

## SPIRENT COMMUNICATIONS PLC Trading Update 2018

**London, UK – 15 January 2019:** Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), a leading communications technology company, today issues the following Trading Update for the final quarter of the Company’s financial year, from 1 October to 31 December and for the year in full, noting all financial results are subject to external audit.

### Group performance

Good momentum continued into the final quarter of 2018, with the Group securing a number of important contract wins.

For ongoing businesses<sup>1</sup>, order intake in the financial year totalled \$470 million, up 6 per cent on 2017, and revenue grew by 6 per cent to \$477 million.

In particular, we benefited from strong growth from our Networks & Security operating segment and as predicted, we experienced an increase in demand for 400G high-speed Ethernet test solutions. As previously highlighted, growth in our Positioning business has been particularly strong and includes the benefit from significant one-off business with a US defence contractor (c\$10 million revenue) which we don’t expect to repeat in 2019. Due to significant reorganisation in our key customer base for Lifecycle Service Assurance, we saw only modest annual revenue growth for this business. Connected Devices delivered strong profit growth in the year, driven by effective cost management.

We continue to manage our costs effectively, ensuring we retain R&D focus on our optimal growth vectors and invest in our capabilities to sell our assurance solutions to key customers. Improvement initiatives implemented during the year meant we were able to mitigate cost inflation and maintain a broadly flat cost base.

We now expect to deliver an adjusted operating profit<sup>2</sup> in the range \$75 million to \$77 million, demonstrating a year of strong profitable growth, up circa 30 per cent on the prior year, exceeding market expectations.

The balance sheet remains strong, with cash closing at just over \$120 million after dividend payments totalling \$55 million during the year.

**Commenting on the results, Eric Hutchinson, Chief Executive Officer, said:**

“We are pleased our portfolio is delivering revenue growth. Our focus is to support our customers to manage their networks in the face of increasing complexity and their need for cost optimisation. We expect to exceed the market’s profit expectations for the financial year 2018. We have market leading technology offerings and are well placed to optimise opportunities as they continue to arise.”

Spirent will announce its full year results for the financial year ended 31 December 2018 on 7 March 2019.

The Company will host a results presentation at 09.30am UK time on Thursday, 7 March 2019 at FTI Consulting Limited, 200 Aldersgate, Aldersgate Street, London EC1A 4HD.

A simultaneous webcast of the presentation will be available in the Investors section of the Spirent Communications plc website <https://corporate.spirent.com/>.

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Notes

1 Comparatives exclude businesses divested in 2017, which contributed \$5.2 million of order intake, \$5.9 million of revenue and \$1.4 million of adjusted operating profit to the 2017 results.

2 Adjusted operating profit is before charging exceptional items, acquired intangible asset amortisation and share-based payment.

## Enquiries

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## About Spirent Communications plc

Spirent Communications plc (LSE: SPT) offers test, measurement, analytics and assurance solutions for next-generation devices and networks. Spirent provides products, services and information solutions for high-speed Ethernet, positioning mobile network infrastructure markets, with expanding focus on service assurance, cybersecurity and 5G. Spirent is accelerating the transition of connected devices, network equipment and applications from development labs to the operational network, as it continues to innovate toward fully-automated testing and autonomous service assurance solutions. Further information about Spirent Communications plc can be found at <https://corporate.spirent.com/>.

Spirent Communications plc Ordinary Shares are traded on the London Stock Exchange (ticker: SPT; LEI: 213800HKCUNWP1916L38). The Company operates a Level 1 American Depositary Receipt (ADR) programme with each ADR representing four Spirent Communications plc Ordinary Shares. The ADRs trade in the US over-the-counter (OTC) market under the symbol SPMYY and the CUSIP number is 84856M209. Spirent ADRs are quoted on the Pink OTC Markets electronic quotation service which can be found at <http://www.otcm Markets.com/marketplaces/otc-pink>.

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*This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "should", "may", "assume" and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.*