

Rix sees sales fall 22 per cent as Covid's impact on oil, leisure and retail wipes off £112.5m

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Leading Hull family business JR Rix & Sons Ltd has reported a successful trading year during 2020 despite 'challenging and uncertain times' brought about by Covid-19.

A slump in demand for petroleum products during lockdown, as well as an accompanying fall in oil prices, resulted in a 22 per cent drop in group turnover, down from [£509.3 million in 2019](#) to £396.8 million last year.

Pre-tax profit remained in line with expectations, however, at £4.7 million. It followed years where earnings have been £12 million and £7.7 million.

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Group managing director Rory Clarke said: "Like a great many businesses in the UK and globally, the ongoing Covid situation has impacted on the group.

"Despite obvious turmoil in some of our subsidiaries, we are

pleased to announce that overall, activities returned a healthy profit.”

Rix’s largest subsidiary, Rix Petroleum, sold an average of five per cent less fuel by volume in 2020 compared to the year before, although demand in the retail and commercial and road fuel sectors fell significantly further as the country all but closed.

However, the single biggest factor influencing revenue performance in calendar-aligned financial year was the slump in the price of crude oil. The price fell sharply in early 2020 and remained well below the 2019 average for most of the year, only recovering in the winter.



Rix on the road.

(Image: jmitchell)

This resulted in Rix Petroleum reporting a drop in sales from £379.4 million in 2019 to £304.1 million.

“The decrease in revenue is largely attributable to significantly lower oil prices for the majority of 2020,

although those businesses most impacted by consumer demand were cars and holiday homes, which benefited from both government support and from the parent company,” Mr Clarke said.

“However, it is by no means all bad news. Some subsidiaries in the group were relatively unaffected by the pandemic and others benefitted from volatile markets and increased demand.

“Therefore, whereas 2020 was a mixed bag for JR Rix & Sons, we feel the business achieved a good result in challenging and uncertain times.”

Motor division Jordan Cars, with Fiat, Jeep, and Alfa Romeo dealership status, was forced to close its showroom for four months, resulting in a turnover drop of 35 per cent.

Victory Leisure Homes, the company’s holiday home and lodge manufacturing business, shut its factory doors for 11 weeks as UK holiday parks remained closed for large parts of the year, and this – along with overstocking in the wider holiday home sector – resulted in a 20 per cent fall in annual revenue.

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Mr Clarke said that 2020 had been a satisfactory year given the clear and difficult challenges the company and wider UK economy had faced.

He added that Rix Shipping saw a £3.5 million growth in turnover – up from £14.5 million in 2019 to £18 million – due to tight control of operational costs and significant investment in warehousing in Montrose, Scotland, which led to securing long-term contracts in the agricultural sector.

Since the year end it has taken on new [headquarters premises on Hull Marina](#) and [Victory has opened a major manufacturing site in Hull](#), to complement Gilberdyke.

Mr Clarke said Rix's strategy continues to be one of reinvesting profit into opportunities it identifies through new business development, along with targeted acquisitions.

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