

SPIRENT COMMUNICATIONS PLC 2024 FULL YEAR RESULTS

MARCH 2025

SAFE HARBOUR STATEMENT

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OVERVIEW

Delivering Resilience and Innovation

- Positioned well for 2025 with robust balance sheet and innovative portfolio
- Despite ongoing challenging market conditions, broad-based H2 2024 momentum
- Good progress on customer diversification
- Executed strategic new product releases
- Strong financial management



NEW PRODUCTS & MARKETS

Expanding Horizons through Innovation and Strategic Growth

- Winning with AI high-speed Ethernet solution
- New PNT X solution expanding into new customers
- Wi-Fi 7 solution seeing early momentum
- Automation solution winning in diverse markets – including Financial Services



FINANCIAL SUMMARY

\$m	2024	2023
Orderbook	312.1	293.7
Order intake	479.0	477.0
Revenue	460.2	474.3
Gross profit	331.5	343.6
Gross margin	72%	72%
Operating costs ¹	(285.3)	(298.4)
Operating profit ¹	46.2	45.2
Operating margin ¹	10%	10%
Profit before tax	13.8	22.9
Effective tax rate ²	10.7%	10.8%
EPS ^{1,3} (cents)	7.75	7.55
Cash	141.8	108.1

- Orderbook growth
- Book to bill 104
- Strong gross margin maintained
- Operating costs tightly managed
- Balance sheet remains strong

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, and over/under provisions in respect of prior year tax.

PORTFOLIO PERFORMANCE

- Solid revenue performance in LSA, some decline in legacy products e.g. Channel Emulator
- High-Speed Ethernet delivered good performance
- New product launch in Positioning

\$m	Revenue		Operating profit ¹	
	2024	2023	2024	2023
Lifecycle Service Assurance	181.0	199.1	14.6	16.9
Networks & Security	279.2	275.2	44.9	39.0
Corporate	-	-	(13.3)	(10.7)
Group total	460.2	474.3	46.2	45.2

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

EFFECTIVE COST FOCUS

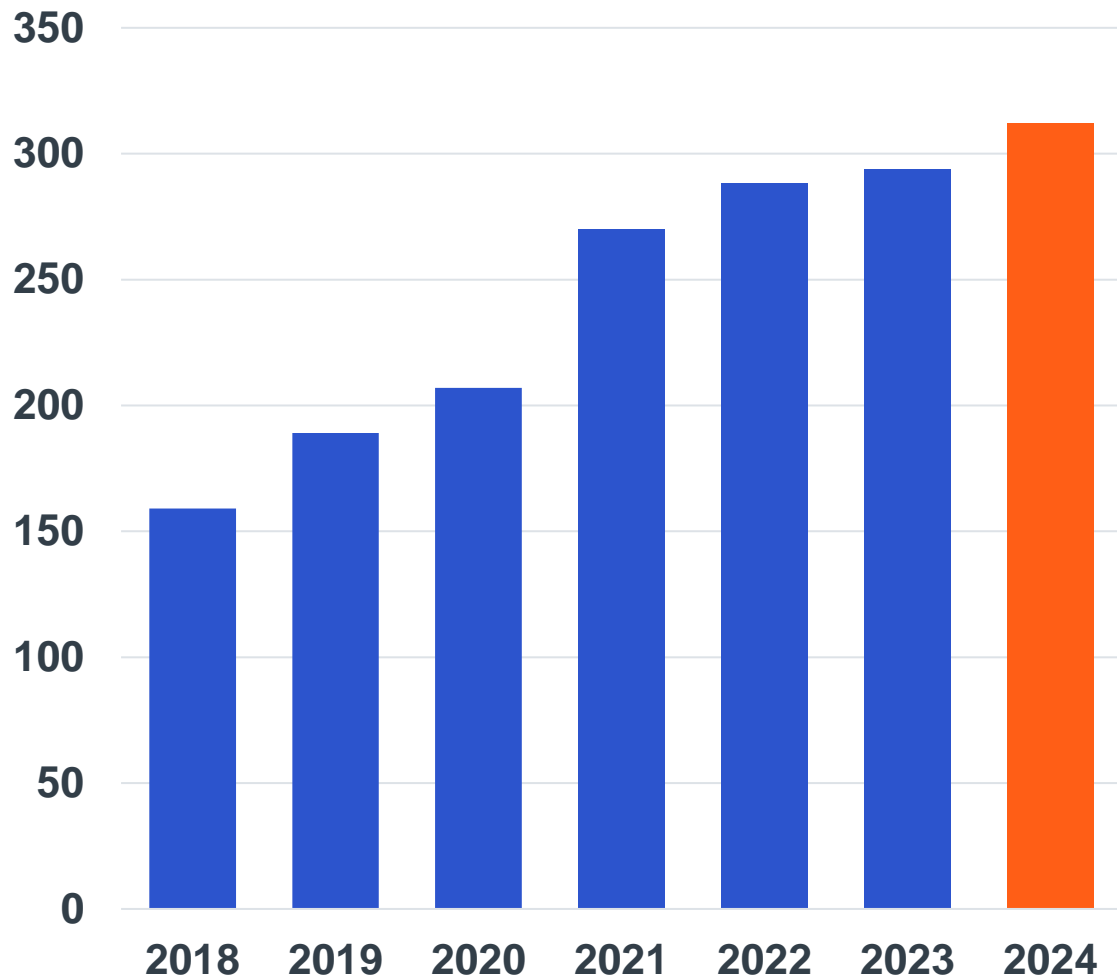
\$m	2024	2023
Product development	99.0	102.4
Selling and marketing	126.3	133.9
Administration	59.5	61.2
Sub total¹	284.8	297.5
FX loss	0.5	0.9
Total operating costs¹	285.3	298.4

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

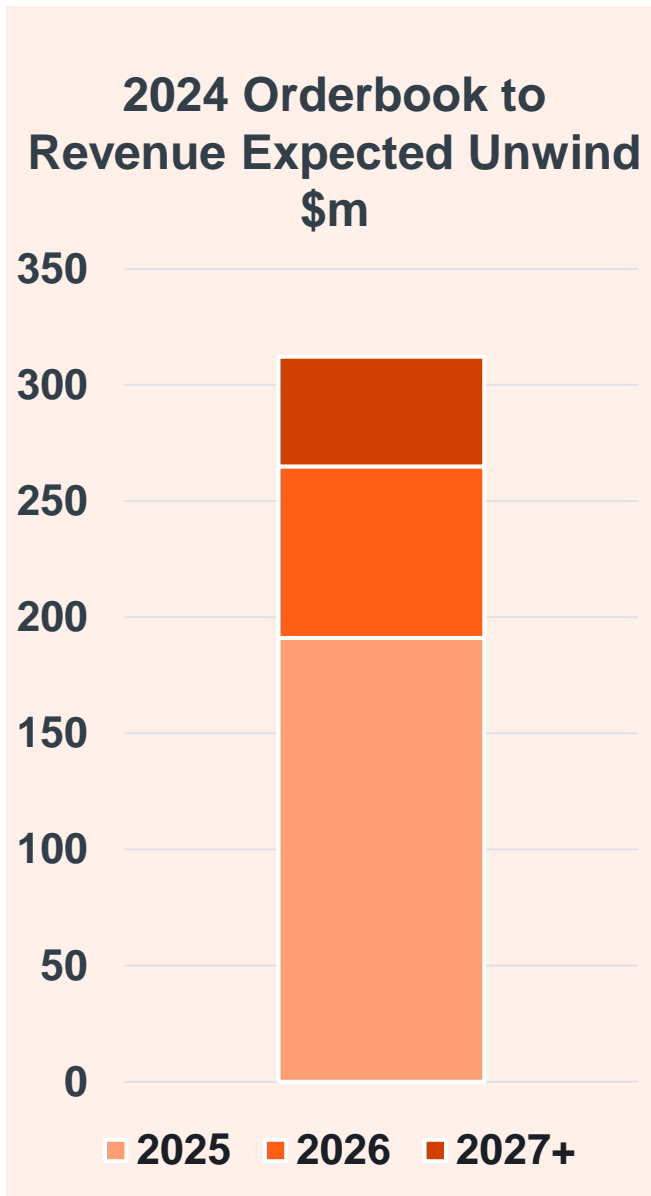
- New product launches successful
- EMEA sales and channel reorganisation delivered cost savings and orders growth

ROBUST ORDERBOOK

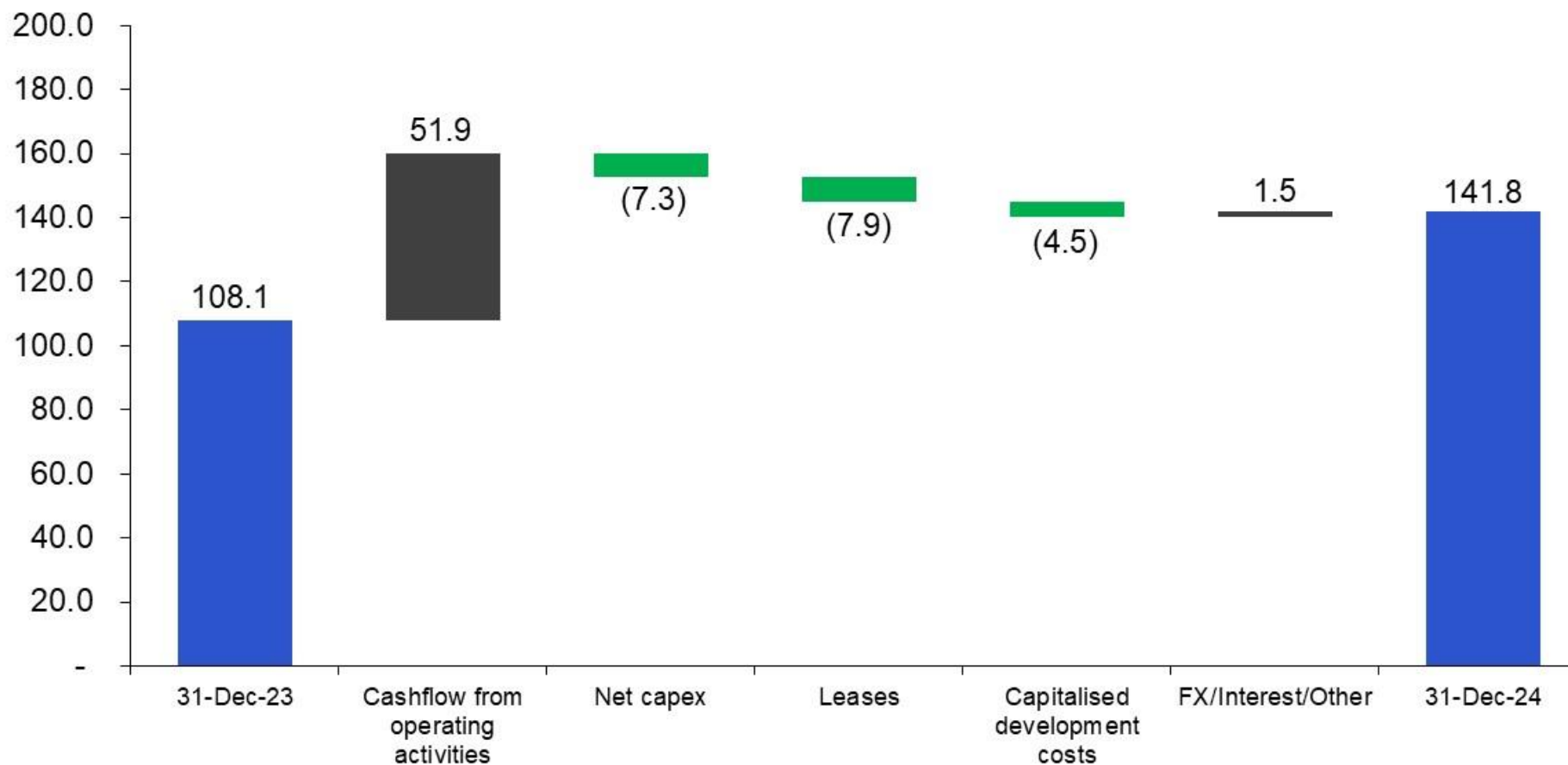
Closing Orderbook \$m



2024 Orderbook to Revenue Unwind



STRONG BALANCE SHEET AND CASH MANAGEMENT



SUMMARY

- Managing macroeconomic challenges
- Focused investment for growth
 - Disciplined cost management
 - R&D investment driving new product launches
 - Attractive long-term market trends
- 5G growth anticipated in 2025 and beyond
- Strong operating orderbook and balance sheet
- Well placed for the year ahead



APPENDIX

INCOME STATEMENT

\$m	2024	2024
Revenue	460.2	474.3
Gross profit	331.5	343.6
Operating costs	(285.3)	(298.4)
Adjusted operating profit	46.2	45.2
Adjusting items:		
Acquired intangible asset amortisation	(5.2)	(5.0)
Share-based payment	(9.6)	(7.6)
Other adjusting items	(21.1)	(14.2)
Operating profit	10.3	18.4
Net finance income	3.5	4.5
Profit before tax	13.8	22.9
Tax (charge)/credit	(0.9)	2.3
Profit after tax	12.9	25.2
Adjusted basic earnings per share (cents)	7.75	7.55

OTHER ADJUSTING ITEMS

\$m	2024	2023
R&D engineering plan	-	(0.7)
Finance transformation	(1.2)	(1.1)
Organisational restructure	(0.8)	(8.8)
Facilities downsize	(0.5)	(2.9)
Acquisition related costs	(18.6)	(0.7)
Total charge	(21.1)	(14.2)

- The \$18.6m acquisition related costs relate mainly to professional advisors' charges
- Restructuring costs incurred in 2024 are due to the continuation of the strategic initiatives implemented in the prior year and consist mainly of consultancy costs and severance payments.

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 2024 was 1.27 vs 1.24 for 2023, the closing rate at 31 December 2024 was 1.26 vs 1.27 at 31 December 2023.

FX loss of \$0.5m debited to the income statement in 2024 (2023: \$0.9m loss) in relation to:

- Transaction exposure in UK operations from US Dollar sales; and
- Retranslation of cash balances held in non-domicile currency



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