

discoverIE Group

Trading in line for Q126

In its Q126 trading update, discoverIE confirmed that trading in Q1 was in line with management expectations. Organic revenues were flat year-on-year, showing continued improvement from last year. Following the trend flagged at recent full year results, three of the four operating units showed organic growth, with only Controls still seeing weaker demand. Management's expectations for full year earnings are unchanged and we maintain our forecasts.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
3/24	437.0	48.2	36.78	12.00	19.0	1.7
3/25	422.9	50.1	38.68	12.50	18.1	1.8
3/26e	447.3	52.6	39.45	13.00	17.7	1.9
3/27e	461.4	54.9	41.02	13.55	17.0	1.9

Note: PBT and diluted EPS as per discoverIE's adjusted metrics (excludes amortisation of acquired intangibles and exceptional items).

Group revenue increased 3% y-o-y at constant exchange rates (CER) in Q126, with flat organic revenue and a 3% contribution to growth from acquisitions. The company noted that organic business performance had strengthened over the last year, with year-on-year organic revenue growth improving quarter-by-quarter (Q125 -12%, Q225 -7%, Q325 -3%, Q425 -4%, Q126 0%). In Q126, three of the four operating units (Sensing, Connectivity and Magnetics) delivered good organic sales growth, with Controls the exception, where demand from several large customers remains subdued through H126.

Order intake was 4% lower year-on-year CER. The company pointed to one large booking received in Q125, which pushed organic order growth up to 4% y-o-y in Q125. Excluding the one large booking in Q125, Q126 orders grew 2% organically year-on-year.

Gross margins remain robust and working capital continues to be tightly managed. The company has a strong pipeline of organic and inorganic opportunities and strong cash flow, positioning it well for growth as market conditions stabilise.

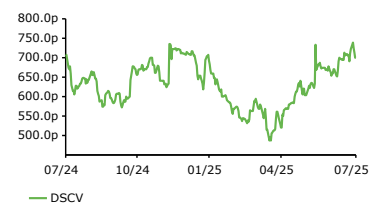
Q126 trading update

Electrical components

25 July 2025

Price	699.00p
Market cap	£667m
Net cash/(debt) at end FY25	£(94.3)m
Shares in issue	95.5m
Free float	96.0%
Code	DSCV
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

discoverIE is a leading international designer and manufacturer of customised electronics to industry, supplying customer-specific electronic products and solutions to OEMs.

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