



Expecting increased turnover
in 2025

+8pp



Expecting increased profitability
in 2025

+3pp



Business' focus areas in 2025
**Turnover & profitability,
productivity and skills**

UK BUSINESS' EXPECTATIONS LOOK BRIGHTER FOR 2025

- **Seven in ten (70%) UK businesses expect to see their turnover increase over the next year, up from 62% in December 2023**
- **Nearly three-quarters (73%) are confident of greater profitability**
- **More than a quarter will be investing in training (27%), while a similar proportion plan pay rises for their teams (24%)**
- **Over a fifth (23%) will enhance their technology through automation or AI**

More UK businesses are expecting a stronger start to 2025 than they did entering 2024, new research from Lloyds' Business Barometer reveals.

Seven in ten firms (70%) expect to see their turnover increase in the year ahead, up from 62% in December 2023. A quarter (25%) of these expect to see their revenue rise by between six and 10% over the next 12 months, with a fifth (21%) expecting it to grow by even more.

Meanwhile, 73% of businesses are confident they will be more profitable in 2025. This compares to 70% who said the same last year.

Businesses focus on productivity and skills, and plan investment in training and wages

Driving revenue and profitability growth is firms' top priority in 2025 (54%), with nearly two fifths (39%) of UK companies looking to improve productivity and nearly a third (32%) said they would be focused on upskilling their staff.

More than a fifth (23%) will be aiming to enhance their technology – such as automation or AI – while 21% want to attract new employees.

To support their goals, more than a quarter (27%) will be investing in training for their team, while a similar proportion (24%) plan to invest in higher wages for staff.

The Business Barometer, which surveys 1,200 businesses monthly and which has been running since 2002, provides early signals about UK economic trends both regionally and nationwide.

Hann-Ju Ho, Senior Economist. Lloyds Commercial Banking, said: "It is exciting to see that businesses have ambitious plans for next year and are confident of growth. Overall, businesses have responded well to the changing external environment. While the economic outlook has been challenging, the steps firms are taking to grow should put

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them in a strong position for success in 2025.”

Ends

Notes to Editors

¹ Overall business confidence is a measure of responses from surveyed companies, which is calculated as an average based on their views on business prospects and optimism on the UK economy.

² The long-term average for business confidence is calculated as the average since the survey began in 2002, taking into account the expansion of the survey's sample size at the start of 2018 when firms with turnover below £1m were included for the first time.

- The Business Barometer results provide early signals about UK economic trends. The survey started in January 2002 and research is carried out monthly on behalf of Lloyds Bank by BVA BDRC. This survey was conducted with 1,200 companies between 1st and 15th November 2024.
- The results are re-weighted to match proportions by sector, region and size of the total business population, as published by the Department for Business, Energy and Industrial Strategy and the Office for National Statistics. Net balances are calculated by deducting the percentage of negative responses from the percentage of positive responses. Prior to January 2018, the fieldwork was based on telephone responses of 200-300 companies with annual turnover above £1 million.
- The overall 'balance' of business confidence opinion weighs up the percentage of firms that are positive in outlook against those that are negative and gives a net balance on a scale of -100% to 100%, where a score of 0 would mean there was an even balance of positive and negative sentiment.
- For further summaries and infographics, see #BusinessBarometer or follow @LBGplc on Twitter.

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