

## **RWS Holdings plc Year End Trading Statement**

### **An outstanding year, consolidating our leading position in global language services**

RWS Holdings plc ("RWS", "the Group"), the world's leading provider of intellectual property (IP) support services (patent translations, international patent filing solutions and searches) and a leading provider of life sciences, localization and commercial language services, today provides an update on trading for the year ended 30 September 2018, ahead of the announcement of its full year results on 11 December 2018.

#### **Trading and Financial Update**

RWS has enjoyed by far its best year ever and the Board expects Group revenues to be not less than £305 million, compared to £164 million in 2017, an increase of over 85%. This significant growth has been driven primarily by the acquisition of Moravia, in November 2017, together with solid performances across the Group's activities, and a favourable recovery in currency in the second half.

Adjusted profit before tax (before amortization of intangibles, exceptional acquisition and related restructuring costs) is also expected to have grown strongly and to be slightly ahead of market expectations, reflecting improved margin in our IP support services business as well as a markedly improved second half performance at Moravia.

The Group announced the acquisition of Moravia on 3 November 2017. Moravia is a leading provider of technology-enabled localization services to the largest technology companies in the world, which are primarily located on the West Coast of the United States. While the first half of the financial year saw lower volumes from a small number of clients, and adverse currency movements, Moravia has delivered excellent second half results and we are delighted with its performance.

Moravia has enhanced RWS's global presence with its operations in the Czech Republic, the United States, China, Argentina, Japan and Ireland, whilst at the same time helping to position the Group as a leading global player in the provision of language services.

The world has experienced considerable volatility in currency markets in recent years, 2018 being no exception. The strategic shift in the Group's focus towards the United States, whilst reporting in sterling, has changed currency exposure so that RWS is now broadly neutral in its currency pairs except GBP/USD. With the Group's largest net revenues in USD, partially offset by the Group's debt denominated in USD, we expect to hedge approximately 60% of our USD exposure for 2019.

The Group continues to enjoy excellent cash generation and has made good progress in reducing net debt to below £66 million at 30 September 2018, after the £242.3 million acquisition of



Moravia, which was funded by existing cash resources, an increase in debt facilities and net proceeds of £181.9 million from an equity placing. The Board anticipates that strong cash generation will continue to fund the Group's acquisition strategy and its progressive dividend policy.

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

"This has been a transformational year for RWS, underpinned by a strong financial performance. We have successfully completed the integration of our two life sciences acquisitions, and acquired and assimilated Moravia, establishing the Group as a leading global language services provider."

"With market leading divisions in IP support services, life sciences and localization, we believe that we are optimally positioned to drive further international expansion.

"Whilst we are focused upon organic growth and excellent cross-selling opportunities from our recent acquisitions, merger activity in the translation industry has accelerated markedly, offering interesting possibilities. We continue to review selective potential acquisitions which would extend our capabilities, technology platforms or geographical presence in the IP support services and specialist translation spaces.

"There is increasing momentum across the business which underpins our confidence in delivering further significant progress in the new financial year."

**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 patent translations, one of the leading players in the provision of IP support services, a market leader in life sciences translations and linguistic validation, as well as a high-level specialist language services provider in other technical areas, providing for the diverse needs of a blue-chip multinational client base spanning Europe, North America and Asia.

RWS is based in the UK, with offices in Europe, the United States, 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](http://www.rws.com)