



# Market Pulse Report Q2 2025

Mid-Year SME Lending Trends:  
Opportunities for Brokers

571 Australian SMEs surveyed

May 2025





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# A Word From Lumi's Leaders



EOFY is a critical window for SME decision-making and brokers have an increasingly important role to play. This report shares mid-year insights on SME confidence, growth ambitions, funding needs and how brokers can add more value.

## Funding the Future of Australian Business

At Lumi, we've always believed that small businesses are the backbone of Australia's economy – and they deserve funding partners who back them with speed, fairness and real understanding.

This report reflects exactly why we exist: to help brokers empower growing businesses with smart, flexible finance – and to keep evolving so we're ready for what's next.

Whether it's our product innovation, human-first approach, or relentless drive to improve, our mission is clear: to help Australian SMEs thrive – and to support the brokers who make it happen.



**Yanir Yakutiel**  
FOUNDER AND CEO, LUMI

## Innovating With Purpose

At Lumi, we've always believed that brokers are the growth engine behind Australian SMEs – and this latest Lumi Market Pulse Report proves just how pivotal your role has become.

Mid-year confidence is holding strong, but pressure points like tax obligations and tight cash flow are intensifying. That's why brokers who move early and offer flexible solutions will be best positioned to win – not just during EOFY, but into FY26 and beyond.

We're not stopping at insights. We've spent the past year deeply listening to both brokers and SMEs, and behind the scenes, we're building a suite of new tools to help you move faster, convert more clients, and unlock bigger opportunities. From platform innovations to data-driven scenario support, what's coming will be game-changing – and it's all designed with brokers at the centre.

Let's shape the future of lending together.



**Anna Hawter**  
DEPUTY CEO, LUMI

## Backing Brokers at Every Turn

If there's one thing this report makes clear, it's that brokers are no longer just an option – they're the first call for SMEs navigating a complex financial landscape.

Right now, we're seeing opportunity everywhere: in Construction, Manufacturing, Hospitality, Retail, Trades, Health & Wellness – you name it. But every industry comes with its own nuances, and that's where Lumi's broker channel shines.

Whether your client is a contractor needing fast working capital, or a wholesaler managing stock ahead of peak season, our experienced BDM team is here to help you workshop real-world scenarios and structure solutions that get funded fast.

EOFY is a high-stakes moment. Let us back you with fast responses, flexible products, and deep industry insight – so you can back your clients when it matters most.



**John Clifford**  
HEAD OF BROKER, LUMI



# Your EOFY Insights, At A Glance



**78%**

of SMEs report strong to very strong demand: confidence is holding

**64%**

have increased their growth targets for 2025



**Winning customers and improving efficiency are top strategic priorities**



## Top Concerns



**61%**

cite rising costs



**59%**

cite cash flow management

**Speed of application is the #1 lender selection factor**



**82%**

have less than 3 months' cash reserves

**52%**

already rely on a broker: trust and speed are key

**36%**

prefer non-bank lenders for upcoming funding needs





# Australian SMEs remain resilient, with strong demand, rising growth ambitions and ongoing funding needs.

Brokers have a vital role to play in helping businesses access strategic finance to capitalise on new opportunities.





# SMEs Are Gearing Up For Growth

## Key Takeaway

SMEs are entering FY26 with confidence and brokers have a prime opportunity to support growth-focused funding conversations.

**78%**

SMEs report strong demand

**77%**

saw improved financial performance

**64%**

increased their growth targets for 2025







# Borrowing Intent Is High And So Are Ambitions

## Key Takeaway

More than half of SMEs are planning to access funding soon, and they're focused on high-impact initiatives. Brokers can add value by aligning funding solutions to strategic growth levers like efficiency gains and market expansion.

55%

of SMEs plan to seek funding in the next 12 months

## Top Priorities

47%

Customer acquisition

40%

Efficiency

30%

Innovation





Despite resilience, **rising costs and tight cash reserves** are putting pressure on SMEs' financial health.

Access to flexible funding remains a critical success factor and a major opportunity for brokers.





# Cash Reserves Are Tight, Pressures Are Rising

## Key Takeaway

Most SMEs are running lean, with rising costs and limited buffers creating mounting pressure. Brokers have a timely opportunity to step in with flexible funding solutions that build resilience before the crunch hits.



**82%**

of SMEs have less than 3 months' cash reserves

**60%**

cite rising costs and cash flow as top concerns



# SMEs Are Plugging Gaps With Personal Savings

## Key Takeaway

SMEs are under pressure from delayed receivables, and over half are bridging gaps with personal funds. Brokers can shift this pattern by positioning tailored working capital solutions that preserve business health.



**44%**

of SMEs say slow-paying customers cause cash flow strain

**56%**

use personal savings to manage shortfalls







## Smart Moves for a **Strong Finish**

With EOFY fast approaching, SMEs are prioritising working capital, tax management and asset investment. Brokers have a crucial role to play: helping businesses access the right funding at the right time to finish FY25 strong and start FY26 with momentum.





# EOFY Lending Needs: Working Capital, Tax & Growth

## Key Takeaway

Working capital and tax obligations are driving demand for fast, flexible finance ahead of EOFY. Brokers can play a pivotal role in helping businesses manage cash flow, stay compliant and plan with confidence.



**44%**  
of SMEs need working capital before June 30

**33%**  
are managing or aiming to prevent tax debt

**67%**  
are tax compliant, but 24% are behind



# Tax Pressures Persist, But SMEs Want To Move Forward

## Key Takeaway

Most SMEs remain growth-minded, despite rising tax pressures. Many are managing obligations through structured plans and continue to seek funding, even with policy changes. Brokers can support this momentum with proactive, solution-led conversations.

**36%**

of SMEs say their tax debt has grown in the past year

**74%**

are managing tax via ATO payment plans

**71%**

say Instant Asset Write-Off (IAWO) changes won't affect borrowing plans







## SMEs are choosing brokers **more often – and for good reason.**

Brokers are at the heart of SME funding decisions. Speed, access and tailored advice top the list of reasons why more than half of SMEs rely on brokers to secure capital and navigate complex lending decisions.

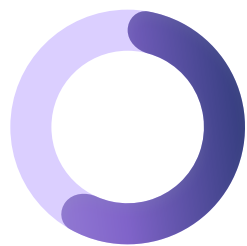




# Why 52% Of SMEs Rely On Brokers

## Key Takeaway

SMEs aren't just relying on brokers, **they're turning to them for better outcomes.** Brokers deliver **better access, faster outcomes and smarter financial advice, and SMEs know it.**



65%

say brokers give them better access to lenders and funding options

44%

value speed of access

39%

want expert guidance on complex decisions

34%

turn to brokers for better rates and terms





# Trust & Referrals Drive Broker Selection

## Key Takeaway

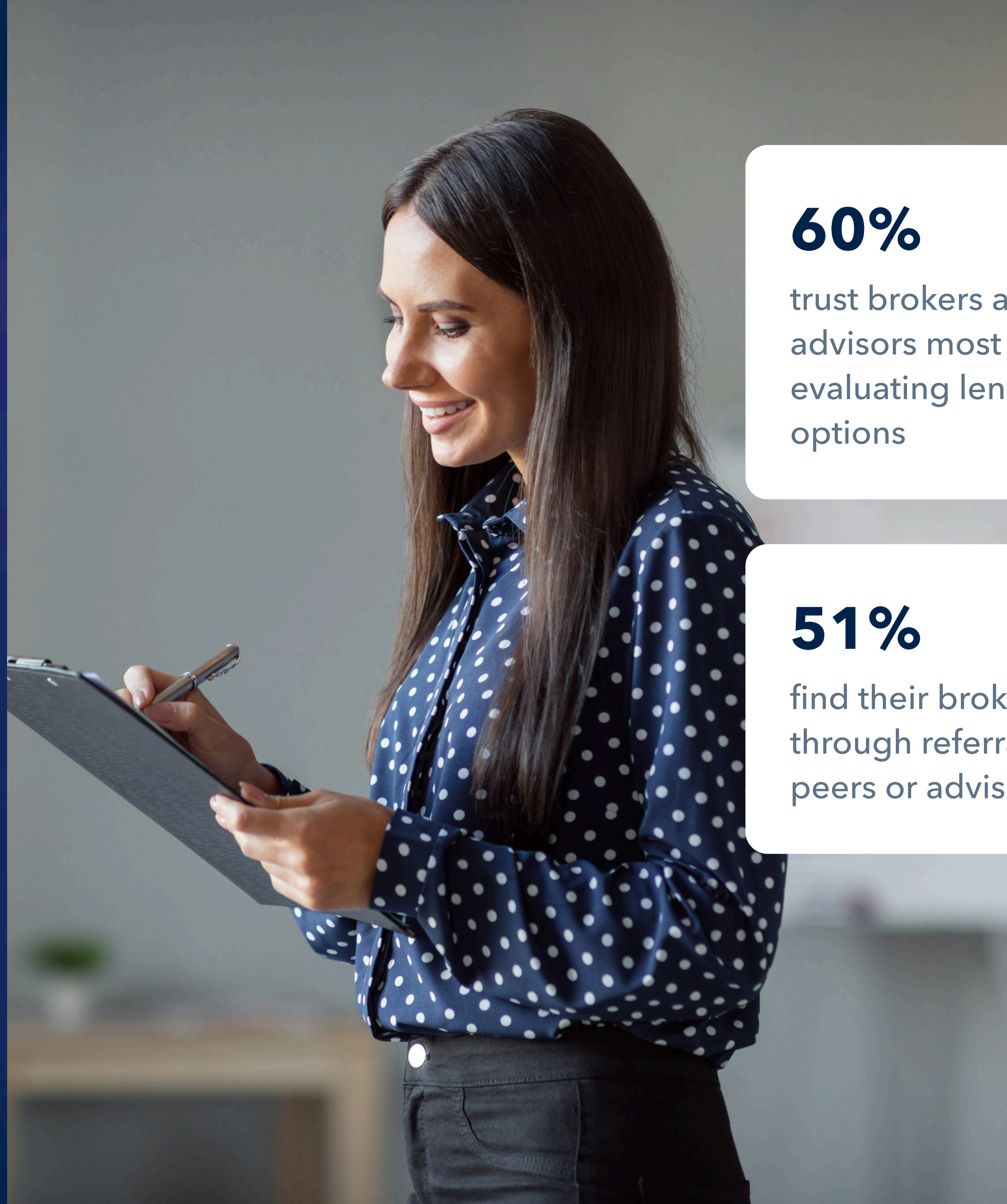
When it comes to choosing a broker, trust is everything. Personal referrals and professional recommendations matter far more than websites or ads.

**60%**

trust brokers and advisors most when evaluating lending options

**51%**

find their broker through referrals from peers or advisors







## SME confidence is **holding**. Growth ambition is **high**.

Access to fast, flexible funding remains key, and Lumi is here to help brokers capitalise on the opportunity.



# Key trends shaping the lending landscape for brokers:

Confidence Holds Strong

78%

of SMEs report strong or moderate demand - business resilience is real

Borrowing Appetite Remains High

55%

of SMEs plan to seek external funding this year, despite a slight dip from last quarter.

Non-Bank Momentum

36%

of SMEs seeking funding prefer non-bank lenders - flexibility and speed are key.

Broker Reliance is Growing

52%

of SMEs already rely on a broker for financing, and referrals are the #1 discovery method.

EOFY Is A Trigger Moment:

Asset purchases, cash flow management and tax planning are top priorities - brokers who move fast will win.





# Methodology

Survey of 571 SMEs conducted April 2025.  
Lumi SMEs, various industries, 99% owner/founders.

## Disclaimer

This document has been prepared by Lumi Financial Services Pty Ltd (“Lumi”) for informational purposes only. The information contained in this report, including all data, projections and insights, is based on survey responses from Australian SMEs and Lumi’s internal analysis as at April 2025. While care has been taken in the preparation of this material, Lumi does not warrant or represent that the information is accurate, complete, or up to date.

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## Want Further Insights To Benefit Your Business In 2025?

Reach out to your Lumi BDM for answers to your questions and to workshop a scenario. We're here to help your clients access fast, fair and flexible funding to power growth.

Let's plan ahead together.

LinkedIn | Call 1300 005 864 | [sales@lumi.com.au](mailto:sales@lumi.com.au)

Submit a Lead

# Here To Power Your Growth

Lumi helps Australian businesses achieve sustainable financial success by offering fast, fair and flexible financial solutions, powered by our innovative lending approach.

At Lumi, our finance solutions are designed to help you support more clients and grow your business.

We take a partner-first approach to business lending: adapting our products, processes and service to help you meet your clients' evolving needs, while making your experience seamless and rewarding.

Whether it's our market-leading Line Of Credit with no ongoing fees, our Rate Ease™ Loan that rewards responsible borrowing, or our flexible Payment Pause feature, Lumi's solutions are designed to meet real business needs.

With our deep expertise in working capital, transparent process, fast decisions and ongoing support, you can build stronger client relationships, increase your revenue streams and scale your business with confidence.

Partnering with Lumi means doing right by your clients and by you. Together, we can help businesses move forward and thrive.