Acquisition

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Acal plc

Acquisition of Flux AS

Acal plc (LSE: ACL, "Acal" or the "Group"), a leading international supplier of customised electronics to industry, is pleased to announce the acquisition of Flux AS ("Flux") for a consideration of DKK 39m (£3.7m) 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.

Flux, which is headquartered in Denmark and has a manufacturing facility in Thailand, is a designer and manufacturer of customised magnetic components for use across the range of industrial, high reliability and space grade applications.

Revenues for the year ended 31 December 2014 were DKK 89m (£8.5m) generating a pre-tax profit of DKK 7.2m (£0.7m), and £0.5m on an underlying(1) basis. Gross assets at 31 December 2014 were DKK 53m (£5.0m).

The business will operate within Acal's Design & Manufacturing division and will build on Acal's growing custom magnetics capabilities, following on from the acquisitions of Noratel and Myrra. With Flux benefitting from access to Acal's broad customer base and international reach, the acquisition is expected to create new revenue opportunities from cross-selling across the Group.

Flux has been acquired from Niels Overgaard Christensen Holdings AS, a Danish company founded in 1980 and which is wholly-owned by Mr Niels Overgaard Christensen. The existing management will continue with the business and Mr Overgaard Christensen will remain as a consultant.

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

"The acquisition of Flux is in line with our strategy of building a differentiated, higher margin Group by buying specialist businesses which fit with our organic growth initiatives. Flux has a long established track record of designing and manufacturing high performance custom magnetic products.

As part of the Acal Group, Flux will gain access to our base of over 20,000 customers, many of whom have a requirement for products that can operate to a higher reliability standard in a harsh environment.

We are delighted to welcome Flux into the Group."

For further information please contact:

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Notes

1. Underlying profits exclude exchange rate effects and discontinued activities.

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 25,000 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, Embedded Computers & 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

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