AozoraStep
For professional clients

July 7th 2025

Exit RWS Holdings: New opportunities[1]

Company:	RWS Holdings (RWS)	**Market Cap:**	85p (£315m)
Industry:	Translations	**Net current assets:**	£120m
Country:	Worldwide	**Gross Debt:**	£74m
Date:	13th June 2025	**Adj. PBT:**	£65m (H1 FY guidance)
Dividend:	12.45p (14.65%)	**Free cash flow:**	£36m (H1 annualised)
Entry:	77p (£285m)	**Exit:**	£318m (86p, +12%)

Why exit RWS Holdings?

- Iran-Israel conflict opened opportunity to reallocate capital towards oil and gas
- USD devaluation could cause further earnings downside

New opportunities elsewhere

Although the Iran-Israel conflict only lasted for 12 days, there were risks that this war could lead to a closing of the Strait of Hormuz. For this reason, I exited RWS to invest in oil and gas related names. After the Iran war was over, I briefly reinvested back into RWS, but exited the position again after the USD continued to devalue into July and Trump scolded $78bn in spending for translations by the U.S. government[2]. With the next update likely only being end of October, there are no immediate triggers that could revalue the company toward my target valuation of £400m. My target valuation also only provides 25% upside, rather than the 40% I generally target. For these simple reasons, I have exited the position to focus on higher near-term returns.

[1] all assumptions and observations are based on internal modelling and data analysis
[2] https://www.youtube.com/watch?v=u6FpmlVsfPI

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

Legal Disclaimer

The contents of this document have been prepared solely for the purpose of providing information about David Herrmann trading as AozoraStep and the services and products he is offering, which are targeted for professional investors only. AozoraStep is a trading name of Vittoria & Partners LLP ("V&P"). V&P will be appointed to as the investment manager or adviser to any AozoraStep related products. V&P has seconded David Herrmann (IRN: DXH02219) to undertake regulated activities under the trading name. V&P is authorised and regulated by the Financial Conduct Authority (FRN: 709710). This document is intended for Professional Clients only. The opinions and views expressed are those of David Herrmann and may change without notice and should not be construed as investment, tax, legal or other advice. David Herrmann and V&P do not guarantee the completeness and accuracy of the information provided and all content can become out of date. Potential products or services mentioned in this presentation are subject to legal and regulatory requirements in applicable jurisdictions and may not be available in all jurisdictions. Accordingly, persons are required to inform themselves and observe any such restrictions. In respect to investments described in this document, past performance is not a guide to future performance. The value of investments and the income of any financial instruments mentioned in this document may fall as well as rise and may have tax consequences. The performance of the investment strategy that David is planning to offer is based on a personal track record and approved by Sedulo for the time period Q1 2019 - Q1 2021 and by HiCloud Accounting for the time period 2020 - 2024, only with further examinations being done on an occasional basis. All references to AozoraStep in this presentation should be read in the context of David Herrmann's secondment to V&P to undertake regulated activities.

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com