

10 January 2017

Telit Communications PLC

Year-end trading update: revenues up 11% to approximately \$370 million; IoT Services up 35%.

London, 10 January 2017. Telit Communications PLC ("Telit", the "Group", AIM: TCM), a global enabler of the Internet of Things (IoT), has published a year-end trading update for the year ended 31 December 2016.

Group revenues are expected to be approximately \$370 million (2015: \$333.5 million), an increase of 11%. The revenues in H2 2016 are expected to be approximately \$204 million (H2 2015: \$177 million), an increase of 15% on H2 2015.

The Group expects adjusted EBITDA and EPS to be in line with the guidance at \$54-\$59 million (2015: \$45.3 million) and 26-30 cents (2015: 21.7 cents) respectively.

IoT Services is expected to show a 35% increase in revenues to approximately \$35 million (2015: \$26 million), with a gross margin north of 60%

Americas. As anticipated, the certifications of the new LTE Cat-1 modules and subsequent shipment and deployment re-kindled the strong growth in the region. Revenues are expected to be approximately \$149 million (2015: \$129.4 million), an increase of 15%, with H2 revenues up 26% on H2 2015.

EMEA. 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 from 2G to 3G and 4G. The region is expected to report modest growth to approximately \$137 million (2015: \$133.2 million). As stated before, the Group expects this region to deliver improved growth in 2017.

APAC. The region continues to show strong double-digit growth and revenues are expected to be approximately \$84 million (2015: \$70.9 million), up 18%, with H2 revenues up 27% on H2 2015.

Net debt reduced by \$10.4 million to \$18.7 million at 31 December 2016, after payment of an interim cash dividend of approximately \$3 million during H2 2016 (net debt at 30 June 2016: \$29.1 million).

Oozi Cats, Telit Chief Executive, said,

"Our solid organic growth in 2016 has been driven by both our IoT modules in the Products business line and our IoT Services. The accelerated growth in H2 was backed by advanced LTE products in the US (mainly LTE Cat-1) and with our end-to-end IoT solutions – encompassing both connectivity and platform capabilities – continuing to see strong demand.

"In 2017, we will launch the next generation LTE Cat-M and NB-IoT products maintaining our leading edge in the growing market.

"We see a growing demand from all sectors, including traditional industries, for our IoT solutions as the implications for better productivity and profitability, as well as new opportunities and markets, become clearly apparent.

"Companies and enterprises are not looking for pieces of technology, but for an end-to-end solution. Our ability to provide an entire IoT solution is a major advantage, as this is simplifying and hastening our customers' go-to-market requirements.

"Based on the positive cash generated and our committed credit line, we will continue to seek acquisitions to strengthen and broaden our product lines and IoT services capabilities."

Telit expects to publish its results for the year ended 31 December 2016 on 13 March 2017.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Enquiries:

Telit Communications PLC

Oozi Cats, CEO

Yosi Fait, Finance Director & President

Tel: +44 20 3289 3831

Canaccord Genuity Limited (Nominated Adviser and Joint Broker)

Simon Bridges/Cameron Duncan

Tel: +44 20 7523 8000

Berenberg (Joint Broker)

Chris Bowman/Ben Wright

Tel: +44 20 3465 2722

Instinctif Partners

Adrian Duffield/Chantal Woolcock

Tel: +44 20 7457 2020

About Telit

Telit (TCM.L), is the global leader in Internet of Things (IoT) enablement. The company offers the industry's broadest portfolio of integrated products and services for end-to-end IoT deployments – including cellular communication modules in all technologies, GNSS, short-to-long range wireless modules, IoT connectivity plans and IoT platform services. Through the IoT Portal, Telit makes IoT onboarding easy, reduces risk, time to market, complexity and costs for asset tracking, remote monitoring and control, telematics, industrial automation and others, across many industries and vertical markets worldwide.

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