

RWS Holdings plc

Half Year Trading Statement

RWS Holdings plc ("RWS", "the Group"), one of the world's leading language, intellectual property support services and localisation providers, today provides an update on trading for the half year ended 31 March 2018 ("the first half"), ahead of the announcement of its half year results on 7 June 2018.

Trading & Financial Update

RWS has performed well during the first half, albeit has faced significant exchange rate headwinds as flagged in our AGM statement in February 2018.

Notwithstanding these headwinds, the business has achieved revenues of £139.6 million for the first half, compared to £76.6 million in the first half of 2017, broadly in line with our expectations. The Group expects to achieve Adjusted PBT of at least £30.0 million in the first half on a constant currency basis, broadly in line with our expectations for the full year which continue to anticipate a second half weighting. However, the average exchange rate for the first half was \$1.37: £1, compared to an average of \$1.24: £1 during the prior year, meaning that we expect the Group to achieve Adjusted PBT of at least £28.3 million including the currency effect. The Board will continue to monitor exchange rates over the remainder of the year. However, if the current rates prevail, we would expect a profit outcome slightly below market consensus.

This first half saw a steady performance from our Patent Translation & Filing division, following its record performance in 2017, reflecting a strong contribution from our Worldfile product offering and good growth in our Chinese operations. Patent Information continued to perform well (+11%*) and Language Solutions has seen the benefits of last year's restructuring (+11%*).

We also saw an excellent first half from our Life Sciences division (+9%*). The successful integration of our two US acquisitions in the space, LUZ (acquired in February 2017) and CTi (acquired in November 2015), has delivered very positive results and enabled the division to grow revenue with several key customers.

Our acquisition of Moravia, which completed in November 2017 for a cash consideration of US\$320 million, has brought the Group a leading European provider of technology-enabled localisation services to some of the largest technology companies in the world. The acquisition enhances RWS's global presence, adding operations in the Czech Republic, USA, Japan, China, Argentina and Ireland; provides further geographic

diversification; and adds an additional profitable, cash generative division of scale to the Group.

Since acquisition, Moravia has continued to grow its relationships with its existing major technology clients; however, with over 95% of its revenue in USD and the majority of the cost base in Euro/CZK, the business has seen foreign exchange headwinds. In addition, its performance has been held back by a lower volume of activity than expected from a few clients. Despite this, we are encouraged by Moravia's first half client wins and its pipeline of new opportunities. The integration process is proceeding well and, in particular, a higher level of synergies has been identified which will deliver additional annualised cost savings.

Following the recent US Tax Reform legislation, we anticipate that the reduction in the Federal tax rate from 35% to 21% will mean a lower than previously expected effective tax rate of c.23% in the current financial year, settling at approximately 21% from 2019 onwards, resulting in a beneficial impact on earnings per share calculations and cash generation.

The Group has continued to strengthen its financial position with shareholder funds expected to be approximately £323 million at 31 March 2018. As at 31 March 2018, net debt (which is mainly denominated in US dollars) was lower than anticipated at £84 million, benefiting from the weaker US dollar. Strong cash generation continues to underpin the Group's progressive dividend policy.

Andrew Brode, Chairman of RWS, commented:

"Notwithstanding the foreign exchange headwinds, we have seen strong performances from several of our divisions. We are also already realising the benefits of synergies and cross-selling across our successfully integrated Life Sciences activities, which are now able to provide a full-service offering to their clients. The further integration work of Moravia's Life Science business into RWS is well underway and will be completed by 30 September 2018.

"Following the recent acquisition of Moravia, the Group now operates from five clear divisions and we are seeing good momentum and a strong sales pipeline going into the second half. While FX may continue to have an impact, we expect to make continued underlying progress in both revenues and profits over the second half of the year."

* Indicates on a like for like basis, excluding impact of foreign exchange and acquisitions

ENDS



For further information, contact:

RWS Holdings plc

Andrew Brode, Chairman

01753 480200

Richard Thompson, Chief Executive Officer

MHP

Katie Hunt / Simon Hockridge

0203 128 8100

Numis

Stuart Skinner / Kevin Cruickshank (Nominated Adviser)

0207 260 1000

Michael Burke (Corporate Broker)

About RWS

RWS is the world's leading provider of intellectual property support services (patent translations, international patent filing solutions and searches), a market leader in life sciences translations and linguistic validation, a leading localisation provider, and a high level specialist language service provider in other technical areas, providing for the diverse needs of a blue-chip multinational client base from Europe, North America and Asia. RWS is based in the UK, with offices in Europe, the USA, China, Japan, Latin America 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 through 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 review 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.