



For immediate release

6 October 2017

RWS Holdings plc

Year End Trading Statement

An outstanding year, strengthening our leading position in Life Sciences

RWS Holdings plc ("RWS", "the Group"), the world's leading provider of intellectual property support services (patent translations, international patent filing solutions and searches) and a leading provider of life sciences and commercial language services, today provides an update on trading for the year ended 30 September 2017, ahead of the announcement of its full year results, which is expected on 6 December 2017.

Trading & Financial Update

RWS has enjoyed its best year ever and the Board expects Group revenues to be not less than £163 million compared to £122 million in 2016, an increase of at least 33.6%. This excellent performance has been driven by significant growth in the core translation activities, an additional month's contribution from Corporate Translations Inc. ("CTi"), our initial US life sciences acquisition in November 2015, and a strong contribution from LUZ, our second life sciences acquisition in mid-February 2017. The Group has also benefitted from currency tailwinds.

Adjusted profit before tax (before amortisation of intangibles, share option costs and exceptional acquisition costs) is also expected to have performed strongly and ahead of market expectations, reflecting improved gross margins, the two acquisitions and currency benefits. The core translation business has made significant progress; PatBase also performed very well; China grew strongly; and other geographies were steady performers.

The Group announced the acquisition of LUZ, based in San Francisco, on 14 February 2017. LUZ complements CTi perfectly, providing a US West Coast presence, specialising in medical device and regulatory translation, and as it has minimal client overlap. Since acquisition, LUZ has performed exceptionally well, and we have now completed the integration and combination of CTi and LUZ to create RWS Life Sciences, which we expect to be a sector market leader.

This year has seen considerable volatility in global currency markets, largely driven by political events. With well in excess of 80% of Group revenues in non-sterling (principally Euros and US dollars) the Group has benefitted from the relative weakness of sterling. We have now hedged our estimated net exposure to the Euro at an average rate of 1 Euro = 90p for the year to 30 September 2018.

The Group's financial position has continued to strengthen with a material increase in shareholder funds. The £69 million acquisition of LUZ was funded by existing cash resources, a £21 million increase in our five-year term loan and a £40 million share placing. The Directors anticipate that RWS' strong cash generation will underpin both its current acquisition strategy and its progressive dividend policy.

Andrew Brode, Chairman of RWS, commented on the outlook:

“This has been a period of excellent performance across all of the Group’s service offerings. We have now completed the integration of CTi and LUZ, which brings together two leading life sciences offerings with highly complementary services, clients and geographies.

“As the premier global supplier of intellectual property support services and now a major force in life sciences, we believe we are exceptionally well positioned to drive further international expansion.

“Both our financial and market positions remain strong and we continue to see an interesting pipeline of acquisition opportunities to complement our organic growth.

“There is strong momentum in the business and we are, therefore, confident of further significant progress in the new financial year.”

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About RWS:

RWS is the world's leading provider of patent translations and one of the leading players in the provision of intellectual property support services and a market leader in life sciences translations and linguistic validation as well as a high level specialist language service provider in other technical areas, providing for the diverse needs of blue-chip multinational client base from Europe, North America and Asia.

RWS is based in the UK, with offices in Europe, the USA (New York, Hartford, Colorado, San Francisco, Boston and Chicago), China, Japan, and Australia, and is listed on AIM, the London Stock Exchange regulated market (RWS.L).

For further information, please visit: www.rws.com

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation which came into effect on 3 July 2016.

Forward looking statements

This announcement contains certain statements that are forward-looking statements. They appear in a number of places throughout this announcement and 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, the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this announcement should be construed as a profit forecast. The Company and its directors accept no liability to third parties in respect of this document save as would arise under English law.