

EDA State of the Sector Survey Manufacturer Feedback: Q4 2025 October





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Introduction

These are the results of the Q4 2025 EDA State of the Sector Survey with Manufacturer responses.

There is a separate survey for EDA Wholesalers.

This survey attracted 48 responses, a 41% response rate. On 1 November 2025 the EDA had 117 manufacturer affiliates.

A summary of wholesaler and manufacturer feedback was shared at our Talking Shop Live Online on Friday 7 November 2025.



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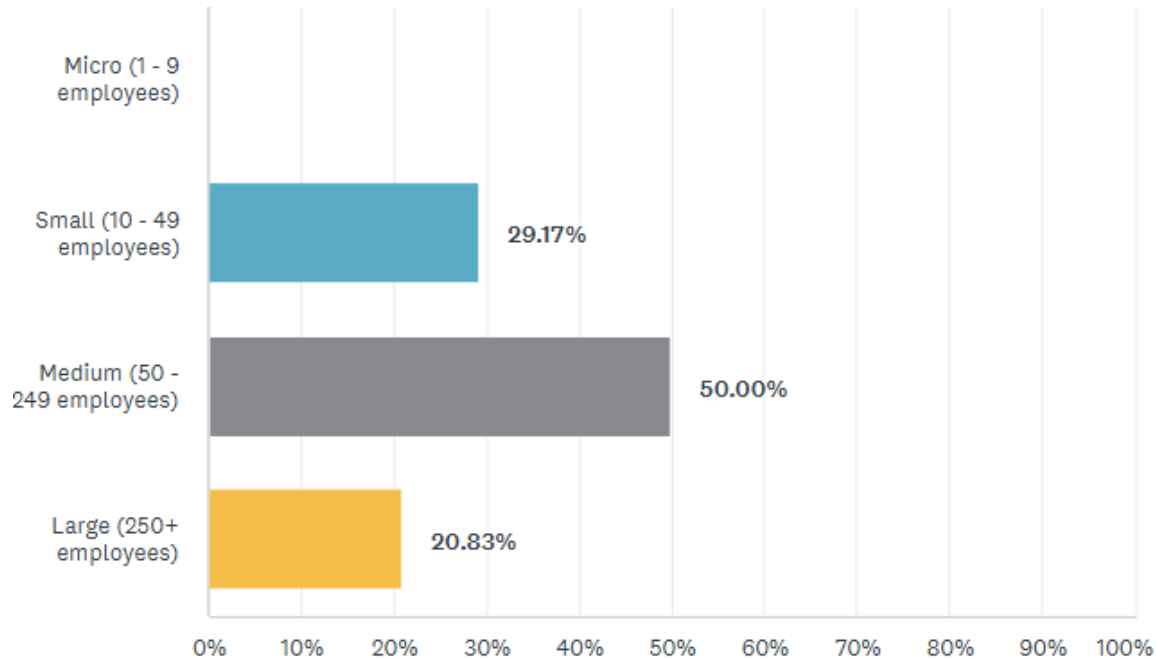
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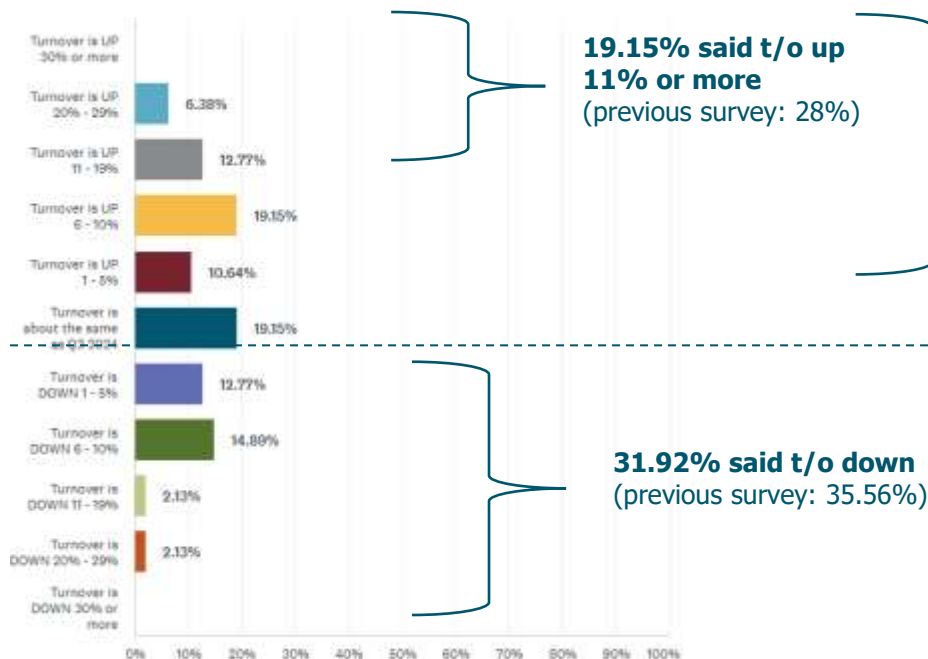


Q1: Please tell us the size of your business



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Q2: Please tell us how your turnover in Q3 2025 compares with turnover in Q3 2024.



48.94% reporting t/o up
(previous survey: 53.49%)

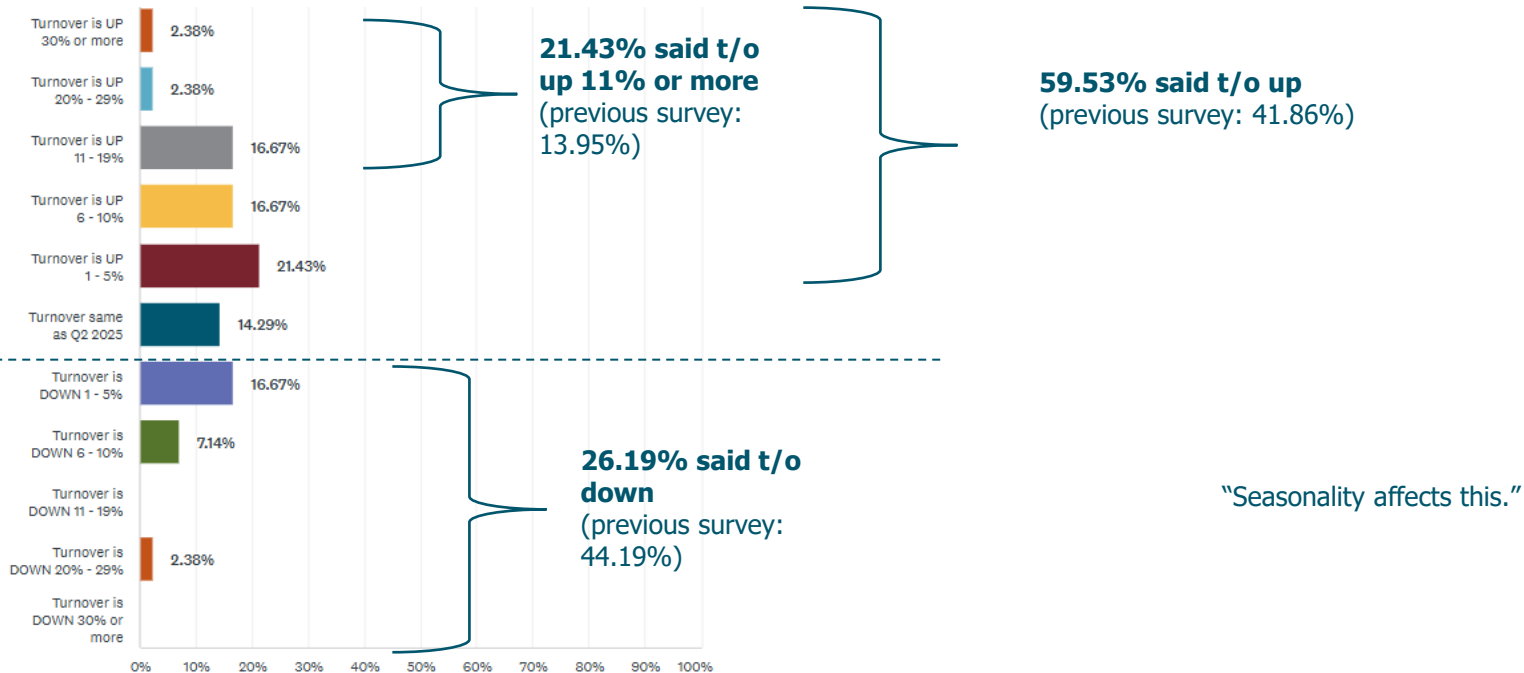
“Turnover has been reduced... quantity is up by 9%.”

“Impacted by EV Project business. Excluding this traditional business grew by 9.1%.”

“During the Qtr we had our all-time record month.”

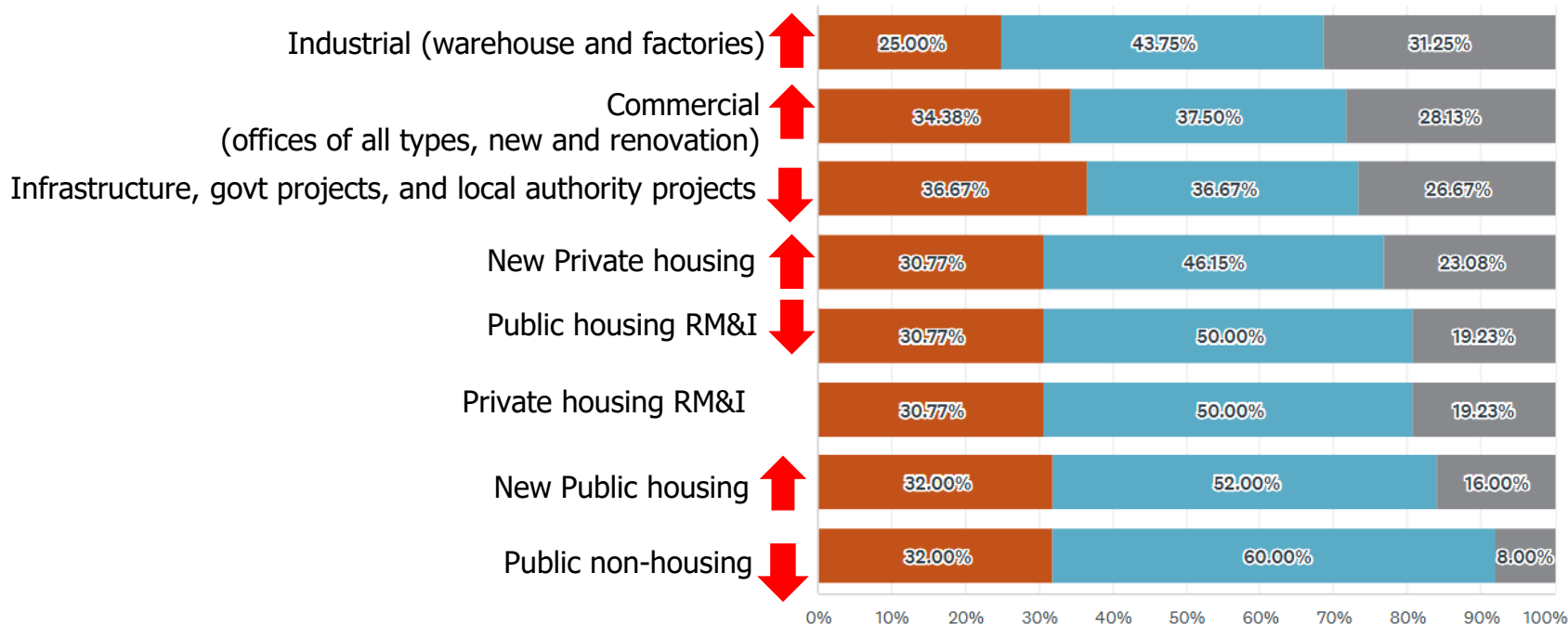
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Q3: Please tell us how your turnover in Q3 2025 compares with turnover in Q2 2025.





Q4: Have you experienced a change in turnover in Q3 2025 compared to Q2 2025 for the following sectors? Ranked by growth (grey band). Arrows indicate comparison with previous survey.





Q4: Comments on particular areas of growth

“Difficult to analyse as lots of our business is stock orders for wholesalers and we do not have visibility of where the stock ends up.”

“Solar and EV.”

“Emergency products.”

“Renewables and DC.”

“We are unable to identify the sectors specifically as a trend.”

Q5: Your Operational Challenges: from a prompted list please tell us which 5 operational challenges are your most pressing at this time?



	October 2024	January 2025	April 2025	July 2025	October 2025
1	A general downturn in demand	Inflation in business overheads and passing these on to customers	Upward pressure on all wages driven by the increases in National Living Wage and National Minimum Wage on my overall wage bill	Slowdown in the start of projects + Upward pressure on all wages driven by the increases in National Living Wage and National Minimum Wage on my overall wage bill	Increasing business overheads + Delays to project starts
2	Increasing competition for work	Upward pressure on all wages driven by the increases in National Living Wage and National Minimum Wage on my overall wage bill + A general downturn in demand	The slowdown in my traditional market segments	Inflation in business overheads	Downturn in market demand
3	Product price deflation	Product price deflation	Inflation in business overheads	The slowdown in my traditional market segments	Difficulties attracting, recruiting or retaining staff
4				Transport and logistics costs + Difficulties attracting and recruiting staff	The slowdown in my traditional market segments
5				Product price deflation	New competitors entering the market

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Q5: Comments on operational challenges

“Rising raw material costs.”

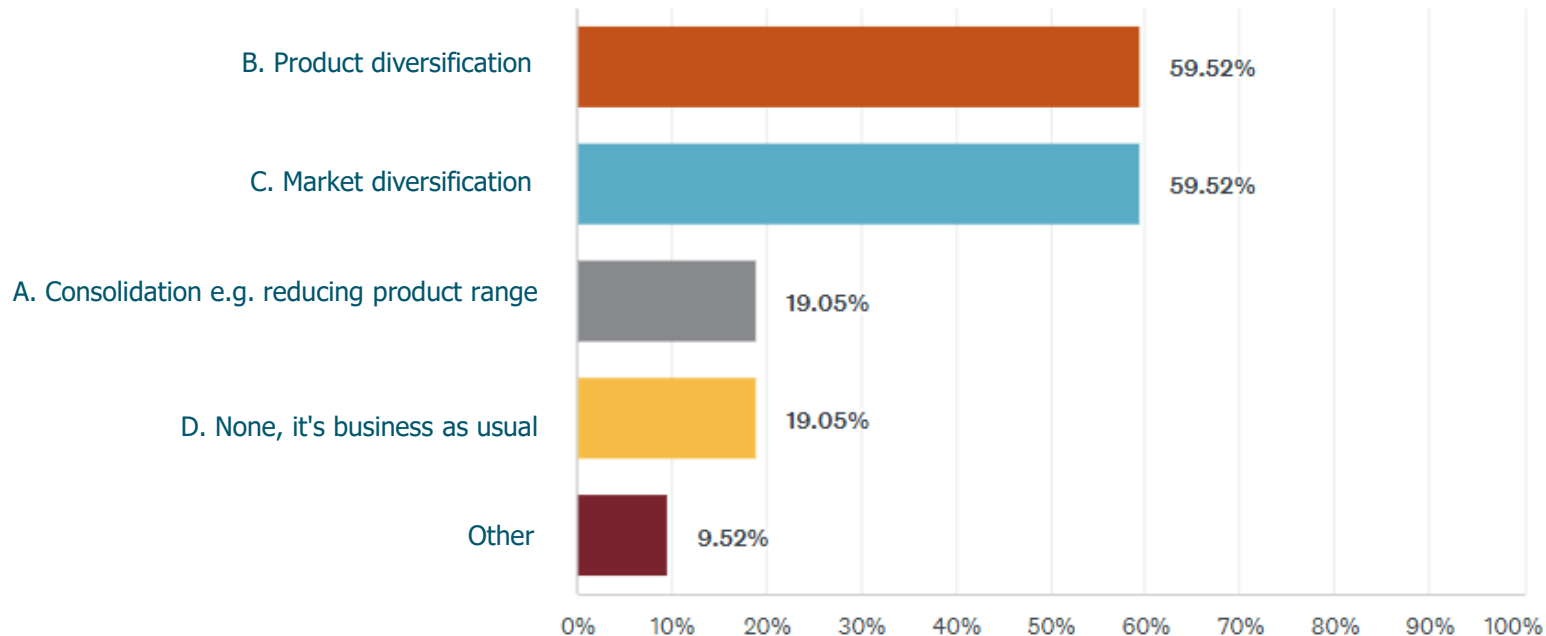
“Gov additional legislative costs on waste.”

“Input cost volatilities ie raw materials, FX and shipping rates.”

“Product deflation due to a downturn is still a major challenge when there is no need for it.”

“Running out of space...we're relocating end of year.”

Q6: Which of the following strategies, if any, is your company adopting to deal with current market conditions? Please tick all that apply.





Q6: Which of the following strategies, if any, is your company adopting to deal with current market conditions? Other strategies and comments.

Other strategies

“Significant L&D and Automation Investment.”

“Innovation.”

“Doing things better.”

“Reviewing the cost structure - better use of IT/AI.”

Comments

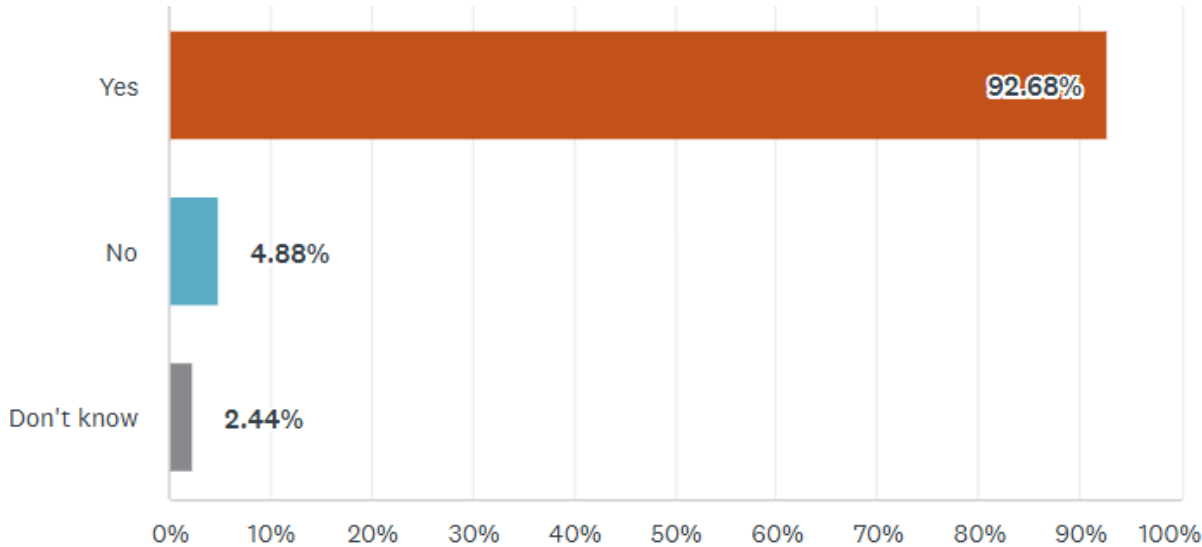
“Adding additional technical products to the portfolio.”

“Introducing new ranges of heating for the electrical wholesale market.”

“Reducing the product range in terms of underperforming or low volume SKUs to improve working capital and make way for new products to drive growth in current and new sectors.”

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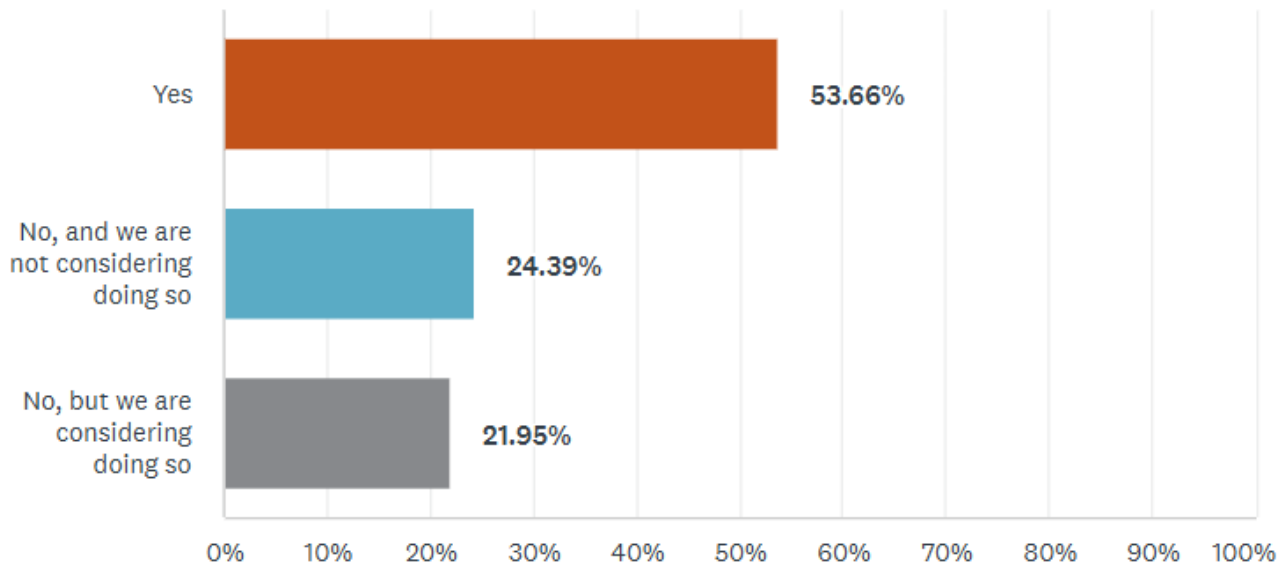
Q7: Does your organisation have a formal cyber security policy in place?



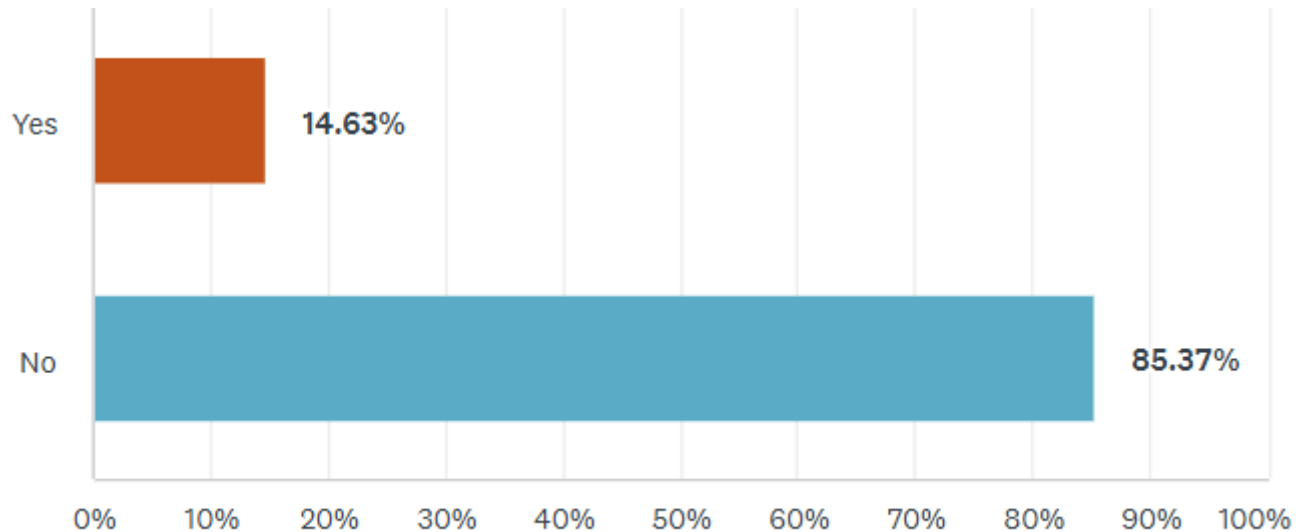
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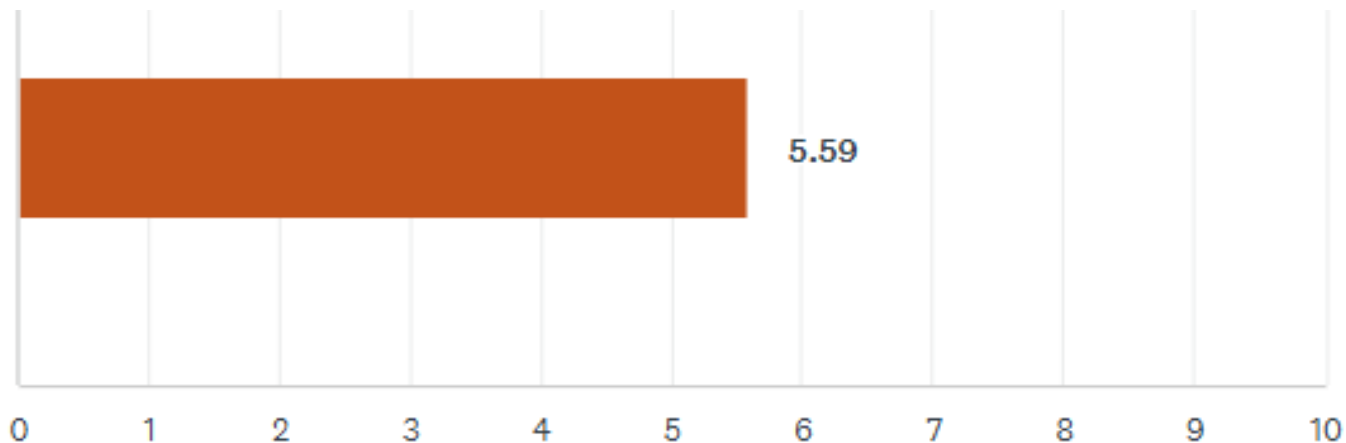
Q8: Does your business employ a cyber security consultancy that helps you proactively monitor your cyber security preparedness?



Q9: Has your business been the victim of a cyber incident in the last 12 months?

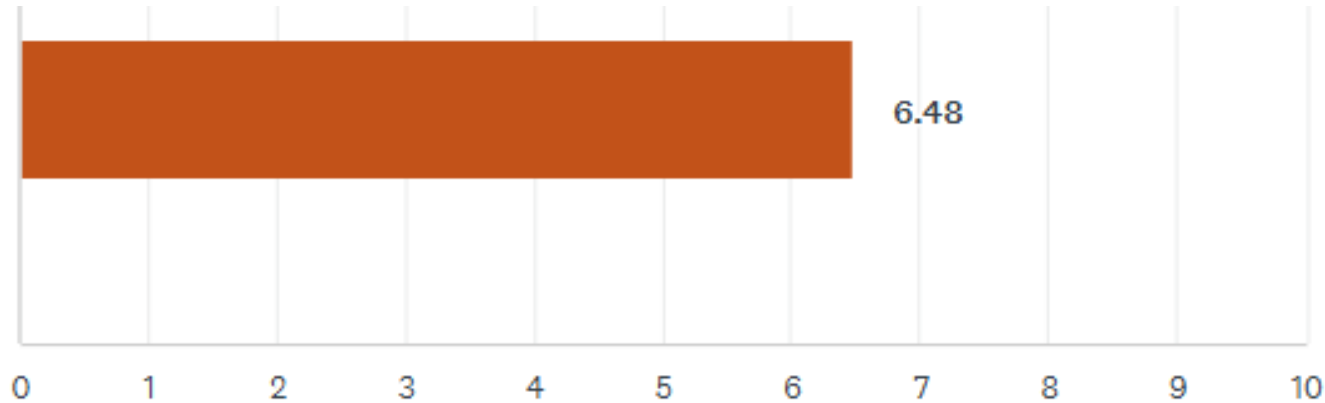


Q10: How concerned are you about ransomware or data breaches affecting your business? Please use the slider below where 1 is not at all concerned and 10 is extremely concerned.

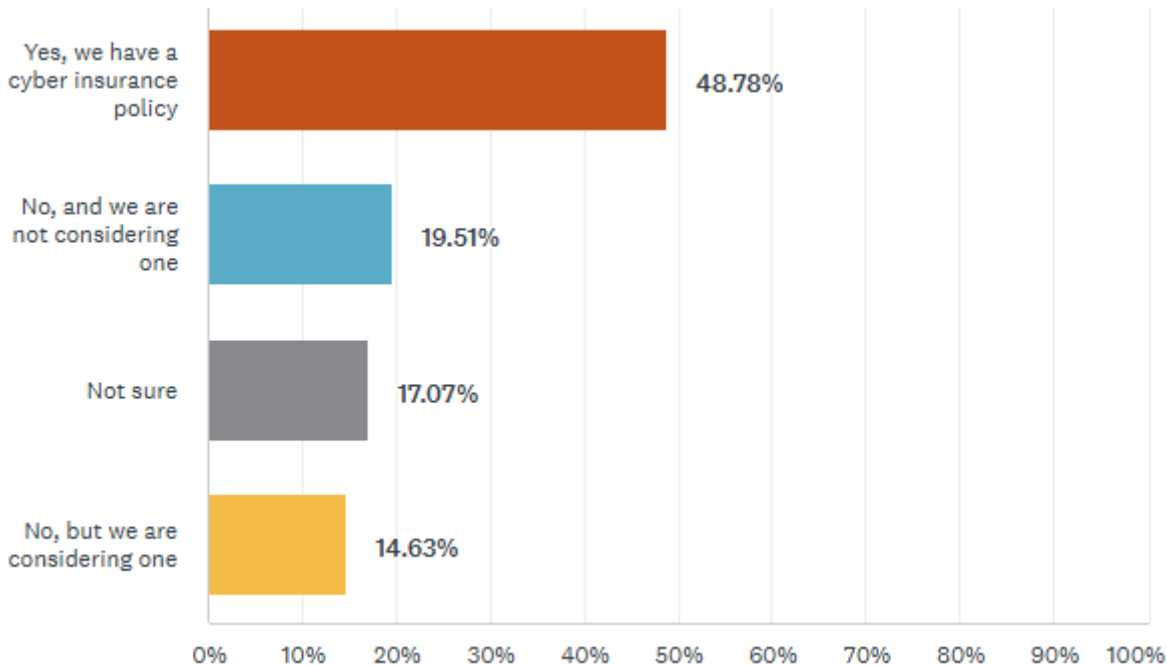




Q11: How confident are you that employees can identify suspicious emails or links?
Please use the slider below where 1 is not at all confident and 10 is extremely confident.



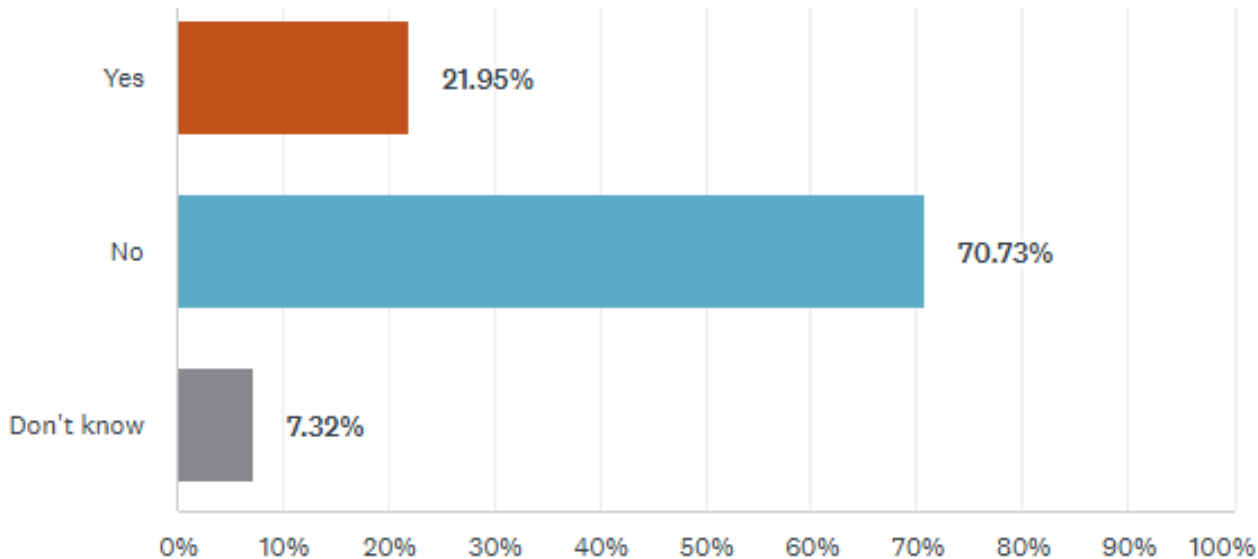
Q12: Which of the following best describes your organisation's cyber insurance coverage?



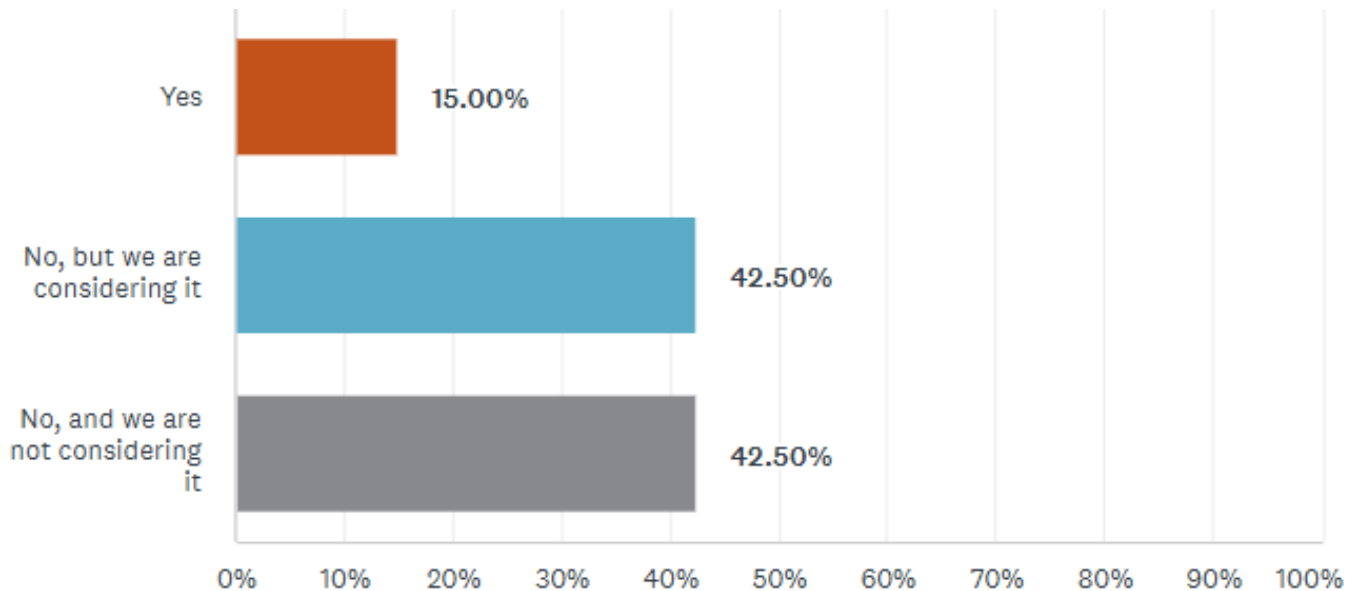
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Q13: Are your customers asking for proof of your cyber resilience?

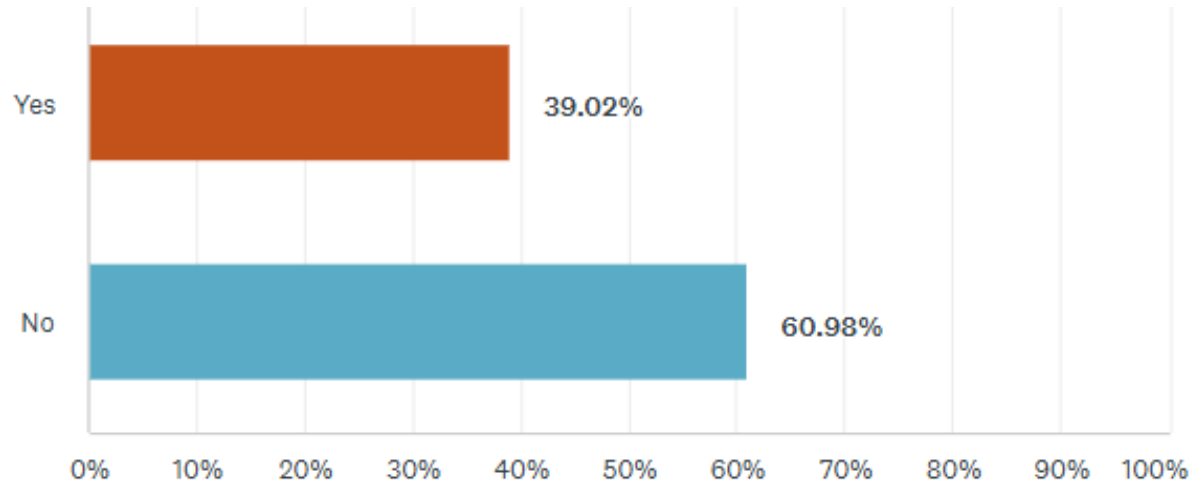


Q14: Has your business achieved the Cyber Essentials Plus standard?



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Q15: Are you planning to allocate additional budget to cyber security in 2026?



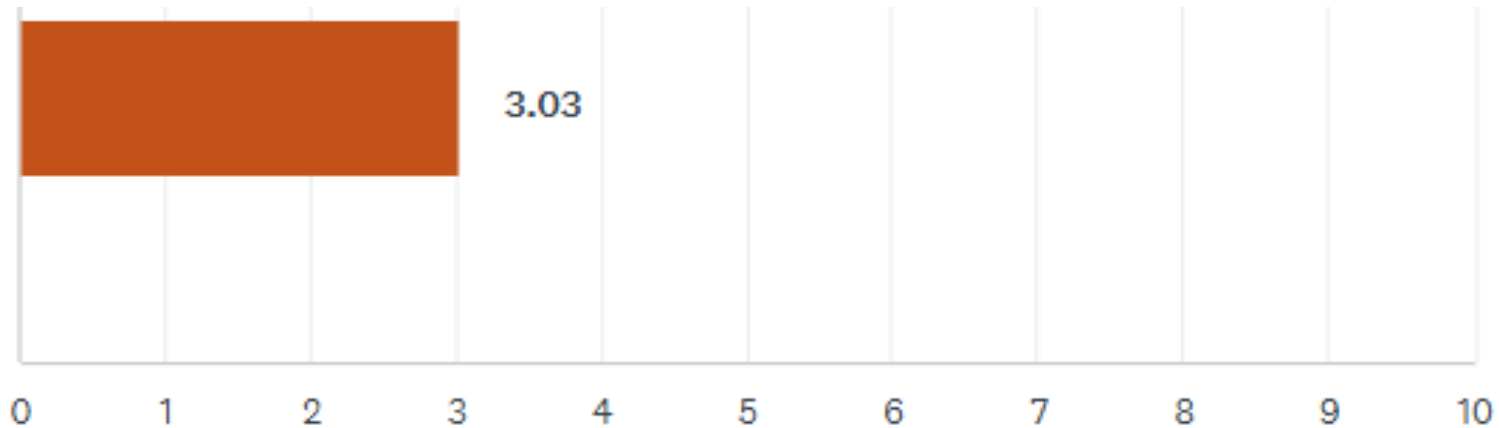
"As part of a global network our cyber security has a further security layer that supports our local measures."

"We use IT service company to deal with cyber security."

"Cyber insurance policies have so many "get outs" they are rarely worth having."

"Is now a factor in securing competitive "all risks" insurance cover."

Q16: On a scale of 1 - 10, how big a problem is bad debt for your business? Please use the slider below where 1 is a minor problem and 10 a major problem.



Q17: In your view, what are the key market conditions leading to customer bad debt?

- Project delays, rising costs and late payment
- project delay over years plus inflation making contract pricing unsustainable
- Main contractors going into administration.
- Market conditions and contractors reducing prices to win work to levels that aren't profitable.
- inflation, projects delayed, lack of cash
- The market is decreasing and competition is fierce so businesses are taking gambles that would not have happened 12 months ago
- Contracts being won at very low margin
- Economic slowdown and increased overheads
- Smaller business struggling with cash flow
- Delayed projects and slow payments
- Cashflow
- Businesses operating on unsustainably low margins"
- The race to the bottom on pricing throughout
- Project slowdown and increased business costs from higher interest rates and increased employment costs.
- Liquidation of business
- Tougher trading environment, poor cash flow management and overly aggressive pricing to retain volume where the market has contracted.
- Market Uncertainty
- So far we have not suffered any unusual bad debts.
- Poor business management
- lack of liquidity + inflation impacting on legacy fixed price contracts + complete lack of holistic thinking as to how to deliver large projects
- Customers continuing to trade with customers who cannot pay!
- Poor margins on pricing products / projects. Overheads too high in small businesses and running a business as a life style business and not allowing for that rainy day!!
- Downward price pressure affecting margins through the supply chain to the end user. Contraction of the market with the same number of business battling to win orders.
- Increases in overheads, or overexposed to bad debts themselves.
- Project delays and contractors not being able to recover cost increases
- Budget uncertainty and delays in construction

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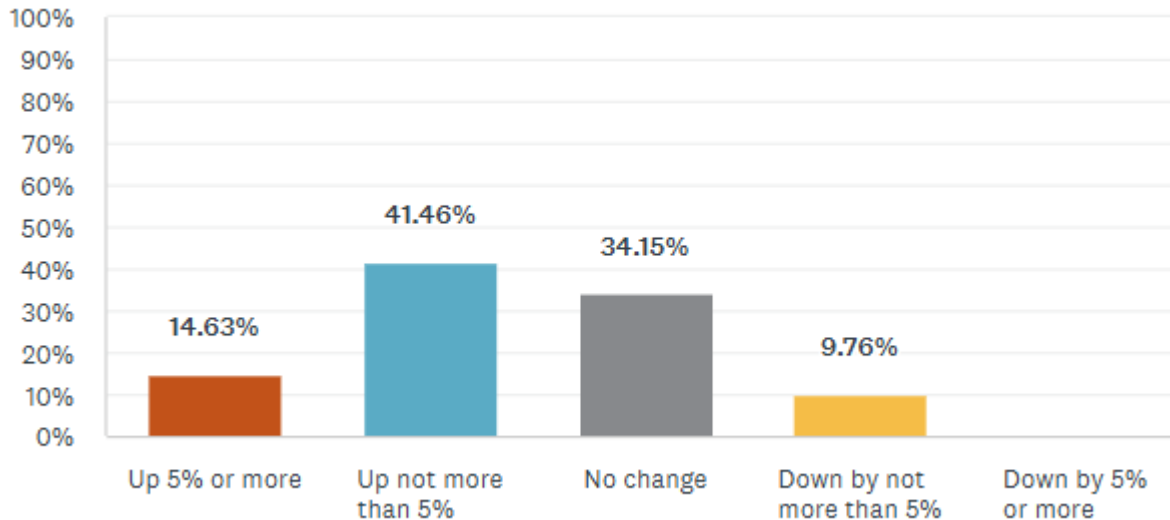
Q17: In your view, what are the key market conditions leading to customer bad debt? Comments

“We are no[t] experiencing big problems with debt but what we are seeing is our credit insurers are either removing insurance or decreasing level insured on customers who we have worked with for many years.”

“I think the lighting sector of the industry for example has lost all common sense and just a race to the bottom. Instead of trying to sell on their USP's. How can lighting products be cheaper than buying a coffee at Costa or a pint of beer and then give up to a 3 year on site warranty and 5 + more years product warranty on a fitting that costs the contractor no more than £10... You cannot purchase a laptop or mobile phone with more than a 1 year warranty.... unless you pay for an extended warranty. Pure madness”

“We are concerned about the affect of bad debt on our customers and potential business slow caused as a knock on affect.”

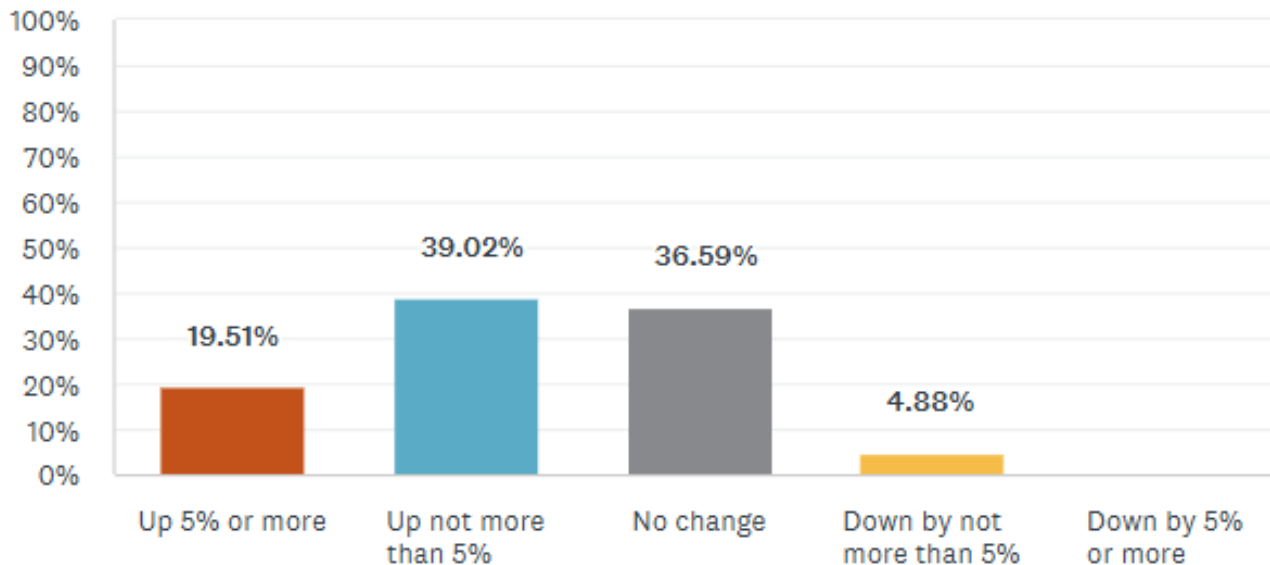
Q18: How did unit costs change during Q3 2025 compared with Q2 2025?



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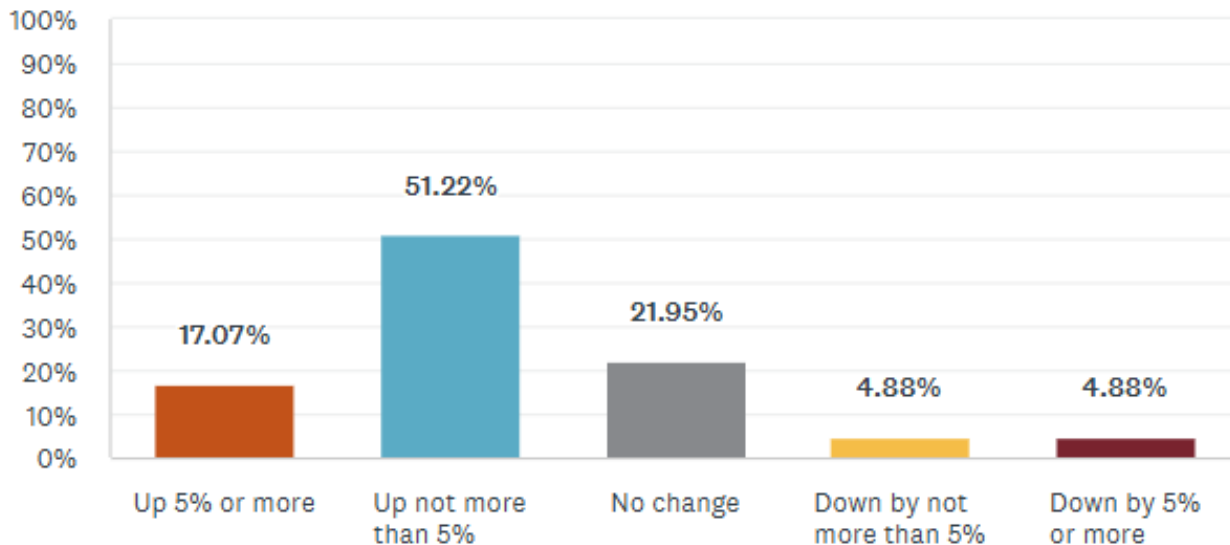
Q19: How do you anticipate unit costs will change during Q4 2025?



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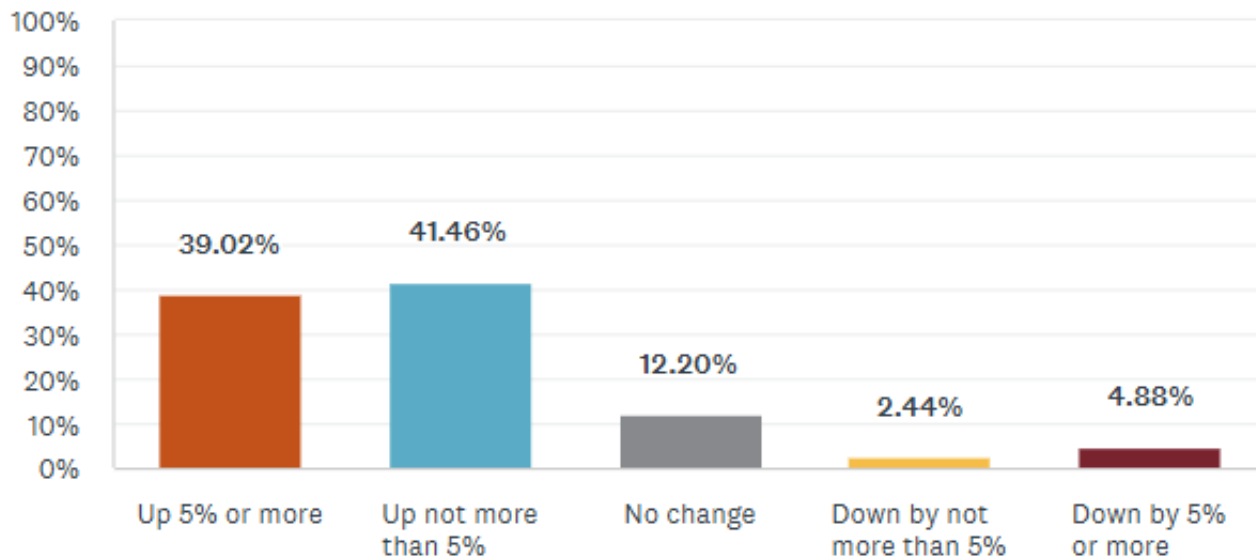


Q20: How to you anticipate sales volumes (like for like sales) will change during Q4 2025?



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Q21: How do you anticipate sales volumes (like for like sales) will change during 2026?



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