



RWS Investor presentation

2021



Good H1 performance and integration progressing well

REVENUE

£326.4m

+ 92%, + 3% underlying¹

2020: £169.7m

ADJUSTED PBT²

At least £50.0m

2020: £33.1m

NET CASH³

£11.8m

Following SDL combination in November

2020: Net Debt of £34.5m

- Good first half performance despite FX pressures:
 - Revenue in line with expectations
 - Adjusted PBT ahead of expectations
- SDL integration progressing well
 - Cost synergies of £32m by YE FY 2022 now identified
 - Well ahead of the originally stated £15m
- Numerous integration and operational improvement workstreams underway
- The rationale for the acquisition is validated by the work to date
- Well positioned in structural growth and fragmented markets as the world's largest provider of Language Services and Language Technology

¹ Excluding the impact of acquisitions and assumes constant currency.

² Before amortization of acquired intangible assets, acquisition costs, share-based payment expenses and exceptional items.

³ Net debt comprises cash and cash equivalents less loans but before lease liabilities.

Leaders in specialist, growing market segments

IP Services

- World's premier provider of patent translation and filing, search, retrieval and monitoring services
- Over 250 full time in-house translators and linguistic revisors
- Crowd of 39,000+ researchers
- Multi-jurisdictional patent filing via web filing platform, inovia

Regulated Industries

- Highly specialised technical translations and linguistic validation to our life sciences clients, and technical translations to our financial services and legal organisations
- The high margin linguistic validation supports clinical studies of new medicines and vaccines, including those developed in the fight against Covid-19

Language Services

- World's largest language service provider
- Helps customers create, translate, and deliver content across 260 languages
- Simultaneous, consecutive and telephone interpretation

Language & Content Technology

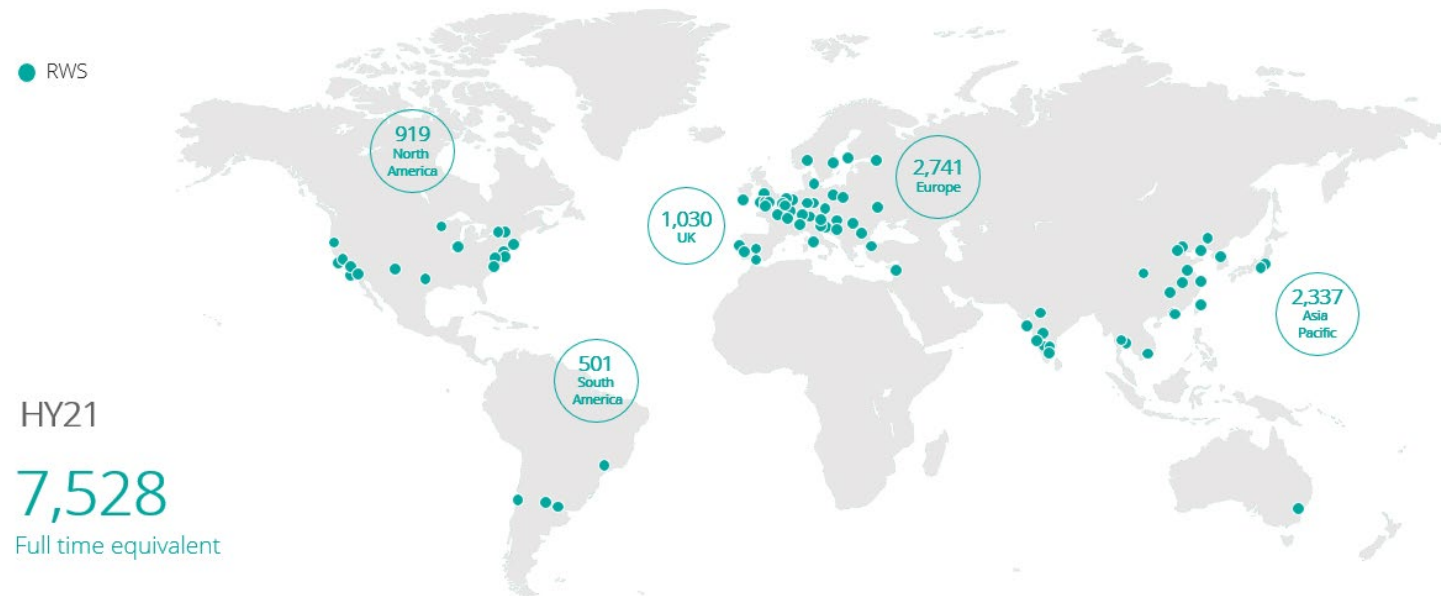
- Offers latest innovations in language & content technologies to help enterprise engage with global audiences
- Enables enterprises to automate and manage the entire content lifecycle
- Web content and structured content management technology supports creation, translation and delivery of content at scale

The world's leading language services & technology group

- **Enhanced customer proposition** - combining RWS' specialist technical language services and SDL's language technology expertise
- **Substantially strengthened positions in life sciences and technology sectors**
- **Strong financial profile** - attractive margins, highly cash generative and a strong balance sheet
- **A platform to invest** - in organic and inorganic growth opportunities

The capabilities, scale and reach to serve the largest global companies

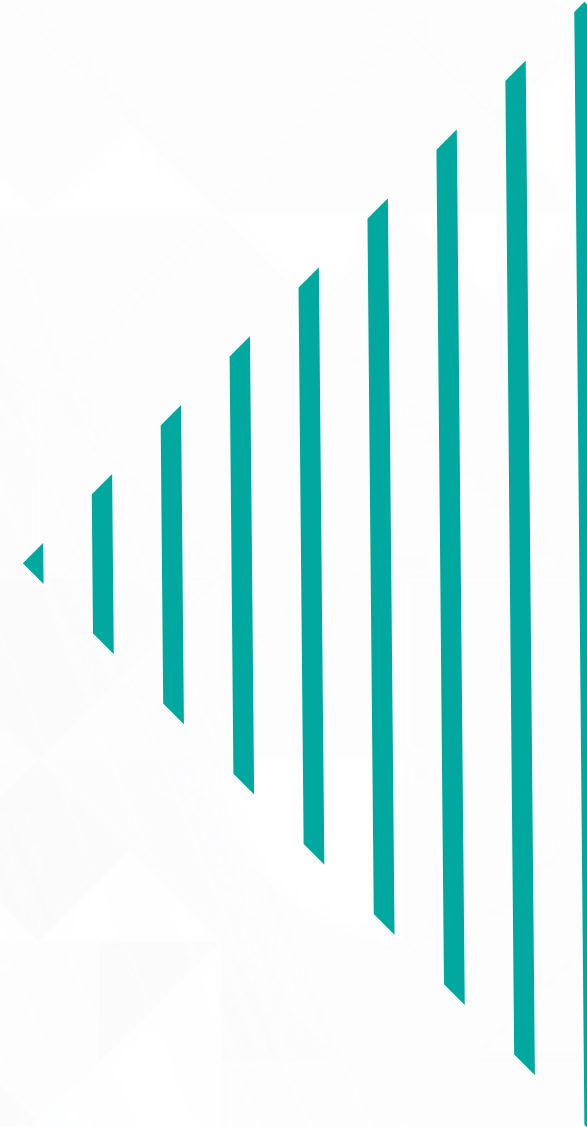
- 90 of the world's top 100 brands by value
- All of top 10 pharmaceutical companies globally
- Many of the major West Coast technology businesses
- 18 of the top 20 patent filers world-wide



ESG – increased focus

- Board and Committees restructured
- Initiated a full review across enlarged Group to identify and action steps required to improve diversity
- Increased disclosure on website of internal governance documents
- New enlarged intake of University of Manchester sponsored Language students welcomed
- Links being established across the Group for wider communications, meetings and sharing of experiences
- New Group intranet being rolled out for enhanced staff communications and involvement
- RWS staff given the opportunity to work as mentors with University of Manchester and Urban Synergy students
- Rolled out programme of increased communication with investors to discuss their ESG concerns and priorities. To date have communicated with shareholders holding 74% of issued share capital (excluding directors)
- Identifying and embarking on engagement programme with selected clients

Operational overview and SDL acquisition



Integration progressing in line with anticipated timetable

November 2020

Designed the structure ✓

- to optimize expanded scale, footprint and capabilities

Four strong divisions:

IP Services

Regulated Industries (includes Life Sciences)

Language Services (includes Moravia)

Language and Content Technology

Dec 2020 – Feb 2021

Detailed integration plan ✓

- to ensure seamless delivery and focus on key growth areas of value to clients

New management team in place: divisional presidents, directors of language delivery, corporate development and technology

Identified key workstreams across divisions and support services

Detailed plans devised for each workstream with new management

March 2021 -

Execution

- to deliver a simplified Group with four divisions efficiently supported by shared services

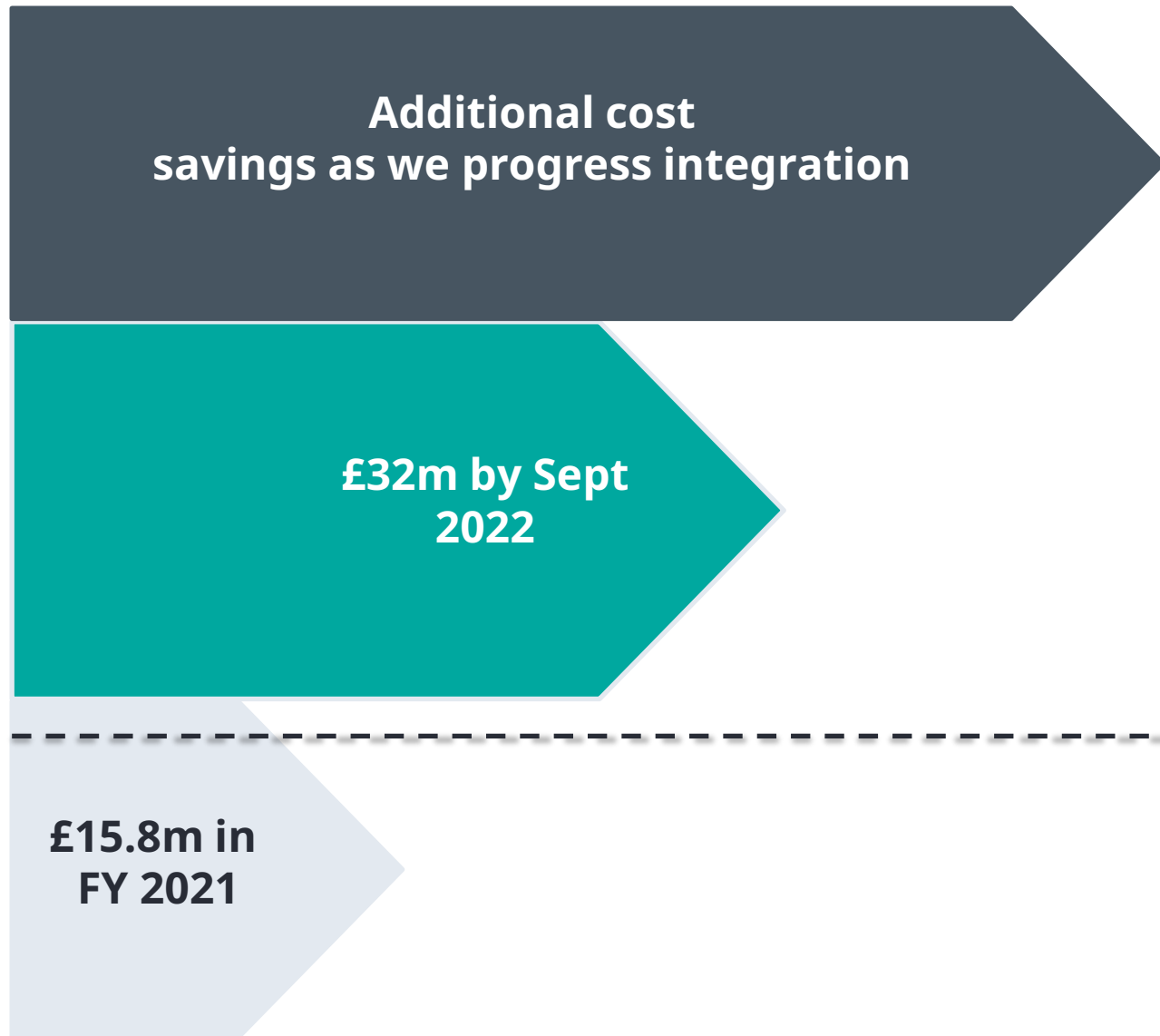
Workstreams managed by a primary lead

Teams comprise both RWS and SDL

Good breadth of integration experience

Numerous workstreams and operational improvements being delivered

Expect to deliver significantly increased cost synergies



Action plans in place to:

- Deliver savings by September 2022
- Fully integrate under RWS brand; rebrand of SDL and Moravia and launch of RWS website complete
- Roll out the best of both and remove duplication
- Structure the Group for enhanced customer focus
- Drive efficiencies and leverage scale to underpin competitive advantage

Fully integrating combined divisions

Regulated Industries

- Now has one operational structure with accountability for profit
- SDL's acquisition of Donnelley Language Solutions (DLS) had not been fully integrated; this has been accelerated
- Work is underway to standardise quality metrics prior to migrating selected customers to the SDL Helix delivery platform, leading to improved margins
- Profitability of former SDL business being addressed

Language Services

- One operational structure with accountability for profit
- Well underway with consolidating services to the Group's biggest customer on the SDL delivery platform
- Webdunia's language delivery operations have been integrated into the Group's Language Delivery team
- Commenced moving smaller Moravia customers to Helix
- Moravia's large technology customers will continue to be serviced by Moravia's bespoke and successful operating model

Fully integrating combined divisions

IP Services

- Limited overlap with other divisions
- Largely unaffected by integration work
- Cross-selling project has identified some promising early sales opportunities
- The division's ongoing ERP project continues to be delivered in line with budget

Language & Content Technology

- Limited integration required; focus on operational improvement
- The rationalisation of the Group's technology products is underway as we focus on the development of Cloud and AI services
- Iconic and the former SDL Machine Translation teams have been merged

Summary of integration benefits

Increased sales opportunities

- Leverage wider geographic footprint and enlarged sales teams
- Increased cross sell opportunities for IP Services, Language Technology, etc.
- Enhanced status as world #1

Operational efficiencies and enhanced proposition

- Elimination of duplication
- Enhanced focus on the customer
- Best of both operating models and service and product offering

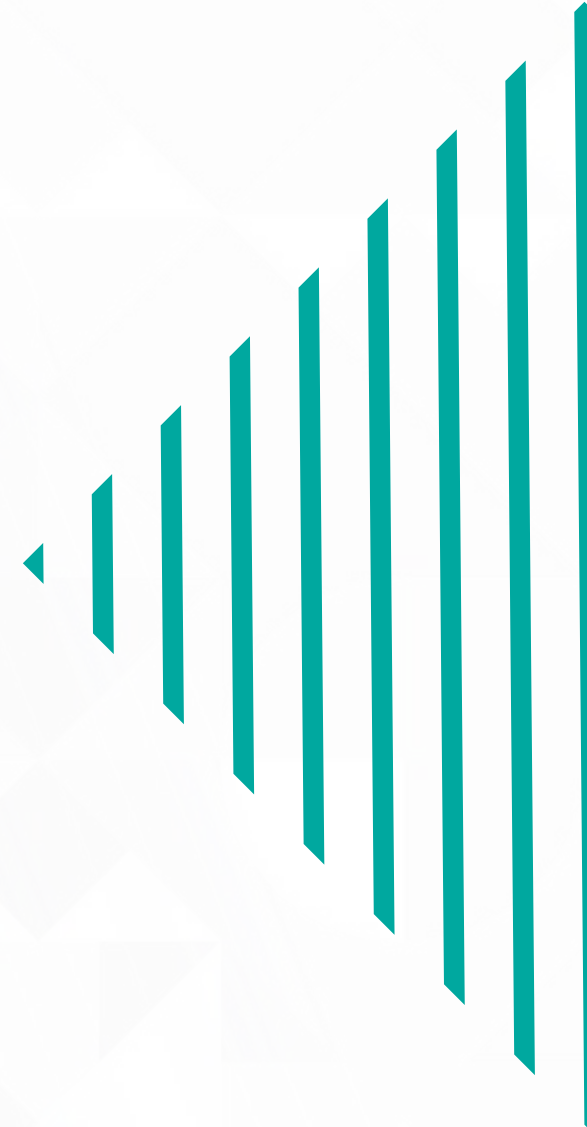
Improved gross margin

- Further utilisation of Helix platform, where it makes sense to do so
- Enhanced relationships with vendor networks

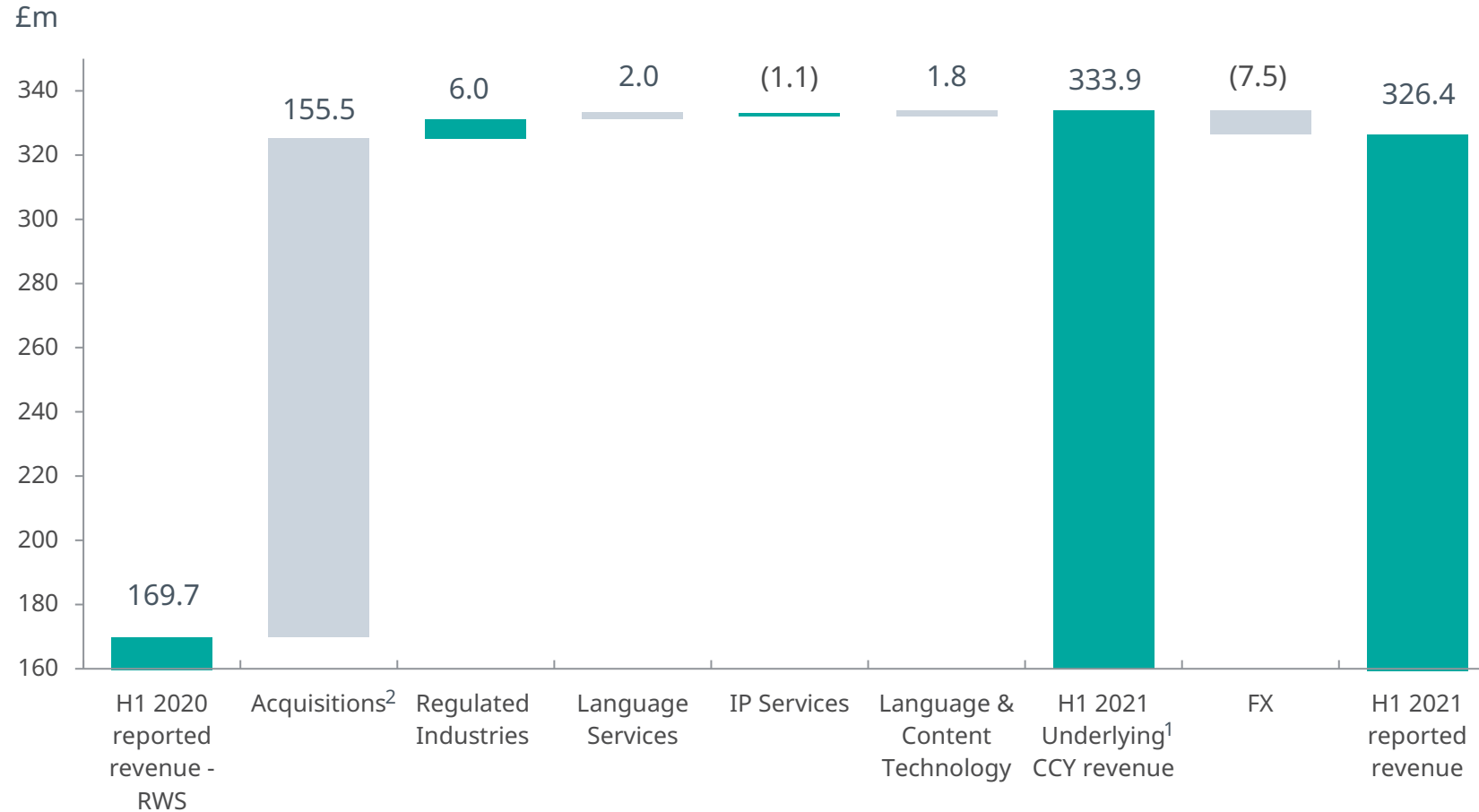
A better place to work

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

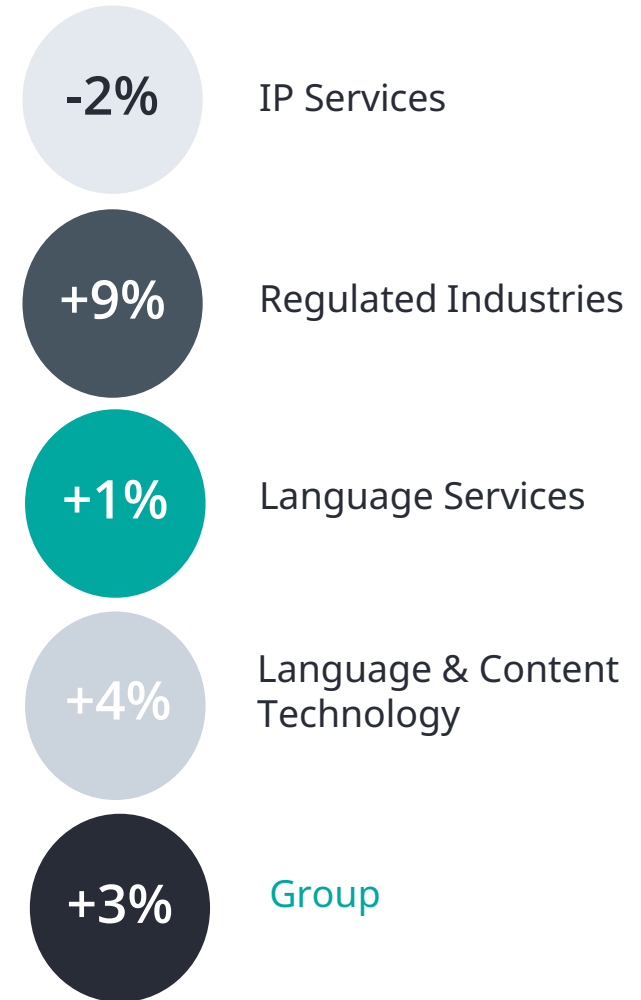
Financial overview



Underlying segmental revenue bridge



UNDERLYING¹ REVENUE GROWTH

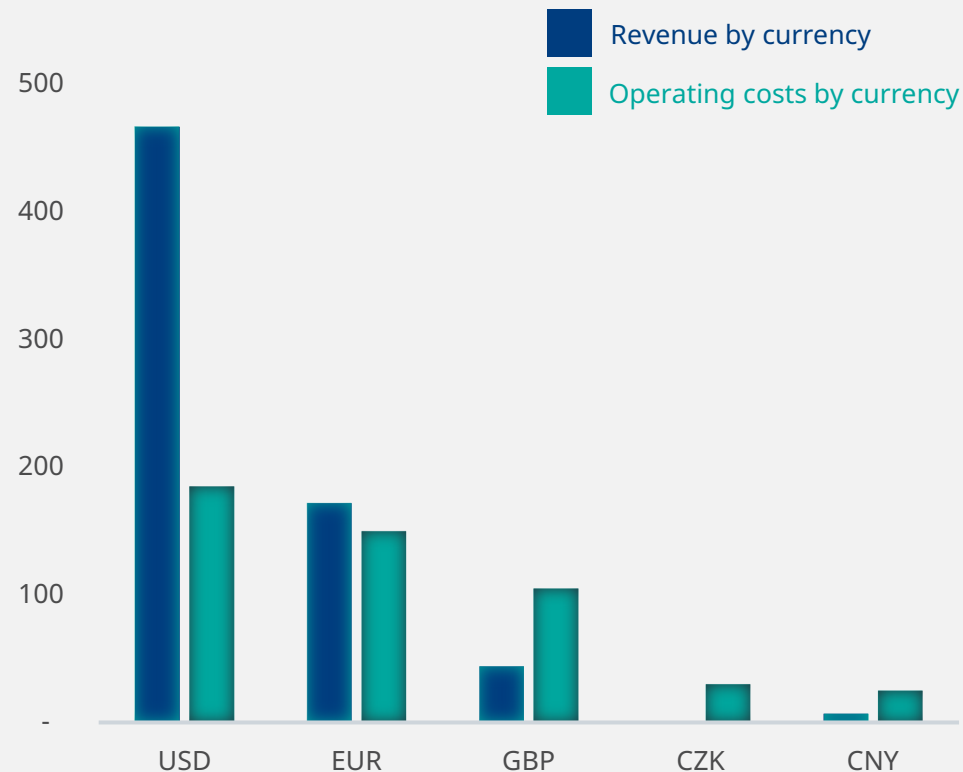


¹ Adjusted for the effect of acquisitions and assumes constant currency i.e. H1 2020 results are retranslated at H1 2021 average exchange rates.

² Adjusted for the acquisition of SDL in November 2020, and the prior period acquisitions of Webdunia and Iconic.

Group currency analysis

Proforma currency position – RWS & SDL
(in GBP million equivalents) – FY20 Pro forma

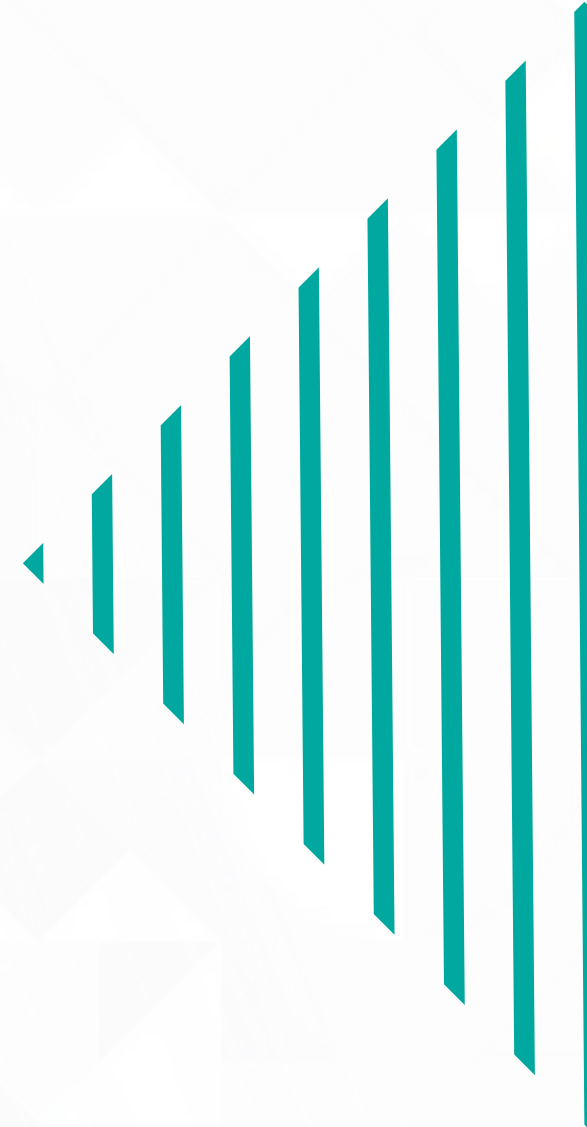


Currency management remains a priority with significant additional USD surplus resulting from the SDL combination

- Effectively hedged at a transactional level at fRWS
- Substantial natural hedge through USD debt
- Actively reviewing fSDL transactional currency surpluses and deficits, to harmonise FX mitigation across the Group
- Translational FX movements highlighted through constant currency reporting
- Assessing additional measures

	H1 21 average	H1 20 average	Variance
GBP/USD	1.350	1.285	(5.0%)
EUR/USD	1.199	1.105	(8.5%)
GBP/EUR	1.126	1.162	3.2%

Summary and outlook



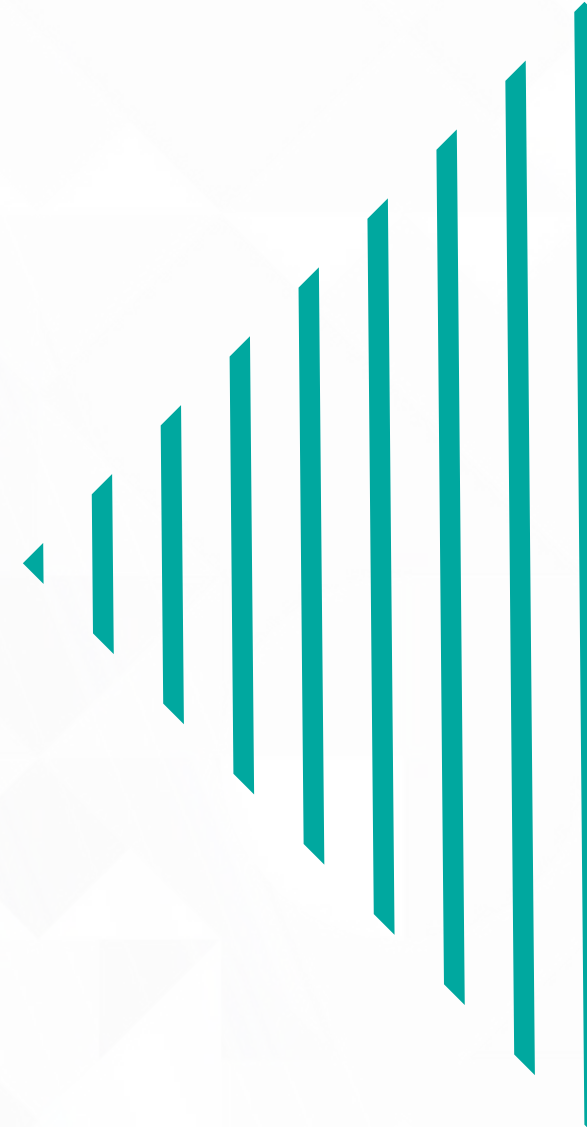
Summary and Outlook

- Successful and rapid integration of RWS and SDL remains the Group's top near term priority
- Trading has been encouraging despite impact of adverse FX rates
- Expect FY 21 PBT to be in line with expectations, at current FX rates
- Language services and technology remains a structural growth market
- Accelerating use of technology within the industry puts RWS in a unique position to capitalise
- 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



**Thank
you and
questions?**

Appendices



Key investment case highlights

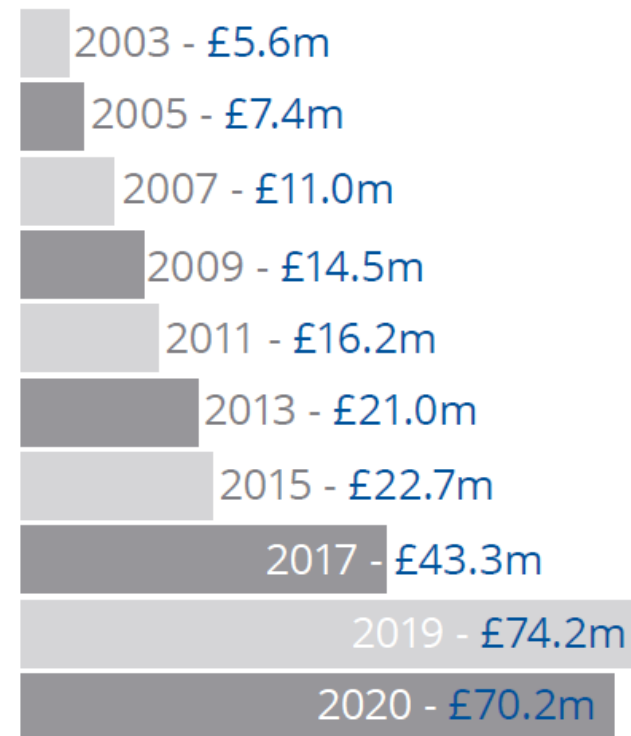


A 17-year track record growth

ANNUAL REVENUE (£355.8M)



ANNUAL ADJUSTED PBT (£70.2M)



Shareholders list

As at 31 March 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