

# Telit Communications PLC

## Trading update

**London, 8 November 2016.** Telit Communications PLC ("Telit, "the Group", AIM: TCM), a global enabler of the Internet of Things (IoT), has published a trading update and has refined its previously stated guidance for the year ended 31 December 2016.

The Group has increased its adjusted EBITDA and earnings per share guidance towards the middle and upper end of the previous range, as a result of better gross margin and operational cost discipline. The Group has also narrowed the revenue guidance range.

<b>Year to Dec 2016</b>	<b>Guidance</b>	<b>Updated guidance</b>
Revenues	\$370-\$390 million	\$370-\$375 million
Adjusted EBITDA	\$52-\$60 million	\$54-\$59 million
Earnings per share	24-30 cents	26-30 cents

**Americas.** As expected, revenue growth in this region will be in excess of 20% in H2. For the year as a whole, the Group expects the revenue growth rate to be in the order of 15%. The new LTE Cat-1 modules, that were certified earlier this year, have started to be shipped and deployed across customers and verticals, re-initiating the strong growth in the region.

**EMEA.** As expected, revenue growth has continued to be modest in the region, mainly due to the softness of the European markets and the very slow technological shift in the region from 2G to 3G and 4G. The Group expects this region will deliver improved growth in 2017.

**APAC.** The region continues to show strong double-digit growth in revenues. The Group believes the long term outlook for this region to be positive.

**IoT Services.** Telit has continued to see strong momentum and growth in customer acquisition, end-to-end solutions design wins and factory solutions wins. The key agreements with SAP and Tech Mahindra have started generating material accounts and will accelerate the Group's rate of revenue growth.

**New banking facilities.** Telit agreed new \$110m committed banking facilities with HSBC Bank plc and Bank Hapoalim B.M. in October 2016. These facilities, together with the Group's existing facilities, leave Telit well placed to continue to invest in both organic and inorganic growth opportunities.

**Oozi Cats**, Group Chief Executive, commented:

***"Our guidance for adjusted EBITDA and EPS reflects our anticipated double digit growth for the full year.***

***"Americas return to double digit growth, together with the growth in APAC and EMEA and the continued strong momentum in our IoT Services business, leaves us well placed to finish the current year strongly."***

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