

SPIRENT COMMUNICATIONS PLC
Trading Update 2019

London, UK – 13 January 2020: Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), a leading test, measurement, analytics and assurance technology company today issues the following Trading Update for the final quarter of the Company’s financial year, from 1 October to 31 December 2019 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 2019, with the Group securing a number of important contract wins. Our customers continue to invest in 5G related infrastructure and solutions, a trend we expect to continue.

For the full year, revenue grew by 5.5 per cent to \$503 million and we now expect to deliver an adjusted operating profit¹ in the range of \$91 to \$93 million, up from \$77.1 million in 2018.

In particular, we benefitted from strong growth from our Networks & Security operating segment driven by increasing demand for 400G high-speed Ethernet test solutions and the positive momentum for our positioning products continued throughout 2019. We saw strong order growth for our Lifecycle Service Assurance solutions in the last quarter; however, delivery timing was largely for 2020, resulting in broadly flat revenue for 2019. Connected Devices, despite some revenue reduction driven by increased 4G legacy decline, still delivered a solid operating profit outturn.

Cash closed at \$183 million, with high cash conversion driven from continued strong working capital management.

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

“We are delighted to deliver another strong year of growth and earnings improvement as further evidence that our strategy is indeed working, and we expect to exceed the market’s profit expectations for the financial year 2019. We enter the new financial year with a strong orderbook and we are well positioned with leading technology to leverage more opportunities across our portfolio. Over the medium term we expect to continue to deliver mid-single digit revenue growth with a focus on increasing recurring revenue streams to enhance the Group’s visibility and effective investment in our technical platforms to drive ongoing performance.”

Spirent will announce its full year results for the financial year ended 31 December 2019 on Thursday 5 March 2020. The Company will host a results presentation at 9.30am UK time on 5 March 2020 at FTI Consulting Limited, 200 Aldersgate, Aldersgate Street, London EC1A 4HD.

A simultaneous webcast of the 2019 full year results presentation will be available in the Investors section of the Spirent Communications plc website <https://corporate.spirent.com/>.

In addition, the Company will host a Capital Market event on 30 April 2020, at the offices of FTI Consulting Limited.

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Note

1. Adjusted operating profit is before charging exceptional items, acquisition related costs, 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.otcmarkets.com/marketplaces/otc-pink>.

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