

2 DECEMBER 2025

## discoverIE Group plc

Interim results for the six months ended 30 September 2025

### Record profitability with growing orders and acquisition pipeline

discoverIE Group plc (LSE: DSCV, “discoverIE” or “the Group”), a leading international designer and manufacturer of customised electronics to industry, today announces its interim results for the six month period ended 30 September 2025 (“H1 2025/26” or “the Period”).

	H1 2025/26	H1 2024/25	Growth %	CER <sup>(2)</sup> growth %
Revenue	<b>£216.4m</b>	£211.1m	+2.5%	+3.5%
Adjusted operating profit <sup>(1)</sup>	<b>£30.2m</b>	£29.1m	+4%	+5%
Adjusted operating margin <sup>(1)</sup>	<b>14.0%</b>	13.8%	+0.2ppt	+0.3ppt
Adjusted profit before tax <sup>(1)</sup>	<b>£25.5m</b>	£23.8m	+7%	
Adjusted EPS <sup>(1)</sup>	<b>19.5p</b>	18.4p	+6%	
Reported profit before tax	<b>£17.6m</b>	£15.8m	+11%	
Reported fully diluted EPS	<b>13.5p</b>	12.2p	+11%	
Interim dividend per share	<b>4.05p</b>	3.90p	+4%	

### Highlights

- **Revenues up 3.5% CER and orders up 5% CER**
  - Organically<sup>(3)</sup>, sales grew 1% in Q2 and 0.5% in H1
  - Organically, orders grew 8% in Q2 and 0.5% in H1
- **Adjusted operating profit up 5% CER to a record £30.2m**
  - Adjusted operating margin of 14.0%, up 0.3ppt at CER
  - Adjusted EPS up 6% to 19.5p
- **Excellent cash flow with strong conversion rates over the last 12 months**
  - Free cash conversion<sup>(4)</sup> of 104%, well ahead of target
  - Cash conversion rates averaging above 100% over the last decade
- **Accretive bolt-on acquisition signed after the Period end for £5.5m**
- **Revolving credit facility of £240m extended to May 2030**
  - Period-end gearing<sup>(5)</sup> of 1.3x
- **Growth drivers remain strong with the Group well positioned**
  - Order book provides good visibility for second half and beyond
  - Strong pipeline of design wins and new opportunities
  - Active pipeline of acquisition opportunities
  - Group will benefit from recovering cyclical demand and reducing interest rates
- **On track to deliver full year adjusted earnings in line with the Board’s expectations**

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### Nick Jefferies, Group Chief Executive, commented:

“discoverIE delivered a good first half performance with record profits, excellent cashflow and a return to organic sales and orders growth.

Trading momentum improved through the first half with second quarter orders increasing by 8% organically, sales increasing by 1% organically and orders being ahead of sales. Three of our four operating units (Sensing, Connectivity and Magnetics) have now returned to good levels of organic growth after a period of significant customer destocking. Controls, which comprises typically later-cycle businesses, is expected to follow.

We remain focused on generating good organic growth through the cycle, with a healthy pipeline of design wins. Additionally, we have numerous acquisition opportunities in development, including our most recent signed bolt-on transaction, Keymat.

The Group remains on track to deliver full year adjusted earnings in line with the Board's expectations and looks forward to realising the exciting potential we see for the future.”

### Analyst presentation:

An analyst presentation will be held today at 9.00am (UK time) at the offices of Peel Hunt. If you would like to join in person or via the live webinar, please contact Burson Buchanan at [discoverIE@buchanan.uk.com](mailto:discoverIE@buchanan.uk.com).

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### Notes:

- (1) 'Adjusted operating profit', 'Adjusted operating margin', 'Adjusted profit before tax', 'Adjusted EPS', 'Adjusted operating cash flow', 'Free cash flow' and 'Adjusted EBITDA' are non-IFRS financial measures used by the Directors to assess the performance of the Group. These measures exclude acquisition and disposal related costs (amortisation of acquired intangible assets of £8.2m less net acquisition and disposal credits of £0.3m) totalling £7.9m. Equivalent adjusting items within the H1 2024/25 adjusted results totalled £8.0m. 'Adjusted EBITDA' also excludes IFRS 16 leases adjustments, non-cash share-based payments cost and IAS19 pension costs in line with the Group's banking covenants. For further information, see note 7 of the attached condensed consolidated interim financial statements.
- (2) Growth rates at constant exchange rates ("CER"). In calculating CER for the Period, the average Sterling rate of exchange strengthened 5% against the US Dollar but weakened 1% against the Euro and weakened 2% on average against the three Nordic currencies resulting in a 1% sales reduction for the Period.
- (3) Organic growth for the Group compared with last year is calculated at CER and is shown excluding the first 12 months of acquisitions post completion (Hivolt was acquired in August 2024 and Burster in January 2025).
- (4) Free cash flow is cash flow available for the payment of dividends and investment in acquisitions. Free cash conversion is free cash flow divided by adjusted profit after tax. See definitions in note 7 of the attached condensed consolidated interim financial statements.
- (5) Gearing ratio is defined as net debt divided by Adjusted EBITDA (annualised for acquisitions).
- (6) During the Period, to enhance alignment and commonality across our businesses, one business was reclassified from the Magnetics & Controls division ("M&C") to the Sensing & Connectivity division ("S&C") and one business from S&C to M&C. Prior year figures have been restated to reflect these reclassifications. There is no impact to the Group results. See note 6 of the attached condensed consolidated interim financial statements.

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- (7) Unless stated, growth rates refer to the comparable prior year period.
- (8) These interim statements are based upon unaudited management accounts and have been prepared solely to provide additional information on trading to the shareholders of discoverIE Group plc. It should not be relied on by any other party for other purposes. Certain statements made are forward looking statements. Such statements have been made by the Directors in good faith using information available up until the date that they approved these interim statements. Forward looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.

### **Notes to Editors:**

#### **About discoverIE Group plc**

discoverIE Group plc is an international group of businesses that design and manufacture innovative electronic components for industrial applications.

The Group provides application-specific components to original equipment manufacturers (“OEMs”) internationally through its two divisions, Magnetics & Controls, and Sensing & Connectivity. By designing components that meet customers’ unique requirements, which are then manufactured and supplied throughout the life of their production, a high level of repeating revenue is generated with long-term, high quality customer relationships.

With a focus on key markets driven by structural growth, increasing electronic content and sustainability, namely medical, electrification of transportation, renewable energy, security and industrial automation & connectivity, the Group aims to achieve organic sales growth that is well ahead of GDP through the cycle and to supplement that with complementary acquisitions. The Group is committed to reducing the impact of its operations on the environment in order to reach net zero. With its key markets aligned with a sustainable future, the Group has been awarded an ESG “A” rating by MSCI and is Regional (Europe) Top Rated and Industry (Technology Hardware) Top Rated by Sustainalytics.

The Group employs c.4,500 people across 20 countries with its principal operating units located in Mainland Europe, the UK, China, Sri Lanka, India and North America.

discoverIE is listed on the Main Market of the London Stock Exchange and is a member of the FTSE 250, classified within the Electrical Components and Equipment subsector.

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## **Strategic, Operational and Financial Review**

### **Good first half performance**

The Group designs and manufactures essential, customised, high value-add, technically complex electronic products, enabling our customers to create better equipment. During the Period, we made further progress towards our key strategic indicator targets, despite the disruption created by US-led trade tariffs and destocking at certain customers in our Controls operating unit.

The Group delivered good levels of organic revenue growth in three of its four operating units as customer inventory levels rebalanced, resulting in an overall return to organic growth for the Group for the first time in 18 months, led by the industrial and renewable energy sectors. By geography, Europe (including the UK) was the strongest territory, increasing by 6% organically.

Overall, sales in the Period increased by 3.5% CER and by 0.5% organically. The second quarter saw a continuation of the improving trend of previous quarters with sales increasing by 1% organically.

Orders increased by 5% CER in the Period and by 0.5% organically with North America up by 9% offset by Europe and Asia both down 2%. In Q2, orders increased by 8% organically. Demand increased during the Period with a book-to-bill of 0.99 being 1.04 in Q2, increasing from 0.95 in Q1.

Adjusted operating profit growth of 5% CER was achieved from robust gross margins, further operational efficiencies and the contribution from acquisitions. Interest costs also reduced, as expected, leading to adjusted EPS growth of 6%.

Free cash conversion for the last 12 months was 104%, driven by another strong working capital performance.

The Group's order book at 30 September 2025 was £157m, representing c.4.3 months of annualised first half sales and providing good visibility for the second half of the year. The order book is now at a normalised level aligned with current production lead times.

New design opportunities and design wins continued to be strong. Design wins in the Period had an estimated future lifetime revenue value of £210m, up slightly from last year and adding to the bank of previously recorded design wins, positioning the Group well to accelerate growth.

### **Limited direct impact from US tariffs**

Our flexible manufacturing model has limited the direct impact of US tariffs by increasing production at our US facilities and reducing imports from elsewhere around the Group. We expect this trend to continue similarly to 2018 when additional tariffs were introduced on US imports from China and production destined for the US was relocated to our facilities in India and Mexico.

During the Period, 22% of Group sales were in the US of which just over half were manufactured locally in one of our seven US production sites. Material imports from China into the US for local manufacturing currently amount to c.£3-4m p.a, which we are mitigating through re-sourcing and/or passing on cost increases.

As a result, the Group is well placed to optimise production location according to evolving supply chain requirements and in all cases, ensure that any tariff related costs are passed through.

### **Profit growth and strong cashflow**

The first half saw a return to organic sales growth augmented by contributions from last year's acquisitions. Group sales for the first half increased by 3.5% CER to £216.4m with robust gross margins. Adjusted operating profits increased by 5% CER to £30.2m and operating margins increased by 0.3ppts CER to 14.0%. Reduced finance costs through lower average net debt balances and reducing interest rates resulted in adjusted profit before tax increasing by 7% to £25.5m, with adjusted earnings per share

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increasing by 6% to 19.5p (H1 2024/25: 18.4p). The Group will continue to benefit from reducing interest rates.

After the inclusion of acquisition-related costs of £7.9m (mainly amortisation of intangibles), profit before tax for the Period on a reported basis increased by 11% to £17.6m (H1 2024/25: £15.8m) with fully diluted earnings per share increasing by 11% to 13.5p (H1 2024/25: 12.2p).

Free cash flow of £16.2m was generated in the Period, with £40.9m being generated over the last 12 months representing 104% of adjusted earnings; conversion rates have averaged over 100% for the last decade. Net debt (excluding IFRS16) at 30 September 2025 reduced by £3.6m to £90.7m (31 March 2025: £94.3m) to leave gearing at 1.3x.

### Increased dividend

The Board is declaring a 4% increase in the interim dividend to 4.05p per share (H1 2024/25: 3.9p per share). The interim dividend is payable on 23 January 2026 to shareholders registered on 12 December 2025.

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.

A Dividend Reinvestment Plan ("DRIP") is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip). The final date for DRIP elections for the interim dividend will be 2 January 2026.

### Growth strategy

The Group has been built through a focus on organic growth with improving operational efficiency, and carefully selected, well-integrated acquisitions over the past 14 years creating a growth-oriented, higher margin design and manufacturing business. We have a well-developed approach to capital allocation and see significant scope for further expansion, with a strong pipeline of investment opportunities in development. The Group operates in a c.\$30bn fragmented market with many smaller players presenting numerous consolidation opportunities.

The Group's strategy comprises four elements:

1. Grow sales well ahead of GDP over the economic cycle by focusing on high quality growth target markets for design opportunities. Operating in several growth markets and technology areas de-risks growth by reducing market and customer concentration, generating a smoother through-cycle growth profile.
2. Acquire highly differentiated businesses with attractive growth prospects and strong operating margins, either as bolt-ons to existing clusters or as new platforms.
3. Generate operational efficiencies and improve operating margins through clustering of businesses, moving up the value chain into higher margin products with increased product innovation and differentiation, and value-based pricing.
4. Reduce our impact on the environment by achieving net zero carbon emissions.

These elements are underpinned by our core financial objectives of generating strong cash flows and long-term sustainable returns from a capital-light business model.

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### Five target markets to drive long-term growth

Our five target markets (industrial automation & connectivity, medical, renewable energy, security and transportation), are attractive and technology-rich markets underpinned by a number of structural growth drivers.

Long-term growth in these target markets is being driven by widespread electrification and ever-increasing functionality needs, increasing security and defence needs, accelerating industrial automation and connectivity, an ageing affluent population, renewable sources of energy and the electrification of transport.

The Group's focus on these markets over the last decade has driven the Group's through-cycle organic revenue growth well ahead of GDP while creating numerous acquisition opportunities and is expected to continue to do so.

### Progress on key strategic indicators

The Group's strategic and financial progress is measured through key strategic indicators ("KSIs"), the targets of which are reviewed annually and increased as necessary. For example, the adjusted operating margin target has been raised ten times over the last decade, including in June 2025 when a five-year target of 17% was set.

For tracking purposes, the KSIs in the table below remain as reported at the time rather than adjusted for disposals, (such as the disposal of the Group's distribution business in FY 2021/22 which accounted for roughly a third of Group sales at the time). Targets are for the medium-term unless stated, defined as being around five years. This Period's performance relative to last year is discussed below.

#### Key Strategic Indicators

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	H1 25	H1 26	Target
1. Increased adjusted operating margin	6.3%	7.0%	8.0%	10.2%	10.9%	11.5%	13.1%	13.8%	14.0%	17% <sup>(2)</sup>
2. Sales growth										
CER	11%	14%	8%	-1%	28%	15%	1%	-4%	3.5%	Well ahead of GDP thru cycle
Organic	11%	10%	5%	-4%	18%	10%	-1%	-10%	0.5%	
3. Adjusted EPS growth	16%	22%	11%	-8%	31%	20%	5%	-4%	6%	>10%
4. Adjusted operating cash conversion <sup>(3)</sup>	85%	93%	106%	128%	80%	94%	103%	115% <sup>(4)</sup>	102% <sup>(4)</sup>	>85% of adjusted operating profit
5. Free cash conversion <sup>(3)</sup>	78%	94%	104%	136%	77%	95%	102%	126% <sup>(4)</sup>	104% <sup>(4)</sup>	>85% of adjusted earnings
6. ROCE <sup>(3)</sup>	13.7%	15.4%	16.0%	14.5%	14.7%	15.9%	15.7%	15.3% <sup>(4)</sup>	15.4% <sup>(4)</sup>	>15%
7. Carbon emissions reduction <sup>(5)</sup>						35%	47%	c.50%	c.63%	65% by end of CY2025

(1) FY 2017/18 to FY 2019/20 are for total operations before disposals as reported at the time

(2) By FY 2029/30

(3) Defined in note 7 of the attached condensed consolidated interim financial statements

(4) Last 12 months (LTM)

(5) Carbon emissions are measured on a calendar year basis (e.g. CY 2022 shown as FY 2022/23). Target is for absolute Scope 1 & 2 carbon emissions reduction of 65% by CY 2025 from CY 2021, net zero Scope 1 & 2 by CY 2030 and net zero with Scope 3 by 2040

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The Group made further good progress on its KSI's during the Period:

Adjusted operating margin was 14.0%, an increase of 0.3ppts CER on the first half last year and by 0.2ppts reported (H1 2024/25: 13.8%). The Group benefited in the Period from robust gross margins and operational efficiencies augmented by higher margin acquisitions while still investing to support future growth. Since FY14 adjusted operating margin has increased by 10.6ppts with approximately 50% coming from organic efficiencies and 50% from higher margin acquisitions.

- Sales increased this Period by 3.5% CER and by 0.5% organically with good organic growth in three of our four operating units as customers' inventories returned to appropriate levels and normal ordering patterns resumed. In the Controls operating unit, certain customers continued to destock during the Period as expected. We retain our focus on achieving strong through-cycle organic growth which is supported by our pipeline of design wins. Over the last ten years, sales have grown by 5.5% CAGR organically.
- Robust gross margins, operational efficiencies and contributions from acquisitions resulted in adjusted operating profit for the year increasing by 5% CER and adjusted EPS increasing by 6% despite the strength of Sterling during the Period. In total, the Group has grown its adjusted EPS by 20% CAGR over the last 10 years.
- Further strong generation of adjusted operating cash flow and free cash flow over the last 12 months delivered respective conversion rates of 102% and 104%. Over the last ten years, both measures have been consistently strong, averaging over 100% through-cycle, reflecting low capital expenditure requirements and efficient working capital.
- ROCE for the Period was 15.4%, slightly ahead of last year (H1 2024/25: 15.3%) and ahead of our 15% target. The rate of Group ROCE improvement is tempered by acquisitions in the short term, as they are typically dilutive at the outset but the rate is expected to benefit from their contribution over the longer term as their growth compounds. We acquire businesses with long-term growth prospects that we expect will generate high returns over time. For example, our acquisitions made up to FY2017/18 generated a collective ROCE of 27% last year. We expect this to continue growing and for acquisitions made more recently to grow similarly.
- Carbon emissions reduced further during the Period and are now estimated to be 63% lower in CY 2025 on an absolute basis than in CY 2021; excellent progress towards our reduction targets of 65% by the end of CY 2025 and net zero Scope 1 & 2 by 2030.

### Divisional results

The divisional results for the Group for the six months ended 30 September 2025 are set out and reviewed below. During the Period, the Sens-Tech business was reclassified from S&C to M&C while our Silvertel business was reclassified from M&C to S&C so as to better align operational similarities. Comparative periods have been restated accordingly. Revised comparatives for both H1 2024/25 and FY 2024/25 are given in note 6 of the attached condensed consolidated interim financial statements.

	H1 2025/26			H1 2024/25 <sup>(3)</sup>			Reported revenue growth	CER revenue growth	Organic revenue Growth
	Revenue £m	Adjusted operating profit <sup>(1)</sup> £m	Margin <sup>(2)</sup>	Revenue £m	Adjusted operating profit <sup>(1)</sup> £m	Margin			
M&C <sup>(3)</sup> (CER)	126.7	19.9	15.7%	131.0	21.1	16.1%	-4%	-3%	-3%
S&C <sup>(3)</sup> (CER)	89.7	16.4	18.3%	78.2	13.5	17.3%			
Unallocated		(6.1)			(5.9)				
Total (CER)	216.4	30.2	14.0%	209.2	28.7	13.7%		+3.5%	+0.5%
FX				1.9	0.4				
Total	216.4	30.2	14.0%	211.1	29.1	13.8%	+2.5%		

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- (1) *Adjusted operating profit excludes acquisition and disposal-related costs*
- (2) *Margin refers to adjusted operating margin*
- (3) *Two businesses reclassified between M&C and S&C so prior year divisional results have been restated (see note 6 of the attached condensed consolidated interim financial statements). There is no impact to the Group results.*

### **Magnetics & Controls Division (“M&C”)**

The M&C division designs, manufactures and supplies highly differentiated magnetic and power components, and embedded computing and interface controls for industrial applications. This division operates across 17 countries through two operating units, Magnetics and Controls. The Magnetics operating unit (“Magnetics”) comprises our magnetic cluster of Noratel, Shape, Myrra and Flux. The Controls operating unit (“Controls”) comprises a cluster of our embedded computing businesses (Beacon, Hectronic and DTI) and two interface control business platforms (Sens-Tech and Cursor Controls). Almost all products are manufactured in-house, with principal facilities being in China, India, Mexico, Poland, Sri Lanka, Thailand, the UK and the US. Geographically, 5% of sales by destination are in the UK, 51% in the rest of Europe, 24% in North America and 20% in Asia. During the Period, our Flux high-reliability magnetics business expanded its manufacturing capacity in Thailand.

Since the Period end, the Group has signed an agreement for the acquisition into the division, subject to regulatory approvals, of Keymat, a UK-based designer and manufacturer of differentiated assistive HMI products to sit alongside our existing Cursor Controls business.

Orders in the Period increased by 7% CER and organically to £131.5m (H1 2024/25: £122.7m CER) with a book-to-bill ratio of 1.04 driven by strong growth in Magnetics being partly offset by certain customer destocking in Controls.

Sales reduced by 3% CER and organically, with good growth in Magnetics being more than offset by destocking in Controls. By territory, Europe (including the UK) grew by 4% offset by North America down 14% and Asia down 7%.

With the impact of translation from a stronger Sterling (on average), reported divisional revenue reduced by 4% to £126.7m (H1 2024/25: £132.4m reported and £131.0m at CER). Adjusted operating profit of £19.9m was £1.2m (-6%) lower than last year at CER and £1.5m (-7%) lower on a reported basis (H1 2024/25: £21.4m) reflecting the net impact of the organic sales shortfall. The adjusted operating margin of 15.7% was 0.4ppts lower than last year at CER (H1 2024/25: 16.1%).

### **Sensing & Connectivity Division (“S&C”)**

The S&C division designs, manufactures and supplies highly differentiated sensing and connectivity components for industrial applications. This division operates across nine countries through two operating units, Sensing and Connectivity. The Sensing operating unit (“Sensing”) comprises our sensing cluster of Variohm, Burster, CPI, Limitor, Magnasphere, Phoenix and Positek. The Connectivity operating unit (“Connectivity”) comprises the RF & wireless cluster (2J and Antenova), the Components cluster (Contour, Stortech and CDT), the Fibre Communications cluster (Foss and IKN) and four business platforms (MTC, Santon, Silvertel and Hivolt). Products are manufactured in-house, with principal facilities being in Germany, Hungary, Slovakia, the UK and the US. Geographically, 19% of sales by destination are in the UK, 53% in the rest of Europe, 20% in North America and 8% in Asia. During the Period, we continued the merger of two of our UK Components businesses into one site. Additionally, our MTC electro-magnetic shielding business expanded its manufacturing capacity in South Korea.

Divisional orders in the Period reduced by 10% organically to £82.7m against a strong comparator in the final quarter last year (+22%), prior to US tariffs being introduced. Including acquisitions, orders were up 1% CER with a book-to-bill ratio of 0.92 reducing from last year’s high comparator.

Divisional sales increased by 7% organically, with sales in Asia increasing by 13%, Europe (including the UK) increasing by 8% and North America increasing by 2%.

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Combined with an 8% sales increase from acquisitions, overall divisional sales increased by 15% CER. Including the impact of translation from a stronger Sterling on average, reported divisional revenue increased by 14% to £89.7m (H1 2024/25: £78.7m reported and £78.2m at CER).

Adjusted operating profit of £16.4m was £2.9m (+21%) higher than last year at CER and £2.8m (+21%) higher on a reported basis (H1 2024/25: £13.6m). The adjusted operating margin of 18.3% was 1.0ppt higher than last year at CER (H1 2024/25: 17.3%) reflecting the positive effect of strong organic growth and higher margin acquisitions last year.

### Strong bank of design wins will drive future recurring revenues

The Group has a strong bank of design wins built up over many years, forming the basis of the Group's through-cycle organic growth. During the Period, new design wins were registered with an estimated lifetime value of £210m, slightly ahead of last year, and importantly, building on the bank of previously registered design wins that are yet to commence production. Over the last eighteen months, conversion of design wins into revenue has been delayed in some areas due to customers' inventory destocking activities delaying new product launches. This has now mostly completed other than in the Controls operating unit, and we are now seeing these wins converting into new revenue and growth.

New project design activity remains at a high level, being broad-based and across all our markets. The total pipeline of ongoing projects continues to be very strong.

### Acquisitions

The Group has acquired 28 design and manufacturing businesses over the last 14 years, with the Group's continuing revenues increasing to £423m in FY 2024/25 from £10m in FY 2009/10. By taking a long-term approach to creating compounding growth in acquired and integrated businesses, the Group has generated substantial value organically. Our ROCE for each acquisition typically increases over time, broadly in line with the period of ownership.

On 1 December 2025, the Group signed an agreement for the acquisition, subject to regulatory approvals, of Keymat Technology Ltd ("Keymat"), a UK-based designer and manufacturer of differentiated assistive human-machine interface (HMI) electronic products. These are primarily tactile and audible content navigation devices for visually impaired people, for sale in the UK and internationally. The need for such products is being driven by the roll out of legislation in Europe, UK and Americas that requires assistive interfaces in electronic equipment. Keymat will be acquired into the M&C division alongside our existing Cursor Controls business, for an initial cash consideration of £5.5m on a debt free, cash free basis together with an earn-out of up to £2.2m payable subject to performance.

### Sustainability and social responsibility

The Group creates innovative electronics for a variety of applications. Our focus is on markets that are aligned with the UN Sustainable Development Goals (UN SDGs). More information on how we work with customers and suppliers to support the UN SDGs is available in our latest Impact Report and on our website at [www.discoverIEplc.com](http://www.discoverIEplc.com).

The Group has the following ESG credentials:

- **MSCI ESG:** "A" rating
- **Morningstar Sustainalytics:** "Top Rated" for both Europe and the Technology Hardware industry
- **Carbon Disclosure Project ("CDP"):** "B" rating for 2024 climate disclosure

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

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During the Period, the Group reviewed its ESG strategy to ensure alignment with emerging regulatory requirements and its strategic priorities. It has concluded that its focus on Planet, People, and Products remains relevant.

Key ESG progress during the Period:

- **Carbon emissions:** On track to achieve a 65% reduction in carbon emissions against the externally verified CY2021 baseline by the end of CY2025, paving the way for its goal of achieving net zero Scope 1 & 2 emissions by 2030. The progress to date has been driven by solar panel installations, adoption of zero emissions electricity tariffs (including energy attribute certificates where such tariffs are not available), and reduction in energy intensity.
- **Cyber security and AI governance:** The Group has implemented an AI Governance Framework to ensure responsible and secure deployment of generative AI, with a strong emphasis on data privacy, ethical use, and regulatory compliance.
- **Diversity & inclusion:** In May 2025, the Group hosted its inaugural Women in Engineering & Operations seminar, with over 30 female colleagues attending to share experiences and promote gender diversity.
- **Learning & development:** The Group's online learning & development platform launched in 2024 has seen increasing engagement, with the number of participants more than doubling year-on-year. The industrial placement scheme launched last year has been a success, with the first cohort of engineering students having completed training this September. To further attract young engineering talent, the Group is also participating in the University of Surrey's iTEK programme, which allows a selected group of third-year and postgraduate students to solve real-world technical challenges presented by the businesses.

## Group Financial Results

### Revenue and orders

Group sales of £216.4m were 3.5% higher than last year at CER and 2.5% higher reported (H1 2024/25: £211.1m). Two acquisitions last financial year (Burster and Hivolt) added 5% to revenue while the disposal of the Santon solar business completed last year reduced sales by 2%. Organic sales increased by 0.5% following an 18-month period of customer destocking.

	H1 2025/26	H1 2024/25	%
<b>Revenue (£m)</b>			
Organic sales	206.3	205.3	+0.5%
Acquisitions	10.1		
Disposals		3.9	
Sales at CER	216.4	209.2	+3.5%
FX translation		1.9	
<b>Reported sales</b>	<b>216.4</b>	<b>211.1</b>	<b>+2.5%</b>

Orders for the Period were £214.1m, 5% higher at CER than last year and 4% higher on a reported basis (H1 2024/25: £206.5m) giving a book-to-bill ratio of 0.99 compared with 0.97 in the second half last year. Orders in the Period increased by 0.5% organically, with 8% organic growth and a book-to-bill ratio of 1.04 in the second quarter.

The order book at the Period end of £157m remains strong, although slightly below the level at 31 March 2025 (£163m) and at c.4.3 months of annualised first half sales, provides good visibility for the second half of the year.

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### Group operating profit and margin

Group adjusted operating profit for the Period was £30.2m, a 5% increase on last year at CER and up 4% reported (H1 2024/25: £29.1m). This delivered an adjusted operating margin of 14.0%, which was 0.3ppt higher than last year at CER and 0.2ppt higher on a reported basis (H1 2024/25: 13.8%). We remain on track to reach our target for FY 2029/30 of 17%.

Group reported operating profit for the Period (including acquisition and disposal-related expenses as discussed below within adjusting items) was £22.3m, 6% higher than last year (H1 2024/25: £21.1m).

£m	H1 2025/26			H1 2024/25		
	Operating profit	Finance Cost	Profit before tax	Operating profit	Finance cost	Profit before tax
<b>Adjusted</b>	30.2	(4.7)	25.5	29.1	(5.3)	23.8
<u>Adjusting items</u>						
Amortisation of acquired intangibles	(8.2)	–	(8.2)	(7.8)	–	(7.8)
Acquisition & disposal expenses	0.3	–	0.3	(0.2)	–	(0.2)
<b>Reported</b>	22.3	(4.7)	17.6	21.1	(5.3)	15.8

As shown below, adjusted operating profit growth has mainly been achieved through organic improvements in gross margin and accretive acquisitions made last year.

£m	Adjusted Operating Profit
H1 2024/25	29.1
Gross profit on organic sales increase	0.4
Organic gross margin improvement	0.8
Organic operational investment	(1.4)
<b>Organic profit reduction</b>	(0.2)
Profit from acquired companies	1.7
<b>CER growth in operating profits</b>	1.5
Foreign exchange impact	(0.4)
<b>Net growth in operating profits</b>	1.1
<b>H1 2025/26</b>	<b>30.2</b>

Through various manufacturing and operating initiatives, organic gross margins improved by 0.4ppts, while at the same time, we invested an additional 2.5% in organic operating costs to aid future growth. Operating profits of £1.7m were earned in the Period by last year's two acquisitions (Hivolt acquired in August 2024 and Burster acquired in January 2025) during their first year of ownership.

Sterling was 5% stronger this Period versus 12 months ago, compared with the US dollar but 1% weaker against the Euro and 2% weaker on average against Nordic currencies, giving rise to a net reduction in adjusted operating profits on translation of £0.4m for the Period.

### Adjusting items

Adjusting items for the Period comprise the amortisation of acquired intangibles of £8.2m (H1 2024/25: £7.8m) less a net acquisition and disposal credit of £0.3m (H1 2024/25: a net expense of £0.2m).

The amortisation charge for the Period of £8.2m has increased by £0.4m over last year due to the annualisation effect of acquisitions made last year.

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The net acquisition and disposal credit of £0.3m comprises a net reduction in the fair value of contingent consideration payable on past acquisitions of £1.3m less £0.8m fair value adjustments on acquired inventory and £0.2m of costs associated with ongoing acquisitions.

### Financing costs

Net finance costs for the Period were £4.7m (H1 2024/25: £5.3m) and include a £0.7m charge for leased assets under IFRS 16 (H1 2024/25: £0.4m) and a £0.3m charge for amortised upfront facility costs (H1 2024/25: £0.3m). Net finance costs related to our banking facilities were £3.7m (H1 2024/25: £4.6m), a reduction of 20%, due to lower average net debt balances during the Period and lower base rates for our main borrowing currencies (Sterling, US Dollars and Euros), all of which reduced during the Period. The US Dollar Federal rate reduced by 0.25ppts to 4.25%, while the Sterling base rate and the ECB lending rate both reduced by 0.5ppts to 4.0% and 2.15% respectively.

Since the Period end, the US Dollar lending rate has reduced by a further 0.25%. Looking forward, a further 1ppt reduction in interest rates for all three of our principal borrowing currencies would reduce annual finance costs by approximately £1.3m and increase annual EPS by c.1.0p (c.+3%).

### Adjusted tax rate

The adjusted effective tax rate ("ETR") in the first half was 24.7%, 0.7ppts higher than the first half rate last year (H1 2024/25: 24.0%) due to more profits in higher tax territories,

The overall ETR of 24.4% (H1 2024/25: 24.0%) was at a similar level as the Adjusted ETR as shown in the table below.

£m	H1 2025/26		H1 2024/25	
	PBT	ETR	PBT	ETR
<b>Adjusted</b>	25.5	24.7%	23.8	24.0%
<u>Adjusted items</u>				
Amortisation of acquired intangibles	(8.2)	20.7%	(7.8)	20.5%
Acquisition & disposal expenses	0.3	-100.0%	(0.2)	150.0%
<b>Reported</b>	17.6	24.4%	15.8	24.0%

### Profit before tax and EPS

Due to the reduction in net finance costs, adjusted profit before tax for the Period of £25.5m was £1.7m higher (+7%) than last year (H1 2024/25: £23.8m) with adjusted EPS for the Period increasing by 6% to 19.5p (H1 2024/25: 18.4p).

£m	H1 2025/26		H1 2024/25	
	PBT	EPS	PBT	EPS
<b>Adjusted</b>	25.5	19.5p	23.8	18.4p
<u>Adjusting items</u>				
Amortisation of acquired intangibles	(8.2)		(7.8)	
Acquisition & disposal expenses	0.3		(0.2)	
<b>Reported</b>	17.6	13.5p	15.8	12.2p

After adjusting items, reported profit before tax was £17.6m, 11% higher than last year (H1 2024/25: £15.8m) with reported fully diluted earnings per share of 13.5p, also 11% ahead of last year (H1 2024/25: 12.2p).

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### Working capital and asset returns ratios

Working capital at 30 September 2025 was £83.9m (H1 2024/25: £80.0m), equivalent to 19.2% of first half annualised sales at CER, with £2.4m increase from acquisitions and £1.7m increase from foreign exchange translation offset by £0.2m of organic working capital improvements. Excluding acquisitions last year which were acquired with high levels of working capital, the organic working capital percentage was 18.8% (H1 2024/25: 18.9%).

The organic working capital sales percentage is expected to reduce by the financial year end through increase in demand in the second half. We also expect the absolute levels of inventories in recent acquisitions to reduce over the next six months or so.

Working capital KPIs have remained robust during the Period with debtor days of 45 (3 days lower than last year), creditor days of 69 (4 days lower than last year) and stock turns of 2.9 (the same level as last year).

ROCE for the Period of 15.4% was ahead of our 15% target and slightly ahead of last year (H1 2024/25: 15.3%).

Return on Tangible Capital Employed ("ROTCE") for the Period, which excludes goodwill, intangible assets and non-operational assets, was 46.5% and illustrates both the strong returns being generated by the Group's operational assets, and the capital-light requirements of those businesses with capital expenditure of only 1.6% of sales in the last 12 months (FY 2024/25: 1.4%). ROTCE was 2.9ppts lower than last year (H1 2024/25: 49.4%) due to £9m of additional right-of-use assets, capitalised under IFRS16, which offsets improvements in organic operational efficiency and the increase in operating margin.

### Cash flow

Net debt at 30 September 2025, excluding IFRS16 leases, was £90.7m, compared with £94.3m at 31 March 2025 and £98.7m at 30 September 2024, with the reduction in the Period of £3.6m driven by strong free cash generation partly offset by the payment of earn-outs and last year's final dividend.

£m	H1 2025/26	H1 2024/25	Last 12 Months
Opening net debt	(94.3)	(104.0)	(98.7)
Free cash flow (see table below)	16.2	15.7	40.9
Dividends	(8.3)	(7.9)	(12.1)
Acquisitions & disposals	(3.3)	(4.9)	(18.2)
Foreign exchange impact	(1.0)	2.4	(2.6)
<b>Net debt at 30 Sept</b>	<b>(90.7)</b>	<b>(98.7)</b>	<b>(90.7)</b>

Acquisition and disposal cash outflow of £3.3m in the Period comprised £2.8m payment of earn-outs related to Hivolt and CPI, £0.4m of acquisition expenses and £0.1m of disposal costs related to last year's disposal of the Santon solar business.

Last year's final dividend of £8.3m, which was paid in August 2025, was an increase of 5% over the prior year.

The impact of movements in Sterling in the Period led to an FX loss of £1.0m compared with an FX gain last year of £2.4m. The Group's policy is to hold net debt in currencies aligned to the currency of its cash flows in order to protect the gearing of the Group.

Adjusted operating cash flow and free cash flow for the year (see definitions in note 7 of the attached condensed consolidated interim financial statements) compared with last year are shown below:

## discoverIE Group plc

£m	H1 2025/26	H1 2024/25	Last 12 Months
<b>Adjusted Profit before tax</b>	<b>25.5</b>	<b>23.8</b>	<b>51.8</b>
Net finance costs	4.7	5.3	9.8
Non-cash items	7.3	7.1	15.3
IFRS 16 - lease payments	(4.0)	(3.8)	(7.7)
<b>Adjusted EBITDA</b>	<b>33.5</b>	<b>32.4</b>	<b>69.2</b>
Changes in working capital	(5.1)	(5.0)	0.2
Capital expenditure	(3.0)	(2.3)	(6.8)
<b>Adjusted operating cash flow</b>	<b>25.4</b>	<b>25.1</b>	<b>62.6</b>
Finance costs	(3.7)	(4.6)	(8.1)
Taxation	(5.0)	(4.2)	(11.4)
Legacy pension	(0.5)	(0.6)	(2.2)
<b>Free cash flow</b>	<b>16.2</b>	<b>15.7</b>	<b>40.9</b>

Adjusted EBITDA of £33.5m was 3% higher than last year (H1 2024/25: £32.4m) following a 5% increase in operating profit at CER.

During the Period, the Group invested £5.1m in working capital, an increase of £0.1m on last year. With working capital released during the second half last year of £5.3m, a net £0.2m was released from working capital over the last 12 months.

Capital expenditure of £3.0m was invested during the Period, an increase of £0.7m on last year (H1 2024/25: £2.3m) including various new production line extensions. With capital expenditure during the second half last year of £3.8m, £6.8m has been invested in capital expenditure over the last 12 months, representing 1.6% of sales during that period. Capital expenditure levels are expected to increase in the second half to around £8.5m for the full year.

£25.4m of adjusted operating cash flow was generated in the first half, up 1% on last year (H1 2024/25: £25.1m). Together with £37.2m generated in the second half of last year, a total of £62.6m of adjusted operating cash was generated over the last 12 months being 102% of adjusted operating profit, well ahead of our 85% target.

Finance cash costs of £3.7m were £0.9m below last year due to lower net debt balances during the Period and lower base rates for our main borrowing currencies (Sterling, US Dollars and Euros) which all reduced during the Period. Corporate income tax payments of £5.0m were £0.8m higher than last year reflecting changes in the timing of payments. Further tax payments of c.£6.0m are expected during the second half.

Free cash flow (being cash flow before dividends and acquisitions) of £16.2m was generated in the first half, 3% higher than last year (H1 2024/25: £15.7m). Together with £24.7m generated in the second half last year, a total of £40.9m of free cash flow was generated over the last 12 months being a free cash conversion of 104% of adjusted earnings, again well ahead of our 85% target. For over a decade, the Group has consistently achieved high levels of adjusted operating cash and free cash conversion, both averaging over 100%.

### Banking facilities

The Group has a £240m syndicated banking facility which, in November 2025, was extended out to May 2030 with extension options to May 2032. In addition, the Group has an £80m accordion facility which it can use to extend the total facility up to £320m. The syndicated facility is available both for acquisitions and for working capital purposes and comprises seven lending banks. As part of the renewal, our gearing covenant was increased from 3.0x to 3.5x which provides us with additional flexibility to operate temporarily above the upper end of our target gearing range of 2.0x to optimise execution of our acquisition pipeline.

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With net debt (excluding IFRS 16 leases in accordance with our banking covenants) at 30 September 2025 of £90.7m, the Group's gearing ratio at the end of the Period (being net debt excluding IFRS 16 leases divided by Adjusted EBITDA as annualised for acquisitions) was 1.3x, below our target range of 1.5x to 2.0x.

### Balance sheet

Net assets of £313.3m at 30 September 2025 were £5.3m higher than at the end of the last financial year (31 March 2025: £308.0m). The increase primarily relates to net profit after tax for the Period of £13.3m being partly offset by last year's final dividend of £8.3m paid this Period. The movement in net assets is summarised below.

£m	H1 2025/26
Net assets at 31 March 2025	308.0
Net profit after tax	13.3
Dividend paid	(8.3)
Currency net assets – translation impact	(0.5)
Loss on defined benefit scheme	(0.2)
Share based payments (inc tax)	1.0
<b>Net assets at 30 September 2025</b>	<b>313.3</b>

### Risks and uncertainties

The principal risks faced by the Group are set out on pages 68 to 78 of the Group's Annual Report for year ended 31 March 2025, a copy of which is available on the Group's website: [www.discoverieplc.com](http://www.discoverieplc.com). These risks comprise: the economic environment, particularly linked to the geopolitical issues arising from the ongoing conflicts in Ukraine and tensions in the Middle East; the imposition of US trade tariffs and counter tariffs; the performance of acquired companies; climate-related risks; loss of major customers or suppliers; technological changes; major business disruption; cyber security; loss of key personnel; control risk; product liability; liquidity and debt covenants; exposure to adverse foreign currency movements; and non-compliance with legal and regulatory requirements.

During the Period, the Board has continued to review the Group's existing and emerging risks and the mitigating actions and processes in place. Following this review, the Board believes there has been no material change to the relative importance or quantum of the Group's principal risks for the remaining six months of the current financial year.

The risk assessment and review are an ongoing process, and the Board will continue to monitor risks and the mitigating actions in place. The Group's risk management processes cover identification, impact assessment, likely occurrence and mitigation actions where practicable. Some level of risk, however, will always be present. The Group is well positioned to manage such risks and uncertainties, if they arise, given its strong balance sheet, committed banking facility of £240m and the adaptability we have as an organisation.

### Summary and Outlook

discoverIE delivered a good first half performance with record profits, excellent cashflow and a return to organic sales and orders growth.

Trading momentum improved through the first half with second quarter orders increasing by 8% organically, sales increasing by 1% organically and orders being ahead of sales. Three of our four operating units (Sensing, Connectivity and Magnetics) have now returned to good levels of organic growth after a period of significant customer destocking. Controls, which comprises typically later-cycle businesses, is expected to follow.

## **discoverIE Group plc**

We remain focused on generating good organic growth through the cycle, with a healthy pipeline of design wins. Additionally, we have numerous acquisition opportunities in development, including our most recent signed bolt-on transaction, Keymat.

The Group remains on track to deliver full year adjusted earnings in line with the Board's expectations and looks forward to realising the exciting potential we see for the future.

**Nick Jefferies**  
**Group Chief Executive**

**Simon Gibbins**  
**Group Finance Director**

## **Statement of Directors' responsibilities**

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the discoverIE Group plc website is the responsibility of the Directors.

The Directors of discoverIE Group plc are listed in the discoverIE Group plc annual report for 31 March 2025. A list of current Directors is maintained on the discoverIE Group plc website: [www.discoverieplc.com](http://www.discoverieplc.com).

By order of the board

**Nick Jefferies**  
**Group Chief Executive**

**Simon Gibbins**  
**Group Finance Director**

**1 December 2025**

## Condensed consolidated statement of profit or loss

	Notes	Unaudited Six months ended 30 Sept 2025 £m	Unaudited Six months ended 30 Sept 2024 £m	Audited Year ended 31 Mar 2025 £m
<b>Revenue</b>	5	<b>216.4</b>	211.1	422.9
Operating costs		<b>(194.1)</b>	(190.0)	(380.5)
<b>Operating profit</b>	8	<b>22.3</b>	21.1	42.4
Finance income		<b>1.5</b>	1.8	3.7
Finance costs		<b>(6.2)</b>	(7.1)	(14.1)
<b>Profit before tax</b>		<b>17.6</b>	15.8	32.0
Tax expense	9	<b>(4.3)</b>	(3.8)	(7.4)
<b>Profit for the period</b>		<b>13.3</b>	12.0	24.6
<b>Earnings per share</b>				
Basic, profit for the period	11	<b>13.8p</b>	12.5p	25.6p
Diluted, profit for the period	11	<b>13.5p</b>	12.2p	25.0p

## Supplementary statement of profit or loss information

<b>Alternative performance measures</b>	Notes	Unaudited Six months ended 30 Sept 2025 £m	Unaudited Six months ended 30 Sept 2024 £m	Audited Year ended 31 Mar 2025 £m
Operating profit		<b>22.3</b>	21.1	42.4
Add: Net acquisition and disposal (credit)/expenses	7	<b>(0.3)</b>	0.2	1.9
Amortisation of acquired intangible assets	7	<b>8.2</b>	7.8	16.2
<b>Adjusted operating profit</b>	7	<b>30.2</b>	29.1	60.5
Profit before tax		<b>17.6</b>	15.8	32.0
Add: Net acquisition and disposal (credit)/expenses	7	<b>(0.3)</b>	0.2	1.9
Amortisation of acquired intangible assets	7	<b>8.2</b>	7.8	16.2
<b>Adjusted profit before tax</b>	7	<b>25.5</b>	23.8	50.1
<b>Adjusted earnings per share - diluted</b>	7	<b>19.5p</b>	18.4p	38.7p
<b>Adjusted earnings per share - basic</b>	7	<b>20.0p</b>	18.9p	39.7p

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

discoverIE Group plc

Condensed consolidated statement of comprehensive income

	Unaudited Six months ended 30 Sept 2025 £m	Unaudited Six months ended 30 Sept 2024 £m	Audited Year ended 31 Mar 2025 £m
<b>Profit for the period</b>	<b>13.3</b>	12.0	24.6
Other comprehensive loss:			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Actuarial loss on defined benefit pension scheme	(0.2)	(0.1)	(4.7)
Tax credit relating to defined benefit pension scheme	–	–	1.2
	<b>(0.2)</b>	(0.1)	(3.5)
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign subsidiaries	(0.5)	(8.8)	(3.7)
	<b>(0.5)</b>	(8.8)	(3.7)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(0.7)</b>	(8.9)	(7.2)
<b>Total comprehensive income for the period, net of tax</b>	<b>12.6</b>	3.1	17.4

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

discoverIE Group plc

Condensed consolidated statement of financial position

	Notes	Unaudited at 30 Sept 2025 £m	Unaudited at 30 Sept 2024 £m	Audited at 31 March 2025 £m
<b>Non-current assets</b>				
Property, plant and equipment		23.3	20.2	23.0
Intangible assets – goodwill	12	244.4	227.2	244.2
Intangible assets – other		83.6	89.4	92.2
Right of use assets		30.4	21.5	27.4
Other receivables		–	0.2	–
Deferred tax assets		9.0	8.3	10.1
		<b>390.7</b>	<b>366.8</b>	<b>396.9</b>
<b>Current assets</b>				
Inventories		84.3	78.7	82.9
Trade and other receivables		74.2	81.7	74.4
Current tax assets		1.3	1.0	1.5
Cash and cash equivalents	14	140.9	115.6	139.3
Assets held for sale		–	4.9	–
		<b>300.7</b>	<b>281.9</b>	<b>298.1</b>
<b>Total assets</b>		<b>691.4</b>	<b>648.7</b>	<b>695.0</b>
<b>Current liabilities</b>				
Trade and other payables		(79.2)	(77.8)	(81.1)
Loans and borrowings		(103.9)	(84.4)	(95.0)
Lease liabilities		(6.2)	(5.4)	(6.2)
Current tax liabilities		(8.7)	(8.1)	(8.2)
Provisions		(4.5)	(4.8)	(5.0)
		<b>(202.5)</b>	<b>(180.5)</b>	<b>(195.5)</b>
<b>Non-current liabilities</b>				
Trade and other payables		(0.4)	(0.4)	(6.2)
Loans and borrowings		(127.7)	(129.9)	(138.6)
Pension liability	16	(0.7)	(0.1)	(0.5)
Lease liabilities		(24.5)	(15.7)	(21.2)
Provisions		(3.9)	(3.8)	(4.0)
Deferred tax liabilities		(18.4)	(21.7)	(21.0)
		<b>(175.6)</b>	<b>(171.6)</b>	<b>(191.5)</b>
<b>Total liabilities</b>		<b>(378.1)</b>	<b>(352.1)</b>	<b>(387.0)</b>
<b>Net assets</b>		<b>313.3</b>	<b>296.6</b>	<b>308.0</b>
<b>Equity</b>				
Share capital		4.8	4.8	4.8
Share premium		192.0	192.0	192.0
Merger reserve		2.9	2.9	2.9
Currency translation reserve		(6.3)	(10.9)	(5.8)
Retained earnings		119.9	107.8	114.1
<b>Total equity</b>		<b>313.3</b>	<b>296.6</b>	<b>308.0</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

## discoverIE Group plc

### Condensed consolidated statement of changes in equity

	Attributable to equity holders of the Company					
	Share capital £m	Share premium £m	Merger reserve £m	Currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2025	4.8	192.0	2.9	(5.8)	114.1	308.0
Profit for the period	–	–	–	–	13.3	13.3
Other comprehensive loss	–	–	–	(0.5)	(0.2)	(0.7)
<b>Total comprehensive (loss)/income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(0.5)</b>	<b>13.1</b>	<b>12.6</b>
Share-based payments including tax	–	–	–	–	1.0	1.0
Dividends	–	–	–	–	(8.3)	(8.3)
<b>At 30 September 2025 – unaudited</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>(6.3)</b>	<b>119.9</b>	<b>313.3</b>
At 1 April 2024	4.8	192.0	2.9	(2.1)	104.0	301.6
Profit for the period	–	–	–	–	12.0	12.0
Other comprehensive loss	–	–	–	(8.8)	(0.1)	(8.9)
<b>Total comprehensive (loss)/income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8.8)</b>	<b>11.9</b>	<b>3.1</b>
Share-based payments including tax	–	–	–	–	(0.2)	(0.2)
Dividends	–	–	–	–	(7.9)	(7.9)
<b>At 30 September 2024 – unaudited</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>(10.9)</b>	<b>107.8</b>	<b>296.6</b>

As at 30 September 2025, the Company's issued share capital consisted of 96,356,109 ordinary shares of 5p each (31 March 2025: 96,356,109 ordinary shares of 5p each).

As at 30 September 2025, the Employee Share Trust held 234,955 shares (31 March 2025: 299,219). During the six month period to 30 September 2025, employees exercised 64,264 (year ended 31 March 2025: 115,381) share options under the terms of the various share option schemes.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

	Notes	Unaudited Six months ended 30 Sept 2025 £m	Unaudited Six months ended 30 Sept 2024 £m	Audited Year ended 31 Mar 2025 £m
<b>Net cash flow from operating activities</b>	13	<b>20.5</b>	17.7	46.4
<b>Investing activities</b>				
Acquisitions of businesses, net of cash acquired		–	(3.3)	(27.7)
Contingent consideration related to business acquisitions		(2.8)	(1.7)	(2.3)
Proceeds from business disposals		–	2.0	13.3
Purchase of property, plant and equipment		(2.9)	(2.3)	(5.4)
Purchase of intangible assets - software		(0.1)	–	(0.7)
Interest received		1.5	1.8	3.5
<b>Net cash used in investing activities</b>		<b>(4.3)</b>	(3.5)	(19.3)
<b>Financing activities</b>				
Proceeds from borrowings		5.0	8.0	37.5
Repayment of borrowings		(16.9)	(10.6)	(33.2)
Payment of lease liabilities		(3.3)	(3.4)	(6.5)
Dividends paid		(8.3)	(7.9)	(11.7)
<b>Net cash used in financing activities</b>		<b>(23.5)</b>	(13.9)	(13.9)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(7.3)</b>	0.3	13.2
Cash and cash equivalents at beginning of period		43.7	31.5	31.5
Effect of exchange rate fluctuations		0.3	(1.1)	(1.0)
<b>Net cash and cash equivalents at end of period</b>		<b>36.7</b>	30.7	43.7
<b>Reconciliation to cash and cash equivalents in the condensed consolidated statement of financial position</b>				
Net cash and cash equivalents shown above		36.7	30.7	43.7
Add back: bank overdrafts		104.2	84.9	95.6
<b>Cash and cash equivalents presented in current assets in the condensed consolidated statement of financial position</b>		<b>140.9</b>	115.6	139.3

Further information on the condensed consolidated statement of cash flows is provided in note 13.

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the condensed consolidated interim financial statements

### 1. General information

discoverIE Group plc (“the Company”) is incorporated and domiciled in England, UK. The Company’s shares are traded on the London Stock Exchange. The condensed consolidated interim financial statements consolidate the financial statements of discoverIE Group plc and entities controlled by the Company (collectively referred to as “the Group”).

The condensed consolidated interim financial statements for the six month period ended 30 September 2025 were authorised for issue by the Board of Directors on 1 December 2025 and are unaudited. These financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2025 were approved by the Board of Directors on 3 June 2025 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

### 2. Basis of preparation and accounting policies

This condensed consolidated interim financial report for the six month period ended 30 September 2025 has been prepared in accordance with the UK-adopted International Accounting Standard 34, ‘Interim Financial Reporting’ and the Disclosure Guidance and Transparency Rules (DTR) sourcebook of the United Kingdom’s Financial Conduct Authority.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2025, which was prepared in accordance with UK-adopted international accounting standards and with requirements of the Companies Act 2006, and any public announcements made by discoverIE Group plc during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### **New standards and interpretations applied for the first time**

There were no standards, amendments or interpretations applied for the first time that had a material impact for the Group.

#### **Going Concern**

As at 30 September 2025 the Group’s financial position remains robust with a £240.0m syndicated committed banking facility. In November 2025, the period of this facility was extended to May 2030 with options to extend to May 2032. In addition, the Group has an £80.0m accordion facility which, with approval from the banking syndicate, it can use to extend the total facility to £320.0m. The syndicated facility is available both for acquisitions and working capital purposes. Net debt as at 30 September 2025 was £90.7m compared with £94.3m at the year end. The Group’s gearing ratio at the end of the period (being net debt divided by adjusted EBITDA adjusted for pre-acquisition EBITDA) was in line with prior year at 1.3x. This complies with a financial covenant of less than 3.5x.

The Directors have reviewed the latest available forecasts to assess the cash requirements of the Group to continue in operational existence for a minimum period of 12 months from the date of approval of these interim financial statements. The Directors have compared the latest forecasts with the forecasts used in the going concern assessment undertaken at 31 March 2025, taking into account severe but plausible downside scenarios to the forecasts and the principal risks and uncertainties as set out in the annual report and accounts for the year ended 31 March 2025. None of the scenarios result in a breach of the Group’s available debt facility or covenants and accordingly the Directors continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

## Notes to the condensed consolidated interim financial statements

### 3. New accounting standards and financial reporting requirements

#### *New standards not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for the period covered in these condensed consolidated interim financial statements and have not been early adopted by the Group. None of these are expected to have a material impact on the Group's financial results in the current or future reporting periods.

### 4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates.

In preparing these condensed consolidated interim financial statements, the material judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2025.

### 5. Revenue

The Group's revenue from external customers by geographical location is detailed below:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
UK	23.3	24.7	52.8
Europe	112.2	95.3	199.4
North America, Asia and Rest of World	80.9	91.1	170.7
<b>Total revenue</b>	<b>216.4</b>	<b>211.1</b>	<b>422.9</b>

Revenue derived from the rendering of services was £2.9m (six month period to 30 September 2024: £2.5m; year ended 31 March 2025: £5.2m). All revenue was otherwise derived from the sale of products.

### 6. Segmental reporting

The reportable operating segments of the Group include two distinct divisions, Magnetics & Controls ("M&C") and Sensing & Connectivity ("S&C"). Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board, as described in the Group's annual report for the year ended 31 March 2025.

Within each of these reportable operating segments are aggregated business units with similar characteristics such as the nature of customers, products, risk profile and economic characteristics. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is reported and evaluated based on adjusted operating profit earned by each segment.

During the period, to enhance alignment and commonality across our businesses, one business was reclassified from M&C to S&C and one business from S&C to M&C. Prior year figures have been restated to reflect these reclassifications. There is no impact to the Group results.

discoverIE Group plc

Notes to the condensed consolidated interim financial statements

6. Segmental reporting (continued)

Six months ended 30 September 2025

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated costs £m	Total £m
<b>Revenue</b>	<b>126.7</b>	<b>89.7</b>	<b>–</b>	<b>216.4</b>
<b>Adjusted operating profit/(loss)</b>	<b>19.9</b>	<b>16.4</b>	<b>(6.1)</b>	<b>30.2</b>
Net acquisition and disposal credit	–	0.3	–	0.3
Amortisation of acquired intangible assets	(4.5)	(3.7)	–	(8.2)
<b>Operating profit/(loss)</b>	<b>15.4</b>	<b>13.0</b>	<b>(6.1)</b>	<b>22.3</b>

Six months ended 30 September 2024 (restated)<sup>1</sup>

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated costs £m	Total £m
<b>Revenue</b>	<b>132.4</b>	<b>78.7</b>	<b>–</b>	<b>211.1</b>
<b>Adjusted operating profit/(loss)</b>	<b>21.4</b>	<b>13.6</b>	<b>(5.9)</b>	<b>29.1</b>
Net acquisition and disposal (expenses)/credit	(1.3)	1.1	–	(0.2)
Amortisation of acquired intangible assets	(4.6)	(3.2)	–	(7.8)
<b>Operating profit/(loss)</b>	<b>15.5</b>	<b>11.5</b>	<b>(5.9)</b>	<b>21.1</b>

Year ended 31 March 2025 (restated)<sup>1</sup>

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated costs £m	Total £m
<b>Revenue</b>	<b>260.8</b>	<b>162.1</b>	<b>–</b>	<b>422.9</b>
<b>Adjusted operating profit/(loss)</b>	<b>43.0</b>	<b>29.3</b>	<b>(11.8)</b>	<b>60.5</b>
Net acquisition and disposal (expenses)/credit	(2.1)	0.2	–	(1.9)
Amortisation of acquired intangible assets	(9.3)	(6.9)	–	(16.2)
<b>Operating profit/(loss)</b>	<b>31.6</b>	<b>22.6</b>	<b>(11.8)</b>	<b>42.4</b>

<sup>1</sup> To enhance alignment and commonality across our businesses, one business was reclassified from M&C to S&C and one business from S&C to M&C during the period. Prior year figures have been restated to reflect these reclassifications. There is no impact to the Group results.

Notes to the condensed consolidated interim financial statements

6. Segmental reporting (continued)

For the purposes of monitoring segment performance and allocating resources between segments, the Directors monitor the net assets attributable to each segment. Assets and liabilities are allocated to reportable segments, with the exception of the pension liability, tax assets and liabilities, cash, borrowings and overdrafts, central assets (Head Office assets) and central liabilities (Head Office liabilities), as shown below:

Segment assets and liabilities

At 30 September 2025 Assets and liabilities	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated £m	Total £m
Segment assets (excluding goodwill and other intangible assets)	126.4	80.3		206.7
Goodwill and other intangible assets	148.4	179.6		328.0
	274.8	259.9		534.7
Central assets			5.5	5.5
Cash and cash equivalents			140.9	140.9
Current and deferred tax assets			10.3	10.3
<b>Total assets</b>	<b>274.8</b>	<b>259.9</b>	<b>156.7</b>	<b>691.4</b>
Segment liabilities	(68.6)	(43.9)		(112.5)
Central liabilities			(6.2)	(6.2)
Pension liability			(0.7)	(0.7)
Loans and borrowings			(231.6)	(231.6)
Current and deferred tax liabilities			(27.1)	(27.1)
<b>Total liabilities</b>	<b>(68.6)</b>	<b>(43.9)</b>	<b>(265.6)</b>	<b>(378.1)</b>
<b>Net assets/(liabilities)</b>	<b>206.2</b>	<b>216.0</b>	<b>(108.9)</b>	<b>313.3</b>

At 30 September 2024 (restated) <sup>2</sup> Assets and liabilities	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated £m	Total £m
Segment assets (excluding goodwill and other intangible assets)	119.4	70.5		189.9
Goodwill and other intangible assets	155.9	160.7		316.6
	275.3	231.2		506.5
Central assets			12.4	12.4
Cash and cash equivalents			115.6	115.6
Current and deferred tax assets			9.3	9.3
Assets classified as held for sale		4.9		4.9
<b>Total assets</b>	<b>275.3</b>	<b>236.1</b>	<b>137.3</b>	<b>648.7</b>
Segment liabilities	(62.0)	(39.8)		(101.8)
Central liabilities			(6.1)	(6.1)
Pension liability			(0.1)	(0.1)
Loans and borrowings			(214.3)	(214.3)
Current and deferred tax liabilities			(29.8)	(29.8)
<b>Total liabilities</b>	<b>(62.0)</b>	<b>(39.8)</b>	<b>(250.3)</b>	<b>(352.1)</b>
<b>Net assets/(liabilities)</b>	<b>213.3</b>	<b>196.3</b>	<b>(113.0)</b>	<b>296.6</b>

<sup>2</sup> To enhance alignment and commonality across our businesses, one business was reclassified from M&C to S&C and one business from S&C to M&C during the period. Prior year figures have been restated to reflect these reclassifications. There is no impact to the Group results.

Notes to the condensed consolidated interim financial statements

6. Segmental reporting (continued)

At 31 March 2025 (restated) <sup>2</sup> Assets and liabilities	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated £m	Total £m
Segment assets (excluding goodwill and other intangible assets)	123.7	80.4		204.1
Goodwill and other intangible assets	155.1	181.3		336.4
	<b>278.8</b>	<b>261.7</b>		<b>540.5</b>
Central assets			3.6	3.6
Cash and cash equivalents			139.3	139.3
Current and deferred tax assets			11.6	11.6
<b>Total assets</b>	<b>278.8</b>	<b>261.7</b>	<b>154.5</b>	<b>695.0</b>
Segment liabilities	(66.4)	(49.2)		(115.6)
Central liabilities <sup>3</sup>			(8.1)	(8.1)
Pension liability			(0.5)	(0.5)
Loans and borrowings			(233.6)	(233.6)
Current and deferred tax liabilities			(29.2)	(29.2)
<b>Total liabilities</b>	<b>(66.4)</b>	<b>(49.2)</b>	<b>(271.4)</b>	<b>(387.0)</b>
<b>Net assets/(liabilities)</b>	<b>212.4</b>	<b>212.5</b>	<b>(116.9)</b>	<b>308.0</b>

7. Adjusted Performance Measures

These condensed consolidated interim financial statements include adjusted performance measures that are not prepared in accordance with IFRS. These alternative performance measures have been selected by management to assist them in making operating decisions as they represent the underlying operating performance of the Group and facilitate internal comparisons of performance over time.

Adjusted performance measures are presented in these condensed consolidated interim financial statements as management believe they provide investors with a means of evaluating performance of the Group on a consistent basis, similar to the way in which management evaluates performance, that is not otherwise apparent on an IFRS basis, given that certain strategic non-recurring and acquisition related items that management does not believe are indicative of the underlying operating performance of the Group are included when preparing financial measures under IFRS. The trading results of acquired businesses are included in adjusted performance.

The Directors consider there to be the following key adjusted performance measures:

**Adjusted operating profit**

“Adjusted operating profit” is defined as operating profit excluding acquisition and disposal related costs.

Acquisition and disposal related costs include “acquisition and disposal (credit)/expenses” which comprise transaction costs relating to acquisitions and disposals, contingent consideration relating to the retention of former owners of acquired businesses, adjustments to previously estimated contingent consideration, fair value adjustment on acquired inventory, costs related to integration of acquired businesses into the Group, and restructuring costs and expenses incurred in relation to the disposal last year of the Santon solar business unit, including its losses incurred following the announcement of its closure; and “amortisation of acquired intangible assets”.

**Adjusted operating costs**

“Adjusted operating costs” is defined as operating costs excluding acquisition and disposal related costs.

**Adjusted EBITDA**

“Adjusted EBITDA” is defined as adjusted operating profit excluding lease payments and with depreciation, amortisation, equity-settled share-based payment expense and IAS 19 pension cost added back.

<sup>3</sup> Central liability and segment liabilities for the S&C division have been restated by £5.8m, from £13.9m to £8.1m and from £43.4m to £49.2m, respectively, to correctly present liabilities that relate to the S&C division.

## Notes to the condensed consolidated interim financial statements

### 7. Adjusted Performance Measures (continued)

#### **Adjusted operating margin**

“Adjusted operating margin” is defined as adjusted operating profit divided by revenue.

#### **Adjusted profit before tax**

“Adjusted profit before tax” is defined as profit before tax excluding acquisition and disposal related costs.

#### **Adjusted tax charge / Adjusted effective Tax Rate (“ETR”)**

“Adjusted tax charge” is defined as the tax charge adjusted for the tax effect of the acquisition and disposal related costs.

“Adjusted ETR” is defined as adjusted tax charge divided by adjusted profit before tax.

#### **Adjusted profit after tax (profit for the period)**

“Adjusted profit after tax” is defined as adjusted profit before tax less adjusted tax charge.

#### **Adjusted earnings per share**

“Adjusted earnings per share - diluted” is calculated as adjusted profit after tax, divided by the weighted average number of ordinary shares (for diluted earnings per share purposes) in issue during the period.

“Adjusted earnings per share - basic” is calculated as adjusted profit after tax, divided by the weighted average number of ordinary shares (for basic earnings per share purposes) in issue during the period.

#### **Adjusted operating cash flow / Adjusted operating cash conversion**

“Adjusted operating cash flow” is defined as adjusted EBITDA, plus/minus the investment in, or release of, working capital and less the cash cost of capital expenditure.

“Adjusted operating cash conversion” is defined as adjusted operating cash flow divided by adjusted operating profit.

#### **Free cash flow / Free cash conversion**

“Free cash flow” is defined as net cash flow before dividend payments, the cost of acquisitions and proceeds from business disposals.

“Free cash conversion” is free cash flow divided by adjusted profit after tax.

#### **Return on capital employed (“ROCE”) / Return on tangible capital employed (“ROTCE”)**

“ROCE” is defined as adjusted operating profit, including the annualisation of profits of acquired businesses, as a percentage of net assets excluding net debt, deferred consideration related to discontinued operations, assets held for sale and legacy defined benefit pension liability.

“ROTCE” is defined as ROCE excluding the value of acquired goodwill and intangibles, lease liabilities, provisions and tax balances.

#### **Organic and CER revenue growth**

“CER revenue growth” is defined as growth rates at constant exchange rates.

“Organic revenue growth” is defined as CER revenue growth adjusted for the effect of acquisitions in the last 12 months and excluding last year’s announced disposal of the Santon solar business unit.

#### **Gearing ratio**

Gearing ratio is defined as net debt divided by adjusted EBITDA including the annualisation of acquired businesses.

## Notes to the condensed consolidated interim financial statements

### 7. Adjusted Performance Measures (continued)

The tables below shows the reconciliation to the IFRS reporting measures, for the adjusted performance measures used by the Group.

#### Adjusted operating profit / Adjusted EBITDA

Adjusted operating profit and EBITDA are calculated as follows:

	<b>Six months ended 30 Sept 2025 £m</b>	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Operating profit	22.3	21.1	42.4
Add back: Net acquisition and disposal (credit)/expenses (a)	(0.3)	0.2	1.9
Amortisation of acquired intangible assets (b)	8.2	7.8	16.2
<b>Adjusted operating profit</b>	<b>30.2</b>	<b>29.1</b>	<b>60.5</b>
Add back: Depreciation and amortisation	6.1	6.0	12.4
Share-based payment and IAS 19 pension cost	1.2	1.1	2.7
Less: Lease payments	(4.0)	(3.8)	(7.5)
<b>Adjusted EBITDA<sup>4</sup></b>	<b>33.5</b>	<b>32.4</b>	<b>68.1</b>

The tax impact of the adjusting items above is a credit of £2.0m (H1 2024/25: £1.9m).

- a) Net acquisition and disposal credit of £0.3m comprise net £1.3m credit related to the movement in the fair value of contingent consideration on past acquisitions, offset by £0.8m fair value adjustment on acquired inventory and £0.2m of costs associated with ongoing acquisitions.

During the prior period, the net acquisition and disposal expenses of £0.2m comprised the costs associated with recent acquisitions of £0.7m; losses of £0.4m incurred by the non-core Santon solar business (post disposal announcement) and integration costs of £1.2m related to the establishment of our operating clusters mainly associated with removing surplus resources in our Magnetics and Sensing clusters; this was offset by a credit of £2.1m being the movement in the fair value of contingent consideration on past acquisitions.

- b) Amortisation charge relates to intangible assets recognised as part of business combinations.

#### Adjusted profit before tax

Adjusted profit before tax is calculated as follows:

	<b>Six months ended 30 Sept 2025 £m</b>	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Profit before tax	17.6	15.8	32.0
Add back: Net acquisition and disposal (credit)/expenses	(0.3)	0.2	1.9
Amortisation of acquired intangible assets	8.2	7.8	16.2
<b>Adjusted profit before tax</b>	<b>25.5</b>	<b>23.8</b>	<b>50.1</b>

<sup>4</sup> Prior periods Adjusted EBITDA restated to exclude lease payments.

Notes to the condensed consolidated interim financial statements

7. Adjusted Performance Measures (continued)

Adjusted effective tax rate

Adjusted effective tax rate (“ETR”) is calculated as follows:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Adjusted profit before tax	25.5	23.8	50.1
Total tax charge	4.3	3.8	7.4
Add back tax effect of acquisition and disposal related costs	2.0	1.9	4.6
Adjusted tax charge	6.3	5.7	12.0
<b>Adjusted effective tax rate</b>	<b>24.7%</b>	<b>24.0%</b>	<b>24.0%</b>

Adjusted profit after tax (profit for the period) / Adjusted earnings per share

Adjusted profit after tax and earnings per share are calculated as follows:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Profit for the period	13.3	12.0	24.6
Add back: Net acquisition and disposal (credit)/expenses	(0.3)	0.2	1.9
Amortisation of acquired intangible assets	8.2	7.8	16.2
Tax charge related to the above adjustments	(2.0)	(1.9)	(4.6)
<b>Adjusted profit for the period</b>	<b>19.2</b>	<b>18.1</b>	<b>38.1</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of shares for basic earnings per share	96,093,581	96,001,835	96,028,934
Effect of dilution – share options	2,423,563	2,345,851	2,398,601
Adjusted weighted average number of shares for diluted earnings per share	98,517,144	98,347,686	98,427,535
<b>Adjusted earnings per share - diluted</b>	<b>19.5p</b>	<b>18.4p</b>	<b>38.7p</b>
<b>Adjusted earnings per share - basic</b>	<b>20.0p</b>	<b>18.9p</b>	<b>39.7p</b>

Notes to the condensed consolidated interim financial statements

7. Adjusted Performance Measures (continued)

ROCE / ROTCE

ROCE and ROTCE are calculated as follows:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Net assets	313.3	296.6	308.0
Less: Deferred consideration in relation to disposed businesses	(0.3)	(6.1)	(0.3)
Net debt	90.7	98.7	94.3
IAS 19 pension liability	0.7	0.1	0.5
Assets held for sale	–	(4.9)	–
<b>Capital employed</b>	<b>404.4</b>	<b>384.4</b>	<b>402.5</b>
Less: Goodwill	(244.4)	(227.2)	(244.2)
Acquired intangible assets	(81.9)	(88.2)	(90.4)
Deferred tax assets and liabilities	9.4	13.4	10.9
Current tax assets and liabilities	7.4	7.1	6.7
Lease liabilities	30.7	21.1	27.4
Provisions	8.4	8.6	9.0
<b>Trading capital employed</b>	<b>134.0</b>	<b>119.2</b>	<b>121.9</b>
Adjusted operating profit (last 12 months)	61.6	57.7	60.5
Add: Annualisation of acquired businesses	0.7	1.2	3.0
Annualised operating profit	62.3	58.9	63.5
<b>ROCE</b>	<b>15.4%</b>	<b>15.3%<sup>5</sup></b>	<b>15.8%</b>
<b>ROTCE</b>	<b>46.5%</b>	<b>49.4%</b>	<b>52.1%</b>

Adjusted operating cash flow / Free cash flow

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Adjusted EBITDA	33.5	32.4	68.1
Changes in working capital	(5.1)	(5.0)	0.3
Capital expenditure	(3.0)	(2.3)	(6.1)
<b>Adjusted operating cash flow</b>	<b>25.4</b>	<b>25.1</b>	<b>62.3</b>
Net interest paid	(3.7)	(4.6)	(9.0)
Tax payments	(5.0)	(4.2)	(10.6)
Legacy pension scheme funding	(0.5)	(0.6)	(2.3)
<b>Free cash flow</b>	<b>16.2</b>	<b>15.7</b>	<b>40.4</b>

<sup>5</sup> HY FY25 has been restated from 15.2% to 15.3% to reflect the last 12 months EBIT rather than the annualised EBIT.

Notes to the condensed consolidated interim financial statements

7. Adjusted Performance Measures (continued)

Organic and CER revenue growth

Organic and CER revenue growth are calculated as follows:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Revenue	216.4	211.1	422.9
FX translation impact	–	(1.9)	(1.1)
<b>Adjusted (CER) revenue</b>	<b>216.4</b>	<b>209.2</b>	<b>421.8</b>
Acquisitions and disposals	(10.1)	(3.9)	(3.8)
<b>Organic revenue</b>	<b>206.3</b>	<b>205.3</b>	<b>418.0</b>

Gearing ratio

Gearing ratio is calculated as follows:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
<b>Net debt</b>	<b>90.7</b>	<b>98.7</b>	<b>94.3</b>
<b>Adjusted EBITDA (last 12 months)</b>	<b>69.2</b>	<b>65.7</b>	<b>68.1</b>
Annualisation of acquired businesses	0.7	1.6	3.0
Annualisation of disposed business	–	0.7	–
<b>Covenant EBITDA</b>	<b>69.9</b>	<b>68.0</b>	<b>71.1</b>
<b>Gearing ratio</b>	<b>1.3</b>	<b>1.4</b>	<b>1.3</b>

8. Operating profit

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
<b>Revenue</b>	<b>216.4</b>	<b>211.1</b>	<b>422.9</b>
Direct materials/direct labour	(119.7)	(119.5)	(236.8)
Other cost of goods sold	(2.6)	(2.4)	(4.6)
Selling and distribution costs	(20.7)	(20.8)	(40.9)
Administrative expenses	(51.1)	(47.3)	(98.2)
<b>Operating profit</b>	<b>22.3</b>	<b>21.1</b>	<b>42.4</b>

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
<b>Operating costs</b>	<b>194.1</b>	<b>190.0</b>	<b>380.5</b>
Less: Net acquisition and disposal credit/(expenses)	0.3	(0.2)	(1.9)
Amortisation of acquired intangibles	(8.2)	(7.8)	(16.2)
<b>Adjusted operating costs</b>	<b>186.2</b>	<b>182.0</b>	<b>362.4</b>

## Notes to the condensed consolidated interim financial statements

### 9. Taxation

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year, in accordance with IAS 34 'Interim financial reporting'.

The adjusted tax charge for the period was £6.3m (H1 2024/25: £5.7m) giving an adjusted effective tax rate on adjusted profit before tax of 24.7% (H1 2024/25: 24.0%), 0.7% higher than the rate for FY 2024/25 of 24.0%.

The tax credit in respect of the adjusting items was £2.0m (H1 2024/25: £1.9m). This gives an overall tax charge for the period of £4.3m (H1 2024/25: £3.8m) on profit before tax of £17.6m (H1 2024/25: £15.8m) which is an effective tax rate of 24.4% (H1 2024/25: 24.0%).

### 10. Dividends

The Directors have declared an interim dividend of 4.05p per share (H1 2024/25: 3.90p) payable on 23 January 2026 to shareholders on the register at 12 December 2025.

In accordance with IAS 10, this dividend has not been reflected in the interim results. The cash cost of the interim dividend will be £3.9m (H1 2024/25: £3.8m).

The final dividend of 8.60p per share for the year ended 31 March 2025 was paid on 1 August 2025.

### 11. Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
<b>Profit for the period</b>	<b>13.3</b>	12.0	24.6
	<b>Number</b>	Number	Number
Weighted average number of shares for basic earnings per share	<b>96,093,581</b>	96,001,835	96,028,934
Effect of dilution - share options	<b>2,423,563</b>	2,345,851	2,398,601
<b>Adjusted weighted average number of shares for diluted earnings per share</b>	<b>98,517,144</b>	98,347,686	98,427,535
Basic earnings per share	<b>13.8p</b>	12.5p	25.6p
Diluted earnings per share	<b>13.5p</b>	12.2p	25.0p

At the period end, there were 2.8 million ordinary share options in issue that could potentially dilute earnings per share in the future, of which 2.4 million are currently dilutive (30 September 2024: 2.7 million in issue and 2.3 million dilutive, 31 March 2025: 2.6 million in issue and 2.4 million dilutive).

Notes to the condensed consolidated interim financial statements

12. Goodwill

The carrying value of goodwill is analysed as follows:

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sep 2024 £m (restated)	Year ended 31 Mar 2025 £m (restated)
Magnetics	38.5	37.2	38.2
Controls	78.1	78.2	79.7
Magnetics & Controls	116.6	115.4	117.9
Sensing	45.9	31.7	45.6
Connectivity	81.9	80.1	80.7
Sensing & Connectivity	127.8	111.8	126.3
	244.4	227.2	244.2

The movement in goodwill compared to prior year includes the purchase price adjustment for Burster and movements in foreign exchange rates.

13. Reconciliation of cash flow from operating activities

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
<b>Profit for the period</b>	13.3	12.0	24.6
Tax expense	4.3	3.8	7.4
Net finance costs	4.7	5.3	10.4
Depreciation of property, plant and equipment	2.5	2.2	4.5
Depreciation of right of use assets	3.6	3.5	7.3
Amortisation of intangible assets - other	8.4	8.0	16.6
Loss on disposal of property, plant and equipment	0.1	0.1	–
Loss on disposal of intangible assets	–	–	0.1
Change in provisions	(0.6)	–	0.1
Pension scheme funding	(0.5)	(0.6)	(2.3)
IAS 19 pension charge	0.4	0.4	0.7
Gain on disposal of business	–	–	(2.1)
Impact of equity-settled share-based payment expense and associated taxes	0.8	0.7	2.0
<b>Operating cash flows before changes in working capital</b>	37.0	35.4	69.3
(Increase)/Decrease in inventories	(0.8)	0.1	5.4
Decrease in trade and other receivables	0.5	5.2	5.8
Decrease in trade and other payables	(5.3)	(12.0)	(10.0)
(Increase)/Decrease in working capital	(5.6)	(6.7)	1.2
<b>Cash generated from operations</b>	31.4	28.7	70.5
Interest paid	(5.2)	(6.4)	(12.5)
Interest paid on lease liabilities	(0.7)	(0.4)	(1.0)
Income taxes paid	(5.0)	(4.2)	(10.6)
<b>Net cash inflow from operating activities</b>	20.5	17.7	46.4

Notes to the condensed consolidated interim financial statements

14. Closing net debt

	At 30 Sept 2025 £m	At 30 Sept 2024 £m	At 31 Mar 2025 £m
Cash and cash equivalents	140.9	115.6	139.3
Bank overdrafts	(104.2)	(84.9)	(95.6)
Net cash	36.7	30.7	43.7
Bank loans over one year	(128.5)	(131.0)	(139.4)
Capitalised debt cost	1.1	1.6	1.4
Total loan capital	(127.4)	(129.4)	(138.0)
<b>Net debt</b>	<b>(90.7)</b>	<b>(98.7)</b>	<b>(94.3)</b>
Lease liability	(30.7)	(21.1)	(27.4)
<b>Net debt (incl. lease liability)</b>	<b>(121.4)</b>	<b>(119.8)</b>	<b>(121.7)</b>

Extract from the condensed consolidated statement of financial position:

	At 30 Sept 2025 £m	At 30 Sept 2024 £m	At 31 Mar 2025 £m
<b>Current liabilities</b>			
Loans and borrowings	(103.9)	(84.4)	(95.0)
Lease liabilities	(6.2)	(5.4)	(6.2)
	(110.1)	(89.8)	(101.2)
<b>Non-current liabilities</b>			
Loans and borrowings	(127.7)	(129.9)	(138.6)
Lease liabilities	(24.5)	(15.7)	(21.2)
	(152.2)	(145.6)	(159.8)
Cash and cash equivalents	140.9	115.6	139.3
<b>Closing net debt (incl. lease liability)</b>	<b>(121.4)</b>	<b>(119.8)</b>	<b>(121.7)</b>

Cash and cash equivalents, and bank overdrafts, reflect the aggregated gross balances of Group companies (even if those companies individually have both a cash balance and an overdraft with the same bank). Whilst there is a legal right of offset within our facilities we do not have an intention to net settle these positions in the short-term. Bank overdrafts are repayable on demand with interest based on floating rates linked to SONIA, SOFR and EURIBOR.

Applying the legal offset of cash and overdrafts, the net cash position as at 30 September 2025 is £36.7m (31 March 2025: £43.7m).

Bank loans over one year of £128.4m (31 March 2025: £139.3m) are mainly drawdowns against the Group's revolving credit facility and are denominated in Sterling, US Dollars and Euros which bear interest based on SONIA, SOFR and EURIBOR, plus a facility margin, offset by capitalised debt borrowings.

Cash and cash equivalents earn interest at floating rates on daily bank deposit rates.

Lease liabilities of £30.7m (31 March 2025: £27.4m) have been presented separately in the consolidated statement of financial position. The increase of £3.3m during the six month period to 30 September 2025 consisted of additions/modifications of £6.4m, interest accruals of £0.7m, foreign exchange impact of £0.2m, offset by lease payments of £4.0m.

Certain businesses in the Group participate in supply chain finance arrangements whereby suppliers may elect to receive early payment of their invoices from a bank by factoring their receivable from discoverIE entities. Included within trade payables is £2.0m (31 March 2025: £2.1m) subject to such an arrangement.

## Notes to the condensed consolidated interim financial statements

### 14. Closing net debt (continued)

#### Reconciliation of movement in cash and net debt

	Six months ended 30 Sept 2025 £m	Six months ended 30 Sept 2024 £m	Year ended 31 Mar 2025 £m
Net (decrease)/increase in cash and cash equivalents	(7.3)	0.3	13.2
Proceeds from borrowings	(5.0)	(8.0)	(37.5)
Repayment of borrowings	16.9	10.6	33.2
Decrease in net cash before translation differences	4.6	2.9	8.9
Translation and other non-cash changes	(1.0)	2.4	0.8
<b>Increase in net cash</b>	<b>3.6</b>	<b>5.3</b>	<b>9.7</b>
Net debt at beginning of the period	(94.3)	(104.0)	(104.0)
<b>Net debt at end of the period</b>	<b>(90.7)</b>	<b>(98.7)</b>	<b>(94.3)</b>

### 15. Fair value measurement of financial instruments

The Group's principal non-derivative financial instruments comprise bank loans and overdrafts, cash and short term borrowings. The Group also holds other financial instruments such as trade receivables and trade payables that arise directly from the Group's trading operations. The carrying value of the Group's trade and other receivables and trade and other payables approximates their book value due to the short maturity of these instruments.

Derivative financial instruments are short-term foreign currency forward contracts placed by the Group with external banks as part of the Group's cash management and foreign currency risk management activities. As at 30 September 2025, the fair value of derivatives was a liability of £0.1m (31 March 2025: £0.2m).

The carrying value of the Group's other financial assets, including cash and cash equivalents of £140.9m and deferred consideration of £0.3m (included within other receivables current and non-current), are equivalent to their fair value.

The carrying value of the Group's financial liabilities measured at amortised cost, including bank overdrafts of £104.2m, other fixed and floating interest borrowings of £127.4m, lease liabilities of £30.7m and contingent consideration of £5.3m, are equivalent to their fair value at 30 September 2025.

The methods and assumptions used to determine the fair value of financial assets and liabilities are set out below.

All material changes in fair value of financial instruments as at the balance sheet date have been taken to the condensed consolidated statement of profit or loss. Impairment reviews did not identify any material impairment of financial assets from carrying values as reported at the balance sheet date and, as such, no material impairments are included in the condensed consolidated statement of profit or loss.

#### Fair value methods and assumptions

Forward foreign exchange contracts (forwards) - the fair value of forward foreign currency contracts is determined with reference to observable yield curves and foreign exchange rates at the reporting date. The forwards outstanding with banks at 30 September 2025 had a maturity of one year or less.

Loans and borrowings - the fair value of loans and borrowings has been calculated by discounting future cash flows, where material, at prevailing market interest rates.

#### Fair value hierarchy

For financial assets and financial liabilities measured at fair value, as set out in the tables above, the fair value measurement techniques are based upon applying unadjusted, quoted market rates or prices or inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly.

## Notes to the condensed consolidated interim financial statements

### 15. Fair value measurement of financial instruments (continued)

#### Fair value hierarchy (continued)

IFRS 13 'Financial Instruments: Disclosures' requires financial instruments measured at fair value to be analysed into a fair value hierarchy based upon the valuation technique used to determine fair value. The highest level in this hierarchy is Level 3 within which inputs that are not based on observable market data for the asset or liability are applied.

The valuation techniques used by the Group for the measurement of derivative financial instruments, loans and deferred consideration receivable are considered to be within Level 2, which includes inputs other than quoted prices included within Level 1 that are observable either directly or indirectly. Contingent consideration liabilities are included in Level 3 of the fair value hierarchy. The fair value is determined considering the expected payment, discounted to present value using a risk adjusted discount rate. The expected payment is determined separately in respect of each individual earn-out agreement taking into consideration the expected level of profitability of each acquisition. The unobservable inputs are the projected forecast measures that are assessed on an annual basis. Changes in the fair value of contingent consideration relating to updated projected forecast performance measures are recognised in the consolidated Statement of Profit or Loss in the period that the change occurs. Contingent consideration is sensitive to forecast operating profits of the relevant acquired businesses.

### 16. Pension

The acquisition of the Sedgemoor Group in June 1999 brought with it certain defined benefit pension schemes, together "the Sedgemoor Scheme". The Sedgemoor Scheme is funded by the Group, provides retirement benefits based on final pensionable salary and its assets are held in a separate trustee-administered arrangement.

Following the acquisition of the Sedgemoor Group, the Sedgemoor Scheme was closed to new members. Shortly thereafter, employees were given the opportunity to join the discoverIE scheme and future service benefits ceased to accrue to members under the Sedgemoor Scheme.

Contributions to the Sedgemoor Scheme are determined in accordance with the advice of independent, professionally qualified actuaries and are set based upon funding valuations carried out every three years.

During the prior year, the Trustee entered into a bulk annuity "buy-in" policy with an insurance company. This policy covers all known current members of the Scheme and its fair value matches the present value of the benefits insured. Other than the Trustee bank account, the buy-in policy is the only asset now held by the Trustee as part of the Scheme's investment strategy. Under the terms of the policy, the Trustee will receive income equal to the pension benefits that have been insured. This largely removes exposure to the Group from pension scheme investment, inflation and longevity risks. Residual differences between the benefits currently insured under the buy-in policy and those paid out by the Fund are allowed for within the IAS19 figures.

During the period, the financial position of the Sedgemoor Scheme has been updated in line with changes in actuarial assumptions. The valuation used for IAS 19 disclosures has been based on the most recent valuation as at 31 March 2024 updated to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme as at 30 September 2025.

The IAS 19 defined benefit pension scheme liability as at 30 September 2025 was £0.7m (31 March 2025: £0.5m). The accounting position is not expected to be volatile following the buy-in, with future movements primarily expected to reflect updates in the estimates and allowances for GMP equalisation and data cleanse projects, and due to the timing of future contribution and expenses incurred.

During the period, the Company contributed a total of £0.4m to the Trustees, of which £0.2m was funded from the escrow account. As at 30 September 2025, £0.2m remained in escrow outside the pension fund and is disclosed separately within accounts and other receivables.

## Notes to the condensed consolidated interim financial statements

### 17. Exchange rates

The principal exchange rates used to translate the results of overseas businesses are as follows:

	Six months ended 30 Sept 2025		Six months ended 30 Sept 2024		Year ended 31 March 2025	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
US Dollar	1.3443	1.3413	1.3401	1.2805	1.2947	1.2754
Euro	1.1450	1.1659	1.1970	1.1777	1.1971	1.1883
Norwegian Krone	13.4263	13.6840	14.0820	13.7382	13.6624	13.8861

### 18. Events occurring after the reporting period

There were no matters arising, between the statement of financial position date and the date on which these condensed consolidated interim financial statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 34 'Interim financial reporting'. The following important non-adjusting events should be noted:

#### Revolving Credit Facility

On 18 November 2025, the Group signed a renewal of the £240m revolving credit facility agreement, now committed until May 2030 with the option to extend until May 2032. In addition, the Group has an £80m accordion facility which it can use to extend the total facility up to £320m.

#### Business Combination

On 1 December 2025, the Group signed an agreement for the acquisition, subject to regulatory approvals, of, Keymat Technology Ltd ("Keymat"), a UK-based designer and manufacturer of differentiated assistive human-machine interface (HMI) electronic products for an initial cash consideration of £5.5m on a debt free, cash free basis together with an earn-out of up to £2.2m payable subject to performance.

### 19. Interim report

A copy of the interim report will be available for inspection at the Company's registered office: 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, England, GU2 7AH.

As permitted by current regulations, the 2025 interim results published on 2 December 2025 will not be sent to shareholders. The 2025 interim results and other information about discoverIE Group plc are available on the Company's website at [www.discoverieplc.com](http://www.discoverieplc.com).