CELEBRATING THE COMPANIES & LEADERS THAT DRIVE EXCEPTIONAL GROWTH

-Growth- INDEX

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ORESA

Strategies & people to power growth

Foreword

One of the more satisfying things about editing *Growth Index* is that inclusion is based on a company's performance, not its PR budget. Some of the UK's 100 fastest-growing companies have well-known stories, others have stories yet to be told.

This year's cohort is remarkable. There's Adrian Keen, CEO of our number-one business, EV-charging company InstaVolt, who talks about competitive positioning on page 6. Then there's curvy womenswear brand Live Unlimited's founders Rachel Heather and Tracy Egan on owning a niche (page 19), and cleaning company boss Shaun Doak on back-office professionalisation and strategic M&A (page 22).

GX veterans including Lior Shiff (Tripledot) and Julie Lavington (Sosandar) give us their fundraising advice on page 14, while Charlotte Harrington of social enterprise Belu, which sells bottled and filtered water, tells us about leading with purpose on page 21.

Congratulations to them, and to all who made this third edition of the list.

Adam Gale
Editor, *Growth Index*

Kevin Hollinrake
Minister of State for Enterprise, Markets and Small Business

Government cannot achieve its economic priorities alone. We need to harness the extraordinary dynamism, energy, and innovative spirit of our private sector — qualities that are well represented on this list.

To do that, we are committed to nurturing our thriving business ecosystem and championing entrepreneurs across the UK. This includes improving access to finance through the Growth Guarantee Scheme, supporting capital investment by making full licensing tax breaks permanent, and providing a one-stop shop for SMEs to get advice through the Help to Grow campaign.

We're also seeking to remove barriers to growth, with the recently launched Lilac Review looking at levelling the playing field for disabled entrepreneurs and the Invest in Women Taskforce focussed on making the UK the best place in the world to be a female founder, in the belief that starting a company should be for anyone.

This is a golden age of business. There have never been more opportunities to innovate, target new markets and reach customers both online and offline. Each of us now has a part to play in making sure that continues.

Contents

This year's report has uncovered welcome shoots of a greener economy. With success stories in every sector and corner of the country, it also reminds us of the power of business to unlock opportunity. Congratulations to the top 100 for achieving against the odds. Now Government needs to create the conditions for further sustainable growth, by freeing the leaders of rapidly scaling businesses to focus on what they do best and power the economy to new heights.

Andy Higginson, Advisory Chair, *Growth Index*, and Chair, JD Sports

COLUMN: Profitability is back

CHAMPIONING GROWTH

Growth Index companies can operate in any sector. They can be B2B or B2C, growing organically or via M&A. What unites them is their ability to transform their top line, putting them on a trajectory to be major players of tomorrow.

That doesn't mean our cohorts stay the same year to year. In 2024 we have seen for the first time, that the great majority of the UK's fastest-growing companies haven't taken major external funding, whether from public or private investors. Of the top 100, no fewer than 70 have done it the hard way, using their own earnings to bankroll their extraordinary growth.

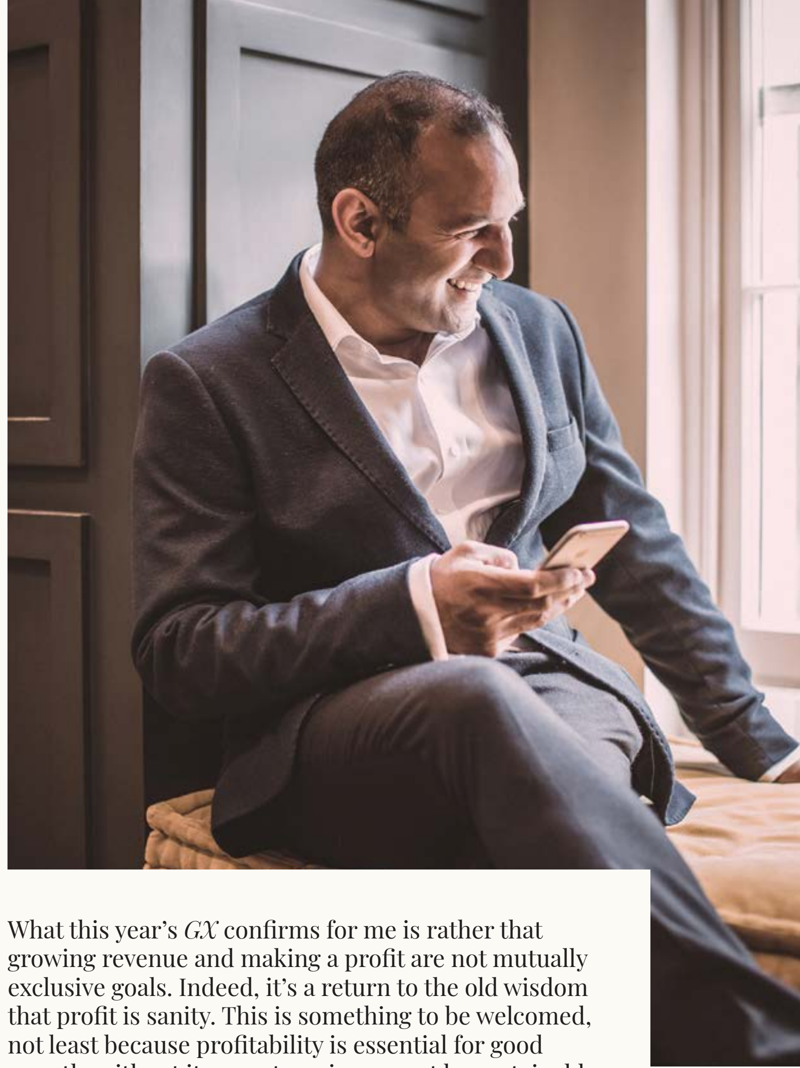
Profitability is back. While there are still loss-making tech platforms, they're rubbing shoulders with cash-generative, family timber firms, antiques shops and precision component manufacturers.

We're seeing this change because circumstances demand it. The drying well of equity funding means it's harder to grow at a loss, while inflationary pressures and the end of cheap credit give a growth advantage to companies with healthier margins, making them more resilient and better able to pivot to new opportunities. Under such conditions, many company owners are actively choosing to self-fund, compounding the effect.

Seeking profitable growth doesn't have to mean growing more slowly. Indeed, remarkably this year's cohort grew significantly faster on average than those of previous years, which I put down in part to the intelligent way that the best businesses approach belt tightening.

Top founders and CEOs have always understood that you can't succeed without a high-calibre leadership team requirement, but increasingly they're finding more creative responses to those talent needs. Fractional and interim senior executives are becoming more common, as is the strategic, specialist non-executive director. We're also seeing increased investment in automation and AI, with its promise of higher productivity. All offer ways of getting more bang for your buck, if you use them properly.

This is not to suggest that all companies on our list have needed such discipline. Some self-funded companies had sufficient margins or cash reserves to continue growing at full pace. Others could never have grown as fast as they needed without external financing, but were successful at getting it.



What this year's *GX* confirms for me is rather that growing revenue and making a profit are not mutually exclusive goals. Indeed, it's a return to the old wisdom that profit is sanity. This is something to be welcomed, not least because profitability is essential for good growth: without it, an enterprise cannot be sustainable. And if revenue growth and profit can go hand in hand, why can't financial return and social impact?

AN ENVIRONMENT FOR SUCCESS

Whether already profitable, profit-seeking or pushing pedal to the metal, no high-growth company operates in a vacuum. Many leaders privately raise concerns about what they perceive as the increasing burden of legislation and regulation on both top and bottom lines.

As advocates for good growth, we encourage more responsible business practices. It clearly makes for a delicate balancing act for policymakers, but it's important for our common future prosperity that bureaucracy doesn't become stifling for growing companies.

If the UK wants to become a superhighway, rather than a pothole economy, then we need to create the conditions for growth, fast. Whoever's setting the political and economic agenda next year, I hope they take that into account.

At the same time I have full confidence that the UK's growth champions will find a way regardless, and look forward to the great things they will achieve in the coming year. If there's one lesson I've learned working with so many extraordinary companies and visionary leaders over the years, it's that they never lose the ability to surprise.

Orlando Martins
CEO *Growth Index* & ORESA

WINNER PROFILE:

Adrian Keen

InstaVolt

In 2016, it was clear that electric vehicles (EVs) were the future of mobility. But given the rate of adoption – barely 37,000 plug-in cars were sold in the UK that year – you'd have been forgiven for thinking they weren't the near future. A key reason was the sparse and unreliable charging infrastructure: it took a brave motorist to buy an EV without being sure they could keep it juiced.

InstaVolt was founded to help solve that problem. "We believe people will buy electric cars, but they won't if the infrastructure isn't there. It was really an opportunity to professionalise the public charging experience to give people the confidence to make the change," explains Adrian Keen, who joined the fledgling business in 2017 as CFO, becoming CEO two years later.

Fast forward to today, and InstaVolt is the UK's largest owner-operator of rapid public chargers, with 1,500 in strategic locations around the country, or approximately 15% of the market. Its revenues hit £18.6m in its 2022-3 financial year, a more than 20-fold increase since 2020-1.

The fact that a business dedicated to decarbonisation tops this year's *Growth Index* as the UK's fastest-growing company is both a sign of our times and a testament to the financial rewards of good growth.

So how did InstaVolt do it?

Keen explains that InstaVolt made the strategic decision to play at the rapid end of a charging spectrum – its latest chargers are a potent 160kW – in public spaces. "We don't have an at-home charging business. We're really serving the driver who's stopping for less than 45 minutes, wanting to add 100 miles to the tank while they have a comfort break and a coffee. Sometimes it's just a five-minute splash-and-dash on their way home," Keen says.

This in turn led to concentrating on short dwell-time, high-footfall spaces, particularly near motorway junctions. InstaVolt's big break came just before the pandemic in 2020, when it signed long-term partnerships with McDonald's and Costa Coffee to install chargers in their car parks.

"We actually found ourselves adjacent to a number of Costa Coffee stores by chance, and thought we could have a conversation, and that ultimately led to a more formal partnership. With McDonald's, it was knocking on doors. I just thought they would be perfect – they're all over the country, everyone knows them, accessible locations, great facilities, all-day dining – so I was thrilled when they called and said we were their chosen partner. It put charging into the mainstream," Keen says.

InstaVolt's business model is based on arbitrage on the electricity price, and its premium pricing reflects the cost of sourcing, installing and maintaining top-in-class chargers. It covers the full installation costs and pays rent to site owners, which now range from retail parks, local authorities, small supermarkets, gyms and some Starbucks franchises through to local farms and family businesses. But Keen says long-term partners benefit equally from improved footfall, a better customer experience and the ability to contribute to some of their ESG goals.

A clear competitive position

InstaVolt has long been unusual in keeping its network open to anyone. You don't need to sign up or download its app to use a charging point, although there are perks to doing so, for example around finding your nearest available chargers.

"To the best of my knowledge, we were the first network in the world to offer contactless payment at the charge point. Even back in 2016, drivers were complaining of needing a dozen apps and three RFID cards for public charging, it was a nightmare. We thought it was ludicrous. You don't buy petrol like this, or coffee. It's got to be easier," Keen says.

> *We believe people will buy electric cars, but they won't if the infrastructure isn't there*

"I often get challenged that this means we're not capturing user data. I'm sure that will evolve, but today we need to give drivers confidence that they can turn up, tap, and it works."

Keen also points to the quality of InstaVolt's customer service – it was the first UK network to have a 24/7 call centre – and its unparalleled maintenance as key ways it differentiates itself among drivers. "We monitor the health of our network in real time, there are screens everywhere. We also have some predictive elements, so when something might become an issue we can investigate and dispatch an engineer to prevent a fault. We have a wonderful reputation that has been earned by hard work," Keen says.

This reputation is proving critical amid fierce and rising competition in the sector, which is also pushing up salaries and making it harder to find talent.

Keen welcomes the newer market entrants, many of which he says have exciting and innovative models ("it keeps us on our toes"). Some are trying to gain rights to premium charging locations by offering extremely generous rents, but Keen believes InstaVolt's track record and strong financial position mean it is the stable partner "who will still be there in 10-15 years".

Investment and growth prospects

The company owes its financial position to its acquisition in early 2022 by Sweden's EQT, one of the world's largest private equity companies, with a focus on the green transition. "EQT has this incredible team of people around the world. I can immediately mobilise their knowledge base like an extension of my own team. And of course they bring serious credibility, which helps in the fight for talent and for the best sites," Keen says.

The investment also prompted Keen and the team to consider ways to be even more ambitious. Not only does InstaVolt intend to hit a target of 10,000 rapid chargers in the UK by 2030, it has also launched in Iceland, and will launch in Spain and Portugal later this year, with a concurrent European target of 5,000 chargers.

"We looked at these markets and thought they were very pro-EV, with lots of government support and incentives, but not much infrastructure, so there was an opportunity for us to play a big role. If there are opportunities for partnerships or maybe an acquisition we'll look at those, and the same is true in our existing market as well," Keen says, adding that the UK needs approximately 60-70,000 rapid public chargers by the end of the decade to keep pace with electrification goals, so there's plenty of headroom for growth.

"We've got a pipeline of thousands, and partnerships with big brands that can keep us busy for years, but we're only just getting started. There are huge segments that haven't been explored yet, where we'd love to work. It's really exciting. Everywhere you stop your car is an opportunity to charge."

ADRIAN KEEN

The table

COMPANY NAME	RANK	CEO NAME	2 YR CAGR %	LATEST SALES	ACCOUNT DATE	LOCATION	ABOUT	COMPANY TYPE	MOVEMENT
InstaVolt	01	Adrian Keen	362.55	£18.6m	Mar-23	South East	Rapid EV-charging network	P	
Balfe's Bikes	02	Richard Balfe	351.06	£29m	Mar-22	South East	Specialist cycling retail & maintenance		
Liberis	03	Rob Straathof	210.55	£24.9m	Dec-22	London	Global embedded finance platform for SMEs	P	
VPI	04	Jorge Pikunic	208.45	£7,031m	Dec-22	London	Tech & trading services to improve energy security	P	
RAM	05	Nick McClellan	203.31	£17m	Sep-22	Yorkshire & Humber	Fleet tracking & management software		
Bold Security Group	06	Badar Chaudhry	183.59	£42.6m	Aug-22	East of England	Private security company		
CCL	07	Paul Brooks	177.14	£182.4m	Dec-22	Scotland	Wholesaler of solar, battery, EV charging & off-grid power equipment		
Live Unlimited	08	Rachel Heather	175.45	£9.9m	Nov-22	London	Fashion brand for curvier women		
Garnalex	09	Roger Hartshorn	171.07	£26.3m	Dec-22	East Midlands	Aluminium extrusion specialists		
HealthHero	10	Ranjan Singh	169.78	£77.8m	Dec-22	London	Digital healthcare provider	P	
Smart Pensions	11	Jamie Fiveash	168.72	£57.4m	Dec-22	London	Digital-first workplace pension provider	P	▼ -4
Rebound Electronics	12	Simon Thake	158.79	£732.7m	Dec-22	South East	Supply chain & inventory management for electronic components		▲ 9
Gift & Go	13	Joe Hall, Jon Reuben	157.69	£23m	Dec-22	London	On-demand B2B gifting technology platform powered by Amazon Prime		
Stage Sound Services	14	Phil Hurley	157.05	£13.1m	Apr-23	Wales	Hire and sale of audio & lighting equipment		
Vegetarian Express	15	David Webster	155.40	£17.2m	Mar-23	East of England	Plant-based food distributor	P	
Unimex	16	Hashem Teimourzadeh	153.23	£11.7m	Dec-22	London	Supplier of industrial products, steel & aluminium		
Revive Collagen	17	Samantha Faiers	150.00	£7.5m	Aug-22	London	Women's skin care brand		
AMCO	18	Don Mucci	148.83	£56.1m	Sep-22	West Midlands	Global logistics & warehousing services		
Inspecs Group	19	Richard Peck	143.26	£205.6m	Dec-22	South West	Manufactures eyewear for a global portfolio of brands		▲ 44
Moneybox	20	Ben Stanway	138.65	£28.7m	May-23	London	Savings & investment app	P	▼ -6
GEDU	21	Vishwajeet Rana	133.41	£169.7m	Feb-23	London	Careers-focused higher education provider	P	
SCA	22	Mike Harrison	133.24	£174.4m	Dec-22	South East	Port, logistics and supply services to military & humanitarian organisations		
Tŷ Nant	23	Raminder Sidhu	131.30	£5.4m	Dec-22	Wales	Retailer of water bottled from Wales' Tŷ Nant spring	P	
Cyclops Electronics	24	Daniel Yodaiken	125.12	£58.4m	Mar-22	Yorkshire & Humber	Electronic components distributor		
Mollie's	25	Darren Sweetland	120.07	£8.3m	Jan-23	London	Modern take on the classic American motel-diners		
Fox Brothers	26	Paul Fox	119.52	£82.6m	Aug-22	North West	Supply and haulage of aggregates, recycled materials & earthworks		
Allseas Global Logistics	27	Darren Wright	116.50	£54.8m	Dec-22	North West	Global freight forwarder & logistic services		
Freemarket	28	Alex Hunn	116.38	£18.5m	Dec-22	London	Cross-border payments & currency exchange platform		
Maltacourt	29	Matt Beech	115.07	£54.8m	Dec-22	North West	Global logistics & supply chain services		
Edgar Brothers	30	Ian Gordon	112.45	£75.5m	Dec-22	North West	Importer and wholesaler of firearms & related products		
67 Pall Mall	31	Grant Ashton	111.13	£25.4m	Dec-22	London	Private members' clubs devoted to fine wine		
Astute	32	Geoff Hill	110.02	£287.6m	Dec-22	East of England	Electronic component procurement, distribution & supply chain manager		

COMPANY TYPE KEY: **E** Exited Unicorn **U** Unicorn **P** Purpose*

**We defined purposeful companies as those that have a clearly-defined, public-accessible purpose that extends beyond financial results or the functional performance of the business*

COMPANY NAME	RANK	CEO NAME	2 YR CAGR %	LATEST SALES	ACCOUNT DATE	LOCATION	ABOUT	COMPANY TYPE	MOVEMENT
Glencar Construction	33	Edward McGillycuddy	108.03	£417.8m	Sep-22	East of England	Construction contractor for industrial & distribution facilities		
Aura	34	John Conoley	106.81	£30.8m	Dec-22	London	Workplace technology & services		
Whitefox	35	Gillian Harrison	103.72	£9.6m	Dec-22	London	Industrial membrane technology supplier improving energy & water efficiency		
Tide	36	Oliver Prill	102.42	£59.2m	Dec-22	London	Fintech providing mobile-first banking & current accounts to SMEs		
NMS	37	Matt Jordan	100.54	£105.2m	Oct-22	East Midlands	Africa-focused social infrastructure developer & operator	P	▼ -13
Moss Bros.	38	Brian Brick	99.94	£151.6m	Jan-23	London	Men's suit and formalwear retailer with subscription & hire services		
Atlantic Pacific	39	Ashley Nichols	97.59	£76m	Dec-22	South East	Global logistics & supply chain services		
Gateway Chassis Solutions	40	Chris Ramsden	95.32	£26m	Dec-22	Yorkshire & Humber	Designs and manufactures chassis for caravans & park homes		
Envisage Dental	41	Harry Gill	95.24	£45.1m	Mar-23	South East	National group of partner-run private dental clinics	P	
Sponge.	42	Adam Poulter	94.97	£17.9m	Apr-22	South West	B2B learning & development platform	P	
Mint Velvet	43	Liz Houghton	93.50	£143.7m	Dec-22	South East	Digital-first women's fashion brand		
EFM Global	44	Mike Llewellyn	92.65	£44.4m	Dec-22	South East	Specialist freight consultant, with clients including NASA & the All Blacks		
Me+Em	45	Clare Hornby	91.84	£82m	Jan-23	London	Premium, contemporary women's fashion		▲ 12
Whitehouse Leisure International	46	Philip Setter	89.79	£49.5m	Dec-22	East of England	Manufacturer and distributor of plush toys & redemption prizes		
Tripledot	47	Lior Shiff	88.99	£244m	Dec-22	London	Mobile games studio	P, U	▼ -38
Sosandar	48	Julie Lavington, Ali Hall	86.82	£42.5m	Mar-23	North West	Women's fashion brand		▼ -11
Access Intelligence	49	Joanna Arnold	85.63	£65.7m	Nov-22	London	SaaS for communications, including media monitoring & social listening		▲ 31

COMPANY NAME	RANK	CEO NAME	2 YR CAGR %	LATEST SALES	ACCOUNT DATE	LOCATION	ABOUT	COMPANY TYPE	MOVEMENT
Daygard Logistics Group	50	Rory Munday	85.15	£86.3m	Jul-22	London	Logistics group partnering with internationally trading companies		
Malvern International	51	Richard Mace	85.06	£6.5m	Dec-22	London	Provides academic & English language skills for international students	P	
Team Internet Group	52	Michael Riedl	84.60	£602.2m	Dec-22	London	Internet infrastructure services, including domain name distribution		▲ 6
Hensall	53	Chris Bond	84.59	£24.7m	Dec-22	Yorkshire & Humber	Construction services & mechanical engineering		
Octopus Energy	54	Greg Jackson	84.52	£4,224m	Apr-22	London	Renewable-focused energy supplier & technology services	P, U	
Small Beer Wholesale	55	Rob Eastwood	83.32	£21.8m	Jan-23	East Midlands	Leading cask & craft beer wholesaler		
Nationwide Engineering Group	56	Robin Hibberd	82.43	£33.7m	Sep-22	South West	Family-owned civil engineering company focusing on building & rail sectors		
Harold Newsome	57	James Newsome	82.26	£17.1m	Mar-22	Yorkshire & Humber	Structural steel specialists		
Dayla Drinks	58	Tim Cooper	81.65	£46.3m	Jan-23	South East	Fourth-generation family drinks business		
Whiting Landscape	59	Wayne Bridges	81.32	£57.8m	Jun-22	West Midlands	Designs & delivers landscaping projects		
Redx	60	Lisa Anson	81.32	£18.7m	Sep-22	North West	Clinical-stage biotech focused on fibrotic disease & cancer	P	▼ -25
Katmex	61	David Mitchell	80.34	£26.6m	Sep-22	North East	Suppliers of precision fabricated components		
Dentex	62	Barry Lanesman	80.03	£196.5m	Mar-22	London	National dental group with partnership model		
James Jones & Sons	63	Peter McKenzie	79.19	£603.1m	Dec-22	Scotland	Fifth-generation family timber processing business		
John Horsfall	64	Peter Horsfall Benson	78.39	£29.9m	Dec-22	Yorkshire & Humber	Designs and manufactures blankets & other textiles for airlines		
Belu Water	65	Natalie Campbell, Charlotte Harrington	78.38	£7.1m	Dec-22	London	Socially conscious drinks company changing the way we see water	P	
Medinet	66	Tim Flanagan	78.18	£58.9m	Sep-22	West Midlands	Leading provider of additional elective healthcare	P	

COMPANY NAME	RANK	CEO NAME	2 YR CAGR %	LATEST SALES	ACCOUNT DATE	LOCATION	ABOUT	COMPANY TYPE	MOVEMENT
Loop Interiors	67	Keith Ambrose, Rachael Bertrand	78.03	£34.8m	Mar-23	London	Workplace interior design services		
MWE	68	Andrew Broggio	77.95	£40.5m	Jun-22	South West	Specialist manufacturer of quality swabs & specimen collection vials	P	
HACS Group	69	Mark Smith	77.60	£22.9m	Dec-22	Yorkshire & Humber	Leading independent building & construction services contractor		
React Group	70	Shaun Doak	77.07	£13.7m	Sep-22	East Midlands	Full service commercial cleaning company		
SJ Phillips	71	Nicolas, Jonathan, Francis Norton	77.06	£20.8m	Dec-22	London	Family-owned antique jewellery & silver shop, founded in 1869		
Marvin's Magic	72	Tom Hudson	76.91	£12.6m	Dec-22	East of England	Globally recognised magic brand		
Dryad Education	73	David Edwards	76.12	£16.5m	Sep-22	East Midlands	Arts & crafts wholesaler aimed at schools		
Wrightbus	74	Jean-Marc Gales	75.92	£172.4m	Dec-22	Northern Ireland	Bus manufacturer currently developing a hydrogen powered fleet	P	
W Portsmouth & Co	75	Jeff Shanahan	75.09	£27.5m	Jan-23	East of England	Electrical contractors		
Arbor Education	76	James Weatherill	74.80	£13m	Aug-22	London	Developer of management information systems for schools		
Locksville Technology	77	Glen Theo	74.51	£36.5m	Feb-23	East of England	Telecomunications technology provider		
Vizion Network	78	Chris McKie	74.46	£320.9m	Dec-22	Yorkshire & Humber	Digitally-enabled vehicle repair network		▼ -24
CloudCoCo	79	Mark Halpin	74.23	£24.2m	Sep-22	Yorkshire & Humber	Provider of IT support, cyber security & managed IT services		
GRC	80	Iain Pope	74.00	£41.7m	Sep-22	West Midlands	Specialists in satellite, RF, cloud & IP networking solutions		
Statom Group	81	Stan Nikudinski	73.61	£113m	Nov-22	East of England	Remediation, groundworks & reinforced concrete frame construction		
Uniexpress	82	Michael Fitzpatrick	73.14	£67.9m	Jun-22	Yorkshire & Humber	Independent freight forwarders		
Butternut Box	83	Kevin Glynn, David Nolan	73.10	£69.5m	Dec-22	London	Freshly prepared dog food delivery company	P	▼ -45

COMPANY NAME	RANK	CEO NAME	2 YR CAGR %	LATEST SALES	ACCOUNT DATE	LOCATION	ABOUT	COMPANY TYPE	MOVEMENT
Numerco	84	Scott Lawrence	73.03	£54.8m	May-22	London	Commodity supply for low-carbon fuel, renewables & industrial products	P	▼ -51
Ready Egg	85	Charles Crawford	73.03	£174.7m	Dec-22	Northern Ireland	Processes eggs from local family farms in Northern Ireland	P	
Maine Surface Finishing	86	Eugene Dixon	73.02	£31.9m	Dec-22	Northern Ireland	Steel fabrication, surface finishing and assembly		
Gusbourne	87	Jonathan White	72.05	£6.2m	Dec-22	South East	Production, sale & distribution of premium vintage English sparkling wine		
Gressingham Duck	88	Geoff, William Buchanan	71.58	£77.9m	Dec-22	East of England	Duck farmer & meat processor		
Regal Mechanical	89	Roger Smith	71.31	£19.2m	Jun-22	West Midlands	Provides electrical & mechanical services to the construction industry		
IQGeo	90	Richard Petti	70.43	£26.6m	Dec-22	East of England	Geospatial network management software for telecoms, fibre & utilities		
Graphnet	91	Brian Waters	70.39	£40.5m	Mar-22	South East	Data & IT services for healthcare	P	
Ascona	92	Darren Briggs	69.92	£194.7m	Mar-22	Wales	Develops & operates petrol station forecourts		▼ -37
Access Platform Sales	93	Steve Couling	69.90	£44.6m	Dec-22	East of England	Supplier of powered access platforms & material handling equipment		
Pozitive Energy	94	Neeraj Bhatia	69.77	£449.4m	Mar-22	London	Provides green energy on demand to businesses	P	
Bateman Groundworks	95	Richard Bateman	69.68	£48.5m	Dec-22	East of England	Groundwork services		
Telecom Plus	96	Andrew Lindsay, Stuart Burnett	69.53	£2,475m	Mar-23	London	Utility provider offering energy, broadband, mobile & insurance		
Wolf & Badger	97	George Graham	69.22	£29.6m	Dec-22	London	Global curated marketplace for independent designer brands	P	▼ -79
MCP	98	Steve Lamb	66.49	£18.5m	Dec-22	East of England	Provider of information systems for port communities		▼ -8
Yii Group	99	Bobby Kalar	65.65	£278.6m	Dec-22	East Midlands	Multi-utility company for business customers	P	
Around Noon Foods	100	Gareth Chambers	65.06	£41.6m	Dec-22	Northern Ireland	B2B food-to-go manufacturer		

FEATURE:
A veteran's guide to fundraising

When growing a business, money helps. Unfortunately, there's less of it around these days. As interest rates rose around the world, global venture capital deal-value halved between 2021 and 2023 according to Pitchbook, while exit value was the lowest since 2017. Pickings are equally slim on the stock market. In 2022, there were only 45 initial public offerings (IPOs) in London, raising £1.6bn, compared with 119 issuers in 2021 raising £16.3bn. Last year was even worse, with only 23 IPOs, raising £954m.

None of this means that scale-ups can't access the finance they need if they have the right business case for investment. Nor does scarcity of funds mean taking whatever you can get: if anything, now is the time to exercise discernment in where you get the funding for your next stage of growth, and from whom.

The right financing route will depend on the maturity of your business, its capital requirements and your personal preferences. In this article, we zoom in on private investment, with advice from *GX* veterans who've been through the process.

FINDING PRIVATE INVESTORS

Private investors can supercharge growth with seed (concept), angel (early-stage) and VC (scale-up) funding, although some private equity companies and family offices will also consider high-growth propositions. Alongside capital many of them bring invaluable expertise to the table, helping scale-up founders with industry specific or general management problems alike. When looking for investment, it pays to be methodical.

List the funds or investors that cover your stage, industry and geography, and identify the correct partner at each firm. "Find a warm introduction, even if it's someone you know on LinkedIn, because the likelihood of success from cold calls is very low," advises Tripledot Studios co-founder and CEO Lior Shiff. He raised $202m for the mobile game developer across one seed and two VC funding rounds between 2018 and 2022, the latest giving it a $1.4bn valuation.

Think carefully about the sequencing of approaches too. No matter how strong your deck is, the first few pitches will be a learning curve, so be prepared to lose those. "Managing the timing is really important, because ideally you want a few interested investors at the same time to create some competitive tension," Shiff says.

If all this sounds time consuming, that's because it is. But don't think it's something you can easily outsource, says Huel CEO James McMaster, who helped the nutrition business raise £40m of investment from Highland Europe and later Sabrina and Idris Elba across two VC rounds in 2018 and 2022.

For early stage companies, investors are betting on the founder as much as on the business, so having an advisor do the pitching won't go down well. Even at the VC stage, using a corporate finance firm can be more time-consuming than doing it yourself.

"Potential investors at any stage will want to ask an unlimited number of questions before they invest, yet the company wants to minimise the time they spend on this and maximise their time running the business. Saying no to investors can be scary at first, but if you believe they have enough information then you've got to push back," McMaster adds.

Above all, show perseverance, says Julie Lavington, who with co-founder and co-CEO Ali Hall raised £2m from 40 angel investors to launch womenswear brand Sosandar in 2016. "There will be people who doubt you every step of the way, saying it can never be done. But there will be people who believe in you too, you've just got to find them."

SEALING THE DEAL

No matter how flattering it may be, avoid the temptation to accept your first offer. Lavington and Hall, for instance, rejected three individual investors who offered to meet the entirety of their £2m angel financing needs, as it would have taken control of the business. "Choose your investors carefully because they will become your partners. Make sure you share the same values, ambitions and goals, with alignment on what a good outcome looks like," says Shiff. For example, exiting at $50m may be a great outcome for a founder, but not so for a VC if it only gives them a 2x return. They may push for continued growth at a much higher exit value, even if that risks the business crashing and burning.

Have upfront conversations about their exit horizons too – are they willing to stick around for 15 years, or do they want to be out in two? Will they be able to provide additional capital in future rounds?

"Spend time with potential investors outside the office, such as in a restaurant or bar. Everyone is a bit more themselves and it's easier to see how you get on. Another helpful sign is how long the people who would actually be working with you have been at the VC business and what is their employee turnover rate. It's much better to have the same team with you the whole way through the investment," McMaster adds.

Lastly, consider carefully the rights and preferences you're giving away. These determine who gets what when the company floats, sells or shuts down. For instance, Shiff says that it's fair to offer 1x non-participating preferences, where investors are guaranteed the higher of their equity share of the proceeds or their money back, before any other proceeds are distributed.

But he cautions against things like 2x or 3x participating preferences, where investors are guaranteed multiples of their initial investments before the remaining proceeds are divided, plus their share of those proceeds.

"Try not to be greedy. I've seen lots of companies making the mistake of trying to maximise valuation in exchange for giving these rights, and then they sell for lots of money but the founders themselves end up with nothing," Shiff explains. If you do decide to offer generous terms, remember also that you will almost certainly need to offer the same rights and preferences to investors you onboard in subsequent rounds.

DON'T BE DAUNTED

Raising growth capital can make or break your business. Doing it for the wrong reasons, at the wrong time, or with the wrong partners can cause more harm than good. Get it right, though, and the rewards can be enormous, particularly for high-growth companies in a race to grasp fast-passing opportunities.

Daunting though the process may be, particularly for first timers, keep a level head and focus on the fundamentals. As Shiff says, "If you build a great business, you will find ways to monetise it."

Top 5 companies by funding type

EQUITY	PUBLIC	DEBT	NON-FUNDED
INSTAVOLT	MOSS BROS.	BALFE'S	VPI
Liberis	REACT	envisage	ram TRACKING
Smart Pension	GUSBOURNE	mwe	Bold Security Group
Vegetarian Express	TelecomPlus	Wrightbus	CCL
moneybox	MCP plc	AROUND NOON.	LIVE UNLIMITED LONDON

What are the alternatives?

Private investment can transform a business, but it inevitably comes with some loss of control and dilution of a founder's equity. It's important to consider the alternatives fully before taking the plunge.

BOOTSTRAPPING

You could grow using your own cash flow. This has definite pros and cons, says Shiff, who bootstrapped his first business before changing tack, taking angel funding for his second firm, and seed and venture funding for Tripledot.

"I felt that bootstrapping our first company made it too conservative. In a fast-growing ecosystem timing is really important, but we had to be very cash-flow aware and that slows you down," Shiff says.

"The flipside is you don't get diluted, and you also have flexibility to change without needing to explain it to anyone. I remember during a long drive with my co-founder, we decided to totally pivot the business. If we'd had investors on the board, that decision which took one hour would have probably taken a month."

DEBT

If you want to grow faster but still don't want to surrender shares, debt financing is another option. It still involves sacrificing some control – your bank will want consulting on major decisions – but it is generally cheaper than equity. The obvious downside is that you have to pay the money back, which means you also need to be profitable.

FLOATING

Lastly you could float on the public markets. This is more common for mature companies, but some scale-ups prefer it. Sosandar listed on small cap index AIM only a year after launch through a reverse merger with a cash shell company, as opposed to an IPO.

Co-founders and co-CEOs Julie Lavington and Ali Hall raised £5.3m in growth capital from the transaction, but the fact that it made them a plc had its appeal too. "Sosandar is a very democratic business. We felt that presenting to multiple big investors on a regular basis would let us keep that way of working, rather than having one person sitting at the end of the table making all the decisions, which could have happened with a private investor or going through the VC route," Lavington says.

Other advantages of going public are credibility and ease of access to liquidity through secondary share issuances. On the flip side, plc investors usually have a lower risk appetite than VCs, and for smaller businesses the levels of capital raised will generally be lower. ■

ANALYSIS:
Green growth and shifting sectors

This is the year that *Growth Index* went green. Three of the top ten fastest-growing companies in the UK participate in the clean and renewable energy market, offering electric vehicle charging (InstaVolt), low-carbon and carbon-reducing energy services (VPI) and renewable energy equipment (CCL). Two more (cycling retailer Balfe's Bikes and fleet management software business Ram Tracking) also contribute to reducing fossil fuel consumption.

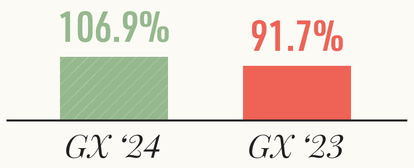
REVENUE	£5m-£20m	£20m-£50m	£50m-£100m	£100m-£200m	£200m+
Number of companies	23	34	19	11	13

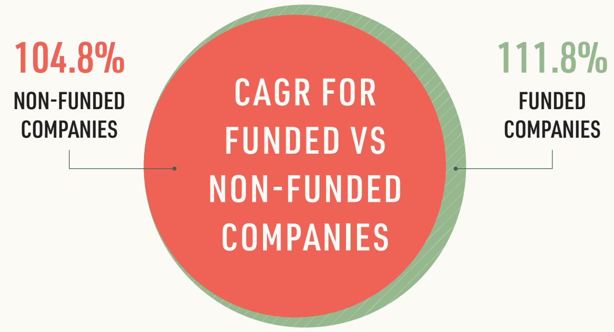
The pattern is replicated across the list, most notably in the energy, utilities and recycling sector, where seven out of our eight companies operate in some capacity across clean energy, renewables and decarbonisation.

It's perhaps going too far to suggest that the green transition alone is what's propelled the sector to become by far the largest by sales in *Growth Index* 2024, with turnover double that of all other sectors combined, and with the second-highest compound annual growth rate (CAGR) of revenues. High global energy prices clearly played their role too, as did the consolidation they prompted.

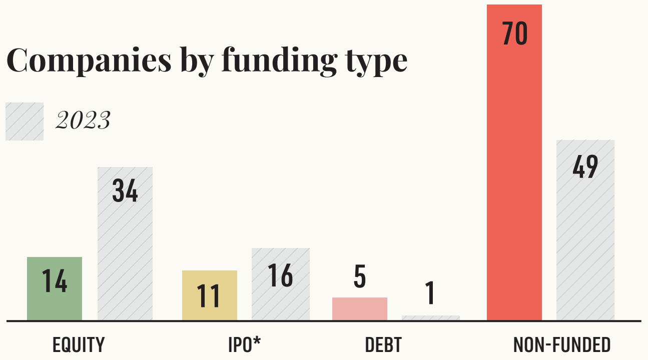
Nonetheless, the fact that the fastest-growing energy companies are disproportionately focused on green power and technology is testament to the commercial opportunities from decarbonisation. We may not expect to see this repeated on next year's list, given the recent struggle for returns in saturated renewables and EV markets. But it's hard to bet against clean energy as a long-term proposition, particularly as the UK government has committed to decarbonising the sector by 2035.

Average CAGR for top 100





Companies by funding type



*IPO companies are those that have been public at any time in their history. Some, such as Moss Bros, are no longer listed. Companies that have been public and received equity or debt funding are also included under IPO.

TECH DIPS

One of the more striking changes since the first *Growth Index* in 2022 is the retraction of tech. For many, the sector is synonymous with rapid growth, yet the number of tech firms in our top 100 has dropped two years in succession, from 22 on launch to just nine this year.

Two adjacent sectors – fintech and health – have fallen over the same period from seven to five, and 11 to six companies respectively. This is not to say these hi-tech industries haven't produced any stars: digital healthcare provider HealthHero and fintechs Liberis and Embedded Finance all cracked the top ten. But it comes as the wider sector is facing turbulence, with over 260,000 tech workers laid off globally in 2023, a 59% increase from the previous year.

While this may reflect the new era of AI ushered in by ChatGPT in late 2022, it also corresponds to the state of equity funding, which as we showed earlier in this report, has dropped precipitously from the frenzied heights of 2021, returning to pre-pandemic levels as inflation, high interest rates and geopolitical uncertainty bit.

There is a chicken-and-egg relationship between tech growth and fundraising. When tech businesses struggle, investors prefer to keep their powder dry. But at the same time, underinvestment starves tech companies of the funds that they disproportionately use to grow.

It's hard to know which of these is the driving force in minimising tech's place on this year's *Growth Index*, but in either case it had a knock-on effect on the ownership structure of our fastest-growing companies. Only 30 of the top 100 this year have had private equity/VC backing, been crowdfunded in the past, secured large debt, or gone public, compared with 41 in 2023.

RETAIL REIGNS, INDUSTRY RETURNS

While tech retracts, retail has retained its position as *Growth Index*'s largest sector, with 24 businesses in our top 100, down slightly from 26 last year. This may surprise, given that consumer spending was so hard hit by the cost-of-living crisis towards the end of our reporting period.

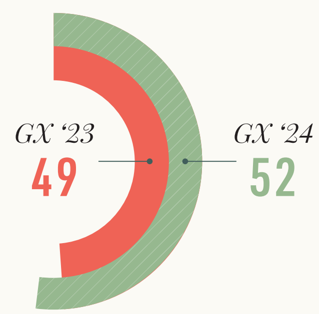
Yet the retailers on our list – ranging from police firearm importers to draft beer wholesalers – reflect the UK sector's in-depth strength, with average CAGR significantly exceeding last year's. This year's fastest-growing retailers are also smaller, with average revenue dropping by nearly half, from £87m to £49.6m, though this largely reflects the relative absence of large outliers in the sector.

Leisure and hospitality only returned two businesses to the top 100, despite its profound rebound since Covid, as we decided to exclude companies where growth was largely or entirely attributable to artificially low sales in the base reporting year of 2020. Farming, meanwhile, makes its *Growth Index* debut in 2024, which may be in part due to post-Brexit adjustments, including a decrease in imports by 1% and an increase in exports by 2.6%, suggesting the UK may be 'buying British'.

The biggest gainers were so-called traditional industries like manufacturing, construction and logistics. This could be a sign of a broader economic recovery from Covid lows or simply a response to the contraction in equity funding, with businesses in such sectors often more likely to stay under private ownership. It could also connect to supply chain challenges in 2021-2, benefiting those businesses nimble and effective enough to offer the most competitive products and services.

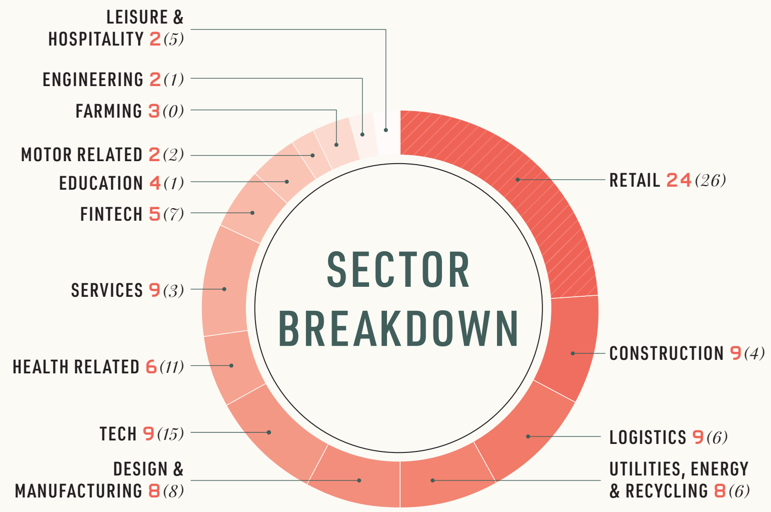
We'd like to think it represents something more: the existence of opportunity in every area of our economy. Indeed, it's notable that the reduction in VC-funded firms hasn't cut the average CAGR for the top 100 as a whole, as if lowering the bar for inclusion on this list. In fact, average sales growth increased this year, so we'll watch with interest what happens to the sector breakdown in 2025.

Mean CEO age



Leadership by gender

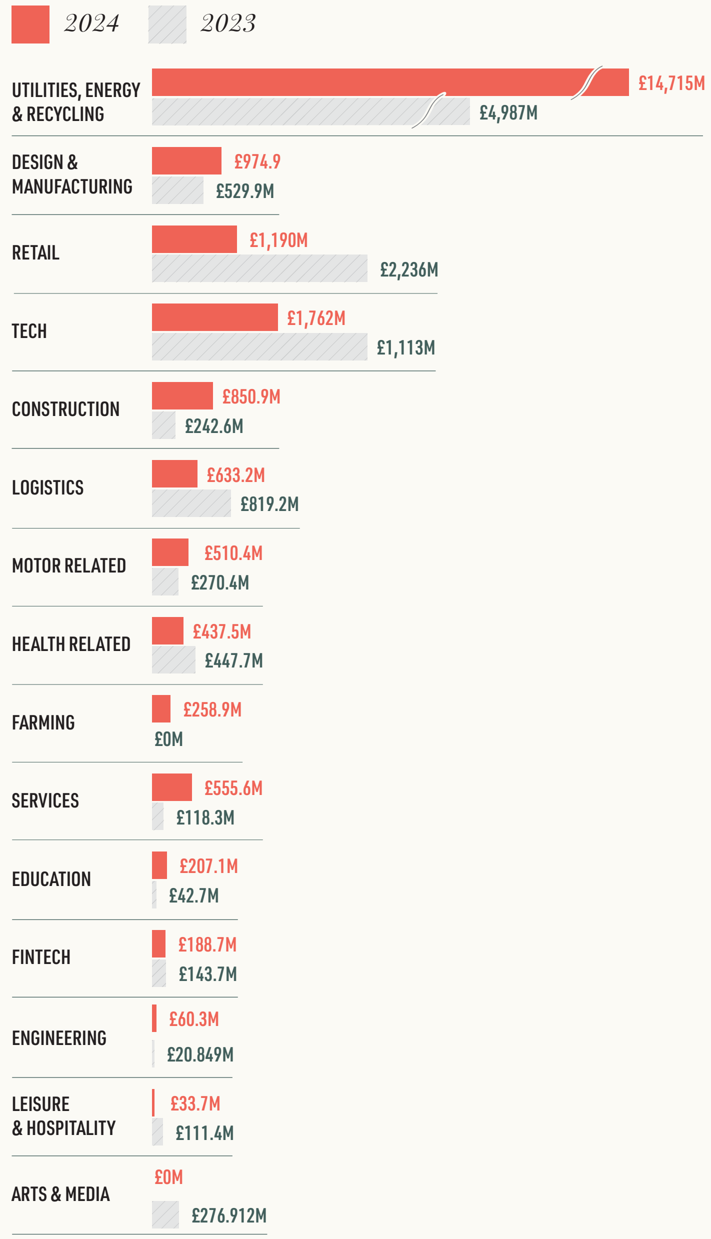
	GX '24	GX '23
MALE	91	88
FEMALE	9	12



*Arts & Media representation declined from five in 2023 to zero this year

CHAMPIONING GROWTH

Sales by sector



LOCATION, LOCATION, LOCATION

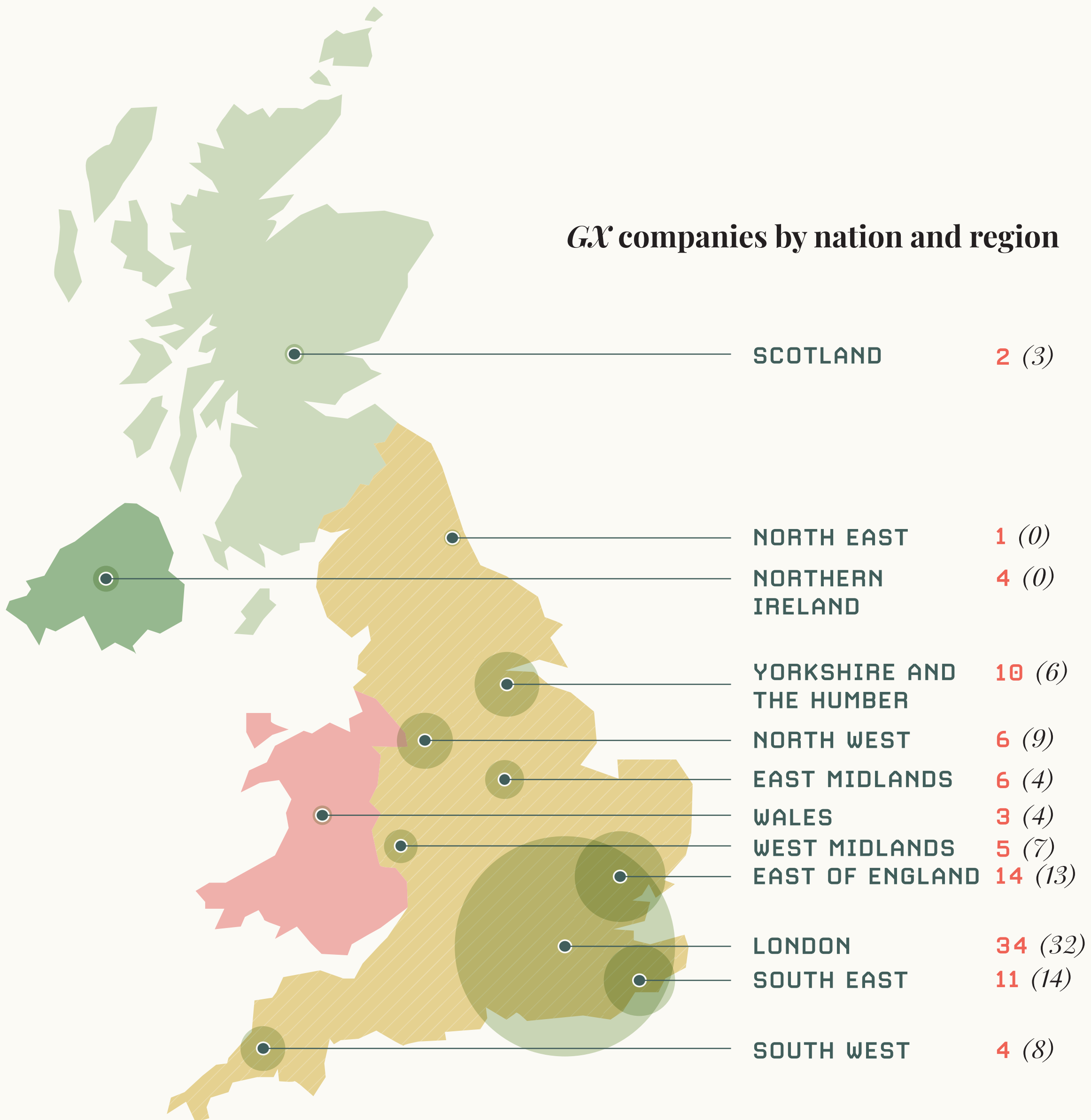
As sectors rise and fall, it would be reasonable to expect the *GX* 100's geographical blend to change too. Tech, for example, is famously concentrated in the nation's capital, while heavier industries are famously not. Yet despite only accounting for 36% of the UK population, London and its two surrounding regions (the South East and East of England) have retained their collective dominance with 59 of our top 100 companies, down by only two from 2023. They are particularly well-represented in the upper echelons, with seven of the top 10, and 68% of the top 50.

Why might this be? As Silicon Valley is to California, London is to the UK. As a world-class business ecosystem, it benefits from access to both finance (79% of UK venture capitalists are based in London alone, according to Beauhurst) and talent (46.7% of London's population has a degree or equivalent according to the ONS, compared to 28.6% in the North East). Many of the world's largest companies and top universities are also based in or around the capital.

The fact that London and the regions around it can produce high-growth champions in so many sectors year after year is testament to its strength in depth, not just in tech and fintech. Unfortunately, this seems to mean that the further you get from London, the less likely you are to see high-growth businesses. Lack of skills, insufficient infrastructure and remoteness from investors all contribute to a relative paucity of regional growth ecosystems.

Nonetheless, for the first time each of the 12 English regions and four UK nations has representation in *Growth Index*. Northern Ireland, which had no companies in the top 100 for the past two years, now has four. Again, it will be fascinating to see whether next year's results will show the nations and regions rising further, and or whether the UK's ecosystem will remain skewed to the capital. ■

***GX* companies by nation and region**



PROFILE: Rachel Heather & Tracy Egan

Live Unlimited

Over half of British women wear size 16 or above, and the figure is rising. Yet for years plus-sized fashion was largely an afterthought.

"Curvier women want the same look and contemporary style as everyone else, but they've just felt forgotten," says Tracy Egan, who for 20 years manufactured quality clothing for high-street retailers with business partner Rachel Heather.

Sensing an opportunity the pair co-founded specialist brand Live Unlimited, with an inclusive mission to fit and flatter any woman, celebrating their curves. Beginning with their own direct-to-consumer (DTC) site in spring 2017, they secured retail listings on Zalando and Next several months afterwards. John Lewis followed in early 2020 online, and in 16 of its stores later that year.

"We want to be known as specialists and our USP has always been around fit

These partnerships helped Live Unlimited grow at a compound annual rate of 175% over the past two financial years. Revenues hit £9.9m in 2022, the same year the business became profitable. There's more to come too: these results predate Live Unlimited listing with M&S in 2023 – a major win for the bootstrapped business. "It's been a phenomenal success. We're 100% up on where they expected us to be," says CEO Heather.

She and Egan ascribe their rapid growth to a close relationship with their customers, who are mostly over 30, and more interested in versatility, style and quality than following fast fashion. "We want to be known as specialists and our USP has always been around fit. All of our collection is fitted on models across the size spectrum we cover. It's a lengthy, but vital part of the design process," adds Creative Director Egan.

Their other great strength comes from controlling their manufacturing, with factories in Romania and Sri Lanka from their days as a retail supplier. "It means we're incredibly agile. If we have a bestseller when we look at our figures on a Monday morning, we can react. Conversely, if something has started badly, and we've something similar coming in, we can restyle it," Egan says.

Paths to growth

Live Unlimited is growing on several fronts. In the autumn, it is launching wholesale in Bloomingdale's and Von Maur department stores in the United States, where plus-sized women are arguably even less well-served. Profitable growth in Europe is another active goal, and the business recently launched a new video-rich UK website. The aim is to capitalise on Live Unlimited's impressive customer loyalty – 80% of DTC customers are repeat purchasers – and increase their website's share of total sales from around a fifth to a half.

Given the growth rates at M&S, Next and John Lewis, this may take some time. "Between those three brands we're going to capture most of the right market for us. Then it's just about finding creative ways to get them onto our site," says Heather.

One strategy is to open their own bricks and mortar stores. "We want a presence on the high street that's our own and where people can enjoy styling sessions," says Heather, who points to the role in-person experiences play in giving people confidence in the fit and sizing.

The pair, who raised equity in 2020 for another fashion business, Ro&Zo, which they launched with long-term colleagues Rosie Bowden and Zoe de Abreu, add that they would consider taking investment for Live Unlimited to accelerate retail.

Whichever routes they take, Heather and Egan remain confident in their direction. "Plus size doesn't have to be cheap rubbish," says Heather. "We have a market here. I think our growth shows that." ■

RACHEL HEATHER (L) AND TRACY EGAN (R)

FEATURE:
The rise of conscious capitalism

Social and environmental impact is firmly on the corporate agenda, but the proliferation of purpose statements and ESG brochures doesn't necessarily mean that companies are being run for the greater good: plenty have realised that greenwashing is rather easier than going green.

It's rarely a case of good guys versus bad guys. Many of the firms accelerating decarbonisation do so partly because it happens to be the financial opportunity they were calibrated to take. Does that mean their executives can't also care about climate change?

Similarly, the leaders of companies that supply products or services that don't have an inherent social impact may factor other stakeholders into their decision making, because treating employees and local communities well makes the business stronger over the long term.

It is possible to hold two sometimes competing priorities in mind at the same time. Indeed that's half the challenge of running a business: profit sometimes competes with growth, and risk with return. The best leaders understand the need to juggle, and that there are different ways to reach the same goal. Applying their ingenuity, they can make a great long-term return while simultaneously pursuing positive impact.

Conscious capitalism is what capitalism in general ought to be – still capitalism, which is the great engine of progress, but directed by founders and executives who haven't forgotten that they're also human beings, not apart from the planet or its people.

Here, we showcase a few of the companies that live up to this ideal, and ask how they manage it.

CHAMPIONING GROWTH

LEADING FOR GOOD GROWTH

Wolf & Badger is a platform for consumers to find independent fashion brands. It's also a B Corp, which vets brands on their environmental impact. George Graham, CEO and co-founder, says:

"We do not see an issue in pursuing both profitability and purpose, so long as these are looked at in close partnership. Through taking a purpose-led approach, we have grown consistently for 14+ years, as well as having delivered a profitable 2023 despite market headwinds.

"It comes down to tracking and guiding against our core business value of 'fairness' which necessitates considering more than just financial performance, but rather thinking about the impact of the decisions we make on a daily basis on a wider group of stakeholders.

"Through our 'praise' function on Slack, we are constantly calling out great examples of our values in action, and the whole team knows the importance of consistently balancing business metrics and social and environmental goals, knowing that ultimately achieving one without the other is pointless for us all."

KEEPING PURPOSE CENTRAL

Another B Corp, AgilityEco specialises in services that improve energy efficiency in domestic properties, such as installing insulation and heating systems. Its mission is to end fuel poverty, deliver better outcomes for low income and vulnerable families and prepare Britain's homes for Net Zero. Sharon Johnson, managing director, says:

"You can't make up your personal commitment to a cause (or I can't, anyway!). I get enormous satisfaction from the fantastic stuff that AgilityEco and its people achieve and that makes it really easy to talk about it with passion, and to be truly appreciative of colleagues' efforts.

"It's important to consistently repeat why we are here. Our teams are making a huge impact on people's energy bills, reducing emissions and ultimately saving money for those who need that help. We remind them of this nearly every day. People can be incredibly innovative and passionate in figuring out the 'what' and 'how' if they know the 'why'."

Q&A:
Charlotte Harrington
Belu


NATALIE CAMPBELL MBE (L) & CHARLOTTE HARRINGTON (R)

Sustainable beverage business Belu was doing well by doing good long before it was fashionable. A social enterprise launched in 2007, its purpose is to change the way the world sees water. It's donated all of its profits since 2011 to Water Aid, in a partnership fixed until 2030.

There are two main sides to the business: bottled water, sold through wholesalers to the hospitality sector, and the installation, maintenance and lease of filtered hot and cold water taps for both hospitality and workplaces. Belu turned over £8.9m in 2023, and grew at a CAGR of 78% over *Growth Index*'s reporting period.

Co-CEO Charlotte Harrington explains how conscious capitalism and growth can go hand in hand.

What's behind Belu's growth, beyond the post-Covid hospitality rebound?
During Covid, our business-as-usual more or less disappeared. We could have closed down or hibernated by putting everyone on furlough. Instead, we took the time to re-evaluate the role Belu could play, and concluded that now was our moment.

We'd been a £5m-£6m business for the four years before Covid, but we started asking, "What if we did things differently?" From that came new product development, such as our mixers range, which we launched in the middle of lockdown.

We also launched our filtration business in Hong Kong in 2021, after an enquiry the previous year from Mandarin Oriental. Before, we might have said said, "Sorry, but we don't export." But we believed we could maximise this opportunity and secured additional funding from our original investor.

How do you make your purpose central to decision making?
Firstly, it's a privilege to lead a business that genuinely can live its purpose. It's why we've always existed, rather than something retrofitted onto the organisation. Secondly, we use a decision-making framework based around four Ps: purpose, people, planet and profit, in that order. For example, lots of opportunities come our way that would be loss-making. I come from retail, where loss-leading is a common way to drive footfall. But we can't deliver social and environmental impact without making a profit: we are a business, not a charity. It's just that what we do with our profits is different.

CHAMPIONING GROWTH

How central is your purpose to your competitive proposition?
People want to procure from businesses that give them a story to tell their clients and employees. As a social enterprise, we can give them that. Our product and service are second to none. And while we are not the cheapest, we are still competitive on price. For us, it's about brand awareness: we just need to be in the consideration set.

What's the role of transparency in leading with purpose?
Transparency is critical, it's in our DNA. We publish an annual impact report, with our independently verified carbon footprint over 10 years, and fully audited financials, even though we're not required to as a small business.

It's important to talk honestly about what we do and what we don't, and why. At the moment for example, the demon for bottled water is plastic, but if you look at the data, unless you're refilling then a recycled plastic bottle [of the kind Belu uses] is much less carbon intensive than cartons, cans or glass.

There's so much greenwashing, so this is a reality check. We're aiming for a zero-carbon future. We don't know how we're going to get there yet, but we're doing everything we can to figure it out.

What's next for the business?
The market is moving towards removing single-use packaging wherever possible, so filtration and refillables are a natural place for us.

We've just recruited someone to be based permanently in Hong Kong. It's a small part of the business currently but is already profitable. If we can replicate that four or five times that would be amazing. We're taking a city-based approach to global expansion, looking for thriving independent hospitality scenes where there's an interest in provenance and environmental impact. Those early adopters have been our massive supporters in the UK, and we know they'll understand us in any country.

We also know that the UK market is still massive, and we're such a small part of it so we need to stay focused on that opportunity as much as on global growth. ■

PROFILE: Shaun Doak

React Group

React Group Plc isn't your typical cleaning company. Alongside conventional services like the regular commercial cleaning of windows, facilities and facades, it looks after what you might call 'extreme' cases: ad-hoc specialist cleaning of crime scenes, railway fatalities and biohazards.

A global pandemic understandably made for interesting times, given the latter, but React doesn't owe its position as the UK's fastest-growing cleaning provider to Covid. Instead, it is a classic business turnaround story.

When Shaun Doak joined the AIM-listed company as MD in March 2019, React was turning over £3.3m, but making an operating loss of over £600,000.

"We were always very good at delivering the service, and had a great portfolio of blue-chip and large facilities management customers. But our back office function was lacking – we didn't have the correct people, systems or procedures to facilitate the CRM [customer relationship management] required for growth – in all honesty it was a bit of a mess," says Doak, who became CEO in February 2020.

A two-pronged turnaround

His first task was professionalising the business, bringing in key people and processes across the board. Doak integrated sales and marketing, improving campaign efficiency so the team could spend more time with customers, to understand their challenges.

It paid off as expected, with organic growth averaging over 20% since 2020. For the first time in years the company was profitable too, which enabled the second phase of Doak's turnaround strategy: strategic M&A.

SHAUN DOAK

After raising £1.25m through the public markets in June 2020, React bought West Midlands-based contract cleaner Fidelis in 2021, and a market-leading UK-wide commercial window and cladding cleaning company LaddersFree in 2022.

The logic was to create a more reliable revenue mix. As the name 'React' suggests, the company's historic specialist cleaning business relies on contract reactive (irregular work under an on-call framework) and ad hoc work.

"We were lacking recurring revenue through contract maintenance work, and Fidelis gave us almost £5m of recurring revenue straight away," Doak says, adding that recurring revenue has risen to 87% of the group's total, from one third. He also correctly believed that the team could professionalise their new acquisitions much as they had React's core business.

> *"My target is for us to achieve over £5m free cash-flow per annum*

A platform for future growth

Fidelis has been a particular success, increasing revenue so quickly that it had to pause sales and marketing for six months last year as it expanded its capacity and made the necessary improvements to facilitate the growth. Divisional sales still doubled since acquiring the Fidelis business in 2021.

Including M&A, React Group grew at a compound annual rate of 77% between 2020 and 2022. Its annual results ending September 2023, published outside *Growth Index*'s reporting period, showed 43% sales growth to £19.6m, with adjusted EBITDA hitting a record £2.3m.

So did the short-lived Covid-era obsession with cleanliness make any difference? Doak paints a mixed picture, with new Covid decontamination assignments counteracted by declining contract reactive work in the judiciary sector (with fewer arrests, for example) and less ad hoc work as lockdown shut buildings across the nation.

Where the pandemic really helped was exposure, lifting React's brand to the forefront of the industry. The group is actively looking for further M&A opportunities, but next time is likely to use its own cash reserves.

"We've got the model right with Fidelis, and think we can do similar, smaller acquisitions in different locations. We're also focused on specialist players," Doak says. "My target is for us to achieve over £5m free cash-flow per annum within the next three to five years." ■

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