Acquisition

Released : 07 Jan 2015

RNS Number : 4636B
Acal PLC
07 January 2015

7.00am, 7 January 2015

Acal plc

Acquisition of Foss AS

Acal plc (LSE: ACL, "Acal" or the "Group"), a leading international supplier of customised electronics to industry, today announces the acquisition of Foss AS Fiberoptisk Systemsalg ("Foss"), a designer and manufacturer of customised fibre optic solutions, for an initial consideration of NOK 117m (£10.1m) on a debt free, cash free basis, before expenses. The acquisition is being funded from Acal's existing debt facilities and is expected to be immediately earnings enhancing.

Additional cash consideration of up to NOK 22m (£1.9m) will be payable over the next 3 years, subject to the business achieving agreed growth targets.

Foss, which has operations in Norway and Slovakia, is a leading designer and manufacturer of customised fibre optic cabling which enables high speed communication, increasingly required in industrial as well as telecommunication applications.

With approximately 100 staff, the business will operate within Acal's Design & Manufacturing division whilst retaining its brand identity. Revenues for the year ended 31 December 2013 were NOK 163m (£14.0m) generating a pre-tax profit of NOK 17.6m (£1.5m). Gross assets at 31 December 2013 were NOK 82m (£7.1m).

The addition of Foss to Acal's fibre optic capability will approximately double Acal's revenues in this area, and with Foss benefitting from access to Acal's broad customer base and international reach, the acquisition is expected to create cross-selling opportunities within the Group.

Foss has been acquired from Skjelsbæk Invest AS ("SI"), a Norwegian company which is wholly-owned by Mr Runar Skjelsbæk, a Director of Foss. Mr Skjelsbæk will continue as a member of the Foss management team.

Nick Jefferies, Group Chief Executive of Acal plc, said:

"We are delighted to welcome Foss into the Acal Group. The acquisition continues our strategy of acquiring high quality, growing businesses that broaden and strengthen our technology expertise, thereby creating further growth opportunities. Foss has a well established track record of designing and manufacturing high performance, customised fibre optic products. As part of the enlarged Group, Foss will gain access to our base of over 20,000 customers while Acal will benefit from access to their customised design and manufacturing skills."

For further information please contact:

Acal plc
Nick Jefferies - Group Chief Executive
Simon Gibbins - Group Finance Director 01483 544 500

Peel Hunt (Corporate Broker)
Justin Jones 020 7418 8900
Mike Bell

Instinctif
Mark Garraway 020 7457 2020
Helen Tarbet

Notes to Editors:

About Acal plc

Acal is a leading supplier of customised electronics to industry. It designs, manufactures and distributes customer-specific electronic products and solutions to 20,000 industrial manufacturers and is listed on the London Stock Exchange (LSE: ACL).

Acal has two divisions: Custom Distribution and Design & Manufacturing. The majority of its sales comes from products and solutions which are either created uniquely for a customer or sourced exclusively. Acal works across a range of technologies, namely Communications & Sensors, Electromechanical, Imaging & Photonics, Microsystems & Displays, and Power & Magnetics.

Acal operates through the following wholly-owned businesses: Acal BFi, Foss, Hectronic, MTC, Myrra, Noratel, RSG, Stortech and Vertec. It has operating companies and manufacturing facilities in a number of markets, including the UK, Germany, France, the Nordic region, Benelux, Italy, Poland, Slovakia and Spain, as well as in Asia (China, India, Sri Lanka and South Korea), the US and South Africa.

This information is provided by RNS
The company news service from the London Stock Exchange

END

ACQEAKFKESFSEFF