Grant Thornton

NORTH EAST AND NORTH YORKSHIRE

Growth Index

What do the top 300 companies reveal? 2026

Contents

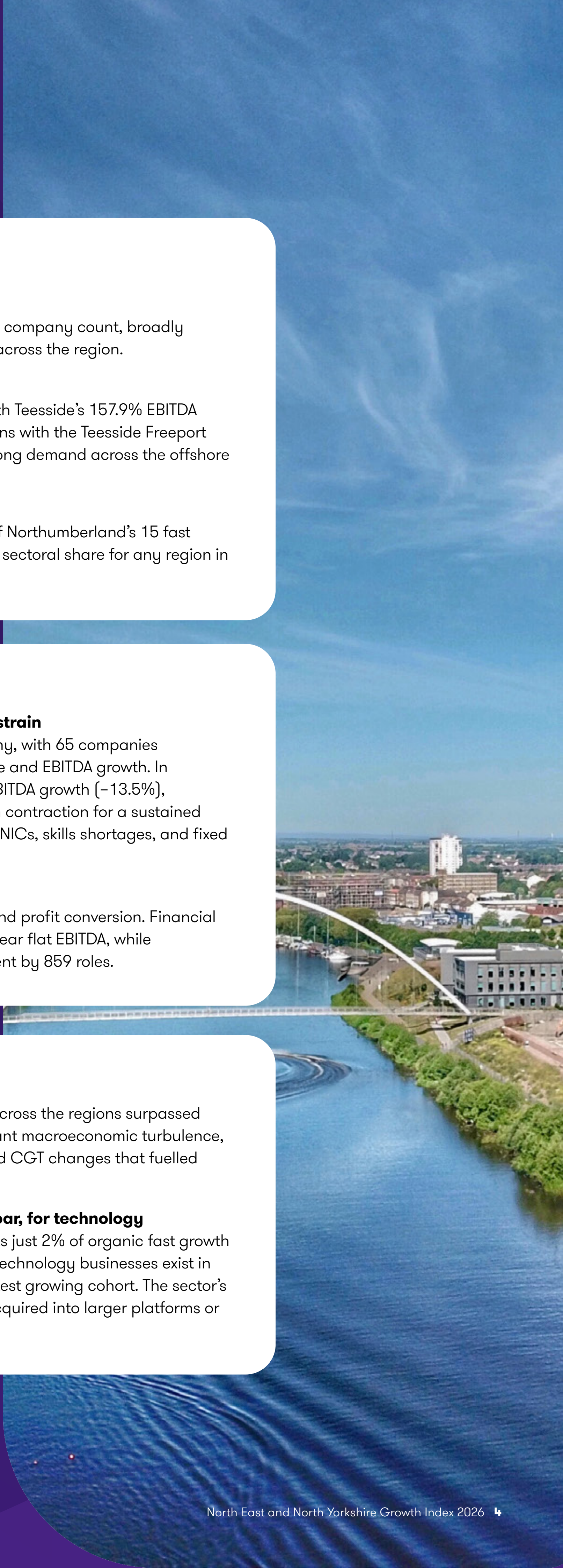
Introduction

The North East and North Yorkshire are distinct regions with a shared commercial DNA. Long shaped by industrial heritage and coastal connectivity, they have developed a business culture defined by pragmatism, resilience and straight talking confidence. Those traits continue to underpin how businesses grow, adapt and transact today.

This report puts a spotlight on that evolution. Focusing on the Top 300 fastest growing companies (by revenue growth, based on the latest publicly available financials as at 28 February 2026), it examines how growth is reshaping the regional M&A landscape. By analysing performance across sectors and sub regions, we highlight where momentum is building and how businesses are positioning themselves to navigate a volatile macroeconomic environment.

If you're based in the North East and North Yorkshire and would like to explore how the insights from this report apply to your business, or more generally wish to explore, informally, strategic and financial options across M&A, broader advisory, tax or audit, we would welcome a conversation.

Key themes



Key regional growth themes

1. **Fast growth concentration remains population led**
   Tyne and Wear and North Yorkshire dominate the fast growth company count, broadly reflecting their relative population size and business density across the region.
2. **Teesside stands out as the profitability outlier**
   Teesside delivered the strongest profitability performance, with Teesside's 157.9% EBITDA growth significantly outpacing all other sub regions. This aligns with the Teesside Freeport development, a pro business local authority mindset, and strong demand across the offshore wind supply chain.
3. **Northumberland presents the greatest sector cluster**
   Manufacturing and industrial production accounts for nine of Northumberland's 15 fast growth businesses. A 60% concentration is by far the highest sectoral share for any region in the dataset.

Key sector growth themes

1. **Manufacturing anchors the region; construction under strain**
   Manufacturing remains the backbone of the regional economy, with 65 companies employing over 33,000 people and delivering healthy revenue and EBITDA growth. In contrast, construction is the only sector reporting negative EBITDA growth (−13.5%), consistent with national trends where confidence has been in contraction for a sustained period. Sluggish property price growth, combined with rising NICs, skills shortages, and fixed price contract exposure continue to pressure margins.
2. **Revenue, EBITDA and employment divergence**
   Several sectors show a disconnect between top line growth and profit conversion. Financial services achieved exceptional revenue growth but delivered near flat EBITDA, while healthcare improved profitability despite reducing employment by 859 roles.

Key M&A themes

1. **M&A activity remains strong -** M&A deal volumes in 2025 across the regions surpassed 2023 levels despite increased investor discipline and significant macroeconomic turbulence, albeit was below 2024 levels, which was driven by anticipated CGT changes that fuelled deal demand.
2. **M&A activity largely reflects fast growth sector trends bar, for technology**
   Technology accounts for 20.7% of M&A activity yet represents just 2% of organic fast growth companies. This suggests that while high quality, investable technology businesses exist in the region, many lack the scale required to feature in the fastest growing cohort. The sector's pace and competitive intensity often see businesses either acquired into larger platforms or displaced before achieving national-scale growth.

Regional representation

Tyne and Wear

Tyne and Wear is the undisputed powerhouse of the region, accounting for 123 of the 300 companies, a commanding 41% share of all fast growth businesses identified. Its strength is broad-based rather than reliant on any single sector: manufacturing and industrial production (24) and construction, housebuilding and real estate services (25) jointly lead, while professional, technical and business services (19), and education, training, charities and non-profit organisations (11) add further depth.

North Yorkshire

With 85 companies in the top 300, North Yorkshire is the second strongest-performing region and a standout for its remarkable sectoral breadth. It is one of only two regions to feature prominently across all 12 industry categories. This near-uniform spread across industries may be a product of the significant geographical gaps between towns, limiting the cluster effect.

Teesside

Teesside contributes 38 companies to the top 300, making it the third largest regional cohort. Typically known for industrial related sectors, it is somewhat surprising that its standout sectors were education, training, charities and non-profit organisations (10 companies, representing 26% of its total), which is one of the highest proportional concentrations of any sector-region combination in the dataset. Manufacturing (8) and construction (6) are also strong. The top 150 comparison shows Teesside with 25 companies, where manufacturing strengthens further (7), indicating that its manufacturing businesses are among the most competitively positioned in the wider dataset.

County Durham

County Durham places 39 companies in the top 300 across nine of the twelve industry sectors, demonstrating a well-distributed fast growth economy for a region of its scale. Construction (8), manufacturing (7) and education (7) all contributing meaningfully. In the top 150, County Durham is represented by 19 companies.

Northumberland

Northumberland's 15 companies in the top 300 reflect the more rural and dispersed character of its economy, yet the data contains a striking finding: manufacturing and industrial production accounts for nine of those 15 businesses, a 60% concentration that is by far the highest sectoral share for any region in the dataset. This points to a clearly identifiable and robust manufacturing cluster particularly in industrial heartlands like Cramlington, Ashington and Blyth.

How industries performed

Row labels	Count of company name	Turnover percentage growth	EBITDA percentage growth	Employee percentage growth
Manufacturing and industrial production	65	23%	53%	3%
Construction, housebuilding and real estate services	54	21%	(14%)	(3%)
Education, training, charities and non-profit organisations	36	60%	319%	17%
Professional, technical and business services	36	26%	104%	8%
Wholesale, distribution and logistics	25	25%	23%	16%
Healthcare, life sciences and social care	19	47%	132%	(10%)
Transport, rail and infrastructure services	17	20%	25%	11%
Energy, utilities and environmental services	14	27%	192%	7%
Financial services and insurance	11	193%	6%	12%
Hospitality, leisure, entertainment and travel	11	29%	30%	18%
Retail and consumer goods	6	28%	251%	10%
Technology, software and digital services	6	31%	(144%)	9%
Weighted average	**300***	**43%**	**32%**	**6%**

**total*

Growth across four key sectors

Manufacturing, education/third sector, business services and energy are all growing revenue and profitability simultaneously. For manufacturing and business services, economies of scale appear to be a key driver of performance, with relatively flat headcount growth supporting this view. In the education and third sectors, stronger financials point to improved efficiency in deploying government funding. The energy and environment cluster in particular looks like the early stages of something much larger given the region's offshore wind and freeport positioning.

Construction lagging

Construction is the only sector delivering revenue growth alongside simultaneous margin compression (EBITDA: - 13.5%) and workforce reduction (- 2.7%). Fixed-price contract exposure, skills shortages and rising NICs are structurally eroding already thin margins.

Diverging metrics

Healthcare showed the sharpest workforce reduction in the cohort albeit EBITDA grew 132.3%. This indicates that consolidation is driving profitability. Impacted by rising regional demand for care, the gap between financial performance and service capacity is widening, delivering strong near-term EBITDA, but meaningful operational risk if capacity constraints intensify.

Financial services delivered the strongest revenue growth in the dataset (192.9%) but converted a low proportion into profit (EBITDA: +6.0%). Reasons for EBITDA performance failing to mirror revenue growth was varying, however it did predominantly relate to subsidiary companies of a major national insurer.

Lower technology prevalence

Technology represents just 2% of the cohort and is the only sector generating collective losses (EBITDA: −143.9%), yet accounts for 20.7% of regional M&A activity. The presence of multiple early stage PE firms, the university base and credible UKRI-backed pipeline would indicate that start-up flow is not the issue but rather scaling businesses before they are acquired by larger organisations is the challenge. However, this is not unusual for the sector, with scale being less significant to M&A attractiveness than other industries like Manufacturing.

Regional output

Growth that's translating into stronger margins, not just bigger top lines.

Row Labels	Turnover percentage growth	EBITDA percentage growth	Employee percentage growth
Tyne And Wear	56%	29%	6%
Teesside	51%	158%	15%
County Durham	37%	97%	(9%)
Northumberland	32%	65%	8%
North Yorkshire	22%	19%	8%
Weighted average	**43%**	**32%**	**6%**

EBITDA growth rates exceed turnover growth rates across several regions. Teesside is the most striking example, with EBITDA growing by 157.9% against turnover growth of 50.6%. County Durham similarly recorded EBITDA growth of 97.0% against turnover growth of 37.0%. Northumberland achieved 64.7% EBITDA growth.

Total employment across the 300 companies grew by 6,361 jobs (5.5%), a meaningful contribution to the regional labour market. However, the employment growth picture is more varied than the turnover and EBITDA story. Tyne and Wear added the most roles in absolute terms (3,938), while Teesside achieved the strongest percentage growth in employment at 14.9%. North Yorkshire added 1,989 roles (8.1%) and Northumberland 129 (7.7%).

County Durham stands out as the exception, as a significant drop in employment from one business in the dataset appeared to skew the results slightly. Across the cohort broadly, the moderate employment growth relative to strong revenue and profit growth is consistent with businesses scaling efficiently and improving output per employee. With the emergence of AI this trend may accelerate in the coming years.

Resilient M&A activity

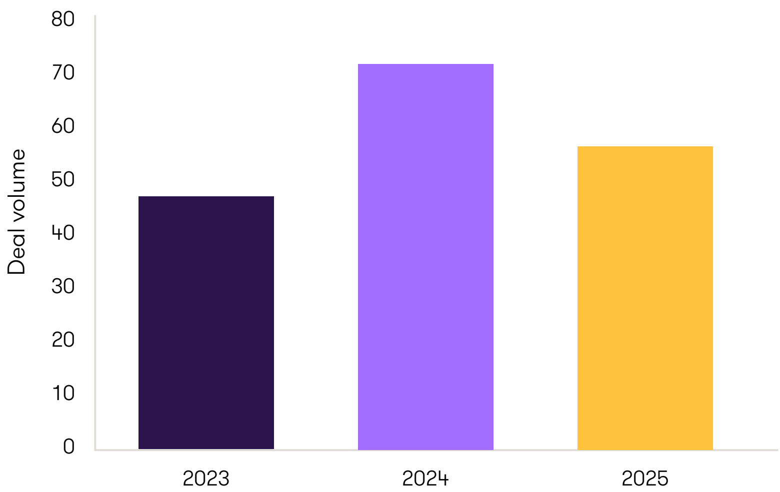
M&A activity remains strong despite a challenging landscape

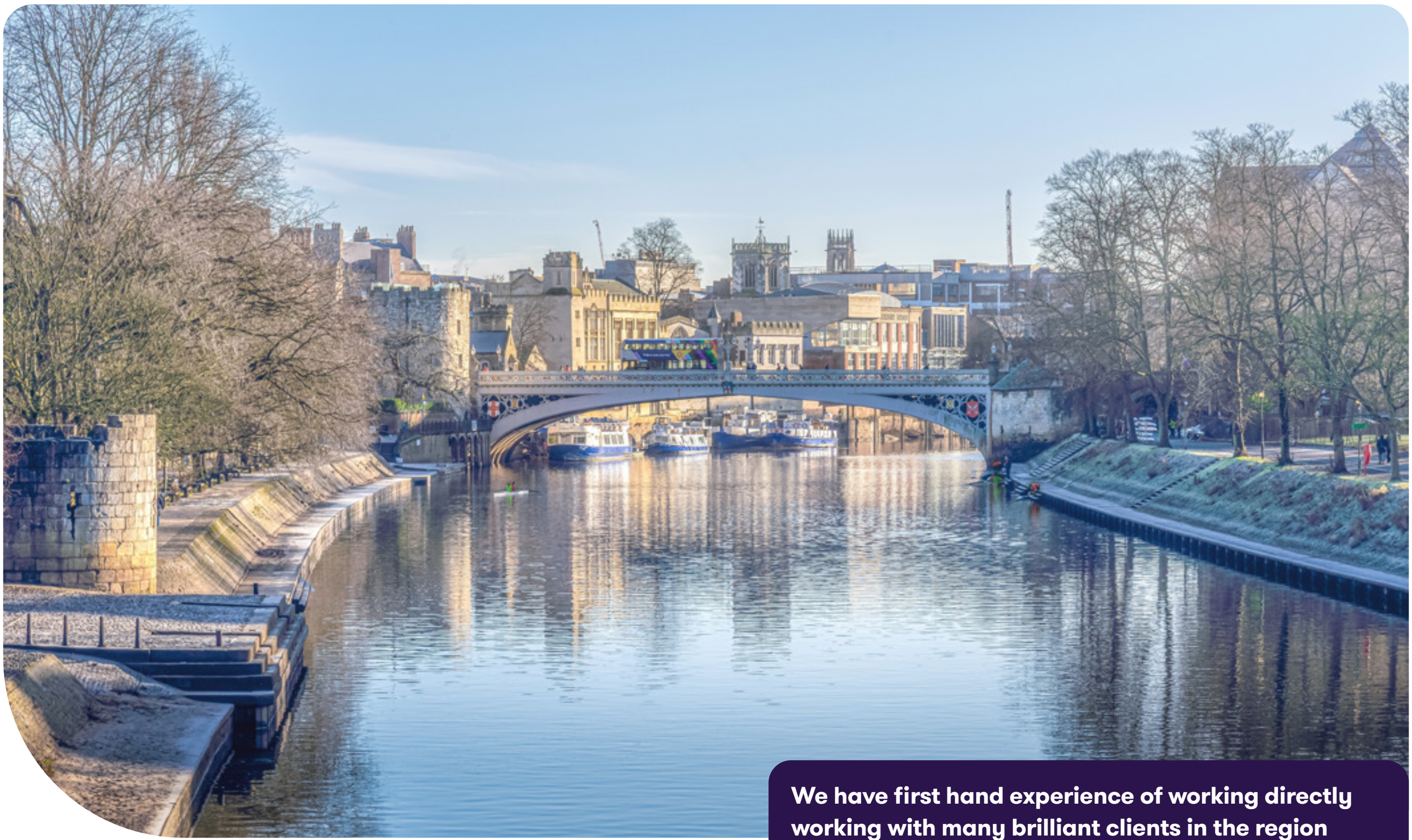
2024 was an exceptional year for M&A activity, fuelled by a surge of deals before the rumoured Autumn budget changes in CGT rates. Whilst 2025 dipped, activity remained high and above 2023 levels despite the macroeconomic uncertainty linked to tariffs, wars and AI and generally increased scrutiny from investors and acquirors.

Looking ahead

Our Private Equity Pulse survey findings note £190 billion of dry powder ready to deploy which should support continued M&A resilience. Sectors with structural tailwinds, including financial and professional services, industrials, aerospace and defence and asset management, with digital capability embedded will likely see the most activity.

M&A deal volumes across North East and Yorkshire





We have first hand experience of working directly working with many brilliant clients in the region on successful M&A deals with some highlight transactions noted on page 10.

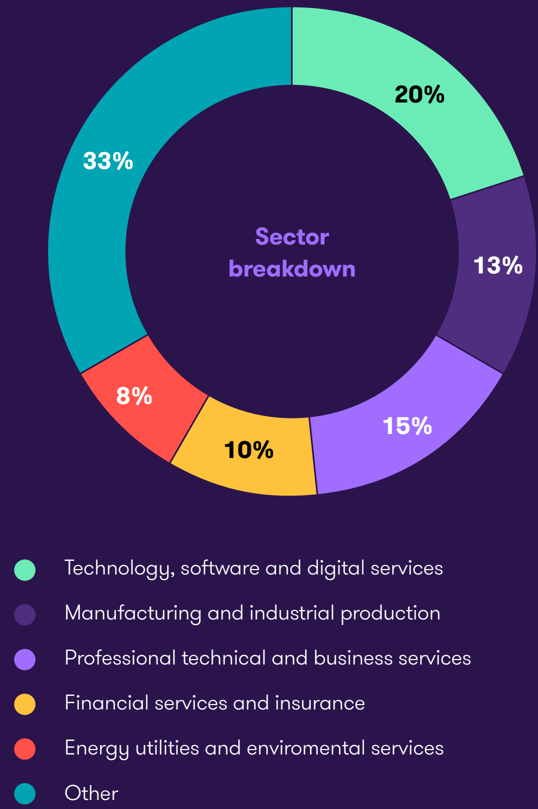
M&A insights by region and sector

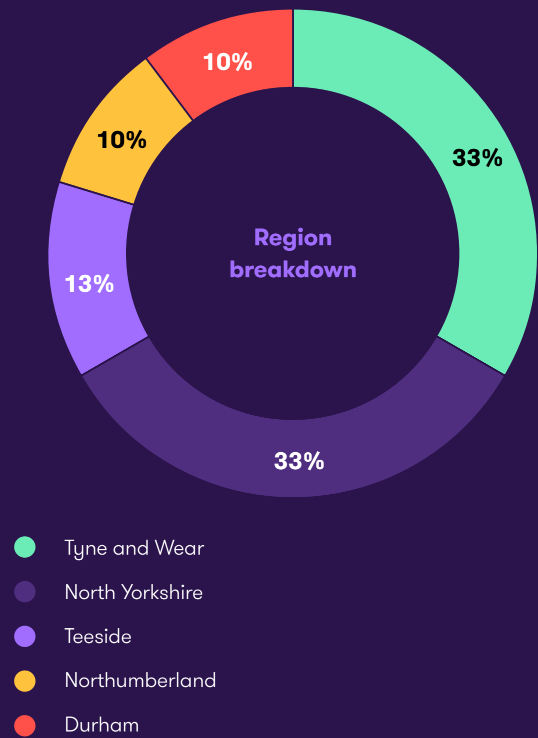
The M&A data and the fast-growth revenue data are largely complementary across both sector and region. Manufacturing, business services and energy activity are consistent across both datasets, reinforcing confidence in those sectors as genuine regional strengths. **There are some notable differences however...**

The first key difference relates to technology. Technology leads M&A (c.20% of deals) but barely registers in organic fast-growth (2% of companies, negative EBITDA).

This indicates that highly appealing technology businesses in the regions do exist however they lack scale to present on the fastest 300 companies' dataset which reflects the exceptionally fast paced nature of this sector and the difficulty of growing these businesses as national platforms before either being assimilated into larger organisations or being displaced.

The Teesside gap is the second key finding. The region's most dynamic sub-economy in fast-growth terms is attracting relatively few acquisitions. As the Freeport ecosystem matures and businesses reach the scale and profitability that typically attracts acquirers, M&A activity in Teesside should accelerate. Whether that results in businesses being acquired by outside capital or growing to become acquirers themselves will be one of the defining questions for the region's next phase of development.





Our local M&A credentials

Below are a selection of local businesses and investors we have helped achieve their respective strategic and transactional goals, across the previous couple years.

Eladene Systems

Sale to eBay Inc.

April 2026

Automotive software

STOCKTON-ON-TEES

Four Lane Enterprises Ltd

Sale of Four Lane Enterprises Ltd to Vespa Capital

April 2025

Pre-clinical contact research organisation (CRO)

NEWCASTLE

The Edwin Group

Advisor to LDC on the sale of Edwin Group to Quad Partners

July 2024

Education recruitment and services platform

NEWCASTLE

Maxim Facilities Management Limited

Sale of Maxim FM to OCS Group

November 2024

Commercial cleaning and facilities management

CRAMLINGTON

Red Driving School

Advisor to RED Driving School on its sale to Westbrooker Alternative Asset Managers

August 2025

Driver education

BILLINGHAM

Trimountain Partners

Sell Side Corporate Finance, Debt Advisory, Financial and Tax Due Diligence, Tax Structuring and Valuations

July 2025

Business services - fire safety and security

CRAMLINGTON

Cybit Group Limited

Vendor due diligence for the sale of the Cyber division

June 2025

IT, cyber and data solutions

NEWCASTLE

LDC Managers LLP

Corporate Finance Advisory, FDD and Modelling services for LDC's investment in Connect Health Limited and Healthshare Limited

December 2024

Healthcare

NEWCASTLE

Verdane

Buyside due diligence in relation to investment in Ashcourt Group

December 2025

Waste management and construction materials

YORK

BGF

Corporate finance and due diligence to BGF on their investment into Everflow

June 2026

Waste and water utilities retailer

PETERLEE

"The Grant Thornton team were nothing short of phenomenal. Their strategic brilliance, deep sector expertise and relentless commitment delivered a result beyond our highest expectations. They did not just advise us — they championed our vision, navigated complexity with ease and secured the perfect partner for our next chapter."

FibroFind

"I would like to personally thank the team at Grant Thornton for their unrivalled support through our deal. The team expertly combine sector and market knowledge, technical deal expertise with a close personal approach. They became an extension of our own team and delivered an amazing result for Edwin. I very much look forward to continuing my relationship with Grant Thornton."

The Edwin Group

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Our methodology

To be included in the Top 300 cohort, a company must have achieved a minimum revenue growth rate of 10% against its prior financial year. Where companies report on different financial year-end dates, growth is measured against the most recently available comparative period, meaning the dataset does not represent a single uniform reporting date but reflects the latest filed position for each entity with the earliest end date relating to January 2024. EBITDA and employment figures are drawn from the same FAME extract and are reported on the same comparative basis as revenue. M&A activity data is sourced separately from Grata, filtered by the same geographic regions, and is not limited to the Top 300 cohort.

It reflects the broader regional deal landscape and should be read as contextual market intelligence rather than a direct read-across from the fast-growth dataset.

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