

Churchill China hails 'strong recovery' as revenues reach £60.8 million

Ceramics manufacturer [Churchill China](#) has hailed a 'strong recovery' after recording revenues of more than £60 million.

For the 12 months to December 31, 2021, the Stoke-on-Trent company saw revenue climb to £60.8 million from £36.4 million in 2020, while operating profit rose to £6.1 million from just £900,000 the previous year.

The firm says it has enjoyed a 'strong performance' following the lifting of Covid restrictions and has continued to gain market share.

Bosses added that they are 'confident' for the year ahead as growth continues into 2022.

Churchill China chairman Alan McWalter said: "Our overall performance in 2021 has reflected the considerable upheavals in the general business environment through the year.

"We dealt well with the hospitality market restrictions that affected much of the first half of 2021 and, as supply side issues impacted the later months of the year, we once again responded quickly.

"The blend of our market, product and operational strategies has allowed us to continue to perform well. As a result we are now benefiting from exceptional demand from customers across all our markets and continue to build long term market share."

Churchill China says its overall hospitality sales in 2021 were 90 per cent of those recorded in 2019, with the shortfall entirely attributed to the pandemic where, in the first four months of the year, sales were approximately half of 2019

levels. But the firm has made progress in all of its overseas regions – particularly Europe, where sales rose to £9.9 million and recovered to 2019 levels.

In the last 12 months, the business has also had to deal with a number of operational challenges such as rising energy and material costs, but it successfully made a number of investments in the early part of the year, including a third factory extension and a new kiln.

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In 2022, the company plans to make a number of other investments to help it reduce its energy footprint and improve its productivity. This includes spending £1.2 million to generate solar power at its Sandyford factory.

Mr McWalter said: "The second half of 2021 saw a strong recovery in our sales to the hospitality market enabling us to deliver against our targets despite a less than predictable business environment. Some of the issues arising from the challenges we face continue to impact on our operations, but we are making progress in resolving them and we continue to benefit from growing revenues.

"Churchill has a long term approach to business and we believe that the fundamentals of our strategic position remain strong. The hospitality market continues to be an attractive market characterised by a high level of repeat business. We have a leading position within the market supported by a technically differentiated product, a well invested operational base and a robust financial position."

He added: "We continue to benefit from record levels of demand. Whilst there may be concerns in relation to the effect of increased costs of living on discretionary spending we are

not as yet experiencing any impact from this on order volumes. Our margin level remains affected by lower than desired levels of productivity, but we expect to improve this progressively as the year unfolds.

“While we are mindful of the potential impact of further Covid-related restrictions and geopolitical developments on our markets and manufacturing operations, we remain confident in our ability to deliver an improved performance in 2022.”

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