

## EDA State of the Sector Survey Wholesaler Feedback: Q1 2025 January

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These are the responses from EDA Wholesaler businesses as part of the Q1 EDA State of the Sector Survey 2025. The results were presented at the EDA's Talking Shop on Friday 7 February 2025.

This survey attracted 95 responses, a 37% response rate.

As of 1 February 2025 the EDA has 253 wholesaler members, plus the head offices of the 4 buying groups.

There is a separate survey for EDA Manufacturers.

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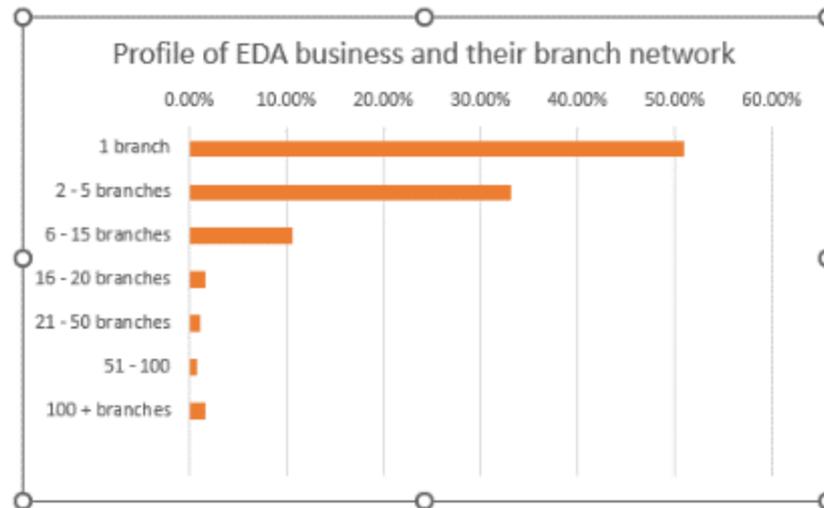
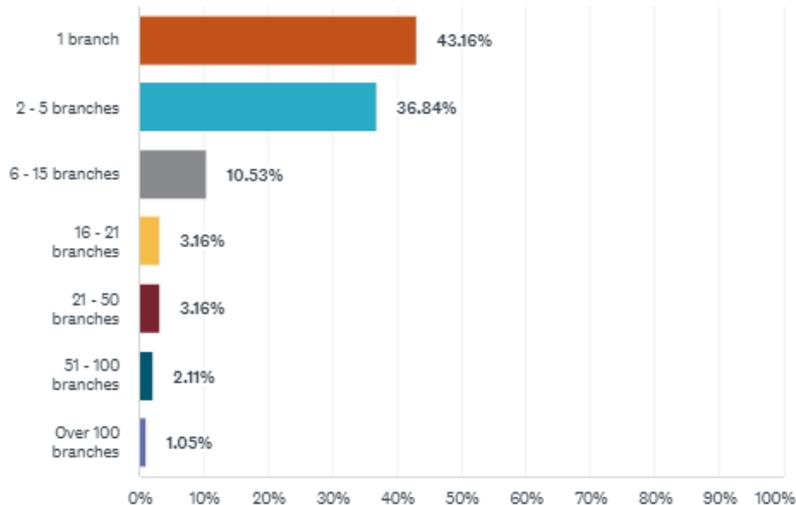
Q16: [Are you seeing any flickers of growth in the market as we start 2025?](#)

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## State of the Sector Survey: January 2025



## Q1: How many branches do you have?

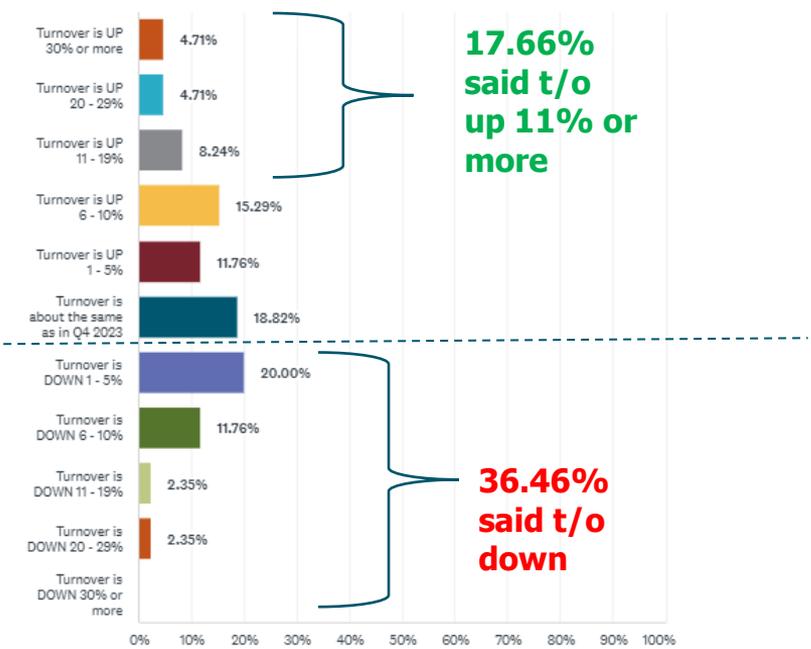


As at 1 Feb 2025 the EDA has 253 member wholesalers, plus 4 buying group head offices. Collectively, EDA wholesalers run 1,895 branches across the UK.

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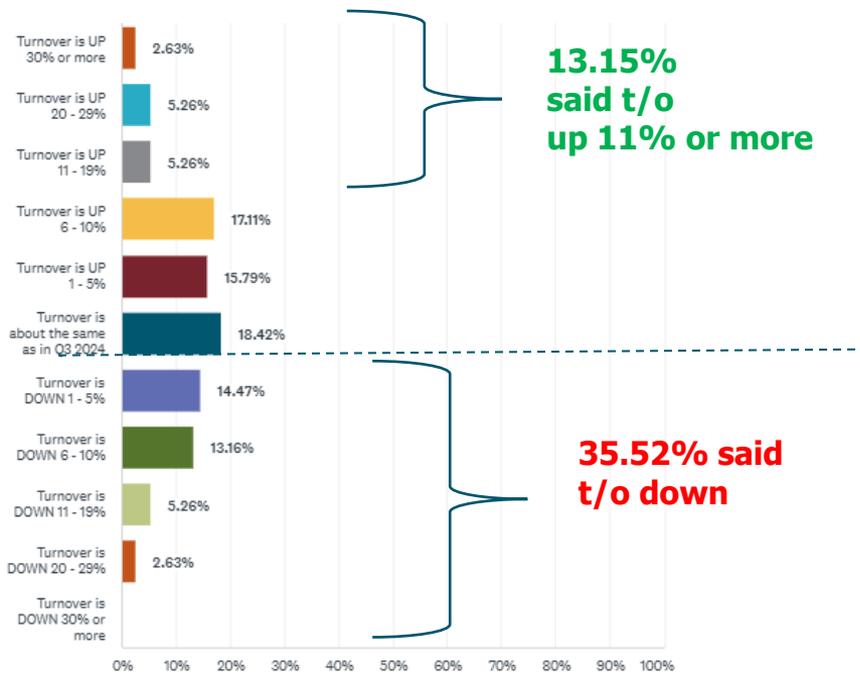
## Q2: How does turnover in Q4 2024 compare with Q4 2023?



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### Q3: How does turnover in Q4 2024 compare with Q3 2024?

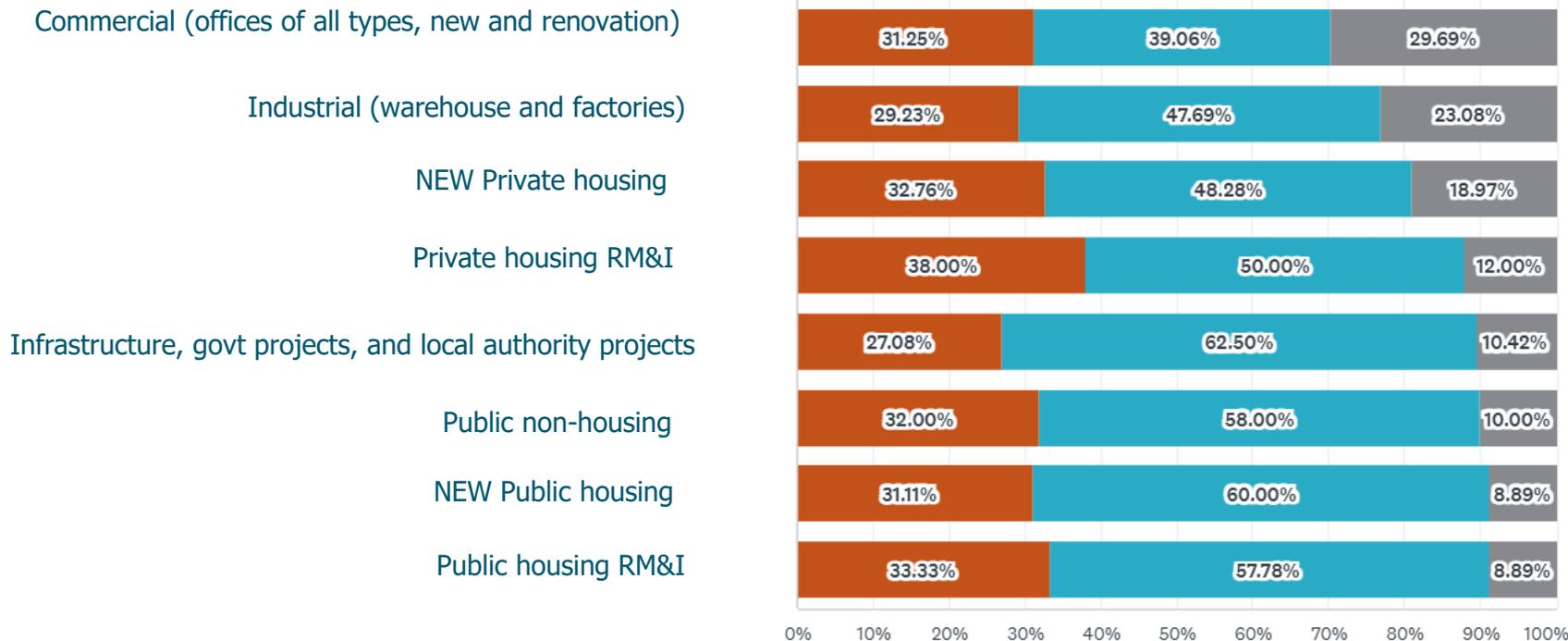


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## Q4. Have you experienced a change in turnover in Q4 2024 compared to Q3 2024 for the following sectors? **Ranked by growth (grey band)**



Decline No change Growth



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## Q4: Comments on particular areas of growth

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“We are renewables only.”

“T/O up on solar.”

“Slight increase in heat pump sales/enquiries.”

“Heating.”

“Increases due to renewables.”

“Usual hospitality exposure growth.”

“Time of year growth – seasonal.”

“Large renewable project.”

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**Q5: Your Operational Challenges:** from a prompted list please tell us which 3 operational challenges are your most pressing at this time?

	January 2024	April 2024	July 2024	October 2024	January 2025
1	<b>A downturn in demand</b>	<b>A downturn in demand</b>	<b>Online prices making margins tight</b>	<b>Online prices making margins tight</b>	<b>Inflation in business overheads and passing these on to customers</b>
2	<b>Customers paying more slowly</b>	<b>The impact of increases in National Living Wage and National Minimum Wage on my overall wage bill</b>	<b>A general downturn in demand</b>	<b>A general downturn in demand</b>	<b>Online prices making margins tight</b>
3	<b>Increased exposure to bad debt</b>	<b>Attracting and retaining staff</b>	<b>Increasing competition for work</b>	<b>Inflation in business overheads</b>	<b>Upward pressure on all wages driven by the increases in National Living Wage and National Minimum Wage on my overall wage bill</b>

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## Q5: Comments on operational challenges

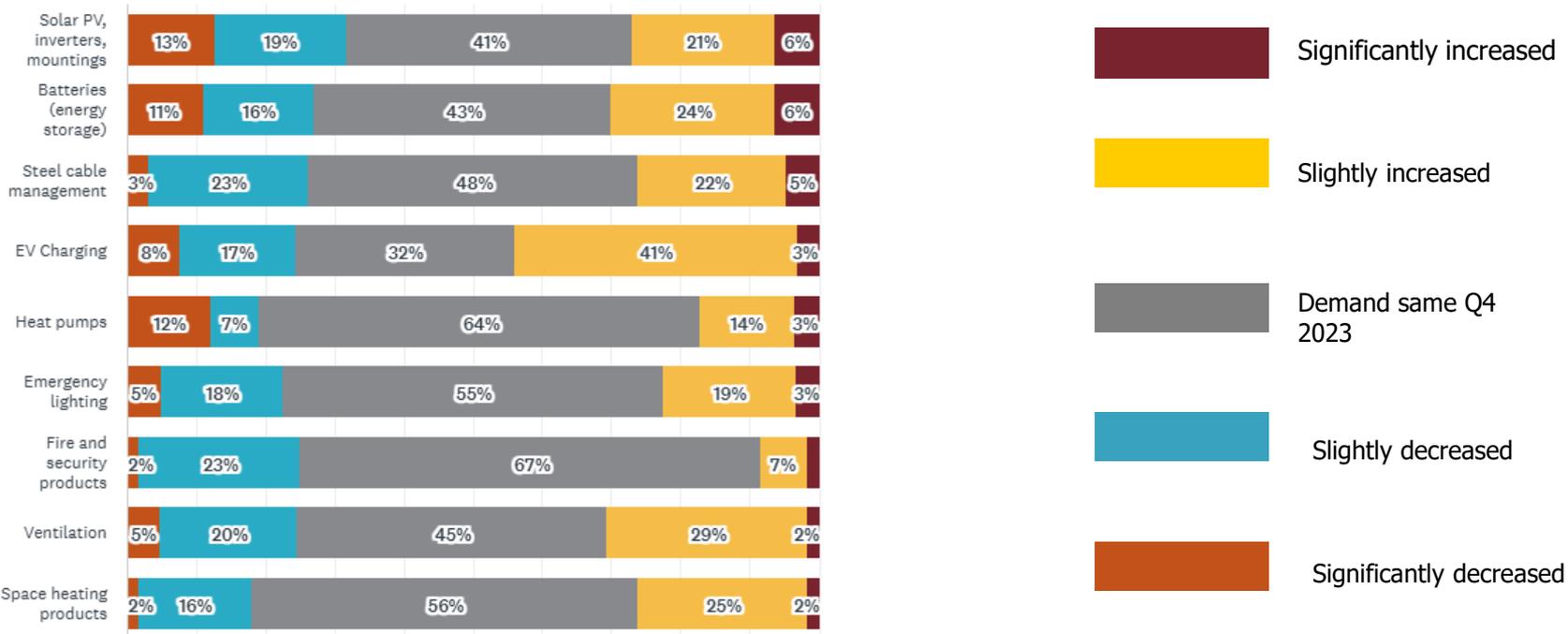
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“European Grey Market Competition”

“Supply chain volatility product range stock decisions.”

“Theft, and finding loops in the system to stop theft.”

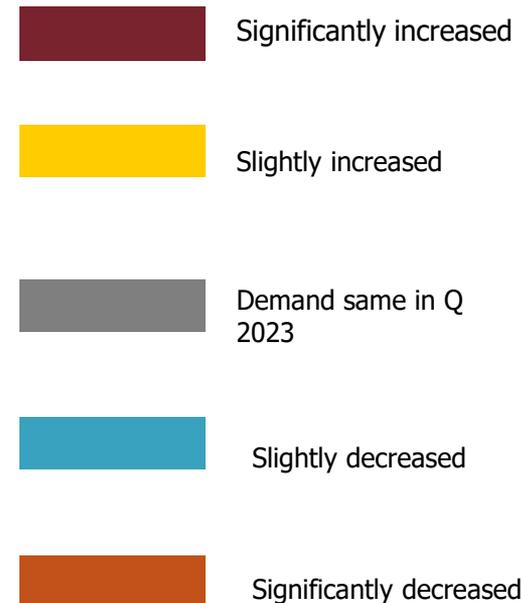
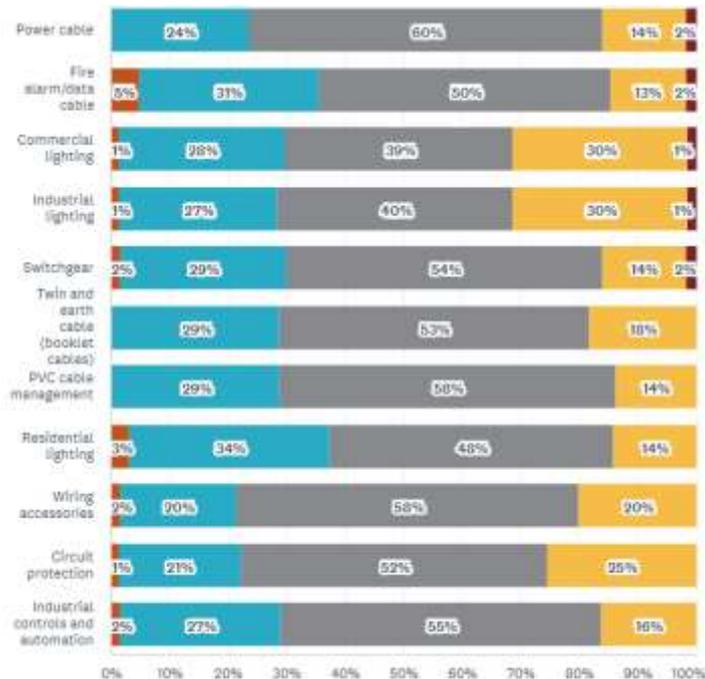
## Q6: Has there been any change in demand for the following products in Q4 2024 compared to Q4 2023? Ranked by **Significantly Increased**. Page 1 of 2



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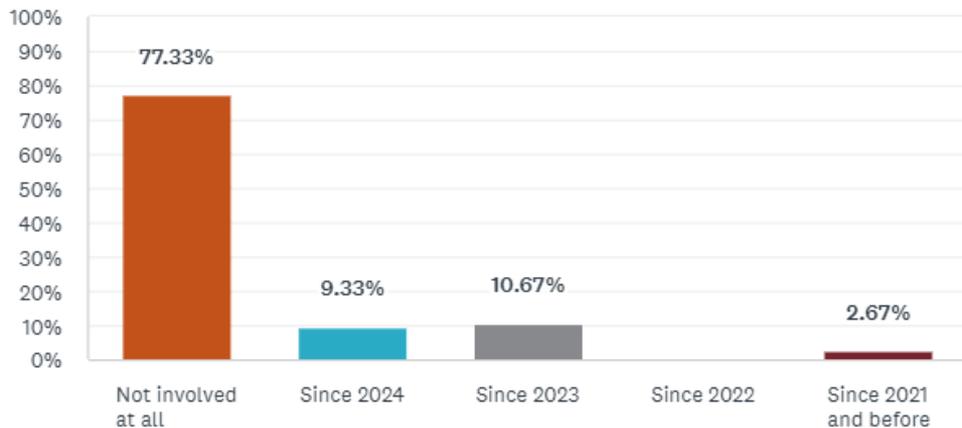
## Q6: Has there been any change in demand for the following products in Q4 2024 compared to Q4 2023? Ranked by **Significantly Increased**. Page 2 of 2



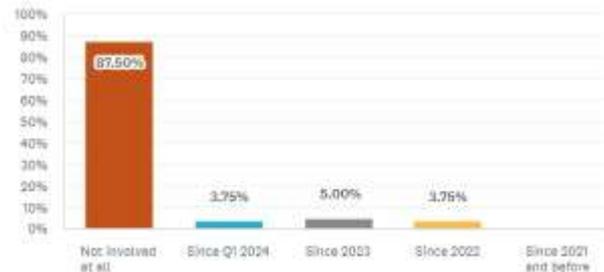
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## Q7: How long has your business been involved in the sale of heat pumps?



**April 2024:** We asked the same question of wholesalers

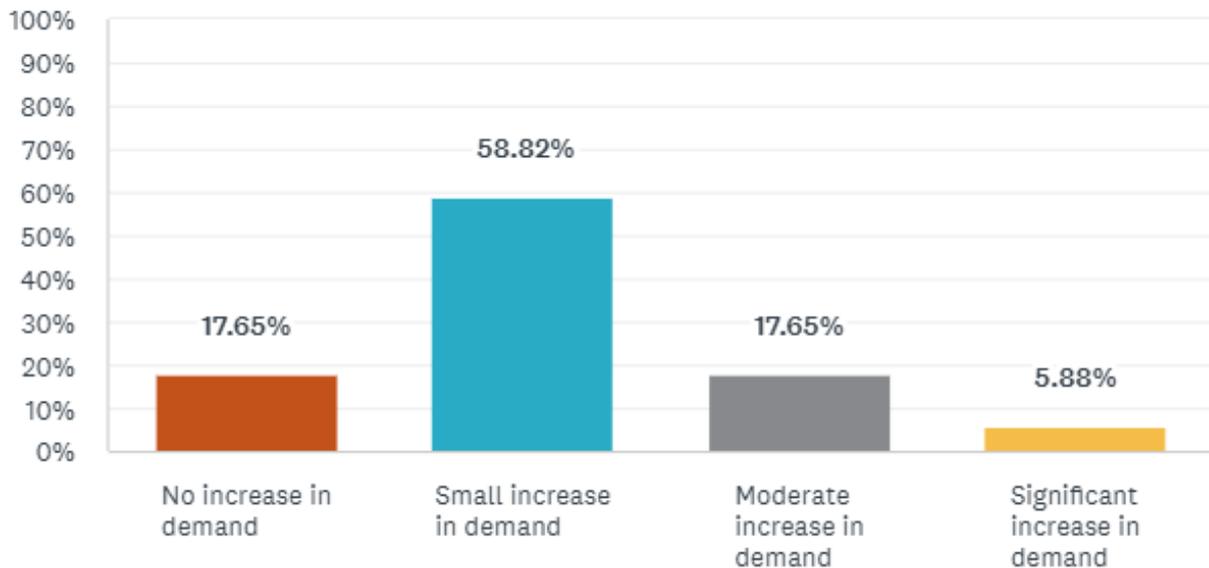


For those who said they are involved in the sale of Heat Pumps we asked a subsequent question – see following page.

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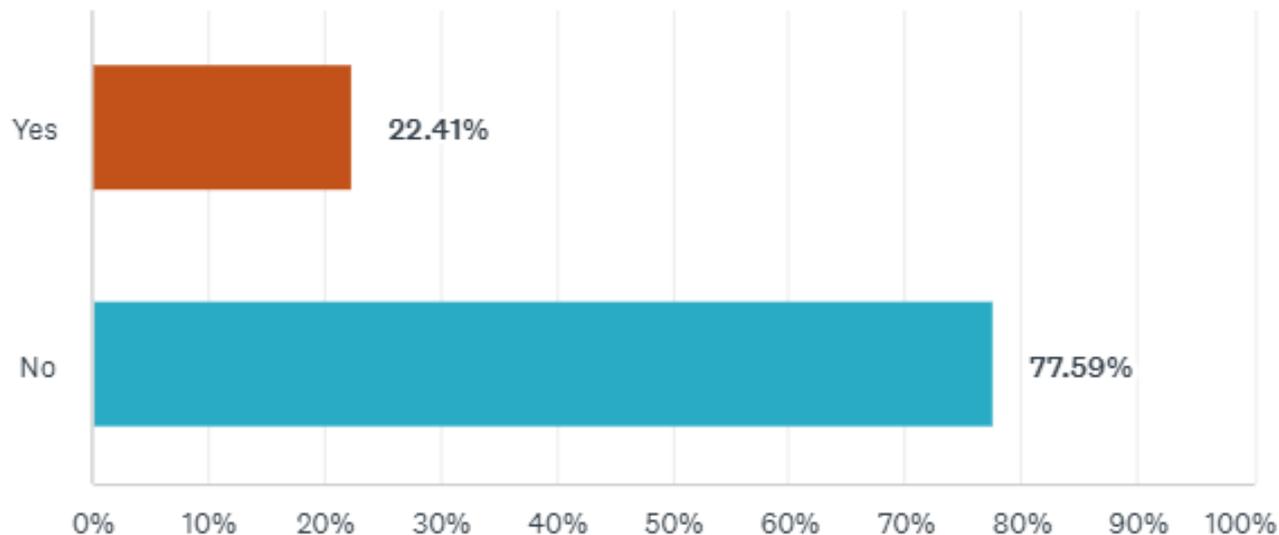
**Q8:** As your business is involved in the sale of heat pumps please tell us if demand for these products has increased in Q4 2024 and if so by how much?



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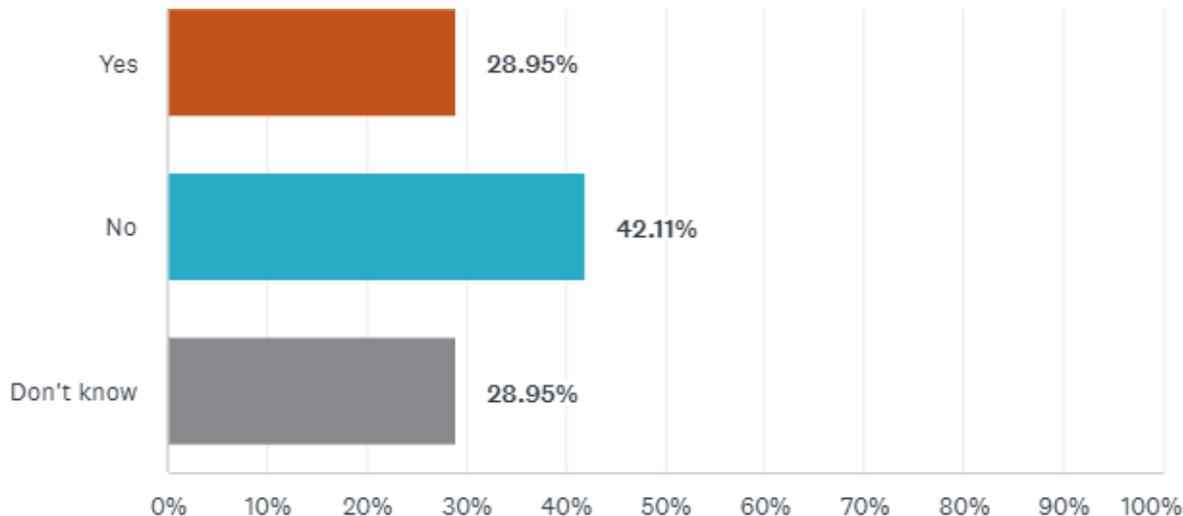


**Q9:** As you answered no to the question about heat pumps, are you planning to diversify into this product area during 2025?



**State of the Sector Survey:** Q1 January 2025

## Q10: Could the Autumn 2024 changes to Inheritance Tax and Business Property Relief adversely affect your business?

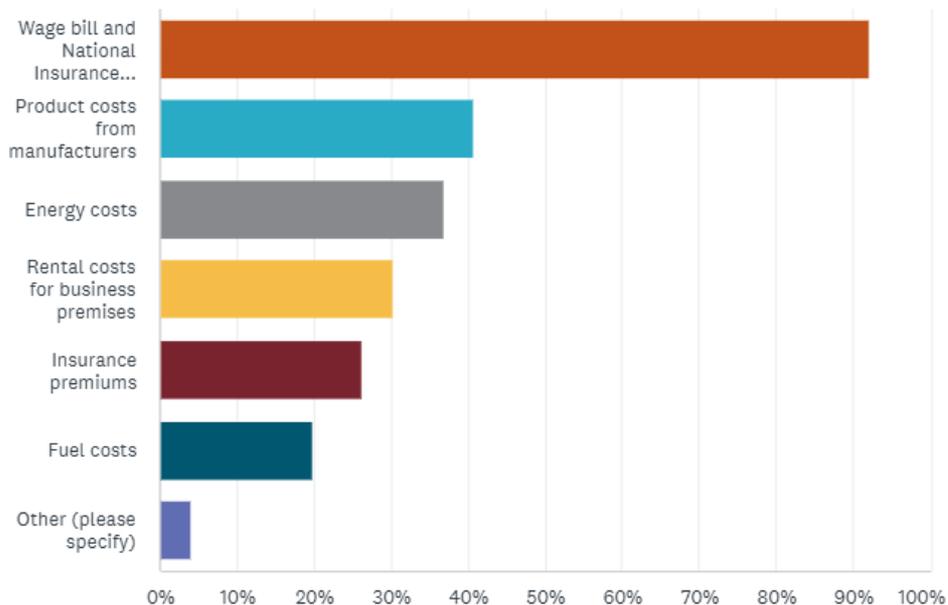


**Comment:** "This is the most significant long term negative impact on privately owned businesses that we face. The true impact will only be felt in 20 to 30 years time."

"Organisations should look at coming together and lobbying government on IHT. The EDA should certainly look at lobbying for our sector if its not feasible to get kindred organisations to apply mass."

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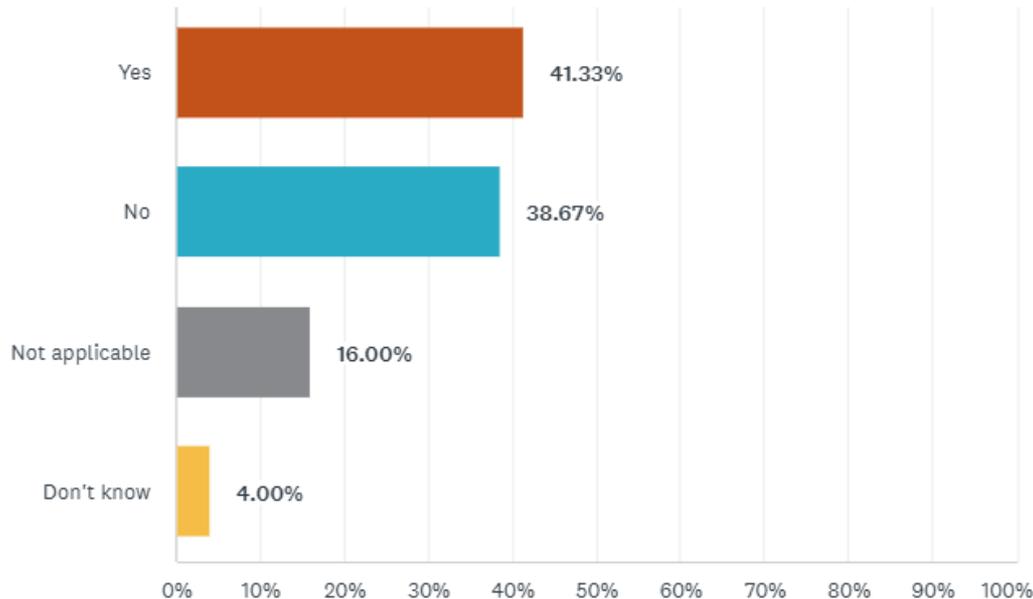
## Q11: In which areas of your business are you most concerned about inflation and rising costs?



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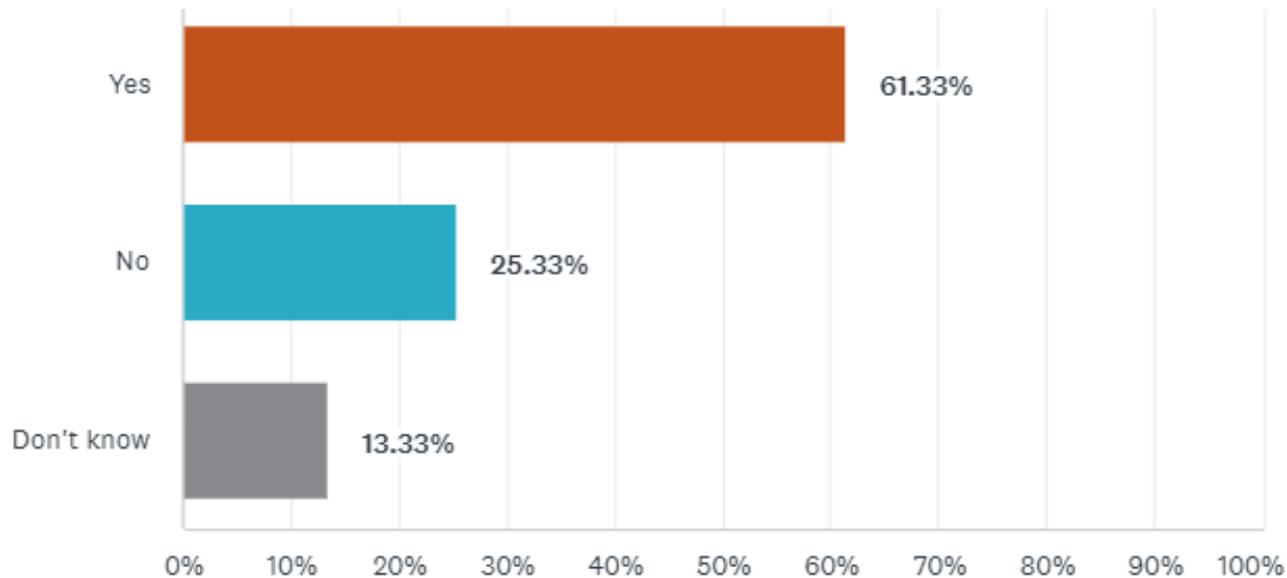
## Q12: Have you experienced an increase in rental costs for your premises?



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### Q13: Typically, are you experiencing a rise in premiums for business-related insurance?

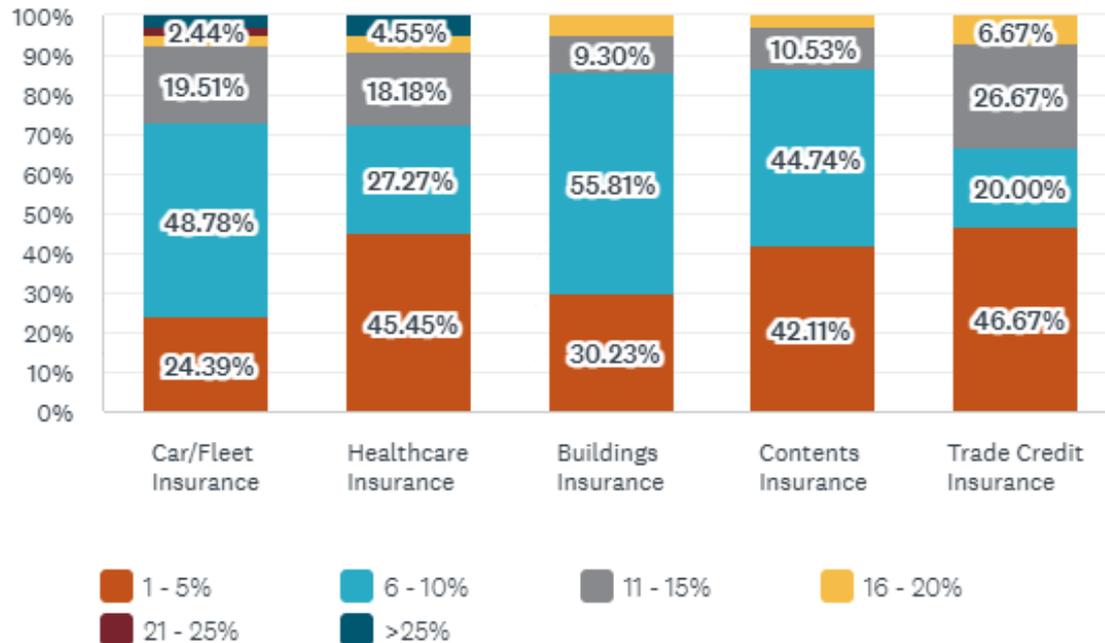


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**Q14:** As you answered Yes to the previous question, please tell us which premiums have increased and by how much?



**Notes:**

Ranked by **over 25% increase.**

Have removed

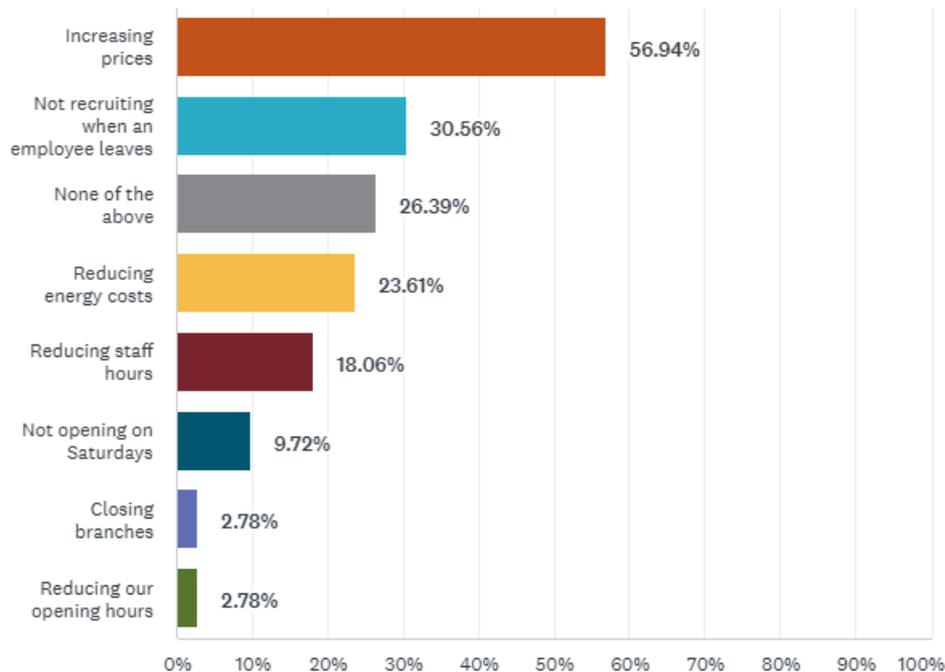
“Not applicable” or

“No increase”



## Q15: Businesses are facing increased costs in a number of areas including National Insurance, National Living Wage, Insurance Premiums, fuel costs, energy costs etc.

What plans, if any, are you making to reduce the impact of these increases on your business? Please tick all that apply.



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**Q15:** Comments... Businesses are facing increased costs in a number of areas including National Insurance, National Living Wage, Insurance Premiums, fuel costs, energy costs etc.

What plans, if any, are you making to reduce the impact of these increases on your business?

Comments to question 15:

- Making less profit
- Looking at all costs, renegotiating where possible. Taking a proactive approach to grow the sales and margin
- Costs will always increase we remain focused and dedicated to growth and continue to do so
- Continuing to invest to promote development and growth rather than standing still
- We are looking at all operating costs. Just changed mobile phone operator to save money.
- Low number of staff so absorb cost of employees wage. Pass on supplier price increases to customers.
- We have invested timely into our internal software which has negated a need that we previously had to recruit two members of staff.
- We are closely monitoring the increase in costs and will continue to absorb whilst we can before deciding on a strategy.
- Investing in technology to take costs out of the business. Improving cash flow to reduce costs

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## Q16: Are you seeing any flickers of growth in the market as we start 2025?

Not yet  
Yes  
NO  
Marginally

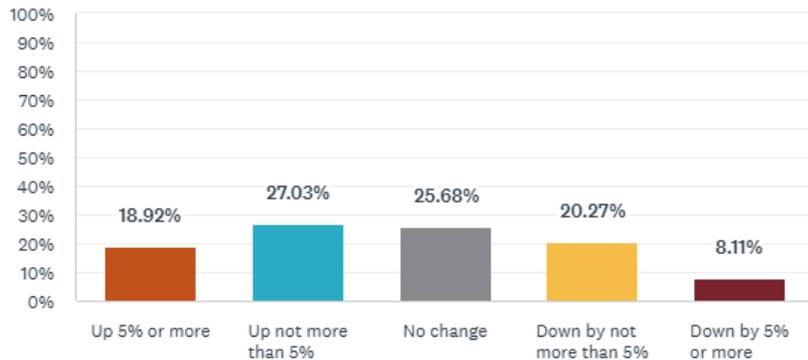
- No indication of increased demand
- There are tenders and projects out there, however they are more competitive and price has become even more of a factor. Relationship only seems to get you so far now.
- Not at present, other than customers informing us they have a good order book.
- Yes, customers talking about an upturn in March
- Yes, but the same expectation as the second half of 2024 which did not materialise
- Yes, flickers though. But maybe me looking for it, rather than actually seeing it
- Yes in new build housing.
- **Only in heatpumps**
- RENEWABLES
- Slight increase in the domestic sector
- Too early to say - the snow has disrupted things
- They were there before the budget, but public and business confidence has been damaged, suppressing discretionary spend decisions.
- Not yet but I am told it's coming

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## Q17: How do you anticipate sales volumes (like for like sales) will change...

### During Q1 2025



### During 2025

