



SlatorCon London 2019

The Language Industry in 2019 | Life Sciences Translation
M&A | Neural Machine Translation
Media Localization | Global Digital Marketing



Agenda



Insights: Slator 2019 Language Industry Market Report

M&A Keeps Brokers Busy

NMT Is Graduating

Opportunity in AI

Sector Outlook

Future Winners

Slator.com 2019 Top Stories by Traffic



Alon Lavie Joins Unbabel — He's Not the Only Exec Who Recently Left Amazon's Machine Translation Group

4 Weeks Ago People Moves · By Marion Marking On April 18, 2019

Unbabel hires Amazon's former Machine Translation Group Manager, Alon Lavie, as VP of Language Technologies; Lavie's former business partner leaves Amazon for Uber. [Continue reading](#)



RWS' Market Cap Just Hit USD 2 Billion

4 Weeks Ago Financial Results · By Florian Faes On April 18, 2019

Double-digit revenue growth and 24% boost in profitability propel market cap of RWS past USD 2 billion dollar mark. Linguistic validation and localization shine. [Continue reading](#)



Inside the Brain of a Simultaneous Interpreter, Literally

3 Months Ago Academia · By Gino Diño On January 25, 2019

Researchers analyzed the brainwave activity of professional simultaneous interpreters and found out how they worked, while also scientifically confirming common wisdom: It is important not to... [Continue reading](#)



Inside the Contractor Debate Affecting US Freelance Translators, Interpreters, and LSPs

2 Months Ago Industry News · By Marion Marking On March 12, 2019

Association of Language Companies President says simply turning independent contractors into employees sans smart legislation is "wildly inefficient and financially untenable." [Continue reading](#)



The Slator 2019 Language Service Provider Index

2 Months Ago Data & Research · By Esther Bond On February 26, 2019

The Slator 2019 Language Service Provider Index features the largest LSPs in a Leaders Index and the midfield in a Challengers Index. [Continue reading](#)



Lionbridge Acquires Gengo to Bolster AI Business

4 Months Ago M&A And Funding · By Florian Faes On January 16, 2019

Lionbridge acquires former crowdsourcing translation startup Gengo in bid to boost AI training data and services business. [Continue reading](#)



Google Translate Shortcut Goes Viral, Lures Newbie App Localizers

1 Month Ago Technology · By Gino Diño On April 2, 2019

How a simple language-learning shortcut using Google Translate went viral and inspired newbie app localizers to try a DIY approach to localization. [Continue reading](#)



He Said, She Said: Addressing Gender in Neural Machine Translation

4 Months Ago Technology · By Gino Diño On January 22, 2019

Google is concerned it might be mistakenly assuming genders in machine translation; initial effort to reduce gender bias only the first step in dealing with similar challenges in neural machine... [Continue reading](#)

Language Industry by Client Segment

The Language Industry

Market share by language industry

Aerospace & Defense (0.6bn)

Financial Services (5.4bn)

Life Sciences (3bn)

Media (2.7bn)

Engineering & Manufacturing (0.6bn)

Professional Services (0.6bn)



Slator 2019 Language Industry Market Report

llion

g (0.6bn)

Sector (5.4bn)

ology (3bn)

& Retail (2.7bn)

Chart: Slator • Source: Slator • [Get the data](#)

Fragmented, but not That Fragmented Anymore

Language Industry Segment

% market share of language industry



Slator 2019 Language Industry Market Report

Longtail LSPs, Freelancers, International
Corporate / Public Sector Language
Units and Divisions (addressable
(73%)

Agencies (10%)

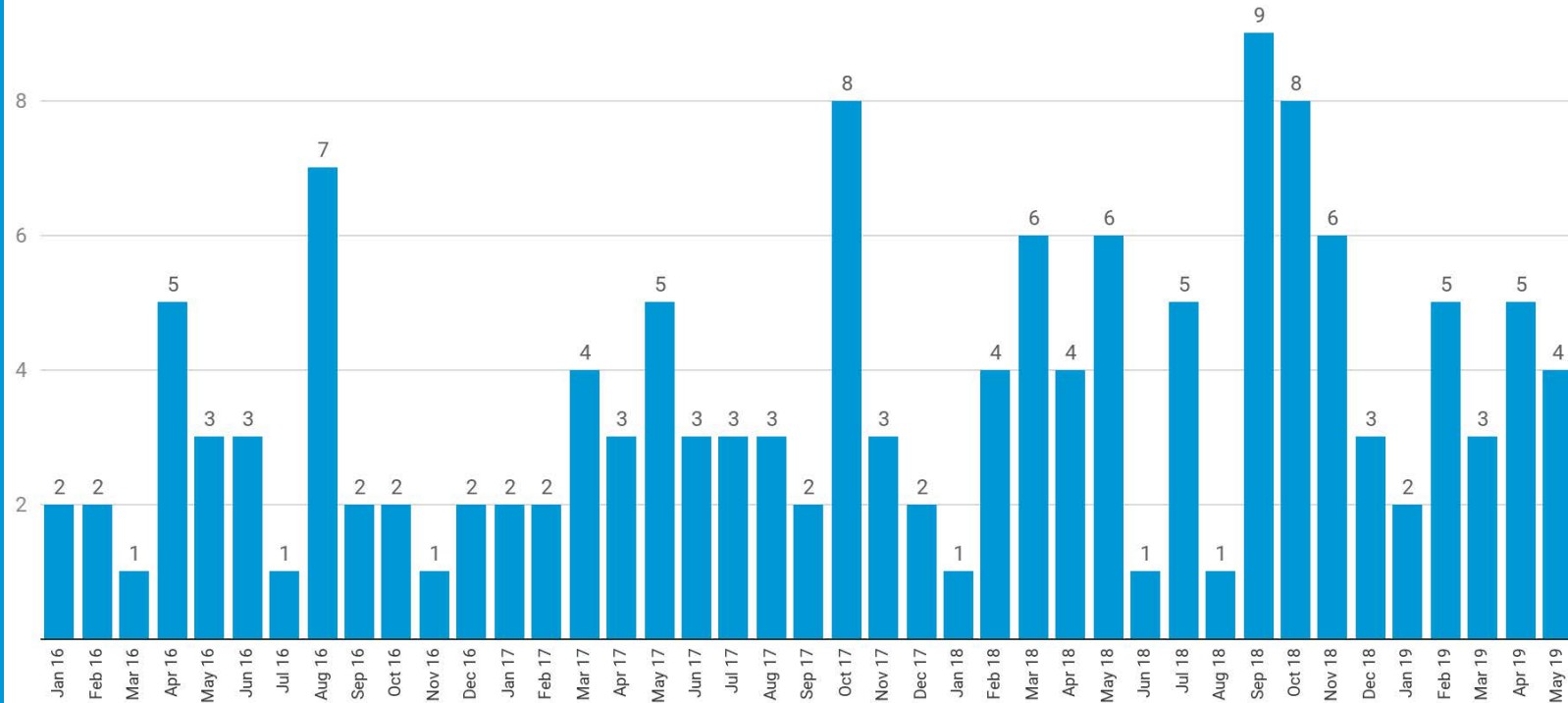
(2%)

(5%)

Chart: Slator • Source: Slator • [Get the data](#) • C

Language Industry Mergers & Acquisitions

Monthly # of deals 2016 - YTD 2019. Total = 144



2019: Waiting for the Big One

2019	Buyer	Seller	Sector
Jan	Lionbridge	Gengo	Lang Tech
Jan	IYUNO	Panda	Media
Jan	IYUNO	K-Studios	Media
Jan	Lang2Lang	TW Languages	Technical
Jan	RWS	Alpha Translations	Legal / Financial
Feb	Semantix	Tolkvox	Interpreting Tech
Feb	Livewords	Walker	Multi
Feb	Leinhäuser LS	Macklin GmbH	Multi
Feb	TransPerfect	Propulse	Video production
Feb	Digital Futures	Translate.com	Online
Feb	Straker	Com Translations	Media
Feb	Takara	TOIN	Multi
Feb	Reliance Industries	Reverie	Online

2019	Buyer	Seller	Sector
March	Takara	TRANSLASIA	Multi
March	Appen	Figure Eight	Data
March	Semantix	Teknotrans	Multi
April	Transline	Interlanguage	Multi
April	AT Language Solutions	AABAM Translations	Multi
April	Imagica Group	Pixologic	Media
April	Transline	Medax	Life Sciences
April	Lylo	Studio PV	Media
May	Morningside	Net Translators	Multi
May	t'works	text&form	Multi
May	Ubiquis	dhaxley Translations	Multi
May	Ubiquis	InPuzzle	Multi

Private Equity



- Cheap capital
- Buy and build (fragmentation)
- Emerging markets (media)
- Willing sellers
- Realistic 3-4 year exit options



- Impact of machine translation / AI
- Hard to pick a winner
- Post M&A integration difficult
- Peak of cycle
- Bets getting bigger

Venture Capital
















- Cheap capital
- Use case for AI
- Large and global end markets
- Technology-heavy

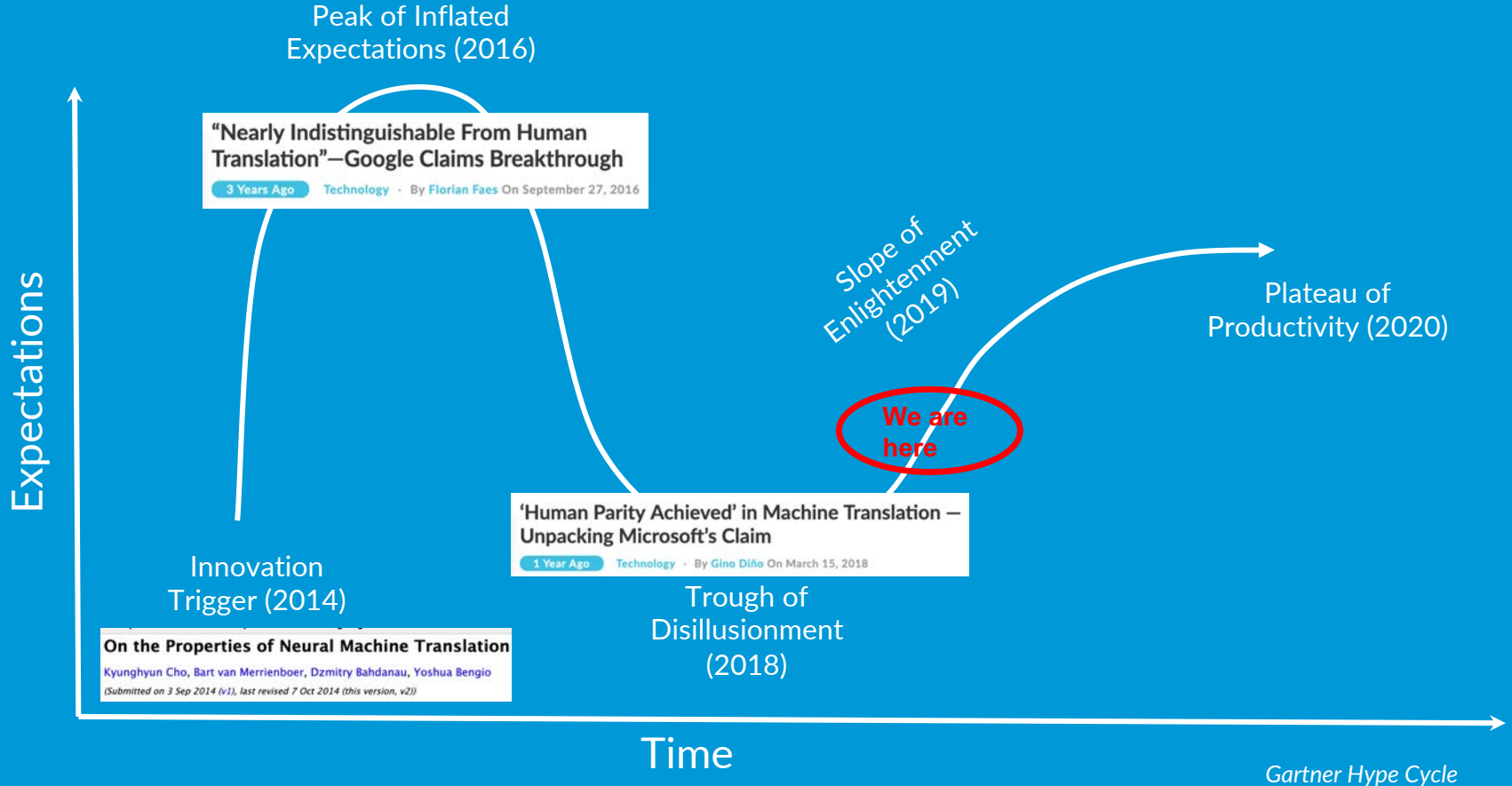


- Competing with Big Tech
- Hard to attract tech talent
- Not that easy to scale
- Successful past exits?
- Relative AI / NLP niche

VCs Looking for the Hockey Stick

Jan 2018		USD 23m by VCs for NMT powered human translation services	Feb 2019		USD 23m by VCs for transcription tech
Jan 2018		CHF 1.7m by private investors for remote interpretation tech	March 2019		USD 1.8m by VCs for voice tech incl localization capabilities
April 2018		USD 23.5m by VCs for media localization tech and services	April 2019		USD 4.5m by VCs for transcription tech
June 2018		USD 7m for translation management system (TMS and CAT)	April 2019		USD 3.1m by VCs for lip-synch tech (media localization relevant)
Aug 2018		USD 3.4m by private investors for remote interpretation tech	May 2019		CHF 2.5m by private investors for remote interpretation tech
Oct 2018		USD 9.5m for pivot to language services			
Oct 2018		USD 11.5m for localization middleware			
Dec 2018		Substantial investment (13% stake) by Benchmark Capital for pure-play MT			

NMT is Graduating

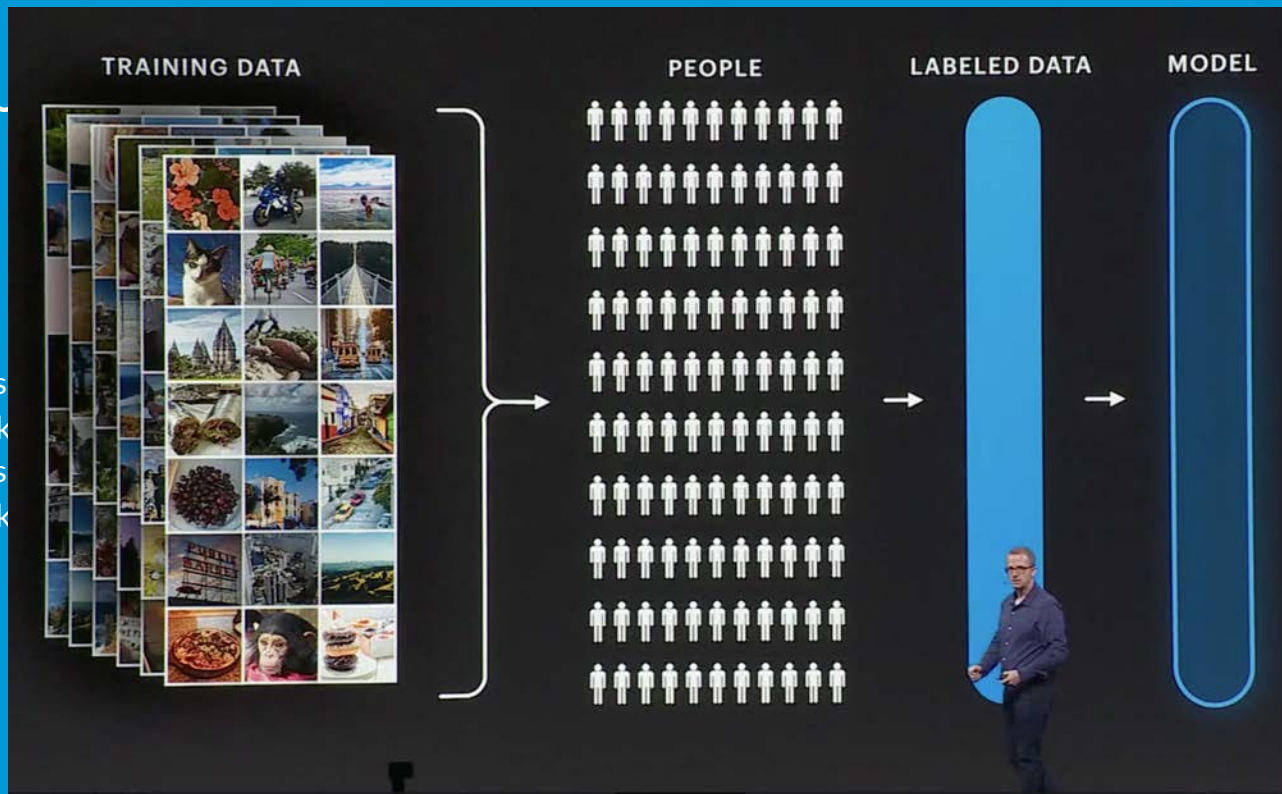


Next Big Thing Now? The AI Services Agency

Model: U

Appen

- 2015 IPO
- 2017 Buys
- 2018 Mark
- 2019 Buys
- 2019 Mark



machine learning

with AI (again!)

ke Schroepfer

ing, labelling, training,
and deploying” is
al and slow”

number of breakthroughs in
learning”