

Revenue falls and losses widen at Leeds' Getech Group amid restructuring

The chairman of underground resources finder Getech says the business is at a "point of inflection" having undergone a restructuring.

Mike Covington said the Leeds-based business has shown significant progress against a challenging backdrop, in newly published 2023 accounts. The oil and gas and minerals exploration company told the London Stock Exchange that revenues had fallen to £4m from £5.1m the year before, and operating losses had widened from £3.1m to £5.1m.

The results include details of green hydrogen business H2 Green which Getech acquired in 2021 but has since required significant investment as it has suffered delays in key Government incentive policies. Running both businesses was said to have overstretched Getech resources and so a cost cutting exercise saw around £2m per year shaved off its overheads.

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Mr Covington said the results were reflective of the transition and that the firm had now refocussed towards its core offer of data-led, underground exploration. Efforts are now under way to diversify its customer base beyond oil and gas operators, with an ambition that at least half of its business should come from natural resource exploration for critical minerals, geothermal and carbon storage.

Getech said it is targeting becoming Ebitda and cash positive this year, with trading so far positive. Unaudited revenues in the first four months of the year are 17% ahead of the same period last year and the benefit of restructuring undertaken last year expected to be felt in 2024.

Mr Covington said: "Getech is a different business now compared to the start of 2023. We have taken important decisions to lighten the cost base and refocus the business on its strengths which are to help our clients locate sub-surface energy and mineral resources.

"Whether it is more sustainable sources of hydrocarbons, critical minerals for the energy transition such as copper or lithium, geothermal resources or extractable geologic sources deposits of hydrogen, we are already supporting our clients. We are particularly excited about using new AI tools and resources that have the potential to accelerate key aspects of our unique geo data driven approach."