

**RWS Holdings plc****Year End Trading Statement  
& Notice of Results****A resilient full year performance, in line with market expectations**

RWS Holdings plc ("RWS", "the Group"), one of the world's leading language, intellectual property support services and localization providers, today provides an update on trading for the year ended 30 September 2020, ahead of the announcement of its full year results on 10 December 2020.

**Full year update**

Group revenue for the year ended 30 September 2020 is expected to be not less than £355 million, which is within the range of market expectations and in line with the prior year (2019: £355.7 million). This reflects a resilient underlying business performance, particularly given the disruption caused by Covid-19 to our intellectual property and general language translation businesses.

Adjusted profit before tax (before amortization of intangibles, acquisition, restructuring, share option costs, and the warranty insurance settlement) is also expected to be in line with market expectations.

In keeping with the trends reported in the half year results in June, the Group experienced increased demand for services within both our Life Sciences and Moravia divisions, as our teams helped with the clinical trials for new Covid-19 vaccines, translated training material for Covid-19 related antibody testing devices and provided additional services to the Group's technology customers, who recorded higher usage of their online communication and social networking platforms. This was offset by the continued impact of Covid-19 which has delayed the onboarding of new clients within IP Services. In addition, some clients, particularly within the automotive and aerospace sectors, have required less translation work and looked to reduce costs by being more selective about the territories in which they seek to protect their intellectual property.

The acquisitions earlier in the year of Iconic Machine Translations, Ltd (Iconic) and Webdunia.com (India) Private Limited (Webdunia), have been integrated and are performing well.

## **Balance sheet**

The Group continues to drive strong cash generation with net debt on an underlying pre-IFRS 16 basis, as at 30 September 2020, of £15 million\* (30 September 2019: £37 million) and £38 million as at 30 September 2020 on an IFRS 16 basis including £23 million of lease obligations. The Group's strong cash generation and liquidity means it is well positioned during this uncertain period to fund both its strategy and its progressive dividend policy.

## **Recommended all-share combination of RWS and SDL**

On 27 August 2020, the Group announced the proposed recommended all-share combination of RWS and SDL to create the world's leading provider of language services and language technology with a broad-based, well-funded business benefitting from increased scale, superior capabilities, an expanded geographic footprint, market leading technology and a highly experienced management team.

At the RWS General Meeting, the SDL Court Meeting and the SDL General Meeting held on 9 October 2020, all resolutions were passed.

Completion of the Combination remains subject to the satisfaction or, if applicable, waiver of the other Conditions set out in the Scheme Document, including the Court sanctioning the Scheme at the Court Hearing.

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

"The Group has delivered a resilient performance, reflecting its diversified revenue streams across its three specialised divisions, with stronger levels of activity in Life Sciences and Moravia mitigating headwinds in IP Services.

"We are delighted that at last week's general meetings the shareholders of both RWS and SDL voted overwhelmingly in favour of the business combination and we look forward to completing the transaction which will create the world's leading provider of language services and technology.

"Whilst we are not reinstating financial guidance at this stage, due to ongoing market uncertainty, the Group has a strong platform from which to continue to deliver resilient performance and to integrate the SDL acquisition effectively. The Group's focus on Life Sciences and technology customers, who are thought to be likely beneficiaries in a post Covid-19 world, and the importance to our customers of managing their research and development investments through a strong global patent strategy, puts RWS in a strong position."

\*post acquisition initial consideration of \$31 million for Iconic and Webdunia and after including receipts from the successful warranty settlement of \$11.6m.

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**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 localization 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 spanning Europe, North America and Asia.

RWS is based in the UK, with offices across five continents. The company is listed on AIM, the London Stock Exchange regulated market (RWS.L).

For further information, please visit: [www.rws.com](http://www.rws.com).