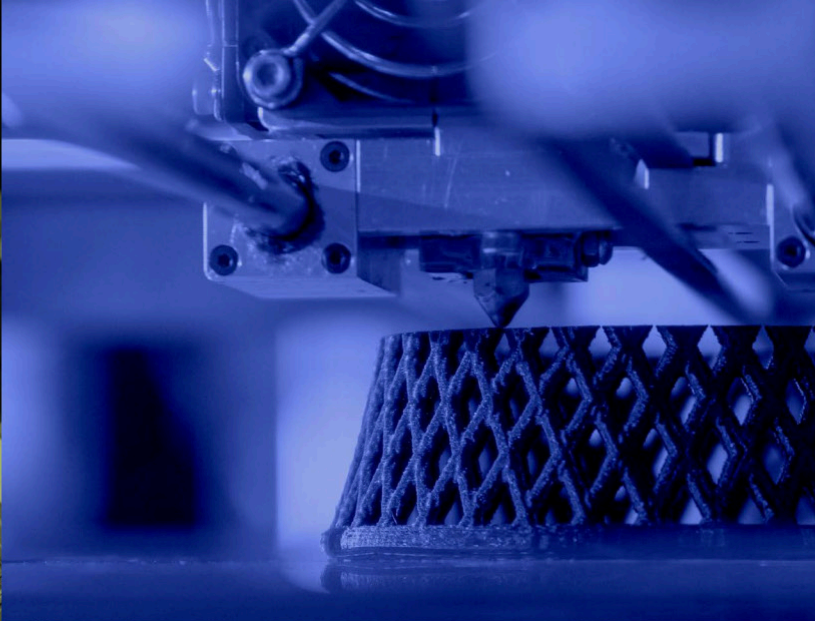
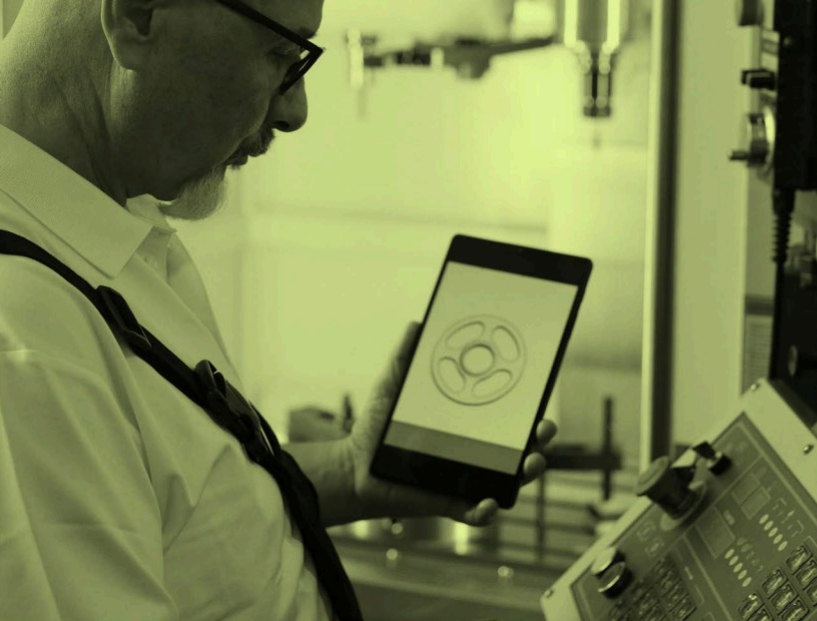




2027

MANUFACTURING OUTLOOK EMEA EDITION



A Letter From Our CEO

For most of history, scaling up manufacturing has meant only one thing: expanding your physical presence. But while adding machines and increasing floor space still matter, the companies poised to scale fastest in the digital age are not those that own the most capacity, but those that can reach it.

The 2027 Manufacturing Outlook reveals how access is overtaking acquisition as the leading pathway to growth—with digital infrastructure at the heart of the transformation.

Across the global supply chain, three shifts are illustrating the change:

- AI is already routinely embedded in engineering decisions. The inefficiencies of a legacy system accustomed to fragmented sourcing and design are giving way to a new system—informed by AI insights dynamically, at every turn—that optimizes for manufacturability, cost, and speed.
- Manufacturing capacity is becoming more accessible. The days of seeking out suppliers that happen to be located within a certain radius are giving way to a global playing field, where buyers can find manufacturing partners that meet their needs anywhere in the world, and smaller manufacturers have a greater opportunity to reach new customers and put more of their capacity to work.
- Automation is changing the skills manufacturers need. As equipment becomes more sophisticated, companies are looking for people with the skills to keep pace when it comes to operating, programming, evaluating, and improving their systems.

Access is central to our mission at Xometry: to make the world's manufacturing capacity accessible to all. We are proud to empower manufacturers of every size and in every zip code to improve access by making better-informed choices, forging new connections, and getting the most out of their capacity—and prouder still that we are building the digital infrastructure to fuel this transformation for the benefit of the entire sector.

Sanjeev Singh Sahni

Chief Executive Officer, Xometry



2027

MANUFACTURING OUTLOOK EMEA EDITION

Trends

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03 Supplier Optionality Is the New Sourcing Advantage

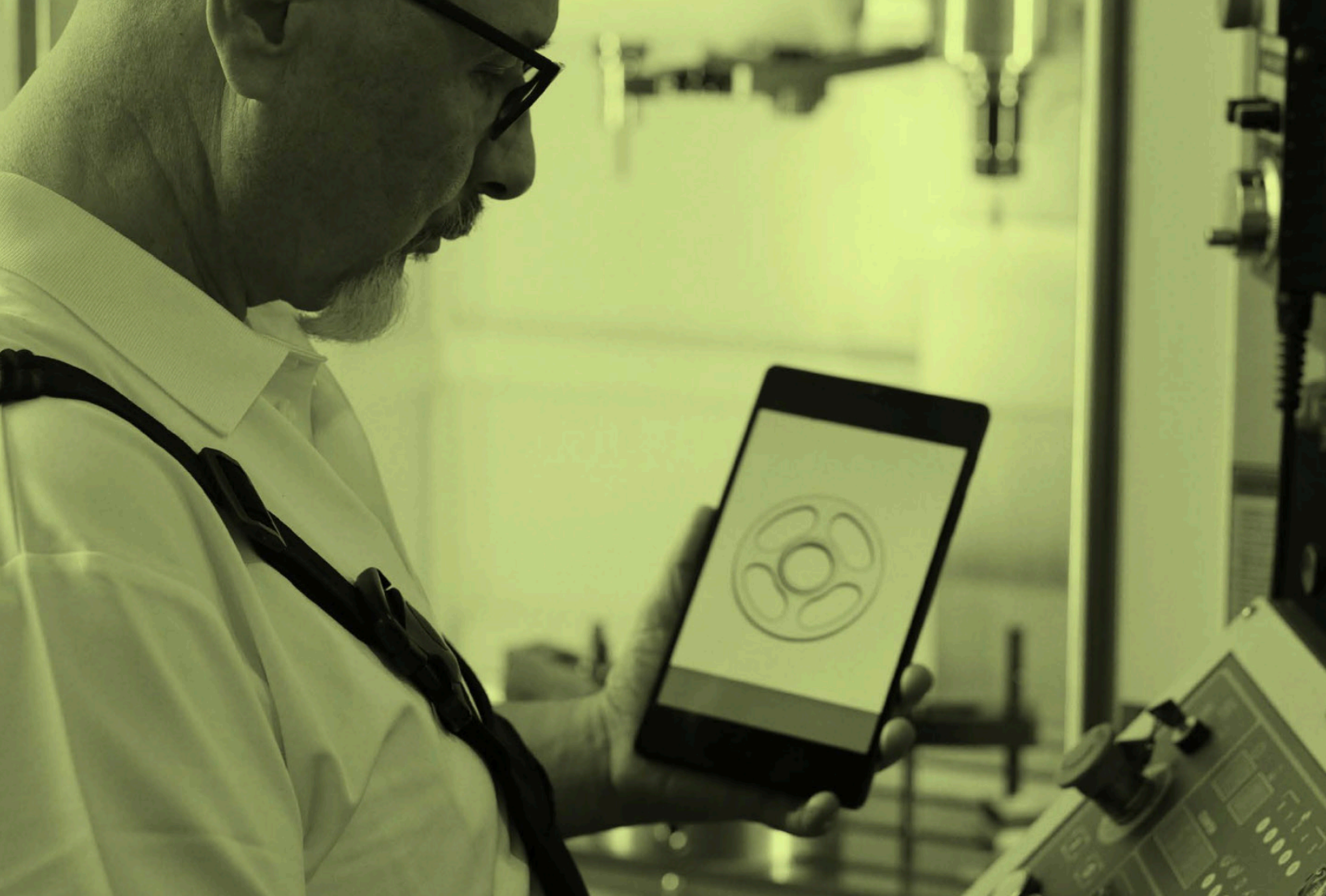
04 Manufacturing Needs Skills, Not Just Headcount

In Manufacturing, Access Is the Advantage

A manufacturing advantage used to be defined by what a company owned: its machinery, workforce, and suppliers. Now, it comes down to what a team can reach: extra capacity beyond their own shop floor, certifications that unlock higher-value contracts, and engineering intelligence that builds on existing expertise.

This shift isn't isolated to one region or business function. We see similar patterns in AI adoption, capacity utilisation, pricing power, and hiring across both the US and Europe. The companies pulling ahead aren't necessarily those with the deepest pockets, but rather those capable of tapping into external resources just when they need them.





01

Manufacturing's AI Payoff Is Upstream

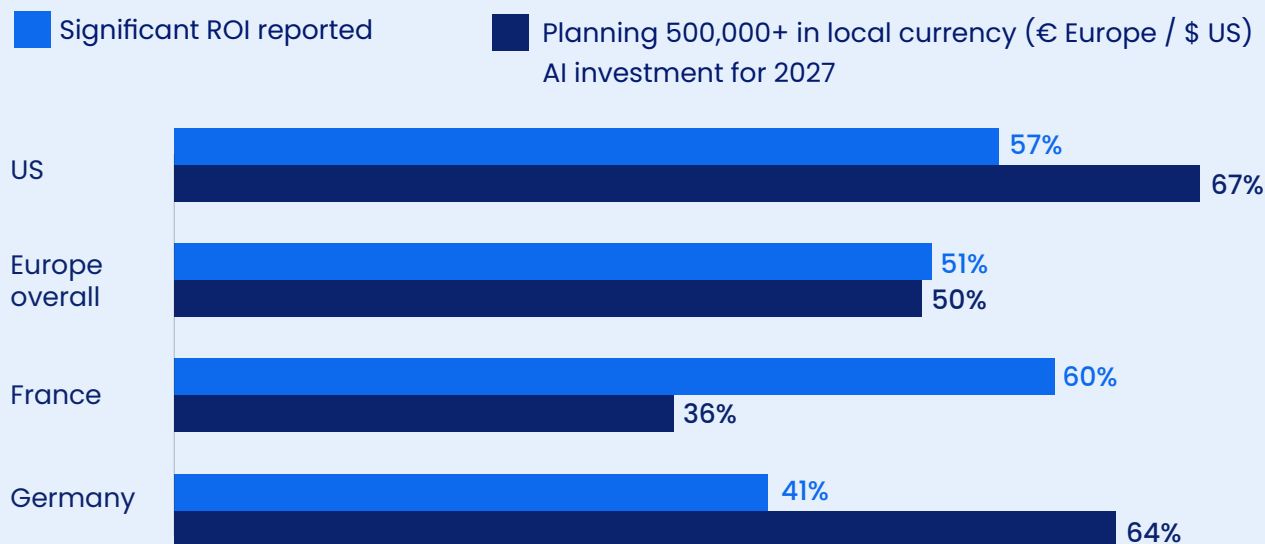
European manufacturers have stopped debating whether to use AI. A quarter already have it built into core operations, and the rest are working on it now. The real question is where it pays off.

The Payoff Is Real, Just Not Where the Money Is Biggest

Half of European manufacturers (50%) plan to invest €500,000 or more in AI in 2027, and 51% already report significant ROI. French manufacturers report the highest returns, at around 60%. German manufacturers invest most heavily (64% plan €500,000+), and 41% report significant ROI so far. That's consistent with larger deployments taking longer to mature.

The bigger gap is between Germany's AI spending and its returns. Germany is by far the region's biggest AI spender, with 64% committing €500,000 or more, compared with just 36% in France. Yet only 41% of German manufacturers report significant ROI, trailing both France and the US. Larger outlays haven't produced stronger returns yet. Larger AI deployments can take longer to mature than smaller, targeted tools, which could help explain why Germany's returns haven't yet caught up with its spending.

AI Investment vs. Reported ROI:



"Scale without a feedback loop plateaus. Scale with one does not. That's the difference between deploying AI and compounding it."

Vaidy Raghavan

Chief Technology Officer, Xometry



AI Adoption Is Shaped by Local Market Priorities

Compared to its regional peers, Germany leads in adopting AI for DFM or manufacturability review at 59%. Not coincidentally, this targets the exact skill set behind its biggest hiring gap: 35% of German firms name design and manufacturing engineers as hardest to fill, more than double France's 14%. French manufacturers, meanwhile, lean most heavily on AI for help with pricing and quoting, at 61%, where margin pressure is already at play. AI isn't solving one universal problem across the region. It is filling whichever gap is most acute locally.

European Manufacturers Take Two Paths to Shop-Floor AI

French manufacturers lean heavily into upgrading existing infrastructure, with 58% retrofitting legacy machines using smart sensors compared to 31% in Germany. German firms focus their capital further downstream on autonomy, leading the deployment of self-learning robots at 38% against 24% in France. Where France optimises the equipment it already owns, Germany invests in fully autonomous systems.

"AI gives us the power to completely re-engineer complex, cross-functional workflows that were previously out of reach. Rather than using technology just to speed up existing human routines, it enables us to solve the operational bottlenecks that used to hold manufacturing back."

Çınar Topaloğlu

Vice-President, International Markets and Operations



Looking Ahead

AI's biggest impact in Europe, as in the US, shows up before a part is ever produced. Across markets, though, higher spending isn't necessarily translating into higher returns. Germany is investing more aggressively without yet seeing the same payoff, while France and the US report comparable ROI at very different spending levels. The gap suggests that bigger AI budgets alone don't determine the payoff. What matters is the manufacturing data behind the intelligence. While general-purpose AI tools can offer generic advice, they lack insight into real-time supplier capacity, live material costs, and verified shop capabilities. Capturing real ROI requires accessing specialised AI grounded in actual production data, allowing engineering and pricing decisions to connect directly to shop-floor execution.



If DFM and quoting reviews are still fully manual, AI-assisted reviews are worth exploring. It's also worth asking your suppliers where AI supports their process, at the quote stage as well as on the shop floor.

Where Manufacturing Capacity Meets Intelligence

Xometry connects manufacturing capacity with real production data to price, evaluate, and source custom parts across one global marketplace.

5,000+

Vetted Suppliers

16+

Manufacturing Processes

85,000+

Buyers

[Explore Xometry](#)



Partner Network Reach



02

Europe's Manufacturing Capacity Is Hiding in Small Shops

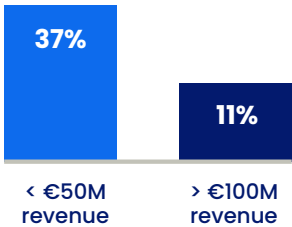
Order books are full across Europe, much as they are in the US. The opportunity in both markets isn't building more capacity. It's connecting the capacity that already exists, sitting underused in smaller shops, with the buyers looking for it.

Smaller European Manufacturers Are Carrying the Region's Idle Capacity

The pattern that defines the US capacity story shows up just as clearly in Europe. 37% of European manufacturers with under €50 million in revenue are operating below 70% capacity, compared with just 11% of those with over €100 million. This points to significant untapped capacity among smaller manufacturers.

Overall, Europe operates at a rate close to that of the US: 76% of European manufacturers are at 70% capacity or higher, compared with 75% in the US. But that average hides a sizable difference between Europe's biggest manufacturing markets: France runs notably hotter, at 81%, while Germany is at 71%. The ten-point gap is not a sign of weaker demand, as idle capacity might otherwise suggest. In fact, Germany's backlog remains slightly stronger than France's, at 84% versus 80%. Germany has more available capacity despite similarly strong demand, suggesting there's room to put more of its existing manufacturing capacity to work.

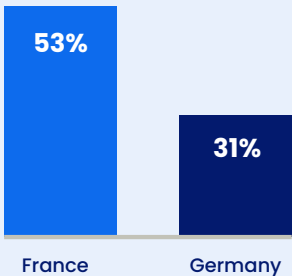
Idle capacity by manufacturer size
Share operating below 70% capacity



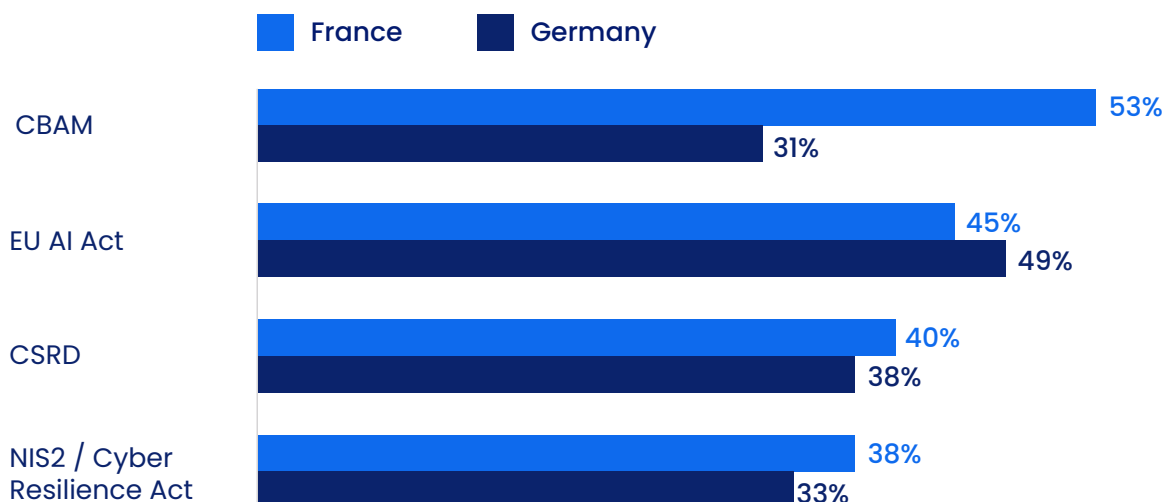
Europe's Compliance Challenge Goes Beyond Certifications

In the US, the credentials that help shops win more work are quality and defence certifications like ISO 9001, AS9100, and ITAR. Europe's gate is shaped differently. Certification and compliance requirements are the second-most cited operational challenge in Europe, named by 39% of French manufacturers and 38% of German manufacturers, well above the 30% cited in the US. The source of that pressure varies by country: 53% of French manufacturers are preparing for the EU's CBAM carbon border rules, compared with 31% in Germany. CBAM can also affect US manufacturers that export to Europe, as EU importers look to their suppliers for the emissions data required under the regulation.

Preparing for the EU's CBAM carbon border rules
Share of manufacturers



Regulatory Priorities: France vs. Germany



Sourcing Is Already Moving Closer to Home

European manufacturers expect their own customers to keep shortening supply lines. Fifty-four percent of German manufacturers and 52% of French manufacturers expect a shift toward more regional sourcing over the next year. Combined with the compliance and certification pressures they're experiencing, there is a great opportunity to connect existing capacity regionally with buyers who need it, and make sure the shops with open capacity are also qualified to take on the work. On Xometry's own network, that matching happens by design: adaptive sourcing prices work based on live capacity and predict a shop's likelihood of taking a job before it's ever sent.

"Resilience is about choice. Market conditions shift constantly, whether it's tariffs, geopolitical moves, or capacity constraints. The manufacturers who stay ahead are those who secure flexible options long before they need to use them."

Oscar Lovera

Chief Operations Officer, International, Xometry



Looking Ahead

Europe's capacity story isn't about a shortage. It's a matching problem. Spare capacity sits in smaller shops buyers may not be able to easily find or access. Xometry's own distributed network is built to help close that gap, connecting buyers with available capacity while giving smaller shops access to more potential work. Certification and regulatory readiness aren't a compliance checkbox in this ecosystem. They're what make available capacity easier for buyers to qualify, trust, and put to work.



The capacity your current supply base can't cover isn't missing. It's just hidden in smaller shops beyond your usual sourcing network. A pre-qualified network bridges the gap, turning untapped regional capacity into machine time you can actually use.

Opening More Doors for Small Manufacturers

Navigating complex regional compliance can prevent smaller suppliers from diversifying. Partnering with Xometry gives manufacturers direct access to steady job flow across aerospace, defence, automotive, and high-tech sectors—without the overhead of complex sales cycles.



Access high-value jobs in regulated industries previously out of reach.



Put idle capacity to work by tapping into pre-vetted demand across Europe.



Protect margins and grow revenue without managing heavy administrative burdens.



"The real issue isn't a shortage of machines or people. It's a mismatch. Plenty of shops can do this work today. What they don't have is the certification that gets them through the door. Closing that gap early is what separates the shops winning in 2027 from the ones still waiting for the phone to ring."

Stefan Reimig

Vice-President, International Partner Network



03

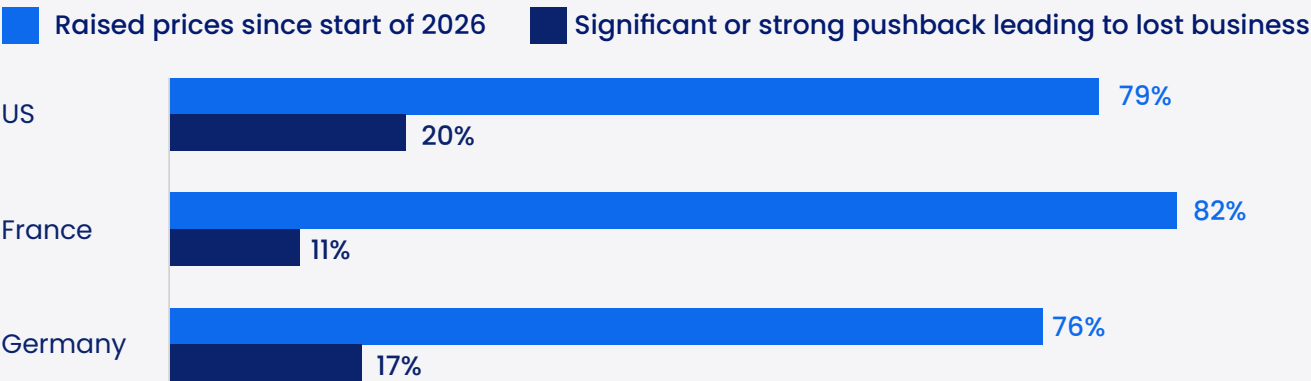
Supplier Optionality Is the New Sourcing Advantage

Procurement teams in Europe, like their counterparts in the US, can negotiate prices, but they can't control many of the forces now driving them. Material costs, energy, and regulatory pressure are all pushing prices up. That puts more weight on the one lever buyers can control: how many qualified alternatives they have when conditions change.

Price Increases Are Widespread, but Pushback Is Limited

Most European manufacturers raised their prices this year—82% in France and 76% in Germany. However, very few actually lost business as a result: only 11% of French firms and 17% of German firms faced customer pushback severe enough to impact sales.

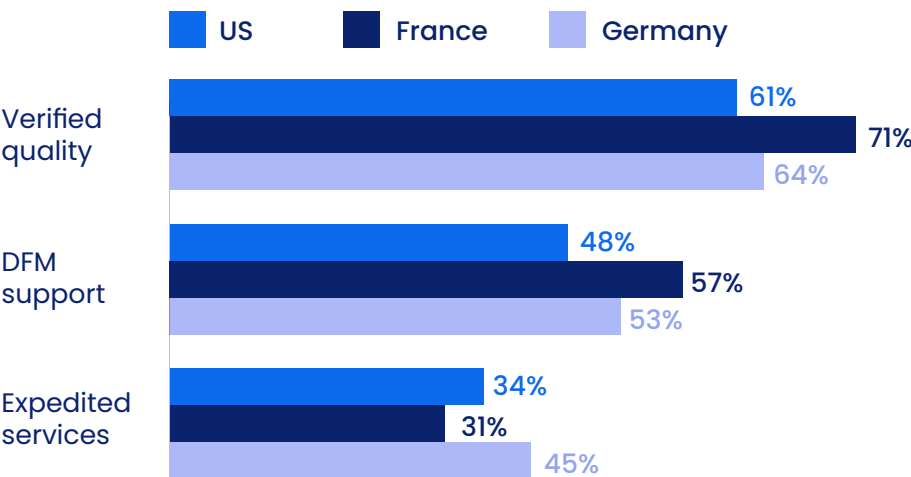
Price Increases vs. Real Pushback: US, France, and Germany



The Premium Sits on Certainty, Not Just Price

European manufacturers command price premiums by delivering operational certainty to buyers. French manufacturers most often charge premiums for verified quality (71%) and DFM support (57%), leading both Germany (64% and 53%) and the US (61% and 48%). German manufacturers stand out on expedited services, where 45% charge a premium compared to 31% in France and 34% in the US. Across all regions, buyers remain willing to pay more for services that reduce risk rather than simply choosing the cheapest option.

Where Pricing Premiums Come From: US, France, and Germany



"Price matters, but confidence is what closes the deal today. Whether it's DFM support for complex designs, guaranteed part quality, or lead times you can trust, buyers want certainty. The real advantage comes from giving them that operational confidence alongside fair, transparent pricing."

Marc Somsen

Vice-President, Sales EMEA



Raw Materials Drive Pricing, Local Pressures Shape the Rest

Raw material costs have the biggest influence on pricing decisions across all markets: 34% in France, 33% in Germany, and 26% in the US. From there, local market pressures diverge. Competitor pricing is cited by 18% of French manufacturers as a major factor, whereas German firms cite it at just 9% and US firms at 11%. In Germany, compliance and energy costs play a bigger role in pricing decisions: compliance costs (21% vs 12% in France) and energy costs (16% vs 10%) rank well above France's levels. US tariffs and EU trade measures weigh more heavily on French pricing decisions than on German ones, too: 41% of French manufacturers cite them as a major factor, compared with 25% in Germany.

After raw materials, German manufacturers weigh compliance and energy costs more heavily, while French manufacturers are more sensitive to tariffs and competitor pricing.

Looking Ahead

Procurement teams in Europe have no more control over material costs, energy prices, or regulatory pressure than their counterparts in the US. What they can control is how many qualified alternatives they have when conditions change. Buyers who can compare price, quality, and speed across a broader supplier base are absorbing this year's increases more easily than those locked into a single relationship. Moreover, a stable, diverse supply network, with DFM support built into the quoting stage, is becoming as important as the price on any single quote.

If your sourcing strategy depends on one or two suppliers, the data suggests you're carrying more price risk than manufacturers with a broader, qualified network to turn to when conditions change.



04

Manufacturing Needs Skills, Not Just Headcount

Manufacturing's labour shortage hasn't disappeared on either side of the Atlantic, but it's pointing in different directions. In the US, the hardest role to fill is now AI and automation operators. The shortage has shifted toward the people who oversee the technology itself. In France and Germany, it hasn't: CNC/CAM programmers remain the hardest to hire in both countries.

Higher Pay Is Helping European Manufacturers Recruit

Eighty-three percent of European manufacturers who raised wages this year say it helped them attract candidates, compared with 69% in the US. The impact varies considerably within the region: 91% of German manufacturers say higher pay improved candidate quality, compared with 74% in France. Meanwhile, 19% of French manufacturers saw no benefit from wage increases, compared to 6% in Germany and 25% in the US.

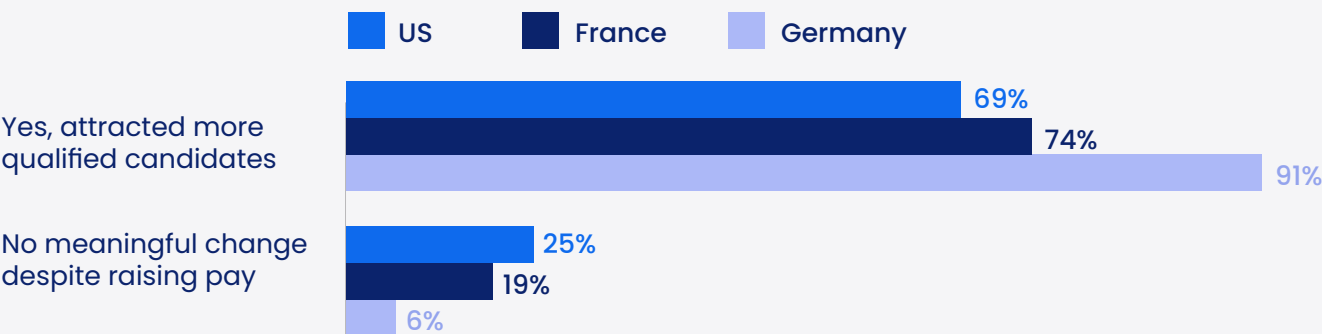
91%

of German manufacturers say higher pay helped attract more qualified candidates.

69%

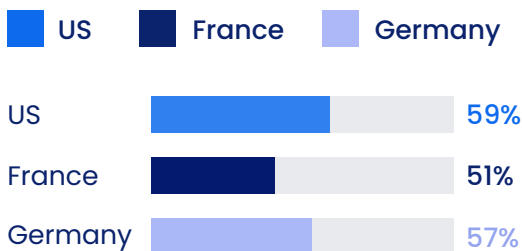
of US manufacturers say the same.

Did Raising Wages Improve Hiring? US, France, and Germany



Training Partnerships Are Well Established Across Europe

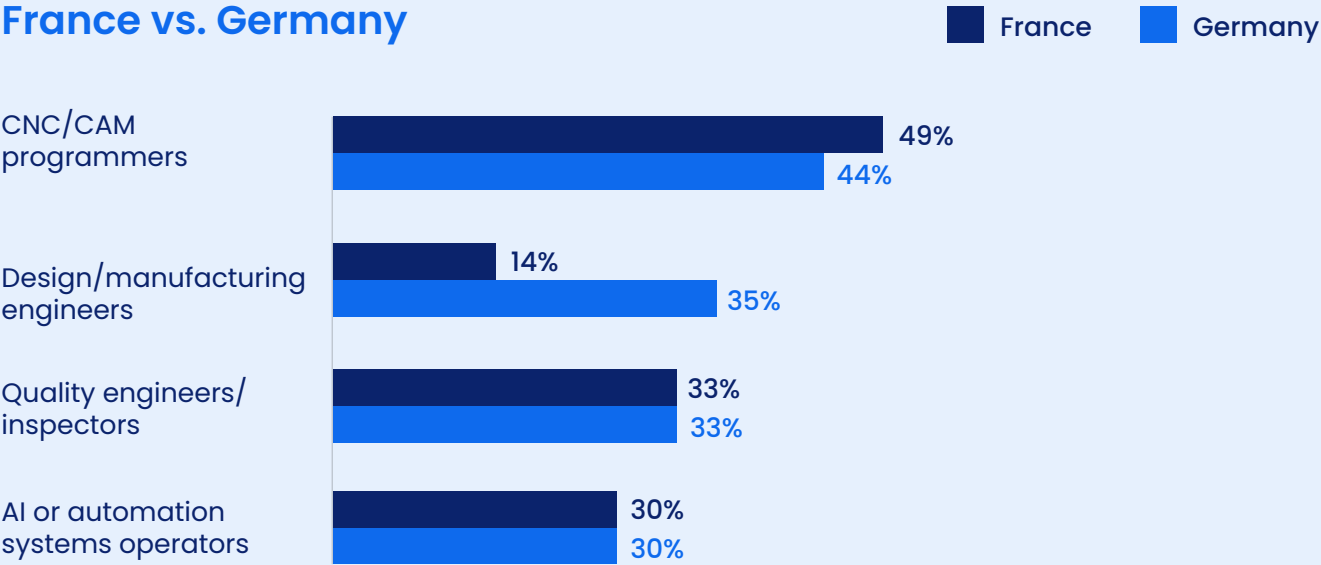
Formal partnerships with schools and technical training programs are well established across regions. Fifty-seven percent of German manufacturers and 51% of French manufacturers maintain active educational partnerships, compared with 59% in the US. Across both European markets, formal training initiatives remain a primary mechanism for building local technical pipelines.



The Gen Z Gap Is Universal. The Skills Gap Isn't.

Recruiting Gen Z for skilled trades is harder than recruiting any other generation almost everywhere: 46% of US manufacturers say so, along with 42% in France and 38% in Germany. But the roles manufacturers are struggling to fill vary more by country. Among manufacturers already struggling to hire, CNC/CAM programmers top the list in both France and Germany, 49% and 44% respectively. Germany also faces a sharper shortage of design and manufacturing engineers: 35% of German manufacturers name design and manufacturing engineers as their hardest role, more than double France's 14%. The generational challenge is similar across markets; the skills in shortest supply are not.

Hardest Roles to Fill Among Manufacturers Already Struggling to Hire: France vs. Germany



Looking Ahead

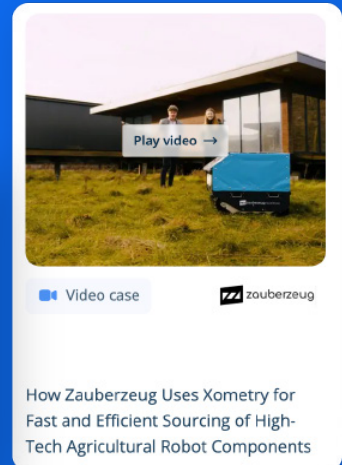
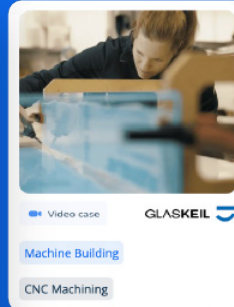
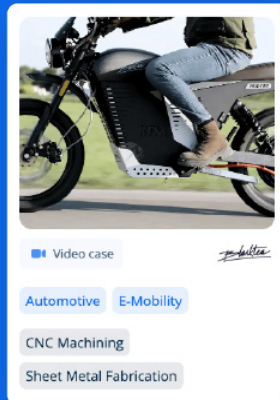
Manufacturing's labour shortage is really a specialisation shortage, and the location of that specialisation is shifting. In the US, it's shifting toward AI and automation operators; in Europe, it's still concentrated in CNC/CAM programming and design engineering. Either way, headcount isn't the fix. Raising wages helps, unevenly, but it doesn't create expertise that doesn't yet exist. The more durable fix is accessing specialised skills on demand through a network of already skilled partners, rather than every company hiring its way out of a shortage that's structural, not local.

Before adding headcount to close a skills gap, it's worth asking whether the gap is really about people or about access to specialised expertise that could be tapped on demand instead.

Xometry Supports the Next Generation of Engineers

Xometry helps university engineering teams turn ambitious ideas into real, manufactured parts. Student teams can access manufacturing resources and support to build, test, and improve hands-on engineering projects.

Discover the Engineering stories



Conclusion

Across the US and Europe, manufacturers are finding more ways to reach beyond what they own outright. AI can bring more intelligence into engineering decisions. Broader supplier access can put available machine capacity to work. Qualified suppliers give buyers more options as costs and requirements change, while outside expertise can fill specialised skills gaps. The specifics vary by market, but the direction is similar: more of what manufacturers need can be accessed when they need it, rather than built and carried entirely in-house. For manufacturing leaders heading into 2027, that changes the question. Capacity, expertise, or manufacturing intelligence they need may already exist outside their own operations. Xometry's network is one way to access it — connecting buyers with qualified capacity, manufacturing capabilities, and expertise they may not otherwise be able to find or use at scale.

Methodology

All data points are sourced from Xometry and a survey commissioned by Xometry and conducted by John Zogby Strategies. The survey was conducted in August 2026 and included a total of 200 executive respondents across France and Germany (n=100 each). Respondents represent small, medium, and large enterprise manufacturing companies across Aerospace & Defence, Automotive, Medical & Dental, and Robotics & Automation. The overall margin of error for the European sample is ± 6.9 percentage points; individual country-level breakouts (France only, Germany only) carry a wider margin of error of approximately ± 9.8 percentage points and should be interpreted directionally rather than as precise estimates. US figures cited for comparison are drawn from the companion 150-respondent US survey fielded over the same period (N=150, margin of error ± 8.0 percentage points). Questions on EU-specific regulation (CBAM, the EU AI Act, and related compliance measures) were asked only of European respondents and are presented without a US comparison point. The insights presented are Xometry's own, based on this data and expert interviews with Xometry's Vaidy Raghavan, Oscar Lovera, Marc Somsen, Stefan Reimig and Çınar Topaloğlu.

About Xometry

Xometry's (NASDAQ: XMTR) AI-native marketplace and technology platform are rapidly digitising the manufacturing industry. Xometry provides manufacturers with the critical resources they need to grow their businesses and streamlines the procurement process for buyers through real-time pricing and lead time data. Learn more at xometry.eu or follow Xometry EMEA & APAC on LinkedIn.

