



**SPIRENT COMMUNICATIONS PLC**  
**Results for the six months ended 30 June 2025**

***Resilient performance in challenging conditions***  
***Good progress in H1***

\$ million	First half 2025	First half 2024	Change (%)
Orderbook <sup>1</sup>	<b>310.1</b>	284.2	9
Order intake <sup>2</sup>	<b>206.5</b>	188.8	9
Revenue	<b>208.1</b>	197.3	5
Gross margin (%)	<b>71.3</b>	70.0	2
Adjusted operating profit <sup>3</sup>	<b>7.5</b>	5.0	50
Adjusted profit before tax <sup>3</sup>	<b>8.9</b>	6.8	31
Adjusted basic earnings per share <sup>4</sup> (cents)	<b>1.45</b>	1.05	38
Reported operating loss	<b>(14.2)</b>	(9.3)	(53)
Reported loss before tax	<b>(12.8)</b>	(7.5)	(71)
Reported basic earnings per share (cents)	<b>(2.15)</b>	(1.17)	(84)
Closing cash	<b>157.3</b>	131.0	20

**Commenting on today's announcement, Eric Updyke, Chief Executive Officer, said:**

"We delivered a resilient first half performance, continuing to advance our strategic priorities, despite macroeconomic headwinds. I am particularly proud of the team's focus and agility as we support our customers with next-generation solutions while also deepening relationships in emerging segments.

"Our AI Data Centre testing solution, now commercially deployed with multiple customers, is gaining traction as enterprises race to modernise their Ethernet network fabrics for high-performance AI workloads. Meanwhile, our Positioning portfolio saw strong interest from aerospace, defence and automotive customers, and Wi-Fi 7 momentum has been fuelled by our expanded test capabilities, helping customers accelerate time to market. Interest in our 5G solutions continues from service providers and enterprises as they progress cloud-native core deployments and prepare for the next phase of 5G Standalone rollouts.

"We have continued to maintain strong customer engagement and project delivery, thanks to our committed and highly capable team. We are executing with discipline, investing in innovation, and positioning Spirent to capture growth as market conditions recover."

### **Details of the recommended cash offer for Spirent by Keysight**

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).

### **Outlook**

Whilst market conditions are likely to remain challenging in the near term, particularly in the telecom segment we retain a positive medium-term outlook. We are benefitting from a strong orderbook, increasing traction in AI data centres and Financial Services, growing demand for 5G assurance solutions, and strong customer interest in Positioning and Wi-Fi 7 test offerings.

Spirent remains focused on execution, innovation and diversification, and is well-positioned to benefit as market conditions recover.

#### **Notes**

1. Orderbook is an alternative performance measure as defined in the appendix on page 23.
2. Order intake represents commitments from customers in the period to purchase goods and/or services that will ultimately result in recognised revenue.
3. Adjusted operating profit is before acquired intangible asset amortisation, share-based payment and other adjusting items totalling \$21.7 million (first half 2024: \$14.3 million).
4. Adjusted basic earnings per share is based on adjusted earnings as set out in note 5.

**- ends -**

## Enquiries

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## About Spirent Communications plc

Spirent Communications plc (LSE: SPT) a leading global provider of automated test and assurance solutions for networks, cybersecurity, and positioning. The Company provides innovative products, services and managed solutions that address the test, assurance, and automation challenges of a new generation of technologies, including 5G, AI, cloud, autonomous vehicles and beyond. From the lab to the real world, Spirent helps companies deliver on their promise to their customers of a new generation of connected devices and technologies. 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 <https://www.otcm Markets.com/corporate-services/pink-market>.

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## Cautionary statement regarding forward-looking statements

*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.*

## Operating and financial review

### Group financial performance

Spirent navigated global market challenges while staying focused on delivering our product roadmaps to meet customer needs, resulting in resilient first half performance and particularly good performance in the second quarter of the year. Growth in both order intake and revenue was delivered.

We saw some recovery in North America at the end of 2024 and this continued into 2025. APAC and EMEA activities remained robust compared to the prior period which resulted in revenue increasing from \$197.3 million to \$208.1 million.

Orderbook and order intake both increased 9 per cent in the first half of 2025 against the first half of 2024 positioning us well for the second half of the year.

Gross margin increased to 71.3 per cent (first half 2024: 70.0 per cent) positively contributing to adjusted operating profit of \$7.5 million in the first half of 2025 (first half 2024: \$5.0 million).

Operating costs were carefully managed whilst investing in product development roadmaps driving important new revenue streams as part of our diversification strategy. In addition, we continue to navigate the challenging trading environment, including tariff changes.

Other adjusting items were \$10.4 million (first half 2024: \$8.4 million) comprising costs associated with the acquisition of Spirent by Keysight (first half 2024: \$7.1 million). There were no further restructuring and strategic evaluation projects costs in 2025 (first half 2024: \$0.9 million). Adjusting items are further detailed on page 7.

The effective tax rate decreased from 11.2 per cent to 7.0 per cent mainly driven by the mix of profit generation by region.

Our approach to strong financial management and focus on our balance sheet remains in place. Cash closed at \$157.3 million (first half 2024: \$131.0 million).

Under the dividend payment mechanics set out in the Keysight acquisition announcement released on 28 March 2024, the Spirent Board was allowed to pay both a Permitted Dividend of 2.5 pence per share and an Additional Dividend of 1 pence per share, before the acquisition completion date. Accordingly on 26 June 2025, the Company announced that the Board had approved to pay a dividend of 3.5 pence per share at the end of July 2025. The total cost is estimated at circa \$27 million, and no liability is recorded in the half year financial statements in respect of these dividends.

## Revenue

\$ million	First half 2025	%	First half 2024	%
<b>Revenue by segment</b>				
Lifecycle Service Assurance	<b>83.7</b>	<b>40.2</b>	85.7	43.4
Networks & Security	<b>124.4</b>	<b>59.8</b>	111.6	56.6
	<b>208.1</b>	<b>100.0</b>	197.3	100.0
<b>Revenue by geography</b>				
Americas	<b>123.7</b>	<b>59.5</b>	113.4	57.5
Asia Pacific	<b>57.7</b>	<b>27.7</b>	57.0	28.9
Europe, Middle East and Africa	<b>26.7</b>	<b>12.8</b>	26.9	13.6
	<b>208.1</b>	<b>100.0</b>	197.3	100.0

Overall Group revenue increased by 5 per cent, with Lifecycle Service Assurance down 2 per cent and Networks & Security up 11 per cent, respectively, compared to the same period last year.

Lifecycle Service Assurance revenue reduced by \$2 million over the first half of 2025 due to continuing slowness and regional disparity in operators upgrading to 5G Standalone, and growing commoditisation in the device service experience testing sector. While 5G Standalone progress from operators is no longer stalled, it is not yet rapid nor ubiquitous.

We also saw stable demand for our Landslide™ core-network lab test offering, our lab and test automation solutions and our network assurance offerings, despite the subdued spending by telecom operators. The team launched a suite of advanced test solutions, including the Landslide E20 over-the-air system, a cloud-native benchmarking solution, and robotic optical switches, designed to streamline the complex challenges of testing and monetising 5G Standalone networks and accelerating digital transformation initiatives.

Networks & Security revenue increased by \$12.8 million over the first half of 2025 due to strong growth in our Positioning, Navigation and Timing (PNT) solutions and growing demand for our high-speed Ethernet solutions, driven by growing AI infrastructure investments.

Our next generation test solution for Positioning, Navigation and Timing (PNT X) continues to lead the market as customers look for higher fidelity on more complex scenarios across autonomous vehicles, defence systems, space, hyperscaler infrastructure and avionics.

We saw strong demand for our 400G and 800G high-speed Ethernet test solutions with many wins for our new AI Data Centre test solution from cloud hyperscalers.

Revenue was up in North America, driven by increasing market confidence, especially around AI, cloud infrastructure and defence spending, while Europe and Asia Pacific remained on par with the first half of 2024.

## Gross margin

\$ million	First half 2025	%	First half 2024	%
Lifecycle Service Assurance	<b>60.8</b>	<b>72.6</b>	61.7	72.0
Networks & Security	<b>87.6</b>	<b>70.4</b>	76.5	68.5
	<b>148.4</b>	<b>71.3</b>	138.2	70.0

Gross profit increased to \$148.4 million despite material and labour inflation, driven by higher revenues and a stronger mix of products. Gross margin increased to 71.3 per cent.

## Operating costs

\$ million	First half adjusted <sup>1</sup> 2025	First half reported 2025	First half adjusted <sup>1</sup> 2024	First half reported 2024
Product development	<b>50.1</b>	<b>50.1</b>	47.4	47.4
Selling and marketing	<b>64.0</b>	<b>64.0</b>	60.2	60.2
Administration	<b>26.8</b>	<b>48.5</b>	25.6	39.9
Operating costs	<b>140.9</b>	<b>162.6</b>	133.2	147.5
Lifecycle Service Assurance	<b>58.3</b>	<b>58.3</b>	55.4	55.8
Networks & Security	<b>79.1</b>	<b>79.1</b>	72.4	72.9
Corporate	<b>3.5</b>	<b>25.2</b>	5.4	18.8
Operating costs	<b>140.9</b>	<b>162.6</b>	133.2	147.5

### Note

1. Before acquired intangible asset amortisation, share-based payment and other adjusting items totalling \$21.7 million (first half 2024: \$14.3 million).

Operating costs in the period include cost inflation and continue to be carefully managed.

The overall investment in product development increased period-on-period from \$47.4 million to \$50.1 million, driven by new product initiatives.

Selling and marketing costs increased by \$3.8 million, in part due to a global training sales conference to support many new product launches.

## Operating profit/(loss)

\$ million	First half 2025	Adjusted operating Margin <sup>1,2</sup> (%)	First half 2024	Adjusted operating Margin <sup>1,2</sup> (%)
Lifecycle Service Assurance	2.5	3.0	6.3	7.4
Networks & Security	8.5	6.8	4.1	3.7
Corporate	(3.5)		(5.4)	
<b>Adjusted operating profit<sup>1</sup></b>	<b>7.5</b>	<b>3.6</b>	<b>5.0</b>	<b>2.5</b>
<b>Adjusting items:</b>				
Acquired intangible asset amortisation	(2.6)		(2.7)	
Share-based payment	(8.7)		(3.2)	
Other adjusting items	(10.4)		(8.4)	
<b>Reported operating loss</b>	<b>(14.2)</b>		<b>(9.3)</b>	

### Notes

1. Before acquired intangible asset amortisation, share-based payment and other adjusting items totalling \$21.7 million (first half 2024: \$14.3 million).
2. Adjusted operating profit as a percentage of revenue in the period.

Adjusted operating profit was \$7.5 million (first half 2024: \$5.0 million). The reported loss was \$14.2 million (first half 2024: \$9.3 million loss) mainly impacted by the increase in share-based incentive payments and acquisition related transaction costs.

## Share-based payment

Share-based payment increased from \$3.2 million to \$8.7 million due to the increase in number of grants and vestings during the first half of 2025.

## Other adjusting items

\$ million	First half 2025	First half 2024
Restructuring	-	0.9
Acquisition related costs	10.4	7.5
	<b>10.4</b>	<b>8.4</b>

The costs of \$10.4 million recognised for the first half of 2025 relate to the Keysight acquisition of Spirent which mainly includes legal fees and some consultancy costs. We expect further deal related charges, the majority of which are expected to be incurred when the deal is closed.

The total cash outflow in respect of other adjusting items is reported within cash flows from operating activities in the consolidated cash flow statement.

### Finance income and costs

Finance income in the first half of 2025 was earned from bank interest of \$1.9 million (first half 2024: \$2.0 million) and \$nil (first half 2024: \$0.2 million) of interest income in relation to the UK defined benefit pension plans.

Finance costs in the first half were \$0.5 million (first half 2024: \$0.4 million), being interest on lease liabilities.

### Tax

The reported tax credit for the Group for the first half of 2025 was \$0.4 million (first half 2024: tax credit \$0.8 million). The adjusted tax charge, excluding the tax credit on the adjusting items of \$1.0 million, was \$0.6 million (first half 2024: \$0.8 million), resulting in an effective tax rate of 7.0 per cent of adjusted pre-tax profit. This compared with an effective tax rate of 11.2 per cent for the first half of 2024. The full year 2025 effective tax rate is expected to be in the range of 10-12 per cent. The difference from the half year rate is largely due to the impact of the US One Big Beautiful Bill Act that wasn't considered at half year because it was not substantially enacted at the 30 June 2025 Balance Sheet Date.

### Earnings per share

Adjusted basic earnings per share grew 38 per cent to 1.45 cents, reflecting the trading performance in the first half of 2025. There were 577.4 million weighted average shares in issue (first half 2024: 573.7 million). Reported basic loss per share was 2.15 cents compared with 1.17 cents for the first half of 2024.

### Financing and cash flow

Free cash flow from operations decreased by \$12 million to \$19.1 million in the first half of 2025 compared to the first half of 2024, driven by the decrease in trade payables and increase in tax paid. Cash flow from operations is detailed in note 8 on page 21. An explanation on free cash flow as an alternative performance measure can be found on page 24.

Free cash flow is set out below:

\$ million	First half 2025	First half 2024
Cash flow from operations	<b>23.1</b>	32.8
Tax paid	<b>(7.8)</b>	(2.7)
Net cash inflow from operating activities	<b>15.3</b>	30.1
Interest received	<b>1.9</b>	2.2
Net capital expenditure	<b>(4.1)</b>	(3.6)
Capitalised development costs	<b>(1.0)</b>	(1.9)
Payment of lease liabilities, principal and interest	<b>(3.4)</b>	(3.4)
Lease payments received from finance leases	-	0.2
Acquisition related other adjusting items ( <i>note 4</i> )	<b>10.4</b>	7.5
Free cash flow	<b>19.1</b>	31.1

Net capital expenditure of \$4.1 million was broadly similar to the same period last year and predominantly related to demonstration and test equipment.



### **Balance sheet and dividend**

The consolidated balance sheet is set out on page 12.

Net assets as at 30 June 2025 increased by \$22.0 million to \$396.9 million compared to first half of 2024.

Cash at 30 June 2025 was \$157.3 million (first half of 2024: \$131.0 million) and the Company has no bank debt.

No dividends were paid to shareholders as of 30 June 2025. However, as noted above, on 26 June 2025, the Company announced that the Board had approved a total dividend of 3.5 pence per share to be paid at the end of July 2025 under the dividend payment mechanics set out in the Keysight announcement released on 28 March 2024. The total cost is estimated at circa \$27 million, and no liability is recorded in the half year financial statements in respect of these dividends.

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the Group for the remainder of the year are unchanged from those reported in the Annual Report 2024.

The Group's principal risks and uncertainties at 31 December 2024 were detailed on pages 55 to 60 of the Annual Report 2024 and related to the following areas: macroeconomic change; technology change; business continuity; customer dependence/customer investment plans; competition; and employee skill base. A copy of the Annual Report 2024 is available on the Company's website at <https://corporate.spirent.com/>.

**Condensed consolidated income statement**

\$ million	Notes	First half 2025			First half 2024		
		Adjusted	Adjusting items <sup>1</sup>	Reported	Adjusted	Adjusting items <sup>1</sup>	Reported
<b>Revenue</b>	3	<b>208.1</b>	-	<b>208.1</b>	197.3	-	197.3
Cost of sales		(59.7)	-	(59.7)	(59.1)	-	(59.1)
<b>Gross profit</b>		<b>148.4</b>	-	<b>148.4</b>	138.2	-	138.2
Product development	3	(50.1)	-	(50.1)	(47.4)	-	(47.4)
Selling and marketing		(64.0)	-	(64.0)	(60.2)	-	(60.2)
Administration		(26.8)	(21.7)	(48.5)	(25.6)	(14.3)	(39.9)
<b>Operating profit/(loss)</b>		<b>7.5</b>	<b>(21.7)</b>	<b>(14.2)</b>	5.0	(14.3)	(9.3)
<b>Adjusting items:</b>							
Acquired intangible asset amortisation		-	(2.6)	(2.6)	-	(2.7)	(2.7)
Share-based payment		-	(8.7)	(8.7)	-	(3.2)	(3.2)
Other adjusting items	4	-	(10.4)	(10.4)	-	(8.4)	(8.4)
		-	(21.7)	(21.7)	-	(14.3)	(14.3)
Finance income		1.9	-	1.9	2.2	-	2.2
Finance costs		(0.5)	-	(0.5)	(0.4)	-	(0.4)
<b>Profit/(loss) before tax</b>		<b>8.9</b>	<b>(21.7)</b>	<b>(12.8)</b>	6.8	(14.3)	(7.5)
Tax		(0.6)	1.0	0.4	(0.8)	1.6	0.8
<b>Profit/(loss) for the period attributable to owners of the parent Company</b>		<b>8.3</b>	<b>(20.7)</b>	<b>(12.4)</b>	6.0	(12.7)	(6.7)
<b>Earnings per share (cents)</b>	5						
Basic		1.45		(2.15)	1.05		(1.17)
Diluted		1.43		(2.15)	1.04		(1.17)

Note

1. Adjusting items comprise amortisation of acquired intangible assets, share-based payment, other adjusting items, tax on adjusting items and any over/under provision in respect of prior year tax.

The performance of the Group is assessed using a variety of non-GAAP alternative performance measures which are presented to provide additional financial information that is regularly reviewed by management. Adjusting items are identified and excluded by virtue of their size, nature or incidence as they do not reflect management's evaluation of the underlying trading performance of the Group. The alternative performance measures are presented in the appendix. The reported GAAP measures give the complete measure of financial performance.

**Condensed consolidated statement of comprehensive income**

\$ million	Note	First half 2025	First half 2024
<b>Loss for the period attributable to owners of the parent Company</b>		<b>(12.4)</b>	<b>(6.7)</b>
<b>Other comprehensive income</b>			
Items that may subsequently be reclassified to profit or loss:			
– Exchange differences on retranslation of foreign operations		<b>7.2</b>	<b>(1.1)</b>
– Re-measurement of the net defined benefit pension asset	7	<b>0.7</b>	<b>3.0</b>
<b>Other comprehensive income</b>		<b>7.9</b>	<b>1.9</b>
<b>Total comprehensive loss for the period attributable to owners of the parent Company</b>		<b>(4.5)</b>	<b>(4.8)</b>

**Condensed consolidated balance sheet**

\$ million	Note	30 June 2025	30 June 2024	Audited 31 December 2024
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		202.7	204.1	203.5
Property, plant and equipment		15.2	15.0	14.7
Right-of-use assets		15.3	16.7	17.5
Trade and other receivables		4.5	1.1	6.7
Assets recognised from costs to obtain a contract		0.4	1.3	0.7
Defined benefit pension plan surplus	7	0.7	10.2	0.5
Deferred tax asset		55.6	46.5	54.7
		294.4	294.9	298.3
<b>Current assets</b>				
Inventories		33.4	40.3	35.5
Trade and other receivables		103.9	99.1	134.9
Assets recognised from costs to obtain a contract		2.8	0.3	1.9
Current tax asset		4.7	2.8	1.8
Cash and cash equivalents		157.3	131.0	141.8
		302.1	273.5	315.9
<b>Total assets</b>		<b>596.5</b>	<b>568.4</b>	<b>614.2</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(54.1)	(49.8)	(78.7)
Contract liabilities		(88.4)	(86.8)	(68.7)
Lease liabilities		(6.1)	(8.2)	(7.6)
Other financial liabilities		-	-	(0.1)
Current tax liability		(0.3)	(1.0)	(6.5)
Provisions		(5.1)	(4.6)	(3.7)
		(154.0)	(150.4)	(165.3)
<b>Non-current liabilities</b>				
Trade and other payables		(0.2)	(0.2)	(0.2)
Contract liabilities		(18.9)	(18.4)	(29.2)
Lease liabilities		(11.7)	(11.5)	(12.7)
Defined benefit pension plan deficit	7	(12.9)	(10.6)	(11.0)
Provisions		(1.9)	(2.4)	(3.3)
		(45.6)	(43.1)	(56.4)
<b>Total liabilities</b>		<b>(199.6)</b>	<b>(193.5)</b>	<b>(221.7)</b>
<b>Net assets</b>		<b>396.9</b>	<b>374.9</b>	<b>392.5</b>
<b>Capital and reserves</b>				
Share capital		26.6	24.4	24.2
Share premium account		27.7	25.5	25.3
Capital redemption reserve		19.6	18.1	17.9
Other reserves		12.1	18.0	18.6
Translation reserve		10.0	4.4	2.8
Retained earnings		300.9	284.5	303.7
<b>Total equity attributable to owners of the parent Company</b>		<b>396.9</b>	<b>374.9</b>	<b>392.5</b>

**Condensed consolidated statement of changes in equity**

\$ million	Notes	Attributable to the equity holders of the parent Company						Total equity
		Share capital	Share premium account	Capital redemption reserve	Other reserves	Translation reserve	Retained earnings	
<b>At 1 January 2024 (audited)</b>		24.6	25.7	18.2	17.5	5.5	284.3	375.8
Loss for the period		-	-	-	-	-	(6.7)	(6.7)
Other comprehensive (loss)/income		-	-	-	-	(1.1)	3.0	1.9
Total comprehensive loss		-	-	-	-	(1.1)	(3.7)	(4.8)
Share-based payment <sup>1</sup>		-	-	-	-	-	2.6	2.6
Tax charge on share incentives		-	-	-	-	-	1.3	1.3
Equity dividends	6	-	-	-	-	-	-	-
Exchange adjustment		(0.2)	(0.2)	(0.1)	0.5	-	-	-
<b>At 30 June 2024</b>		24.4	25.5	18.1	18.0	4.4	284.5	374.9
<b>At 1 January 2025 (audited)</b>		<b>24.2</b>	<b>25.3</b>	<b>17.9</b>	<b>18.6</b>	<b>2.8</b>	<b>303.7</b>	<b>392.5</b>
Loss for the period		-	-	-	-	-	(12.4)	(12.4)
Other comprehensive income		-	-	-	-	7.2	0.7	7.9
Total comprehensive income/(loss)		-	-	-	-	7.2	(11.7)	(4.5)
Share-based payment <sup>1</sup>		-	-	-	-	-	8.0	8.0
Tax charge on share incentives		-	-	-	-	-	0.9	0.9
New shares issued	10	0.1	-	-	(0.1)	-	-	-
Exchange adjustment		2.3	2.4	1.7	(6.4)	-	-	-
<b>At 30 June 2025</b>		<b>26.6</b>	<b>27.7</b>	<b>19.6</b>	<b>12.1</b>	<b>10.0</b>	<b>300.9</b>	<b>396.9</b>

Note

1. There were no costs in administration expenses in the income statement in respect of deferred shares for Executive Directors' Annual Incentive (first half 2024: nil).

**Condensed consolidated cash flow statement**

\$ million	Note	First half 2025	First half 2024
<b>Cash flows from operating activities</b>			
Cash flow from operations	8	23.1	32.8
Tax paid		(7.8)	(2.7)
<b>Net cash inflow from operating activities</b>		<b>15.3</b>	<b>30.1</b>
<b>Cash flows from investing activities</b>			
Interest received		1.9	2.2
Capital development costs		(1.0)	(1.9)
Purchase of property, plant and equipment		(4.1)	(3.6)
Proceeds from sale of property, plant and equipment		-	-
Lease payments received from finance leases		-	0.2
<b>Net cash used in investing activities</b>		<b>(3.2)</b>	<b>(3.1)</b>
<b>Cash flows from financing activities</b>			
Lease liability principal repayments		(2.9)	(3.0)
Lease liability interest paid		(0.5)	(0.4)
<b>Net cash used in financing activities</b>		<b>(3.4)</b>	<b>(3.4)</b>
Net increase in cash and cash equivalents		8.7	23.6
Cash and cash equivalents at the beginning of the period		141.8	108.1
Effect of foreign exchange rate changes		6.8	(0.7)
<b>Cash and cash equivalents at the end of the period</b>		<b>157.3</b>	<b>131.0</b>

## **Notes to the half year condensed consolidated financial statements**

### **1 General information**

The half year condensed consolidated financial statements do not constitute statutory accounts within the meaning of the Companies Act 2006. The statutory accounts for the year ended 31 December 2024 were approved by the Board of Directors on 4 March 2025 and have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement made under Section 498(2) or (3) of the Companies Act 2006.

In compliance with DTR 4.2.9(2), the half year condensed consolidated financial statements have not been reviewed by the Group's auditor.

The half year condensed consolidated financial statements for the period ended 30 June 2025 were approved by the Directors on 5 August 2025.

### **2 Accounting policies**

The accounting policies adopted and methods of computation used are consistent with those applied in the consolidated financial statements for the year ended 31 December 2024. The annual financial statements of the Group are prepared in accordance with United Kingdom adopted International Financial Reporting Standards (IFRS).

#### **Basis of preparation**

The half year condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board and endorsed by and adopted for use in the United Kingdom. This condensed set of half year financial statements has also been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority.

#### **Critical accounting estimates and judgements**

The preparation of the half year condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half year condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

The Group is required to perform an impairment review on goodwill annually and where there are indicators of impairment. The Group has an annual impairment testing date of 30 November. At 30 June 2025, management have reviewed goodwill for indicators of impairment and have considered the trading performance, the Group's principal risks and uncertainties and the other assumptions used in the value in use calculations. Management have also considered sensitivities in respect of potential downside scenarios. There are no indicators of impairment at any of the cash generating units.

## **2 Accounting policies continued**

### **Going concern**

In adopting the going concern basis for preparing the condensed consolidated financial statements, the Directors have considered the Group's principal risks and uncertainties as set out on page 9.

The Directors have also considered sensitivities in respect of potential downside scenarios, including stress testing the latest cash flow projections that cover a period of at least 12 months from the date of approval of these condensed consolidated financial statements. In these scenarios, the Group has more than sufficient headroom in its available resources.

At 30 June 2025, the Group had cash balances of \$157.3 million and external debt only in relation to its lease liabilities.

The Directors have reviewed the detailed financial projections for the period ending 31 December 2025, as well as the business plan and cash flows for the six months ending 30 June 2026. The Directors have also considered the period to the end of 2027 which forms part of the Group's longer term viability assessment. In addition, they have considered the principal risks faced by the Group including the Keysight acquisition, the sensitivity analysis and the Group's significant financial headroom, and are satisfied that the Group has adequate financial resources to continue in operational existence for a period of at least 12 months from the date of approval of this report. Accordingly, the going concern basis of accounting continues to be used in the preparation of the condensed consolidated financial statements.

### **New standards and interpretations**

There have been no new standards or amendments to existing standards effective from 1 January 2025 that are applicable to the Group or that has had any material impact on the financial statements and related notes as at 30 June 2025.

The Directors do not anticipate that the adoption of any of the new standards and interpretations issued by the IASB and IFRIC with an effective date for the Group after the date of these interim financial statements will have a material impact on the Group's interim financial statements in the period of initial application.

## **3 Operating segments**

The Group's organisational structure is based on differences in the products and services offered by each segment and information regularly reviewed by the Group's Chief Executive Officer, its chief operating decision maker, is presented on this basis. The Group's operating segments follow this structure.

The Group's reportable operating segments are Lifecycle Service Assurance and Networks & Security. The Group evaluates adjusted operating profit before acquired intangible asset amortisation, share-based payment and other adjusting items. Finance income and finance costs are not allocated to the reportable segments. Corporate is not an operating segment and costs are separately reported and not allocated to the reportable segments. Information on segment assets and segment liabilities is not regularly provided to the Group's Chief Executive Officer and is therefore not disclosed below. There is no aggregation of operating segments.

The Group disaggregates revenue from contracts with customers by nature of products and services and primary geographical markets, as management believe this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.



### 3 Operating segments continued

\$ million	Lifecycle Service Assurance	Networks & Security	Corporate	Total
<b>First half 2025</b>				
<b>Revenue</b>				
<b>Nature of products and services</b>				
Sale of hardware and software	31.5	90.1	-	121.6
Maintenance and support services	52.2	34.3	-	86.5
	83.7	124.4	-	208.1
<b>Primary geographical markets</b>				
Americas	59.6	64.1	-	123.7
Asia Pacific	14.6	43.1	-	57.7
Europe, Middle East and Africa	9.5	17.2	-	26.7
	83.7	124.4	-	208.1
<b>Profit before tax</b>				
Adjusted operating profit	2.5	8.5	(3.5)	7.5
Other adjusting items <i>note 4</i>	-	-	(10.4)	(10.4)
Total reportable segment profit/(loss)	2.5	8.5	(13.9)	(2.9)
Unallocated amounts:				
– Acquired intangible asset amortisation				(2.6)
– Share-based payment				(8.7)
<b>Operating loss</b>				(14.2)
Finance income				1.9
Finance costs				(0.5)
<b>Loss before tax</b>				(12.8)
<b>Other information</b>				
Product development	23.2	26.9	-	50.1
Depreciation of property, plant and equipment	2.3	1.5	-	3.8
Depreciation of right-of-use assets	1.5	1.6	0.2	3.3

### 3 Operating segments continued

\$ million	Lifecycle Service Assurance	Networks & Security	Corporate	Total
<b>First half 2024</b>				
<b>Revenue</b>				
<b>Nature of products and services</b>				
Sale of hardware and software	31.7	76.5	-	108.2
Maintenance and support services	54.0	35.1	-	89.1
	85.7	111.6	-	197.3
<b>Primary geographical markets</b>				
Americas	59.5	53.9	-	113.4
Asia Pacific	16.4	40.6	-	57.0
Europe, Middle East and Africa	9.8	17.1	-	26.9
	85.7	111.6	-	197.3
<b>Profit before tax</b>				
Adjusted operating (loss)/profit	6.3	4.1	(5.4)	5.0
Other adjusting items <i>note 4</i>	(0.4)	(0.5)	(7.5)	(8.4)
Total reportable segment profit/(loss)	5.9	3.6	(12.9)	(3.4)
Unallocated amounts:				
– Acquired intangible asset amortisation				(2.7)
– Share-based payment				(3.2)
<b>Operating loss</b>				(9.3)
Finance income				2.2
Finance costs				(0.4)
<b>Loss before tax</b>				(7.5)
<b>Other information</b>				
Product development	22.0	25.4	-	47.4
Depreciation of property, plant and equipment	1.9	2.5	-	4.4
Depreciation of right-of-use assets	1.4	1.6	0.2	3.2

Inter-segment revenue is eliminated in the above periods. All of the Group's revenue arose from contracts with customers.

Generally, revenue from the sale of hardware and software is recognised at a point in time and revenue from maintenance and support services is recognised over time.

Europe, Middle East and Africa includes United Kingdom revenue of \$5.5 million (first half 2024: \$5.7 million).

Americas includes United States revenue of \$116.0 million (first half 2024: \$106.0 million).

Asia Pacific includes China revenue of \$24.4 million (first half 2024: \$27.4 million).

Revenues are attributed to regions and countries based on customer location.

No one customer accounted for 10 per cent or more of total Group revenue in either the first half of 2025 or 2024.

The Group's activities are seasonal and are typically weighted towards the second half of the year.

#### 4 Other adjusting items

\$ million	First half 2025	First half 2024
Strategic restructuring initiatives	-	0.9
Acquisition related costs	10.4	7.5
Total charge in the income statement	10.4	8.4

The costs of \$10.4 million recognised for the first half of 2025 relates to the Keysight acquisition of Spirent which mainly includes legal fees and some consultancy costs. We expect further deal-related charges, the majority of which are expected to be incurred when the deal is closed.

#### 5 Earnings per share

Basic and diluted earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the six months to 30 June. Where dilution would improve the loss on earnings per share reported, the table only includes the figure for basic earnings per share, being the lowest result. Potential dilutive instruments were not included in the calculation for the six months ended 30 June 2025 because they were anti-dilutive.

##### Adjusted

The Group is disclosing adjusted earnings per share for continuing operations attributable to owners of the parent Company in order to provide a measure to enable period-on-period comparisons to be made of its performance. The following items are excluded from adjusted earnings:

- acquired intangible asset amortisation;
- share-based payment;
- other adjusting items; and
- tax effect on the above items

A reconciliation is provided below:

Number million	First half 2025	First half 2024
<b>Weighted average number of Ordinary Shares in issue – basic</b>	<b>577.4</b>	573.7
Dilutive potential of employee share incentives	4.7	4.2
<b>Weighted average number of Ordinary Shares in issue – diluted</b>	<b>582.1</b>	577.9

		First half 2025		First half 2024
	\$ million	EPS cents	\$ million	EPS cents
<b>Loss for the period attributable to owners of the parent Company</b>	<b>(12.4)</b>	<b>(2.15)</b>	(6.7)	(1.17)
Acquired intangible asset amortisation	2.6		2.7	
Share-based payment	8.7		3.2	
Other adjusting items <i>note 4</i>	10.4		8.4	
Tax effect on the above items	(1.0)		(1.6)	
<b>Adjusted basic</b>	<b>8.3</b>	<b>1.45</b>	6.0	1.05
<b>Adjusted diluted</b>		<b>1.43</b>		1.04

## 6 Dividends paid and proposed

No dividend was proposed at 31 December 2024. Under the dividend payment mechanics set out in the Keysight acquisition announcement released on 28 March 2024, the Spirent Board is allowed to pay both a Permitted Dividend of 2.5 pence per share and an Additional Dividend of 1 pence per share, before the acquisition completion date. Accordingly on 26 June 2025, the Company announced that the Board had approved to pay the dividend of 3.5 pence per share at the end of July 2025. The total cost is estimated at circa \$27 million, and no liability is recorded in the half year financial statements in respect of these dividends.

## 7 Defined benefit pension plans

Following the triggering of the wind-up of the Staff Plan in November 2024, and in line with the requirements of IAS19, an asset ceiling was applied at December 2024 year-end which restricted the Staff Plan surplus to nil. This approach has been consistently applied at 30 June 2025 and as a consequence of this the balance sheet position has been stable over the six-month period to 30 June 2025.

The Trustees have continued to carry out work to complete the buyout of the Staff Plan with the Pension Insurance Corporation plc. This has included issuing Section 251 notices to members, and engagement with the Pension Regulators regarding the return of the surplus to the Company.

At 30 June 2025, the deferred compensation plan deficit amounted to \$12.4 million (31 December 2024: \$10.5 million). During the year \$nil remeasurement loss was charged to the income statement (31 December 2024: \$0.7 million).

The assets and liabilities on the balance sheet are as follows:

\$ million	First half 2025	First half 2024	Year 2024
<b>Schemes in net asset position</b>			
UK defined benefit pension plan – Staff Plan	-	13.6	-
UK defined benefit pension plan – Cash Plan	<b>0.7</b>	-	0.5
	<b>0.7</b>	13.6	0.5
Withholding tax payable	-	(3.4)	-
<b>Surplus in the plan</b>	<b>0.7</b>	10.2	0.5
<b>Schemes in net liability position</b>			
UK defined benefit pension plan – Cash Plan	-	(0.3)	-
UK unfunded plan	<b>(0.5)</b>	(0.5)	(0.5)
US deferred compensation plan	<b>(12.4)</b>	(9.8)	(10.5)
<b>Deficit in the plan</b>	<b>(12.9)</b>	(10.6)	(11.0)
Net pension plan deficit on the balance sheet	<b>(12.2)</b>	(0.4)	(10.5)

## 7 Defined benefit pension plans *continued*

The assets and liabilities in the funded defined benefit pension plans were as follows:

\$ million	First half 2025	First half 2024	Year 2024
Fair value of defined benefit pension plans' assets	184.5	188.9	177.7
Present value of defined benefit pension plans' obligations	(178.6)	(175.6)	(167.8)
Impact of asset ceiling	(5.2)	-	(9.4)
Surplus in the plans	0.7	13.3	0.5
Withholding tax payable	-	(3.4)	-
Net UK funded defined benefit pension plan surplus on the balance sheet	0.7	9.9	0.5

## 8 Reconciliation of loss before tax to cash generated from operations

\$ million	First half 2025	First half 2024
<b>Loss before tax</b>	<b>(12.8)</b>	<b>(7.5)</b>
Adjustments for:		
Finance income	(1.9)	(2.2)
Finance costs	0.5	0.4
Intangible asset amortisation	2.6	2.7
Depreciation of property, plant and equipment	3.8	4.4
Depreciation of right-of-use assets	3.3	3.2
Share-based payment	8.7	3.2
Changes in working capital:		
Decrease in inventories	2.9	3.2
Decrease in receivables	34.7	37.5
Decrease in payables	(27.9)	(16.8)
Increase in contract liabilities	7.6	5.3
Decrease in provisions	(0.3)	(1.0)
Defined benefit pension plan employer contributions net of plan admin expenses	0.8	0.2
Deferred compensation plan	1.8	0.6
Non-cash movements	(0.7)	(0.4)
<b>Cash flow from operations</b>	<b>23.1</b>	<b>32.8</b>

## 9 Fair value

The Directors consider that the carrying amounts of the financial instruments included within trade and other receivables, trade and other payables and contractual provisions approximates their fair value.

## 10 Employee Share Ownership Trust

During the first half of 2025, 2.5 million shares (\$0.1 million) were newly issued and placed into the Employee Share Ownership Trust (ESOT) to satisfy awards vesting under the Spirent Long-Term Incentive Plan (first half of 2024; no shares were placed into the ESOT). At 30 June 2025, the ESOT held 0.1 million Ordinary Shares.

**Statement of Directors' responsibilities**

The Directors confirm that to the best of their knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the IASB and endorsed and adopted by the United Kingdom.

The half year management report includes a fair review of the information required by:

- (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the 2024 Annual Report.

The Directors of Spirent Communications plc are listed below and are unchanged from the Spirent Communications plc Annual Report at 31 December 2024.

Sir William Thomas  
Eric Updyke  
Paula Bell  
Jonathan Silver  
Gary Bullard  
Margaret Buggie  
Wendy Koh  
Edgar Masri

By order of the Board of Spirent Communications plc.

**E A Updyke**  
**Chief Executive Officer**  
5 August 2025

## **Appendix**

### **Alternative Performance Measures**

The performance of the Group is assessed using a variety of alternative performance measures (APMs) which are presented to provide users with additional financial information that is regularly reviewed by management. The APMs presented are not defined under IFRS and therefore may not be directly comparable with similarly identified measures used by other companies.

In management's view, the APMs reflect the underlying performance of the Group and provide an alternative basis for evaluating how the Group is managed and measured on a day-to-day basis. Such APMs are non-GAAP measures and should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

The APMs and key performance indicators are aligned to the Group's strategy and collectively are used to measure the performance of the Group and form the basis of the metrics for Director and management remuneration. The Group's key performance indicators are presented within the Strategic Report of its 2024 Annual Report.

#### **Order intake**

Order intake represents commitments from customers to purchase goods and/or services from Spirent that will ultimately result in recognised revenue. Where there can reasonably be changes to the scope or duration of an order, the Group exercises judgement on the amount of the order that is booked.

Order intake is a measure of operating performance used by management to assess whether future activity levels are increasing or slowing and therefore how effective we have been in the execution of our strategy. Order intake is a key performance indicator used to measure Group, operating segment and regional performance for internal reporting purposes.

#### **Orderbook**

Orderbook comprises the value of all unsatisfied orders from customers and provides an indication of the amount of revenue that has been secured and will be recognised in future periods. Orderbook represents the transaction price allocated to wholly and partially unsatisfied performance obligations, including amounts held in contract liabilities at the period end. There is no comparable IFRS measure.

#### **Book to bill**

Book to bill is the ratio of orders booked to revenue recognised in the year and is a measure of the visibility of future revenues at current levels of activity. Book to bill is a key performance indicator used to measure Group and operating segment performance for internal reporting purposes.

#### **Adjusted operating profit**

Adjusted operating profit is reported operating profit excluding amortisation of acquired intangible assets, share-based payment and other adjusting items including restructuring. Management uses adjusted operating profit, in conjunction with other GAAP and non-GAAP financial measures, to evaluate the overall operating performance of the Group as well as each of the operating segments and believes that this measure is relevant to understanding the Group's financial performance, as specific items (adjusting items) are identified and excluded by virtue of their size, nature or incidence, as they are not considered part of the Group's normal ongoing operations and therefore can lead to period-on-period fluctuations that can make it difficult to assess financial performance.

Specifically, items are excluded from adjusted operating profit if they are acquisition related in nature, including acquired intangible asset amortisation which is dependent on being able to identify intangible assets and assessing their useful economic lives, or if their exclusion allows for more meaningful comparisons with peer companies such as share-based payment which can fluctuate from period to period. The exclusion of adjusting items from adjusted operating profit is consistent from period to period.

Adjusted operating profit is also used in setting Director and management remuneration targets and in discussions with the investment analyst community.

### **Adjusted operating margin**

Adjusted operating margin is adjusted operating profit as a percentage of revenue. It is a measure of the Group's overall profitability and how successful we are in executing on our overall strategy, and demonstrates our ability to improve margin through efficient operations and cost management, whilst being mindful of the need to invest for the future.

### **Effective tax rate**

Effective tax rate is the adjusted tax charge, before tax on adjusting items, expressed as a percentage of adjusted profit before tax. The adjusted tax charge is the reported tax charge excluding the tax effect on adjusting items and adjustments made to provisions in respect of prior year tax.

### **Adjusted basic earnings per share**

Adjusted basic earnings per share (EPS) is adjusted earnings attributable to owners of the parent Company divided by the weighted average number of Ordinary Shares outstanding during the year. Adjusted earnings is reported profit before tax excluding amortisation of acquired intangible assets, share-based payment, other adjusting items, tax on adjusting items and over/under provisions in respect of prior year tax.

Adjusted basic EPS is a measure of how successful we are in executing on our strategy and ultimately delivering increased value for shareholders. Adjusted basic EPS is also used in setting Director and management remuneration targets and in discussions with the investment analyst community. The Group sets out the calculation of adjusted basic EPS in note 5 of Notes to the consolidated financial statements.

### **Product development costs as a percentage of revenue**

Product development as a percentage of revenue in the year. It is a measure of how much the Group is investing to support further organic growth initiatives in line with the strategic objectives, whilst driving improved productivity and effectiveness.

### **Free cash flow**

Free cash flow is cash flow generated from operations, less tax and net capital expenditure, lease liability principal repayments and lease liability interest paid, add interest received and lease payments received from finance leases, excluding acquisition related other adjusting items and one-off employer contributions to the UK pension scheme.

Free cash flow is a measure of the quality of the Group's earnings and reflects the ability to convert profits into cash and ultimately to generate funds for future investment. It gives us financial strength and flexibility and the ability to pay sustainable dividends to our shareholders. Free cash flow is an important indicator of overall operating performance as it reflects the cash generated from operations after capital expenditure, financing and tax which are significant ongoing cash flows associated with investing in the business and financing operations.

Free cash flow excludes corporate level cash flows that are independent of ongoing trading operations such as dividends, acquisitions and disposals and share repurchases and therefore is not a measure of the funds that are available for distribution to shareholders.

A reconciliation of cash generated from operations, the closest equivalent GAAP measure, to free cash flow is provided within the operating and financial review on page 8.

### **Free cash flow conversion**

Free cash flow conversion is the ratio of free cash flow to adjusted earnings, presented as a percentage.

Free cash flow conversion is a measure used in conjunction with free cash flow to assess the Group's ability to convert profit into cash and ultimately to generate funds for future investment.