

This announcement contains inside information.

For immediate release

24 April 2025

**RWS Holdings plc**  
**Half Year Trading Statement**

RWS Holdings plc ("RWS" or "the Group"), a unique world-leading provider of technology-enabled language, content and intellectual property services, today provides an update on trading for the six months ended 31 March 2025 ("HY25") ahead of the announcement of its half year results on 17 June 2025.

**Group Performance**

The Group delivered 1.3% organic constant currency ("OCC")<sup>1</sup> revenue growth in the period (H1 FY24: -2%), consolidating the return to growth seen in H2 FY24. Reported revenue is expected to be approximately £344m, a 1.8% decline versus prior year. Three out of the four divisions grew in the period and we were particularly pleased to see the continued momentum in our software products division, Language & Content Technology ("L&CT") and good progress with our AI-led products and services, providing further evidence of our planned pivot to growth focus areas.

Client retention levels remain high and we secured new logos across all divisions and in a wide range of end markets, including automotive, e-commerce, financial services, legal, media and technology. We saw strong performances in TrainAI and Language Weaver and trading in APAC was strong throughout the Group, reflecting the opportunity we see in the region. In our customer satisfaction programme, our NPS score was +51 for the rolling 12 months to 31 March 2025, our highest ever.

While we have also seen encouraging volumes in language services, we have continued to experience challenges in relation to mix across the Group, driven by weaker performance in the life sciences segment of Regulated Industries, and initial transition costs as clients are onboarded onto new automated delivery models.

Adjusted profit before tax ("PBT") performance in the first half has been impacted by several non-trading items, including foreign exchange, increased amortisation and the impact of the sale of PatBase (all as previously guided) and an increase in the proportion of technology investment being expensed in the year.

Consequently, the Group expects to deliver adjusted PBT of approximately £17m in the first half (H1 FY24: £46m). The non-trading items account for the majority (£23m) of the decline versus prior year, with the balance due to the gross profit impact of the mix changes noted above.

Cash generation continues to be strong and the Group had a modest net debt<sup>2</sup> position of c.£27m at 31 March 2025, after payment during the first half of the £37m final dividend for FY24.

**Divisional Performance**

Language Services grew on an OCC<sup>1</sup> basis, with a particularly strong performance in APAC and in TrainAI, our data services solution. We have continued to deliver on the significant TrainAI programmes of work we won in FY24 with some of our west coast technology clients and secured our first piece of TrainAI work with another global technology player in the first quarter of FY25.

In the first half we saw specific challenges with two large clients in relation to changes to delivery models and content types. Workflow and automation improvements successfully addressed the initial gross margin impact of this in March for one of these clients and a solution for the other will be implemented during the third quarter.

L&CT had a strong first half, with OCC<sup>1</sup> growth driven principally by Propylon and Language Weaver. The performance improvement of the content technology segment in H2 FY24 was maintained in H1 FY25 and we saw further progress in delivering a higher proportion of SaaS licences across the division, as planned.

In IP Services, growth in the renewals segment underpinned the division's positive OCC<sup>1</sup> performance, with a strong second quarter giving confidence for the second half. The APAC region performed well, as did the Worldfile segment.

Regulated Industries revenue declined on an OCC<sup>1</sup> basis, driven by delays in some client work programmes, further impacted by significant change in our sales and management team, as we refresh our go-to-market approach.

**Full Year Outlook**

While we continue to be mindful of the challenging macroeconomic backdrop, we expect to deliver modest single digit OCC<sup>1</sup> growth for the full year in line with previous guidance. We are encouraged by some performance improvement as we exited the first half and anticipate accelerated organic growth through the second half. We will also see the full benefits of those cost reduction programmes already being delivered and we will continue to invest in more automation to increase our efficiency.

Our updated view of the level of capitalisation of our technology investments will result in an increase in overheads of approximately £8m in FY25, with a corresponding reduction in capital expenditure. While we anticipate an improvement in gross margin in the second half, we expect the full year gross margin impact from mix changes to be around 300 bps. As a result, adjusted PBT is now expected to be in the range of £60m-70m for FY25, based on an H2 GBP / USD FXrate of 1.33.

**Ben Faes, CEO of RWS, commented:**

"The Group's first half results reflect our strong focus on organic revenue performance, with OCC<sup>1</sup> growth in three of the four divisions. We are particularly encouraged by the growth that we have seen in the APAC region, with new logo wins and retentions with several globally-recognised brands, a strong performance from L&CT and a solid end to the first half seen in Language Services and IP Services.

"Our AI-focused solutions continue to gain traction with clients and we expect the Group's growth momentum to accelerate through the second half, giving confidence in the delivery of OCC<sup>1</sup> growth expectations for the full year.

"Whilst changes in our mix of work and to new delivery models for certain clients have impacted profitability during this transition phase, we are confident that the actions we are taking to drive efficiency, agility and automation across the Group will support sustained profitability as we capture the higher volume growth anticipated in our markets.

"We therefore continue to invest to deliver future growth and improved performance. Central to this is an improved go-to-market approach and a clearer articulation of the value that we bring to our clients' content, data and ideas, underpinned by a more flexible and efficient delivery platform. I look forward to updating you on RWS's refreshed strategy when we present our HY25 results on 17 June."

**Notes:**

<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> *Net cash/net debt comprises cash and cash equivalents less loans but before deducting lease liabilities.*

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The person responsible for arranging the release of this announcement on behalf of the Company is Jane Hyde, Group General Counsel and Company Secretary.

**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).

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