

Northumberland soft drinks firm Fentimans reports rising revenues and profits

North East soft drinks company Fentimans has seen profits and revenues rise despite a catalogue of challenges.

The Hexham business was relaunched more than 20 years ago by founder Eldon Robson through a traditional ginger beer recipe owned by his family. Now it makes and sells more than 40 soft drinks, mixers, syrups, craft beers and pre-mixed alcoholic drinks to the hospitality trade and high street retailers.

The firm has posted accounts for 2021 showing gross sales of £44m, a 20% lift on the previous year, while operating profit saw a sixfold increase from £260,535 to £1.61m. Pre-tax profit came in at £1.597m, up from £212,272.

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Group CFO Daniel Tobin said: “The result was delivered against the continued backdrop of global uncertainty throughout 2021: Covid-driven restrictions across the UK, US and other key international markets for substantial periods of the year, significant supply chain disruption and the implications of Brexit on the group’s export operations, particularly in Q1 of 2021.

“The group has demonstrated its resilience by trading strongly through these unprecedented challenges and the board would like to take this opportunity to thank all our stakeholders and especially our employees for their efforts through this difficult period.”

In January of last year the company said it was looking to grow sales in the US after moving away from a distributor

model and setting up a new wholly-owned trading subsidiary.

Latest accounts show the group's US business delivered 38% growth in its second year of trading, achieving gross sales of £4.4m, and has continued to build momentum throughout 2021 despite Covid restrictions and is starting to establish itself well in some of the country's well-known retailers. Despite the sales rise, the US business posted a small loss for 2021, reflecting a second year of operational investment and the impact of increased shipping costs in the market.

During the year Fentimans said it had continued to invest in new product development as it increased consumer awareness of the brand.

Mr Tobin said: "Throughout 2021 the group focused on concluding the development of its latest innovation, Good & Fruity, a functionally beneficial still drink with no compromise on Fentimans flavour. Good & Fruity has launched in 2022 with three flavours initially and the board is excited at the prospect of a new innovation in the soft drinks market that delivers to its consumers both high quality flavour and digestive health benefits."

Looking ahead, Mr Tobin said that Fentimans was well placed to weather disruption.

He added: "From a business perspective the recent outbreak of conflict in Ukraine is expected to deepen global supply chain disruption and inevitably result in an elevation of cost pressures. Further, the group's revenues in the impacted geographic areas will inevitably be significantly adversely affected.

"This critical issue is, of course, in addition to the ongoing adverse impact of the coronavirus pandemic and ongoing supply chain turbulence. The board, however, is pleased to report that the group has robustly absorbed and addressed the challenges of the past couple of years whilst continuing to

trade well and maintain a strong operational cashflow.

“Consequently, the board is optimistic that the group will continue to protect its position against these continued challenges, a number of which are built into the 2022 plan, and indeed continue to deliver year-on-year growth.”

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