

For immediate release

17 June 2025

## RWS Holdings plc

### Half Year Report for the Six Months ended 31 March 2025

*Continued organic growth momentum in first half and new growth strategy unveiled to accelerate growth and position RWS as the content solution partner of choice*

RWS Holdings plc ("RWS", "the Group", "the Company"), a content solutions company, powered by technology and human expertise, today announces its half year results for the six months ended 31 March 2025 ("the first half", "H1 2025" or "HY25") and sets out details of its new growth strategy.

#### Financial overview

	H1 2025	H1 2024	Change
Revenue	£344.3m	£350.3m	-2%
Adjusted EBITDA <sup>1</sup>	£38.1m	£64.2m	-41%
Adjusted profit before tax <sup>1</sup>	£18.0m	£45.6m	-61%
Reported (loss)/profit before tax	£(12.7)m	£17.3m	-173%
Adjusted basic earnings per share <sup>1</sup>	3.6p	9.1p	-60%
Basic (loss)/earnings per share	(3.1)p	3.0p	-203%
Interim dividend	2.45p	2.45p	0%
Cash conversion <sup>1</sup>	171%	30%	+141% pts
	H1 2025	FY 2024	Change
Net debt <sup>2</sup>	£(27.0)m	£(12.9)m	-£14.1m

#### H1 2025 highlights

- Further progress made on organic constant currency ("OCC")<sup>3</sup> revenue with three of the four divisions growing in the first half, resulting in overall OCC growth of +1.4% (H1 FY24: -2%), continuing the return to growth seen in the second half of FY24
- High client retention levels, with 94% repeat services revenue (H1 FY24: 93%) and record NPS score of +51 for the 12 months to 31 March 2025 (H1 FY24: +36). New logos secured across all divisions and in a wide range of end markets
- Strong performance in AI and technology, with continued momentum in the Language & Content Technology division ("L&CT") and an increase in the proportion of Group revenues delivered from AI-centred products and services to 26% (H1 FY24: 25%)
- Reported revenue of £344.3m, a 2% decline on the prior period (HY24: £350.3m)
- Lower gross margins of 43.3% (HY24: 45.7%), primarily driven by a weaker performance in Regulated Industries and continuing pricing pressure in Language Services. The overall mix was also impacted by the ramp-up of TrainAI and APAC
- 84% of localisation volume in Language Services and Regulated Industries (H1 FY24: 73%) now managed by Language eXperience Delivery ("LXD"), our production platform, with almost 60% of this content machine-translated first by Language Weaver, broadly in line with prior year
- Adjusted profit before tax<sup>1</sup> ("PBT") of £18.0m (HY24: £45.6m), predominantly due to the impact of £22m of non-trading items, including foreign exchange, increased amortisation, the impact of the sale of PatBase and an increase in the proportion of technology investment being expensed in the year. The balance is due to the £6m

gross profit impact of the mix changes noted above, all as previously announced. As a result, adjusted profit before tax<sup>1</sup> margin was 5.2%, down from 13.0% in HY24

- Modest net debt<sup>2</sup> position of £27m at 31 March 2025 (FY24: net debt of £13m), after payment of the £37m final dividend for FY24 during the first half
- Interim dividend of 2.45p (HY24: 2.45p)

#### **Divisional revenue performance**

- Language Services grew on a reported and an OCC<sup>3</sup> basis, driven by our data services solution, TrainAI, continuing to deliver on significant programmes and a strong performance in APAC with new logo wins and retentions with several globally-recognised brands
- L&CT had a strong first half, with reported and OCC<sup>3</sup> growth driven principally by Propylon and Language Weaver. The proportion of SaaS licences in the division grew to 43% (H1 FY24: 39%), in line with our plans
- In IP Services, growth in the renewals segment underpinned the division's positive OCC<sup>3</sup> performance, with strong momentum through the second quarter. The division's reported revenue decline is primarily due to the divestment of PatBase which took place in May 2024
- Regulated Industries' revenue declined on a reported and an OCC<sup>3</sup> basis, driven by reduced activity and a one-off impact of significant changes made in our Linguistic Validation management and sales team to address performance. We have now refreshed our go-to-market approach

#### **Full year outlook**

- We anticipate continued modest organic growth through the second half, thereby delivering low single digit OCC<sup>3</sup> growth for the full year, in line with previous guidance
- The Group continues to expect to deliver adjusted PBT in the range of £60m-70m for FY25, as previously guided, based on an H2 GBP / USD FX rate of 1.33

#### **New growth strategy to drive accelerated growth, higher quality earnings and margin accretion in the medium-term**

- We set out today our new strategy to accelerate growth and position RWS as the content solution partner of choice for enterprises
- The key pillars of this strategy will be the implementation of:
  - New, simplified go-to-market positioning - that makes our services more compelling and easier to buy, enables a stronger focus on and accountability for delivery with an appropriate cost base that enhances our competitiveness. We will organise the Group into three business units where we have competitive advantage:
    - Generate - our content technology and TrainAI businesses
    - Transform - our localization businesses, including language technologies and services; and
    - Protect - our IP Services business
  - Driving organic growth by establishing regional sales teams - to bring more of our product suite to customers, increasing share of wallet and better enabling acquisition of new client logos
  - A new, technology-first proposition - that embeds us in our customers' operations, by easily integrating with their systems while delivering output highly tailored to their brand's tone of voice - making us easier to work with, a more critical part of their organisation, and able to shift to more predictable revenue models (SaaS, subscription or fixed):
    - Recently appointed Chief Product & Technology Officer, Christina Scott who will lead the development and commercialization of new products with a focus on AI-driven language solutions that integrate fully with enterprises' ecosystems, building on our existing strong technology suite
    - In support of this technology-first approach we are announcing today that RWS has acquired the IP of Papercup, a pioneer of prosody-capable dubbing technology. We propose to integrate dubbing and subtitling capabilities into Trados to offer high-quality, human-in-the-loop dubbing to media and enterprise clients, who expect demand for both scale and quality in the fast-growing dubbing market
  - Driving efficiency through automation and AI, combined with strong cost control - enabling a competitive cost-to-serve, protecting margin in the near term and supporting margin improvement in the medium-term
  - A high-performance culture, with better data and insights to inform decision-making and a cultural transformation to break down barriers to collaboration
- In the coming months, we will be focussed on putting our strategy into action, as we develop detailed plans for each division, confirm our operating model design, and verify our 3-year plan. On 1 October, we will begin operating the Group under the Generate, Transform and Protect business units and we will go live with our revised sales and marketing structures to support stronger organic growth. At our FY25 results in mid-December, we will set out medium-term guidance and new KPIs.

#### **Ben Faes, Chief Executive Officer of RWS, commented:**

"The Group's first half results reflect our focus on organic revenue performance, with OCC<sup>3</sup> growth now being delivered in three of the four divisions. Particularly encouraging are the new logo wins and retentions with several globally-recognised brands that have driven growth in the APAC region, a strong performance from L&CT and a solid end to the first half in IP Services.

"Our AI-focused solutions continue to gain meaningful traction as we work closely with our clients to leverage technology both to create value and drive efficiency. However, changes in our mix of work and to new delivery models for certain clients have impacted profitability during this transition phase. We anticipate continued modest organic growth through the second half, delivering OCC<sup>3</sup> growth for the full year. We recognise that there is much to do to improve the Group's performance and it is in this context that we have conceived our new strategy.

"From my first few months immersion in the business it is clear that RWS delivers critical value to many of the largest companies in the world. We have an incredible portfolio of IP and technologies and we operate on a truly global scale, at a speed and quality that others find hard to match, clearly demonstrated by our very high NPS score. In parallel, the global content explosion, shift to multimedia content and the pace of technology change are rapidly changing the markets that we serve.

"Against this backdrop RWS must fundamentally change the way it operates. The strategy that I am announcing today will put technology and product centre stage, as the beating heart of our business. We are moving to a simpler structure with the three pillars of generate, transform and protect and simplifying our go to market. We are developing a culture of clear ownership and accountability across the Group. This is more than incremental improvement - this is about strategically repositioning RWS to stay relevant to client's future needs and to create value for shareholders.

"We have already taken steps to start implementing this strategy. Organic revenue growth is our key priority. We have launched a new brand identity for RWS, reflecting the technology DNA of the business. We recently appointed Christina Scott, as Chief Product & Technology Officer, who has begun to lead the re-organisation of our product and technology teams and our product suite. We have also launched a number of programmes to design and deliver the key changes - to our technology strategy, our delivery systems, our go-to-market strategy and data-driven decision-making. Having helped to shape the strategy and the establishment of these programmes, our executive team is highly energised about the new direction we are taking the business in.

"I am confident that this new growth strategy will allow RWS to become the content solution partner of choice, able to deliver accelerated and profitable growth and acquire additional capabilities through focused M&A."

#### **Analyst Presentation:**

An interim results presentation for analysts and investors will be held today at 09:30 BST. For those who would like to attend, please contact [RWS@mhpgroup.com](mailto:RWS@mhpgroup.com). A recording of the webcast will be made available on the Group's website via: <https://www.rws.com/about/investors/results-and-reports/>.

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#### **About RWS:**

RWS is a content solutions company, powered by technology and human expertise. We grow the value of ideas, data and content by making sure organizations are understood. Everywhere.

Our proprietary technology, 45+ AI patents and human experts help organizations bring ideas to market faster, build deeper relationships across borders and cultures, and enter new markets with confidence - growing their business and connecting them to a world of opportunities.

It's why over 80 of the world's top 100 brands trust RWS to drive innovation, inform decisions and shape brand experiences.

With 60+ global locations, across five continents, our teams work with businesses across almost all industries. Innovating since 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).

#### **Forward-looking statements**

This announcement contains certain statements that are forward-looking. These include statements regarding our intentions, beliefs or current expectations and those of our officers, Directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this document and, unless otherwise required by applicable law, RWS undertakes no obligation to update or review these forward-looking statements. Nothing in this announcement should be construed as a profit forecast. RWS and its Directors accept no liability to third parties in respect of this document save as would arise under English law.

1. *RWS uses adjusted results as key performance indicators as the directors believe these provide a more consistent measure of operating performance. The definitions for these key performance indicators can be found in the Appendix.*
2. *Net debt comprises cash and cash equivalents less loans but before deducting lease liabilities.*
3. *Adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods.*

## RWS Holdings plc

### Results for the Six Months ended 31 March 2025

#### Chief Executive Officer's Review

The Group's performance in the first six months of the year ("the first half", "H1 2025" or "HY25") reflects our focus on organic revenue, with OCC<sup>1</sup> growth now being delivered in three of the four current divisions. It was particularly encouraging to see new logo wins and retentions with several globally-recognised brands that have driven growth in the APAC region, a strong performance from L&CT and a solid end to the first half in IP Services. Our AI-focused solutions continue to gain meaningful traction as we work closely with our clients to leverage technology both to create value and drive efficiency. However, changes in our mix of work and to new delivery models for certain clients have impacted profitability during this transition phase. We anticipate continued modest organic growth through the second half, delivering OCC<sup>1</sup> growth for the full year. However, we recognise that there is much to do to improve the Group's performance and it is in this context that we have conceived our new strategy.

#### New strategy to accelerate growth

Since joining five months ago, I have carried out a thorough review of the business and spent a considerable amount of time meeting with stakeholders, including our customers, employees and investors.

This work has concluded that RWS delivers critical value to some of the world's largest companies (more than 80% of the world's top brands), we have a strong portfolio of proprietary technologies, and we operate on a truly global scale at a speed and quality that others find hard to match, supported by many talented teams. Our clients, including the vast majority of leading companies in the asset management, investment banking, legal, medical device, pharmaceutical and technology markets, are longstanding and satisfied, with a +51 NPS score on a 12-month rolling basis to 31 March 2025 (HY24: +36 NPS).

It is also clear that the transition in our markets, driven predominantly by rapid developments in AI and a global content explosion, presents clear opportunities for the business if it undertakes the fundamental change required to stay relevant for its clients' future needs.

We have, therefore, identified a clear need to reposition the business for the future, as a content solutions company, powered by technology and human expertise to maximise the value of clients' content, data and ideas. This strategy builds on the Group's strengths and puts technology and product at the heart of our business. As set out below, there are five distinct pillars to our new strategy to accelerate growth and position RWS as the AI-powered end-to-end global content partner that clients need today and tomorrow.

#### Strategy pillars

The key pillars of the new strategy are:

- **New, simplified go-to-market positioning that makes our services more compelling and easier to buy**, enables a stronger focus on and accountability for delivery and an appropriate cost base that enhances our competitiveness. Organised into three business units where we have competitive advantage:
  - Generate - our content technology and TrainAI businesses
  - Transform - our localization businesses, including language technologies as well as services; and
  - Protect - our IP Services business
- **Driving organic growth by establishing regional sales teams** - to bring more of our product suite to customers, increasing share of wallet and better enabling acquisition of new client logos
- **A new, technology-first proposition** - that embeds us in our customers' operations, by easily integrating with their systems while delivering output highly tailored to their brand's tone of voice - making us easier to work with, a more critical part of their organisation, and able to shift to more predictable revenue models (SaaS, subscription or fixed)
- **Driving efficiency through automation and AI, combined with strong cost control** - enabling a competitive cost-to-serve, protecting margin in the near term and supporting margin improvement in the medium-term
- **A high-performance culture** - with better data and insights to improve decision-making, and a cultural transformation to break down barriers to collaboration

#### Market context

AI advances are driving performance breakthroughs and reshaping supply and demand across many industries. In RWS's markets, value is shifting from traditional human solutions delivery to scalable, technology-driven solutions. Our commitment to elevating technology and product in our propositions is essential to thrive in this new landscape, where AI-first language platforms are increasingly core to both day-to-day delivery and a source of differentiation.

Against this backdrop RWS must fundamentally change the way it operates in order to stay relevant to clients' future needs and create value for shareholders. We are putting technology and product centre stage, as the beating heart of the Group. We are rethinking our go-to-market, with a simplified positioning and set of propositions, and will develop closer relationships with clients, by bringing more of our product suite to them, differentiating ourselves amidst increased competition in the market. We will also move to a simpler, cleaner structure which will provide clear ownership and accountability across the Group and allow us to drive a stronger performance culture, supported by effective, data-driven decision-making.

#### Positioning and proposition

RWS has commonly been thought of as a localisation company. In fact I believe it is best seen as a business that helps customers monetise their content - RWS is a content solutions business. Content is exploding. While technology has enabled this explosion, AI has supercharged it in the last 2.5 years. Indeed, more content was created in the last 18 months than in the previous 30 years. Content is more personalised, more multimedia in nature and more AI-generated than ever. This content explosion is creating complex issues for companies in controlling and managing their workflows whilst maintaining their brand, tone and data security. At its heart, RWS

controlling and managing their workflows whilst maintaining their brand, tone and data security. At its heart, RWS helps its clients maximise the value of their content, data and ideas in three ways:

- We help them Generate better content and data, at scale
- We help them Transform their content so their audiences can connect with it
- We help them Protect their ideas and innovations

While the content market is huge and diverse, RWS is focusing on these businesses because we already have a strong market presence, each has significant growth potential and all have segments where we have an existing competitive advantage.

### Generate

RWS provides solutions that enable organizations to organise, enrich and meticulously manage the publication of their content and data. While generative AI empowers content creation at scale, we ensure this creation is rooted in robust, comprehensible data, supported by structured, authored approaches for critical content types.

Our capabilities span multilingual data annotation, reinforcement learning with human feedback (RLHF), prompt and instruction tuning, safety and bias testing and synthetic data validation. By combining deep linguistic expertise with scalable workflows and platform integrations, we enable LLM builders and enterprise AI teams to improve model accuracy, reduce hallucination rates, ensure cultural and domain relevance and meet stringent compliance requirements. We deliver high-quality, domain-specific data that enhances model performance and mitigates bias. Our teams serve as the crucial human layer, teaching AI to understand nuance, context and real-world relevance -- transforming raw algorithms into powerful, reliable and inclusive AI solutions. We are currently working with two of the top four largest LLM builders (West Coast technology businesses) to help them increase the accuracy of their models and to teach machines how to better understand the ever-changing human world.

This business unit is 'Generate', represents approximately a sixth of Group revenue and is made up of RWS's existing content technology business and the TrainAI business. The value of the Generate market is estimated to be c£6bn<sup>2</sup>, with a market growth rate of 9-10%<sup>2</sup> in content technology and 20-22%<sup>2</sup> in AI data services.

We expect to be able to accelerate growth in the medium term in our Generate business by:

- building a highly robust, scalable platform to support the growth opportunities we see in training AI models, for both global technology companies and other AI builders; and
- leveraging our leading technology platforms in a nascent content management market which will only become more critical to organisations as content proliferates and becomes more personalised.

### Transform

Content is worth something only to its consumer. Enabling new consumers to interact with content is critical for all organisations. Transforming content to make it engaging to a wider audience is the core of RWS's skillsets. This includes everything from localisation and cultural adaptation to testing and applies to all content formats - text, voice, video, audio, software and increasingly, a dynamic blend of all five.

Within large enterprises, language adaptation permeates numerous critical functions, including product localization, software internationalization, internal communications, marketing campaigns, legal documentation and security protocols. Unlike B2C scenarios, where minor errors may be tolerated, mistakes in enterprise language can lead to severe consequences, including brand damage, regulatory non-compliance and financial loss. Research from Forrester indicates that poor localization can also result in a 20-60% decrease in customer satisfaction.

Enterprises demand customised and integrated language solutions capable of delivering high-quality translations at unprecedented speeds. They need our guarantee that we will operate in a secure environment and maintain the privacy of their assets. Current market trends emphasise a need for more language pair availability, faster turnaround times and greater affordability, thereby expanding access to a broader market.

The environment we are operating in is changing rapidly, marked by significant shifts driven by AI. The overall language industry market is substantial, sized at approximately £24bn<sup>2</sup> in 2025. However, the traditional core of this market, focused on language conversion for speech and text between languages, has seen a contraction. Slaton's legacy market data shows a 2%<sup>3</sup> overall market contraction from 2023 to 2024, with Language Solutions Integrators ("LSIs") like RWS, who have historically focused on human-managed services, experiencing a 3%<sup>3</sup> decline in that legacy scope during 2024. This underscores the challenges facing traditional models, but crucially, this contraction is happening alongside rapid growth in technology-driven solutions. Language Technology Platforms ("LTPs") saw a 12%<sup>3</sup> growth in the legacy scope in 2024. Our strategy must pivot to capture this shifting value and we have the foundations to do so.

#### *A technology-first proposition*

Historically, RWS has disrupted the market through our MT and LLM solutions and we will continue to do so. Localisation of content at scale often remains a difficult and costly process for clients, but it need not be. As part of our reorganisation, we have moved all of our linguistic technologies under the leadership of Christina Scott, whose mission is to build our technology stack with one clear vision: Global by Design. Global by Design is the localisation industry equivalent of established concepts like Privacy by Design and Security by Design. It will emphasise the incorporation of localisation requirements at the point of content creation, rather than at the end of the value chain. For instance, ServiceNow, one of our customers, has moved the definition of software readiness to include fully localised experience. It is not an after-thought, it is rooted in the design.

Our vision for the future of localisation is that it will be first and foremost a technology solution, enabling more automation and embedded into the technology stack of an organisation, reflecting its tone of voice, its brand, its lexicon and integrated seamlessly with enterprise systems, including:

- Productivity Suites (Microsoft 365, Google Workspace)
- Marketing Automation (Adobe, HubSpot)
- Software Development Tools (GitHub, Jira, Figma)
- Contract & Legal Management (DocuSign, Ironclad, SAP Ariba)

Trados is already the language technology platform software of choice for the localisation industry, from freelancers (c300,000 unique users quarterly) to large enterprises. Previously we have invested to offer a full Cloud-based solution, we've integrated Language Weaver into the product and we have added a suite of AI functionalities to help translation and workflow be more efficient for users.

I am delighted to announce today that RWS has acquired the IP of Papercup which will enable us to integrate full multimedia capabilities from dubbing to sub-titling into Trados. Our acquisition of Papercup's IP positions us strongly in the high-growth AI dubbing market, estimated at USDc.1bn in 2024, where 92% of the market is driven by AI dubbing LTPs. Papercup's focus on high-quality, human-in-the-loop dubbing aligns perfectly with the demand for scale, speed and quality in this exploding multimedia content space.

We see three options for organisations to manage their content and language needs in future:



- SaaS option integrating into clients' technology stacks - ideal for immediate content, with lower quality requirements
- Managed Services - enterprises outsource to RWS the management of the entire content workflow within the Trados tool - ideal for large brands publishing a high volume of content in 40+ languages
- Professional services - provision of language specialists for specific needs such as linguistic validation, post edit, UX testing - ideal for life science, software testing, legal validation

Within the overall £24bn<sup>2</sup> market, LSIs, who deliver managed outcomes, still capture the majority of buyer spend - roughly 87% or approximately £21bn<sup>2</sup> in 2024. Buyers, particularly large enterprises, continue to want managed solutions and outcome ownership. They need a partner who takes end-to-end responsibility for integrating AI and human expertise to deliver assured language outcomes.

However, the Language Technology Platform (LTP) market, focused purely on technology, is the faster-growing segment. It accounted for 13% or approximately £3bn<sup>2</sup> of the total market in 2024 and is projected to grow at a CAGR of c.16% to reach £8bn<sup>2</sup> by 2030. Our strategy for the Transform pillar (which represents approximately two-thirds of Group revenue) is designed to better position RWS to capture both the demand for managed solutions (where LSIs are strong) and the high-growth technology segment (where LTPs are strong), leveraging the strengths of the Group across the two.

Our vision for the Transform business unit over the next three years is:

- Revenues will shift more and more to a SaaS model, which we are well set up to capture
- We will increase the absolute number of clients
- The language mix will evolve, with a greater share of tier two languages - meaning greater demand for broader-based providers
- Multimedia content will explode and will need scalable quality dubbing solutions from enterprise-grade providers
- The nature of language specialists' work will change dramatically towards review and validation

We, therefore, expect the Transform business in the medium-term to deliver higher quality earnings from a higher proportion of recurring revenues with enhanced margins by leading with technology-led solutions, offsetting an anticipated softening in traditional language service revenues.

RWS has the scale, breadth of capabilities, technology and client relationships to take its language AI solutions beyond localization to become core within the functionality of clients' enterprise systems.

### Protect

We live in a world where innovation will never be as slow as it is today. In 2023 3.5m<sup>2</sup> patent applications were made, with 14% of them AI-related; of that number, 60% originated in China. Originating as an IP translations company, RWS has longstanding expertise in IP management and an established presence in the market, along with many long-term client relationships. Building on patent search, filing and translation foundations, RWS has extended its offering to cover renewals and records, allowing us support clients through the entire IP lifecycle. This 'Protect' pillar is our IP Services business, a leader in its industry yet with a small share of its estimated £2bn<sup>2</sup> market, which has a market growth rate of 4-5%<sup>2</sup>, and is typically resilient across the economic cycle.

RWS's vision for Protect is to become the digital IP platform of choice. We will be end-vertical agnostic while focusing on the largest IP markets globally. We will continue to invest in developing the IP platform capability required to best serve clients across the entire lifecycle. In our Protect business we expect to be able grow faster than the market, through a combination of gaining new clients and growing share of wallet due to our differentiated, across the lifecycle, proposition. This is expected to generate higher quality of earnings driven by an increase in the proportion of recurring revenues.

### **Strategy summary & next steps**

Our new strategy will allow us to deepen significantly our strategic relationships with large enterprises and become the critical solution provider to a larger set of clients. Each of these business units anchors around a strong technology platform which not only incorporates AI advancements but, for most, benefits from the expanding AI market as they enable the growth of third parties' technologies. The organisation for each business unit will enable a sharper focus for each of them, with the relevant go-to-market, adjusted delivery model and a specific investment profile. The revenue model will also become clearer and more predictable as it shifts to a higher portion of SaaS revenue, subscription or fixed FTE-based service.

In the coming months, we will be focussed on putting our strategy into action, as we develop detailed plans for each business unit, confirm our operating model design, and verify our 3-year plan. On 1 October, we will begin operating the Group under the Generate, Transform and Protect business units and we will go live with our revised sales and marketing structures to support stronger organic growth. At our FY25 results in mid-December, we will set out medium-term guidance and new KPIs.

### **Profit and Loss**

The Group's revenues were £344.3m compared with £350.3m in the six months ended 31 March 2024 ("HY24"), a 1.7% decline. On an OCC<sup>1</sup> basis revenues grew 1.4%, following growth in H2 FY24 of +2%. Gross margin declined to 43.3% (HY24: 45.7%), primarily driven by weaker performance in Regulated Industries, increased investments to support the ramp-up of TrainAI & large client volume increases as well as adverse geographical mix as APAC's growth was sustained in Language Services.

The Group achieved an adjusted PBT of £18.0m in the first half-year, a decrease of 61% compared with £45.6m in HY24, predominantly due to £22m of non-trading items, including foreign exchange, increased amortisation and the impact of the sale of PatBase and an increase in the proportion of technology investment being expensed in the year, with the balance due to the gross profit impact of the mix changes noted above, as guided in April 2025. As a result, adjusted profit before tax margin was 5.2%, down from 13.0% in HY24. Adjusted profit before tax is stated before exceptional items, share-based payment expenses and amortisation of acquired intangibles. On the same basis, adjusted basic earnings per share decreased by 60% to 3.6p (HY24: 9.1p).

### **Taxation**

The adjusted effective tax rate for the Group was 25.6% (HY24: 25.1%). The increase in the period is mainly as a result of an increase in the corporate tax rate in the Czech Republic, one of the group's key operational jurisdictions, from 19% to 21%.

### **Currency and FX**

The Group remains exposed to movements in the US dollar exchange rate reflecting the fact that the majority of revenues are denominated in US dollars. The Group continues to hedge transactional risk while relying on constant currency reporting to highlight underlying translation risk, which remains unhedged. The Group uses forward exchange contracts to hedge risk at both Group and divisional level.

## Cash Flow

Net cash flow from operating activities was £37.2m (HY24: £37.4m). During the first half, the major cash outlays were the final dividend of £36.9m, intangible asset additions of £10.3m and tax payments of £9.1m. Cash conversion was 171% as a result of improved cash collection. The high percentage is skewed by the disproportionate impact of net working capital improvement relative to the half year adjusted income. Cash conversion is expected to revert to normal levels by the end of the period.

£5m cash was received as final consideration for the disposal of the Group's interest in a revenue and cost sharing arrangement, together with some associated assets, relating to a patent information resource business known as "PatBase" in May 2024.

## Balance sheet and liquidity

At 31 March 2025, shareholders' funds amounted to £869.9m (HY24: £909.0m). At the same date, the Group had net debt of £27.0m (FY24: net debt £12.9m), comprising cash of £69.5m less borrowings of £96.5m. RWS has a cash generative business model and the Board is confident that the Group's cash generation and liquidity put it in a strong position to further invest in organic growth as well as explore suitable acquisition opportunities. In addition to its cash reserves, the Group had drawn US 126.5m of its US 220m banking facility, leaving headroom of US 93.5m at the period end and total liquidity of £142m.

## Dividend

The Directors have approved an interim dividend of 2.45p per share (HY24: 2.45p). This reflects the Group's strong financial position, its cash generative business model and the Board's confidence in its future prospects. The dividend will be paid on 18 July 2025 to shareholders on the register at 19 June 2025 and the ex-dividend date is 20 June 2025.

## H1 Operating review

### Language Services

Language Services focuses on localisation and related solutions for a wide range of industry verticals, including automotive, chemical, consumer, manufacturing, retail, technology, travel and telecommunications. The range of services includes AI-centred localisation and data services, eLearning and multimedia localisation. RWS's technology products, such as Language Weaver and Trados, either underpin the division's services solutions (such as Evolve) or are sold in combination with them. The division is able to support clients at any stage of their globalisation journey.

The Language Services division, which represented 46% of Group revenues (HY24: 45%) in the period, generated reported revenues of £158.4m (HY24: £156.5m).

On an OCC' basis, Language Services grew 4%, driven by our data services solution, TrainAI and a particularly strong performance in APAC with new logo wins and retentions with several globally-recognised brands. We continue to see reduced activity from some of our Americas clients as they have adapted their priorities to changes in their end markets.

We have continued to deliver on the significant TrainAI programmes of work we won in FY24 with a number of our West Coast technology clients and secured our first piece of TrainAI work with another global technology company in the first quarter of FY25. Clients are attracted to the enterprise-grade security and privacy that RWS offers, as well as its strong ethical practices in the sourcing and quality checking of data for training their AI models.

The division's adjusted operating profit was £6.4m (HY24: £15.3m), impacted by increased competition on price, primarily in the non-West Coast technology part of the division, adverse mix driven primarily by the accelerated growth of our Train AI business and core localisation in APAC, as well as the incremental investment to support the large client volume increases outlined in the half year trading statement, with cost reduction programmes offsetting inflation.

### Regulated Industries

Regulated Industries provides a range of localisation services for three verticals - life sciences, financial services and the legal sector. Service provision is centred around highly specialised technical translations with a strong emphasis on quality and security. The division's clients include 19 of the world's top 20 pharmaceutical companies, all of the top 10 asset management companies and 18 of the top 20 law firms. In the pharmaceutical and medical device verticals, we work in both the clinical and regulatory phases of therapy development and our services often make a critical contribution to life safety.

Reported revenues were £65.6m (HY24: £71.8m), representing 19% of Group revenues (HY24: 21%).

In Regulated Industries, reported revenue fell 9% and 7% on an OCC' basis. Whilst we have seen some small growth with our life sciences clients within the core localisation services we offer, we have also seen some reduced activity with our finance and legal clients and a larger decline in our linguistic validation business in the first half. We attribute the latter partly to the changes made in our own management late last year and partly to timing variations in client study pipelines. We anticipate a stronger H2 FY25 for LV as these clinical programmes advance into new phases.

Adjusted operating profit for Regulated Industries was £2.7m (HY24: £7.5m), reflecting the reduction in top line revenues and mix changes.

### Language & Content Technology

Language & Content Technology ("L&CT") offers a range of technology products which deliver translation and content management solutions. A pioneer in machine translation ("MT"), Language Weaver is a neural MT product, using linguistic AI. With Trados, RWS offers a suite of translation productivity and management solutions for enterprises, small and medium-sized organisations and professionals. Tridion, Contenta and Propylon are the Group's portfolio of content management products, which offer specialised solutions for multiple end markets, including aerospace and defence, high-tech, law-makers and law-takers, life sciences and manufacturing, alongside a leading XML editor (Fonto). All these products offer clients enterprise grade privacy, security and quality.

L&CT revenues were £71.2m (HY24: £68.8m) and accounted for 21% of Group revenues (HY24: 20%).

The division had a strong first half, with 6% OCC' growth driven principally by performance in Language Weaver and Propylon.

The proportion of SaaS licences as a percentage of total licence revenues in the division grew to 43% (H1 FY24: 39%) and we achieved 12% reported growth in SaaS licence revenues in the period compared with HY24, both as intended, and further demonstrating the continued shift in our licence models to SaaS. This transition gives us greater stability and predictability of future revenue streams and helps build long-term value for FY25 and beyond.

In May 2025, Trados advanced its AI capabilities with the launch of Smart Insights, enabling users to access real-time translation project data through natural language queries - eliminating the need for complex reports. These AI-powered insights help project managers quickly spot trends, mitigate risks, and make confident decisions. This, alongside accessibility improvements in the online editor, multi-file editing and a new live subtitle preview for videos, demonstrates our continued commitment to embedding AI into everyday workflows and delivering measurable productivity gains for all users.

We continue to make progress on the transition programme to Trados Enterprise for clients of our legacy translation management products, having announced end of life in March 2024. At 31 May 2025 51% of transitions had been completed (HY24: 17%).

The division's in-house R&D team has continued to lead the development of the AI-enabled Evolve solution, including the roll out of additional language pairs - 27 were available as at 31 May 2025. Evolve has become a standard part of our content translation process; the more it is used, the more strongly it performs as our models learn from the decisions our post editors make to change or accept Evolve's output.

Adjusted operating profit for the division was £8.5m (HY24: £12.8m), impacted by reduced technology R&D capitalisation in the period, increased amortisation from prior year investments and the intended transition from one off licence purchases to a higher proportion of SaaS revenues, partially offset by favourable pricing (via contract renewals) and ongoing cost reduction efforts.

## IP Services

IP Services is one of the world's leading providers of patent translations, filing solutions and IP search, renewal, records and monitoring services. The division delivers highly specialised technical translations to patent applicants and their representatives and counts 19 of the world's top 20 patent filers as its clients.

In IP Services revenues were £49.1m (HY24: £53.2m), representing 14% of Group revenues (HY24: 15%).

Revenue grew 1% on an OCC<sup>1</sup> basis, underpinned by strong performance in the renewals and research segments (the latter after allowing for the lower revenue resulting from the Patbase divestment) and the Worldfile segment for filing and translations work. Within the Worldfile segment, the APAC region performed strongly, underpinned by a significant new logo win with a major Chinese online retailer.

The division delivered an adjusted operating profit of £10.5m (HY24: £11.7m, restated to reflect the sale of PatBase), reflecting mix and incremental investments in sales capability.

## People

I have visited eleven RWS offices across the world, meeting with many teams and understanding firsthand our technologies, our approach to service and how colleagues are feeling. While it is clear that there is a mixture of excitement and nervousness about the impact of AI, there is also a clear appetite for the Group to lead our industry transition. There was a universally positive response to the rebrand that we launched in the middle of May and I am very committed to creating a more unified culture across the Group. In parallel with actions to bring our refreshed values to life, I am particularly determined to breaking down the organisational siloes that will enable more effective collaboration across the Group.

Just after the end of the period Joseph Ayala joined RWS as Executive Vice-President of Strategy and Corporate Affairs, with responsibility for the Group's strategy, investor relations and global M&A. His role involves identifying opportunities for growth and innovation in rapidly evolving competitive landscapes, helping to improve communication to investors and driving a disciplined M&A strategy to boost growth and capitalize on market trends. Joseph brings 14 years' experience in senior leadership roles within technology-enabled service companies, including Travelex and Webhelp, where he led the company's successful buy-and-build strategy between 2015 and 2023. Prior to this he spent 14 years in investment banking at BZW, Credit Suisse and Hawkpoint, where he advised public and private companies across a range of industries on international M&A and equity/debt financing.

In May, Christina Scott joined the Group as Chief Product and Technology Officer. Christina will lead the Group's global product and technology strategy, shaping the innovation agenda and delivering scalable, market-leading solutions. Her leadership will be instrumental in driving growth, sharpening focus across the portfolio and bringing the Group's ambitious roadmap to life. Christina is an experienced senior executive with a proven record of delivering revenue growth and cost optimization across complex technology, digital products and data solutions. She brings more than 25 years' experience working with blue chip companies, private equity and start-ups undergoing large digital transformations and change programmes, including OVO Energy, News UK, News Corp and the Financial Times.

Voluntary colleague attrition levels have fallen to 10.5% in the 12 months ended 31 March 2025, compared with 12.4% for the 12 months ended 31 March 2024.

At 31 March 2025 the number of full-time equivalent colleagues in the Group was 9,403 (HY24: 7,814). The increase is due to the resources recruited to support the increase in TrainAI business over the last 12 months.

## ESG

On environmental matters, the Group's greenhouse gas ("GHG") emissions reduction targets were approved by the Science Based Targets initiative ("SBTi") in May 2024. A range of green agenda programmes continues across the Group to help ensure we are making the progress towards our targets. During the first half our Scope 1 and 2 emissions were down significantly year on year, as anticipated, but Scope 3 emissions rose. Nevertheless, with improved performance expected in the second half, we anticipate we will hit our targets for the full year.

## Current trading and outlook

We anticipate continued modest organic growth through the second half, thereby delivering low single digit OCC<sup>1</sup> growth for the full year, in line with previous guidance. Adjusted PBT is expected to be in the range of £60m-70m for FY25 as previously guided, based on an H2 GBP / USD FX rate of 1.33.

Benjamin Faes  
Chief Executive Officer  
17 June 2025

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



1. Adjusted to reflect a restructuring of portfolio between reporting periods and assumed constant currency across both reporting periods.
2. Industry reports and BCG analysis.
3. Slatcor 2025 Language Industry Market Report, May 2025.
4. Data Horizon Research, 2024.
5. RWS uses adjusted results as key performance indicators as the directors believe these provide a more consistent measure of operating performance. The definitions for these key performance indicators can be found in the Appendix.
6. The adjusted effective tax rate is the effective tax rate before exceptional items, amortisation of acquired intangibles, tax on exceptional items and prior year adjustments.
7. Net cash comprises cash and cash equivalents less loans but before deducting lease liabilities.
8. Calculated as number of leavers during the financial year, on a rolling last twelve months basis, divided by average headcount over the same period.

## RWS Holdings plc: Condensed Consolidated Statement of Comprehensive Income

	Note	6 months ended 31 March 2025 (Unaudited) £	6 months ended 31 March 2024 (Unaudited) £
<b>Revenue</b>	2	<b>344.3</b>	350.3
Cost of sales		(195.1)	(190.0)
<b>Gross profit</b>		<b>149.2</b>	160.3
Administrative expenses		(159.2)	(140.5)
<b>Operating (loss)/profit</b>		<b>(10.0)</b>	19.8
<b>Analysed as:</b>			
Operating profit before charging:		20.7	48.1
Exceptional items - acquisition-related costs	4	(2.8)	(4.3)
Exceptional items - other	4	(4.7)	(0.8)
Share-based payment expenses		(1.6)	(1.7)
Amortisation of acquired intangibles		(21.6)	(21.5)
<b>Operating (loss)/profit</b>		<b>(10.0)</b>	19.8
Net finance (costs)	3	(2.7)	(2.5)
<b>(Loss)/profit before tax</b>		<b>(12.7)</b>	17.3
Tax credit/(expense)	5	1.4	(6.2)
<b>(Loss)/profit for the period from continuing operations attributable to the equity holders of the parent company</b>	2	<b>(11.3)</b>	11.1
<b>Other comprehensive income/(expense)</b>			
Gain/(loss) on retranslation of foreign operations (net of deferred tax)		17.1	(23.7)
(Loss) on cash flow hedges (net of deferred tax)		-	(0.6)
<b>Total other comprehensive gain/(expense)</b>		<b>17.1</b>	(24.3)
<b>Total comprehensive gain/(expense) attributable to owners of the Parent</b>		<b>5.8</b>	(13.2)
Basic (loss)/earnings per ordinary share (pence per share)	7	(3.1)	3.0
Diluted (loss)/earnings per ordinary share (pence per share)	7	(3.1)	3.0

## RWS Holdings plc: Condensed Consolidated Statement of Financial Position

	Note	31 March 2025 (Unaudited) £m	31 March 2024 (Unaudited) £m	30 September 2024 (Audited) £m
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		582.6	593.8	570.8
Intangible assets		298.9	344.6	317.0
Property, plant and equipment		12.8	25.1	13.5
Right-of-use assets		20.0	24.6	22.7
Non-current income tax receivable		2.1	1.4	2.2
Deferred tax assets		2.1	1.0	2.0
		<b>918.5</b>	990.5	928.2
<b>Current assets</b>				
Trade and other receivables		206.5	227.3	211.2
Foreign exchange derivatives		-	1.6	-

Income tax receivable		6.1	1.7	5.6
Cash and cash equivalents	8	69.5	64.6	61.5
		<b>282.1</b>	<b>295.2</b>	<b>278.3</b>
<b>Total assets</b>		<b>1,200.6</b>	<b>1,285.7</b>	<b>1,206.5</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		143.6	160.6	127.7
Lease liabilities		5.0	9.0	8.5
Foreign exchange derivatives		1.6	-	-
Income tax payable		9.8	15.0	14.3
Provisions		5.5	6.8	7.9
		<b>165.5</b>	<b>191.4</b>	<b>158.4</b>
<b>Non-current liabilities</b>				
Loans	9	96.5	103.5	74.4
Lease liabilities		18.6	20.8	18.7
Trade and other payables		-	2.5	0.4
Provisions		1.5	5.9	1.5
Deferred tax liabilities		48.6	52.6	53.5
		<b>165.2</b>	<b>185.3</b>	<b>148.5</b>
<b>Total liabilities</b>		<b>330.7</b>	<b>376.7</b>	<b>306.9</b>
<b>Total net assets</b>		<b>869.9</b>	<b>909.0</b>	<b>899.6</b>
<b>Equity</b>				
<b>Capital and reserves attributable to owners of the parent</b>				
Share capital		3.7	3.7	3.7
Share premium		56.0	54.5	54.5
Share-based payment reserve		8.0	7.0	8.1
Reverse acquisition reserve		(8.5)	(8.5)	(8.5)
Merger reserve		624.4	624.4	624.4
Foreign currency reserve		(14.7)	10.0	(31.8)
Hedge reserve		-	(4.1)	-
Other reserve		0.1	-	0.1
Retained earnings		200.9	222.0	249.1
<b>Total equity</b>		<b>869.9</b>	<b>909.0</b>	<b>899.6</b>

## RWS Holdings plc: Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Other reserves (see below) £m	Retained earnings £m	Total attributable to owners of parent £m
<b>At 30 September 2023</b>	3.8	54.5	651.4	277.6	987.3
Profit for the period	-	-	-	11.1	11.1
(Loss) on cash flow hedges	-	-	(0.6)	-	(0.6)
(Loss) on retranslation of foreign operations	-	-	(23.7)	-	(23.7)
Total comprehensive (expense)/income for the period ended 31 March 2024	-	-	(24.3)	11.1	(13.2)
Purchase of own shares	(0.1)	-	-	(30.3)	(30.4)
Dividends	-	-	-	(36.4)	(36.4)
Share-based payments expense	-	-	1.7	-	1.7
<b>At 31 March 2024 (unaudited)</b>	3.7	54.5	628.8	222.0	909.0

<b>At 30 September 2024</b>	3.7	54.5	592.3	249.1	899.6
(Loss) for the period	-	-	-	(11.3)	(11.3)
Gain on retranslation of foreign operations	-	-	17.1	-	17.1
Total comprehensive income/(expense) for the period ended 31 March 2025	-	-	17.1	(11.3)	5.8
Issue of shares (net of issue costs)	-	1.5	-	-	1.5
Dividends	-	-	-	(36.9)	(36.9)
Exercise of share options	-	-	(1.5)	-	(1.5)
Share-based payments expense	-	-	1.4	-	1.4
<b>At 31 March 2025 (unaudited)</b>	3.7	56.0	609.3	200.9	869.9

	Share based payment reserve £m	Reverse acquisition reserve £m	Merger reserve £m	Foreign currency reserve £m	Hedge reserve £m	Other reserve £m	Total attributable to owners of parent £m
<b>At 30 September 2023</b>	5.3	(8.5)	624.4	33.7	(3.5)	-	651.4

Other comprehensive (expense) for the period ended 31 March 2024	-	-	-	(23.7)	(0.6)	-	(24.3)
Share-based payments expense	1.7	-	-	-	-	-	1.7
<b>At 31 March 2024 (unaudited)</b>	<b>7.0</b>	<b>(8.5)</b>	<b>624.4</b>	<b>10.0</b>	<b>(4.1)</b>	<b>-</b>	<b>628.8</b>
<b>At 30 September 2024</b>	<b>8.1</b>	<b>(8.5)</b>	<b>624.4</b>	<b>(31.8)</b>	<b>-</b>	<b>0.1</b>	<b>592.3</b>
Other comprehensive income for the period ended 31 March 2024	-	-	-	17.1	-	-	17.1
Exercise of share options	(1.5)	-	-	-	-	-	(1.5)
Share-based payments expense	1.4	-	-	-	-	-	1.4
<b>At 31 March 2025 (unaudited)</b>	<b>8.0</b>	<b>(8.5)</b>	<b>624.4</b>	<b>(14.7)</b>	<b>-</b>	<b>0.1</b>	<b>609.3</b>

## RWS Holdings plc: Condensed Consolidated Statement of Cash Flows

	Note	6 months ended 31 March 2025 (Unaudited) £	6 months ended 31 March 2024 (Unaudited) £
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax		(12.7)	17.3
Adjustments for:			
Depreciation of property, plant and equipment		2.1	4.5
Amortisation of right-of-use assets		3.4	3.5
Amortisation of intangible assets		33.5	29.6
Amortisation of debt issue costs		0.3	0.4
Share-based payment expense		1.6	1.7
Finance (income)		(0.5)	(1.0)
Finance expense		3.0	3.5
Fair value movement on derivatives		1.6	(1.5)
<b>Operating cash flow before movements in working capital</b>		<b>32.3</b>	<b>58.0</b>
Decrease/(increase) in trade and other receivables		2.3	(19.7)
Decrease in trade and other payables		11.7	9.7
<b>Cash generated from operating activities</b>		<b>46.3</b>	<b>48.0</b>
Income tax paid		(9.1)	(10.6)
<b>Net cash inflow from operating activities</b>		<b>37.2</b>	<b>37.4</b>
<b>Cash flows from investing activities</b>			
Interest received		0.5	1.0
Disposal proceeds		5.0	-
Acquisition of subsidiary, net of cash acquired		-	(0.5)
Purchases of property, plant and equipment		(1.5)	(2.4)
Purchases of intangibles assets		(10.3)	(21.6)
<b>Net cash outflow from investing activities</b>		<b>(6.3)</b>	<b>(23.5)</b>
<b>Cash flows from financing activities</b>			
Net movement on existing debt		21.8	50.9
Interest paid		(3.0)	(3.5)
Lease liability payments		(5.3)	(5.0)
Purchase of own shares		-	(30.4)
Dividends paid	6	(36.9)	(36.4)
<b>Net cash outflow from financing activities</b>		<b>(23.4)</b>	<b>(24.4)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7.5</b>	<b>(10.5)</b>
Cash and cash equivalents at beginning of the period		61.5	76.2
Exchange gains/(losses) on cash and cash equivalents		0.5	(1.1)
<b>Cash and cash equivalents at the end of the period</b>	8	<b>69.5</b>	<b>64.6</b>

## Notes to the Condensed Consolidated Financial Statements

### 1 Basis of preparation

#### General information

RWS Holdings plc, together with its subsidiaries, is a content solutions company, powered by technology and human expertise. We grow the value of ideas, data and content by making sure organizations are understood. Everywhere.

RWS Holdings plc is a public limited company incorporated under the Companies Act 2006 and domiciled in England and Wales and its shares are quoted on the AIM Market.

This condensed consolidated interim financial report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of RWS Holdings plc in respect of the year ended 30 September 2024 have been delivered to the Registrar of Companies, upon which the Company's auditors have given a report which was unqualified and did not contain any statement under Section 498 of the Companies Act 2006

The condensed consolidated interim financial report for the six months ended 31 March 2025 were approved by the Directors on 16 June 2025.

### *Basis of preparation*

The condensed consolidated interim financial report is for the six months ended 31 March 2025. It is unaudited and prepared in accordance with the AIM rules for Companies and with IAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial report should be read in conjunction with the annual financial statements for the year ended 30 September 2024, which have been prepared in accordance with international accounting standards and in conformity with the requirements of the Companies Act 2006

### *Accounting policies*

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those of the Group's annual financial statements for the year ended 30 September 2024.

### *Amended standards adopted by the group*

The IASB has issued the following amendments, which have been endorsed by the UK Endorsement Board, for annual periods beginning on or after 1st January 2024

- Amendments to IAS 7 Statement of Cash Flows;
- Amendments to IFRS7 Financial Instruments: Disclosure relating Supplier Finance Arrangements;
- Amendments to IFRS 16 Leases;
- Amendments to IAS 1 Presentation of Financial Statements.

The new or amended standards and interpretations above are effective for the year ended 30 September 2025. The directors anticipate that the adoption of these standards and interpretations will have no material impact on the Group's financial statements. The Group has not early adopted any standard, amendment or interpretation that was issued but is not yet effective.

### *Going concern*

At 31 March 2025, the Group's balance sheet reflects a net asset position of £869.9m and the liquidity of the Group remains strong with £69.5m of cash and cash equivalents. The Group has a 220m Revolving Credit Facility (RCF) maturing on 3 August 2027. At the period end, £72.2m of this RCF is undrawn.

At 31 March 2025, the Group is in a net debt position excluding lease liabilities of £27.0 (see note 9), and the Group's two debt covenants under its RCF, being the ratio of Net Debt to trailing 12-month adjusted EBITDA (as defined in the RCF agreement) and trailing 12-month EBITDA to Finance Charges (as defined in the RCF agreement) are both well within the covenant limits permitted by the Group's RCF.

On the basis set out above, the Directors consider it appropriate to conclude that the Group has adequate resources to continue as a going concern for the foreseeable future and for a period of at least 12 months from the date of authorising these interim financial statements. Therefore, the Group continues to adopt the going concern basis for preparing its interim financial statements.

### *Principal risks and uncertainties*

The Board routinely monitors risks that could materially and adversely affect the Group's ability to achieve strategic goals, its financial condition and the results of its operations. The Group's risk management framework is explained from page 42 of our 2024 Annual Report and Financial Statements which is available on our website at [www.rws.com](http://www.rws.com). The Board assumes overall accountability for the management of risk whilst the Audit Committee continues to monitor and review the effectiveness of the Group's risk management and internal control systems. The identified principal risks are considered unchanged from those outlined on pages 42 to 45 of our 2024 Annual Report and Financial Statements. These are technology and AI, competitive risk, talent retention and development, failure to deliver profitable growth, data services business model risk, data privacy, cyber security, complexity and business transformation, legislative and regulatory compliance and geopolitical changes.

### *Judgements and estimates*

The preparation of these condensed consolidated interim financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Group. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected. The Group's significant estimates and judgements are described in note 2 of the 2024 Annual Report and Financial Statements and summarised below:

Areas of estimation and uncertainty:

- Value in use estimation for the Group's Cash Generating Units ("CGUs")
- Interpretation of applicable tax legislation, including transfer pricing, timing of future taxable income which could necessitate future adjustments to taxation already recorded, and the recoverability of the Group's resulting deferred tax assets.
- Estimates of cost to complete for the rendering of services delivered on an 'over time' basis and by extension the associated accrued income.

Significant areas of judgement:

- Revenue - multiple arrangements. To determine the appropriate revenue recognition for contracts containing multi-elements that include both products and services, we evaluate whether the contract should be accounted for as a single, or multiple performance obligations.
- Capitalised development costs. Management applies judgement in determining if the costs meet the criteria under IAS 38, Intangible Assets and are therefore eligible for capitalisation.

## **2 Revenue from contracts with customers and segment information**

The Group generates revenue from contracts with its customers for the provision of translation and localisation, intellectual property support solutions and the provision of software. Revenue from providing these services during the year is recognised either at a point in time and over time as shown in the table below.

### **Timing of revenue recognition for contracts with customers**

6 months

6 months

	ended 31 March 2025 (Unaudited) £m	ended 31 March 2024 (Unaudited) £m
At a point in time	23.8	26.4
Over time	320.5	323.9
<b>Total revenue from contracts with customers</b>	<b>344.3</b>	<b>350.3</b>

### Segmental reporting

The chief operating decision maker for the Group is identified as the Group's Board of Directors collectively. The Board reviews the Group's internal reporting in order to assess performance and allocates resources. The Board divides the Group into four reportable segments and assesses the performance of each segment based on the revenue and adjusted profit before tax. These are measured on a basis consistent with the Condensed Consolidated Statement of Comprehensive Income.

The four reporting segments, which match the operating segments, are explained in more detail below:

- Language and Content Technology ("L&CT"): Revenue is generated through the provision of a range of translation technologies and content platforms to clients.
- IP Services: The Group's IP Services segment provides high quality patent translations, filing services and a broad range of intellectual property ("IP") search services.
- Language Services: The revenues are derived by providing localisation services which include translation and adaptation of content across a variety of media and materials to ensure brand consistency.
- Regulated Industries: Revenue is generated through the translation and linguistic validation for customers who operate in regulated industries such as life sciences.

Unallocated costs reflect corporate overheads and other expenses not directly attributed to segments.

### Segment results for the 6 months

ended 31 March 2025 (Unaudited)

	Language Services £m	Regulated Industries £m	L&CT £m	IP Services £m	Unallocated £m	Group £m
<b>Revenue</b>	<b>158.4</b>	<b>65.6</b>	<b>71.2</b>	<b>49.1</b>	<b>-</b>	<b>344.3</b>
Operating profit/(loss) before charging:	6.4	2.7	8.5	10.5	(7.4)	20.7
Amortisation of acquired intangibles	(7.0)	(6.0)	(8.6)	-	-	(21.6)
Exceptional items - acquisition-related costs	-	-	-	-	(2.8)	(2.8)
Share-based payments expenses	-	-	-	-	(1.6)	(1.6)
Exceptional items - other	-	-	-	-	(4.7)	(4.7)
<b>Operating (loss)/profit</b>	<b>(0.6)</b>	<b>(3.3)</b>	<b>(0.1)</b>	<b>10.5</b>	<b>(16.5)</b>	<b>(10.0)</b>
Finance expense						(2.7)
<b>(Loss) before taxation</b>						<b>(12.7)</b>
Tax credit						1.4
<b>(Loss) for the period</b>						<b>(11.3)</b>

### Segment results for the 6 months

ended 31 March 2024 (Unaudited)

	Language Services £m	Regulated Industries £m	L&CT £m	IP Services £m	Unallocated £m	Group £m
<b>Revenue</b>	<b>156.5</b>	<b>71.8</b>	<b>68.8</b>	<b>53.2</b>	<b>-</b>	<b>350.3</b>
Operating profit/(loss) before charging:	15.3	7.5	12.8	14.2	(1.7)	48.1
Amortisation of acquired intangibles	(7.1)	(6.0)	(8.4)	-	-	(21.5)
Exceptional items - acquisition-related costs	-	-	-	-	(4.3)	(4.3)
Share-based payments expenses	-	-	-	-	(1.7)	(1.7)
Exceptional items - other	-	-	-	-	(0.8)	(0.8)
<b>Operating profit/(loss)</b>	<b>8.2</b>	<b>1.5</b>	<b>4.4</b>	<b>14.2</b>	<b>(8.5)</b>	<b>19.8</b>
Finance expense						(2.5)
<b>Profit before taxation</b>						<b>17.3</b>
Tax charge						(6.2)
<b>Profit for the period</b>						<b>11.1</b>

### Capitalised contract costs, contract asset and contract liabilities

The Group has capitalised contract costs as incremental expenses under IFRS 15, mainly for commissions on new contracts. The balance at the balance sheet date was £1.3m (HY24: £1.5m).



Contract assets and liabilities are recognised at the point in which the Group's right to consideration is unconditional. The Group uses the term 'Trade Receivables' for these financial asset balances. Contract assets are recognised where performance obligations are satisfied over time until the point of final invoicing when these are classified as 'Trade Receivables'. The Group recognises revenue for partially satisfied performance obligations as 'Accrued Income', below is a summary of contract balances held by the Group:

	31 March 2025 (Unaudited) £m	31 March 2024 (Unaudited) £m
Net trade receivables	119.8	138.2
Net contract assets (accrued income)	62.8	52.9
<b>Total contract assets</b>	<b>182.6</b>	<b>191.1</b>
Contract liabilities (deferred income)	47.7	51.8
<b>Total contract liabilities</b>	<b>47.7</b>	<b>51.8</b>

### 3 Net finance costs

	6 months ended 31 March 2025 (Unaudited) £m	6 months ended 31 March 2024 (Unaudited) £m
<b>Net finance costs</b>		
- Net bank interest payable	2.0	1.5
- Interest payable on lease obligations	0.5	0.6
- Amortised borrowing costs	0.2	0.4
<b>Net finance costs</b>	<b>2.7</b>	<b>2.5</b>

## 4 Exceptional items

Exceptional items are items of financial significance which the Group believes should be separately identified on the face of the income statement to assist in understanding the underlying financial performance achieved by the Group.

	6 months ended 31 March 2025 (Unaudited) £m	6 months ended 31 March 2024 (Unaudited) £m
Acquisition-related costs	2.8	4.3
Other exceptional items	4.7	0.8
<b>Total exceptional items</b>	<b>7.5</b>	<b>5.1</b>

### Other exceptional items

A description of the principal items included is provided below:

Restructuring costs - £4.6m was incurred in respect of business restructuring.

Finance costs - £0.1m was incurred related to amortisation expense associated with a gain on debt modification recognised in previous accounting periods.

In HY24, other exceptional costs of £0.8m is made up of severance costs of £0.4m, finance cost amortisation of £0.1m, restructuring costs of £0.2m and £0.1m spent to establishing a new holding company.

### Acquisition-related costs

Acquisition-related costs of £2.8m (HY24: £4.3m) includes £2.7m of contingent consideration associated with the acquisition of Propylon being recognised in accordance with IFRS 3 and a further £0.1m of contingent consideration associated with the acquisition of ST Comms Language Specialists Proprietary Limited being recognised in accordance with IFRS 3. These have been accounted for as exceptional items in line with the Group's accounting policy and treatment of similar costs during the year ended 30 September 2024.

In the prior period, acquisition-related costs consist of £1.1m of contingent consideration associated with the acquisition of Liones Holding BV ("Fonto") being recognised in accordance with IFRS 3, £2.9m of contingent consideration associated with the acquisition of Propylon being recognised in accordance with IFRS 3, £0.2m of contingent consideration associated with the acquisition of ST Comms Language Specialists Proprietary Limited being recognised in accordance with IFRS 3, and £0.1m in respect of on-going strategic projects.

### 5 Taxation

	6 months ended 31 March 2025 (Unaudited) £m	6 months ended 31 March 2024 (Unaudited) £m
Total current taxation	4.9	10.3
Deferred taxation	(6.3)	(4.1)
<b>Tax (credit)/expense</b>	<b>(1.4)</b>	<b>6.2</b>

### Effective tax rate

The effective tax rate on reported profit before tax was 11.0% (HY24: 35.8%). The Group's effective tax rate on the tax credit for the period is lower than the UK's statutory tax rate mainly due to non-tax deductibility of acquisition related exceptional costs, which reduced the reported tax credit.

The adjusted tax charge was £4.6m (HY24: £11.4m) giving an adjusted effective tax rate of 25.6% (HY24: 25.1%) on

The adjusted tax charge has been determined by applying an adjusted effective tax rate of 25.7% (HY23: 25.1%) to the adjusted profit before tax of £18.0m (HY24: £45.6m). Adjusted profit before tax is an adjusted measure which, is reconciled as part of the Alternative Performance Measures section at the end of this report.

The adjusted tax charge is the total tax charge as disclosed in the Condensed Consolidated Income Statement less the tax effects of exceptional items and amortisation of acquired intangibles. The effective income tax rate represents the best estimate of the average annual effective income tax rate expected for the full year, applied to the profit before income tax for the six months ended 31 March 2025 adjusted for discrete items as required.

The Group's adjusted effective tax rate going forward is expected to be in the region of 25% to 26%, similar to the effective UK rate. There are some countries in which the tax rate is lower than the UK, but the impact is largely offset by the tax rates in countries that are higher than the UK.

#### Uncertain tax provisions

The Group holds uncertain tax provisions in relation to historic transfer pricing arrangements between the UK, Ireland, the US as well as other tax risks across the Group. These provisions total £6.4m at 31 March 2024 (HY23: £6.2m).

## 6 Dividends

An interim dividend of 2.45p (HY24: 2.45p) per ordinary share will be paid on 18 July 2025 to shareholders on the register at 19 June 2025. The ex-dividend date is 20 June 2025.

This dividend, declared by the Directors after the balance sheet date, has not been recognised in these financial statements as a liability at 31 March 2025. The interim dividend will reduce shareholders' funds by an estimated £9m (HY24: £9.0m).

Dividends paid in the period were £36.9m (HY24: £36.4m).

## 7 Earnings per share

Basic earnings per share is calculated by dividing the Group's profit after tax by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by adjusting the basic earnings per share for the effects of share options and awards granted to employees. These are included in the calculation when their effects are dilutive.

Adjusted earnings per share is a trend measure, which presents the long-term profitability of the Group, excluding the impact of specific transactions that management considers affects the Group's short-term profitability. The Group presents this measure to assist investors in their understanding of trends. Adjusted profit after tax is the numerator used for this measure. Adjusted earnings and adjusted earnings per share are therefore stated before amortisation of acquired intangibles, acquisition costs, share based payment expenses and exceptional items.

	6 months ended 31 March 2025	6 months ended 31 March 2024
Earnings per ordinary share - basic (p)	(3.1)	3.0
Earnings per ordinary share - diluted (p)	(3.1)	3.0
Adjusted earnings per ordinary share - basic (p)	3.6	9.1
Adjusted earnings per ordinary share - diluted (p)	3.6	9.1

	6 months ended 31 March 2025 Earnings £m	6 months ended 31 March 2024 Earnings £m
<b>Profit for the period</b>	(11.3)	11.1
<i>Adjustments:</i>		
Amortisation of acquired intangibles	21.6	21.5
Share-based payment expenses	1.6	1.7
Exceptional items	7.5	5.1
Tax effect of adjustments	(6.0)	(5.5)
Tax adjustment in respect of prior years	-	0.2
<b>Adjusted profit attributable to equity holders of the parent</b>	<b>13.4</b>	<b>34.1</b>

	6 months ended 31 March 2025	6 months ended 31 March 2024
Weighted average number of ordinary shares in issue for basic earnings	369,115,317	374,012,554
Dilutive impact of share options	-	-
<b>Weighted average number of ordinary shares for diluted earnings</b>	<b>369,115,317</b>	<b>374,012,554</b>

## 8 Cash and cash equivalents

	31 March 2025 (Unaudited) £m	31 March 2024 (Unaudited) £m	30 September 2023 (Audited) £m
Cash at bank and in hand	58.8	52.2	52.4
Short-term deposits	10.7	12.4	9.1
<b>Cash and cash equivalents in the cash flow statement</b>	<b>69.5</b>	<b>64.6</b>	<b>61.5</b>

Short-term deposits include deposits with a maturity of three months or less, or deposits that can be readily converted into cash. The fair value of these assets supports their carrying value.

## 9 Analysis of net debt

	1 October 2024 £m	Effects of cash flows £m	Non-cash movements £m	31 March 2025 (Unaudited) £m
Cash & cash equivalents	61.5	7.5	0.5	69.5
Issue costs	1.6	-	(0.3)	1.3
Loans (current and non-current)	(76.0)	(21.8)	-	(97.8)
<b>Net debt (excluding lease liabilities)</b>	<b>(12.9)</b>	<b>(14.3)</b>	<b>0.2</b>	<b>(27.0)</b>
Lease liabilities	(27.2)	5.3	(1.7)	(23.6)
<b>Net debt (including lease liabilities)</b>	<b>(40.1)</b>	<b>(9.0)</b>	<b>(1.5)</b>	<b>(50.6)</b>

At 31 March 2025, the Group is in a net debt position, excluding lease liabilities, of £27.0m and the Group's two debt covenants under its RCF being the net leverage ratio and interest coverage ratio are both are well within the covenant limits permitted by the Group's RCF.

## 10 Share-based compensation grants

On 24 January 2025, 6,059,183 Long Term Incentive Plan ("LTIP") share options were awarded to certain key senior executives and employees of the Group.

The LTIPs comprise conditional awards of shares, with performance conditions measured in 2028 by reference to performance in the period from 2 December 2024 to 23 January 2028, based on total shareholder return ('TSR').

On 24 January 2025, a restricted share award (RSA) of 1,338,401 LTIP shares were awarded to certain key senior executives and employees of the Group.

This RSA comprised conditional awards of shares, with performance conditions measured in 2026 by reference to performance in the period from 24 January 2025 to 23 January 2026, based on personal performance targets.

On 24 January 2025, a bonus share award of 81,300 shares was awarded to the CFO, these shares vested on 24 January 2025.

On 13 February 2025, 607,816 share options were granted under the Group's SAYE scheme, which in normal circumstances will not be exercisable until the completion of a three-year savings period ending on 31 March 2028 and will be exercisable for a period of six months thereafter.

## 11 Related party transactions

During the first half, in the normal course of business, the Group provided translation services worth £216k (HY24: £202k) to subsidiaries of Learning Technologies Group plc (LTG), a company in which Andrew Brode, the Group's Chairman, has a significant interest. £134k (HY24: £176k) was due from LTG at the reporting date.

## 12 Financial risk management and financial instruments

The Group's operations expose it to a variety of financial risks including foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's treasury policy addresses issues of liquidity, funding and investment as well as currency, credit, liquidity and interest rate risks. The condensed consolidated interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements. This information and related disclosures are presented in the Group's annual financial statements at 30 September 2024.

There have been no significant changes to risk management policies or processes since the year end.

The Group holds a number of financial instruments that are held at fair value within the condensed consolidated interim financial statements. In deriving the fair value the derivative financial instruments are classified as level 1, level 2, or level 3 dependent on the valuation method applied in determining their fair value.

The different levels are defined as follows:

Level	
1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
3	Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

The financial instruments held at fair value by the Group relate to foreign currency forward contracts used as derivatives for hedging. For both the six months ended 31 March 2025 and 31 March 2024, the assets and liabilities arising from foreign currency forward contracts have been classified as level 2. The fair value of these instruments at each of the period ends was:

	31 March 2025 (Unaudited) £m	31 March 2024 (Unaudited) £m	30 September 2024 (Audited) £m
<b>Assets</b>			
Forward foreign currency exchange contracts	-	1.6	-
<b>Liabilities</b>			
Forward foreign currency exchange contracts	(1.6)	-	-

There have been no transfers between level 1 and 2 in any period and there are no level 3 items. The fair value of other financial assets and liabilities, including trade and other receivables, cash and cash equivalents, trade and other payables and borrowings approximate to their carrying amount.

## 13 Post Balance Sheet events

The group has no post balance sheet events to disclose.

The Board uses a number of alternative performance measures, which can be directly reconciled to GAAP measures. The Board primarily uses these 'adjusted' measures as they exclude the impact of non-recurring transactions which are not part of the normal course of business. Adjusted measures therefore are calculated by removing the impact of exceptional items, share-based payment expenses and amortisation of acquired intangibles together, where relevant, with their associated tax effects.

- **Adjusted profit before tax:** Profit before tax before exceptional items, share-based payment expenses and amortisation of acquired intangibles (reconciled on the face of the income statement).
- **Adjusted profit after tax:** profit after tax before exceptional items, share-based payment expenses and amortisation of acquired intangibles (reconciled in note 7 as the numerator for adjusted EPS and adjusted diluted EPS).
- **Cash conversion: free cash flow before exceptional cashflows, divided by adjusted net income.**
- **Free cash flow, before exceptional cash flows:** net cash inflow from operating activities before exceptional cash flows, less purchase of fixed assets, net interest paid and lease liability payments (reconciled below).
- **Adjusted effective tax rate:** effective tax rate before exceptional items, amortisation of acquired intangibles, tax on exceptional items and prior year adjustments (reconciled below).
- **Adjusted earnings per share:** earnings per share before exceptional items net of tax, share-based payment expenses, amortisation of acquired intangibles net of tax and exceptional tax amounts (reconciled in note 7).
- **Constant currency:** Prior period underlying measures, including revenue are retranslated at the current period exchange rates to neutralise the effect of currency fluctuations.

## KPIs

The KPIs, reviewed by the Board include revenue growth, gross margin and free cash flow. Free cash flow is defined as cash generated from operations after interest and tax costs, maintenance capital expenditure and capitalised research and development costs. Maintenance capital expenditure is the recurring level of capital expenditure required for the business in its current form to operate in medium term and excludes non-recurring investment in capitalised system and infrastructure costs.

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