NEWS RELEASE

Q3 Trading Update

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discoverIE Group plc
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discoverIE Group plc (LSE: DSCV, "discoverIE" or "the Group"), a leading international designer and manufacturer of customised electronics to industry, today issues a trading update for the three months ended 31 December 2024 ("the Period").

The Group remains on-track to deliver full year underlying earnings in line with the Board's expectations.

Group sales for the Period were flat year-on-year at CER(1). Organic(2) sales performance continued to recover being 3% lower than last year (from 7% lower in the second quarter and 12% lower in the first quarter). At a divisional level, S&C continued to lead the recovery cycle with a return to organic sales growth in the Period whilst M&C remains negative, albeit improving over the first half.

Gross margins in the Period continued to be robust with operating costs and working capital again tightly managed.

The order book increased by 4% during the Period and the book-to-bill ratio increased to 1.01 from 0.98 in the first

half. Orders were down 6% organically against a strong prior year comparator.

Since the Period end and as previously announced, the Group has acquired Burster, a designer and manufacturer of specialist sensors, for an initial cash consideration of €30.6m (£25.9m) funded from the Group's existing debt facilities, plus an earn-out of up to €12.4m (£10.5m).

The Group's cash generation has continued to be strong and on completion of the acquisition, the Group's consensus gearing(3) at 31 March 2025 increases from 1.25x to 1.6x, well within the Group's target range of 1.5x to 2x.

With an excellent pipeline of organic and inorganic opportunities and strong cashflow, the Group is well positioned to deliver sustained growth as markets recover.

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Notes

1. Growth rates refer to the comparable prior year period unless stated. In calculating CER for the Period, the average Sterling rate of exchange strengthened 4% against the Euro compared with the average rates for last year, 3% against the US Dollar and 5% on average against the three Nordic currencies, resulting in a 3% sales reduction for the Period.

2. 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 (Silvertel in August 2023, 2J Antennas Group ("2J") in September 2023 and Shape, DTI and IKN in Q4 2023/24, Hivolt in July 2024) and excluding last year's announced disposal of the Santon solar business unit.

3. Gearing is defined as net debt divided by underlying EBITDA (excluding IFRS 16, annualised for acquisitions).

4. 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.

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 growth that is well ahead of GDP 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 "AA" rating by MSCI and is Regional (Europe) Top Rated by Sustainalytics.

The Group employs c.4,500 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 FTSE 250, classified within the Electrical Components and Equipment subsector.

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