

## SPIRENT COMMUNICATIONS PLC First Quarter 2023 Trading Update

### Performance in line with plan – increasing customer engagement

**London, UK – 4 May 2023:** Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), the leading provider of automated test and assurance solutions for next-generation devices and networks, today issues the following Trading Update for the period 1 January to 31 March 2023.

#### Highlights

- First quarter performance was in line with management plan communicated in March
- Important 5G and Positioning wins in the period
- £56 million share buyback commenced, demonstrating confidence in future shareholder returns
- Maintained strong balance sheet and cash generation
- Full year expectations unchanged –
  - Materially heavier weighting to second half
  - Increasing pipeline and customer engagement through the year to date
  - Continued progress on cost base management

#### Group performance

As expected, and consistent with wider industry dynamics, we have continued to see customer order delays but remain confident that customer momentum will pick up later in the year. Our market drivers remain intact and we have seen an increase in our opportunity pipeline. During this period, we have also continued to stay close to our customers, understanding their needs to deliver the right solutions for them. Our expectations for the full year remain unchanged.

Reflecting the macroeconomic backdrop, revenue was 20 per cent down on the very strong comparator period in 2022. Although the orderbook declined slightly from the record year-end position of \$288 million, it remains strong, demonstrating the continual progress made by the Group as it seeks to improve visibility and drive long-term, sustainable growth.

We continue to secure many large 5G contract wins as the development of this technology and network deployments remain firm structural drivers underpinning our growth.

#### Lifecycle Service Assurance

As the quarter progressed, we saw increasing engagement from our customers around 5G lab and live network test and assurance. We also secured an important Open RAN (O-RAN) win from one of the leading and pioneering customers in this developing technology.

### Networks & Security

We started the year with continued positive order intake momentum for our Positioning products from our US government business and other commercial customers, including wins in the emerging Low Earth Orbit (LEO) satellite market. Strategic wins were secured for 800G high-speed Ethernet with leading chipset vendors and hyperscalers.

### Financial position and dividend

Given the Group's strong cash position, which was \$220 million at the first quarter, up from \$210 million at the end of December 2022, we have commenced a share buyback programme for up to £56 million. The repurchased shares are being cancelled. The programme demonstrates the Board's confidence in the Company's attractive structural growth drivers and ability to deliver significant future shareholder returns.

Payment of the previously announced final dividend of 4.94 cents (4.12 pence) per Ordinary Share, totalling \$30 million (subject to exchange rate movements), will be made on 10 May, subject to shareholder approval at the Annual General Meeting on 4 May.

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

"We continue to stay close to our customers to support their investment planning decisions. Rolling out the necessary infrastructure and applications for 5G, in particular, remains a key priority for them.

"Our diversified portfolio of solutions and services, combined with our robust operating model has helped mitigate the industry-wide technical cyclicalities as we focus on expanding our customer base in the growing area of live network test and assurance with innovative software solutions.

"We are seeing positive signs of increasing business momentum, with growth in our opportunity pipeline giving the Board confidence that the outlook remains unchanged for the full year, albeit, as previously stated, the trading performance will be significantly more weighted to the second half of the year than usual."

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### Enquiries

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### **About Spirent Communications plc**

Spirent Communications plc (LSE: SPT) is the 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, SD-WAN, 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/marketplaces/otc-pink>.

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