NEWS RELEASE

# discoverIE Group plc - Trading Update

7/26/2024

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**For Release**
**7.00am, 26 July 2024**

**discoverIE Group plc**
**Trading Update**

**Start to the new year in line with 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 the first three months of the financial year ending 31 March 2025 ("the Period" or "Q1").

**Q1 Trading Update**

The Group's performance in the Period was in line with the guidance provided at the time of the FY2023/24 results, with the Board's underlying earnings expectations for this year unchanged.

As expected, Group sales for the Period were 6% lower than last year at CER(1). Organically(2), sales were 12% lower against a strong comparator as industrial customer destocking continued, partly offset by the Group's other

target markets and a +6% net contribution from acquisitions.

Gross margins in the Period continued to be robust and operating costs and working capital tightly managed, with the Group on target to achieve its 13.5% underlying operating margin target this financial year and 15% over the medium term.

Orders returned to growth in the Period, increasing by 13% CER and being ahead of sales, with a book to bill ratio of 1.01, up from 0.84 last year. Organically, orders grew by 4%.

With an excellent pipeline of design wins, acquisition opportunities and high cashflow, the Group is well positioned to continue its strong through cycle growth as market conditions stabilise.

**Capital Markets Event**

The Group will host a Capital Markets Event for investors and analysts, commencing at 1pm UK time on 11 September 2024. Further details will be provided in due course.

For further information, please contact:

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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 2% against the Euro compared with the average rates for last year, 1% against the US Dollar and 2% on average against the three Nordic currencies, resulting in an additional 1% sales reduction for the first 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) and excluding last year's announced disposal of the Santon solar business unit.

3. 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:***

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 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 is committed to reducing the impact of its operations on the environment with an SBTi-aligned plan 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 FTSE250, classified within the Electrical Components and Equipment subsector.

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