

**2023 Final Results**

**Investor briefing**

**12 December 2023**





**Ian El-Mokadem**

**Chief Executive  
Officer**



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Officer**

# Agenda

Overview

Financial Review

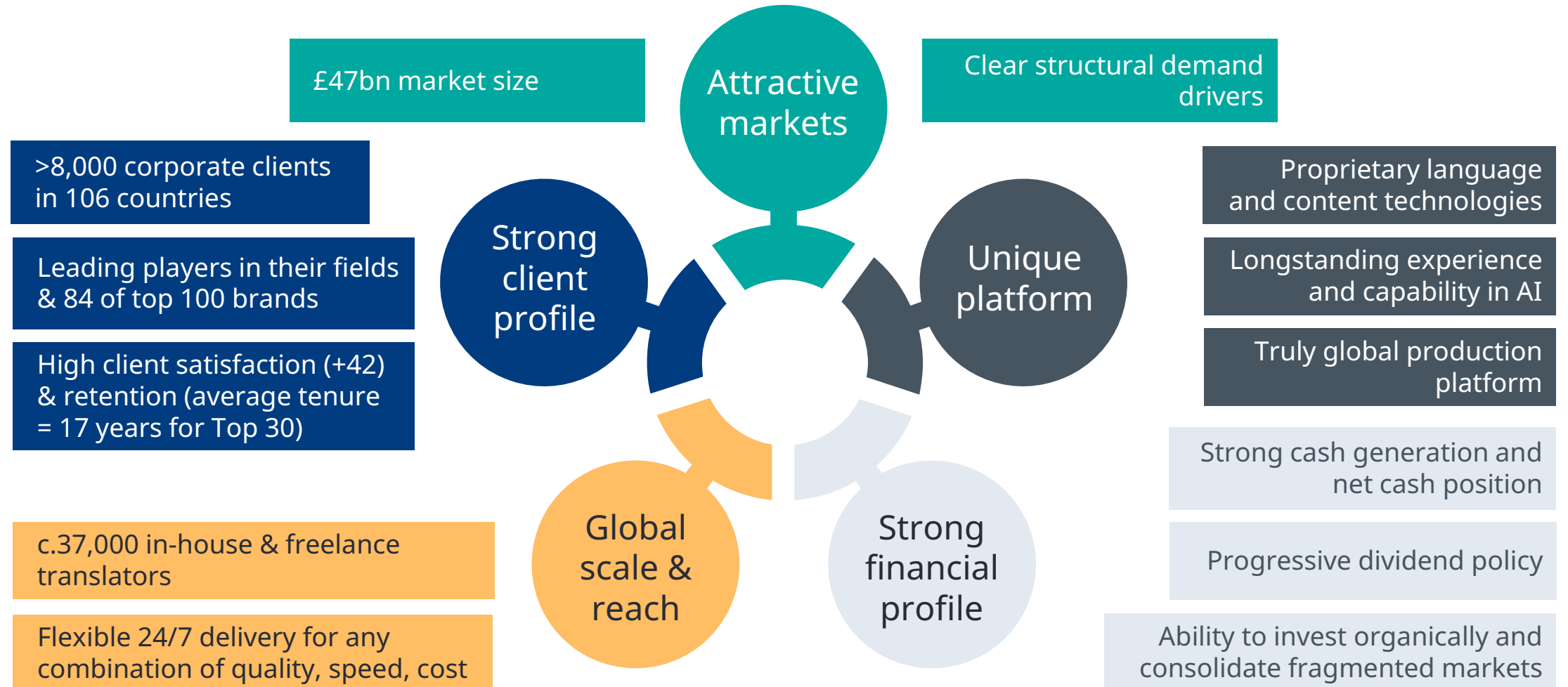
Strategic and Operational Review

Current Trading and Outlook

Discussion / Appendix

# Who we are

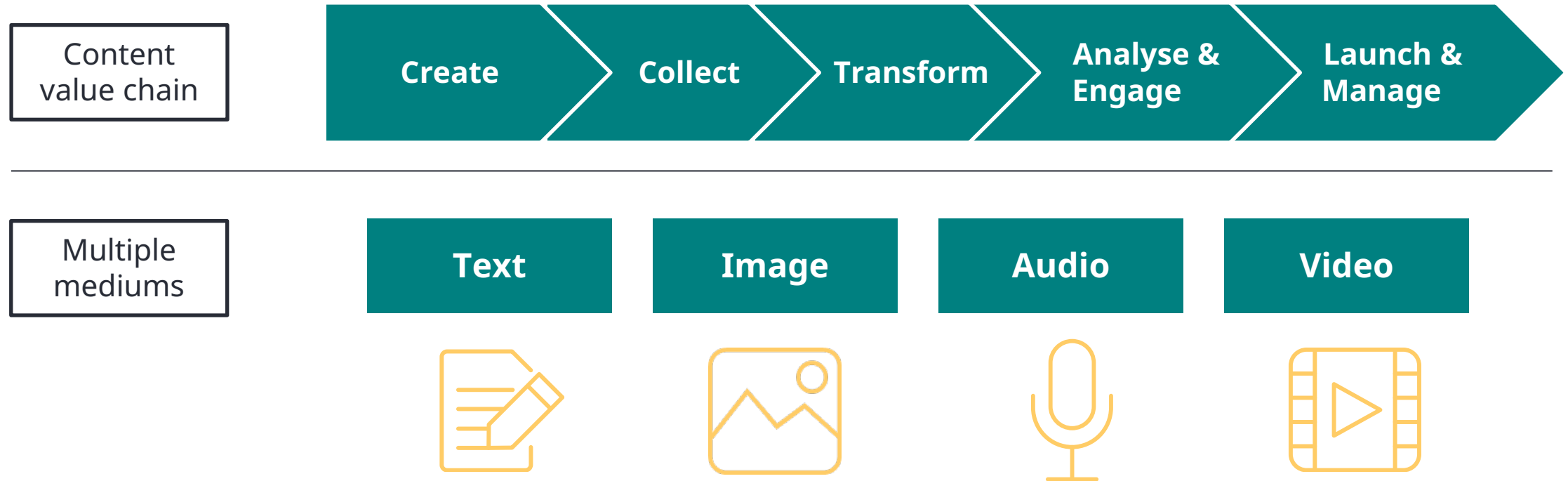
A unique, world-leading provider of technology-enabled language, content and intellectual property services; well-diversified, with many leading market positions



# What we do

Using a unique combination of technology and human expertise, we support our clients to create, collect, transform and analyse, launch and manage content

This helps our clients grow, by ensuring they are understood anywhere, in any language



# Strategic progress and efficiency drive mitigating a challenging market

Performance reflects lower activity levels from some clients

H2 on H1 improvement

Strong client retention & new business wins

100% win rate on retenders with global technology clients

£25m run rate cost savings delivered

Efficiency from increasing volumes through LXD

£40m Capex

invested to drive growth initiatives & deliver transformation

Pivot to growth initiatives gaining traction

£20m FY23 incremental revenue (FY22: +£5m)

23% growth in SaaS licence revenues

Became tailwind on run rate basis in second half

AI creating clear growth opportunities

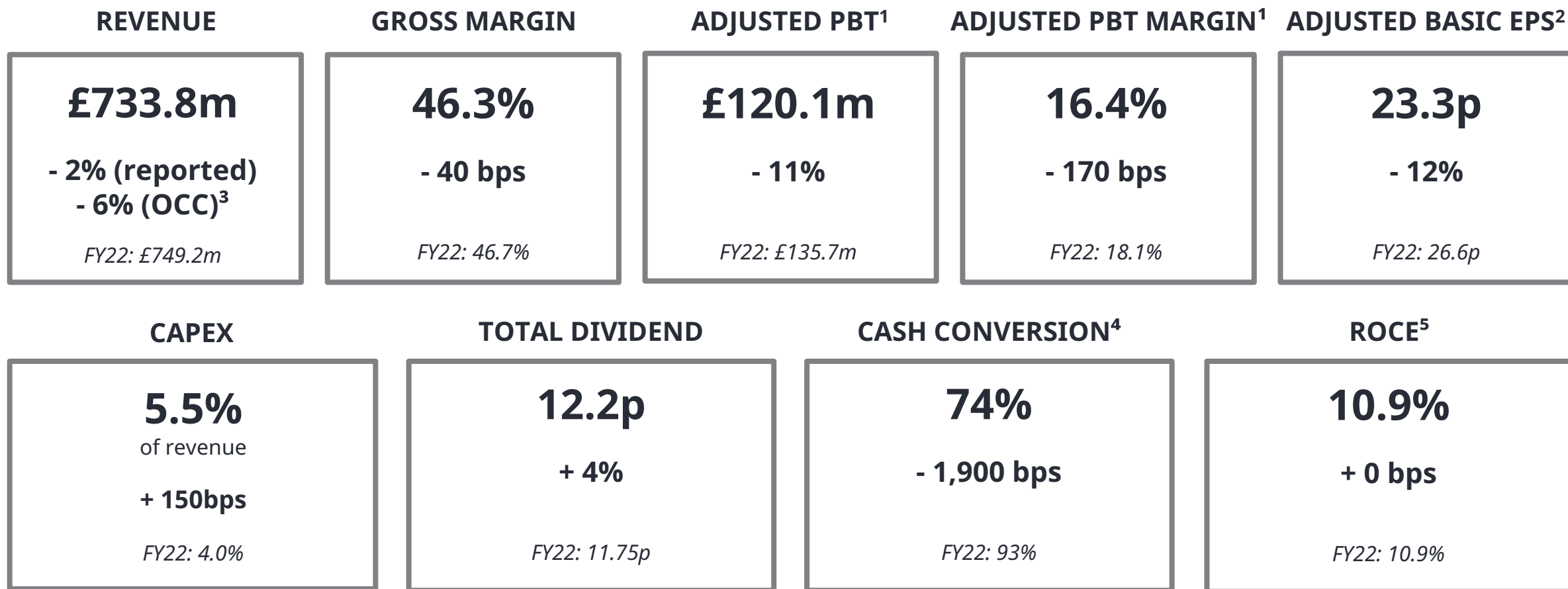
Positive response to beta launch of 'Evolve' – linguistic AI innovation

Acquisitions of Propylon and ST Communications

Integrating & performing well

*Transforming into a scalable platform to support growth and profitability*

# FY23 overview – resilient performance as guided



<sup>1</sup> Calculated before amortisation and impairment of acquired intangibles, acquisition costs, share, share-based payment expense and exceptional items

<sup>2</sup> Calculated before amortisation and impairment of acquired intangibles, acquisition costs, share, share-based payment expense and exceptional items, net of associated tax effects

<sup>3</sup> Adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods

<sup>4</sup> Cash conversion is defined as free cash flow before exceptional cash flows, divided by adjusted net income

<sup>5</sup> ROCE is adjusted operating profit, divided by total assets less current liabilities

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# Income Statement

	FY23 Actuals 30-Sep-23 (£m)	FY22 Actuals 30-Sep-22 (£m)
<b>Revenue</b>	<b>733.8</b>	<b>749.2</b>
Cost of sales	(394.3)	(399.0)
<b>Gross profit</b>	<b>339.5</b>	<b>350.2</b>
GM%	46.3%	46.7%
Administrative expenses (before adjusting items)	(215.7)	(211.7)
Net finance costs	(3.7)	(2.8)
<b>Adjusted profit before tax</b>	<b>120.1</b>	<b>135.7</b>
Adjusted PBT margin%	16.4%	18.1%
Adjusting items <sup>3</sup>	(131.0)	(52.5)
<b>Profit/(Loss) before tax</b>	<b>(10.9)</b>	<b>83.2</b>
Tax expense	(16.8)	(20.5)
<b>Profit/(Loss)</b>	<b>(27.7)</b>	<b>62.7</b>
<b>Basic EPS (£p)</b>	<b>(7.1)</b>	<b>16.1</b>
<b>Adjusted Basic EPS (£p)</b>	<b>23.3</b>	<b>26.6</b>

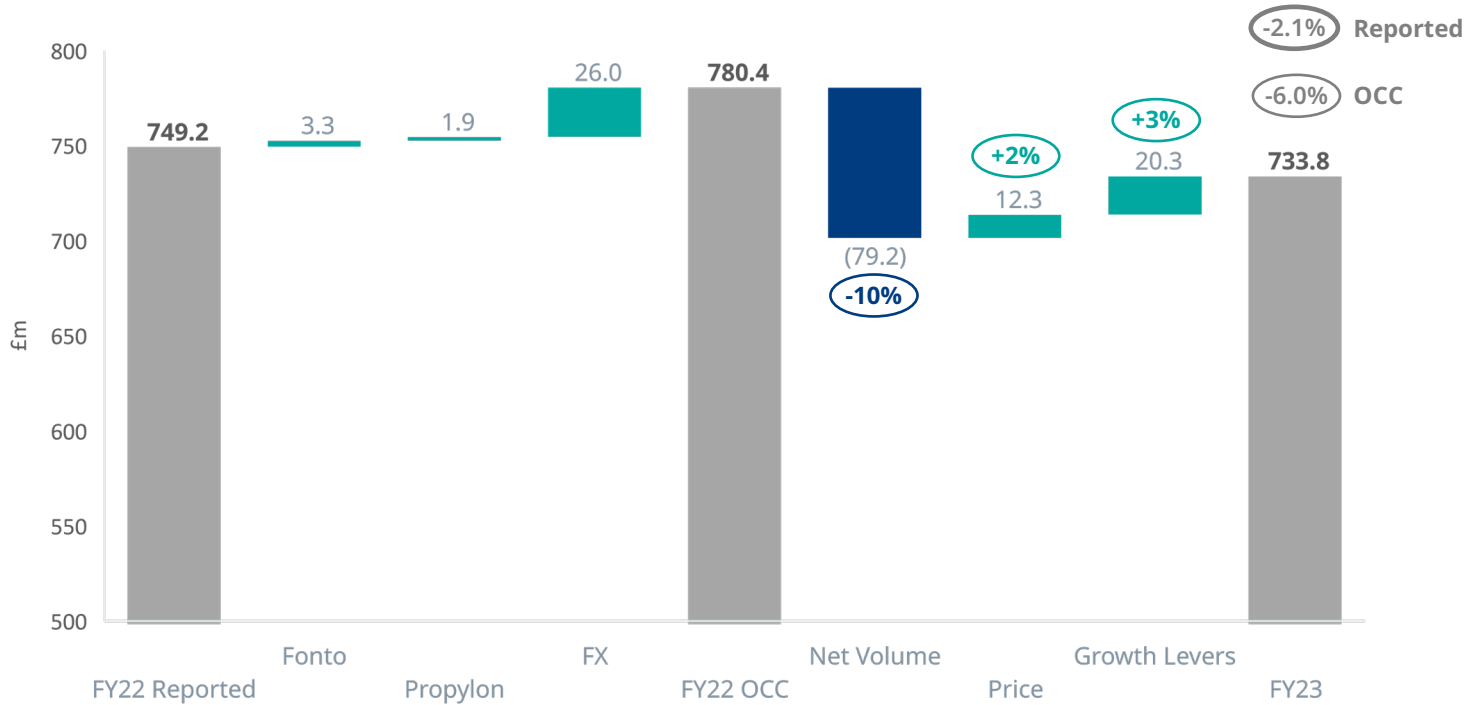
- Revenue declined 2% year on year:
  - Organic constant currency<sup>1</sup> -6% compared with prior year
  - Organic revenue<sup>2</sup> -3% year-over-year
  - Client volume reductions, partially mitigated by growth lever performance and some pricing progress
- Gross margin is 40bps lower than prior year:
  - Softer activity levels and some changes in language and client mix
  - Partially offset by LXD efficiencies
- Administrative expenses as a percentage of gross profit increased to 63.5% from 60.5%
- 11% decline in Adjusted PBT to £120.1m
  - Adjusted PBT margin is 170bps lower than prior year at 16.4%
  - £25m cost reduction programme in line with HY announcement, delivering savings in FY23 and FY24
- Non-cash exceptional goodwill impairment charge of £62.4m taken against our technology division, which reflects:
  - Recent macroeconomic challenges
  - Higher cost of capital through increasing market interest rates
- Adjusted Effective tax rate (ETR) of 24.6% (FY22: 23.6%)

<sup>1</sup> Adjusted to reflect a like-for-like comparison between actual and prior year and assumes constant currency across both reported periods

<sup>2</sup> Adjusted to reflect a like-for-like comparison between actual and prior year

<sup>3</sup> Includes (FY23/22) acquisition costs (£5.1m/£2.1m), amortisation of acquired intangibles (£38.8m/£34.4m), share based payments expenses (£1.8m/£3.2m), exceptional items (£22.6m/£12.5m), amortisation on capitalised finance costs (£0.3m/£0.3m) and impairment charge (£62.4m/£0m)

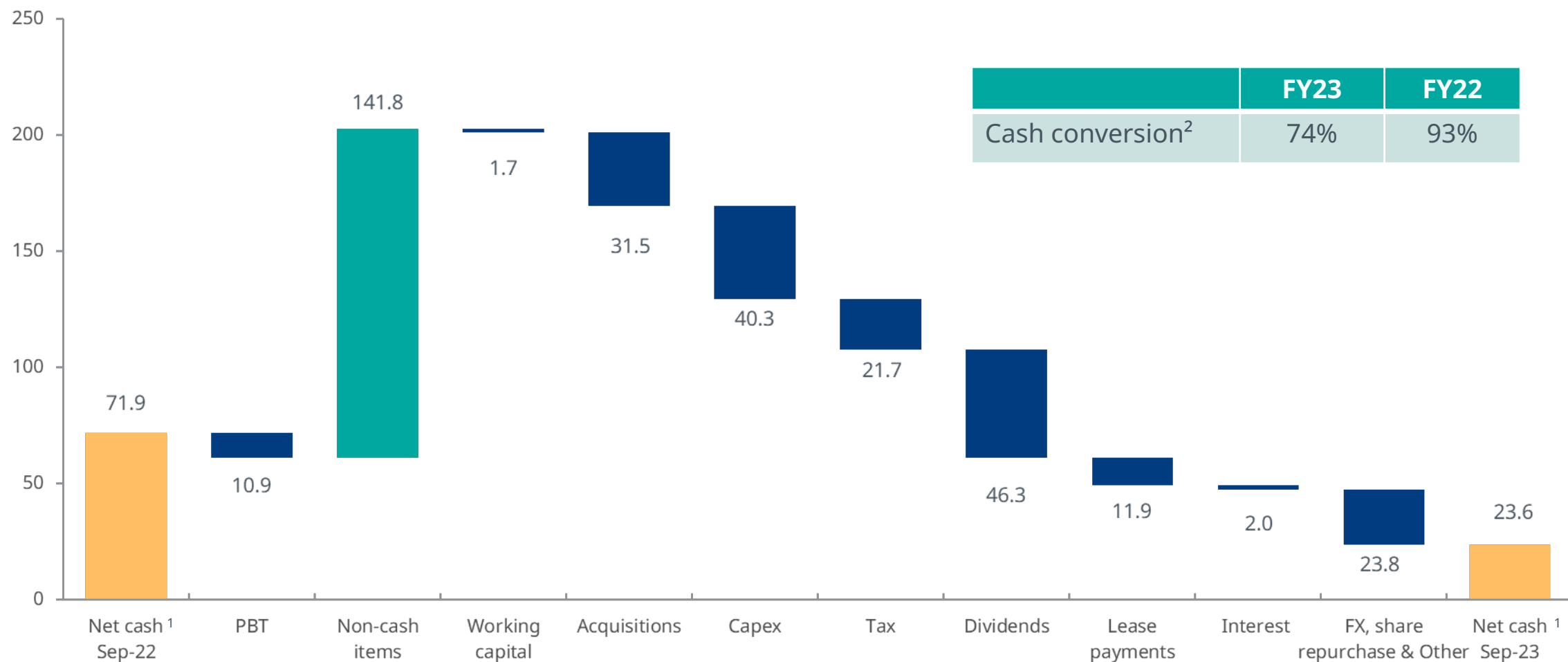
# Group revenue bridge



REPORTED CURRENCY REVENUE GROWTH	ORGANIC CONSTANT CURRENCY <sup>1</sup> REVENUE GROWTH			
	H1	H2	FY	
-4%	Language Services	-8%	-6%	-7%
-6%	Regulated Industries	-9%	-9%	-9%
+8%	Language & Content Technology	-1%	-0%	-1%
-2%	IP Services	-6%	-2%	-4%
-2%	<b>Group</b>	-7%	-5%	-6%

<sup>1</sup> Adjusted to reflect a like-for-like comparison between actual and prior year and assumes constant currency

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



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

<sup>2</sup> Cash conversion calculated as free cash flow before exceptional cash flows over Adjusted Net Income

# Balance Sheet

	As at 30 September 2023 (£m)	As at 30 September 2022 (£m)
Non-current assets	1,025.6	1,150.4
Trade and other receivables	212.3	220.5
Other current assets	1.7	4.2
Cash and cash equivalents	76.2	101.2
<b>Total assets</b>	<b>1,315.8</b>	<b>1,476.3</b>
Trade and other payables	152.1	169.1
Loans	52.6	29.3
Lease liabilities	33.5	46.7
Income tax payable	15.3	22.7
Deferred tax liabilities	57.7	58.4
Other liabilities	17.3	8.4
<b>Total liabilities</b>	<b>328.5</b>	<b>334.6</b>
<b>Net assets</b>	<b>987.3</b>	<b>1,141.7</b>
<b>Net cash</b>	<b>23.6</b>	<b>71.9</b>
<b>Net cash/(debt) – including lease liabilities</b>	<b>(9.9)</b>	<b>25.2</b>

## Non-current assets

- Goodwill decreased by £84m due to the impairment (£62m) and the impact of FX during the year (£35m), partially offset by the acquisition of Propylon (£13m)
- Intangible assets have decreased by £26m due to capitalised software development costs of £37m and the Propylon acquisition of £12m, offset by the impact of FX (£17m) and associated amortisation of (£57m)

## Working capital

- Net working capital has decreased slightly, primarily driven by reduced revenues and FX

## Cash and net debt

- Net cash decreased by £48m to £24m, principally due to the acquisition of Propylon in July of £25m and the repurchase of shares of £19m. The Group's operations generated cash resources in the year to fund the Group's dividend payments in-year of £46m and capex of £40m
- Net debt (including lease liabilities) now stands at £10m, versus £25m net cash in prior year

# Tracking our Growth Model and ESG progress

Building long-term client relationships

Deepening our cultural and technical expertise

Deploying our unique technology and AI

Developing our portfolio

Leveraging our global scale and reach

Environment, social and governance

	Measure	FY22	FY23
1	Organic revenue growth at constant currency	-1.0%	-6.0%
2	Net Promoter Score (Rolling 12 months)	41	42
3	Repeat revenue rate (Services)	99%	95%
1	Incremental revenue from defined growth initiatives £m <sup>1</sup>	5.1	25.4
1	% SaaS licence growth - L&CT	26%	23%
2	% SaaS revenue - L&CT	29%	34%
3	Development spend as % of L&CT revenue	12.0%	11.6%
1	<i>To be reported on specific transactions as they occur</i>	n/a	n/a
1	Gross margin % - Group	46.7%	46.3%
2	Overheads divided by Gross Profit, as a percentage - Group	60.5%	63.5%
3	Adjusted PBT margin % - Group	18.1%	16.4%
4	Capex spend as a % of revenue - Group	4.0%	5.5%
1	% voluntary colleague attrition - Group	15.9%	11.9%
2	Colleague engagement score - Group	69%	61%
3	Number of women in SLT positions	37%	39%
4	EcoVadis business sustainability rating - score	63%	66%

<sup>1</sup> Cumulative Incremental Revenue

# Transformation programme

Finance shared service centre launched; HR replatforming Phase 1 delivered

Key milestones: ○  
 Key milestone achieved: ●  
 Project completion: ●

Area	What is it?	Impact	Progress to date	2023 <sup>1</sup>	2024	2025
Highlander	Consolidation of Microsoft collaboration tools	Efficiency	<ul style="list-style-type: none"> <li>Project successfully delivered Jan 2023</li> <li>Whole Group benefiting from greater ease of collaboration, communication, engagement</li> </ul>	✓		
LXD	Unified operating model for production, supporting all divisions	Growth Efficiency	<ul style="list-style-type: none"> <li>Further migration of volumes from RI &amp; EIG</li> <li>IP Services volumes migrating from Q1 FY24</li> <li>Supply chain streamlining, e.g. vendor mgmt. data</li> <li>Vendor renegotiation (contract, rate, invoicing)</li> </ul>	●		●
IP Services	Platform to enable cross-sell, common backbone & optimised operating model	Growth Efficiency	<ul style="list-style-type: none"> <li>Integrated digitally-driven client proposition &amp; efficiency:                             <ul style="list-style-type: none"> <li>Portal for IP Renewals</li> <li>Connecting IP Filing &amp; Renewals (to support cross-sell)</li> <li>Replacement &amp; consolidation of IP Filing fulfilment systems</li> </ul> </li> </ul>		○	●
Finance	Consolidation to Group-wide Finance operating model & platform	Efficiency	<ul style="list-style-type: none"> <li>Restructuring programme largely completed</li> <li>Phase 1 Shared service centre model implemented</li> <li>Phase 2 to complete during FY24</li> <li>D365 Finance Global Design to complete H1 FY24</li> </ul>	●	○	●
HR	Consolidation to Group-wide HR operating model & platform	Efficiency	<ul style="list-style-type: none"> <li>Single recruitment platform launched</li> <li>D365 HR Release 1 deployed - Q1 FY24</li> <li>Target operating model implemented</li> </ul>	●	●	

<sup>1</sup> Calendar years

# Investments governed by capital allocation policy

## Continued strong cash generation and disciplined capital allocation

	<b>BAU spend</b>	Continue to support divisions to drive base case organic growth and sustain infrastructure																		
<b>1</b>	<b>Invest to accelerate organic growth</b>	Invest in growth areas, technology products and infrastructure to accelerate organic growth																		
<b>2</b>	<b>Dividend</b>	<p>Continue our progressive dividend policy</p> <p>(Annual DPS - £p)</p> <table><thead><tr><th>Fiscal Year</th><th>Annual DPS (£p)</th></tr></thead><tbody><tr><td>FY16</td><td>5.60</td></tr><tr><td>FY17</td><td>6.50</td></tr><tr><td>FY18</td><td>7.50</td></tr><tr><td>FY19</td><td>8.75</td></tr><tr><td>FY20</td><td>9.00</td></tr><tr><td>FY21</td><td>10.50</td></tr><tr><td>FY22</td><td>11.75</td></tr><tr><td>FY23</td><td>12.20</td></tr></tbody></table>	Fiscal Year	Annual DPS (£p)	FY16	5.60	FY17	6.50	FY18	7.50	FY19	8.75	FY20	9.00	FY21	10.50	FY22	11.75	FY23	12.20
Fiscal Year	Annual DPS (£p)																			
FY16	5.60																			
FY17	6.50																			
FY18	7.50																			
FY19	8.75																			
FY20	9.00																			
FY21	10.50																			
FY22	11.75																			
FY23	12.20																			
<b>3</b>	<b>Acquire for further growth</b>	Significant firepower for acquisitions to further accelerate growth																		
<b>4</b>	<b>Share repurchase</b>	Share repurchase programme proceeding in line with plans - £34m repurchased (at 8 December 2023), £16m to go																		

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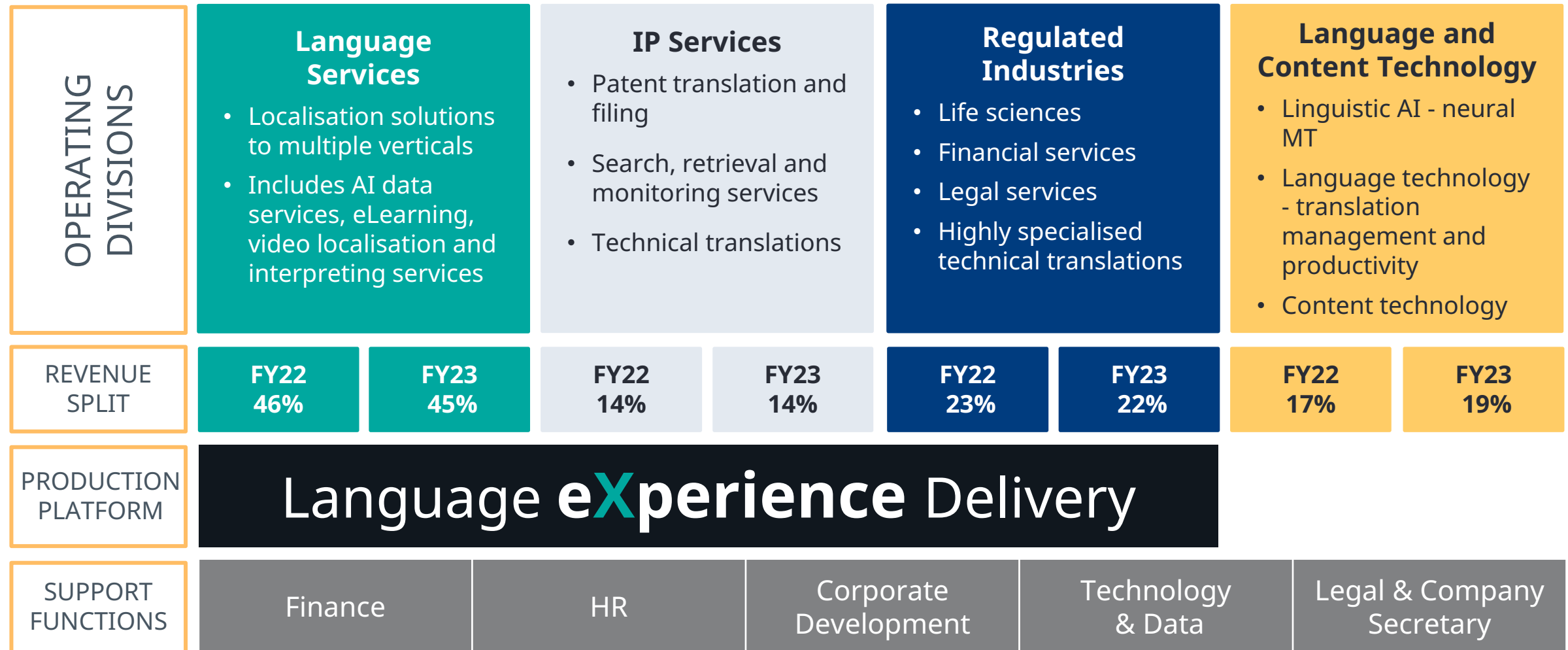
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# Strong portfolio, unique production platform



# Language Services

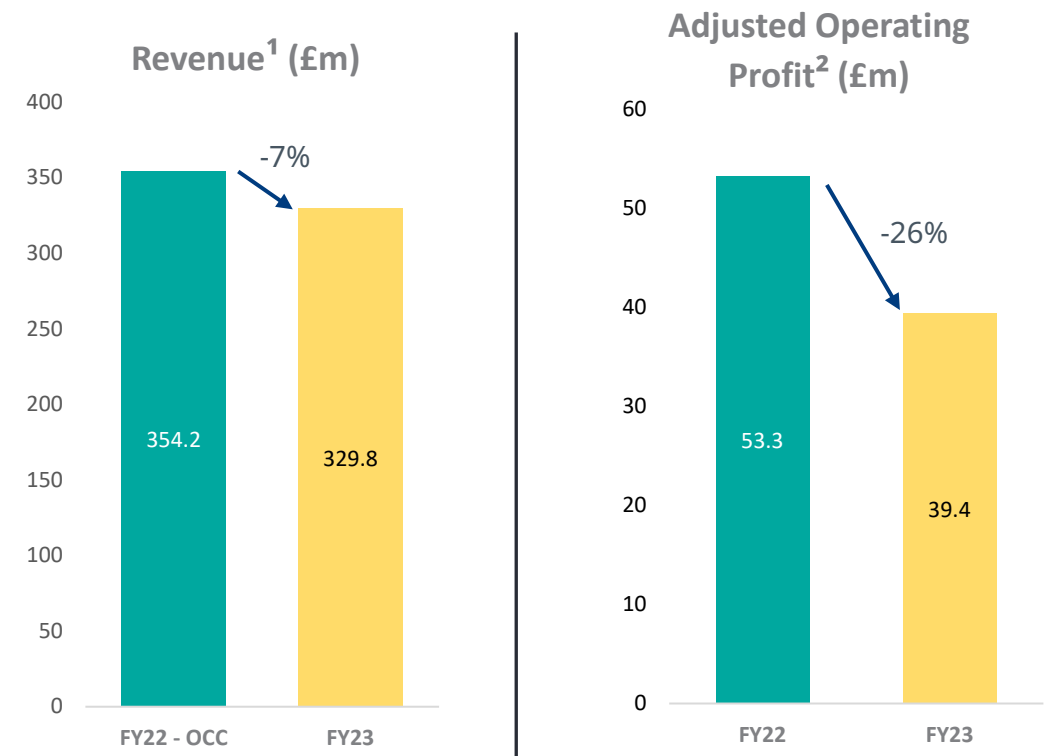
High client retention & satisfaction, with successful retender processes; reduced activity partially mitigated by performance of growth initiatives

## Performance

- 7% organic decline in constant currency, driven by reduced activity as clients adjusted to more challenging conditions in their own markets
- Won all retenders with global technology players
- New client wins in technology, engineering & hospitality
- Good performance in growth initiatives, particularly Train AI (data services), providing FY24 momentum
- 4 major technology clients approved us to train data for next stage of their AI programmes
- eLearning solution successfully sold into RI
- Adjusted operating profit declined versus FY22, reflecting top line revenue reduction & unfavourable language/client mix in the Strategic Solutions Group, partially offset by effective cost control

## Management Actions

- Growth levers - strong performance in Train AI & eLearning
- EIG volume transitioned into LXD
- Cost reductions
- Launch of self-service, on-demand platform (HAI) in Q2 FY24



<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 – TrainAI

Data collection, annotation and validation to train classical AI; prompt engineering, reinforcement learning from human feedback, red teaming and locale support for generative AI

## Client Need

- Clients focusing on AI to better engage with customers/users (e.g. chatbots, voice assistants, face ID, predicted outcomes, social media)
- All AI models need accurate, safe & reliable content/data
  - Classical AI models must be trained on vast amounts of data: text, audio, image, video, locale-specific data
  - Generative AI models must be trained and fine-tuned with domain-, company- and/or locale-specific content/data

## Attraction and right to win

- Attractive market – £2bn in size and growing
- Right to win:
  - Experience (supporting major tech players since 2016)
  - Pull from existing clients – largest buyers of these services
  - Experienced TrainAI team of data services professionals
  - Established capability – 100,000-strong community of AI data generalists, specialists and experts in 175+ countries

## FY23 Progress

- Launched TrainAI brand
- Secured multiple multi-million-dollar contracts and quadrupled engagement activity
- Developed and launched generative AI service offering
- Expanded operational team, platform and capabilities

## FY24 Focus

- Marketing programme for generative AI services
- Implement cross-selling & lead generation initiatives (incl. into Regulated Industries)
- Enhance technology platform and expand operational capabilities to keep pace with business growth

# IP Services

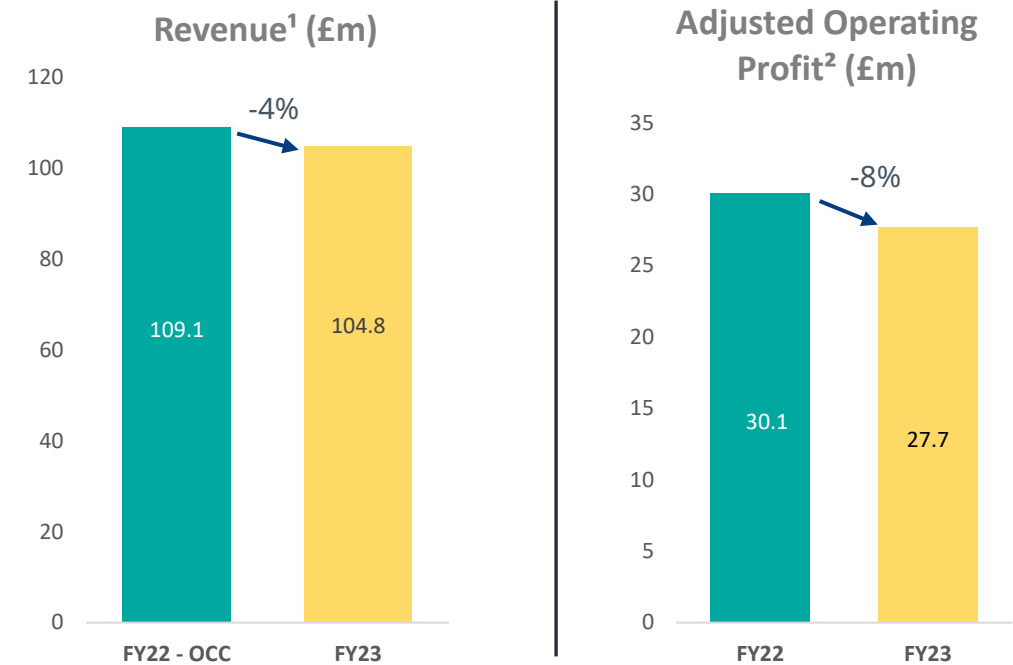
Rebounding Eurofile revenues following Unitary Patent launch & improved sales effectiveness, giving strong foundation for FY24

## Performance

- 4% organic decline in constant currency, due to impact of launch of Unitary Patent, partially offset by performance in Worldfile
- Post Unitary Patent launch in June, EuroFile orders increased with the division delivering low single digit OCC revenue growth during Q4
- Several significant wins in patent attorney segment & good performance in Worldfile
- Successfully growing patent renewals through targeting and winning corporates in China
- Adjusted operating profit 8% lower, driven by topline revenue reduction and investments in sales & marketing, partially offset by pricing progress and effective cost control

## Management Actions

- Growth levers - strong performance in penetrating Patent Attorney market
- Pricing progress
- Volume now transitioning to LXD (post successful trial in Q4 FY23)



<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.

# Regulated Industries

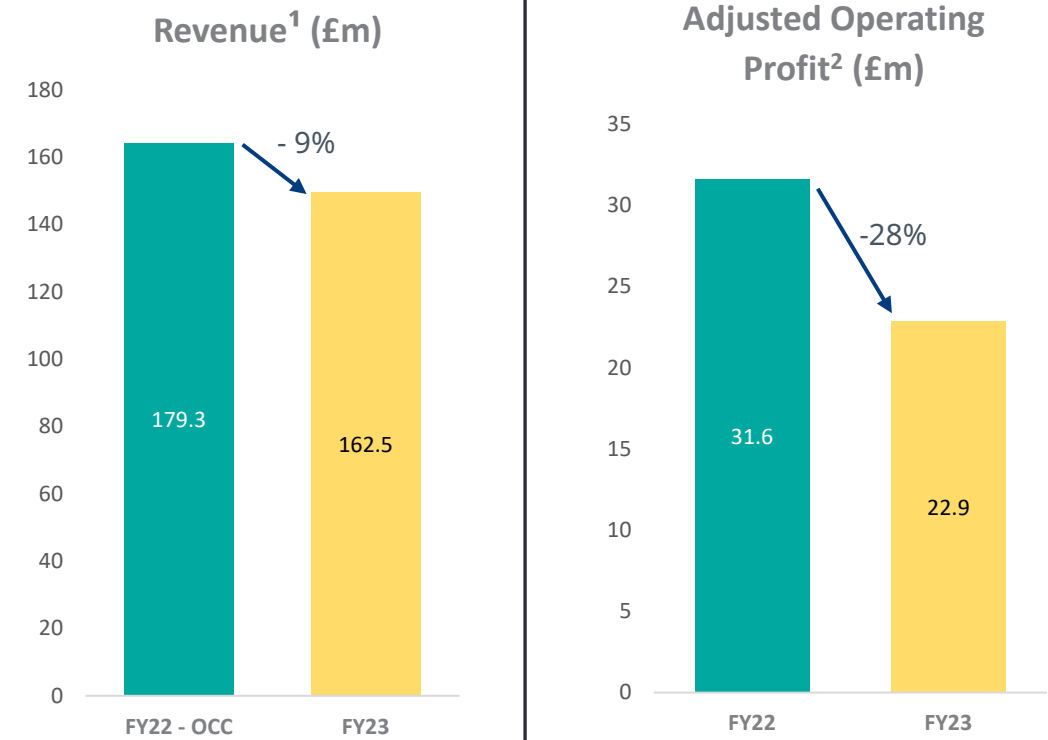
Reduced activity in Life Sciences, however Linguistic Validation points to improved demand in regulatory phase in due course

## Performance

- Constant currency organic revenue declined by 9%, driven by:
  - Reduced activity in Life Sciences (post-Covid reassessment of product pipelines and temporary regulatory delays)
  - Year-on-year impact of major CRO client loss (as previously flagged)
- Partial mitigation through:
  - Linguistic Validation, supporting pivot to more clinical work
  - Financial & Legal Services segment performance as clients sought compliance with PRIIPS regulations
- Lower adjusted PBT reflects reduction in topline revenues and loss of CRO client, partially mitigated by cost actions taken throughout the year

## Management Actions

- Growth levers - strong performance in Linguistic Validation
- Greater volume transitioned into LXD, incl. largest Life Sciences client
- Cost reductions



<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

Translation, validation, copyright management & distribution of patient-facing, data-gathering questionnaires used in clinical trials

## 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

## Attraction and right to win

- Significant, high growth market with high barrier to entry & low competitive concentration
- Extremely “sticky” service offering
- Right to win:
  - Life Sciences subject matter expertise
  - 20+ years’ experience; significant language coverage
  - Easy route to market - existing base

## FY23 Progress

- Further reduced turnaround times related to electronic administration of questionnaires (eCOA)
- Delivered technology improvements to maximise process efficiency
- Expanded relationship with AstraZeneca, including new eCOA process consultation services, leading to revenue increase

## FY24 Focus

- Utilisation of AI tools for eCOA migration tasks
- Developing large, multi-study agreements with key sponsors
- Expanding revenue sources beyond pharma clients to CROs, eCOA providers

# Language and Content Technology

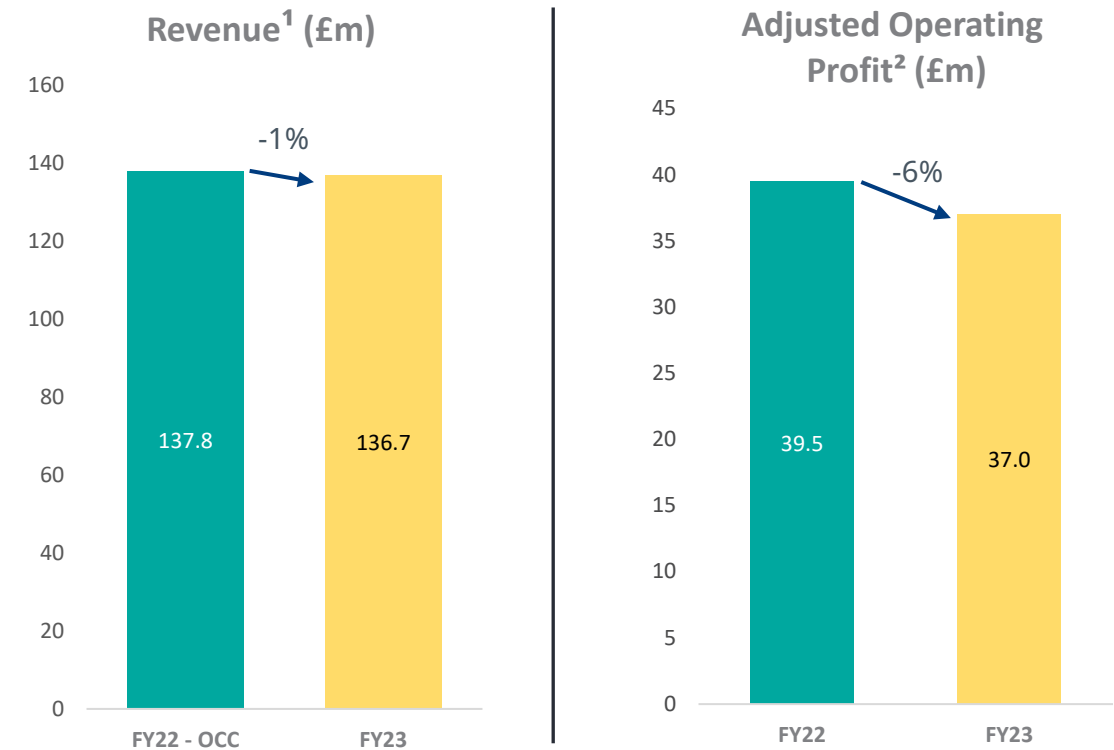
Encouraging new client wins; further shift to SaaS revenues; continued focus on AI-centred solutions

## Performance

- Revenue at organic constant currency declined by 1%, impacted by higher than anticipated proportion of SaaS revenues
- New logo wins in defence, government, software and infrastructure end verticals
- SaaS revenues as % of total licence revenue now 34% (FY22: 29%), providing tailwind from H2 as well as greater revenue predictability
- Strong H2 bookings in Language Weaver, incl. largest ever Cloud SaaS contract (\$1m over 3 years)
- Increased bookings in SaaS for Trados
- Propylon acquisition added further capability to content management portfolio
- Adjusted operating profit declined 6%, mainly driven by SaaS / Perpetual licence mix and planned investments

## Management Actions

- SaaS transition progress - 23% growth in new SaaS licences
- Trados technical debt - >100 migrations from legacy products
- Pricing progress
- Development of “Evolve” capability

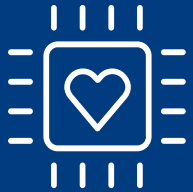


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# AI – RWS's right to win

Enterprise-grade products



Data creation & validation capability



Deep expertise



Enviably client set



Attractive partner



Commercial AI products already deployed



We believe RWS is better placed than others to win



# AI products and solutions in the market

## EXPLORING AI

### Tech Services

- Sample client project:
  - Who – govt. agency
  - What – AI-powered conversational analysis
  - Duration – 6 months
  - How – using Natural Language Processing, Machine Learning & Speech-to-Text
  - Outcome – delivered time saving & risk reduction benefits, supporting client's digital transformation

## BUILDING AI

### TrainAI

- Sample client project:
  - Who – global technology player
  - What – fine-tune Gen AI model, improve usability & safety
  - Duration – 3 months (32k hours' work)
  - How – 200+ domain experts delivered QA; improved relevance of adverts; reduced vulnerabilities
  - Outcome – client LLM successfully rolled out & additional projects awarded

## USING AI

### Language Weaver

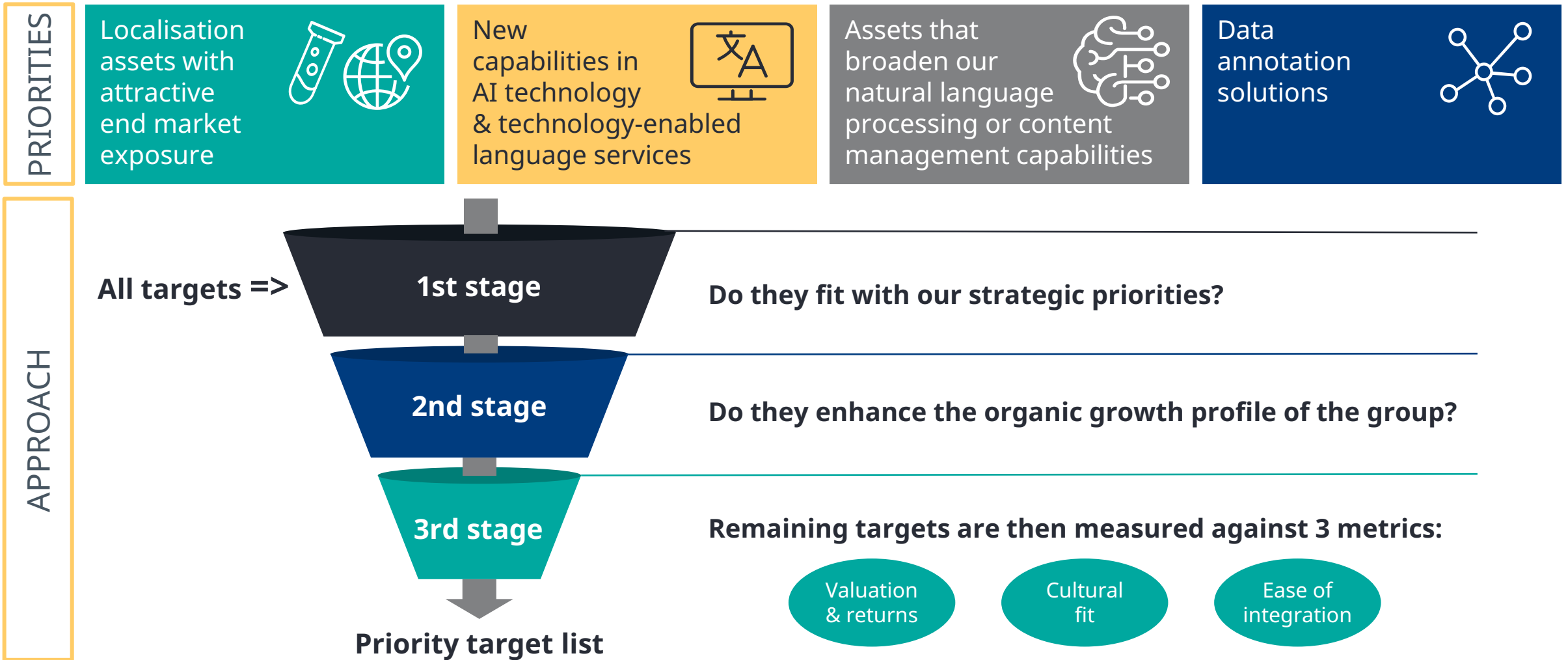
- AI-led innovation:
  - "Evolve" – linguistic AI innovation with Machine Translation Quality Evaluation & LLM-driven additional fine-tuning
  - Significantly reduces time to achieve near human-like quality outputs
  - Beta launch - Nov 23
  - Market launch Q2 FY24

## USING AI

### Trados

- AI-centred product functionality improvements:
  - Connector to support integration for Trados Studio users with LLMs (April 23)
  - AI co-pilot launched (Sept 23)

# M&A – continuing to look at range of attractive opportunities



# ESG progress



## Environment

Science-Based Targets submitted for validation

Scope 1 & 2: 50% reduction by FY33

Scope 3: 58% reduction by FY33

More robust & granular baseline data

## Social & community

Diversity Council established & diversity festival held to drive further DEI progress

£400k donations by The RWS Foundation & RWS

800 volunteering days taken by RWS colleagues

## Governance

Continued strong policy & compliance focus, incl.:

- 1) Revised Code of Conduct
- 2) Safety campaign
- 3) Information security (incl. AI requirements)

## Assurance

Awarded Silver Medal by EcoVadis – 2<sup>nd</sup> year running

Score: 66% (FY22: 63%)

Again in top quartile of participating companies

In top 9% of companies in relevant industry category

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# FY24: Current trading and outlook

## Growth

- Growth initiatives delivering increasingly significant incremental revenues
- Improving trend in OCC revenue performance in H2 FY23
- Encouraged by recovery of Eurofile revenues post Unitary Patent launch
- SaaS transition now a tailwind
- New logo wins across divisions in FY23 demonstrate strength and depth of propositions

## Investing to accelerate

- AI and Large Language Model developments creating clear growth opportunities for the Group - positive response to beta launch of 'Evolve', Language Weaver's pioneering linguistic AI innovation, in November
- Progress with transformation programme will support enhanced future performance
- ST Communications acquisition in October has given us Africa presence & deeper expertise in >40 African languages

## Full year

- Wider macroeconomic environment remains challenging, with several temporary headwinds, however this offers opportunities for the Group to strengthen leadership, particularly in respect of AI-centred solutions
- Benefit of £25m run rate cost actions to support profitability in FY24
- Trading in the current year has been in line with the Board's expectations

# Q&A

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Group Overview

Group Financials

Operational Performance

Summary

Appendix

# 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



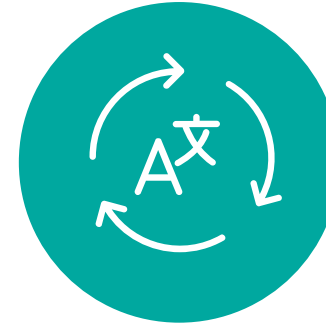
>3k rules/regulations added annually to US Federal Register since 1993<sup>2</sup>

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

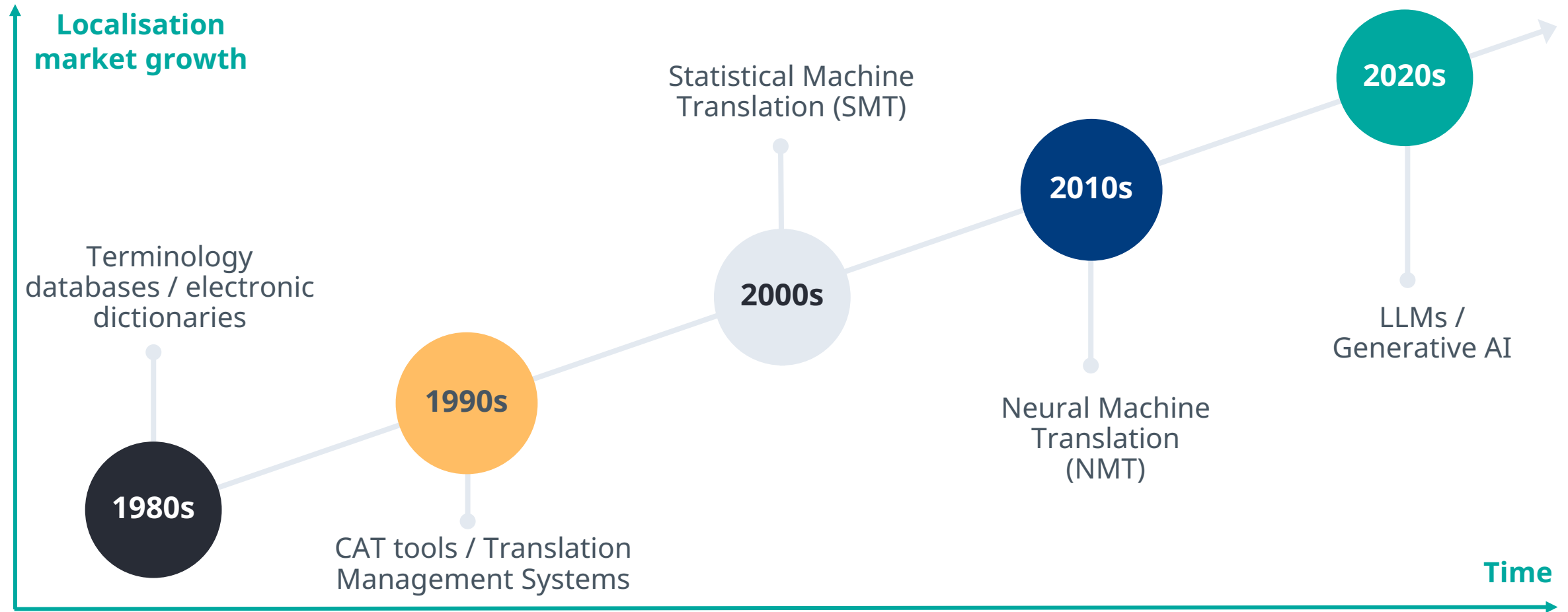


Value of global trade expected to grow 70% from 2020 to \$29.7tn in 2030<sup>5</sup>



# Technology evolution and market growth

Successive technology waves have improved efficiency/productivity and lowered price/cost-to-serve



Ongoing content explosion makes technology critical factor in sector's ability to deliver what clients want

# 20+ years' AI experience gives us deep capability and a competitive moat

Established enterprise-grade products

Trados  
Tridion

Language  
Weaver  
TrainAI

Thought leadership

>40  
patents

>100  
peer-  
reviewed  
AI papers

R&D investment

>£34m\*  
FY22

600  
colleagues

Responsible player

Data  
Privacy

Security

Internal deployment

>60%  
MT first

MTQE

\* - excludes all investments in transformation programmes (i.e. Finance, HR, LXD, IP Services)

# How to approach AI?

## Our core convictions relating to AI in our industry

- 1 Essential to adopt AI and play a lead role in shaping its use
- 2 While their roles will evolve, humans will continue to play a key role in content transformation
- 3 AI will continue to enable further improvements in cost per word and this will be balanced by a significant growth in content and use cases
- 4 There is an opportunity for us to be a disruptor and strengthen our competitive position
- 5 Partnerships will be important

## RWS is very well-placed to be a beneficiary

- 1 Opportunity to be the valued partner to our clients on their AI journey
- 2 Highly trusted on security and privacy
- 3 Already a leading player
- 4 Depth of expertise
- 5 Attractive partner and acquiror

# Shareholders

As of 31 October 2023

Top shareholders	Holding (%)
<b>Andrew S Brode</b>	<b>23.8</b>
<b>Liontrust Asset Management</b>	<b>13.0</b>
<b>Octopus Investments</b>	<b>4.9</b>
<b>RGM Capital</b>	<b>3.5</b>

# 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 period
2	Colleague engagement score	As measured via annual colleague engagement survey
3	Number of women in SLT positions	Number of 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



#### **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 combination of AI-enabled technology and human 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.

Over the past 20 years we've been evolving our own AI solutions as well as helping clients to explore, build and use multilingual AI applications. With 40+ AI-related patents and more than 100 peer-reviewed papers, we have the experience and expertise to support clients on their AI journey.

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, Africa 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).