

# SPIRENT COMMUNICATIONS PLC 2025 HALF YEAR RESULTS

AUGUST 2025

## SAFE HARBOUR STATEMENT

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# OVERVIEW

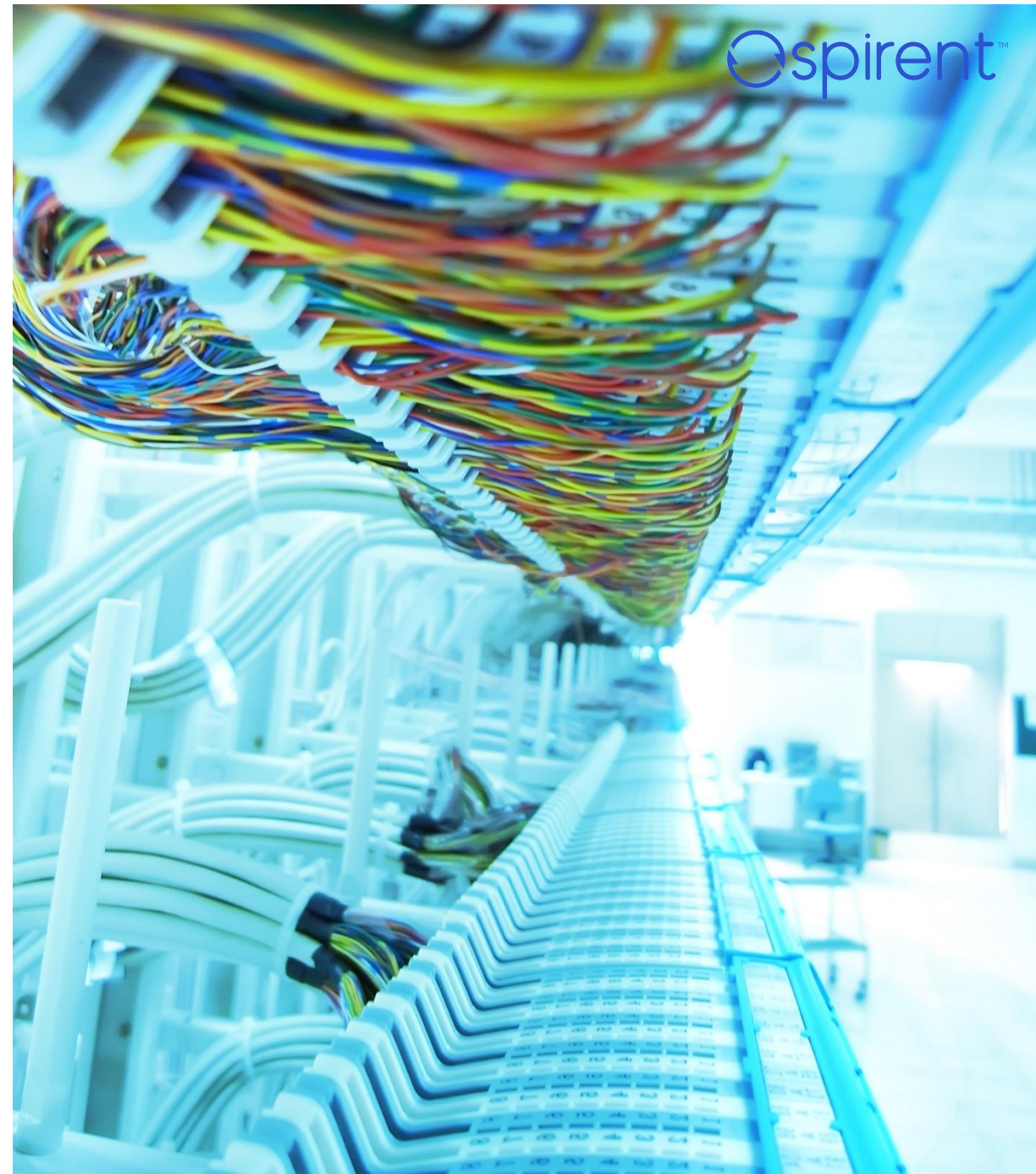
- Resilient H1 performance
  - Orders growth 9%, revenue growth 5%
- Strong demand for AI testing
- Good progress on diversification i.e. Financial Services
- Good momentum in Positioning and Wi-Fi
- Executing new product releases
- Telco slowness continues as predicted; China slow economic recovery
- Strong financial management





# NEW PRODUCTS & MARKETS

- New AI Ultra Ethernet solution – first live public demonstration of Ultra Ethernet Transport (UET) for AI Data Centre networks
- Pioneering lunar positioning (PNT) simulation solution – supporting Japan Aerospace Exploration Agency (JAXA)
- Launched new over-the-air (OTA) test solution enabling true end-to-end network testing (4G, 5G, and Wi-Fi)
- Launched Industry's first automated Wi-Fi test solution for comprehensive validation of Wi-Fi 6/6E and Wi-Fi 7 devices



# FINANCIAL SUMMARY

\$m	H1 2025	H1 2024
Orderbook	<b>310.1</b>	284.2
Order intake	<b>206.5</b>	188.8
Revenue	<b>208.1</b>	197.3
Gross profit	<b>148.4</b>	138.2
Gross margin	<b>71.3%</b>	70.0%
Operating costs <sup>1</sup>	<b>(140.9)</b>	(133.2)
Operating profit <sup>1</sup>	<b>7.5</b>	5.0
Effective tax rate <sup>2</sup>	<b>7%</b>	11%
EPS <sup>1,3</sup> (cents)	<b>1.45</b>	1.05
Cash	<b>157.3</b>	131.0

1. Before acquired intangible asset amortisation, share-based payment and other adjusting items.

2. Adjusted tax charge as a percentage of adjusted profit before tax.

3. Before tax on items in note 1.

- Good growth in a difficult environment
  - Order intake up 9%, revenue up 5%
  - Orderbook increase 9%
- Resilient gross margin
- R&D investment continues to drive new product launches
- Effective cost and cash management
- ETR outlook 10-12%

# PORTFOLIO PERFORMANCE

- Assurance solutions demand broadly level
- Softer Connected Device testing volumes
- Good growth for AI testing for high-speed Ethernet and our Positioning products

\$m	Revenue		Operating profit/(loss) <sup>1</sup>	
	H1 2025	H1 2024	H1 2025	H1 2024
Lifecycle Service Assurance	83.7	85.7	2.5	6.3
Networks & Security	124.4	111.6	8.5	4.1
Corporate	-	-	(3.5)	(5.4)
Group total	208.1	197.3	7.5	5.0

1. Before acquired intangible asset amortisation, share-based payment and other adjusting items.

# DISCIPLINED FOCUS ON COSTS

\$m	H1 2025	H1 2024
Product development	50.1	47.4
Selling and marketing	64.0	60.2
Administration	26.5	25.7
Sub total <sup>1</sup>	140.6	133.3
FX loss/(gain)	0.3	(0.1)
<b>Total operating costs<sup>1</sup></b>	<b>140.9</b>	<b>133.2</b>

1. Before acquired intangible asset amortisation, share-based payment and other adjusting items.

- Well managed cost base, cost inflation in H1 2025
- Maintaining R&D focus and product plans
- Selling and marketing includes Global Product Training event in H1 2025

# STRONG BALANCE AND CASH FOCUS

\$m	H1 2025	H1 2024
<b>Operating profit<sup>1</sup></b>	<b>7.5</b>	<b>5.0</b>
Other adjusting items (non-acquisition)	-	(0.9)
Depreciation and amortisation	7.1	7.6
Net lease repayments and interest	(3.4)	(3.2)
Working capital movement	17.0	28.2
Capex	(4.1)	(3.6)
Pension/deferred compensation	2.6	0.8
Tax paid	(7.8)	(2.7)
Bank interest/other	0.2	(0.1)
<b>Free cash flow</b>	<b>19.1</b>	<b>31.1</b>
Other adjusting items (acquisition)	(10.4)	(7.5)
Foreign exchange	6.8	(0.7)
<b>Closing cash</b>	<b>157.3</b>	<b>131.0</b>

1. Before acquired intangible asset amortisation, share-based payment and other adjusting items.



# H1 MARKET AND DIVERSIFICATION PROGRESS

## New customer segment focus

- Further diversification into non-telco areas – e.g. Financial Services
- AI solution for new data centre players
- Demand for new PNT X positioning product

## XaaS

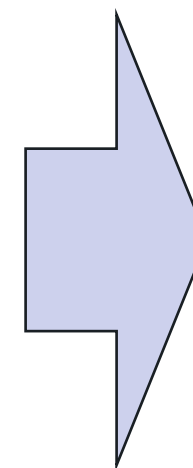
- Allowed us to align with customer caution around capex spend, enhanced ROI proposition

## Effective supply chain management

- Tariff changes being managed carefully
- Costs contained and pricing managed well

## Product innovation

- Investing in our products to drive new revenue streams



New revenue streams

Gross margin protection

Operating leverage

# SUMMARY

- Resilient performance
- Managing macroeconomic challenges
- Focused investment for growth
  - Attractive long-term market trends
  - Disciplined cost management
  - R&D investment driving new product launches
- Spirent remains focused on execution, innovation and diversification, and is well-positioned to benefit as market conditions recover.



# TRANSACTION UPDATE

On 28 March 2024, the Boards of Keysight Technologies, Inc. (“Keysight”) and Spirent announced that they had reached agreement on the terms of a recommended cash offer for the entire issued ordinary share capital of Spirent (the “Transaction”).

As announced by Keysight on 3 June 2025, Keysight obtained regulatory clearance from the US Department of Justice. This follows the UK Competitions and Markets Authority unconditionally clearing the Transaction on 13 March 2025. Accordingly, Conditions 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 set out in Part A of Part III of the Scheme Document have been satisfied.

Completion of the Transaction remains subject to the satisfaction or (if capable of waiver) waiver of the remaining conditions to the Transaction set out in Part III of the Scheme Document (the “Conditions”), including the Condition relating to sanction of the Scheme by the Court.

With support and assistance from Spirent, as Keysight announced on 24 July 2025 it remains committed to working constructively with the State Administration for Market Regulation of the People's Republic of China (“SAMR”) to obtain clearance for the Transaction and, as it stated in the same announcement, expects that the Scheme will become effective on or before 29 September 2025, being the Long Stop Date (as defined in the Scheme Document).

# APPENDIX

# INCOME STATEMENT

\$m	H1 2025	H1 2024
Revenue	208.1	197.3
Gross profit	148.4	138.2
Operating costs	(140.9)	(133.2)
<b>Adjusted operating profit</b>	<b>7.5</b>	<b>5.0</b>
Adjusting items:		
Acquired intangible asset amortisation	(2.6)	(2.7)
Share-based payment	(8.7)	(3.2)
Other adjusting items <sup>1</sup>	(10.4)	(8.4)
<b>Operating (loss)/profit</b>	<b>(14.2)</b>	<b>(9.3)</b>
Net finance income	1.4	1.8
<b>Loss before tax</b>	<b>(12.8)</b>	<b>(7.5)</b>
Tax credit	0.4	0.8
<b>Loss after tax</b>	<b>(12.4)</b>	<b>(6.7)</b>
Adjusted basic earnings per share (cents)	1.45	1.05

1. Other adjusting items mainly relate to advisory costs for the Keysight acquisition/Spirent transaction.

# FOREIGN CURRENCY

- Our significant foreign exchange (FX) exposure relates to GBP
- Vast majority of revenue is transacted in USD so the impact of FX on revenue is minimal
- Average USD:GBP exchange rate for H1 2025 of 1.30 compared to 1.26 in H1 2024, the closing rate at 30 June 2025 was 1.37 vs 1.26 at 30 June 2024.
- FX loss of \$0.3m charged to the income statement in H1 2025 (H1 2024: \$0.1m gain) in relation to:
  - Transaction exposure in UK operations from US Dollar sales
  - Retranslation of cash balances held in non-domicile currency
  - Positive translation benefit to Cash





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