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Acal generated constant currency revenue growth of 51% in Q116, with underlying growth in both divisions supplemented by the inclusion of the Noratel and Foss acquisitions (both made post Q115). Currency still presents a headwind, with sterling strength against the euro and Nordic currencies reducing reported revenue growth to 39%. Recent acquisitions continue to make good progress, and the company is seeing positive results from its cross-selling initiatives. We maintain our forecasts.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
03/14	211.6	6.9	13.1	6.80	23.0	2.3
03/15	271.1	12.4	16.4	7.60	18.3	2.5
03/16e	304.3	14.9	16.9	7.95	17.8	2.7
03/17e	316.2	16.2	18.1	8.30	16.6	2.8

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, share-based payments and exceptional items.

For Q116, Acal generated sales growth of 39% on a reported basis and 51% on a constant currency basis, as sterling strengthened by 9% versus the euro and 13% versus the Nordic currencies in the period. Like-for-like¹ sales growth for Custom Distribution and Design & Manufacturing was similar to H215 (which was 2% and 5% respectively). Design & Manufacturing made up 45% of revenues in Q116, in line with our forecast for FY16. Sales outside Europe have increased to 15% of the total, up from 12% in FY15. Gross margin was higher than a year ago (H115: 30.9%, FY15: 31.1%, H116e: 30.9%). The Noratel and Foss acquisitions started the year well, and continue to show year-on-year growth. The company continues to look for additional acquisitions, and has c £40m headroom in its debt facilities to fund these.

¹ Constant currency, including pre-acquisition periods for Noratel and Foss.

Price	301.0p
Market cap	£190m
	£1: €1.41
Net debt (£m) at end FY15	19.0
Shares in issue	63.0m
Free float	99%
Code	ACL
Primary exchange	LSE
Other exchanges	N/A

Share price performance



Business description

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.

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