

# CHAIRMAN'S STATEMENT



**The Group continues to demonstrate the resilience and quality of its business model, underpinned by a clear strategy, consistent capital allocation, and strong execution. This provides a strong foundation for delivering sustainable long-term value for shareholders.”**

**Bruce Thompson**  
Chairman

This year's results reflect a robust performance despite market challenges. A return to organic sales growth together with acquisition contributions have helped deliver further growth in operating profits and earnings per share. Once again, the high quality, resilient nature of the Group's earnings, along with its capital-light model, has delivered excellent cash flow.

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#### Group revenue

**£443.3m**

(FY 2024/25: £422.9m)

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#### Adjusted operating profit

**£61.0m**

(FY 2024/25: £60.5m)

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#### Adjusted EPS

**40.3p**

(FY 2024/25: 38.7p)

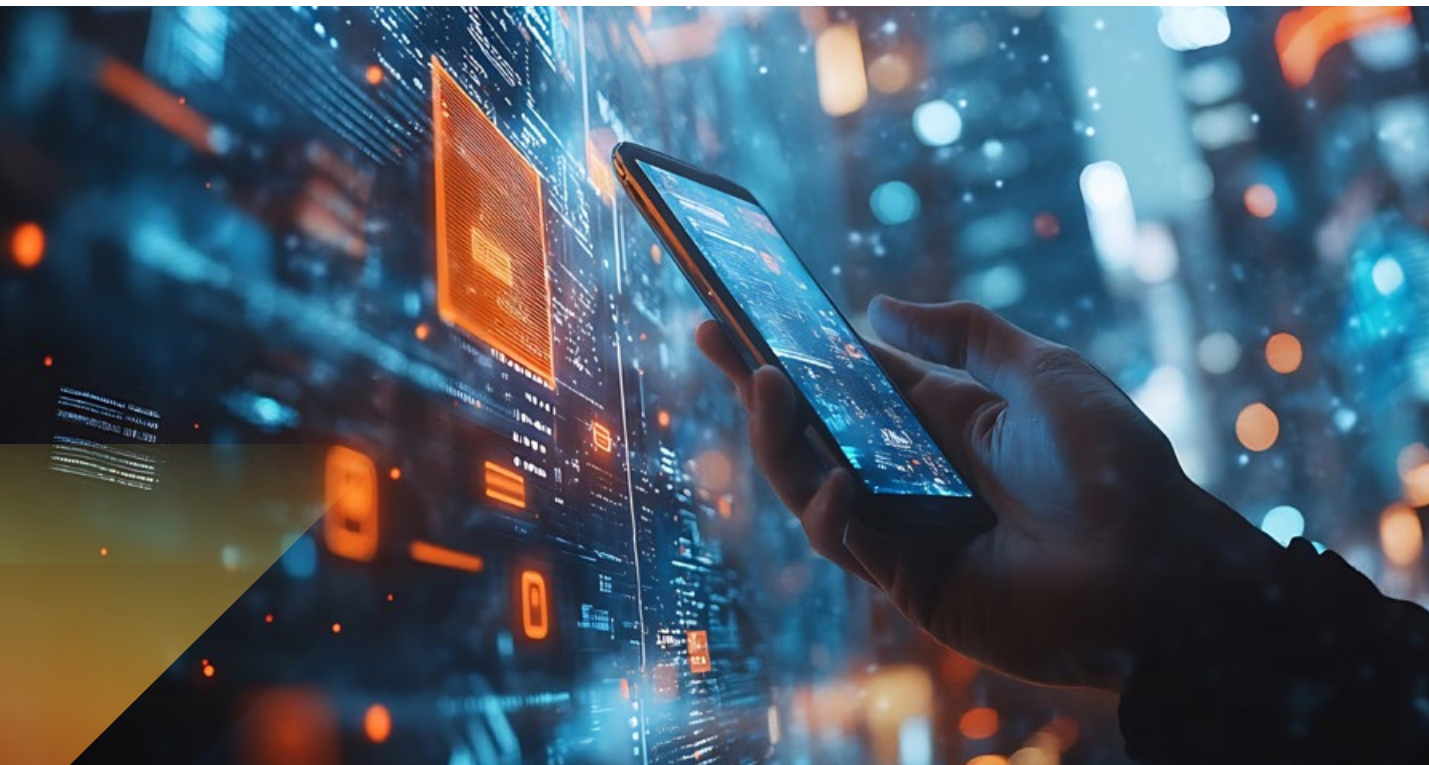
The Group has seen a return to organic sales and orders growth with an improving trend through the year. In response to this positive momentum, the Group has invested in additional operating, sales and engineering capacity, building additional agility and supporting future growth. The Group continued to make excellent progress operationally, generating efficiencies that partly come from organising the businesses into clusters, thereby sharing resources and know-how. These productivity gains have been supplemented with further good progress on the acquisition front.

#### Strategy

The Group's strategy remains consistent and underpins a track record of delivering compounding growth for more than fifteen years. The strategy delivers very resilient and growing profitability, avoiding sharp cyclical movements and maintaining earnings growth by virtue of its flexible production cost base.

The Group designs and manufactures high-quality components, created to meet customers' unique requirements, which generate secure, long-term revenues. Our international, decentralised business model retains an entrepreneurial mindset close to its customers, reacting quickly to their needs with an efficient supply chain. Manufacturing is localised in response to opportunities and trading conditions.

To deliver consistent, long-term growth, the Group focuses on structurally growing markets where there is an essential need for our products from major international original



equipment manufacturers (“OEMs”). Last year, security and defence markets, where demand is accelerating globally, were added to the Group’s target markets. This has increased the Group’s total addressable market to over \$30bn, providing significant opportunities for growth.

Acquisitions are a key element of the Group’s compounding growth strategy. Since 2011, the Group has acquired 30 specialised electronic design and manufacturing businesses which have enhanced value and operating margins and have been integrated to achieve efficiencies and drive growth. discoverIE has a disciplined approach to acquisitions and has many opportunities to grow inorganically in a highly fragmented market.

The Group’s capital-light model generates strong cash flows which management reinvests into accelerating the strategy and delivering further value creation for Shareholders.

## Acquisitions

In the last six months, the Group completed two acquisitions and announced a third, for a total consideration of £95m, all of which are accretive to both adjusted earnings and operating margins.

Trival Antene d.o.o. (“Trival”), a Slovenian-based designer and manufacturer of communication antennae and masts for defence applications was acquired in April 2026 and Keymat Technology Ltd trading under the name Storm Interface (“Storm”), was acquired in December 2025. The businesses and ongoing management teams are settling into the Group operating clusters as integration takes place and we expect to generate new commercial opportunities for growth as part of the larger Group. We welcome the employees of these businesses into the Group and look forward to working with them.

Additionally, in May we announced the acquisition, subject to regulatory approval, of 3Gmetalworx (“3G”), a North American designer and manufacturer of electromagnetic shielding and thermal management products, further strengthening the Group’s presence in the region and the aerospace & defence market.

## Dividend and capital allocation

The Board is recommending a 4% (0.35 pence) increase in the final dividend to 8.95 pence per share, giving a 4% increase in the full year dividend per share to 13.0 pence (FY 2024/25: 12.5 pence) and an adjusted earnings cover of 3.1 times (FY 2024/25: 3.1 times). The final dividend is payable on 31 July 2026 to Shareholders registered on 26 June 2026 and the final date for Dividend Reinvestment Plan (“DRIP”) elections will be 10 July 2026.

The Board believes in maintaining a progressive dividend policy along with a long-term dividend cover of over three times earnings on an adjusted basis. This approach, along with the continued development of the Group, will enable funding of both dividend growth and a higher level of investment in acquisitions from internally generated resources.

Share buybacks will be considered if the Group has surplus cash. Currently, the fragmented international market, in which we operate, provides ample opportunity for accretive acquisitions with excellent growth prospects and the potential for high returns, as our recent acquisitions illustrate. As such, our capital is currently deployed in this direction. It is reviewed periodically.

# CHAIRMAN'S STATEMENT CONTINUED

## Full-year dividend per share

# 13.0p

(FY 2024/25: 12.5p)

## Total shareholder return

# 267%

(FY 2015/16 - FY 2025/26)

## Board effectiveness

A regular external review of effectiveness is helpful in maintaining a high-performing Board. This year, a review confirmed that the Board and its Committees operate effectively, with Directors demonstrating strong commitment and constructive challenge. Whilst all Directors viewed the Board as continuing to function well and to a high level, there are always opportunities for us to improve. The actions identified through this review inform the way we shape the Board agendas, ensuring it remains responsive to the needs of the Group and its stakeholders.

## Employees and culture

On behalf of the Board, I would like to thank everybody at discoverIE for their sustained dedication, hard work, initiative and support.

The Group comprises approximately 4,600 employees in 21 countries delivering essential components around the world. By adopting an entrepreneurial and decentralised operating environment, together with rigorous planning, controls and investment, the Group has created an ambitious and successful culture.

We aim to maintain a culture across the Group that:

- is entrepreneurial
- is performance driven
- enables decision-making close to the customer through a decentralised structure
- enables open, constructive communication with a willingness to listen
- treats everybody equally and recognises the importance of diversity
- is honest, reliable, trusting and non-political

## Sustainability and positive impact

In May 2025, the Group's greenhouse gas ("GHG") emissions reduction targets were validated and approved by the Science Based Targets initiative ("SBTi"). The Group is committed to achieving net-zero GHG emissions across its value chain by 2040, supported by a clear transition plan.

The Group continues to make good progress on implementing its net-zero plan. Over the past four years, it has reduced Scope 1 and 2 carbon emissions by 68% versus the CY2021 baseline, exceeding its CY2025 target of 65% and paving the way to achieve net-zero Scope 1 and 2 emissions by 2030. The Group also advanced towards its CY 2030 goal of 100% clean electricity, sourcing 85% of electricity from zero-emission sources in CY2025. A summary on our progress to date, and future carbon emission reduction plans, can be found in our updated 'Road to Net-Zero Emissions 2026' publication, which can be found on our website at [www.discoverieplc.com/sustainability](http://www.discoverieplc.com/sustainability).

During the year, the Group reviewed its ESG strategy to ensure continued alignment with evolving regulatory requirements and the Group's strategic priorities. Following this review, the Group reaffirmed its focus on Planet, People, and Products. Please see this year's Sustainability Report on pages 42 to 73 for more details.

The Group remains committed to being a socially responsible employer, upholding the highest ethical standards, maintaining strong employee relations, and increasing diversity at all levels of the business. Building on the adoption of a revised Group Health and Safety Policy, and an increased focus on safety over the last two years, the reported number of lost time incidents fell by 35% year-on-year, and the lost time incident frequency rate reduced by one third compared to FY 2024/25.

## Summary

The Group is building a high quality electronics compounding business that continues to deliver good results through all stages of the economic cycle. Confidence in the Group's ability to sustain this is supported by a strong pipeline of organic and inorganic opportunities in attractive markets, further supporting our compounding growth profile.

The market remains highly fragmented, with significant scope to build further capability and extend geographic reach through disciplined, accretive acquisitions. The Board is excited by the opportunities and retains a high-quality workforce, delivering essential products for our customers, growing long-term profits and earnings for our Shareholders, and contributing to the creation of a sustainable environment.

The Group is well positioned for the future.

**Bruce Thompson**  
Chairman