

New Grimsby seafood plant secured at Covid outbreak 'taking longer to stabilise'

The company behind a new seafood plant in Grimsby has told how it will take longer to break even than anticipated.

Icelandic Seafood International swooped for the former Five Star Fish site as Covid hit UK shores. What many hoped would impact for weeks is still hitting the books almost two-and-a-half years on, with a loss just returned for the first half the year.

A total of 30 new jobs were created, with 50 heading to the town in a relocation to build on 90 existing positions at the consolidated neighbouring Havelok business, as the 100,000 sq ft production site was brought back into use.

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It had been closed when 2 Sisters Group pulled out, with the loss of 390 roles in 2018, following major contract losses.

Havelok was unified with fellow group business Icelandic Seafood Barraclough, which had operated from Bradford. It was one of several strategic investments highlighted as part of a €15.2 million equity raise by chief executive Bjarni Ármannsson.

The two businesses became one legal entity as part of a group with a turnover of £390 million and a market capitalisation of £162 million. It is one of seven factories and 12 businesses across eight countries.

Presenting the results which showed sales up to £202 million for the period, though a loss of £2.4 million compared to last

year's £2.9 million profit, Mr Ármannsson described the first half of 2022 as "a disappointment for Iceland Seafood".

On the Grimsby plant, he said: "The IS UK operation was loss making in the period, where external challenges continue to impact the business. On top of a negative impact of cost increases during the first half of 2022, the outbreak of Omicron Covid-19 had a disruptive impact on both operations and logistics in the beginning of the year.

"It has become clear that it will take longer, and cost more than previously estimated to stabilise the UK operation. Key tasks are to rectify sales prices and to grow the business with both current and new customers. Based on current outlook it is expected that operation will continue to be loss making during the second half of 2022, but that break-even level will be reached in the first half of 2023."

He said strengthening of the local management team was fully completed in the period, with Glen Mathews joining as managing director at the end of February.

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