Trading Update

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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 first four months of the year ending 31 March 2021.

Conditions in the Group's markets continue to be in line with those anticipated at the time of the announcement of the results for the year ended 31 March 2020. The order book remains strong and, since May, orders have increased sequentially by around 10% per month in each of June and July, to a level similar to sales, resulting in a book to bill ratio for the period of 0.89:1 (compared with 0.85:1 reported last month[3]).

Reported Group sales for the period are approximately 8% below last year (7% below at CER[1]), and 10% lower organically[2]. Organic growth rates continue to be stronger in our target markets, led by renewable energy and medical.

With internationally diverse manufacturing in 27 locations, the Group continues to be resilient in the event of any localised secondary outbreaks of coronavirus. Recently, following a rise in local area cases, the Group's two Indian production facilities were closed for a second time, again by local authority mandate, for two weeks. One has since reopened, and the other is expected to re-open next week, with minimal disruption to customers.

Cash flow during the first four months has continued to be strong with gearing[4] at the end of June reducing further, to 1.2x.

The Board continues to see significant scope for further expansion of the D&M division and with several acquisition opportunities in development, the Group expects to resume acquisitions as market conditions improve in the second half of the year.

The discoverIE business model is resilient and flexible, underpinned by a clear strategy focused on high quality growth markets. With a strong funnel of design wins and acquisition targets, the Group is well positioned for a return to strong growth as conditions recover.

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Notes

1. Growth rates at constant exchange rates ("CER"). The average sterling rate of exchange weakened 1% against the Euro compared with the average rate for last year and weakened 4% against the US Dollar while strengthening by 8% on average against the three Nordic currencies.

2. Organic growth for the Group is calculated at CER and is shown excluding the first 12 months of acquisitions (Hobart and Positek were both

acquired on 15 April 2019 and Sens-Tech was acquired on 16 October 2019).

3. A trading update for the period from 1 April to mid-June 20 was provided within last month's preliminary FY20 results announcement dated 24 June 2020.

4. Gearing 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. 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 customer relationships.

With a focus on key markets 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.4,400 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 in the top quartile of the FTSE Small Cap Index, classified within the Electrical Components and Equipment subsector, and has revenues of over £450m. Over the last five years, underlying earnings per share has almost doubled.

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