Trading Update

Released : 16 Oct 2017

RNS Number : 6233T
Acal PLC
16 October 2017

For Release
7.00am, 16 October 2017

Acal plc
First Half Trading Update

Acal plc (LSE: ACL, "Acal" or "the Group"), one of the leading international suppliers of customised electronics to industry, today issues a trading update for the six months ended 30 September 2017 ahead of publishing its half-year results on 28 November 2017.

Trading in the second quarter was strong, generating good levels of organic growth, continuing the momentum reported in previous quarters. This growth was driven by new project wins, mostly in our target markets, and product cross selling, supported by favourable market conditions, particularly in Continental Europe. As a result, full year earnings are now anticipated to be slightly ahead of our expectations.

First half revenue for the Group increased by 21% (£33m) to £190m compared with last year (H1 2016/17: £157m), an increase of 15% (£24m) at constant exchange rates[1] ("CER"), comprising organic revenue growth of 9% (£16m) and 6% (£8m) from acquisitions[2].

Organic sales in our Design & Manufacturing ("D&M") division, which accounted for 57% of total revenue (FY 2016/17: 52%), grew by 11% and by 7% in our Custom Distribution division. Group orders increased by 15% CER, of which 10% was organic growth lifting the Group's forward order book to another record period end high.

Gross margin stabilised during the first half and as expected was in line with the final quarter of last year.

The Board is confident of making good progress through the rest of the year, continuing its established strategy of seeking high quality revenue opportunities in our target markets, along with value enhancing acquisitions.

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Notes

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.

1. Growth rates at constant exchange rates ("CER"). The average sterling rate of exchange weakened 7% against the Euro compared with the average rate for the first half last year, weakened 6% against the US Dollar and weakened 7% against Nordic currencies on average.

2. Organic growth for the Group is calculated at CER, including the equivalent pre-acquisition period of Variohm which was acquired last financial year (on 20 January 2017) and excluding the sales from Acal BFi Spain which was closed in December 2016.

3. Growth rates refer to the comparable prior year period unless stated.

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. Acal is listed on the London Stock Exchange (LSE: ACL).

Acal has two divisions: Design & Manufacturing and Custom Distribution. The majority of its sales come from products and solutions which are created specifically for customers. Acal works across a range of technologies, namely Communications & Sensors, Power & Magnetics, Electromechanical & Cabling, Microsystems, and Imaging & Photonics.

Acal operates through the following wholly-owned businesses: Acal BFi, Contour, Flux, Foss, Hectronic, MTC, Myrra, Noratel, Plitron, RSG, Stortech, Variohm 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 and Slovakia as well as in Asia (China, India, South Korea, Sri Lanka and Thailand), North America (the US and Canada) and South Africa.

This information is provided by RNS
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