

# **SPIRENT COMMUNICATIONS PLC First Quarter 2020 Trading Update**

**London, UK – 15 April 2020**: Spirent Communications plc ("Spirent", the "Company" or the "Group") (LSE: SPT), a leading communications technology company, today issues the following Trading Update for the period 1 January to 31 March 2020.

#### COVID-19

During the period we have taken a number of actions in light of COVID-19. We acted quickly to protect our employees and implemented home working arrangements for our staff in China. We ensured robust communication links with our customers which led to a healthy level of orders from the region despite the virus. As the virus moved to other countries, we were already implementing operational continuity plans to support sourcing and implementing shift arrangements and skeleton crews to ensure shipments to our customers. We have also increased communication avenues to our customers including enhanced digital media.

## **Group performance**

We delivered strong results in the quarter, with order intake showing good growth, revenue was up 12 per cent, and we drove robust profit growth compared to the same period in 2019. We benefited from our strong opening orderbook and we have continued to build momentum into the second quarter.

The development of 5G continues at pace and we have secured key orders to support our customers across the portfolio. We are working closely with Asian service providers who have committed to accelerate their 2020 5G deployment targets so their networks have more capacity and coverage to meet increasing demand. As Spirent continues to solve bigger business challenges for our customers we have also been appointed as adviser to the UK government's 5G security working group to help develop policy and set standards.

# **Networks & Security**

Strong demand for our Positioning products and high-speed Ethernet solutions continued through the first quarter and we are continuing to invest in expanding the breadth of each of these portfolios to address new opportunities.

## **Lifecycle Service Assurance**

Revenue growth was delivered in the quarter; demand for our industry leading Landslide 5G core network emulator has been strong, as customers continue to undertake 5G lab and field trials. In addition, we are well positioned to support customers as work from home arrangements have added stress to transport networks.

### **Connected Devices**

We had a reasonable start to the year including wins with 5G handset OEMs in North America for our Fit-4-Launch service experience product as they prepare to introduce devices. The launch of devices by our customers may be impacted by delay as a result of the virus, however, we continue to build interest in our new 5G device test product.

#### Financial position and dividend

After taking into account the strong cashflow in the period, which resulted in a cash balance of \$208 million at 31 March 2020, the Board confirms payment of the previously announced final dividend of 3.45 cents (2.70 pence) per share. The payment will be made on 1 May to shareholders on the register at 13 March, subject to shareholder approval at the Annual General Meeting on 29 April.

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

"We have started the year well and our pipeline remains solid. We recognise that the current volatile environment may affect deal timing and as a result, we continue to be extremely vigilant and are taking prudent actions to mitigate risk and delay discretionary expenses. We are keeping a careful eye on customer demand as we monitor the continuing effects of the virus.

I am immensely thankful for the dedication of our colleagues around the world; they have demonstrated agility and determination in a dynamic and unpredictable environment.

Our business model is proving to be resilient particularly at a time when infrastructure is critical for global communications. We benefit from our long-standing customer relationships built over many decades, and our global engineering and operational footprint combined with our strong balance sheet provides flexibility as we manage through uncertainty. We continue our focused approach on supporting our employees and customers during this difficult period."

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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 <a href="https://corporate.spirent.com/">https://corporate.spirent.com/</a>.

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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