

Q4 2025

The Manufacturing Health Index Report

A quarterly data report on SME manufacturing performance in the UK, Australia & New Zealand

Analysis and Q4 2025 metrics for:

- ✓ Sales revenues
- ✓ Profit margins
- ✓ Purchasing activity
- ✓ Lead times
- ✓ Stock volumes



Executive Overview

The final quarter of 2025 was a period of strategic consolidation and restocking. After the Great Efficiency Pivot of Q3, where firms focused on slashing stock to protect cash, Q4 data reveals a decisive move toward replenishing inventory to meet resilient demand. While profit margins saw a slight pullback across all regions as firms absorbed the costs of this inventory build, sales remained remarkably stable, with New Zealand in particular ending the year with a powerful double-digit surge in activity.

Manufacturers closed the year on firmer ground, leveraging normalised supply chains while navigating persistent, though stabilising, inflation.

However attention will now be focused intently on the state of the Middle East. With manufacturers beginning 2026 ready to shift gears from survival-mode efficiency to growth-ready operations, the eruption of conflict adds unwelcome uncertainty. Will energy price increases raise material and supply chain costs, and erode margins? Will the trend towards stable and low lead times vanish as shipping firms respond? As always, the smallest players will be the most affected – yet able to pivot faster to any change.

2025 Annualised Sales Trends:

United Kingdom

+9.6%

YoY

Australia

+5.1%

YoY

New Zealand

+7.7%

YoY

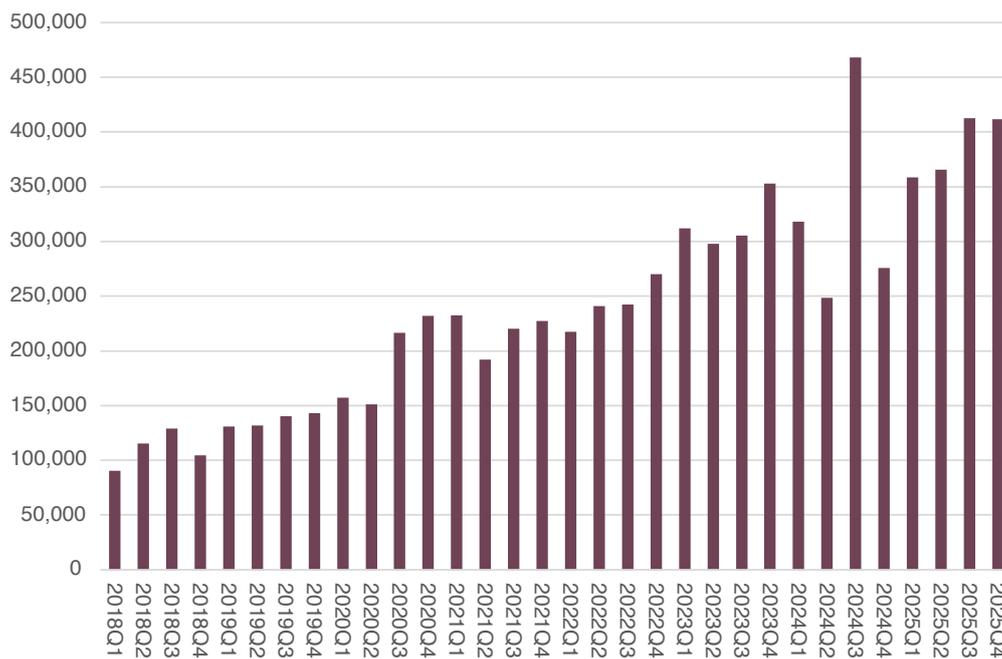
United Kingdom

Sales & Margins

Q4 Performance

UK SMEs maintained steady momentum, with sales revenue averaging **£411,430** (a negligible -0.3% change from Q3).

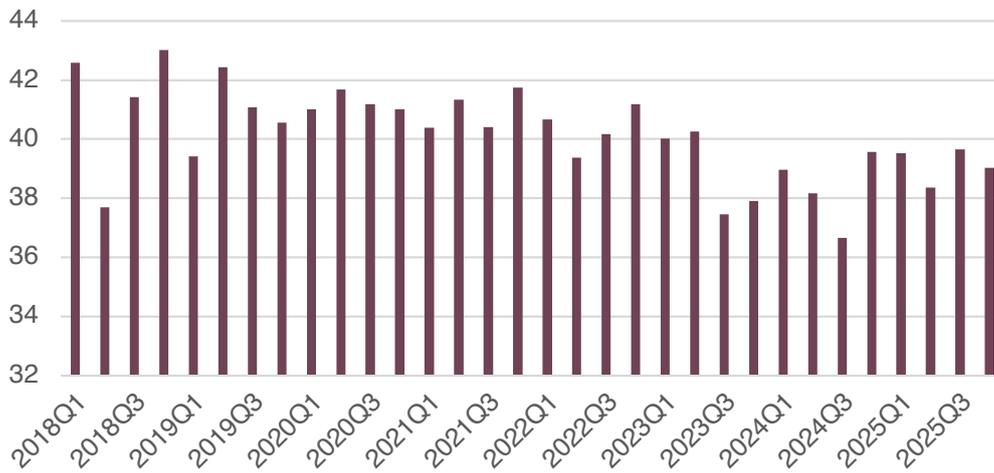
UK Small Manufacturer Sales Revenue



Profitability

Profit margins saw a modest pullback to **39.04%** from Q3's 39.66% as firms managed end-of-year production costs.

UK Small Manufacturer Gross Profit Margin % (excluding labour)

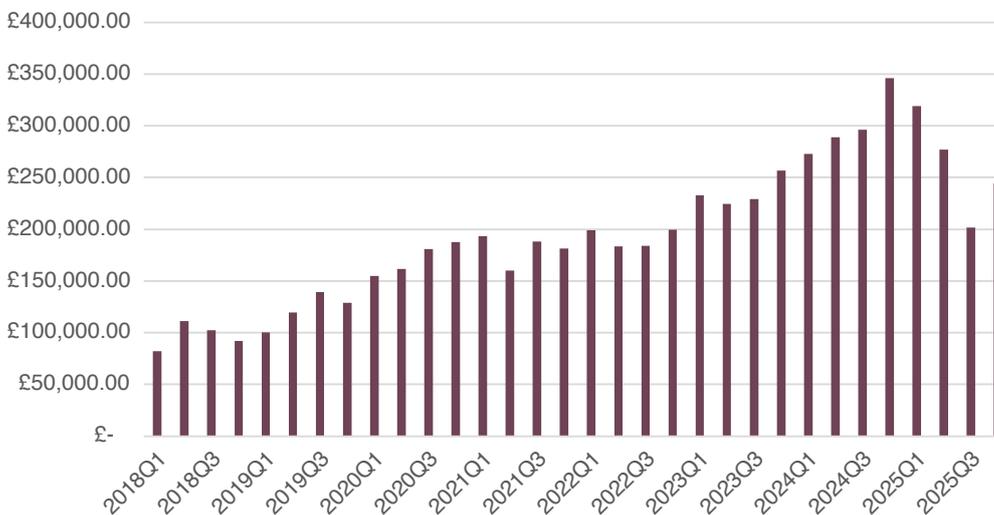


Purchasing Behaviour

Strategic Restocking

In a reversal of Q3's lean strategy, Stock on Hand (SOH) rose by **21%** to **£243,928**.

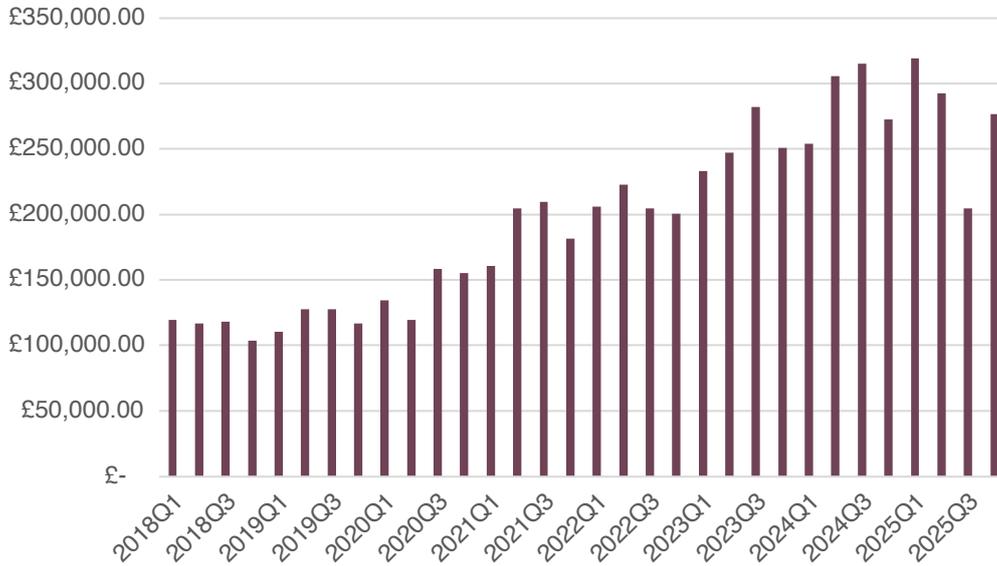
UK Small Manufacturer Stock on Hand



Investment in Supplies

Purchase order values surged by **35%** to **£276,500**, indicating strong confidence in early 2026 demand.

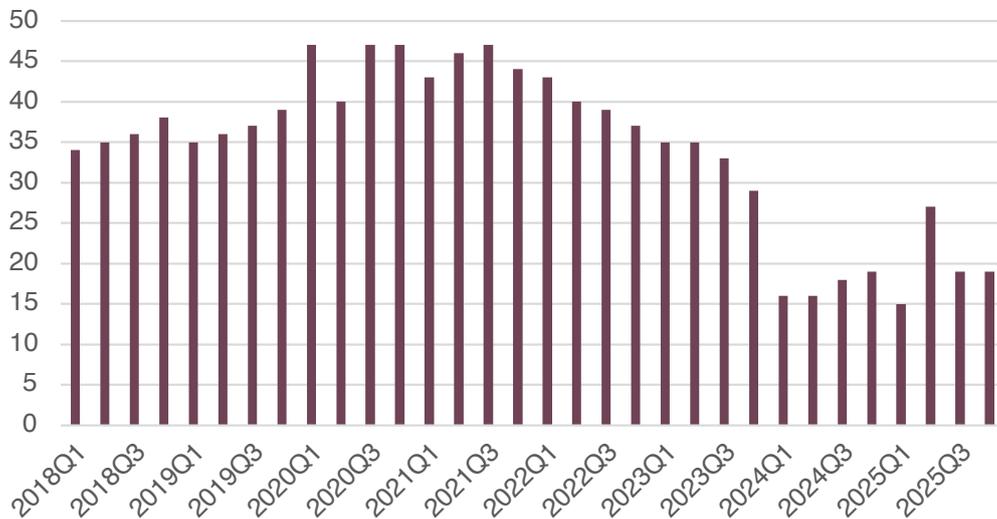
UK Small Manufacturer Purchase Orders



Lead Times

Supply chains remained highly efficient, with lead times holding steady at **19 days**.

UK Small Manufacturer Lead Days



Sector Watch

Building and Construction

Remained a dominant force in the UK economy, with Q4 sales averaging **£486,638** and a full-year growth trend of **+11.6%**.

Unleashed's Outlook

The UK enters 2026 with a robust margin baseline. For Q1, the outlook remains cautiously optimistic for domestic trade. Manufacturers should focus on using real-time data to keep their newly built inventory levels optimised, ensuring that the capital invested in stock translates quickly into sales.

[Learn how](#)

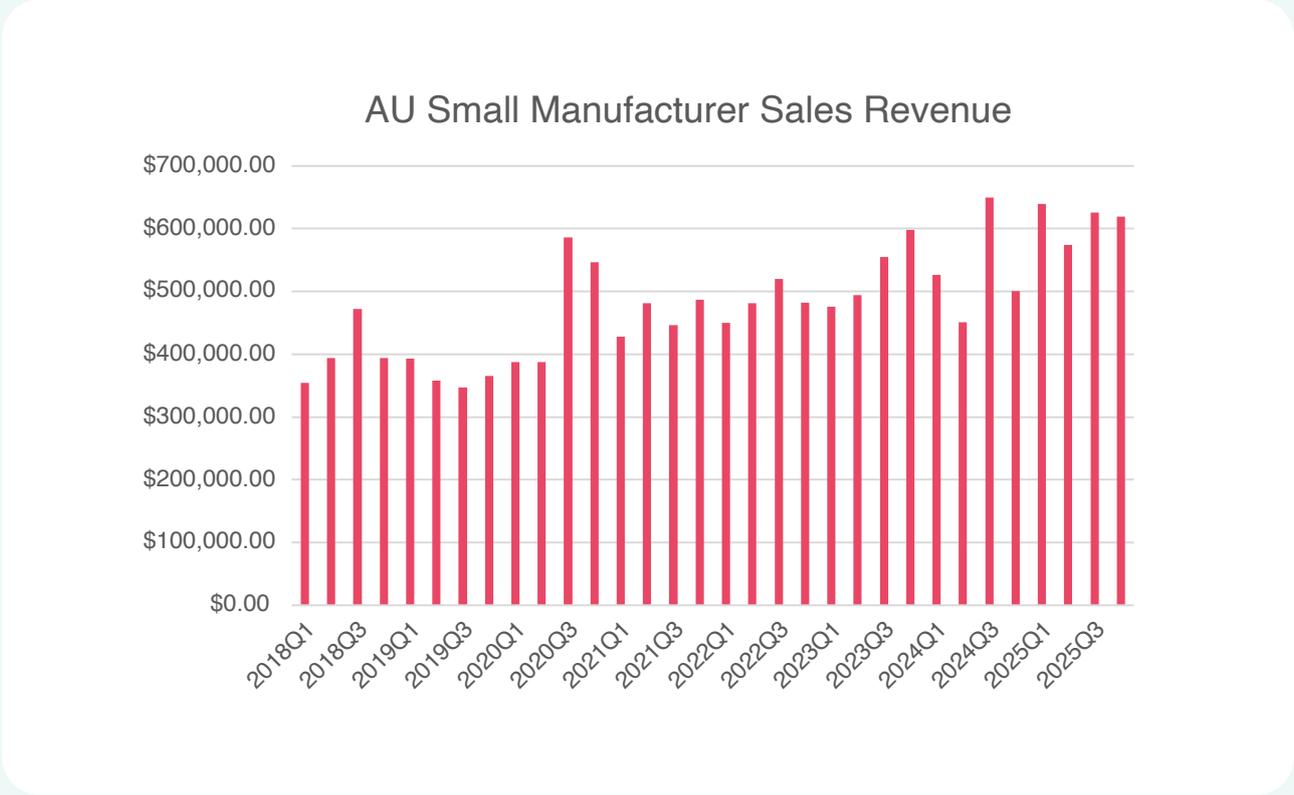


Australia

Sales & Margins

Q4 Performance

Average sales revenue settled at **A\$619,184**, holding the significant gains made earlier in the year despite a slight 1.0% QoQ dip.



Margin Resilience

Profitability remained healthy at **38.47%**, down slightly from 39.17% in Q3.

AU Small Manufacturer Gross Profit Margin % (excluding labour)

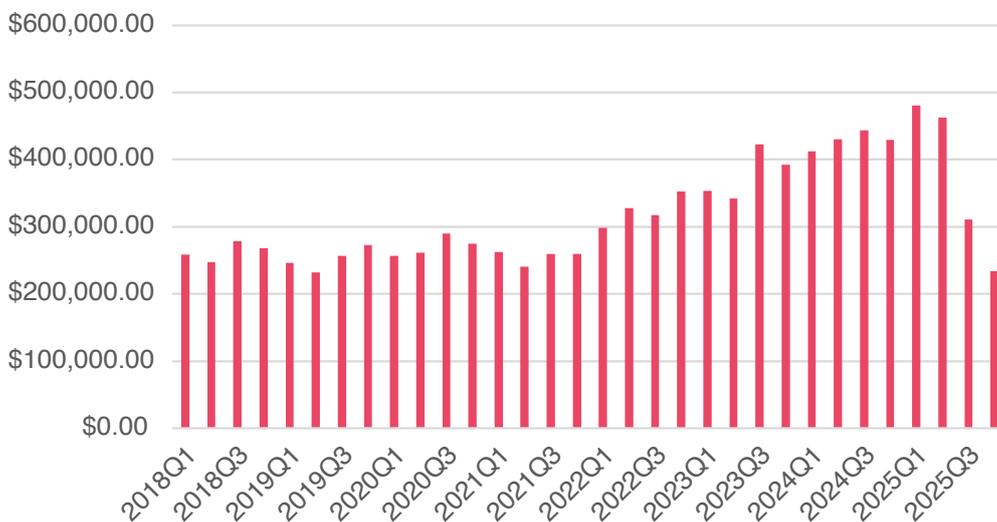


Purchasing Behaviour

Lean Inventory Management

Unlike other regions, Australian manufacturers continued to refine their stock profiles, with SOH dropping to **A\$233,763**.

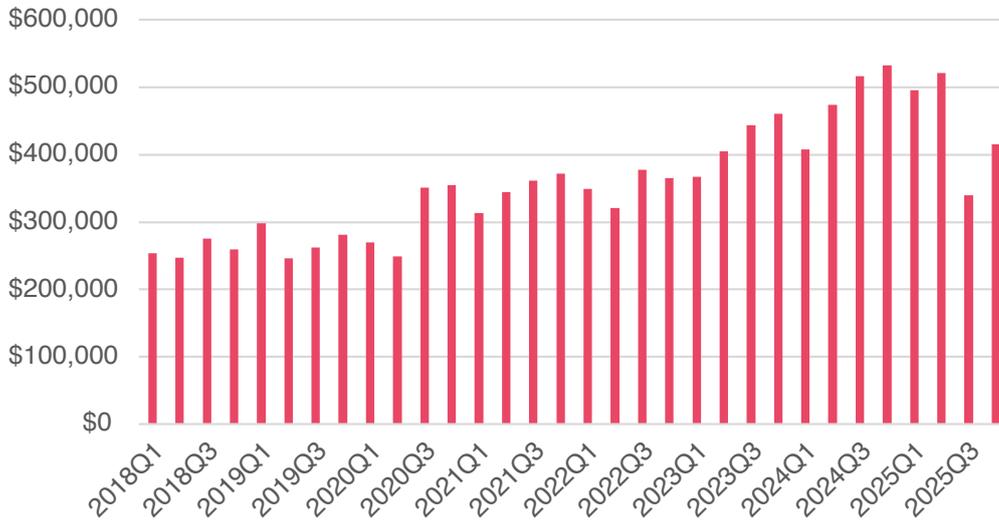
AU Small Manufacturer Stock on Hand



Active Purchasing

While holding less stock, firms ramped up buying activity, with purchase order values lifting **22%** to **A\$415,121**.

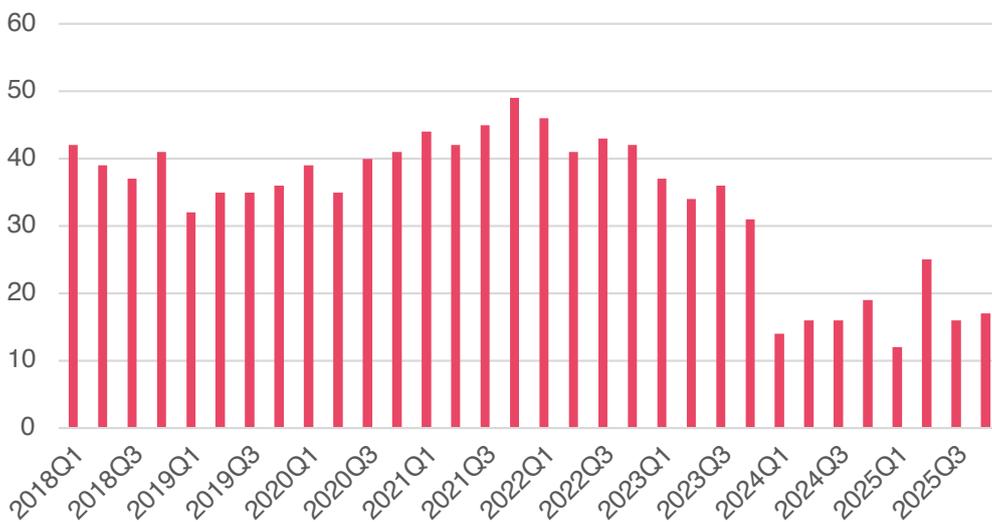
AU Small Manufacturer Purchase Orders



Lead Times

Slightly widened to **17 days** (up from 16), though they remain well below 2024 averages.

AU Small Manufacturer Lead Days



Sector Watch

Sport, Entertainment & Recreation

A standout performer for the holiday quarter, with sales lifting to an average of **A\$231,876**.

Unleashed's Outlook

With the RBA's recent rate rise, the focus for 2026 must be on **productivity**. The disconnect between lower stock levels and higher purchase values suggests a move toward just-in-time speed. Manufacturers must leverage inventory software to manage this tighter cycle and avoid stockouts during demand spikes.

Learn how



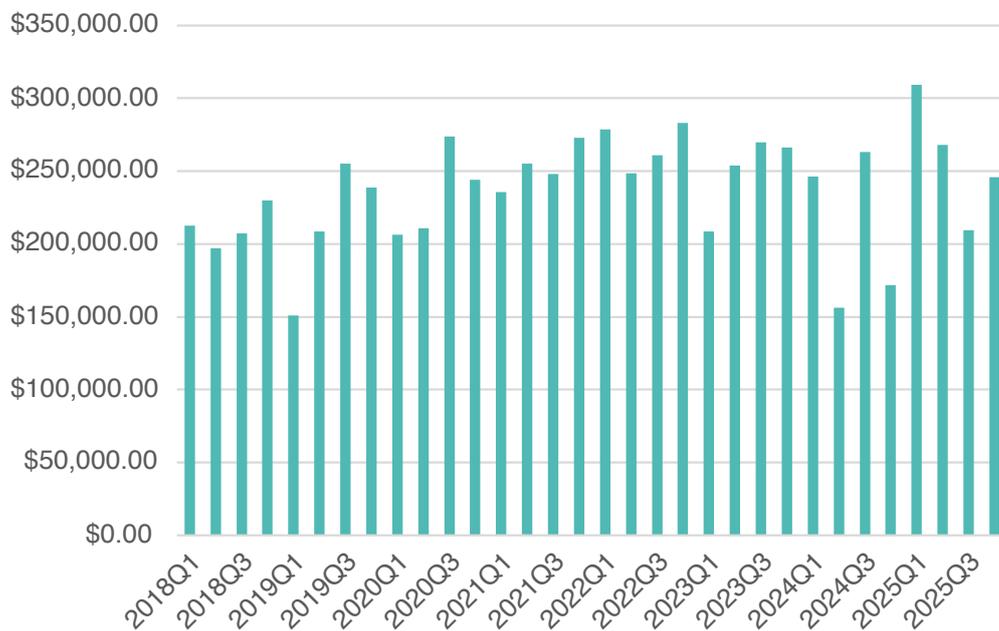
New Zealand

Sales & Margins

Q4 Rebound

New Zealand ended the year on a much-needed high, with sales revenue surging +17.2% to an average of NZ\$245,758.

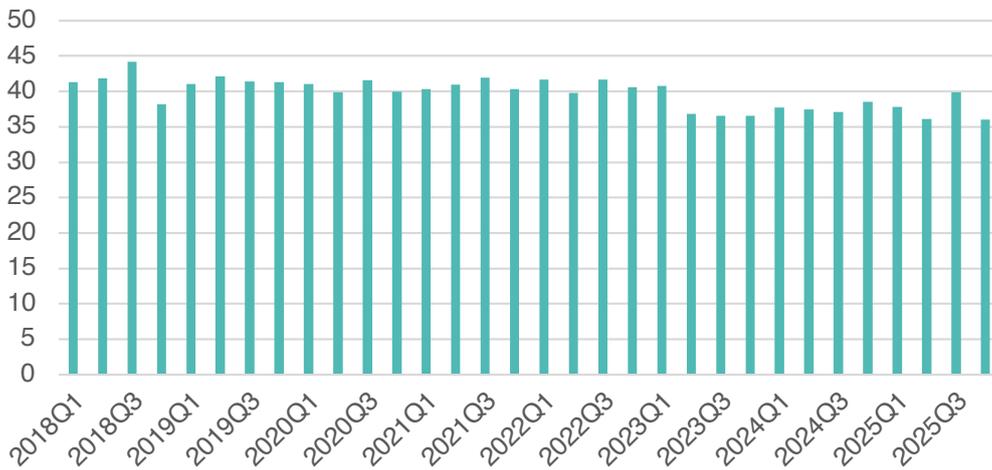
NZ Small Manufacturer Sales Revenue



Margin Trade-off

To capture this late-year demand, firms accepted lower profit margins, with GMP falling to **36.03%** (from 39.9% in Q3).

NZ Small Manufacturer Gross Profit Margin % (excluding labour)



Purchasing Behaviour

Aggressive Stock Build

NZ firms led the restocking charge, with SOH climbing **30%** to **NZ\$207,198** as they prepared for a busier start to the new year.

NZ Small Manufacturer Stock on Hand



Purchasing Surge

Purchase order values rose by 25% to NZ\$270,009.



Lead Times

Remained the lowest in the region at **16 days**, facilitating rapid turnover.



Sector Watch

Electrical & Electronic Components

The year's ultimate success story, maintaining a massive +14.5% full-year growth trend with Q4 sales of NZ\$254,752.

Unleashed's Outlook

The RBNZ's decisive rate cuts (OCR at 2.25%) are providing much-needed stimulus. The surge in sales and purchasing activity at the end of 2025 suggests that the sector is primed for a significant rebound in early 2026. Businesses should focus on scaling their operations efficiently to meet this renewed domestic demand.

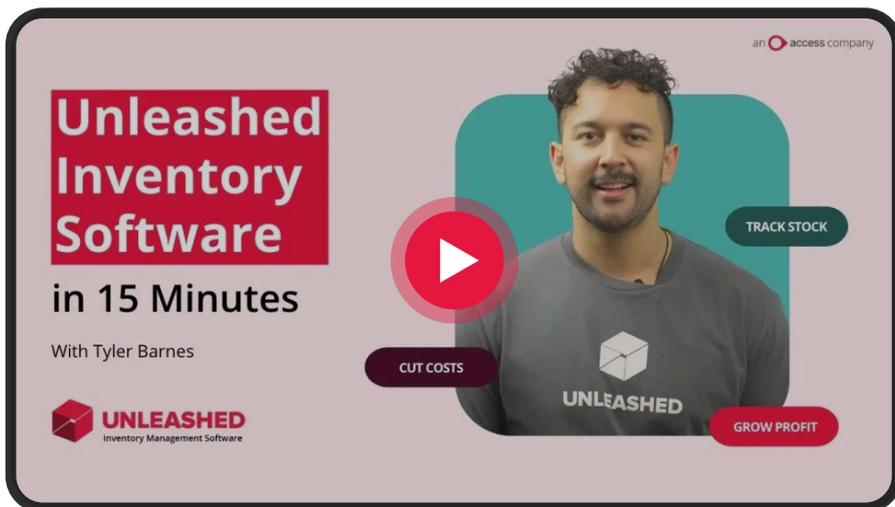
Learn how



How Unleashed Backs Your Success

In an environment where every dollar counts, Unleashed provides the surgical precision required for high-performance manufacturing at any scale.

- **Protect Your Margins:** Factor in all landed costs in real-time to make data-driven pricing decisions during inflationary periods.
- **Achieve Lean Replenishment:** Use forecast-driven reorder points to free up capital while ensuring you can meet surges in demand.
- **Enable Scalable Growth:** A powerful, simple system that turns your raw inventory data into a strategic business asset.



an access company

Unleashed Inventory Software

in 15 Minutes

With Tyler Barnes

UNLEASHED
Inventory Management Software

TRACK STOCK

CUT COSTS

GROW PROFIT

The video thumbnail features a man in a grey t-shirt with the Unleashed logo. The background is a light purple and teal gradient. A red play button is overlaid on the man's chest. The text 'Unleashed Inventory Software in 15 Minutes' is in a red box on the left. The Unleashed logo and 'Inventory Management Software' are at the bottom left. Three callouts are on the right: 'TRACK STOCK' (teal), 'CUT COSTS' (purple), and 'GROW PROFIT' (red).

Watch now

