

Print Business Outlook Series



WIDE-FORMAT PRINTING EXECUTIVE SUMMARY



Sponsored by Canon U.S.A., Inc. **Canon**

Produced by the PRINTING United Alliance and NAPCO Research for its members.

SPRING 2024

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Executive Summary

The PRINTING United Alliance *Wide-Format Print Report, Spring 2024*, part of the Print Business Outlook Series, synthesizes insights gathered from a survey conducted by the Alliance of 83 wide-format printing providers. The research highlights the convergence within the printing industry, with 85% of companies having diversified into other specialties. Additionally, 56.6% of all participants are commercial printing companies that have entered the wide-format market.

This comprehensive report addresses various critical topics, including current sales trends, cost inflation, pricing dynamics, real sales figures, profitability outlooks for the year ahead, primary concerns among wide-format providers, and the ongoing transition from analog to digital technologies. The report also emphasizes the benefits of sustainability practices and the integration of artificial intelligence within the wide-format printing sector.

PRINTING United Alliance members can download the *Wide-Format Printing Report, Spring 2024* [here](#).

The Canon logo is displayed in a bold, red, sans-serif font. The letter 'C' is significantly larger than the other letters, and the 'o' is stylized with a white dot.

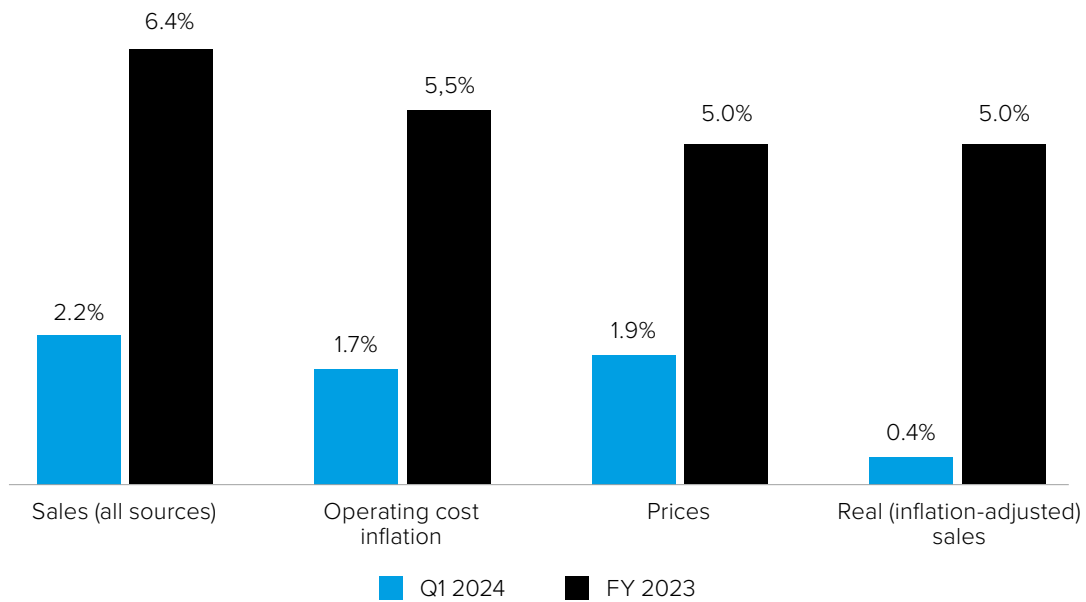
Canon U.S.A., Inc. is a leader in digital imaging and printing solutions with one of the broadest portfolios in the industry, offering solutions such as digital presses, production ink-jet presses, wide-format printers, workflow solutions, and professional services. With approximately \$30.6 billion in global revenue, its parent company, Canon Inc. (NYSE:CAJ), as of 2021 has ranked in the top five overall in U.S. patents granted for 36 consecutive years and was one of Fortune magazine's World's Most Admired Companies in 2022. Canon U.S.A. is dedicated to its Kyosei philosophy of social and environmental responsibility.

SAMPLE FINDINGS

Sales growth slowed, and operating cost inflation continued to moderate during the first quarter of 2024. Among all wide-format printing companies surveyed, sales increased by 2.2%, a notable decline from the 6.4% growth seen in the full year of 2023. Simultaneously, operating cost inflation moderated to 1.7%, down from 5.5% for the entire year of 2023. While prices rose by 5.0% last year, they only increased by 1.9% in the first quarter of 2024. Real (inflation-adjusted) sales, which measure production trends after accounting for price increases, declined by 0.4% through March, continuing last year's 5.0% contraction. The full report provides an extensive analysis of changes in key business indicators compared to the full year of 2023.

Figure 1: Key Business Indicators, First Half 2024 and Full-Year 2023

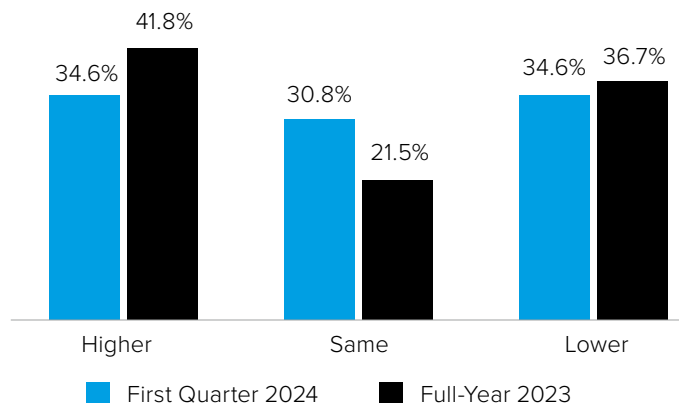
How sales (all sources), operating cost inflation, prices, and real (inflation-adjusted) sales compared with year-earlier levels for SOI participants whose primary business is wide-format printing.



Profit margins are under pressure. As Figure 2 shows, fewer participants in our research – 34.6%, down from 41.8% observed increasing profitability during the first quarter of 2024, while 34.6% reported a decrease in profitability compared to 36.7% in the full year 2023. The full report also presents the current and leading business indexes and comparing business conditions to those of 2023.

Figure 2: Pre-Tax Profitability Trends

Q: How did your pre-tax profitability (pre-tax profits as a percent of sales) for the first quarter of 2024 compare to year earlier profitability?



Despite the challenges in 2024, wide-format printers remain optimistic, expecting their full-year sales to surpass those of 2023. Key concerns for these businesses include maintaining profitability amidst rising labor costs, navigating current business conditions, and managing increasing sales (Figure 3). The full report not only outlines the full-year expectations for 2024, but also identifies emerging disruptors in the wide-format printing industry.

Figure 3: Biggest Concerns

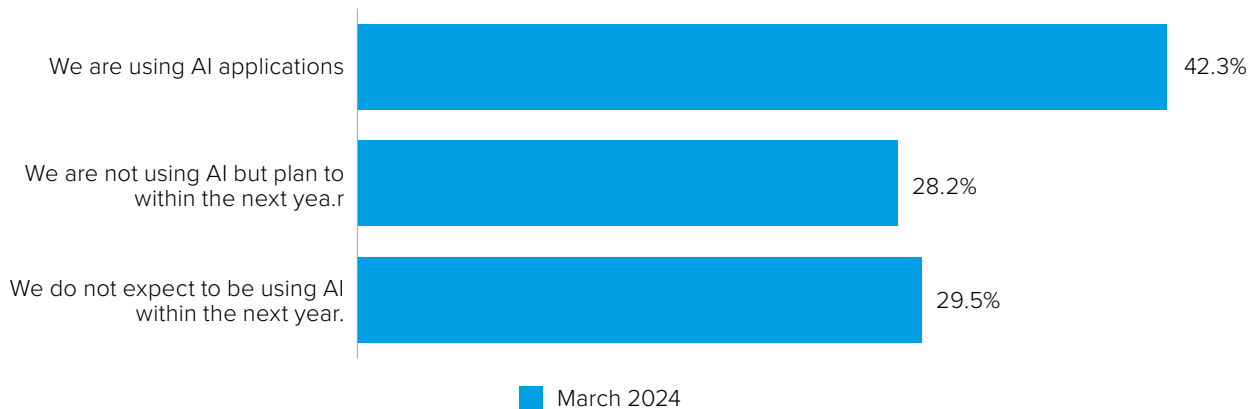
Q: How much of a concern do you expect the factors below to be for your company in 2024?

	Major Concern	Moderate Concern	Minor Concern/ Not a Concern
Maintaining profitability	60.3%	25.6%	14.1%
Rising labor costs	55.1%	29.5%	15.4%
Economy/business conditions	55.1%	35.9%	9.0%
Increasing sales	51.3%	37.2%	11.5%
Rising transportation costs	43.6%	24.4%	32.1%
Maintaining productivity	37.2%	34.6%	28.2%

Interest in the use of artificial intelligence is growing. As illustrated in Figure 4, there has been a notable increase in AI adoption among research panel participants. Currently, 42.3% of surveyed wide-format providers have integrated AI into their operations. Looking ahead, 28.2% of respondents plan to incorporate AI within the next year, while 29.5% have no immediate plans to do so. This trend highlights the industry’s shift towards embracing advanced technologies to enhance efficiency and innovation (Figure 4).

Figure 4: AI Status

Q: Which response below is true of your company?



Finally, the full report also highlights sustainability plans, revealing that 24.7% of wide-format respondents have already implemented a documented sustainability plan, indicating a proactive stance towards sustainable practices. Additionally, the report presents the benefits of these sustainability plans and outlines actions that can improve business results for the wide-format printing industry.

WHAT CAN PRINTING UNITED ALLIANCE RESEARCH DO FOR YOU?

PRINTING United Alliance research provides first-hand accounts, analysis, and ongoing monitoring of critical industry trends influencing the printing industry, future trends, and the underlying factors influencing change. PRINTING United Alliance Research is now part of an expanded research team that includes NAPCO Research experts, survey and analysis capabilities, and additional audience reach.

■ **PRINTING United Alliance Research LEVERAGES** its extensive member community and staff of industry economic, legislative, marketing, and technical experts to support customers in identifying market opportunities and improving business profitability and operations.

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WHO WE ARE

PRINTING United Alliance is the most comprehensive member-based printing and graphic arts association in the United States, comprised of the vast communities which it represents. The Alliance serves industry professionals across market segments with preeminent education, training, workshops, events, research, government and legislative representation, safety, and environmental sustainability guidance, as well as resources from the leading media company in the industry – NAPCO Media. Now a division of PRINTING United Alliance, Idealliance is the global leader in standards training and certification for printing and graphic arts operations across the entire industry supply chain.

PRINTING United Alliance also produces the PRINTING United Expo (Sept. 10-12, 2024, Las Vegas, the most influential days in printing. The expansive display of technology and supplies, education, programming, and services are showcased to the industry at large, and represents all market segments in one easily accessed place.

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