

Seaward Electronic boosts turnover in 'challenging' year that brought price rises

North East electrical testing equipment maker Seaward has reported a 20.6% rise in turnover to £19.8m and a rise in operating profit despite what it described as a challenging year.

The global exporter of kit used in hospitals, by electrical installers and in the solar industry said 2021 had brought revenue growth beyond the board's expectations. At the same time margins were impacted by increasing component prices and the firm noted increased shipping costs and lead times within its supply chain.

Operating profit increased to £4.2m from £3.3m as Seaward, which is part of the German-owned GMC Instruments Group, described a complex picture across its global market in the wake of Covid restrictions. As well as its North East base, the firm runs a Tampa Florida office and the latest accounts showed the majority of turnover was derived in the UK at £10.1m, with Europe and the rest of world following at £5.1m and £4.5m respectively.

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Seaward hailed strong performances right across its business, which includes the Rigel Medical subsidiary providing test equipment to hospitals; portable appliance testers (PAT) for contractors and facilities managers; safety testers for manufacturers, and solar pv testers for renewables operators. During the year increased dividend payments were made to GMC, improving its gearing within the group.

CEO Chris Callan, who was appointed in 2021, said: “This is an exciting time in Seaward Electronic and we are delighted to have had another successful year of growth and achievement. We are building on the success of the past and investing to secure the future.

“We have a strategy to grow – and increasing our capabilities across the board, developing new products and expanding our team, together with a strong focus on expanding export markets by our commercial operations, will continue to be important ingredients in our plans to deliver long-term, sustainable global success.”

Writing in a report accompanying the accounts filed at Companies House, Mr Callan said revenues from the renewables market were particularly buoyant, with a strong demand for Seaward’s solar products in central Europe.

He wrote: “Supply chain disruption, capacity constraints and material price increases will remain key challenges for the business next year. The impact of the coronavirus pandemic on business activity was significantly less than last year and although there were regular Covid-related staff shortages, no staff were furloughed.

“Gross margins deteriorated somewhat due to component price increases but were offset by proactive management of other direct expenses. Control of overhead costs delivered a consistent net profit percentage compared to 2020. Material pricing is a primary influence on the gross profit and consequently customer pricing will continue to be an issue under close management in 2022.”

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