Change to Operating Segments

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discoverIE Group plc (LSE: DSCV, "discoverIE" or the "Group"), a leading international designer and manufacturer of customised electronics for industrial applications, is today announcing new reportable operating segments.

Last quarter, the Group announced the disposals of the Acal BFi distribution business and the Vertec SA business, both subject to certain regulatory approvals. The disposal of Vertec SA has now completed and the sale of Acal BFi is expected to complete this quarter. These disposals conclude the Group's exit from its distribution operations and in accordance with IFRS5, its Custom Supply division was treated as a discontinued operation in the Group's results for the six months ended 30 September 2021, with the Group's continuing operations at that time being the Design & Manufacturing ("D&M") division.

Reflecting the development of the business over recent years and in line with certain growth initiatives, the Group has now divided the ongoing D&M division into two operating segments, the Magnetics & Controls division ("M&C") and the Sensing & Connectivity division ("S&C").

This new structure, which aligns business units by technology area, will enable greater collaboration between business units and improve visibility for the Group's growth initiatives. Both divisions have good exposure to the Group's target markets and geographies. The management and structure of each business unit is unchanged.

The Magnetics & Controls division comprises the magnetic components businesses and the embedded computing and interface controls businesses. The division consists of eight businesses including a magnetics cluster and will be led Martin Pangels, previously Group Development Director for D&M division and a long standing member of the Group Executive Committee ('GEC').

The Sensing & Connectivity division comprises a cluster of five component sensing businesses and seven component connectivity businesses and will be led by Paul Hill, a GEC member since December 2021 and prior to that, CEO of recently acquired Antenova.

The following tables show the restated underlying operating performance (unaudited) for the Group's ongoing operations on the new divisional basis for the six months ended 30 September 2021 and 2020, and the full year ended 31 March 2021. The consolidated results for the Continuing Group are unchanged.

	H1 2021/22			H1 2020/21			Reported revenue growth	Organic revenue growth	Organic order growth
	Revenue £m	Underlying operating profit £m	Margin	Revenue £m	Underlying operating profit £m	Margin			
M&C	105.4	12.8	12.1%	90.8	10.4	11.5%	16%	18%	66%
S&C	68.9	11.1	16.1%	53.0	7.1	13.4%	30%	10%	60%
Unallocated		(5.9)			(3.9)				
Total	174.3	18.0	10.3%	143.8	13.6	9.5%	21%	15%	64%

FY 2020/21

	Revenue £m	Underlying operating profit £m	Margin
M&C	190.4	23.4	12.3%
S&C	112.4	15.5	13.8%
Unallocated		(8.1)	
Total	302.8	30.8	10.2%

Further historical divisional analysis is provided in Appendix 1.

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Notes

1. Underlying Operating Profit is a non-IFRS financial measure used by the Directors to assess the underlying performance of the Group and excludes acquisition-related costs (amortisation of acquired intangible assets and acquisition expenses). Prior years also excluded the IAS19 pension-related charge.

Notes to Editors:

About discoverIE Group plc

discoverIE Group plc is an international group of businesses that designs and manufactures innovative electronic components for industrial 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, medical, transportation 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 has an ongoing commitment to reducing the impact of its operations on the environment, while its key markets are aligned with a sustainable future.

The Group's continuing operations employs c.4,500 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 FTSE250, classified within the Electrical Components and Equipment subsector.

Appendix 1

Six months to 30 September 2021 (unaudited)

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated costs £m	Total continuing operations £m
Revenue	**105.4**	**68.9**	-	**174.3**
Underlying operating profit/(loss)	**12.8**	**11.1**	**(5.9)**	**18.0**
Acquisition expenses	(2.0)	(1.3)	-	(3.3)
Amortisation of acquired intangible assets	(1.9)	(4.5)	-	(6.4)
Operating profit/(loss)	**8.9**	**5.3**	**(5.9)**	**8.3**

Six months to 30 September 2020 (unaudited)

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated costs £m	Total continuing operations £m
Revenue	**90.8**	**53.0**	**-**	**143.8**

Underlying operating profit/(loss)	**10.4**	**7.1**	(3.9)	13.6
Acquisition expenses	(0.3)	(0.3)	-	(0.6)
Amortisation of acquired intangible assets	(1.7)	(3.6)	-	(5.3)
IAS 19 pension charge	-	-	(0.2)	(0.2)
Operating profit/(loss)	**8.4**	**3.2**	(4.1)	**7.5**

Year to 31 March 2021 (unaudited)

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated costs £m	Total continuing operations £m
Revenue	**190.4**	**112.4**	**-**	**302.8**
Underlying operating profit/(loss)	**23.4**	15.5	(8.1)	30.8
Acquisition expenses	(0.8)	(0.4)	-	(1.2)
Amortisation of acquired intangible assets	(3.5)	(7.6)	-	(11.1)
IAS 19 pension charge	-	-	(1.4)	(1.4)
Operating profit/(loss)	**19.1**	**7.5**	**(9.5)**	**17.1**

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