

discoverIE Group PLC

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discoverIE resumes dividends after strong pandemic run

What discoverIE does

DiscoverIE Group PLC (LON:DSCV) designs, manufactures and supplies highly differentiated, innovative components for electronics applications.

The group - which changed its name from Acal in 2017 - provides application-specific components to original equipment manufacturers (OEMs) internationally using its in-house engineering capability.

It focuses on key markets which are driven by structural growth and increasing electronic content, namely renewable energy, transportation, medical and industrial connectivity.

It employs around 4,000 people and its principal operating units are located in Continental Europe, the UK, China, Sri Lanka, India and North America.

How it is doing

In October the company announced it is resuming dividends since the outlook is improving, while orders in both September and October were ahead of sales.

The group exited the first half of its financial year with orders up 6% year-on-year on a like-for-like or organic basis. Half-year sales were down 6%.

The firm is to acquire Phoenix America, a designer and manufacturer of magnetically actuated sensors, encoders and related products for industrial customers in the US, for an initial consideration of US\$11mln and US\$1.5mln depending on milestones.

What the brokers say

In July, Berenberg upgraded the price target to 590p after an impressive set of full-year results, where underlying profit before tax rose 21% to £32.8mln on sales up 8% at constant exchange rates and 6% to £466.4mln on a reported basis.

The German broker said the electronic component supplier's profits were 7% ahead of its expectations while net debt was 19% lower than forecast.

"Trading so far in Q1 has illustrated the resilience of the business model, and new long-term targets demonstrate management's ambitions to become a higher-growth, higher-margin business," Berenberg added.

"While COVID-19 uncertainty remains elevated, we are confident that when conditions do recover, discoverIE will be

Price: 626

Market Cap: £559.99 m

1 Year Share Price Graph



Share Information

Code: DSCV

Listing: LSE

52 week High Low
690 330.29

Sector: Business & education services

Website: www.discoverieplc.com

Company Synopsis:

discoverIE (LSE: DSCV) is an international group of businesses that designs, manufactures and supplies highly differentiated, innovative components for electronics applications. The Group provides application-specific components to original equipment manufacturers ("OEMs") internationally.

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well placed to outperform, as it has done in previous cycles."

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