Trading Update & Acquisition

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Acal plc
Trading Update and North American Acquisition

Acal plc (LSE: ACL, "Acal" or "the Group"), a leading international supplier of customised electronics to industry, today issues a trading update for the year ending 31 March 2016, covering the 4 months period from 1 October 2015 to 31 January 2016, and announces the acquisition of Plitron Manufacturing Inc ("Plitron").

Trading update

During the 4 months ended 31 January 2016, the Group performed in line with our expectations.

In the Design & Manufacturing division, sales increased by 26% CER. Like-for-like[2] growth continued at levels similar to the first half of the current financial year.

In the Custom Distribution division, ongoing sales[3] were flat, with Continental Europe growing at levels similar to organic rates in the D&M division while the UK remained in decline. As indicated at the time of our first half results announcement, overall sales growth in Custom Distribution was impacted by the strong prior year comparator arising primarily from a few large one-off customer orders.

Gross margin remains firm and ahead of last year.

Flux A/S, which was acquired on 5 November 2015 for an initial consideration of £3.7m, and Contour Electronics, which was acquired on 8 January 2016 for an initial consideration of £17.0m, are performing as expected.

Whilst mindful of the current uncertain economic and market conditions, we maintain our earnings forecast for the full year.

Acquisition of Plitron Manufacturing Inc

Plitron, based in Toronto, Canada, is a designer and manufacturer of custom toroidal transformers for transportation, medical and industrial applications.

With a well established track record of supplying high quality, custom-engineered magnetic products in North America, the business will further develop the Group's international capabilities and is expected to generate new cross-selling opportunities. Plitron will operate within Acal's Design & Manufacturing division ("D&M") whilst retaining its distinct brand identity.

Plitron has been acquired for a consideration of C$4.0m (£2.0m) on a debt free, cash free basis. It reported sales for the year ended 31 May 2015 of C$8.2m (£4.0m) and gross assets of C$3.2m (£1.6m). The acquisition was funded from Acal's existing debt facility.

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Notes

1. Growth rates refer to the comparable prior year period.

2. Like-for-like growth for the Group is calculated at constant exchange rates, including the pre-acquisition periods of the Noratel Group and Foss Group which were acquired last year (on 17 July 2014 and 7 January 2015 respectively), but excluding the recent acquisitions of Flux A/S and Contour Electronics.

3. Ongoing sales exclude large, non-repeating orders from last year and sales of its final major non-specialist, low margin supplier, which was discontinued last year.

4. This trading update is based upon unaudited management accounts and has been prepared solely to provide additional information on trading to the shareholders of Acal plc. It should not be relied on by any other party for other purposes. Certain statements made in this update are forward-looking statements. Such statements have been made by the Directors in good faith using information available up until the date that they approved this update. Forward-looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.

Notes to Editors:

About Acal plc

Acal is a leading international 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: Design & Manufacturing and Custom Distribution. The majority of its sales comes from products and solutions which are created uniquely for a customer. Acal works across a range of technologies, namely Power & Magnetics, Communications & Sensors, Electromechanical, Imaging & Photonics and Embedded Computers & Displays.

Acal operates through the following wholly-owned businesses: Acal BFi, Contour, Flux, Foss, Hectronic, MTC, Myrra, Noratel, Plitron, 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, South Korea and Thailand), the US, Canada and South Africa.

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