

**Renishaw plc**  
**Trading update**  
**20th October 2017**

Ahead of the AGM being held at noon today, we are providing a short trading update as follows:

Renishaw plc, the global high-precision metrology and healthcare manufacturer, publishes this trading update for the three months ended 30th September 2017. It contains unaudited information that covers the first quarter and the period since.

**Trading activity**

<b>Continuing operations</b>	<b>First quarter 2018</b>	<b>First quarter 2017</b>	<b>Change</b>
Metrology	£137.1m	£108.9m	+26%
Healthcare	£5.2m	£4.0m	+30%
Total Revenue	£142.3m	£112.8m	+26%
Adjusted* Profit before tax	£35.8m	£15.1m	+137%
Statutory Profit before tax	£36.9m	£10.7m	

Revenue from continuing operations for the first quarter of the current financial year was £142.3m, a growth of 26% over the £112.8m for the corresponding period last year. Revenue benefited due to a number of large orders from Far East customers in the consumer electronics markets. We experienced underlying growth at constant exchange rates of 20% with growth in all regions.

In our metrology business revenue amounted to £137.1m compared to £108.9m last year, with an underlying growth at constant exchange rates of 20%. Revenue in our healthcare business was £5.2m compared with £4.0m last year, a growth of 29% at constant exchange rates.

Restated and adjusted\* profit before tax from continuing operations for the first quarter amounted to £35.8m compared with £15.1m last year.

**Financial position**

The Group balance sheet remains strong with net cash balances of £82.6m as at 30th September 2017 (30th June 2017: £64.8m), including an escrow account of £12.9m (30th June 2017: £12.9m) which provides additional security for the UK defined benefit pension scheme.

**Outlook**

The Board remains confident in the future prospects of the Group and of achieving good growth in both revenue and profit in this financial year.

The results for the half year ending 31<sup>st</sup> December 2017 will be released on 25th January 2018.

Sir David McMurtry  
CBE, RDI, FRS, FREng, CEng, FIMechE  
Chairman and Chief Executive

20th October 2017

Renishaw plc  
Registered office      New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR  
Registered number      1106260  
LEI number              21380048ADXM6Z67CT18  
Telephone number      01453 524524  
Website                  www.renishaw.com

\* **Adjusted profit before tax and prior year restatements**

In the trading update issued on 13<sup>th</sup> October 2016, the profit before tax for the first quarter of the financial year 2016 was reported as £14.1m. The results of Renishaw Diagnostics Limited and the spatial measurement business have now been excluded as these businesses have been reclassified as discontinued activities, giving rise to an increase in profit before tax of £1.0m.

The adjustment to statutory profit relates to the accounting treatment of certain forward currency contracts used as hedging instruments which do not qualify for hedge accounting as they do not meet the hedge effectiveness criteria set out in the International Accounting Standard IAS39 'Financial Instruments: Recognition and Measurement'. The board deems that the adjusted profit before tax better reflects the underlying performance of the Group. The following table reconciles statutory profit before tax to adjusted profit before tax:

£'m	Q1 2018	Q1 2017
Profit before tax as reported Oct 2016		14.1
Restatement for discontinued operations		1.0
Restated adjusted profit before tax from continuing operations	<u>35.8</u>	<u>15.1</u>
Fair value gains/losses on financial instruments not eligible for hedge accounting		
- reported in revenue	0.1	2.1
- reported in losses from the fair value of financial instruments	1.0	(6.5)
Restated statutory profit before tax from continuing operations	<u><u>36.9</u></u>	<u><u>10.7</u></u>