7.00am, 6 July 2022

discoverIE Group plc

Acquisition of the CDT group

discoverIE Group plc (LSE: DSCV, "discoverIE" or the "Group"), a leading international designer and manufacturer of customised electronics for industrial applications, today announces the acquisition of the CDT group ("CDT").

CDT, which is a designer and manufacturer of customised plastic enclosures for circuit boards, membrane keypads and associated electronics components, has been acquired for a total cash consideration of £5.0m on a debt free, cash free basis, before expenses, funded from the Group's existing debt facilities. The acquisition will be immediately enhancing to Group underlying earnings. Proforma Group gearing at 31 March 2022 including the CDT acquisition is 0.7x, well below our target range of 1.5x to 2.0x.

CDT, based in Northamptonshire, UK, will be integrated with the Group's Contour business cluster within the Sensing & Connectivity division, whilst retaining its distinct brand identity. The acquisition will enhance the cluster's engineering capabilities, further integrating custom electronic designs with their enclosures, enabling more highly differentiated opportunities. Its main markets are medical, renewables, emergency vehicles and industrial companies.

The business, which was resilient through Covid, reported revenues for the year ended 31 December 2021 of £2.9m generating an underlying operating profit of £0.8m and an underlying operating margin of 28%.

Nick Jefferies, Group Chief Executive of discoverIE, said:

"The acquisition of the CDT group continues our strategy of building a high quality, higher margin international group that designs and manufactures customised electronics. CDT will be integrated with our existing Contour business enabling more complex and integrated designs as well as providing CDT with access to our wider base of customers and with it, new sales opportunities. We are delighted to welcome CDT and its employees into the Group.

With a clear strategy focused on long-term, high quality growth markets, a diversified customer base, a strong pipeline of acquisition opportunities, the Group is well positioned to make further progress on its key priorities."

For further information please contact:

discoverIE Group plc 01483 544 500
Nick Jefferies Group Chief Executive
Simon Gibbins Group Finance Director
Lili Huang Head of Investor Relations

Buchanan 020 7466 5000
Chris Lane, Toto Berger, Jack Devoy
discoverIE@buchanan.uk.com

Notes

1. Gearing is defined as net debt divided by underlying EBITDA (excluding IFRS 16, annualised for acquisitions). Gearing at 31 March 2022 was 0.6x.

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 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 customer relationships.

With a focus on sustainable key markets driven by structural growth and increasing electronic content, namely renewable energy, medical, electrification of transportation and industrial automation & connectivity, the Group aims to achieve organic growth that is well ahead of GDP and to supplement that with complementary acquisitions. The Group has an ongoing commitment to reducing the impact of its operations on the environment and with its key markets aligned with a sustainable future, MSCI has awarded the Group an ESG "A" rating.

The Group employs c.4,900 people across 20 countries with its principal operating units located in Continental 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 FTSE250, classified within the Electrical Components and Equipment subsector.