

# Profit Track 100 regional press release

Thursday 8 April 2021



## TEN COMPANIES IN THE MIDLANDS WIN PLACES ON SPECIAL COVID-19 EDITION OF LEAGUE TABLE OF THE FASTEST-GROWING PROFITS STARS

Published this weekend, the 22<sup>nd</sup> annual Sunday Times BDO Profit Track 100 league table ranks Britain's private companies with the fastest-growing profits over their last three years – largely before Covid-19 struck.

Ten companies headquartered in the **Midlands** have won places on the league table, including **eight new entrants**. These regional stars have grown their operating profits by an average of 64% a year over the last three years to a total of £93m, and together they employ more than 2,100 people.

Featuring for the first time this year is Nottingham's **Serif**, which has developed a suite of software products for graphic design professionals. With international sales accounting for 90% of turnover, profits grew 66% to £10.6m in 2019. It has provided free trials and 50% discounts to help creative workers affected by the pandemic.

Solihull is home to fitness clothing retailer **Gymshark** – which topped the table last year and features for a fourth consecutive year. Its profits grew by 55% a year, reaching £30.6m in the year to July 2020, on sales of £260.7m. It was valued at more than £1bn in August when US private equity firm General Atlantic acquired a 21% stake.

The companies in the Midlands appear alongside well-known British brands based across the UK including **Thatchers Cider**, the Somerset cider-maker, and **Brompton**, the London-based bicycle manufacturer.

Past star alumni include **Dyson**, which featured in 2000 with profits of £24m, and saw these rise to £711m in 2019, and global technology platform **THG**, which ranked No 1 in 2014, with profits of £11m; it floated last year valued at £5.4bn and is now worth £6.5bn.

The Profit Track 100 league table is sponsored by **BDO**, **Santander** and **UBS Wealth Management**, and is compiled by **Fast Track**, the Oxford-based research and networking events firm.

**Richard Rose**, tax partner at BDO, commented:

*“These ambitious, entrepreneurially-spirited businesses punch well above their weight and are vital for the UK economy; they invest and this investment also creates jobs. As the vaccine programme continues to be rolled out and lockdown restrictions are eased, high-growth businesses like these must have adequate support. We are pleased to see the range of business support measures in this year's Budget. Developing and strengthening our innovation-focused economy is crucial and these businesses will play a key role in the UK's wider economic recovery post-pandemic.”*

### Private companies in the Midlands with the fastest-growing profits – ordered by county then rank

| HQ location and county     | Rank [2020 rank] | Company Activity   | 3-year average annual profit growth | Latest profits £m ^ | Staff | Year end | Comment  |
|----------------------------|------------------|--|-------------------------------------|---------------------|-------|----------|--|
| Nottingham Nottinghamshire | 37               | <b>Serif</b><br>Graphics software developer                | 66%                                 | 10.6                | 74    | Dec 19   | Has provided free trials and 50 per cent discounts to help creative workers affected by the pandemic |
| Nottingham Nottinghamshire | 69               | <b>Red Box</b><br>Voice capture software developer         | 44%                                 | 4.3                 | 137   | Dec 19   | Says that it counts more than 70 per cent of the UK's police forces among its 1,650 customers        |
| Telford Shropshire         | 30               | <b>Northwood Companies</b><br>Hygiene product manufacturer | 70%                                 | 3.9                 | 321   | Dec 19   | Invested in machinery to allow it to produce 200,000 surgical masks daily in Spain                   |

| HQ location and county                | Rank [2020 rank] | Company Activity  | 3-year average annual profit growth | Latest profits £m ^ | Staff | Year end | Comment  |
|---------------------------------------|------------------|---|-------------------------------------|---------------------|-------|----------|--|
| Newcastle-under-Lyme<br>Staffordshire | 6                | <b>Red Industries</b><br><i>Waste management services</i>         | 89%                                 | 5.9                 | 240   | Dec 19   | Manages 76.8 million kilos of waste annually for clients including FTSE 100 companies                      |
| Stafford<br>Staffordshire             | 42               | <b>EU Automation</b><br><i>Machine parts supplier</i>             | 60%                                 | 8.6                 | 237   | Mar 20   | Opened a distribution centre in Frankfurt to mitigate against the impact of Brexit                         |
| Wolverhampton<br>West Midlands        | 33               | <b>Task Consumer Products</b><br><i>Toilet paper manufacturer</i> | 69%                                 | 3.8                 | 90    | Dec 19   | Its sixth 24/7 production line entered service in 2020, increasing capacity to 80,000 tons of paper a year |
| Dudley<br>West Midlands               | 40               | <b>Dartmouth Global Trading</b><br><i>Metal recycling firm</i>    | 61%                                 | 6.1                 | 55    | Dec 19   | This family firm specialises in recovering metal from the ash at the bottom of incinerators                |
| Solihull<br>West Midlands             | 48 [1]           | <b>Gymshark</b><br><i>Online fitness clothing brand</i>           | 55%                                 | 30.6                | 377   | Jul 20   | Sold a 21 per cent stake to US investor General Atlantic in August, valuing it at more than £1 billion     |
| Coventry<br>West Midlands             | 66               | <b>Kite Packaging</b><br><i>Packaging supplier</i>                | 46%                                 | *14.8               | 300   | Dec 20   | Is seeing increased demand due to growth in ecommerce and food delivery                                    |
| Bromsgrove<br>Worcestershire          | 12               | <b>Excool</b><br><i>Data centre cooling</i>                       | 80%                                 | 4.6                 | 157   | Mar 20   | Installed its 1,000th cooling unit in a Frankfurt data centre in July last year                            |

^ Profits = operating profits before exceptional items

\* Supplied by company

## The national picture

This year's Profit Track 100 achieved, on average, profit growth of 59% a year over three years to a combined total of £931m. Together they employ 59,400 staff, having more than doubled their combined workforce over the period, some as a result of acquisitions.

London is the most popular location for company headquarters with 27, followed by the southeast (19). There are 17 companies in the northwest and 13 in Yorkshire and the northeast. Of the remainder, ten companies are based in the Midlands, five in Wales, four in Scotland, three in the southwest and two in Northern Ireland.

The full league table is published on 11 April as a six-page supplement with the business section of The Sunday Times, both in print and in the digital edition, and on [www.fasttrack.co.uk](http://www.fasttrack.co.uk).

**ENDS**

**PLEASE CREDIT IN FULL: "SUNDAY TIMES BDO PROFIT TRACK 100"**

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## **Notes for editors**

**Fast Track** has published league tables of the UK's top-performing private companies with **The Sunday Times** for the past 24 years. The company was founded and is run by Dr Hamish Stevenson, who also holds an associate fellowship at Green Templeton College, Oxford University.

### **League table criteria**

Companies had to be registered in the UK and be independent, unquoted and ultimate holding companies. Profit growth is measured by compound annual growth rate over their latest three financial years.

Profits are defined as operating profit (a company's profit before taxation, interest, dividends and exceptional items). Profits have to exceed £3m in the latest available accounts and £500,000 in the base year. Firms have to show a rise in profits from penultimate to latest year.

Shortlisted companies that provided forecasts showing significant profit falls in 2020 or 2021 were disqualified, and others chose not to participate. Some exceptions were made to the qualification criteria.

The research was carried out by Fast Track between October 2020 and March 2021. Most of the companies were interviewed by telephone or video calls by the Fast Track research team.

See website for full qualification criteria: [www.fasttrack.co.uk](http://www.fasttrack.co.uk)

### **About our sponsors**

#### **BDO**

Accountancy and business advisory firm BDO LLP provides integrated advice and solutions to help businesses navigate a changing world.

Our clients are Britain's economic engine – ambitious, entrepreneurially-spirited and high-growth businesses that fuel the economy.

We share our clients' ambitions and their entrepreneurial mind-set. We have the right combination of global reach, integrity and expertise to help them succeed.

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#### **Santander**

Santander is proud to be a main sponsor of Profit Track 100 for the third year running.

During these uncertain times, it's imperative that businesses feel supported and continue to get the help they need to adapt and survive in this rapidly changing world. For that they need the support of people they can trust. At Santander, we're committed to building close and enduring relationships with each of our business customers, so that we understand how we could help you achieve your business ambitions. Every business is different, and every business is being impacted differently and we are focused on understanding the specific impact to your business and offering appropriate support.

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## **UBS Wealth Management**

UBS Wealth Management is a main sponsor of Profit Track 100 for a 19<sup>th</sup> year.

UBS provides a complete wealth management service in the UK. We have a long history of working with UK entrepreneurs planning their business, family and investment needs as they approach a liquidity event. Our advisors will help you learn how to protect and grow your hard-earned wealth drawing on the strength of our Global Chief Investment Office. Whether you want to leave money in trust for your children, sort out your pension arrangements or, increasingly, become a philanthropist, we can help you achieve your goals.



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