WIDE-FORMAT PRINTING REPORT: KEY RESULTS

• Operating cost inflation, labor shortages, and the pressure on margins they create continue to be major challenges for providers of wide-format printing. The consensus: “Wages are increasing. Costs are increasing. Prices must go up to maintain profitability. And efficiency must improve to stay competitive.”

• The percent of wide-format providers surveyed who are very concerned about material shortages has declined to 62.2% from 92.5% over the past year, indicating that supply chains are healing. Nevertheless, markets for key materials are still tight enough to push prices higher.

• Sales are trending higher for 52.2% and prices are trending higher for 65.2% of our research panel. Pretax profitability, however, is rising for just 36.6%, indicating difficulty getting growth from the top line to the bottom line.

• Optimism has increased, with 37.0% now expecting business conditions to be more favorable this year than they were last year, up from 30.3% four months ago. Reasons include “less uncertainty than in 2022.”

• The majority (58.1%) plan to make capital investments this year, 8.1% do not plan to invest, and 33.8% are not sure if they will be investing. Capital investment rates vary widely from company to company, but nearly half plan to invest 1.0%–4.0% of sales.

• Increasing productivity/efficiency, cited by 86.6%, tops the list of capital investment objectives. Increasing production speed (61.3%) and automation (60.5%) follow.

• E-commerce capabilities, cited by 63.2%, top the list of most desired capital investments. Next come wide-format inkjet (50.0%), workflow software (47.4%), and business intelligence applications (44.7%) such as management information systems, customer relationship management, and enterprise resource planning.

• Banners/soft signage/flags are expected to grow fastest through 2025, by 4.4%–5.6% on average per year, or by 13.7%–17.9% compounded annually over the full three years.

• The end markets expected to grow fastest in 2023 are warehousing/storage/fulfillment centers (3.1%–4.4%), hospitality (2.9%–4.2%), and conferences/meetings/in-person events (2.9%–4.2%).

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