Trading Update

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discoverIE Group plc
16 April 2019

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Trading Update

discoverIE Group plc (LSE: DSCV, "discoverIE" or the "Group"), a leading international designer, manufacturer and supplier of customised electronics to industry, today issues a trading update for the year ended 31 March 2019 ahead of announcing its full year results on 4 June 2019.

Trading in the fourth quarter continued strongly and the Group expects to deliver full year earnings in line with the Board's expectations.

Group sales for the fourth quarter increased[1] by 12% on a reported basis, 14% CER[2] and by 8% organically (excluding acquisitions)[3]. Group orders also grew by 8% organically in the period.

In the Design & Manufacturing division, sales and orders grew organically by 9%, and in Custom Supply, sales grew by 7% organically and orders by 5%.

For the year to 31 March 2019, Group sales increased by 13% on a reported basis, 14% CER and by 8% organically, with orders growing 7% organically. Within this, D&M delivered organic sales growth of 10% and order growth of 11% and in Custom Supply, organic sales growth was 5% with order growth of 3%.

Cash generation in the fourth quarter has been good with net debt at the year end lower than expected resulting in a Group gearing ratio[4] of 1.8x.

Conference call

discoverIE will hold a conference call for analysts and investors at 09:00 UK time on 16 April 2019.

Details for the call are as follows:

UK FreeCall Dial-in: +44 (0) 800 376 7922
Conference ID: 5095135

For further information, please contact:

discoverIE Group plc 01483 544 500
Nick Jefferies - Group Chief Executive
Simon Gibbins - Group Finance Director

Instinctif Partners 020 7457 2020
Mark Garraway
James Gray

Notes

1. Growth rates refer to the comparable prior year period unless stated.

2. Growth rates at constant exchange rates ("CER"). For the 3 month period to 31 March 2019, the average sterling rate of exchange strengthened 1% against the Euro compared with the same period last year, weakened 6% against the US Dollar and was up 3% on average against the three Nordic currencies. For the year to 31 March 2019, the average sterling rate of exchange against the Euro was in line with the same period last year, weakened 1% against the US Dollar and was up 3% on average against the three Nordic currencies.

3. Organic growth for the Group is calculated at constant exchange rates ("CER") excluding acquisitions in the last year (Santon was acquired last financial year on 1 February 2018 and Cursor Controls was acquired this financial year on 17 October 2018).

4. Group gearing is defined as net debt divided by underlying EBITDA (annualised for acquisitions).

5. This trading update is based upon unaudited management accounts and has 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 in this update 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 this update. Forward looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.

6. The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulation, Article 7 of EU Regulation 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Notes to Editors:

About discoverIE Group plc

discoverIE Group plc is an international group of businesses that designs, manufactures and supplies innovative components for electronic applications.

The Group provides application-specific components to original equipment manufacturers ("OEMs") internationally. With in-house engineering capability, we are able to design components to meet customer requirements, which are then manufactured and supplied, usually on a repeating basis, for their ongoing production needs. This generates a high level of repeating revenue and long term customer relationships.

By focusing on key markets which are driven by structural growth and increasing electronic content, namely renewable energy, transportation, medical and industrial connectivity, the Group aims to achieve organic growth that is well ahead of GDP and to supplement that with targeted complementary acquisitions.

The Group employs c.4,300 people and its principal operating units are located in Continental Europe, the UK, China, Sri Lanka, India and North America.

The Group is listed on the Main Market of the London Stock Exchange and is a member of the FTSE Small Cap Index, classified within the Electrical Components and Equipment subsector, and has revenue of over £400m. Over the last five years, revenue and underlying earnings per share has more than doubled.

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