

discoverIE Group PLC

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discoverIE sparks as it hikes dividend after strong full year performance

discoverIE Group PLC (LON:DSCV) shares threw off a few sparks on Tuesday after it upped its final dividend following a strong uplift in full year profits.

The custom electronics maker reported an underlying pre-tax profit for the year ended 31 March of £27.2m, 24% higher than the year before, while revenues climbed 13% to £438.9m.

READ: DiscoverIE raises £29m to expand international footprint with two acquisitions

Organic sales and orders grew by 8% during the year, with cross-selling revenues up 20% at £10.6m.

Underlying operating margins also increased to 7% from 6.3% in the prior year, with the group's design & manufacturing division now accounting for 61% of sales, compared to 57% in the prior year, following a 10% uplift in sales from the segment.

As a result of the improved performance, the final dividend was hiked 6% to 6.75p per share, taking the full year payout to 9.55p.

Looking ahead, the company said it had ended the year with a record order book of £139m and that trading in its current financial year had "started well" with several acquisition opportunities developing.

Nick Jefferies, chief executive, added that the group was "well positioned" to progress and over the last eight months had made three "high quality, higher margin" acquisitions to help grow its business.

In a note, analysts at discoverIE's 'house' broker finnCap reiterated their 535p target price for the firm saying the "impressive" results provided further evidence that the company's focus on structurally growing markets and its consolidation of a highly fragmented market would continue to drive growth, cash flow and a higher return of capital employed.

Fellow broker Peel Hunt was similarly upbeat, saying the company remained on of their "top picks" in the sector and reiterated their 500p target price and 'buy' rating.

The company's shares were up 2.1% at 429p in early deals.

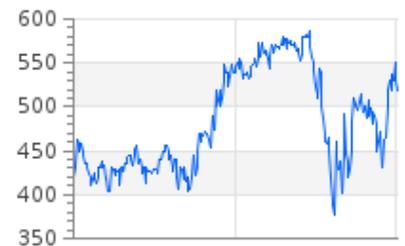
--Adds broker comments and share price--

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Price: 530

Market Cap: £474.12 m

1 Year Share Price Graph



June 2019 November 2019 June 2020

Share Information

Code: DSCV

Listing: LSE

52 week	High	Low
	606	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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