

UK manufacturing performance

Health, Medical Supplies & Equipment Sector

Q4 2025



Introduction

The UK Health, Medical Supplies & Equipment manufacturing sector is outperforming the national average, with high sales growth backed by impressive operational professionalism. While other industries have navigated the close of 2025 with caution, medical manufacturers have entered a performance phase – sustaining record revenues while simultaneously sharpening their internal efficiencies.

This report – based on anonymised data from 49 UK Medical Supplies & Equipment firms using Unleashed's cloud inventory system – reveals an industry that is professionalising at record pace.

No longer operating in survival mode against supply chain volatility, these businesses are leveraging data to do more with less capital, turning stock faster, and protecting profit margins in a way that sets a new benchmark for the broader UK manufacturing landscape.

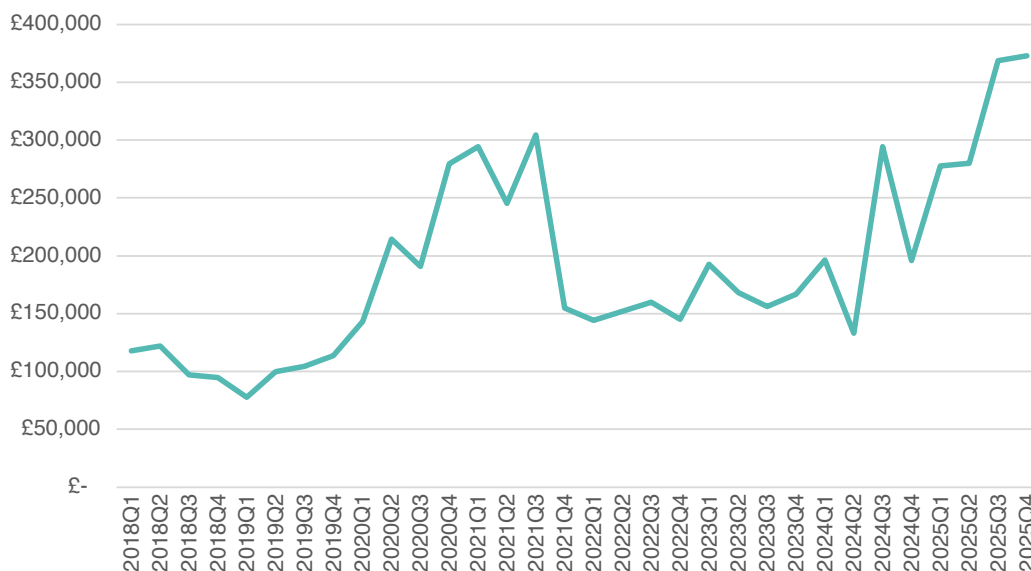
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Sales performance

The average SME Health and Medical Supplies manufacturer recorded **£372,900** in revenue for Q4 2025. This represents a steady **+1.1% uptick** following the massive growth seen in the previous quarter, indicating that the sector has sustained its peak activity level through the end of the year.

Sales Revenue



Year on year, the performance is even more striking. Q4 2025 achieved a staggering **+90.3% improvement** over the £195,981 recorded in Q4 2024. This confirms a fundamental shift in the sector's scale over the last twelve months, with manufacturers successfully capitalising on increased public and private healthcare spending.

How we collect this data

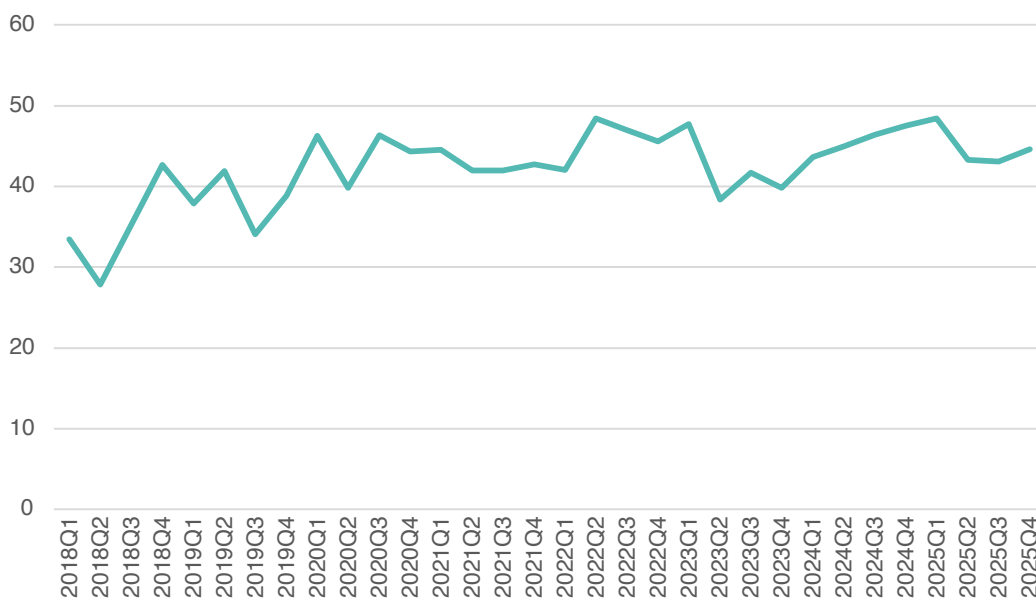
This data is gathered through the **Sales** module. Unleashed tracks every customer order as it happens, whether the sale comes from an e-commerce platform, a wholesale portal, or a direct phone order. By centralising these channels, the software gives users a real-time view of revenue performance. Users can spot sales trends instantly – and the efficiency gains are considerable, with sales orders directly connected to pick, pack & dispatch workflows, as well as production and procurement activity.

Profit margins

Profitability saw a healthy uplift in the final quarter. The Gross Margin Percentage (GMP) for the sector rose to **44.64%** in Q4 2025, up from the **43.07%** achieved in Q3.

This margin expansion is particularly impressive given the ongoing cost pressures in specialised manufacturing. It indicates that firms are optimising their production processes and managing supplier costs to claw back profitability. While margins are still slightly below the **47.54%** seen in Q4 2024, the upward trend from Q3 suggests that the margin squeeze of mid-2025 has been successfully countered.

Gross Profit Margin % (excluding labour)



How we collect this data

Margins are calculated by the software's **Production and Costing** tools. Unleashed doesn't just look at the price of a component; it factors in landed costs like shipping to give a true live cost for every item. These margin details are automatically factored into the end margin on manufactured goods, allowing for an accurate understanding of profitability at a SKU by SKU level, regardless of supply chain or manufacturing complexity. Ultimately medical manufacturers using Unleashed can price their products confidently and competitively, ensuring they stay profitable even when global shipping rates fluctuate.

Inventory levels

In a show of operational maturity, medical manufacturers continued to lean out their operations even as sales remained at record levels. Average Stock on Hand (SOH) fell to **£141,287**, a **-4.4% reduction** from the £147,764 held in Q3.

When compared to the **£198,740** in stock held in Q4 2024, the trend is clear: the industry is doing significantly more business with far less capital tied up on warehouse shelves. This inventory efficiency suggests that firms are no longer panic buying, but are instead relying on precise data to hold exactly what they need.

Stock on Hand



How we collect this data

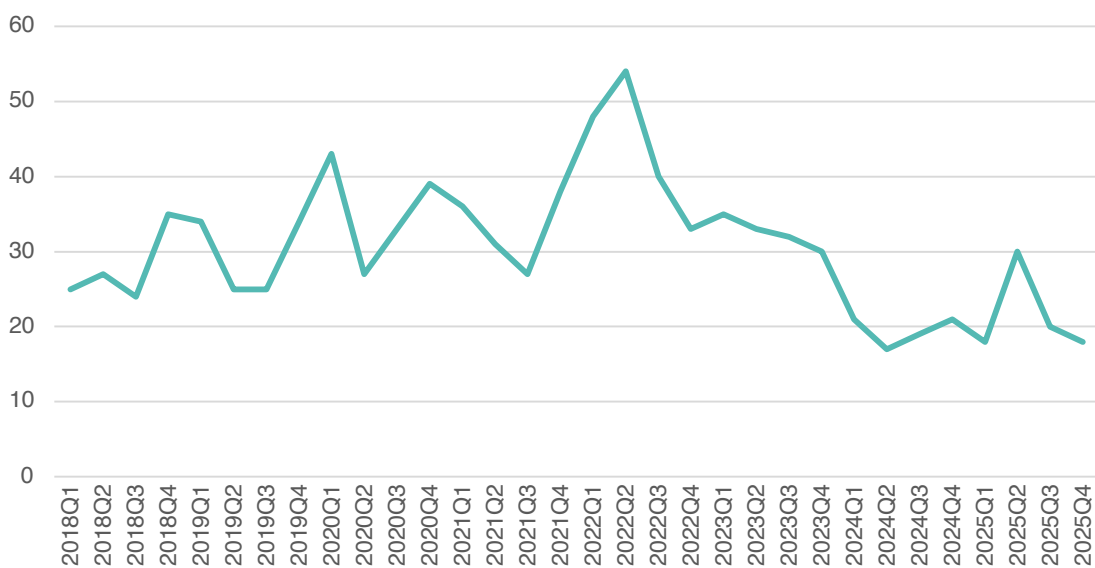
These figures come directly from Unleashed **Inventory Management** dashboards. Every time a component is received or a finished medical device is shipped, the system updates automatically across all locations. This eliminates the need for manual stock takes and prevents errors. For the user, this means they can stop over-ordering “just in case”, freeing up cash that would otherwise be trapped in excess inventory, allowing them to reinvest that capital back into business growth.

Lead times

Supply chain fluidity improved significantly as the year came to a close. Average lead times for medical components dropped to **18 days** in Q4, down from **20 days** in Q3.

This reduction in lead times has been a critical enabler of the sector's leaner inventory strategy. Faster, more reliable shipping from suppliers allows manufacturers to operate with tighter stock windows, reducing the risk of obsolescence and freeing up working capital for marketing, R&D or expansion.

Supplier lead days



How we collect this data

Lead times are tracked and managed through Unleashed's AIM module. When a user creates a purchase order, Unleashed notes the date; it then records the date the goods actually arrive at the warehouse. The software calculates the difference automatically. For the user, this turns supplier guesswork into a performance report. They can see exactly which suppliers are reliable and which are causing delays, allowing them to build a more resilient and predictable supply chain.

This lead time tracking is the backbone of the sophisticated MRP functionality within Unleashed's AIM module, which provides materials requirement planning down to the component level. With the software automatically tracking supplier delivery times and production plans, users can work backwards from their customer delivery deadlines to create optimised purchasing and production schedules that ensure both maximum manufacturing efficiency and customer satisfaction.

[Learn more about AIM](#)

Purchasing activity

Consistent with their leaner stock strategy, purchasing volumes saw a controlled reduction. The average Purchase Order (PO) value fell to **£134,098** in Q4 2025, a **-9.0% decrease** from the £147,384 spent in Q3.

This disciplined approach to spending is a sharp contrast to Q4 2024, when firms were spending an average of **£216,895** in purchase orders. Today's medical manufacturers are buying with much greater precision, ensuring that every pound spent on inventory is strictly tied to immediate production needs and confirmed orders or sales forecasts.



How we collect this data

This data is captured via the **Purchasing** module. Medical supply companies use this to automate and control their entire procurement process. Managers can set **automated re-order points and minimum/maximum stock levels** for critical components. When stock drops to a minimum, Unleashed can auto-generate a purchase order. This provides clarity and control, stopping reactive or speculative ordering and ensuring every pound spent on new inventory is justified by actual demand.



Questions about the report?

If you'd like to learn more about this report – or want to know how UK Health, Medical Supplies & Equipment firms unlock competitive advantage through automation, efficiency and visibility with Unleashed – then don't hesitate to reach out.

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