NEWS RELEASE

discoverIE Group plc - Full Year Trading Update

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Full Year Trading Update

Strong finish to the year with results ahead of Board expectations

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 its financial year ended 31 March 2023, ahead of the announcement of its preliminary results on 8 June 2023.

The Group's positive trading momentum continued through the final quarter with

the Group on track to deliver full year underlying earnings ahead of the Board's expectations.

Group sales for the year were 16% ahead of last year(1), of which 8% was organic growth(2), 5% from acquisitions and 3% from foreign exchange, with 8% organic growth in both divisions. Sales in the fourth quarter continued to be strong, despite challenging comparators, with year-on-year growth of 8%, of which 2% was organic growth, 3% from acquisitions and 3% foreign exchange.

The order book continues to be at a higher than expected level and in line with last year, normalising less than previously anticipated as a result of stronger order intake in Q4, which was 16% higher sequentially than in Q3, and in line with sales. As previously guided, during the second half the order book has been normalising from the record level at 30 September 2022 as it converts into sales and we expect this to continue in the new year. The strong order book provides good visibility of demand heading into FY24.

Gross margins remain robust and the semiconductor sourcing issues flagged last year, impacting two of our 21 businesses, are mostly resolved with availability at required levels and lead-times returned to near normal levels. Operational performance has also continued to be strong, with the Group benefitting from the agility provided by its broad footprint and decentralised model.

The Group is well-funded with gearing(3) at 31 March 2023 of c.0.9x and there remains good headroom for further growth investment within the target gearing range of 1.5x to 2.0x. The Group's acquisition pipeline has continued to build and presents a number of good potential opportunities coming into the new financial year.

With a clear strategy focused on long-term, high quality, structural and sustainability-aligned growth markets across Europe, North America and Asia, a diversified customer base, a strong order book and pipeline of acquisition opportunities, the Group is well positioned to make further progress.

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Notes

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

2. Organic growth for the Group compared with last year is calculated at constant exchange rates ("CER") and is shown excluding the first 12 months of acquisitions post completion (CPI in May 2021, Antenova in August 2021, Beacon in September 2021, CDT in June 2022 and Magnasphere in January 2023). In calculating CER for the year ended 31 March 2023, the average sterling rate of exchange weakened 2% against the Euro and 12% against the US Dollar compared with the average rates for last year, while strengthening 2% on average against the three Nordic currencies. For the final quarter ended 31 March 2023, the average sterling rate of exchange weakened 5% against the Euro and 10% against the US Dollar compared with the average rates for the same period last year, while strengthening 1% on average against the three Nordic currencies.

3. Gearing ratio is defined as net debt divided by underlying EBITDA (annualised for acquisitions).

4. This trading update is based upon unaudited management accounts which are subject to finalisation and audit, 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 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.5,000 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.

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