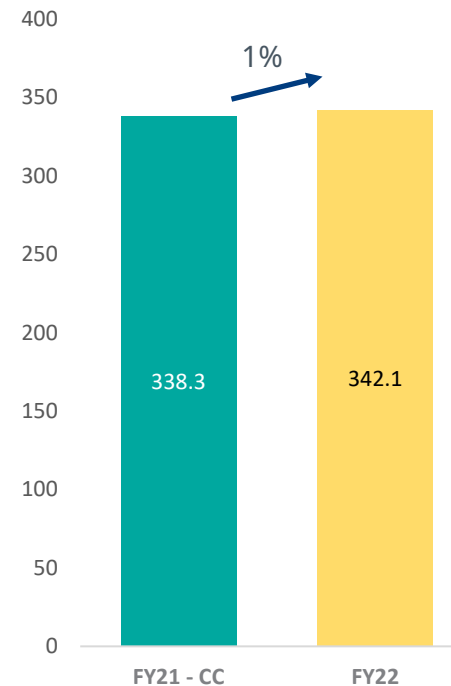
Group revenue share: FY22 – 46% (FY21 – 46%)

Solid growth in Strategic Solutions Group; some Enterprise Internationalisation Group clients reduced activity, but confidence in these established, long-term relationships remains

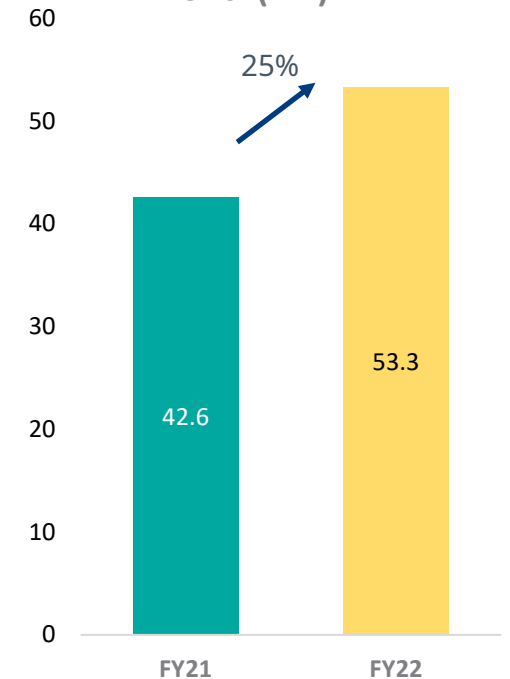
## Performance

- 1% organic growth at constant currency, with good progress in eLearning growth lever
- Strategic Solutions Group (SSG):
  - Americas region strong across the year
  - New client wins in education, manufacturing, software and telecommunications sectors
- Enterprise Internationalisation Group:
  - Revenue growth with global digital retailer
  - Several clients reduced activity, but satisfaction high, retention strong, so well-placed for recovery
  - Significant data services win in early FY23
- Adjusted operating profit ahead of prior period, due to top-line growth in SSG, improved gross margin and good cost control

Revenue<sup>1</sup> (£m)



Adjusted Operating Profit<sup>2</sup> (£m)



<sup>1</sup> Revenue figures adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods.

<sup>2</sup> Adjusted operating profit figures adjusted to reflect a like-for-like comparison between reporting periods.

# Growth initiative focus – eLearning

## What is it?

- Digital learning experience for any organisation's global audience through localisation and cultural adaptation
- Encompasses eLearning design, development and multimedia delivery mechanisms

## Market Attractiveness

- Significant market size
- High growth
- Low competitive concentration

## FY22 Progress

- Capability development in eLearning development consulting and design
- Localisation operations built around Trados Enterprise
- Sold into 22 existing clients
- Won 1<sup>st</sup> major E2E Global eLearning lifecycle solution

## Client Need

- Cost benefit - higher proportion of training conducted online
- Post pandemic shift to hybrid working styles accelerating demand
- Diversity and inclusion considerations driving need to localise content

## RWS Right to Win

- Capabilities beyond core localisation – eLearning development consulting and design
- Easy route to market - existing base

## FY23 Focus

- Continue upsell to existing Language Services base
- Start selling into Life Sciences clients in RI
- Expand into Japan and India
- Marketing investment to support growth targets
- Further integrate with authoring tools

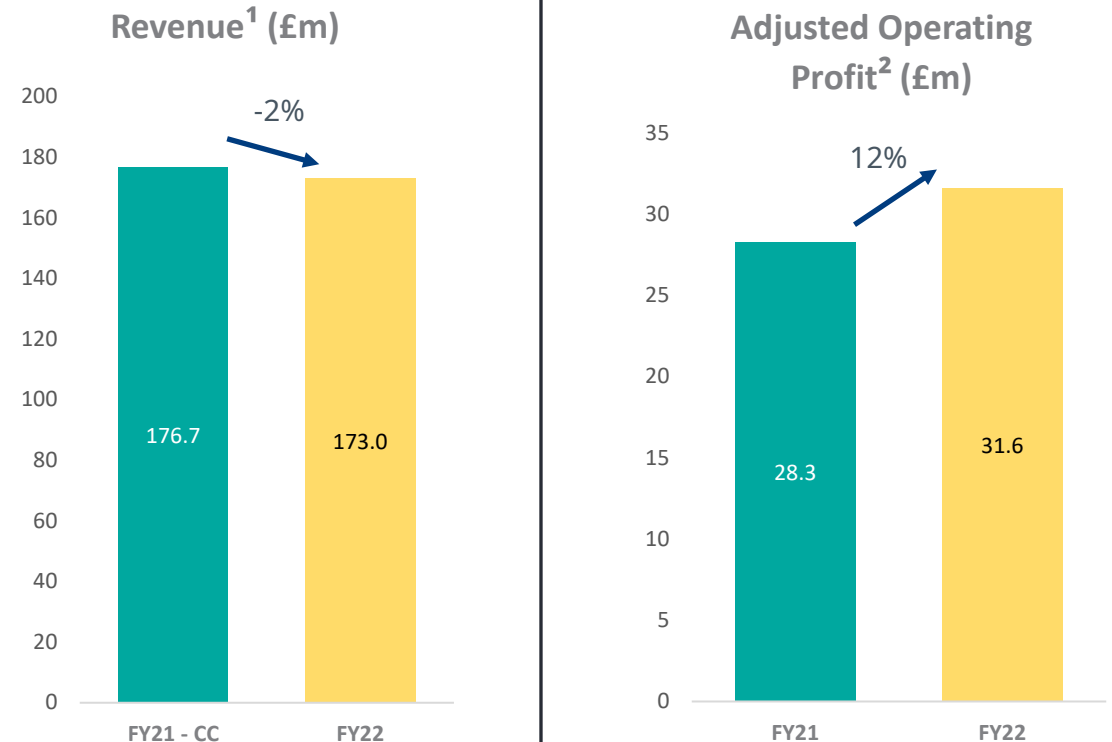
# Regulated Industries

Group revenue share: FY22 – 23% (FY21 – 23%)

Strong performance in Linguistic Validation, offset by some second half softness

## Performance

- Organic revenue at constant currency fell 2%
- Continued strong penetration of Linguistic Validation segment, incl. significant orders in Q4
- Client wins in financial services (banking; asset management); medical device; pharmaceutical
- Good period-on-period growth with 13 of top 20 clients, but we exited a number of low margin contracts in financial and legal services segment
- In H2, we decided to reduce work with large CRO who lowered volumes and moved into offering competing services
- Adjusted operating profit up 12%, due to exit of low margin contracts and increasing use of LXD



<sup>1</sup> Revenue figures adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods.

<sup>2</sup> Adjusted operating profit figures adjusted to reflect a like-for-like comparison between reporting periods.

# Growth initiative focus – Linguistic Validation

## What is it?

- Translation, validation, copyright management, and distribution of patient-facing, data-gathering questionnaires used in clinical trials
- Complex methodology involves recruiting and interviewing patients in over 50 countries

## Market Attractiveness

- Significant market size
- High growth
- High barrier to entry
- Low competitive concentration
- Extremely “sticky” service offering

## FY22 Progress

- Continued investing in operational capacity, marketing and account management
- Won several multiple study programmes, covering LV, eCOA migration & proofreading, and consulting services
- Sold into 42 existing clients
- Sold to 40 new clients

## Client Need

- Critical in clinical trial phase of Life Sciences value chain
- Used for range of Clinical Outcomes Assessments (COAs)
- Ensures both conceptual and construct value equivalence across languages and locales

## RWS Right to Win

- Life Sciences subject matter expertise
- 20+ years of LV experience
- Range of languages covered
- Easy route to market - existing base

## FY23 Focus

- Targeted investments to further accelerate Linguistic Validation revenue
- Initiative to further reduce turnaround time related to electronic administration of questionnaires
- Investing in technology improvements designed to maximize process efficiency

# Language and Content Technology

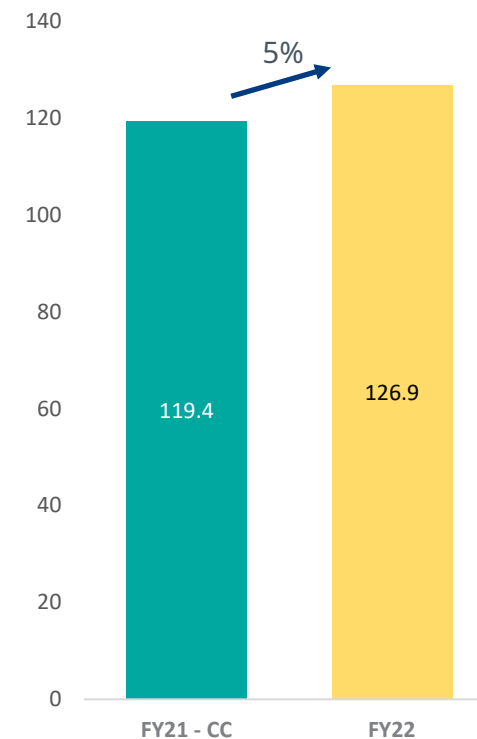
Group revenue share: FY22 – 17% (FY21 – 15%)

Full ownership and accountability drove accelerated growth, despite faster-than-anticipated growth in SaaS revenues

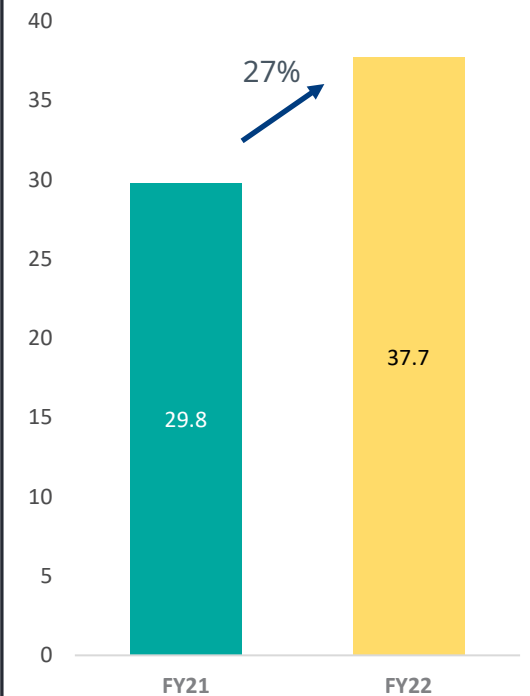
## Performance

- 5% organic growth in constant currency, even after increased SaaS revenues, which were ahead of plan
- Divisional revenues now 29% SaaS (FY21: 24%)
  - New FY22 revenues = 26% SaaS (FY21: 18%)
- Full ownership & accountability for product groups – Trados, Language Weaver, Tridion, Contenta
- Wins in diverse range of verticals – aerospace; automotive; banking; IT consulting; robotic software
- Increasing number of sales of language and content technology solutions to services clients
- Integration of Fonto proceeding well
- Adjusted operating profit up 27%, due to revenue growth, lower Cloud costs and direct people cost savings

Revenue<sup>1</sup> (£m)



Adjusted Operating Profit<sup>2</sup> (£m)



<sup>1</sup> Revenue figures adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods.

<sup>2</sup> Adjusted operating profit figures adjusted to reflect a like-for-like comparison between reporting periods.

# IP Services

Group revenue share: FY22 – 14% (FY21 – 16%)

Lower revenue in Eurofile segment due to impact of forthcoming introduction of Unitary Patent (UP), partially offset by solid growth in Worldfile and other patent services

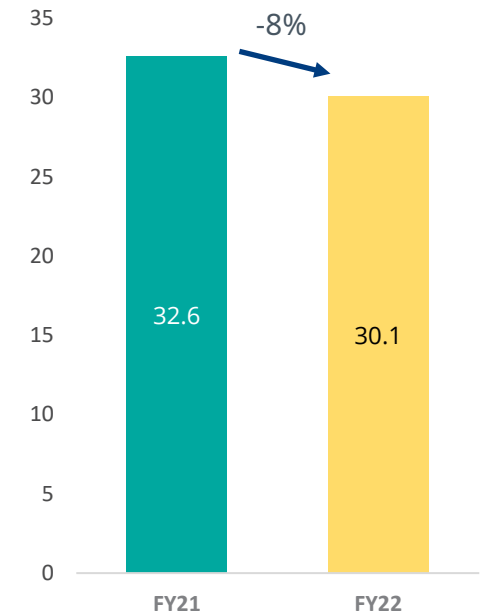
## Performance

- 10% revenue decline (constant currency), reflecting weak demand due to impending introduction of UP
- Modest growth in other segments (2/3 divisional revenues) – translation & filing beyond Europe, IP research, Japan and China
- Enhanced sales capability having positive impact and will support FY23 recovery
- New logos in Q4 across diverse verticals, incl. agricultural sciences; battery and chemical manufacturing; energy storage; natural gas; medical device; petroleum; and pharmaceutical
- UP anticipated to come into effect in H1 CY23
- Appointment of new President (Nov 22) will drive next phase of division's development
- Operating profit lower, due to UP impact, partially offset by H1 cost actions impact & good cost control

Revenue<sup>1</sup> (£m)



Adjusted Operating Profit<sup>2</sup> (£m)



<sup>1</sup> Revenue figures adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods.

<sup>2</sup> Adjusted operating profit figures adjusted to reflect a like-for-like comparison between reporting periods.



# Progress on environmental, social and governance

## Environmental

- Carbon emission reduction - expanded Scope 3 indirect carbon scope with aim of setting science-based targets using FY22 as a baseline
- CDP - achieved a B score in latest ratings demonstrating our commitment to measuring and managing our risks and opportunities on climate change

## Social and Community

- Employee engagement survey – 85% participation (FY21: 81%); 69% engagement score
- RWS Campus – successful Africa expansion and amalgamation with Trados Academic Partner Programme:
  - Relationships with >700 universities globally, delivering either technology support or internships
  - 1/3 of interns are offered full-time roles after completing their degrees
- RWS Foundation reconstituted; external relaunch in early 2023
  - Developing full partnership with Clear Global (Translators without Borders)

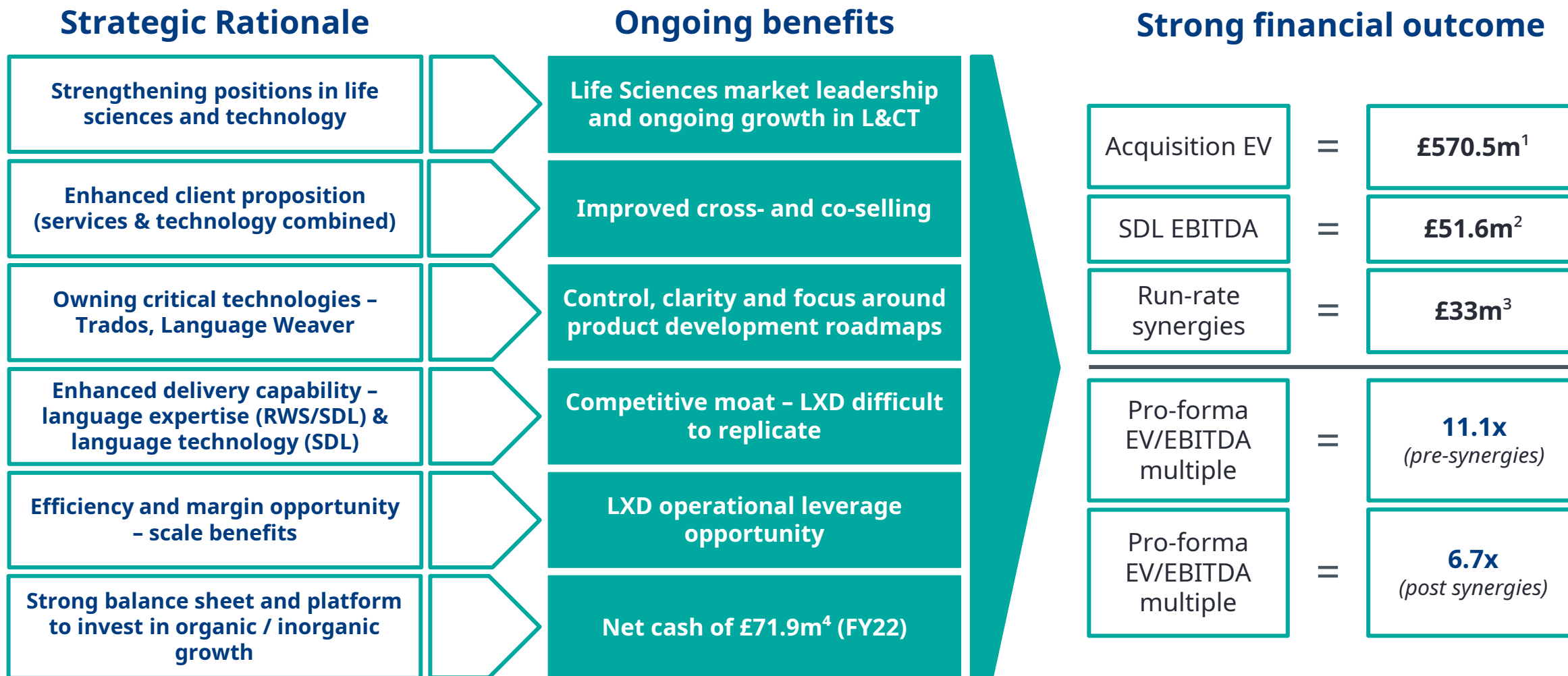
## Governance

- Board appointments – Julie Southern and Candy Davies
- General Counsel & Company Secretary – Jane Hyde
- Launched Group-wide Code of Conduct & associated mandatory training (98% completion rate for FY22)

## Assurance

- Awarded Silver Medal by EcoVadis – positioned in top quartile of companies participating in its programme; placed in top 10% of companies in relevant industry category

# SDL – continuing strategic and operational benefits



1 – Acquisition EV = acquisition cost of £625.5m less £55m cash (See RWS FY21 Report and Accounts); 2 – SDL plc Report & Accounts 2019; 3 – RWS FY21 Results Statement; 4 – cash and cash equivalents less loans but before deducting lease liabilities

# M&A – clear priorities and rigorous screening criteria

## PRIORITIES

Localisation assets with attractive end market exposure



New capabilities in technology-enabled language services



Assets that broaden our natural language processing capabilities



Data annotation solutions



## APPROACH

All targets =>

1st stage

Do they fit with our strategic priorities?

2nd stage

Do they enhance the organic growth profile of the group?

3rd stage

Remaining targets are then measured against 3 metrics:

Valuation & returns

Cultural fit

Ease of integration

Priority target list

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# FY23: Current trading and outlook

## Growth

- Early signs of delivery on organic growth initiatives, particularly Linguistic Validation and eLearning
- Accelerated growth in L&CT; solid growth in Strategic Solutions Group in Language Services
- Reduced activity with some major technology clients, but well-placed for recovery in medium-term
- Improved sales effectiveness will support IP Services through Unitary Patent impact

## Investing to accelerate

- Pricing programme is aiming to mitigate cost inflation impact
- Infrastructure programmes are progressing well
- Strong cash generation and balance sheet position us well to invest organically and through strategically compelling acquisitions and to maintain our dividend policy
- Full executive team now in place

## Full year

- Outlook in line with market expectations<sup>1</sup>
- Current economic environment remains challenging whilst also offering opportunities to strengthen leadership in our markets
- Unique capabilities, diverse end-market exposure and strong client retention continue to enable resilience
- Capex and investments in line with guidance, with strong cash conversion and capital allocation policy maintained

# Q&A

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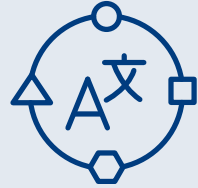
# Investment proposition



## Attractive markets

- Well diversified
- Strong growth potential
- High client retention

+



## Unique platform

- Largest linguist network
- True global coverage
- Proprietary AI / MT and productivity solutions

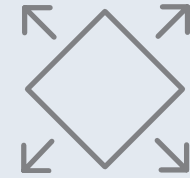
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## Strong cash generation

- Value creation track record
- Optionality to invest in service and technical development

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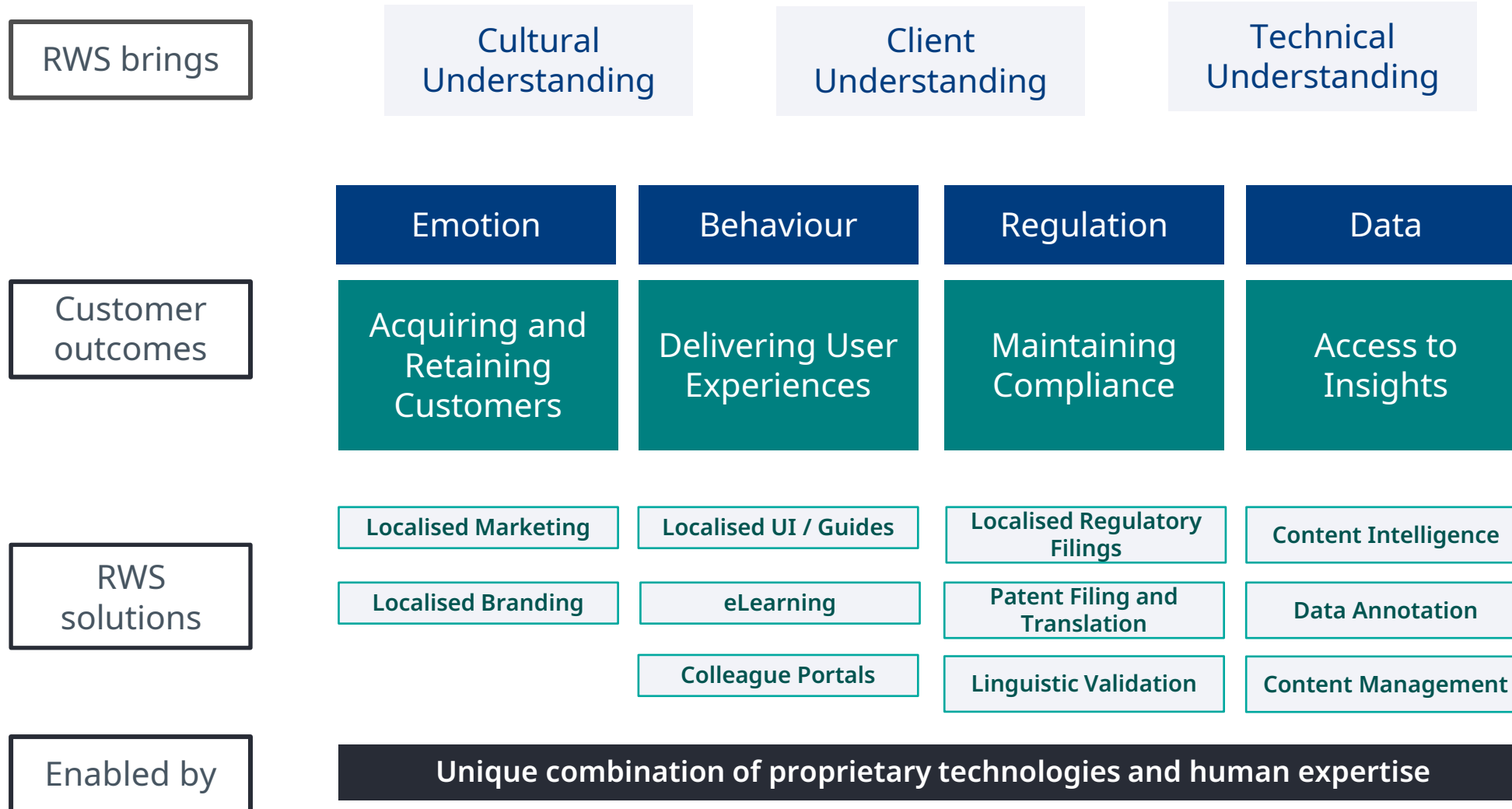
## Consolidation opportunity

- Fragmented markets
- Proven M&A success
- Scalable platform

**Long-term sustainable business, delivering financial and social value**



# Four core use cases and outcomes



# Using technology to harness growth

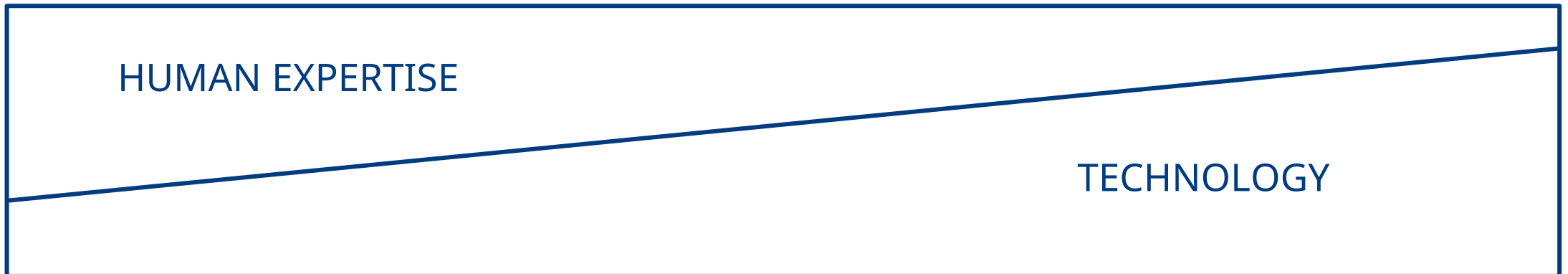
$$\begin{array}{|c|} \hline \mathbf{640,000^1} \\ \text{translators} \\ \text{globally} \\ \hline \end{array} \times \begin{array}{|c|} \hline \mathbf{2,000^2} \\ \text{words/day} \\ \text{(on average)} \\ \hline \end{array} = \begin{array}{|c|} \hline \mathbf{1.3 billion} \\ \text{words translated} \\ \text{/day} \\ \hline \end{array}$$

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$$\begin{array}{|c|} \hline \text{Global generation} \\ \text{of bytes of data} \\ \text{(daily)} \\ \hline \end{array} = \begin{array}{|c|} \hline \mathbf{2.5 quintillion} \\ \text{bytes}^3 \\ \hline \end{array}$$

- While not all of this is for human consumption or requires translation, even a small percentage would dwarf 1.3 billion words
- 80% of online content is only available in one tenth of all languages<sup>4</sup>

# Solutions across the entire people/technology spectrum



# RWS positive demand drivers

Explosion of data / content



Annual volume of data to reach 2,140 zettabytes by 2035 – 33x increase from 2020<sup>1</sup>

Increasing ESG / regulatory requirements



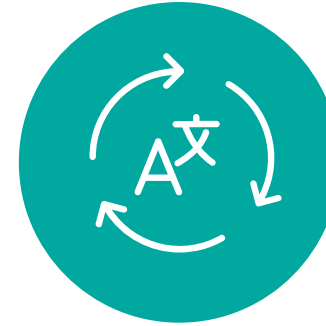
>3k rules/regulations added annually to US Federal Register since 1993<sup>2</sup>

Continued innovation



Capex investment surged 13% in 2021 and is forecast to continue growing to 2030<sup>3</sup>

Growth in AI / automation



AI to contribute \$15tr (14%) of global GDP by 2030<sup>4</sup>

Changing globalisation market



Value of global trade expected to grow 70% from 2020 to \$29.7tn in 2030<sup>5</sup>

# Market size

Area	Mkt Size (£bn)
Language Services – core localisation	30.0
Language Services – data annotation	2.0
Life Sciences – localisation	3.0
Finance & Legal – localisation	4.0
Linguistic AI	3.0
Language Technology	0.3
IP Services	2.0
Content Technology	2.8
<b>Total</b>	<b>47.1</b>

# Our values



We play as one team –  
with colleagues, clients  
and partners

X



We shape the future –  
combining the best of  
people and technology

X



We choose to be  
positive – using every  
experience to grow

=



We keep our promises  
– to clients, colleagues  
and communities

# KPI definitions

	Measure	Definition
<b>Building long-term client relationships</b>		
1	Organic revenue growth at constant currency	Calculated as a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods
2	Net Promoter Score	Rolling 12 month score from all surveys
3	Repeat revenue rate (Services)	Current year Services revenue from prior year Services clients as a percentage of prior year Services revenue
<b>Deepening our cultural and technical expertise</b>		
1	Incremental revenue from defined growth initiatives	Cumulative incremental revenue on defined growth initiatives
<b>Deploying our unique technology and AI</b>		
1	% SaaS licence growth – L&CT	SaaS revenue growth year-on-year as a proportion of prior year SaaS revenue
2	% SaaS revenue – L&CT	Annual SaaS revenue as a percentage of annual licence revenue generated by the L&CT division
3	Development spend % of L&CT revenue	Proportion of L&CT divisional revenues spent on development of technology products
<b>Developing our portfolio</b>		
		<i>To be reported on specific transactions when they occur</i>
<b>Leveraging our global scale and reach</b>		
1	Gross margin %	Total revenue less cost of sales over total revenue
2	Overheads divided by Gross Profit, as a percentage	Administrative expenses, less adjusting items, divided by gross profit as a percentage
3	Adjusted PBT margin %	Adjusted PBT as a percentage of total revenue
4	Capex spend	Total purchases of property, plant, equipment and intangibles (software) as a percentage of total revenue
<b>Environment, social and governance</b>		
1	% voluntary colleague attrition	Number of voluntary FTE leavers compared with the average number of FTE during the year
2	Colleague engagement score	As measured via annual colleague engagement survey
3	Number of women in SLT positions	No. women in RWS senior leadership team (incl. executive team)
4	EcoVadis business sustainability rating - score	Based on our responses to a detailed survey across the areas of human rights, labour, environment and anti-corruption

# Shareholders

As of 30 November 2022

Top shareholders	Holding (%)
<b>Andrew S Brode</b>	<b>23.2</b>
<b>Liontrust Asset Management</b>	<b>11.7</b>
<b>Octopus Investments</b>	<b>4.5</b>
<b>RGM Capital</b>	<b>3.3</b>





#### **About RWS**

RWS Holdings plc is a unique, world-leading provider of technology-enabled language, content and intellectual property services. Through content transformation and multilingual data analysis, our unique combination of technology and cultural expertise helps our clients to grow by ensuring they are understood anywhere, in any language.

Our purpose is unlocking global understanding. By combining cultural understanding, client understanding and technical understanding, our services and technology assist our clients to acquire and retain customers, deliver engaging user experiences, maintain compliance and gain actionable insights into their data and content.

We work with over 80% of the world's top 100 brands, more than three-quarters of Fortune's 20 'Most Admired Companies' and almost all of the top pharmaceutical companies, investment banks, law firms and patent filers. Our client base spans Europe, Asia Pacific and North and South America. Our 65+ global locations across five continents service clients in the automotive, chemical, financial, legal, medical, pharmaceutical, technology and telecommunications sectors.

Founded in 1958, RWS is headquartered in the UK and publicly listed on AIM, the London Stock Exchange regulated market (RWS.L).

For further information, please visit: [www.rws.com](http://www.rws.com).