



State of the Industry Update Third Quarter 2025

EXECUTIVE SUMMARY



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

Produced by the PRINTING United Alliance for its members.

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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 \$28.5 billion in global revenue, its parent company, Canon Inc., as of 2024 has ranked in the top-10 for U.S. patents granted for 41 consecutive years[†]. Canon U.S.A. is dedicated to its Kyosei philosophy of social and environmental responsibility.

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If you have any questions, please contact researchteam@printing.org.

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The *State of the Industry Third Quarter Update Report 2025* reflects the insights of 215 participating companies across commercial printing, wide-format graphics, package and label production, and apparel decoration. These firms range from under \$1 million to more than \$500 million in annual sales, and two-thirds have diversified beyond their primary printing segment, underscoring the industry's ongoing transformation.

The report analyzes trends in sales, pricing, real (inflation-adjusted) sales, and profitability; assesses the impact of tariffs; highlights the leading concerns heading into 2026; and details the strategic priorities shaping companies' plans for the coming year. It also examines capital investment plans. It further provides an in-depth analysis of production inkjet adoption—its benefits, challenges, and applications—along with an outlook on broader economic conditions.

We sincerely thank all participants for sharing their data, expectations, and perspectives. Their contributions offer a clear and candid understanding of current industry conditions and the factors influencing the path ahead. We also appreciate the generous support of Canon U.S.A., Inc. for sponsoring the PRINTING United Alliance State of the Industry Series and Print Business Outlook Series.

PRINTING United Alliance members may download the full *State of the Industry Third Quarter Update Report 2025* [here](#).

KEY FINDING

Unpredictable tariff policies have weakened sales, increased operating costs, and placed significant pressure on margins across the industry in 2025. The key lesson for 2026 is that while acting amid uncertainty carries risk, waiting for perfect clarity is riskier. Success will require disciplined due diligence, careful evaluation of opportunities, proactive risk management, and an understanding that failing to invest may create greater long-term disadvantages than moving forward strategically.

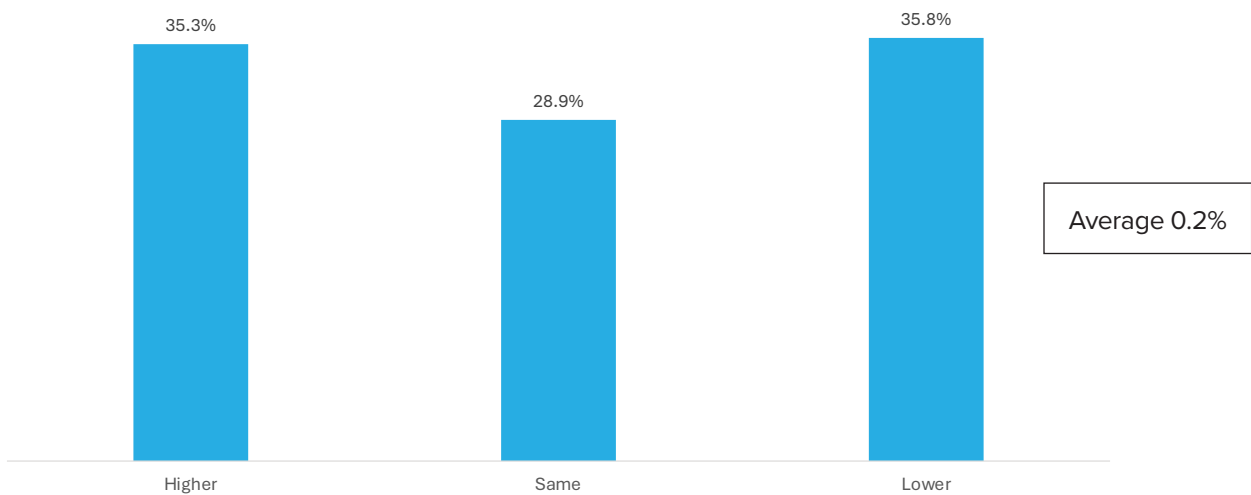
Results vary widely from company to company, with some outperforming expectations and others falling well below trend. Overall, however, the direction remains decisively negative, as reports of decline, stagnation, or underperformance significantly outweigh reports of growth or improvement.

Sales across all sources increased only 0.2% on average—rising for 35.3% of firms but flat or declining for 64.7% (Figure 1). Many respondents attributed weak performance to “confusion and economic uncertainty,” with several experiencing double-digit declines. As one company located near Washington, D.C. noted, “Our market is just chaos. We are down about 25% with new orders for the year, but holding our own with larger projects and backlog work. Stability in the region is what is needed, but we have no knowledge that the chaos will stop.”

Figure 1: Key Performance Metrics, First Three Quarters 2025

How SOI participants responded to the questions below.

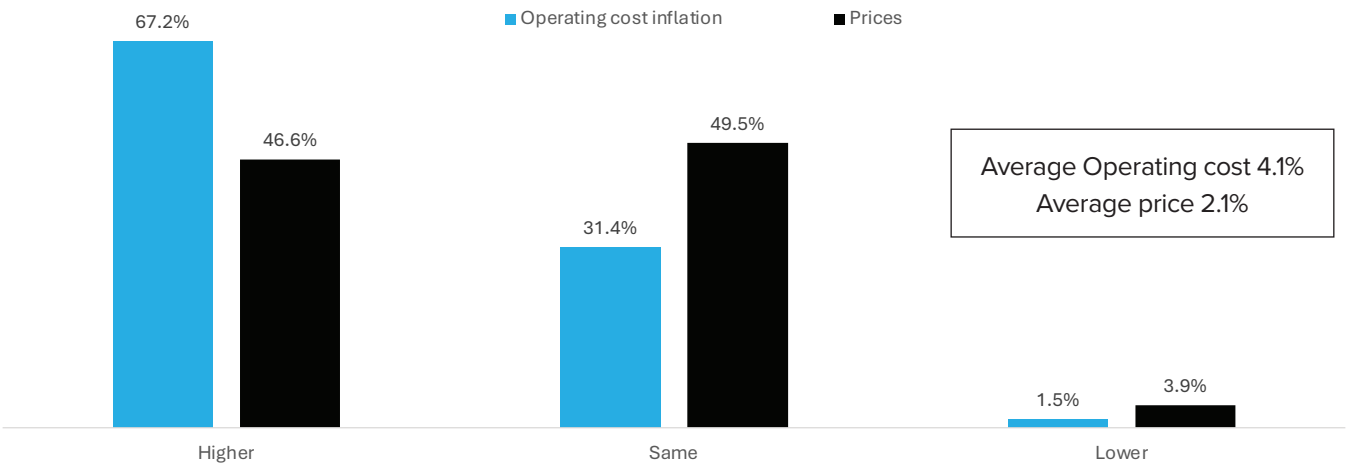
Through the first three quarters of 2025, how did the indicators below compare to year-earlier levels?



Rising operating costs and constrained pricing power have become defining challenges for printing companies in 2025. Operating cost inflation averaged 4.1%, a level strong enough to erode profitability in already soft, price-sensitive markets. One research contributor captured the sentiment broadly shared across the industry, describing current conditions as “troubled waters, with tariffs and rising costs all over the place.” Prices increased 2.1% on average, and deciding whether to raise prices to offset higher costs or hold steady to protect market share has remained a persistent challenge. The response has been nearly evenly split, with 46.6% of SOI participants raising prices and 49.5% holding steady, while only 3.9% reported reducing prices (Figure 2).

Figure 2: Operating Cost Inflation and Price

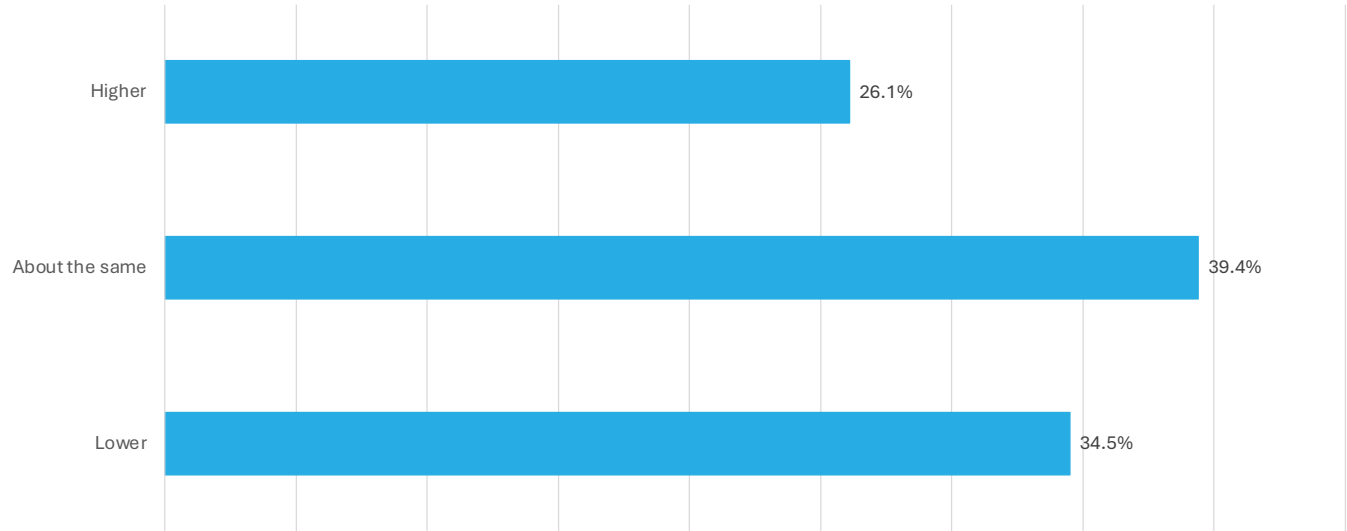
Q: How do your per-unit operating costs compare to a year ago?



Pre-tax profitability, constrained by declining real sales, rising operating costs, and limited pricing power, increased for only 26.1% of companies and was flat at best for the remaining 73.9% (Figure 3).

Figure 3: Pre-tax Profitability

How did your pre-tax profitability (pre-tax profits as a percentage of sales) for the first three quarters of 2025 compare with year-earlier profitability?



Expectations for overall business conditions echo a “not much better, but not much worse” outlook. Specifically, 31.7% of SOI participants expect conditions to improve over the next three months, while 50.3% anticipate little to no change. Another 9.7% foresee further deterioration, and 8.3% report that business has been so inconsistent they are unsure what to expect (Figure 4).

Figure 4: Expected Business Conditions, Next Three Months

Q: Apart from seasonal variation, how do you expect business conditions over the next three months to compare with current conditions?



Figure 5 outlines our panel’s most significant concerns heading into 2026. More than 20 issues were identified, but the leading worries remain consistent with those reported in 2025. Increasing sales (58.3%), maintaining profitability (56.3%), and overall economic conditions (53.5%) top the list. Persistent cost inflation also remains a major pressure point, particularly rising labor costs (50.0%) and substrate costs (47.2%).

Figure 5: Biggest Concerns

Q: What concerns you most as we head toward 2026?(Six most frequent responses)

Concern	Citing
Increasing sales	58.3%
Maintaining profitability	56.3%
The economy/overall business conditions	53.5%
Rising labor costs	50.0%
Rising substrate costs	47.2%

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