

## SPIRENT COMMUNICATIONS PLC Third Quarter Trading Update

London, UK – 8 November 2019: Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), a leading test, measurement, analytics and assurance technology company for next-generation networks, applications and devices, today issues the following Trading Update for the third quarter of the Company’s financial year, from 1 July to 30 September 2019, and for the year to date.

### Group performance

We are pleased to see continued business growth and the Board remains confident that the Group will show progress in 2019. Our expectations for the full year remain unchanged.

As we enter a period of upcycles driven by 5G and the move to higher-speed Ethernet testing we delivered a solid performance in the quarter. In particular, we continued to see healthy order intake growth, in line with that seen in the first half.

Following Eric Updyke’s appointment on 1 May 2019, a number of initiatives have commenced to evolve the strategic direction of Spirent to maximise market opportunities by creating a more agile, customer-focused organisation. These include a strategic focus on recurring revenue streams over time; a strengthened leadership team, with a number of new experienced leaders having already joined the organisation including a new General Manager for Lifecycle Service Assurance and EVP for Global Sales; and development of our sales and marketing structure to drive improved effectiveness to exploit our leading technologies. The one-off exceptional cost of these planned changes is circa \$4 million with the large majority of this cost expected to be incurred in this financial year.

### Networks & Security

Order intake and revenue in the third quarter showed robust growth on the same period in 2018, underpinned by continued positive momentum of US government spending for our Positioning products and solutions offsetting some timing of order placement for high-speed Ethernet products driven by customers’ own technical challenges experienced earlier in the year. Our pipeline build is positive and the outlook for growth remains unchanged.

### Lifecycle Service Assurance

We continue to be well positioned to support our key customers as they purchase 5G lab assurance as well as analytic solutions for the live environment. Whilst we experienced some delays in order intake in the quarter, we do still expect orders to show good growth in the full year compared to 2018. A new General Manager with deep experience of the service assurance market was appointed to lead this segment in the quarter.

### **Connected Devices**

We remain on track to meet the planned demand for 5G device testing with increasing interest from our customer base and a new solution set for delivery in 2020. The industry continues to focus on 5G radio as a priority which we expect to be followed by a move to new services and applications across the 5G air link. We expect this to drive demand for our offerings during 2020.

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

“Our business has maintained a good level of traction with our customers and overall we delivered a solid third quarter. We saw the benefit of the diversity of our portfolio as increased demand for our Positioning products offset some short-term lumpiness in order placement in other areas.

“I see an ever-increasing number of market opportunities for our technologies but we need to move faster to capture the full opportunity. To ensure that we can best take advantage of these, we are focusing on building more recurring revenue streams over time and to do this we have augmented our experience and capabilities with some new senior leaders. We are also evolving the organisation to further improve the effectiveness of our sales and marketing investment whilst investment in future technologies is undiminished to underpin planned growth.

“We are on track to show full year progress on 2018 with, as in previous years, revenue and earnings performance weighted to the second half of the year and in particular to the final quarter. Our expectations for the full year remain unchanged.”

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### **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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