

B P I F

EST·1901

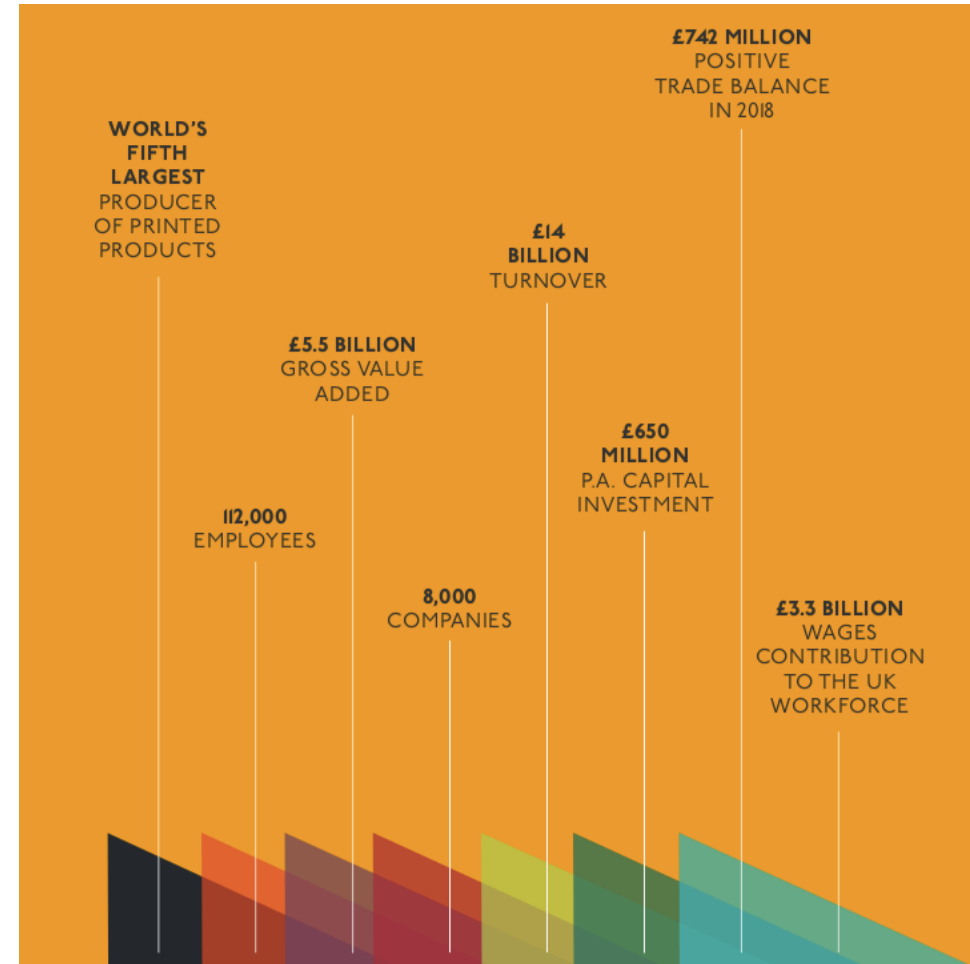
The UK Print Industry

November 2019

How does it look?

How are things?

- Overall sector
- Overall shape
- What's happening out there?
- What about the short term?
- Any conclusions?



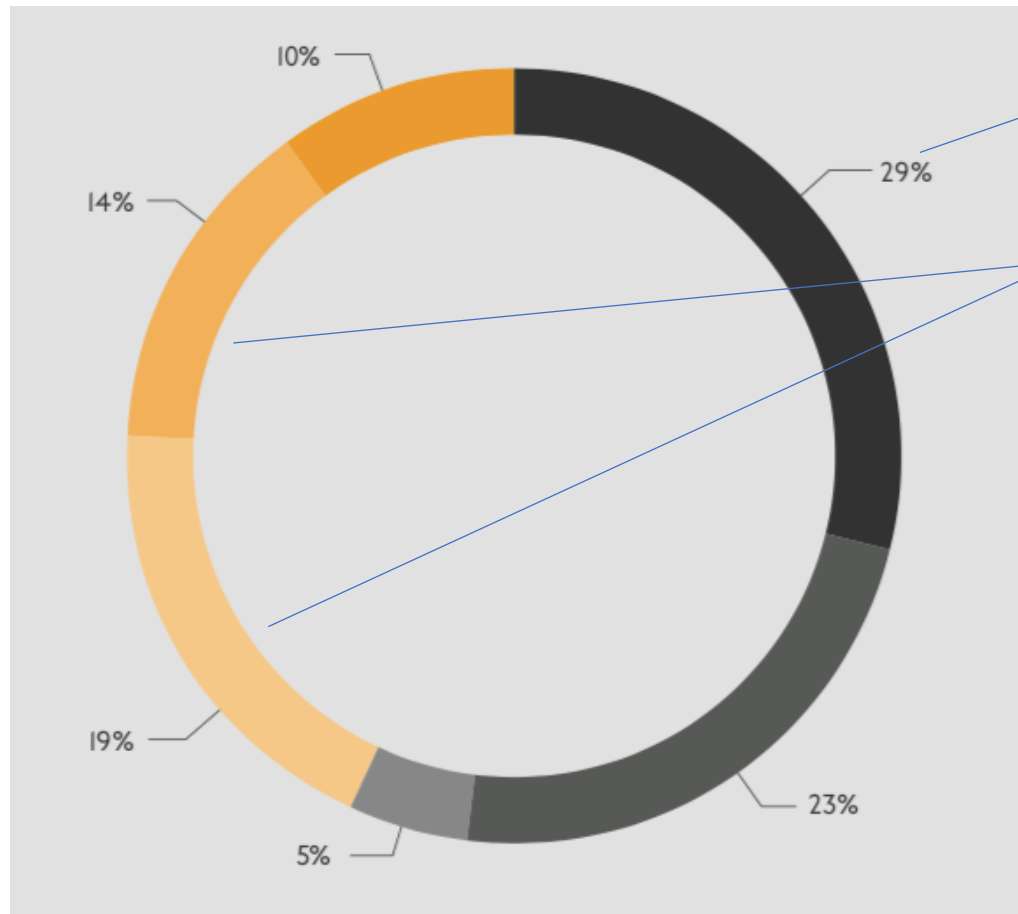
- Effective
- Impactful
- Sustainable
- Tangible and persistent
- Modern, adaptable, high skills, high tech
- **And a great heritage!**

IT'S ALMOST
IMPOSSIBLE TO
IMAGINE A WORLD
WITHOUT PRINT.
IT'S ALL AROUND
US AND PLAYS
A VITAL ROLE IN
OUR DAILY LIVES.

- £14bn turnover
- £5.5bn Added Value
- 112,000 people
- 8,000 companies
- 5th largest in the world
- £742 million to balance of trade

ECONOMIC IMPORTANCE

WITH A TURNOVER OF £14 BILLION, GROSS VALUE ADDED OF £5.5 BILLION AND EMPLOYING AROUND 112,000 PEOPLE IN 8,000 COMPANIES, THE UK PRINTING SECTOR IS AN IMPORTANT ECONOMIC CONTRIBUTOR AND EMPLOYER IN ALL UK REGIONS.

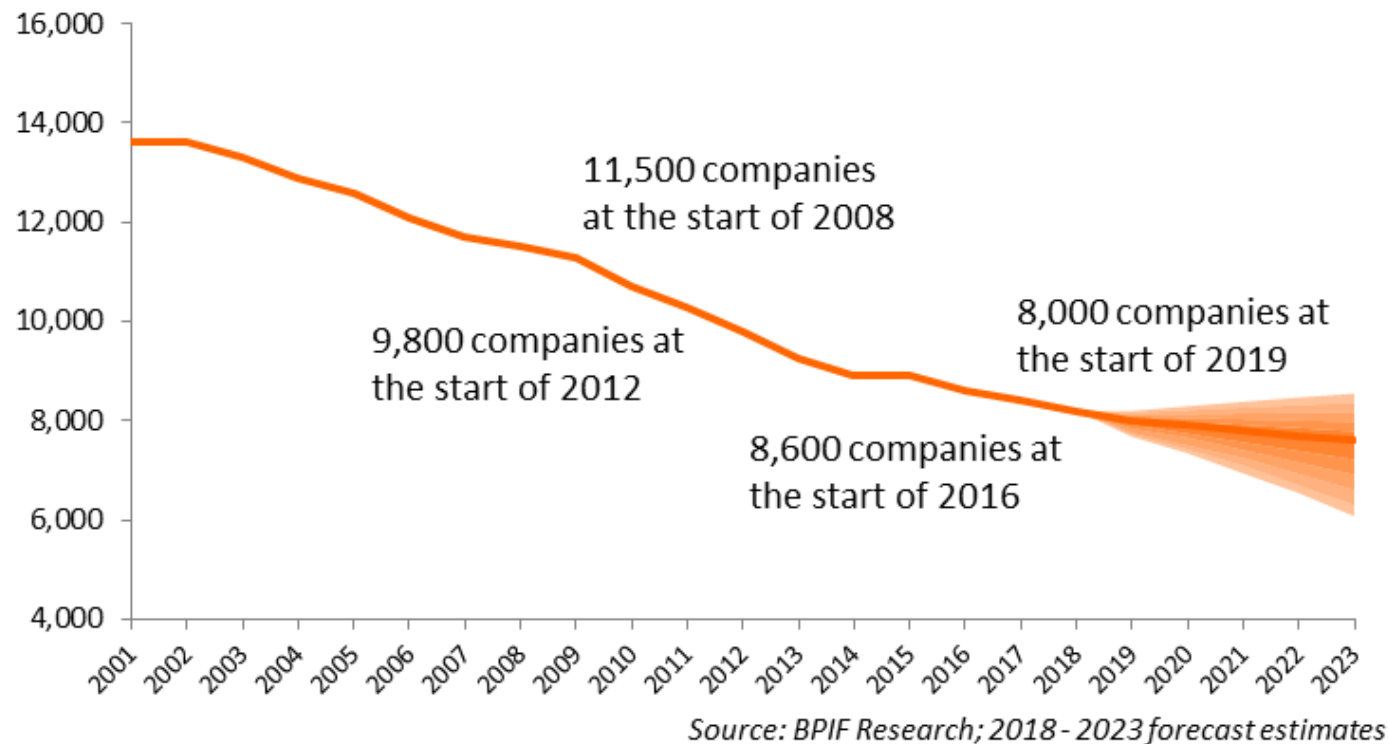


- ◆ Advertising literature, business stationery, event programmes, tickets etc.
- ◆ Newspapers, magazines, books, brochures etc.
- ◆ Security printing
- ◆ Printed packaging (cartons and labels)
- ◆ Printing onto textiles, plastic, glass, metal, wood & ceramics
- ◆ Other printing

But it's changing.

How much?

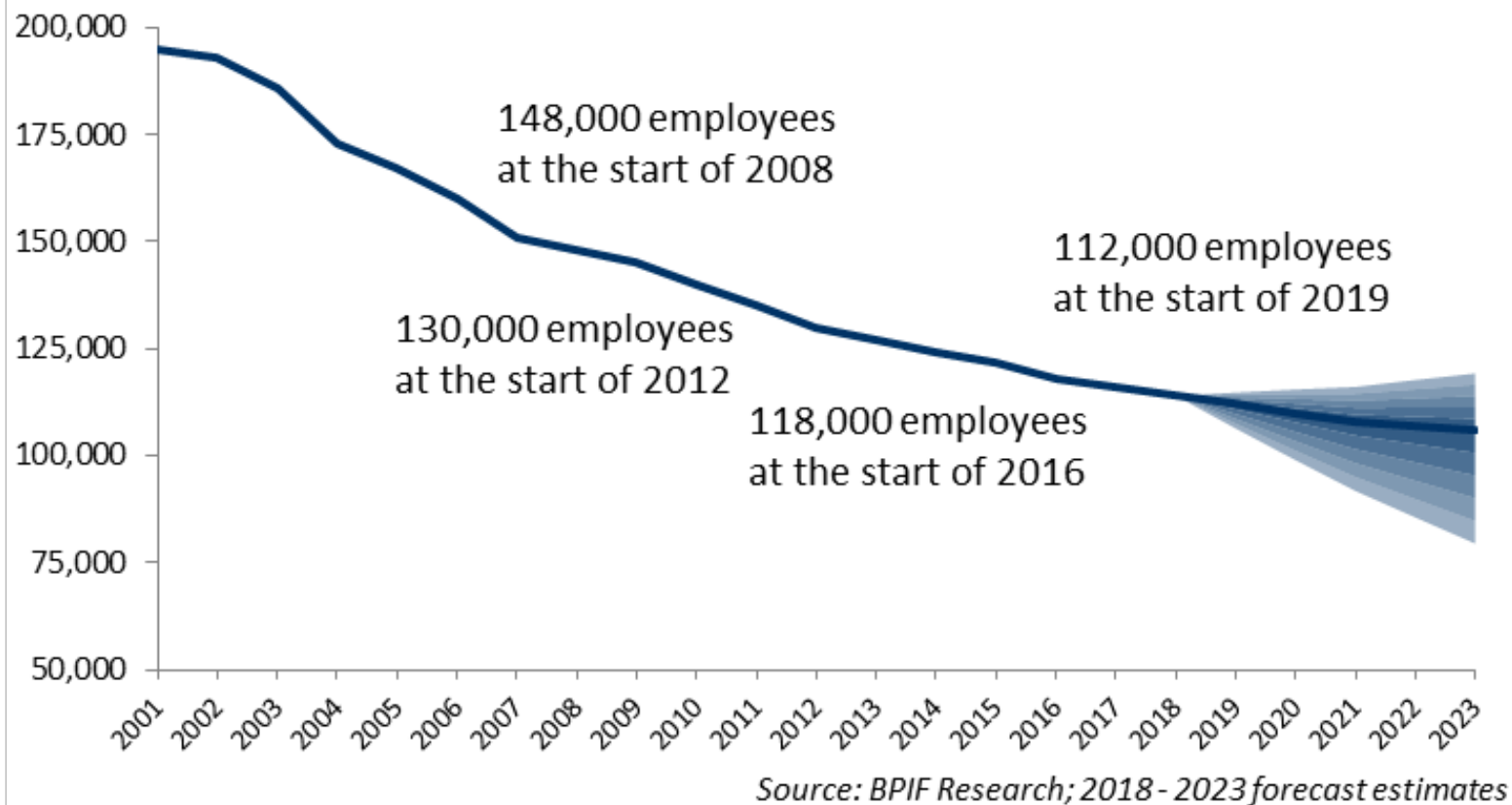
UK Printing Industry - number of companies 2001-2023



- 2016 => 2019: 7% reduction
- 2012 => 2019: 18% reduction
- 2008 => 2019: 30% reduction

C. 3% p.a.

UK Printing Industry - number of employees 2001-2023

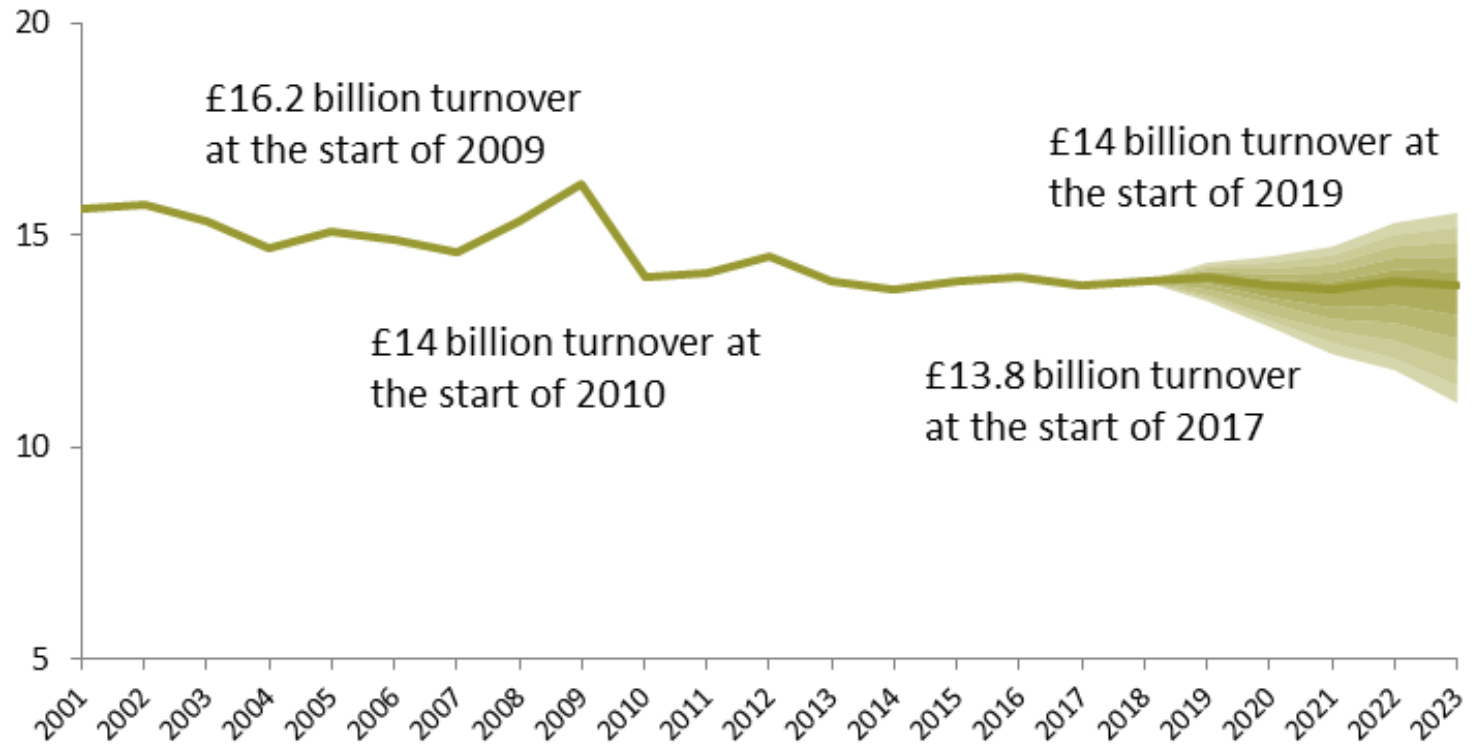


- 2016 => 2019: 5% reduction
- 2012 => 2019: 14% reduction
- 2008 => 2019: 24% reduction

C. 2% p.a.

Reduction in employees < No of companies
=> Consolidation
=> Reduction in volume printing
effect not clear...

UK Printing Industry - turnover (£bn) 2001-2023

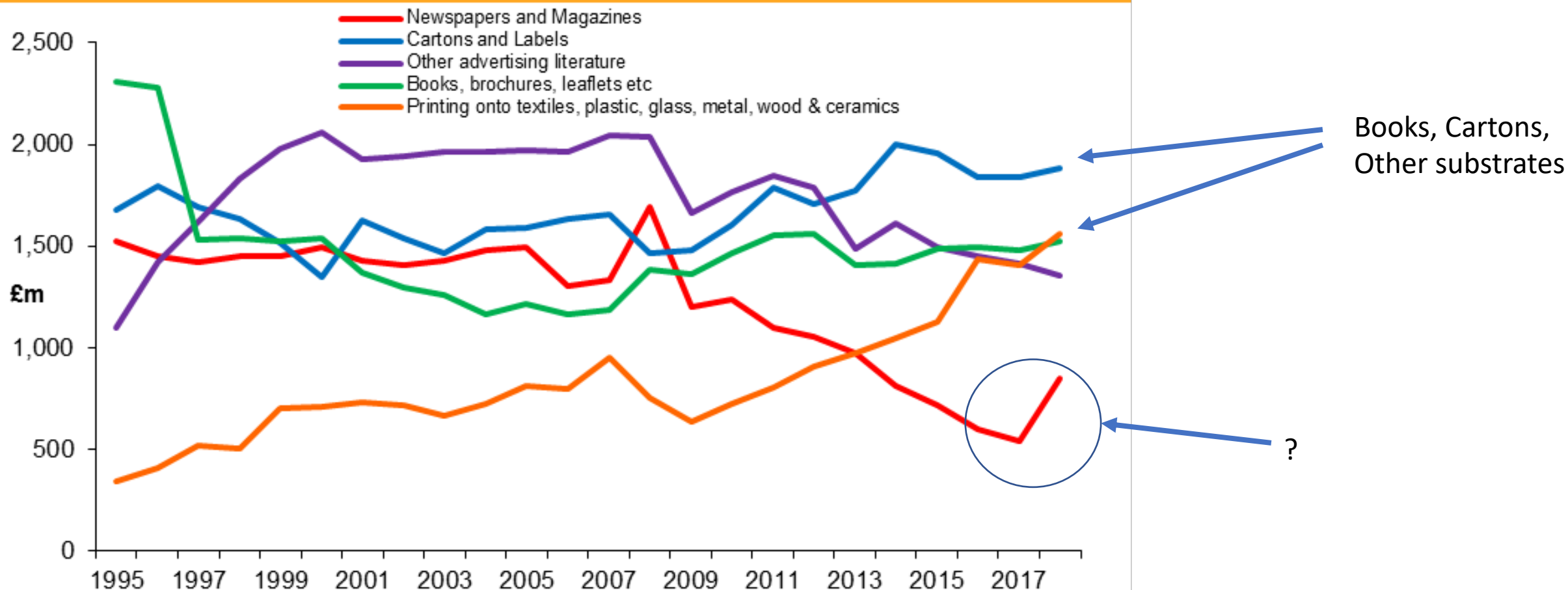


Source: BPIF Research; 2018 - 2023 forecast estimates

- 2017 => 2019: 1% increase
- 2010 => 2019: Steady
- 2009 => 2019: 13% reduction

Not an unhealthy state of affairs?

Printing - sector performance (turnover)



What can we conclude?

- Change....
- “Creative destruction” (Schumpeter)
- Vibrant, successful, dynamic
- And some challenges....

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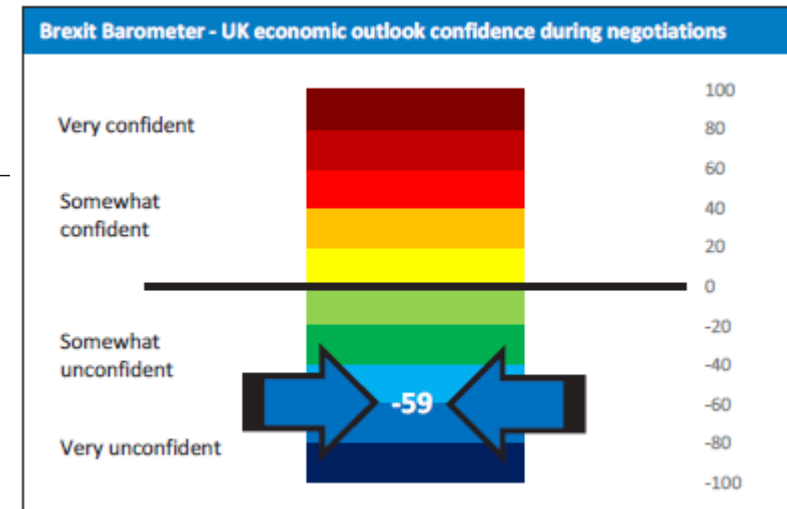
Bringing it closer to home

How are things out there right now?

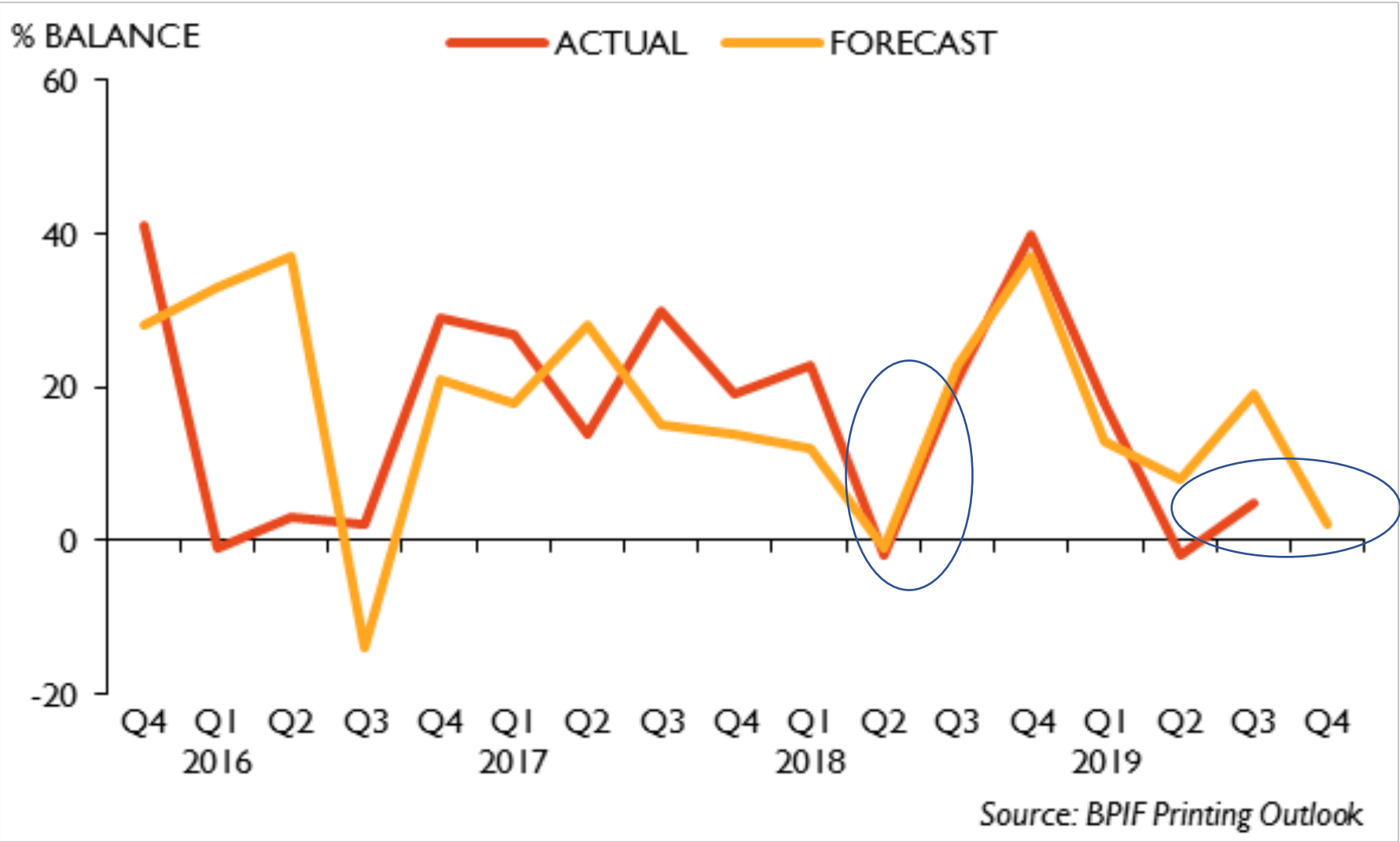
Printing Outlook

Q3 2019

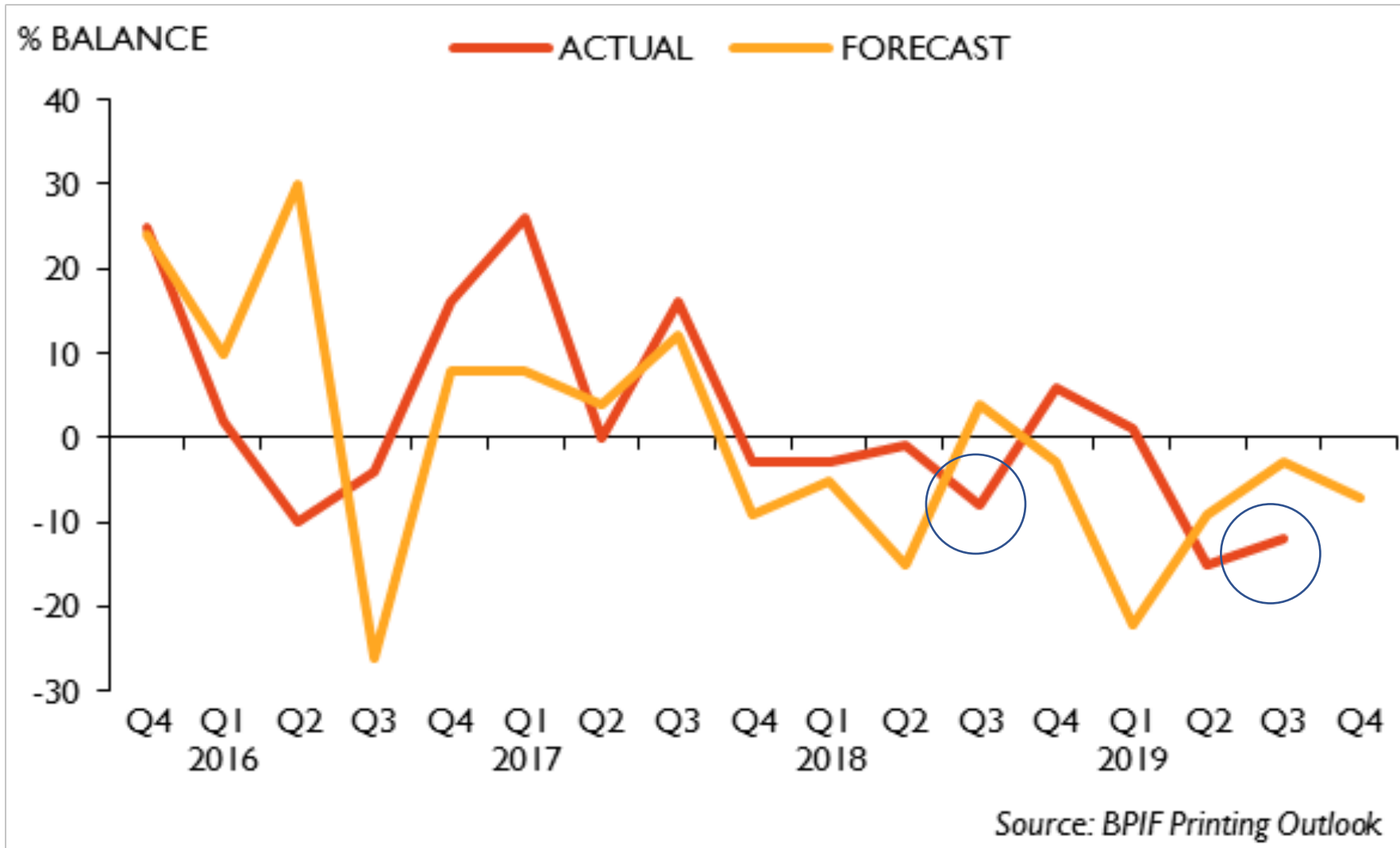
Selected charts

[illegible]

Short term trends

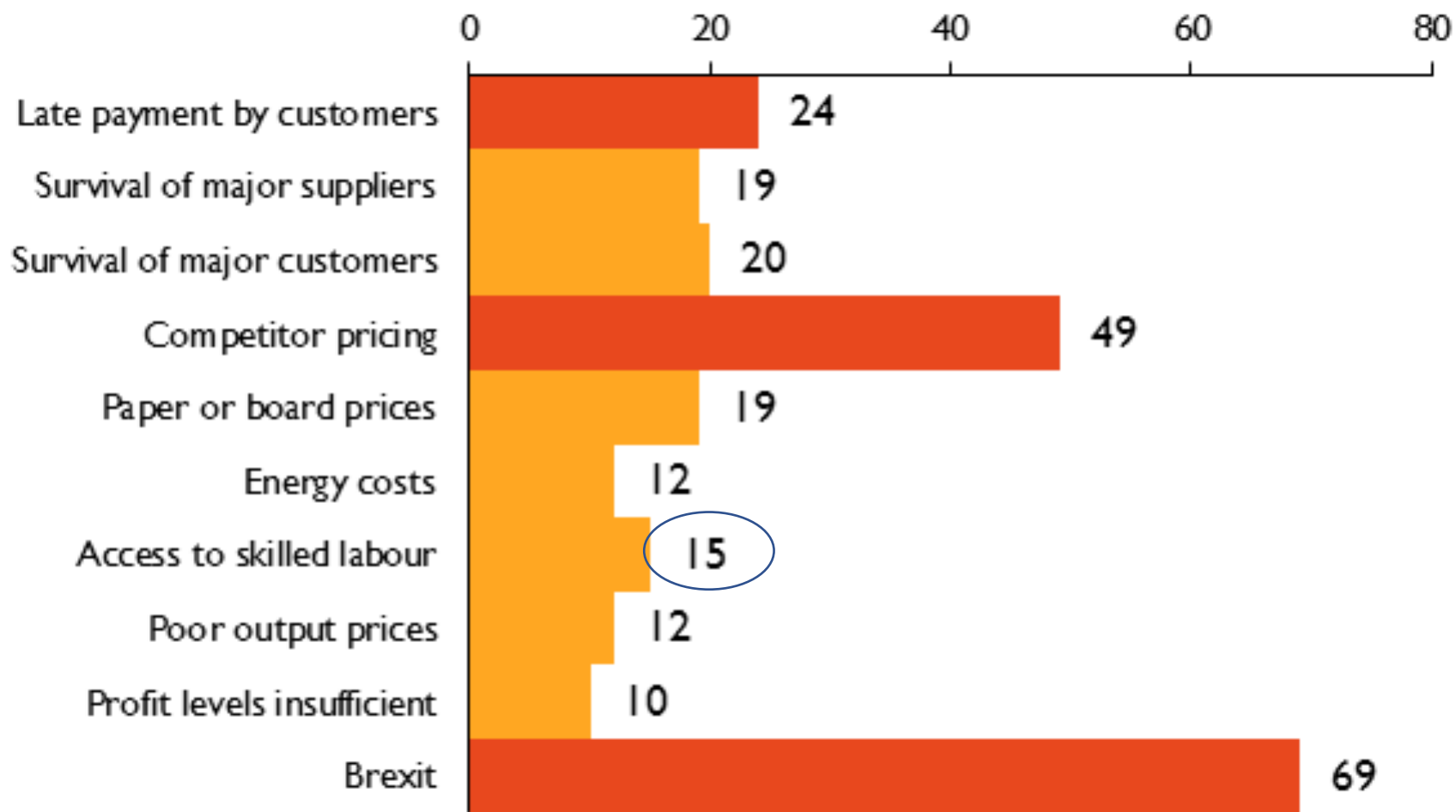


**VOLUME OF OUTPUT -
Q3 BELOW
EXPECTATIONS, Q4
FORECAST SUBDUED**



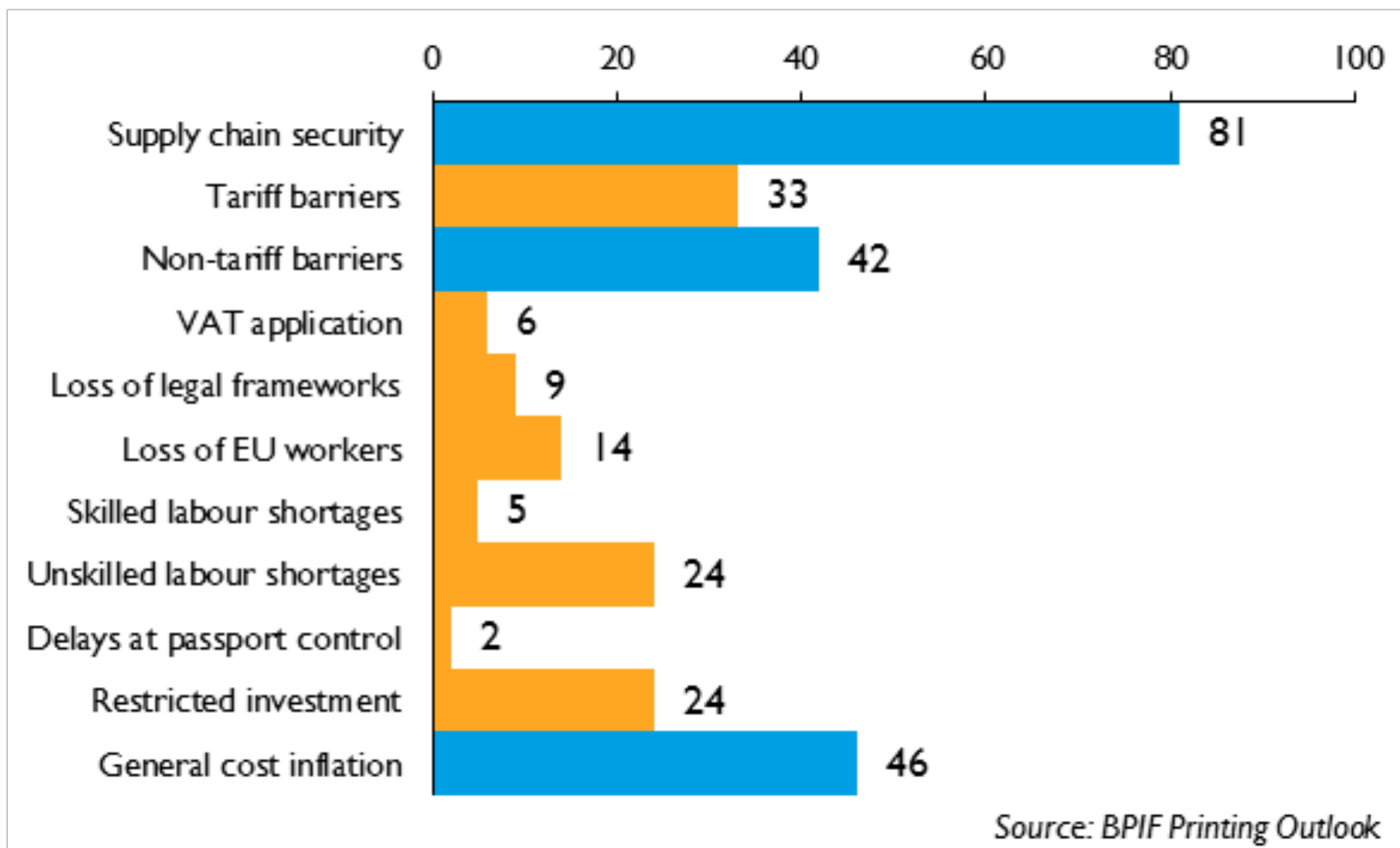
**GENERAL STATE OF THE
TRADE - CONFIDENCE
REMAINS VERY
FRAGILE**

Key Concerns



Source: BPIF Printing Outlook

TOP 3 BUSINESS CONCERNS - % OF RESPONDENTS SELECTING



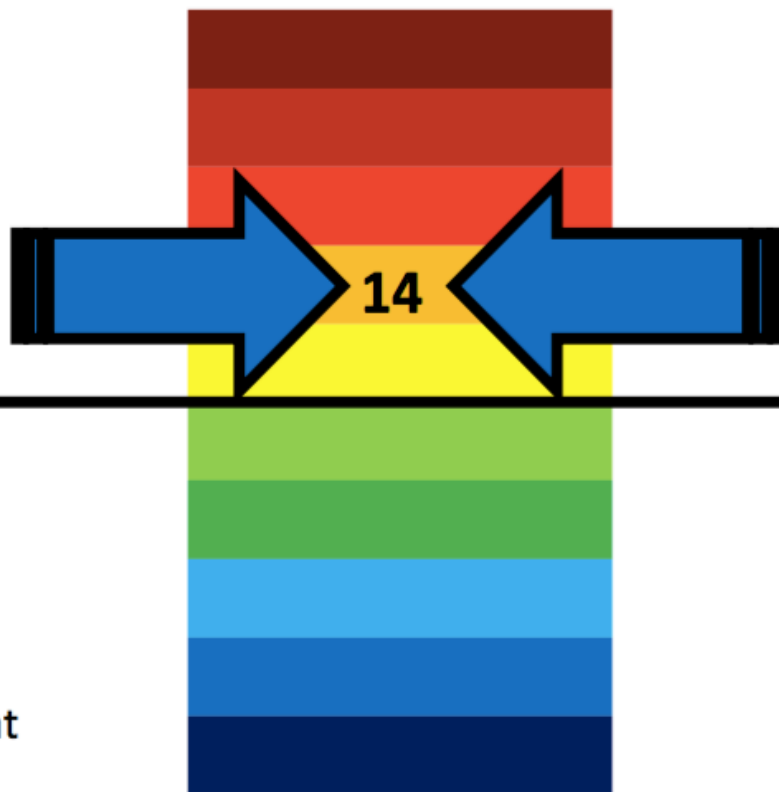
**TOP 3 BREXIT
CONCERNS - % OF
RESPONDENTS
SELECTING**

Very confident

Somewhat
confident

Somewhat
unconfident

Very unconfident



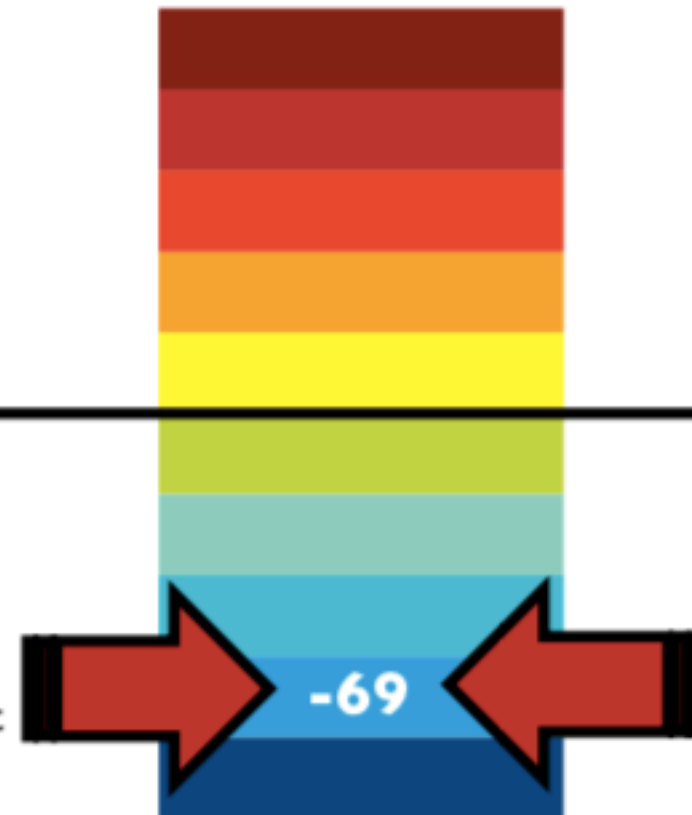
Q1 2017

Very confident

Somewhat
confident

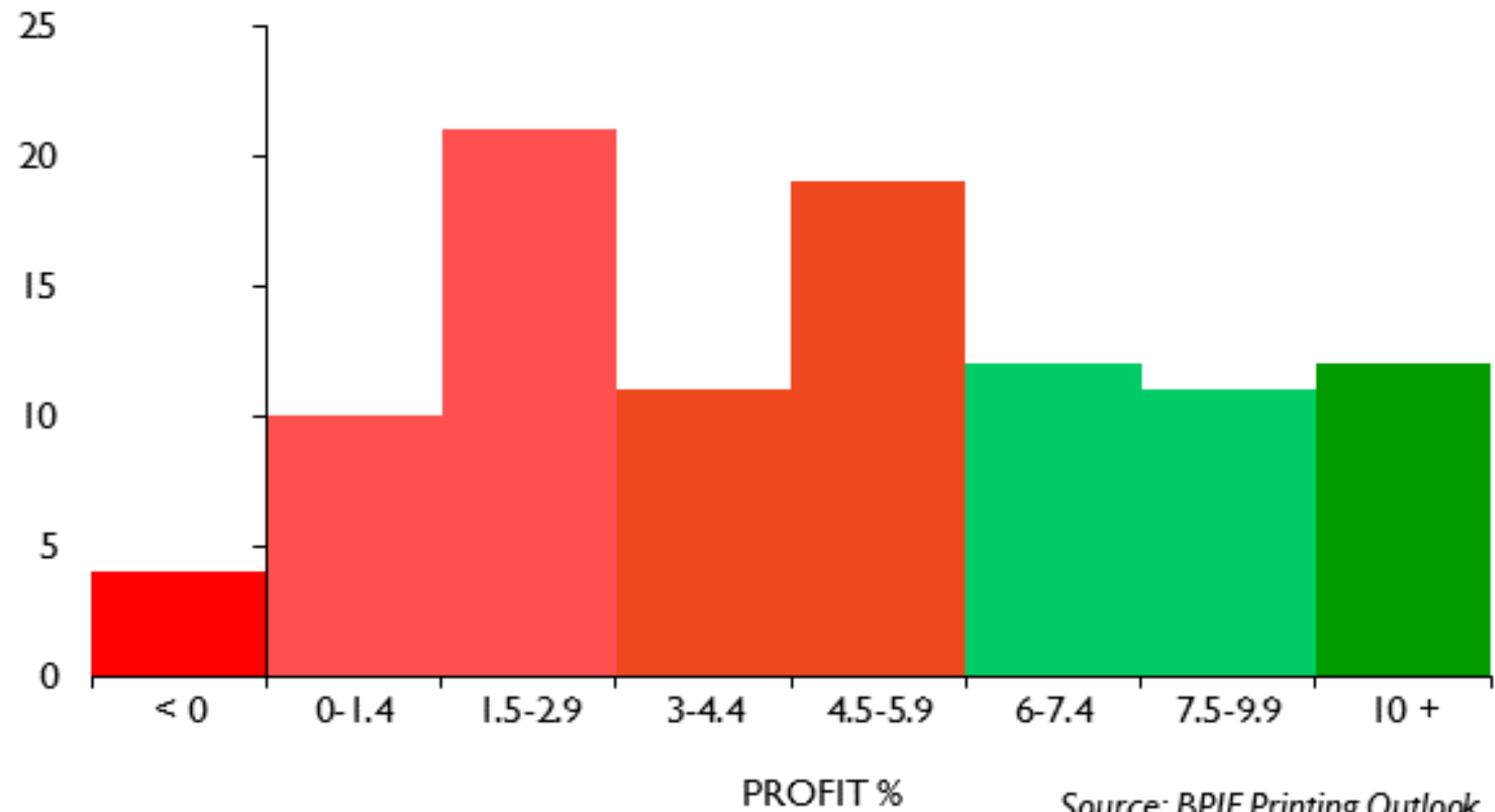
Somewhat
unconfident

Very unconfident



Q3 2019

% OF FIRMS



PROFIT RANGE - NET
PROFITS % OF SALES

Source: BPIF Printing Outlook

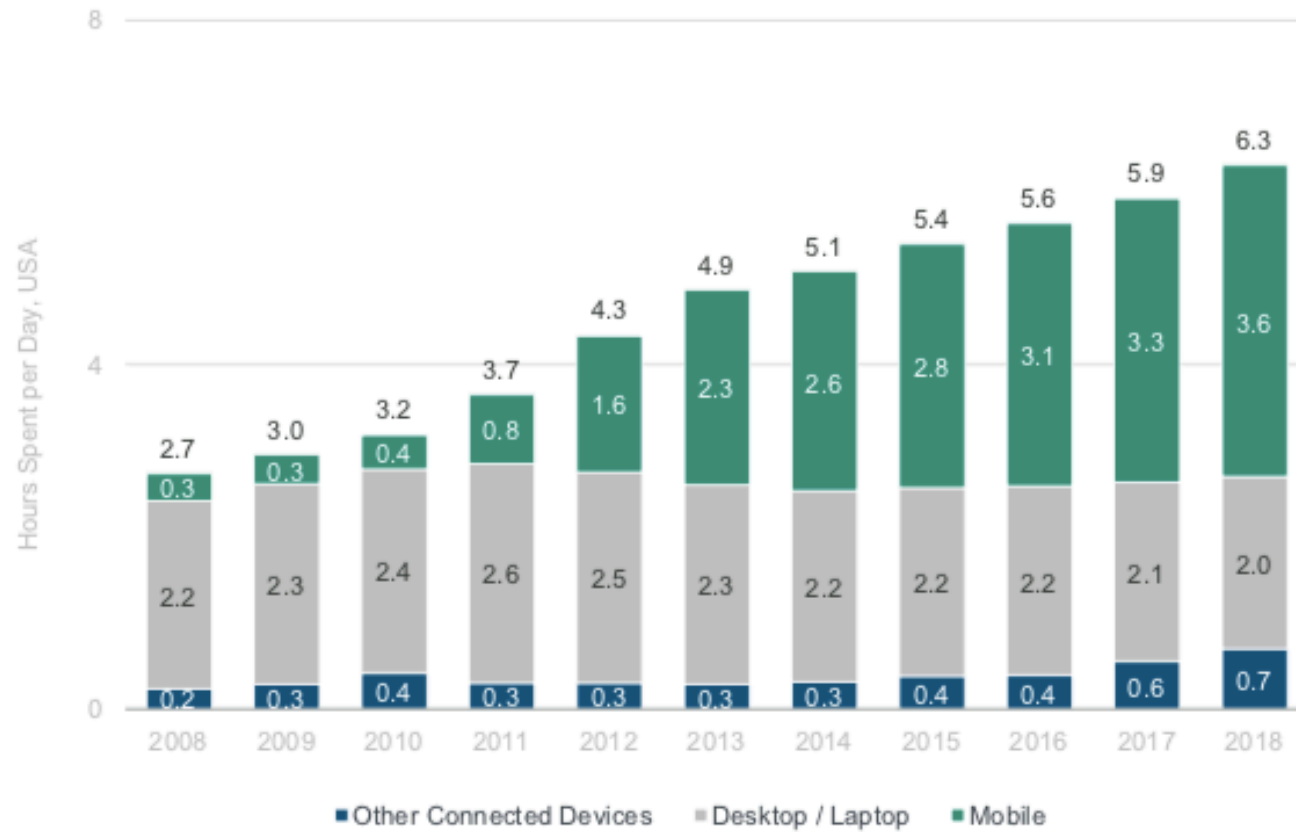
Where does that leave us?

- Huge, dynamic, changing industry
- Highly competitive
- Concerns over the short term
- Broad spread in success
- Tending towards those who adapt and change...

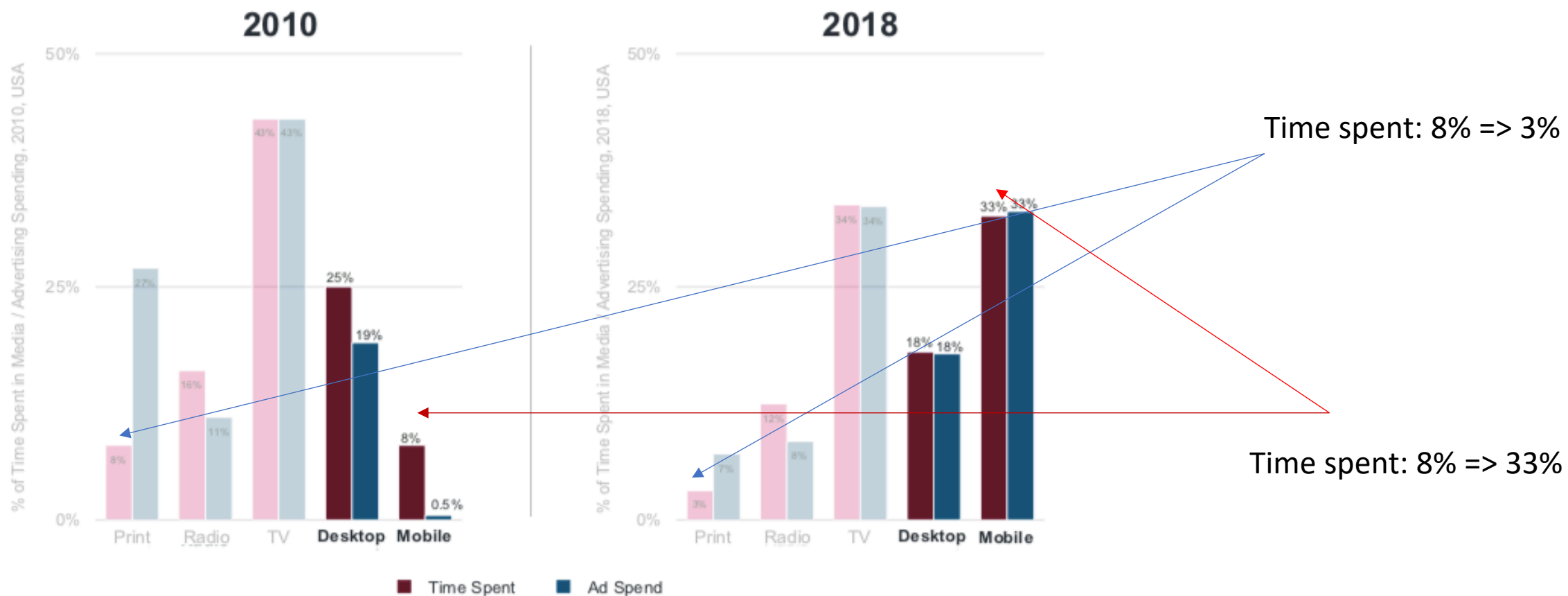
Change...

- The age of uncertainty

Daily Hours Spent with Digital Media per Adult User, USA



% Time Spent in Media vs. % Advertising Spending



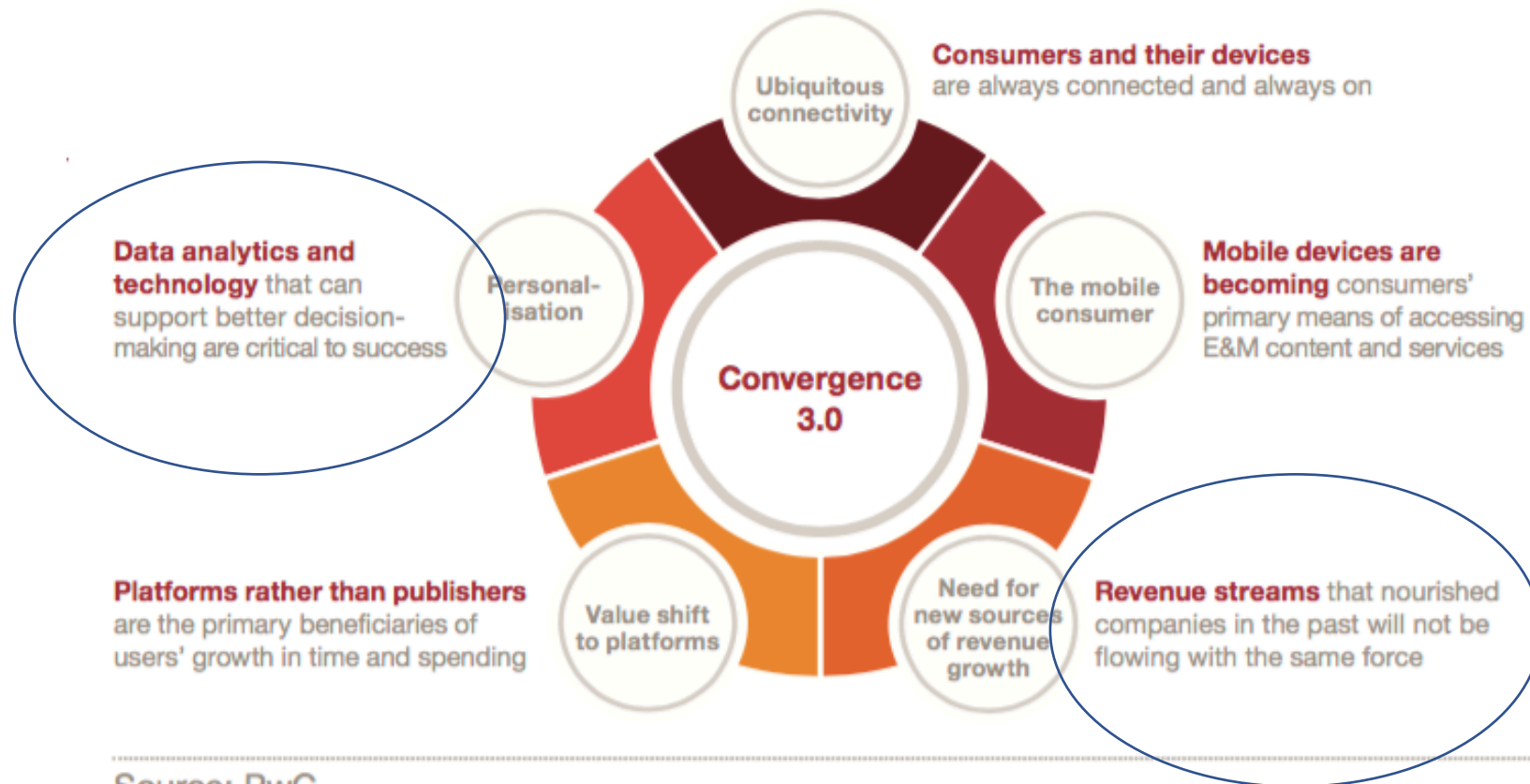
PWC: Outlook Perspectives

- Today's rapidly evolving media ecosystem is experiencing a new and different wave of convergence. To succeed in the future, companies must re-envision every aspect of what they do and how they do it. It's about having, or having access to, the right technology and excellent content, which is delivered in a cost effective manner to an engaged audience that trusts the brand...



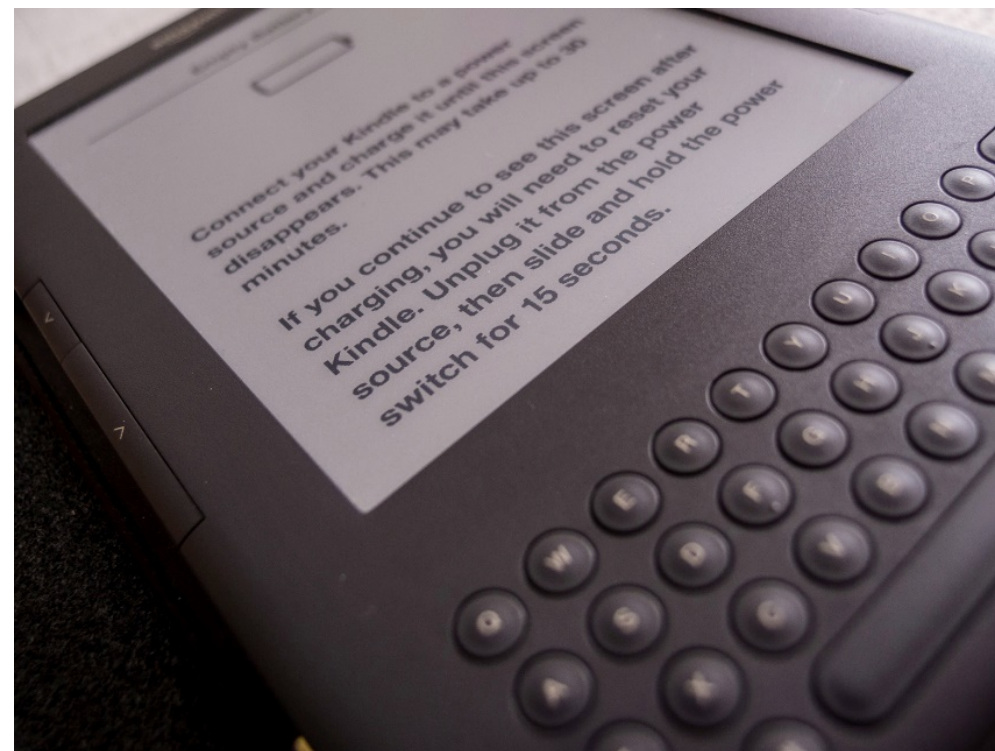
PWC 2018 entertainment and media outlook

Five Fundamental Drivers of Change in M&E

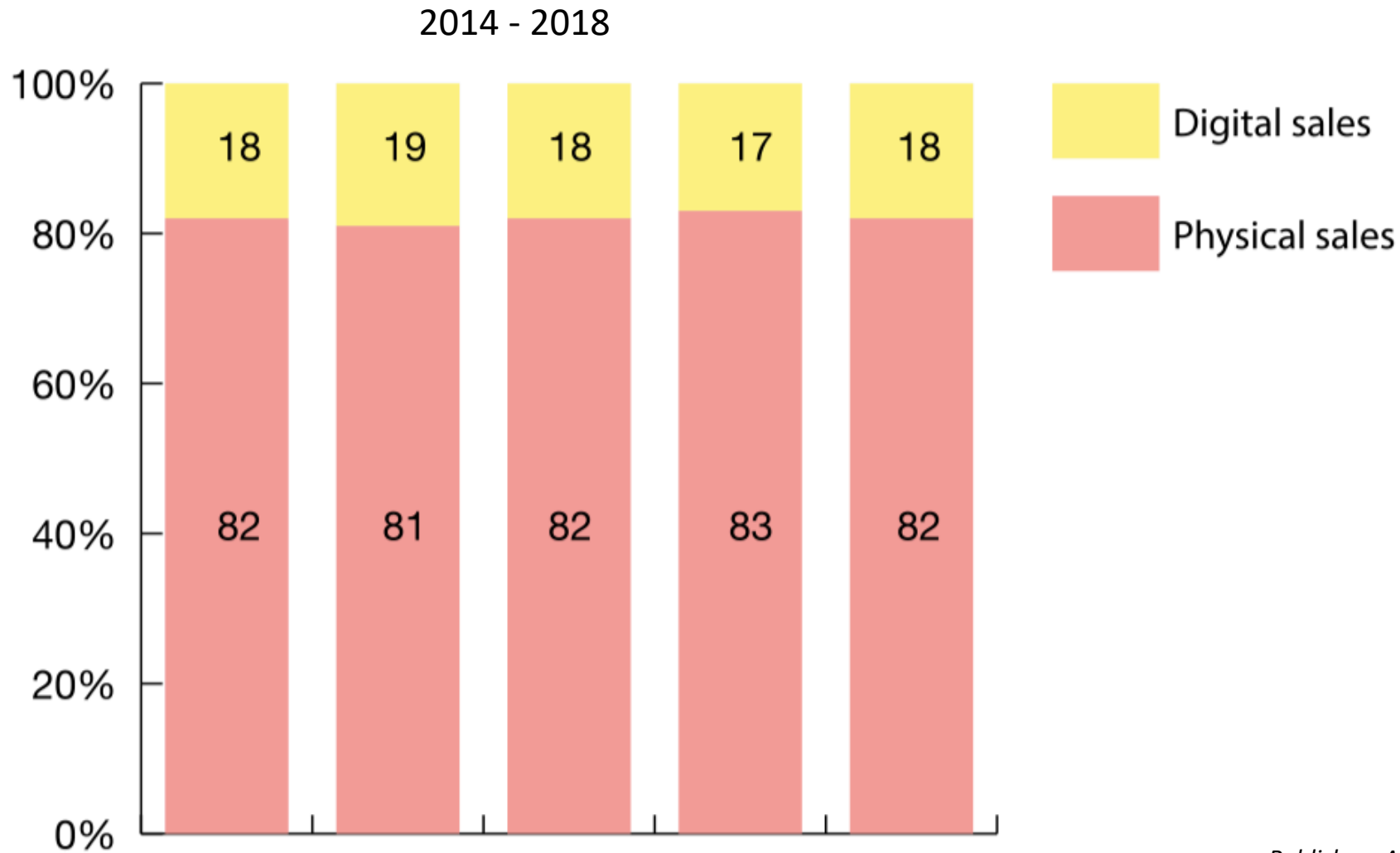


Source: PwC

Is online the future?

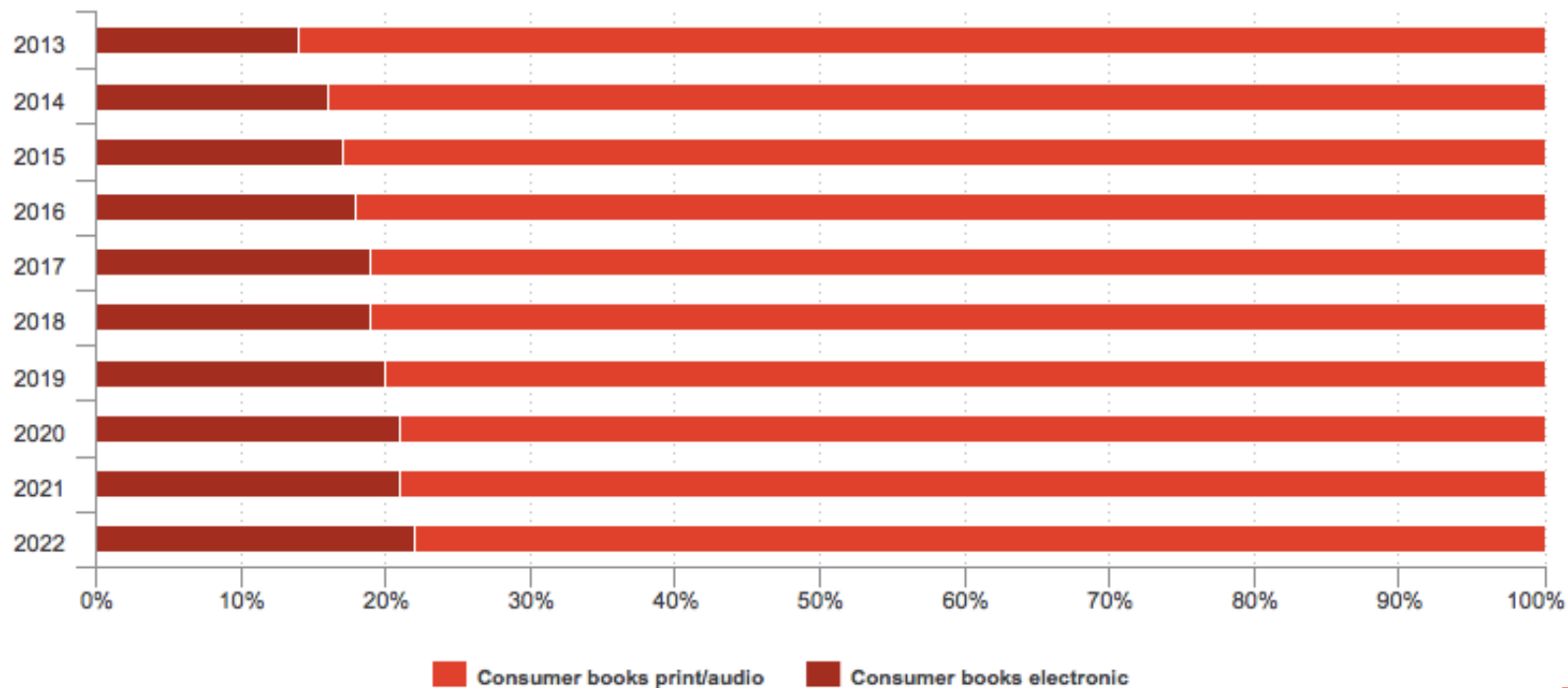


Book Sales Digital and Physical



Print remains the book consumer's favourite

Consumer books print/audio and electronic revenue

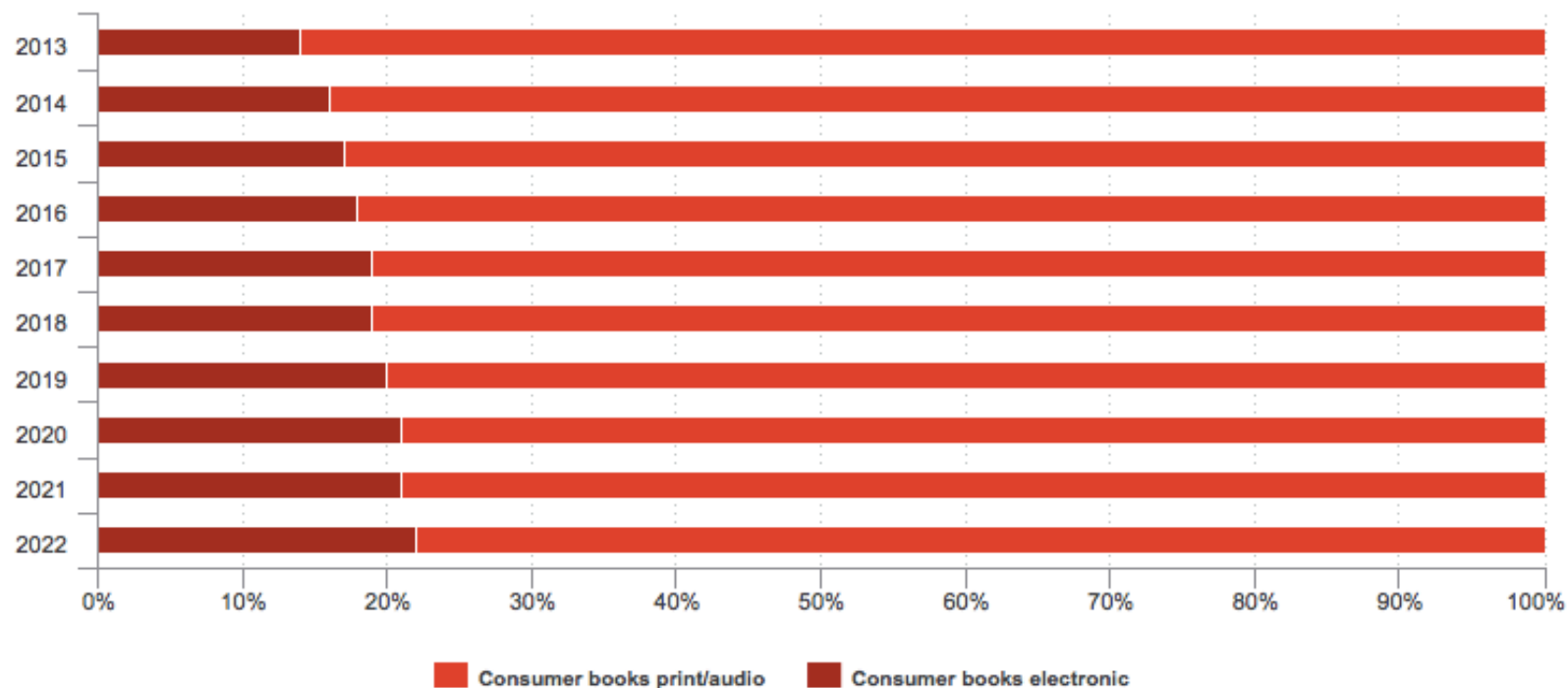


Source: PwC Global Entertainment & Media Outlook: 2018–2022. PwC. Ovum

print engages...

Print remains the book consumer's favourite

Consumer books print/audio and electronic revenue



The trends don't change...

print engages...

Source: PwC Global Entertainment & Media Outlook: 2018–2022. PwC. Ovum

Age of uncertainty

- Difficult to know what or who to trust.
- Even if you're well informed, *targeted messages are insidious.*
- Print is trusted:
 - *because it has a marginal cost.*
- Time is a good filter of quality
 - *Print has been around for a long, long time.*
- It's pretty obvious it'll continue to be around, but its use has changed...

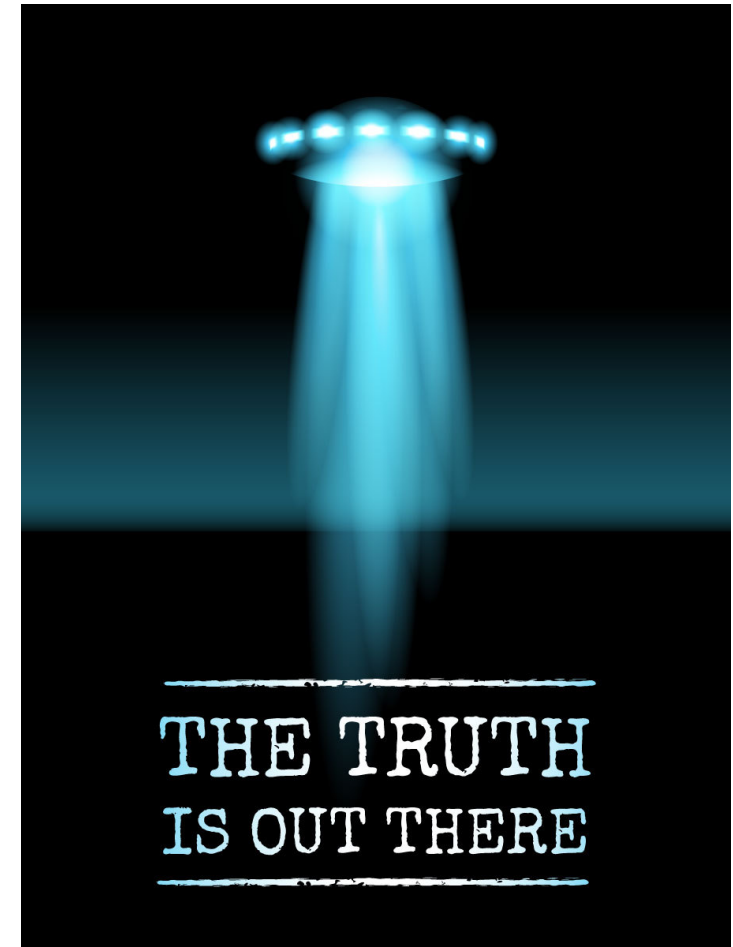
Age of uncertainty

- Think about the future
- Think about the world we live in
- Get out an engage..

Visual Media Conference 2020

‘Fake it or Make it’

7 April 2020



- Stephen Fry:

“Print defines our civilization more than anything else I can imagine...”

The Machine That Made Us: Stephen Fry

Thank you