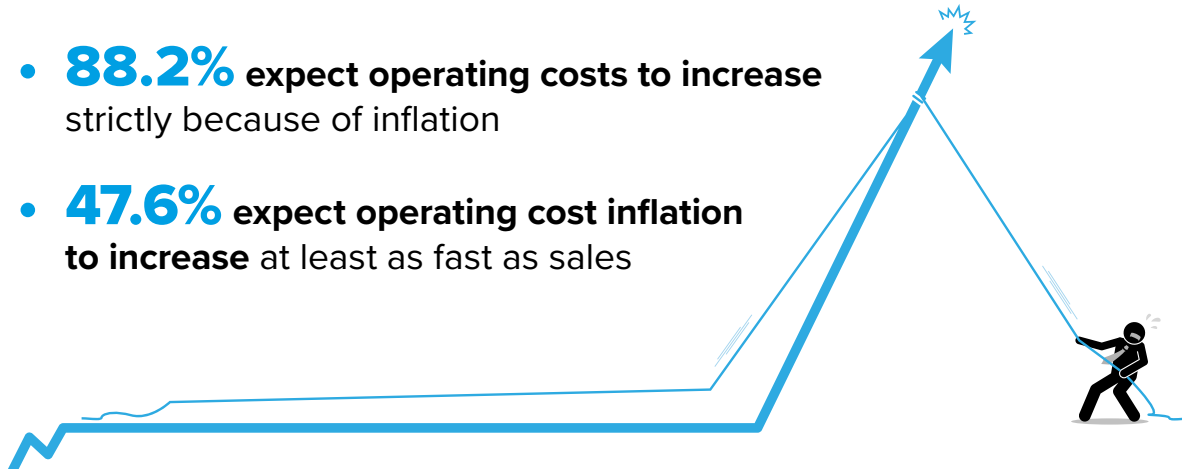




OPERATING COST INFLATION SQUEEZING MARGINS

During the first half of 2022:

- **64.3%** expect to increase sales but just 37.5% expect to increase pre-tax profitability
- **88.2%** expect operating costs to increase strictly because of inflation
- **47.6%** expect operating cost inflation to increase at least as fast as sales



BIGGEST CHALLENGES

Top 5 responses to: **What do you expect your biggest challenges to be in 2022?**

CHALLENGE	PERCENT CITING
Material shortages	92.3%
Rising substrate costs	85.8%
Rising labor costs	71.4%
Rising transportation costs	70.3%
Labor shortages	68.6%

IMPROVEMENT PLANS

What will you do better this year than you did last year?

- ✓ Increase productivity companywide
- ✓ Manage more effectively
- ✓ Build workforce skills
- ✓ Focus on our most profitable clients
- ✓ Stay ahead of supply chain disruptions

SALES PER EMPLOYEE: 2021

Average **\$187,568**
Highest 25% **\$215,624**
Lowest 25% **\$132,517**

