HSBC UK

Beauhurst

HSBC UK Corporate Tracker: Insights Paper

February 2026

Contents

1. Foreword

This second edition of the HSBC UK Corporate Tracker comes at a turning point for UK businesses. After a period shaped by repeated shocks, including the pandemic, energy price spikes and sharply higher interest rates, the economic backdrop is starting to change. Inflation and interest rates are easing, releasing pressure on business costs. Even so, uncertainty remains a defining feature of the operating environment.

The picture that emerges from Beauhurst's data is one of transition. Corporates are moving away from crisis management and towards funding growth. Debt levels have steadied, and financial positions appear stronger. Higher earnings have increasingly been used to fund expansion. While employment growth softened towards the end of 2024 and national data point to a dip towards the end of 2025, reflecting a more cautious hiring environment, corporates remain central to sustaining employment across the UK.

Growth varies across sectors and by region. Corporates are particularly influential in advanced manufacturing, clean energy, and life sciences, which are priority industries within the UK's industrial strategy. In these sectors, a relatively small number of corporates account for around 70% of employment among UK active companies, giving them a strong influence over investment, productivity and skills. These three sectors also exhibit strong export potential. The performance of corporates will be critical to whether national ambitions for these industries are realised.

The analysis also highlights the importance of established regional clusters. Producers of heavy equipment and machinery, and manufacturing, continue to underpin growth in parts of Yorkshire and the Humber. The North West is showing an emergence of strong professional services ecosystems. Advanced technology and life sciences remain concentrated in the South East and the East of England. For banks and investors, these patterns matter because growth is shaped as much by local industrial structures as by sector.

Recognising these regional strengths is essential to supporting trade and investment, financing supply chains, and backing sustainable growth across the UK.

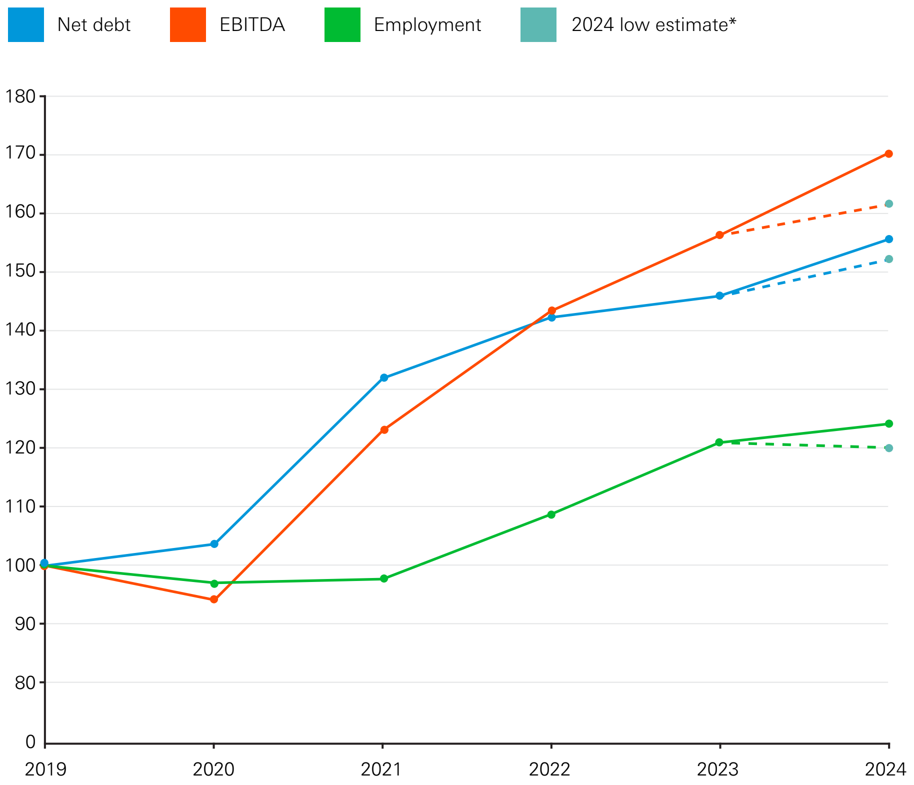
"Corporates are moving away from crisis management and towards funding growth."

James Cundy
Head of Mid Market Corporates and Structured Finance
HSBC UK

2.0 Earnings resilience, leverage and labour market outcomes

See glossary for key terms

Earnings, net debt and employment growth (2019=100)



*The low estimate excludes the 4.5% of corporates for which 2024 figures were modelled rather than reported.

Earnings recovery, not deleveraging, has supported recovery

Since the pandemic, rising earnings have helped corporates improve their financial position. As the chart shows, EBITDA growth has consistently outpaced the rise in net debt since 2020, materially strengthening leverage even as absolute debt levels remain above their 2019 baseline.

A clear improvement in servicing corporate debt

Following the initial pandemic shock, net debt rose sharply in 2021, reflecting liquidity preservation and emergency borrowing to bridge revenue disruption. However, this increase was more than offset in subsequent years by a rapid recovery in earnings. By 2022, EBITDA had already overtaken net debt, and by 2024, it stood around 70% above pre-pandemic levels, compared with net debt at closer to 55% above 2019. The result is a clear improvement in debt serviceability.

Improved financial positions have underpinned investment and operational expansion

Employment growth has lagged both debt and earnings, rising by around 20% to 25% since 2019. This indicates that corporates have first rebuilt revenues, margins and cash generation, using operating leverage and productivity gains to stabilise balance sheets. Higher earnings and reduced leverage have then enabled UK corporates to expand their operations with greater investment.

"UK corporates are less leveraged than headline debt suggests, with strong earnings growth creating renewed capacity to invest"

Richard Lewis
Head of Debt Finance Origination

3.0 Corporates alignment with Modern Industrial Strategy priorities

The Modern Industrial Strategy, released in June 2025, serves as a 10-year economic blueprint to boost long-term productivity, attract investment, and grow future-focused industries. Below are the eight industries (IS-8) that are central to achieving this growth. The Strategy is set within a services-led UK economy, with services accounting for around four-fifths of UK economic output and employment in Q3 2025.[1] This section outlines the performance of all corporates across these IS-8 sectors providing company and employment count and annual turnover growth. UK-wide employment and active company counts in the IS-8 sectors are also shown for comparison.

- **Advanced manufacturing**
- **Clean energy**
- **Creative industries**
- **Digital & technologies**
- **Financial services**
- **Life sciences**
- **Professional & business services**
- **Defence**

The success of certain IS-8 sectors will be in the hands of UK corporates

Advanced manufacturing, clean energy, life sciences and defence are the IS-8 sectors where large corporates are most likely to tip the needle at a national level. Together, corporates account for around 70% of total employment among UK-active companies operating in these sectors,[2] giving them a dominant role in shaping investment, productivity and skills outcomes. As a result, progress in these industries is disproportionately dependent on the performance and strategic decisions of a relatively small number of corporates. The success of these corporates in scaling activity, sustaining investment and anchoring supply chains is therefore central to the delivery of the UK's industrial policy.

Corporate performance across IS-8 sectors compared with UK-wide benchmarks

IS-8 sectors	Number of corporates | **Total UK active companies**	Number of employees[3] | **Total number of employees at UK active companies**	Turnover CAGR[4]
	1.61k | **488k**	4.21m | **6.92m**	6.37%
	1.50k | **403k**	2.51m | **4.03m**	7.68%
	1.21k | **141k**	2.68m | **4.11m**	3.82%
	636 | **288k**	1.0m | **1.81m**	7.36%
	326 | **14.2k**	846k | **1.10m**	3.27%
	260 | **16.1k**	686k | **986k**	6.84%
	77 | **1.16k**	359k | **413k**	4.82%
	64 | **1.59k**	325k | **456k**	8.56%

[1] House of Commons, 2026. Service industries: Economic indicators.
[2] The total employee count can include employees working in locations outside of the UK.
[3] The total employee count can include employees working in locations outside of the UK.
[4] This is calculated using a compound annual growth rate from 2021 to 2024.

3.1 Fastest growing IS-8 sectors

Fastest growing IS-8 sectors by yearly turnover growth rate (2021-2024)[5]

Yorkshire and The Humber	West Midlands	Wales	South West
17.7%	18.0%	13.5%	9.69%
10.8%	13.3%	9.02%	8.65%
9.50%	12.0%	6.72%	6.57%

South East	Scotland	Northern Ireland	North West
13.6%	11.0%	12.0%	14.7%
12.6%	8.74%	11.5%	8.42%
8.39%	7.20%	10.9%	6.74%

North East	East of England	East Midlands	London
12.6%	13.7%	10.7%	11.7%
12.0%	12.0%	10.7%	8.09%
11.7%	11.7%	10.5%	7.40%

Seven out of twelve regions’ fastest-growing IS-8 sectors are outpacing UK GVA growth

The UK economy grew at a rate of 7.73% per year between 2021 and 2024, based on Gross Value Added.[6] Yorkshire and the Humber, the North West, the West Midlands, Northern Ireland, the North East, the East of England, and the East Midlands all show growth above 10% for each of their fastest growing sectors. This pattern suggests that where growth is strongest, it is driven by sectoral composition and specialisation rather than by regional exposure to national growth.

Advanced manufacturing growth remains concentrated in the UK’s established industrial regions

Yorkshire and the Humber, the West Midlands, the South West and the North East record the strongest turnover growth within the sector, reflecting the continued strength of historic manufacturing hubs. These regions retain enduring advantages, including dense supplier networks, skilled labour pools and the presence of large automotive and advanced engineering firms.

Financial services are showing growth in northern regions and Wales

The sector ranks among the top three fastest-growing IS-8 sectors in the North East, the North West, Yorkshire and the Humber, and Wales, with turnover growth rate ahead of all corporate growth rate for financial services.

By contrast, London records turnover growth of around 2% over the same period. Rather than reflecting a weakening of London’s role, this divergence points to the emergence of regionally embedded financial services hubs closely aligned to local corporate activity.

[5] This is calculated using a compound annual growth rate from 2021 to 2024.

[6] ONS, 2026. Gross Value Added (Average) at basic prices, accessed: 15/01/2026.

3.2 Fast-growth sectors within regional corporate clusters

The HSBC UK Corporate Tracker February 2026, which accompanies this insights paper, sets out a series of corporate clusters across each of the UK's regions, excluding London. This section highlights the sectors that underpin strong growth within these clusters and links them to the structural trends shaping regional performance. Each cluster is presented alongside the number of corporates and the annual turnover growth rate from 2021 to 2024.[7]

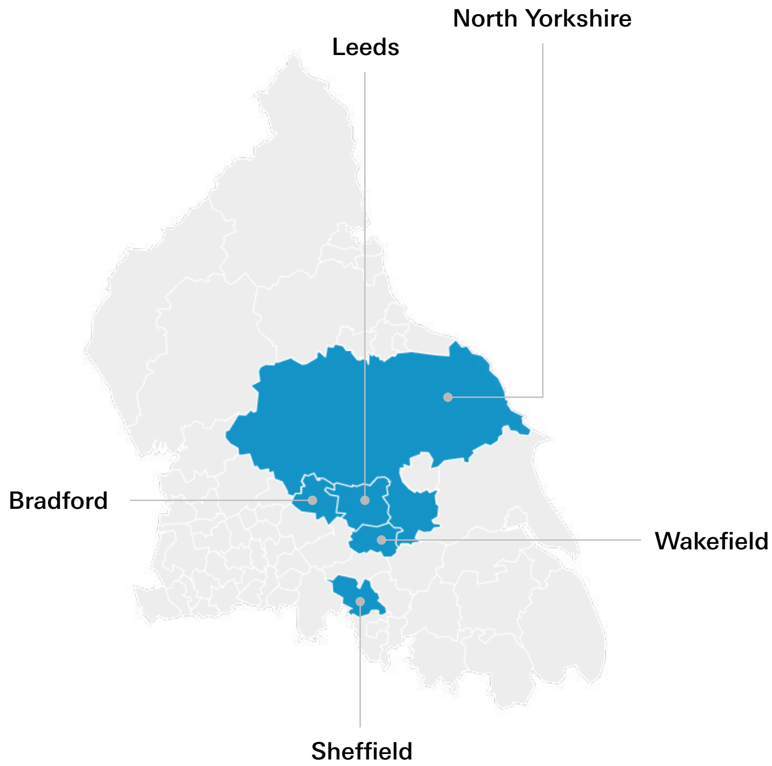
[7] This is calculated using a compound annual growth rate from 2021 to 2024.

Yorkshire and The Humber Cluster

This cluster's growth is concentrated in heavy industrial activities, notably manufacturing and producers of heavy equipment and machinery. These firms are geographically concentrated in Leeds (10), Sheffield (11) and North Yorkshire (9). The oil and gas segment is also expanding strongly within the cluster, with 10 of the 13 corporates in this sector located in Leeds, underlining the city's role as the operational hub for energy-related activity in the North.

This ecosystem is supported by Sheffield-based industrial capabilities that manufacture forged components for the oil and gas industry. Sheffield is also home to specialists in hydrogen fuel and energy storage technologies, highlighting the links between traditional energy supply chains and the region's growing low-carbon and clean energy capabilities.

There is also a strong base of professional and business services, with Leeds and Sheffield providing legal, real estate and advisory capabilities, alongside payroll, education and facilities services.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Heavy equipment and machinery	11	19.8%
Professional and business services	53	17.6%
Oil and gas	13	16.4%
Manufacturing	35	12.0%

Key Insight

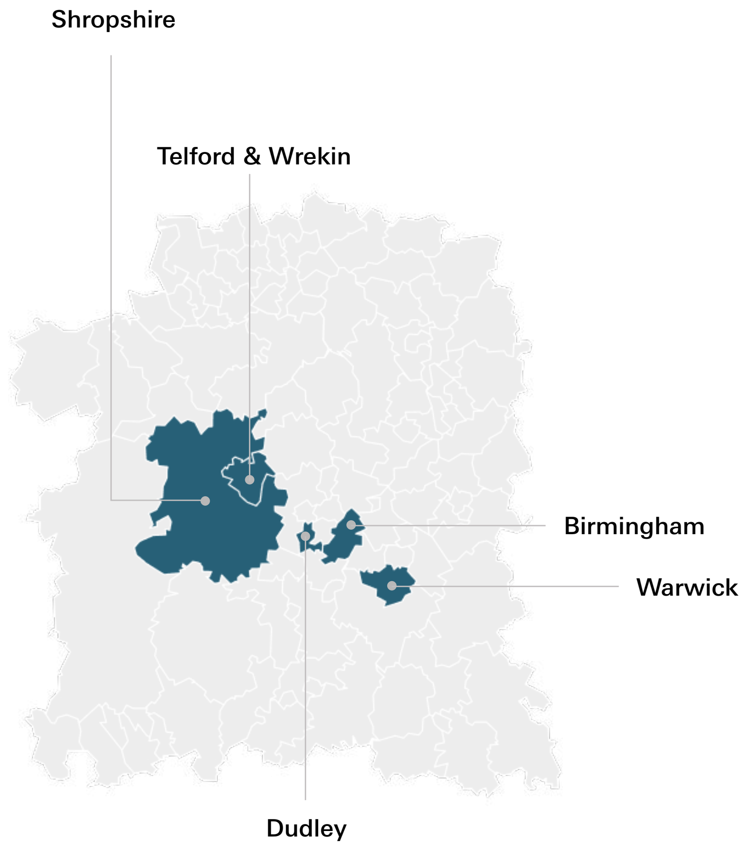
The cluster's growth is anchored in heavy industry and energy, with Leeds as the operational hub, Sheffield providing industrial and clean energy capabilities, and professional services supporting activity across the region.

West Midlands Cluster

In the West Midlands cluster, the five local authorities are recording their strongest corporate growth in the automotive sector, reflecting the region's established manufacturing base. This strength is mirrored in distribution and wholesale activity, where suppliers of automotive components are benefiting from dense local supply chains.

Beyond manufacturing, digital and technology-focused corporates are emerging as a secondary growth driver, supported by the region's growing R&D, engineering and applied technology ecosystem.

Financial services also feature as a growth sector, consistent with Birmingham's position as a major UK financial centre outside London. Of the 17 financial services corporates in the cluster, 15 are Birmingham-based.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Cars, motorcycles and other road vehicles	31	17.7%
Digital and technologies	21	13.7%
Financial services	17	13.2%
Distribution and wholesale	20	10.9%

Key Insight

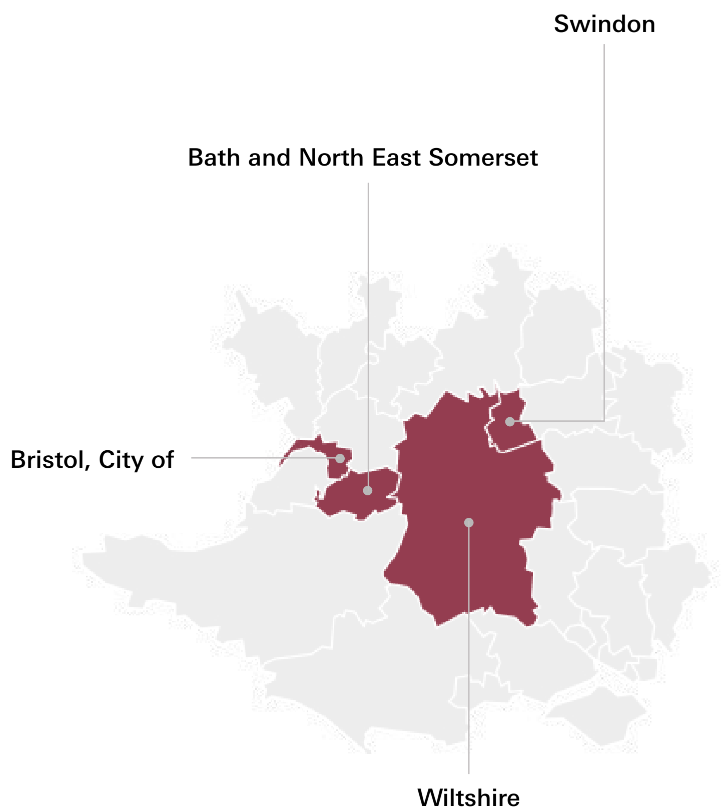
Beyond manufacturing, digital and technology-focused corporates are emerging as a secondary growth driver in the West Midlands cluster.

South West Cluster

The South West cluster comprises four local authorities. Growth in human resourcing is driven primarily by recruitment agencies, with activity concentrated in Bristol (9) and a smaller presence in Swindon (2) and Wiltshire (3). Manufacturing also emerges as a key sector, with corporates drawn to the availability of space across the region.

Care home services, management, and development are increasingly appearing among growing corporates. This trend aligns with structural demographic pressures, as the UK's ageing population continues to support demand for expanded care infrastructure and associated services. This reflects the South West's demographic profile, which has the highest proportion of residents who are aged 65+ in England and Wales at 22.3%,[8] supporting the need for sustained demand for care-related infrastructure and services.

[8] ONS, 2021. Census Maps. Age.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Human resources	15	22.8%
Manufacturing	16	10.4%
Care homes	10	9.78%
Digital and technologies	27	8.55%

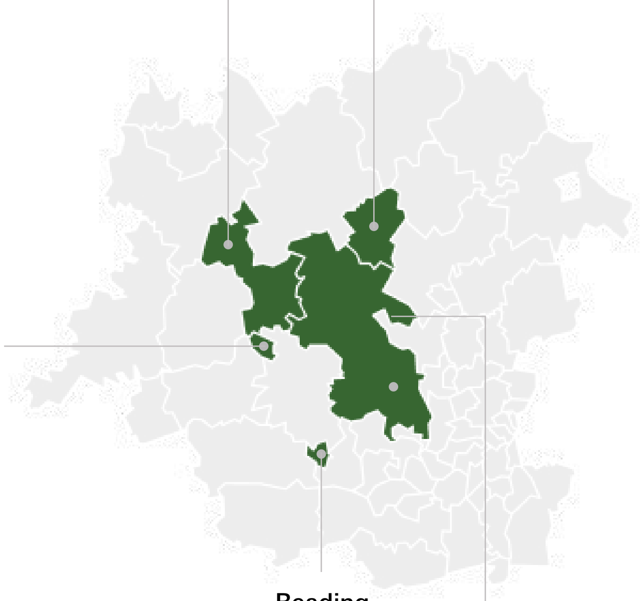
Key Insight

An ageing population means care home services dominate this region's corporate landscape.

South East Cluster

The South East cluster, comprising four local authorities, is characterised by strong growth in property development and construction, with a number of corporates expanding activity across the region. Manufacturing also features prominently, with growth concentrated in technology-intensive and advanced manufacturing segments. This reflects the cluster's position within the UK's "golden triangle" of science and innovation, spanning Oxford, Cambridge and London.

The fastest-growing manufacturing corporates in the cluster are engaged in advanced production techniques, ranging from highly efficient electric powertrain systems for hybrid and electric vehicles to precision manufacturing of smart sensing technologies. This points to a close linkage between the South East's research-led ecosystem and the commercial scaling of high-value manufacturing. Life sciences is another key growth sector, supported by the cluster's university base. While Oxford hosts seven, Buckinghamshire accounts for nine, indicating a specialisation in medical technology and devices within the cluster.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Property development and construction	11	18.1%
Creative industries	14	9.91%
Manufacturing	16	9.86%
Life sciences	20	8.57%

Key Insight

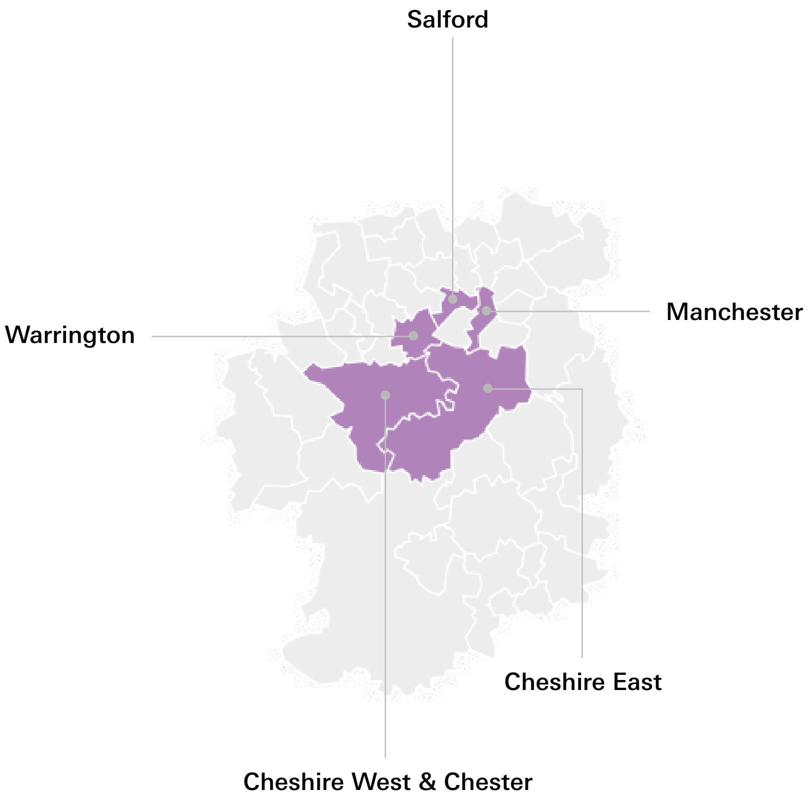
Growth reflects a research-led cluster where advanced manufacturing and life sciences are scaling alongside construction.

North West Cluster

Growth within the North West cluster of five local authorities is centred on financial and professional services, with human resources and insurance accounting for a significant share of expanding corporates. The prominence of insurance and financial services reflects the region's established back-office, underwriting and specialist risk functions, which have benefited as firms continue to locate operational and support activities outside London.[9] Manchester has attracted the largest square footage of inward investment from financial institutions between 2015 and 2024.[10] This has potentially been driven by cost efficiencies, proximity to a large regional customer base, and the benefits of greater operational diversification.

The strength of HR and recruitment activity is consistent with this sectoral mix. Expanding financial and professional services firms tend to generate secondary demand for recruitment, workforce management and specialist HR services, both to support headcount growth and to manage increasingly complex skills requirements. This reinforces the clustering effect, where professional services expansion supports further growth in adjacent business services.

[9] JLL, 2025. Reimagining of London's financial services campuses fuelling commercial property growth in regional cities.
[10] Ibid.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Insurance	12	16.6%
Financial services	35	12.4%
Human resources	24	10.1%
Professional and business services	63	9.78%

Key Insight

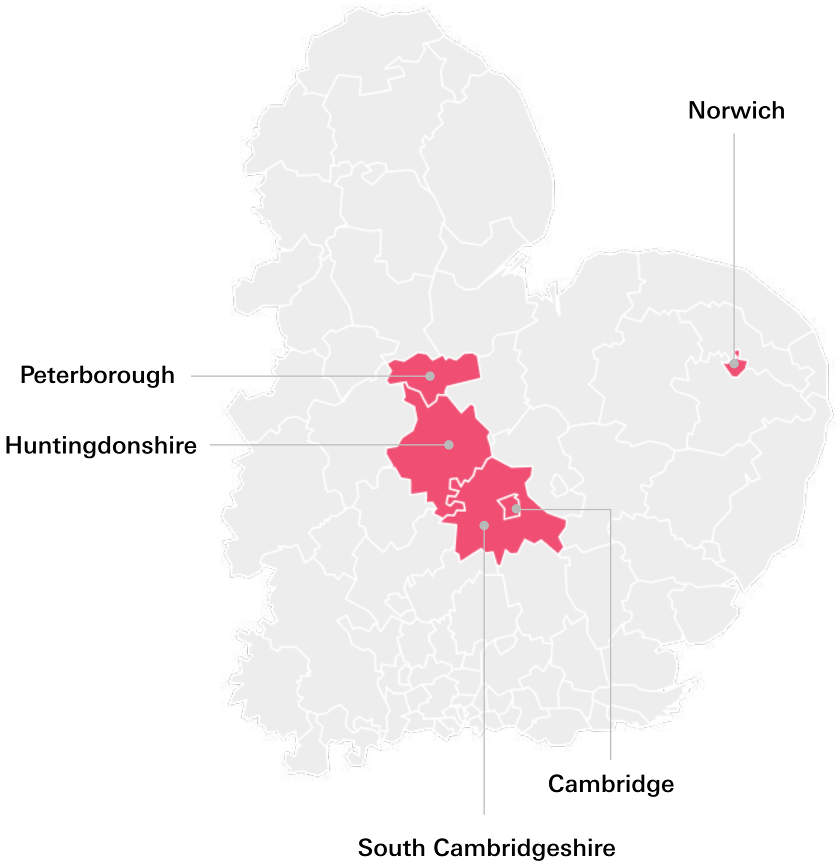
Growth in the North West cluster is concentrated in a resilient services economy anchored by financial and professional services.

East of England Cluster

The East of England cluster shows growth concentrated in software, digital and technology-driven industries. This reflects the region's role within the UK's "golden triangle", with corporates drawn to the research and academic base centred on Cambridge.

Life sciences also features strongly, underpinned by the presence of globally significant firms alongside a wider ecosystem of research-led corporates. Activity is highly concentrated geographically, with Cambridge and South Cambridgeshire accounting for 17 of the 18 growing corporates in this segment, reinforcing the area's role as a national hub for life sciences innovation and commercialisation.

A less commonly explored aspect of the region's growth is its software base, with firms operating across the creative industries and business services. These corporates are also likely to benefit from proximity to the advanced digital and machine learning capabilities being developed around Cambridge.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Software-as-a-Service (SaaS)	10	21.9%
Digital and technologies	32	15.2%
Life sciences	18	15.2%
Creative industries	11	11.8%

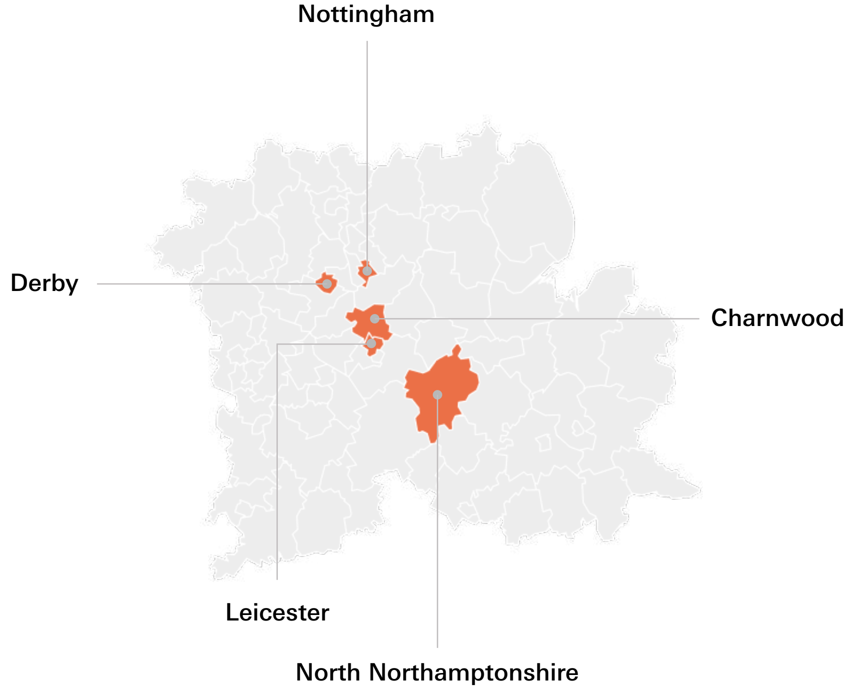
Key Insight

The cluster's growth is tightly concentrated around Cambridge, where digital and life sciences activity reinforces the region's role as a national innovation hub.

East Midlands Cluster

The East Midlands cluster shows growth in financial services, though without a single dominant local authority emerging. Electronics hardware ranks as the second fastest-growing sector, with a number of innovative corporates expanding across the cluster. This is the only region where a hardware sector appears. Again activity is relatively evenly distributed across the cluster. Growth in the automotive sector follows a similar pattern.

This spatially balanced profile distinguishes the East Midlands from other clusters, where growth is often more tightly concentrated. The absence of a dominant locational base suggests a relatively homogeneous industrial mix across the cluster's constituent areas, which may support the development of more integrated and resilient regional supply chains.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Financial services	13	16.0%
Electronics hardware	14	13.4%
Cars, motorcycles and other road vehicles	19	11.3%
Digital and technologies	36	10.4%

Key Insight

Electronics hardware growth distinguishes the East Midlands, with activity distributed evenly across the cluster.

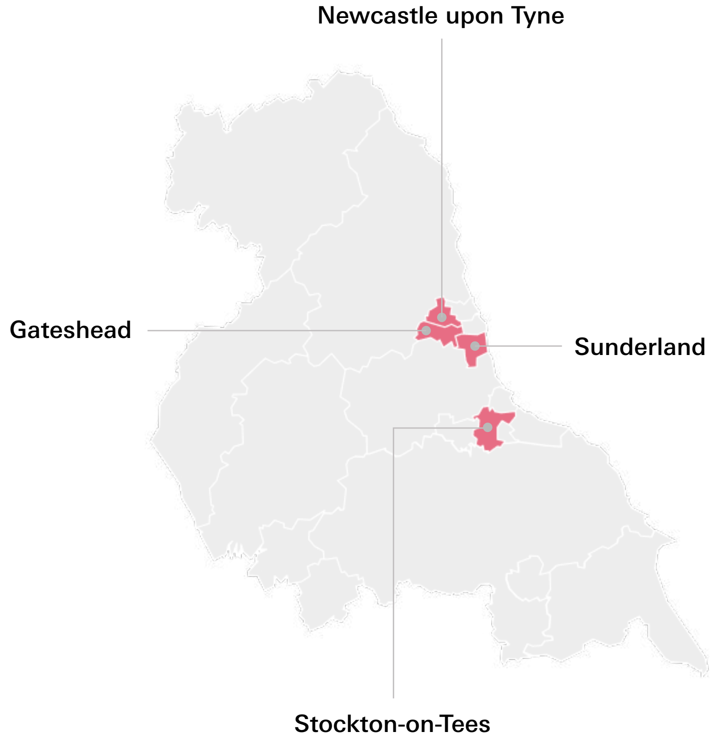
North East Cluster

The North East cluster is led by growth in the automotive sector, with Gateshead and Sunderland at the core. Sunderland's growth is underpinned by large-scale automotive manufacturing activity, with a recent £450m investment,[11] expected to support around 6,000 jobs and reinforce the region's role within the UK automotive supply chain.

Care home services are also expanding, reflecting the North East's ageing population and mirroring trends seen in regions such as the South West, where demographic pressures are sustaining demand for care provision and related services. The North East has the third highest proportion of its residents across England and Wales who are 65+ years of age at 20.4%.[12]

Property development and construction form a complementary growth area, co-located with the region's clean energy developers and associated service providers. Regeneration programmes, investment in large-scale energy projects, and the re-use of former industrial sites are supporting sustained demand for construction, engineering and development services. This activity underpins the delivery of energy infrastructure and reinforces the local supply chain linking site preparation, project delivery and clean energy generation.

[11] UK Government, 2025. The UK's Modern Industrial Strategy Quarterly Update - December 2025.
[12] ONS, 2021. Census Maps. Age.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Cars, motorcycles and other road vehicles	14	21.0%
Care homes	7	17.0%
Financial services	9	16.4%
Property development and construction	11	13.3%

Key Insight

Automotive strength remains the engine of growth, supported by energy infrastructure development and care services.

Scotland Cluster

The Scottish cluster is led by growth in the oil and gas sector, reflecting the region's established resource base and continued investment in energy-related activity. This remains a key driver of corporate expansion, particularly in areas with long-standing expertise in extraction, services and engineering.

Digital and technology-focused corporates rank second, with growth spread relatively evenly across the four local authorities. This points to a broad-based expansion of Scotland's technology ecosystem, with Edinburgh, Aberdeen and Glasgow all contributing, rather than activity being concentrated in a single urban centre. Growth is evident across business software, cloud computing and IT infrastructure, and payroll and human resources platforms, highlighting the depth and functional diversity of the region's digital capabilities.

Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Oil and gas	30	11.8%
Digital and technologies	19	10.8%
Legal services	11	8.62%
Heavy equipment and machinery	14	8.46%

Key Insight

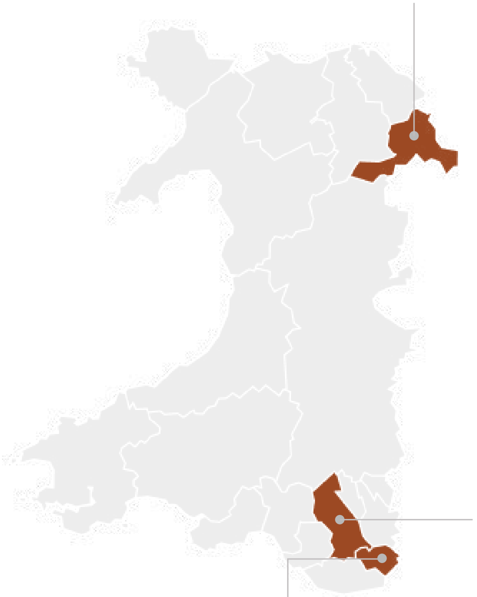
Growth is led by oil and gas, alongside a broad-based expansion of Scotland's digital and technology ecosystem.

Wales Cluster

Wales has the fewest corporates across all UK regions. In the Wales cluster, growth is led by transport services such as coach operations, which top the ranking among fastest-growing sectors. Property development and construction also feature strongly, signalling broader activity in the built environment. Financial services also appears with growth which is supported by insurance and banks based in Cardiff.

Digital and technology activity is a key area of potential growth in Wales. Since 2020, the region has hosted the Compound Semiconductor Catapult, supporting innovation and scale-up across the sector. Alongside this, Cardiff is home to a global semiconductor corporate involved in a flagship project integrating the UK's research strengths with regional supply chains in advanced compound semiconductor manufacturing.[13] Compound semiconductors are critical enablers across emerging technologies, and the project aims to build competitive advantage in these capabilities, strengthening the UK's position in global markets including optical communications, 5G, autonomous and electric vehicles, aerospace, robotics and medical devices.

[13] UKRI, no date. The UK Research and Innovation Strength in Places Fund.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Cars, motorcycles and other road vehicles	8	46.6%
Digital and technologies	7	17.3%
Property development and construction	6	16.2%
Financial services	7	13.8%

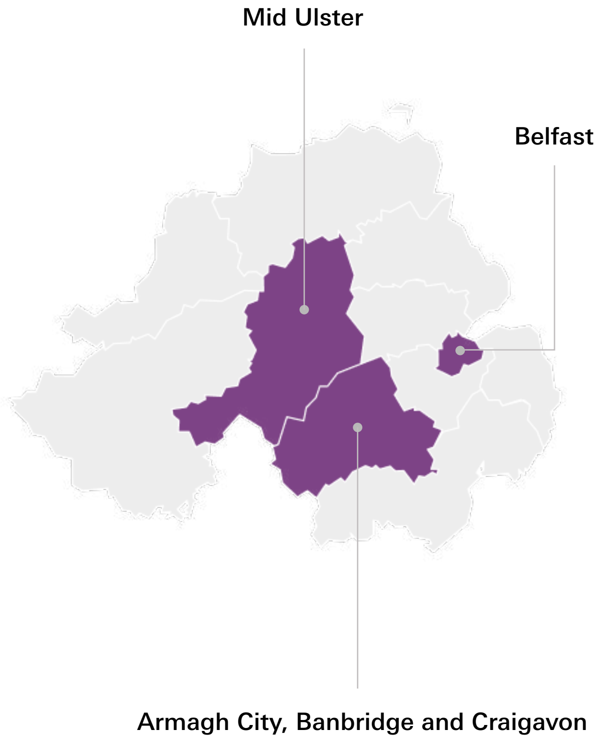
Key Insight

Despite having the smallest corporate base, growth in Wales is being driven by transport services and construction, with longer-term growth centred on an emerging role in advanced compound semiconductors.

Northern Ireland Cluster

Manufacturing leads growth in the Northern Ireland cluster, underpinned by strong interconnections with other expanding sectors, notably civil engineering and property development and construction. A number of manufacturing corporates operate as key suppliers to the built environment, producing inputs such as cement and cement-based products, alongside mechanical and electrical systems used across commercial, industrial and residential projects.

This degree of sectoral integration highlights the importance of local supply linkages within the cluster, where manufacturing activity both supports and is supported by construction-led demand, reinforcing the region's industrial ecosystem.



Ranking of fastest growing sectors within the cluster

Fastest growing sector	Number of corporates	Annual turnover growth
Manufacturing	9	15.2%
Property development and construction	18	13.0%
Energy utilities	6	10.9%
Civil engineering	5	10.4%

Key Insight

In the Northern Ireland cluster, manufacturing-led growth is reinforced by strong linkages to construction and civil engineering.

Glossary

Deleveraging - Involves reducing outstanding debt to strengthen long-term financial health.

EBITDA - Earnings before interest tax and depreciation.

Net debt - Calculated as total interest-bearing debt minus cash and cash-equivalent holdings.

Liquidity preservation - Refers to the deliberate management of cash and cash equivalent resources to ensure a firm can meet short-term debt obligations.

Gross Value Added (GVA) - Defined as the value produced by any economic unit that produces goods and services, providing a measure of the economic activity.

Methodology

This report has been prepared using Beauhurst data. The following definition has been used to define corporates. A corporate must meet at least two of the three below criteria:

- The annual turnover is more than £36 million
- The balance sheet total is more than £18 million
- The number of employees is more than 250

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