# North East manufacturer ENTEK International reports buoyant sales amid European demand

A North Tyneside firm that makes critical components for the automotive industry has seen stronger sales driven by demand from the European Union.

ENTEK International Limited, which operates from Killingworth's Camperdown Industrial Estates, says turnover grew to £44.4m last year, up from £40.8m, as high sales values provided a boost.

In accounts filed at Companies House, the 130-strong firm said it expected significant demand for its separator products to continue this year, as markets also remain competitive.

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Operating profits at the US-owned business were down from  $\pounds 7.2m$  to  $\pounds 6.6m$  though pre-tax cash generation rose from  $\pounds 11.3m$  to  $\pounds 12.5m$ .

Last summer ENTEK <u>signed a memorandum of understanding</u> with electric vehicle battery producer Britishvolt as its preferred lithium-ion battery separator partner.

The memorandum is the precursor to a long term contractual agreement that would see ENTEK supply Britishvolt's forthcoming gigafactory at Cambois, near Blyth, from its Killingworth base, but also from a location at the gigafactory.

Writing in a report accompanying the accounts, Jeff Grim, ENTEK's executive vice president, said: "ENTEK will continue to exploit its position as the industry's technological and

cost leader and take advantage of the growth opportunities presented by the continuing evolution of automotive power systems technology.

"Our lead-acid battery separators serve the automotive battery market. The automotive lead acid battery industry highly specialised, and we generally compete with only a few other companies.

"We enjoy longstanding relations and collaborative partnerships with a base of customers who are among the leaders in their respective markets. These relationships are strengthened by our ability to develop highly technical membrane products that meet the precise evolving needs of our customers.

"Most of our products require years of cooperative development with custom extensive testing and approval prior to the introduction of our customers' products to the market.

"Although separator is a critical functional component of the automotive battery, it represents a relatively small percentage of final battery cost."

He added: "Neither Brexit nor Covid-19 had a significant impact on the company in 2021. Despite the situation in Russia and Ukraine the company's markets and demand for its products remain stable.

"To mitigate significant raw material and energy cost increases, the company has announced price increases in Q1 2022."

ENTEK calls itself a "world leader" in polyethylene battery separator material that has forged long term partnerships with a small handful of global batter manufacturers.

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