



In collaboration with **FESPA España**
Association

EVOLUTION AND TRENDS OF THE VISUAL COMMUNICATION SECTOR IN THE IBERIAN PENINSULA

C!Print Madrid, in collaboration with the FESPA España Association, has conducted a survey with the purpose of obtaining information on the growth prospects of the visual communication sector in Spain.

The results of the survey, which was aimed at large and medium format print service providers, cover a representative sample of 10% of the companies in the sector. The conclusions obtained show the current situation of the printing companies, their main plans, their purchasing patterns and their growth expectations for the next two years.

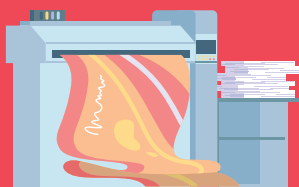
"The visual communication sector in Spain has been making an effort to recover after the pandemic and the successive economic crises resulting from the geopolitical situation and the rise in primary materials that is reflected in this study, which shows highly positive growth values for the next two years and the commitment of companies in the sector to invest in digitalisation, new talent, sustainability and circular economy."

Pablo Serrano, General Secretary, FESPA España.

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1. WHAT IS YOUR COMPANY'S MAIN SECTOR OF ACTIVITY?

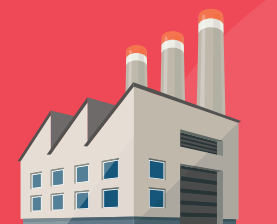


74,7%

PRINTING /
PRE-PRINTING /
POST-PRINTING

9,3%

MANUFACTURER /
SUPPLIER FOR
PRINTING



2,6%

LARGE FORMAT PRINTING
ONLINE SERVICE PROVIDER

13,4% ...

OTHER

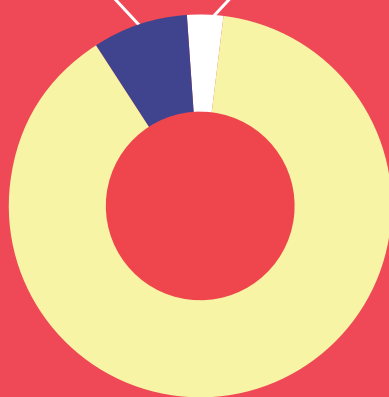
2. HOW MANY EMPLOYEES DOES YOUR COMPANY HAVE?

8%

BETWEEN 50-250

3%

MORE THAN 250



89%

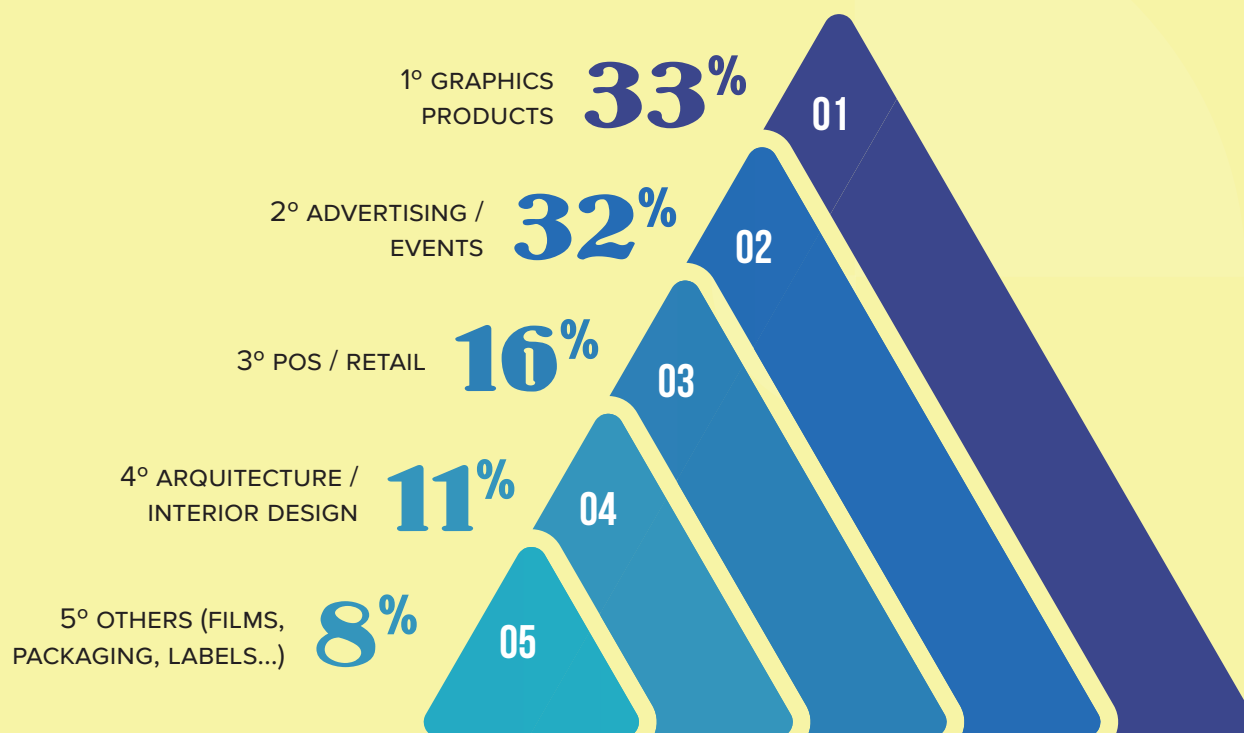
LESS THAN 50



The majority of the companies that answered the survey offer **printing, pre-printing and post-printing services (74%)**, followed by manufacturers and suppliers (9%), and online print service providers and others (16%).

Taking into account the atomised nature of the sector, where we find a majority of small companies, we find a consistent distribution in terms of size; **the majority are companies with less than 50 employees (89%)**.

3. WHAT ARE THE MAIN SECTORS IN WHICH YOUR COMPANY ACHIEVES ITS ITS HIGHEST TURNOVER?

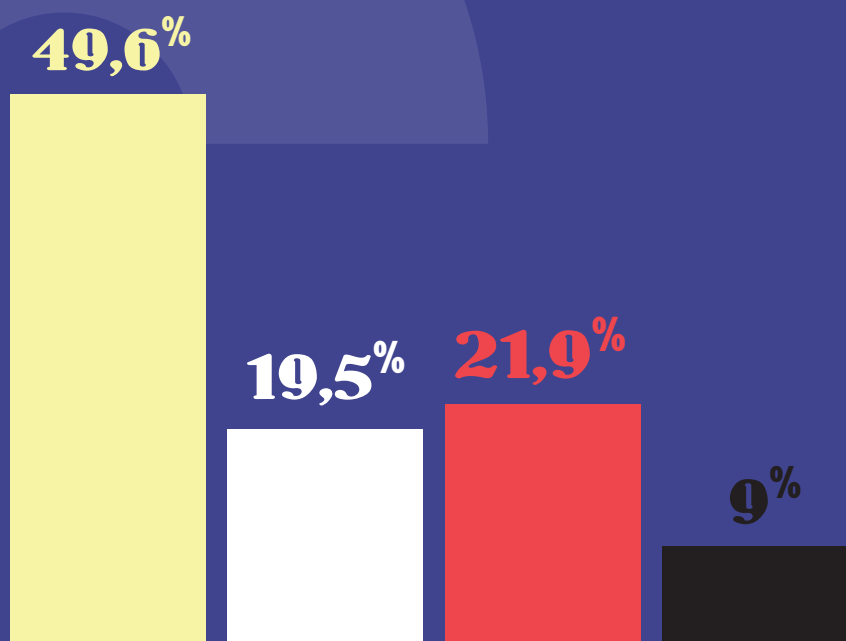


When we surveyed about the main sectors with the highest turnover, we found that **65% were divided between graphic products and outdoor advertising and events.**

An on-going trend that confirms **Jesús Durá, Manager - CEO at VINYL COLOR** with his testimony: *"The main sector in which we obtain a higher volume of business is graphic products, from printing to installation. Customers ask us to provide a full service, so we must cover the whole product journey right through to installation (and, of course, on time)".*

Next in the ranking are **POS solutions with 16%**, followed by **architecture and interior design with 11%**. In other products, at 8%, we find labelling products, or diverse packaging, among others.

4. HOW MUCH TURNOVER HAS YOUR COMPANY GENERATED IN THE LAST YEAR ?



Revenues



Here we find the distribution by revenue. In the last year, a total of **69% of the interviewees report having earned less than 1 million euros** from their business activities, a result that is logical given the majority size of the type of enterprise involved in this survey (less than 50 employees).

30.8% of the survey participants reported having earned more than 1 million euros from their business activities in the last year.

5. WHAT PERCENTAGE OF REVENUE GROWTH DO YOU ANTICIPATE OVER THE NEXT 2 YEARS?

ANNUAL GROWTH AVERAGE

OVERALL GROWTH PER YEAR



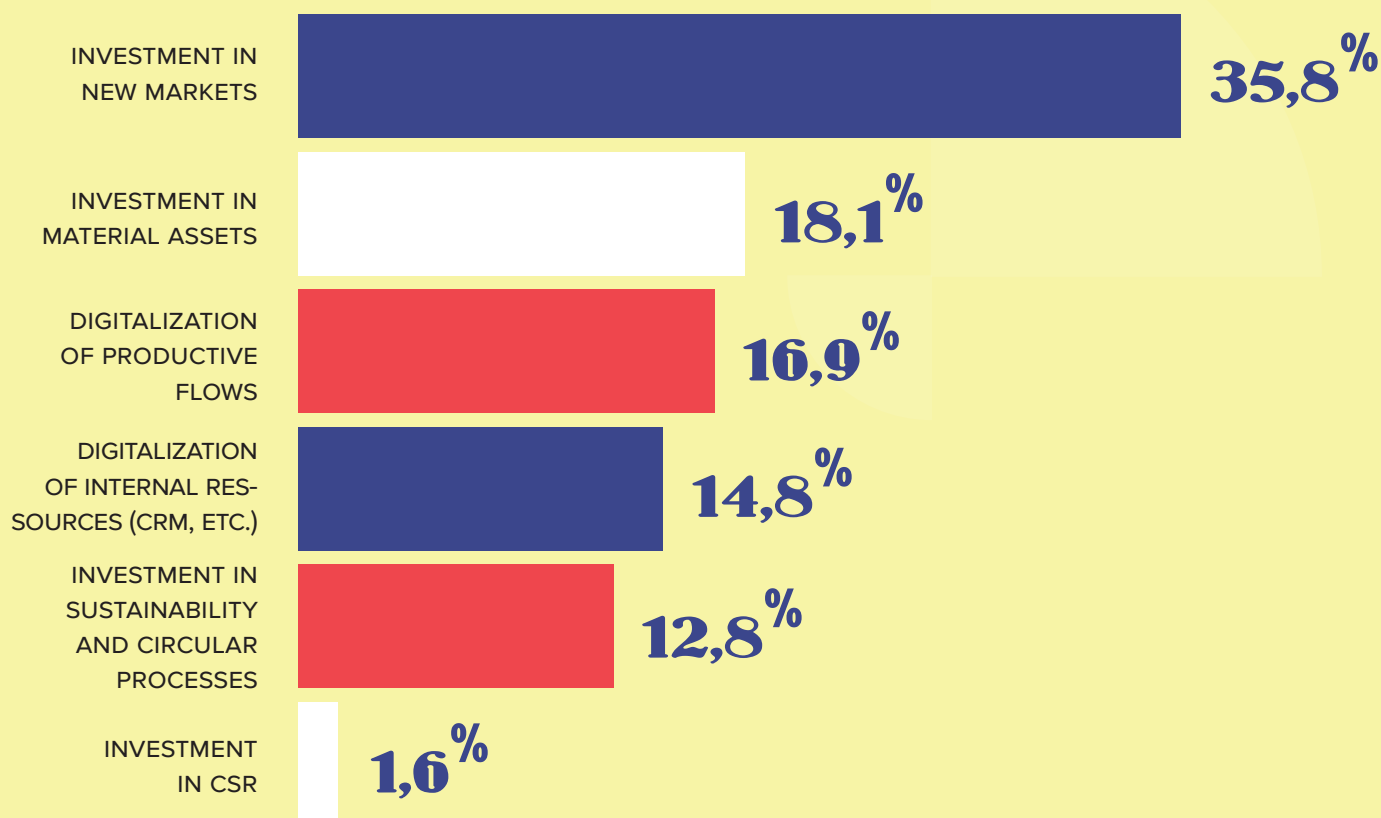
GROWTH BY TYPE OF COMPANY, BY YEAR



The **growth forecast for the next two years is 13% per year**. When split according to company size, we find that **small companies forecast the highest growth, 14%**, followed by medium-sized and large companies which forecast 10.5% and 13.6% respectively.

This is a very positive sign for the sector, whose companies are expecting good growth in the short and medium term, applied to the different challenges they have set for themselves within their businesses.

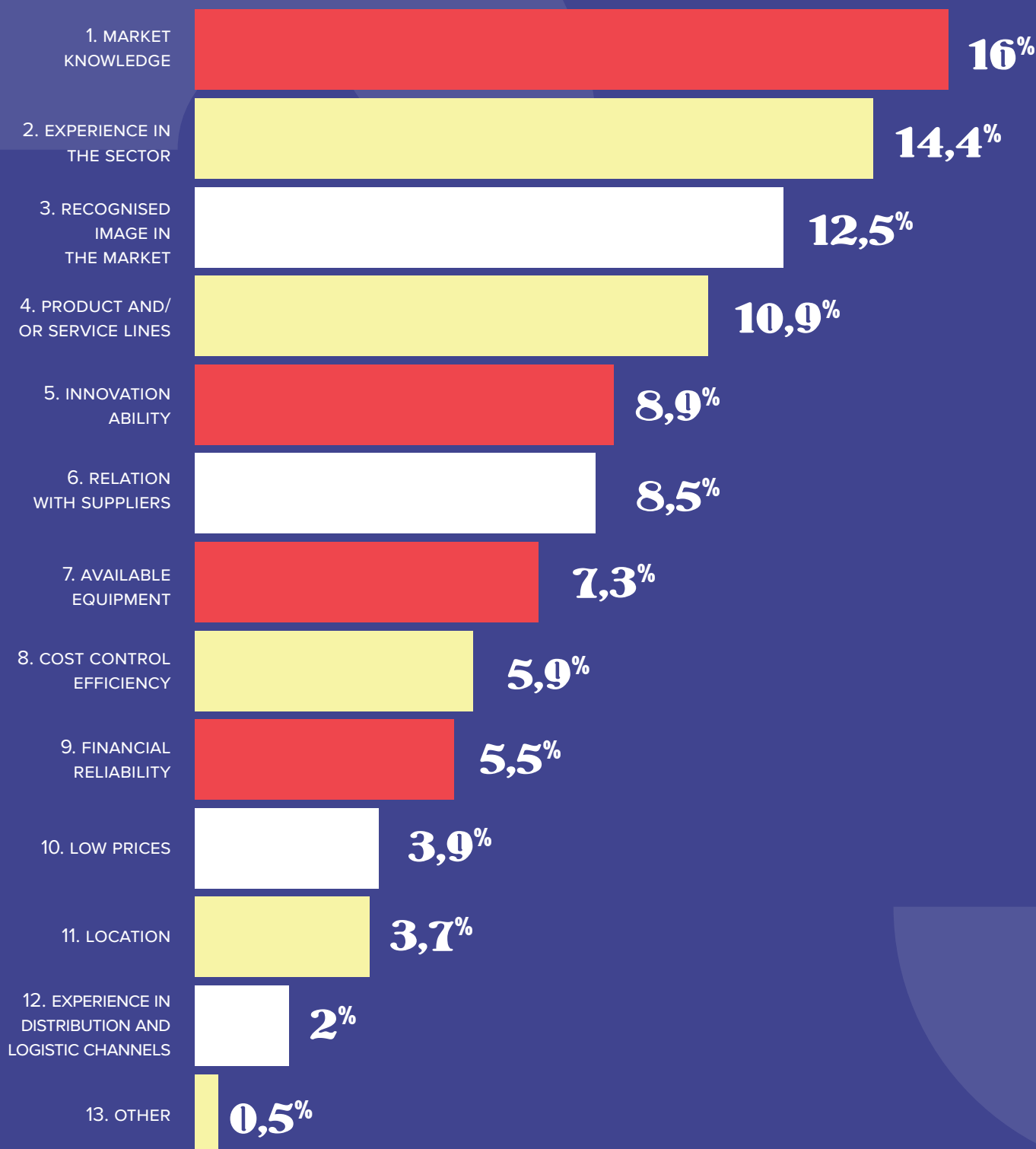
6. WHAT ARE THE UPCOMING TRANSFORMATION PLANS FOR YOUR COMPANY?



In terms of the transformation plans of the companies surveyed, the answers support the growth trend, since, in first place in this ranking, **35.8% affirm that diversification into other areas is their number 1 plan**, followed by **investment in material assets with 18%.**

It is important to consider that **more than 30% of the companies surveyed are planning to digitalise their business**, either in terms of production or structure. At the bottom of the ranking we find **plans related to sustainability and CSR, which account for 14%.**

7. WHAT ARE THE KEY SUCCESS INDICATORS OF YOUR COMPANY?



ANALYSIS CONTINUES
ON THE NEXT PAGE

7. WHAT ARE THE KEY SUCCESS INDICATORS OF YOUR COMPANY? (CONTINUES)

1° CUSTOMER RELATIONS

1° Market knowledge
2° Experience in the sector
3° Recognised image in the market
9° Financial reliability
12° Experience in distribution and logistic channels

2° COMPANY ORGANISATION

4° Product and/or service lines
7° Available equipment
8° Cost control efficiency
11° Location

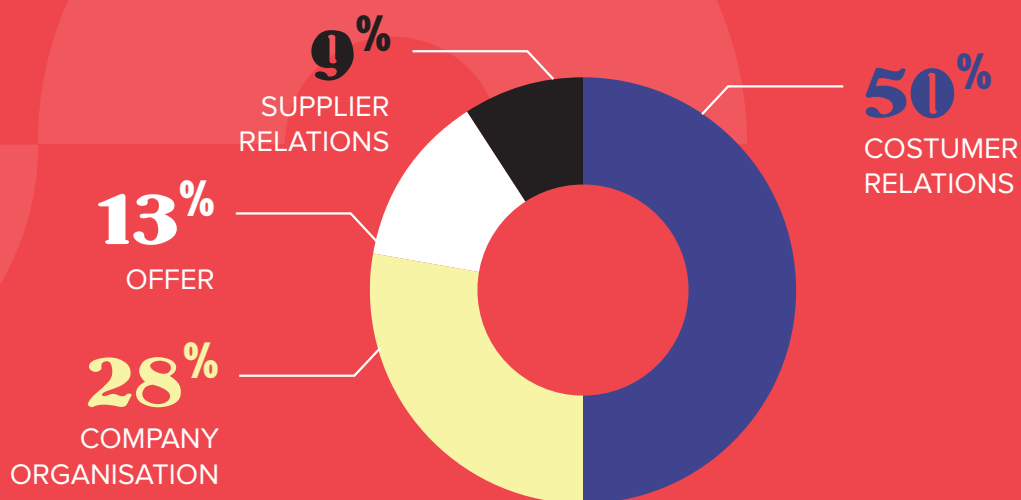
3° OFFER

5° Innovation ability
10° Low Prices

4° SUPPLIER RELATIONS

6° Relation with suppliers

GROUPS OF KEY SUCCESS FACTORS

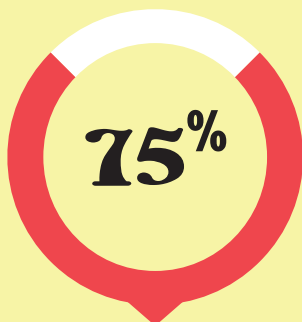


We asked industry professionals about the factors that contribute to the success of their company, and then we grouped them by area to get a more accurate idea of how they correspond within a company. As a result, we found that **50% of the key success indicators for a company are linked to customer relations**, by far the most important factor in building and strengthening success. Values such as knowledge of the market, experience, having a recognised image and a solid reputation are at the top of the list.

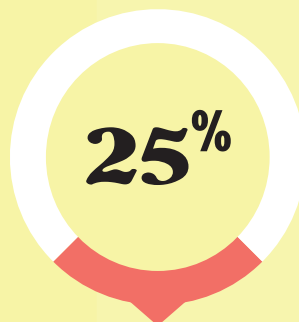
Then, **values related to the company's organisation**, such as its **product lines, the equipment available, efficiency in cost control, or location**, achieved **28%**. On the other hand, **factors related to offer**, such as the **capacity for innovation and low prices**, added up to **13%**. Finally, the **supplier relations score 9%** in this ranking of factors that contribute to a company's success according to the respondents.

8. IN WHICH MONTH(S) OF THE YEAR DO YOU PLAN YOUR MAIN ACTIONS?

PURCHASES

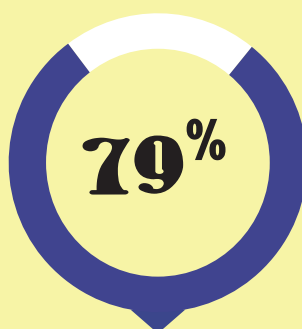


SEASONAL

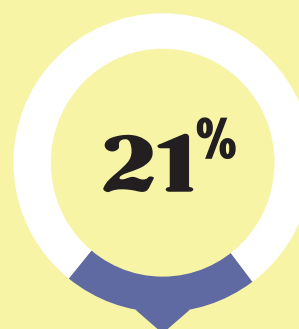


THROUGHOUT THE YEAR

SALES



SEASONAL



THROUGHOUT THE YEAR

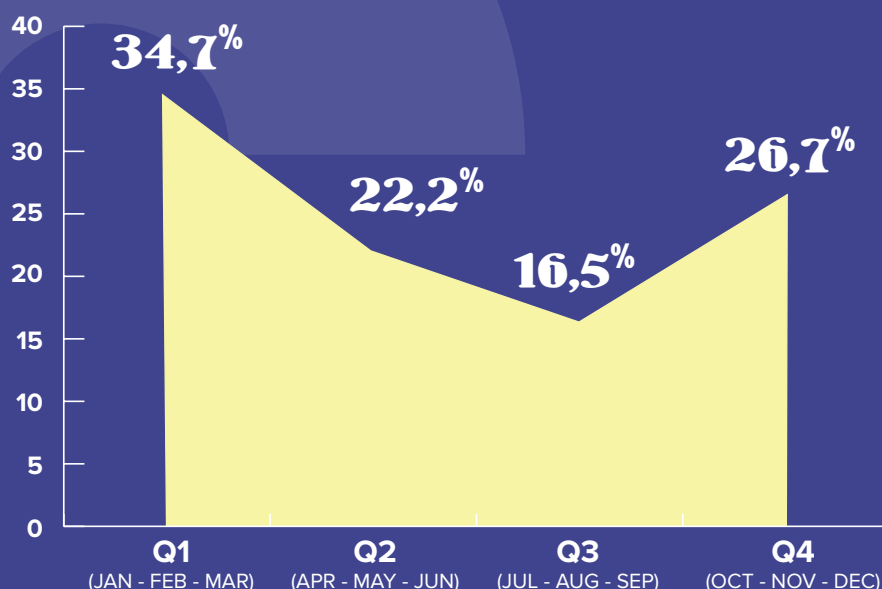


In this survey, we focused on the most favourable periods of the year for planning certain actions. In all cases, the planning **tends to be seasonal.**

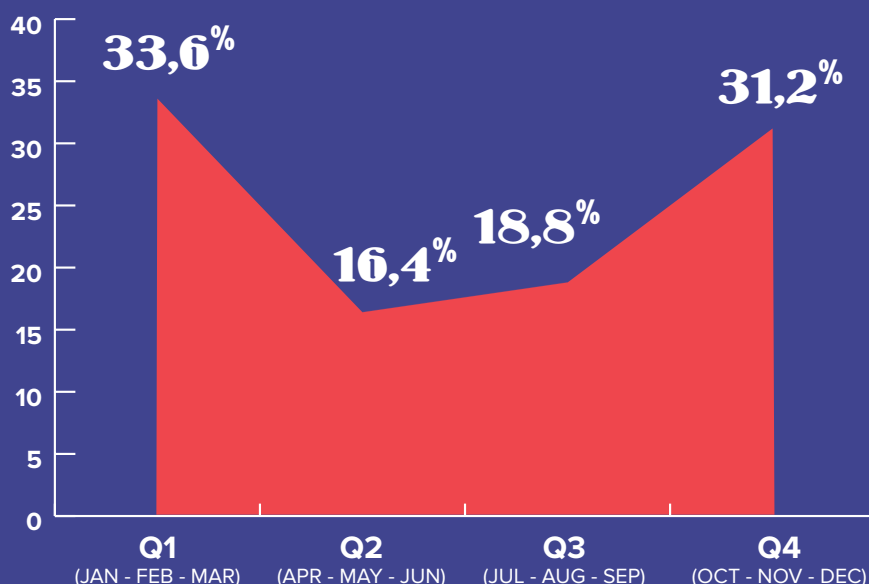
**ANALYSIS CONTINUES
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8. WHAT IS YOUR MAIN PERIOD OF INVESTMENT DURING THE YEAR? (CONTINUES)

PURCHASES



SALES

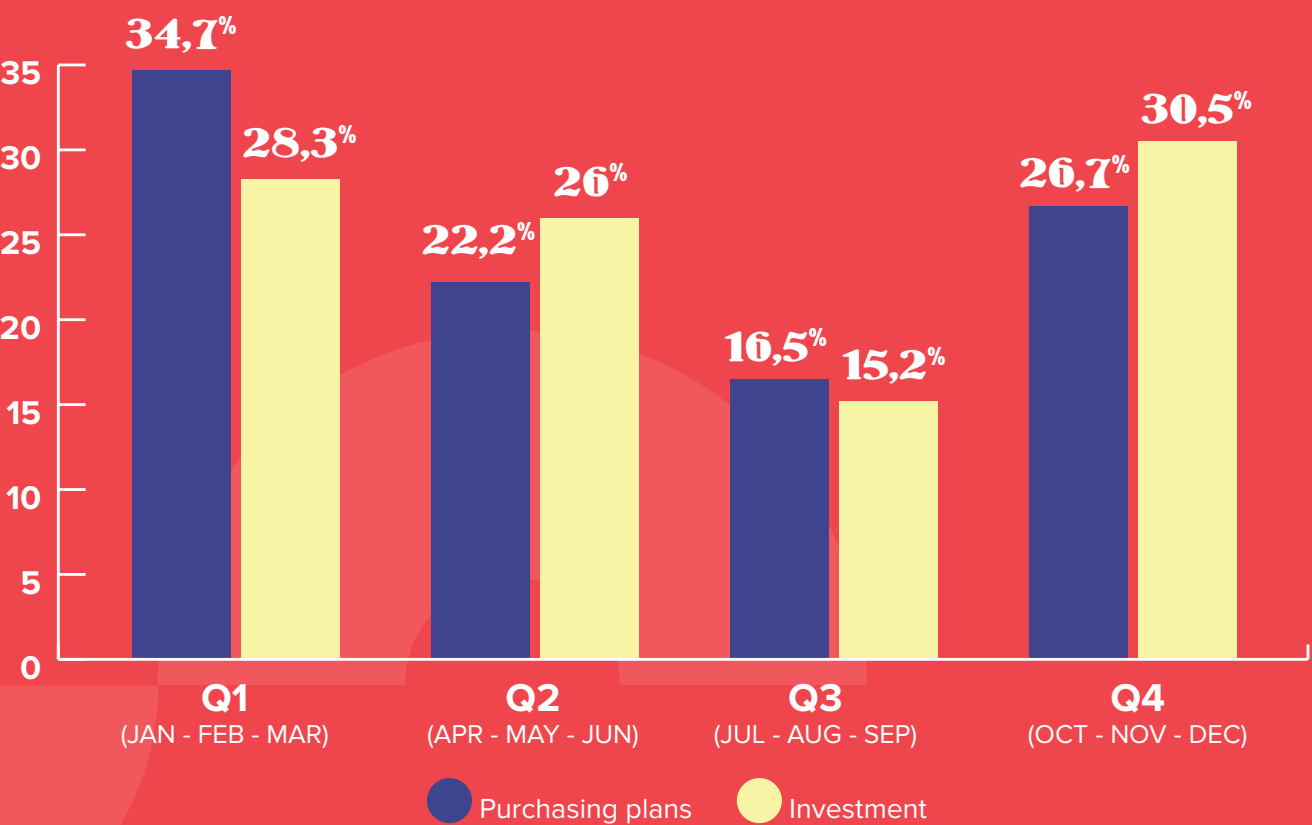


Continuing with the analysis of the answers that refer to the Purchasing and Sales periods, we find that **the first quarter (January, February and March) is the one chosen to plan the most important actions of a company: purchases (34.7%) and sales (33.6%).** This indicates that **the beginning of the year is an ideal period for companies in the sector to do their planning.** The last quarter of the year is the second most chosen period, with 26.7% in purchasing planning and 31.2% in sales planning.

Moreover, we can observe that the planning curve for purchases and sales follows a similar pattern, with most of it concentrated in the first quarter.

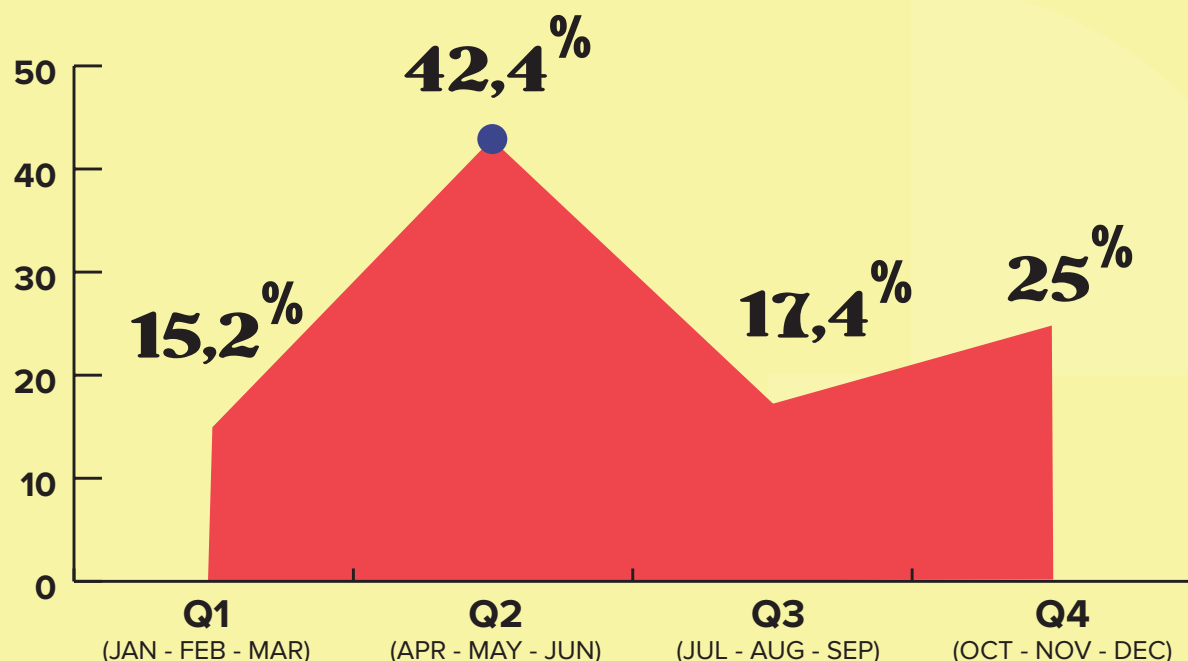
9. WHAT IS YOUR PERIOD OF HIGHEST ACTIVITY OF THE YEAR?

PURCHASING PLANS VS INVESTMENT



In this chart we have combined two results that respond to purchase plans and investment. We can see that in both cases the curve follows a similar pattern, with similar periods, **the effective periods where planning and investments are made being the first and last three months, with 28% and 30% respectively.**

10. WHAT IS YOUR HIGHEST ACTIVITY PERIOD OF THE YEAR?

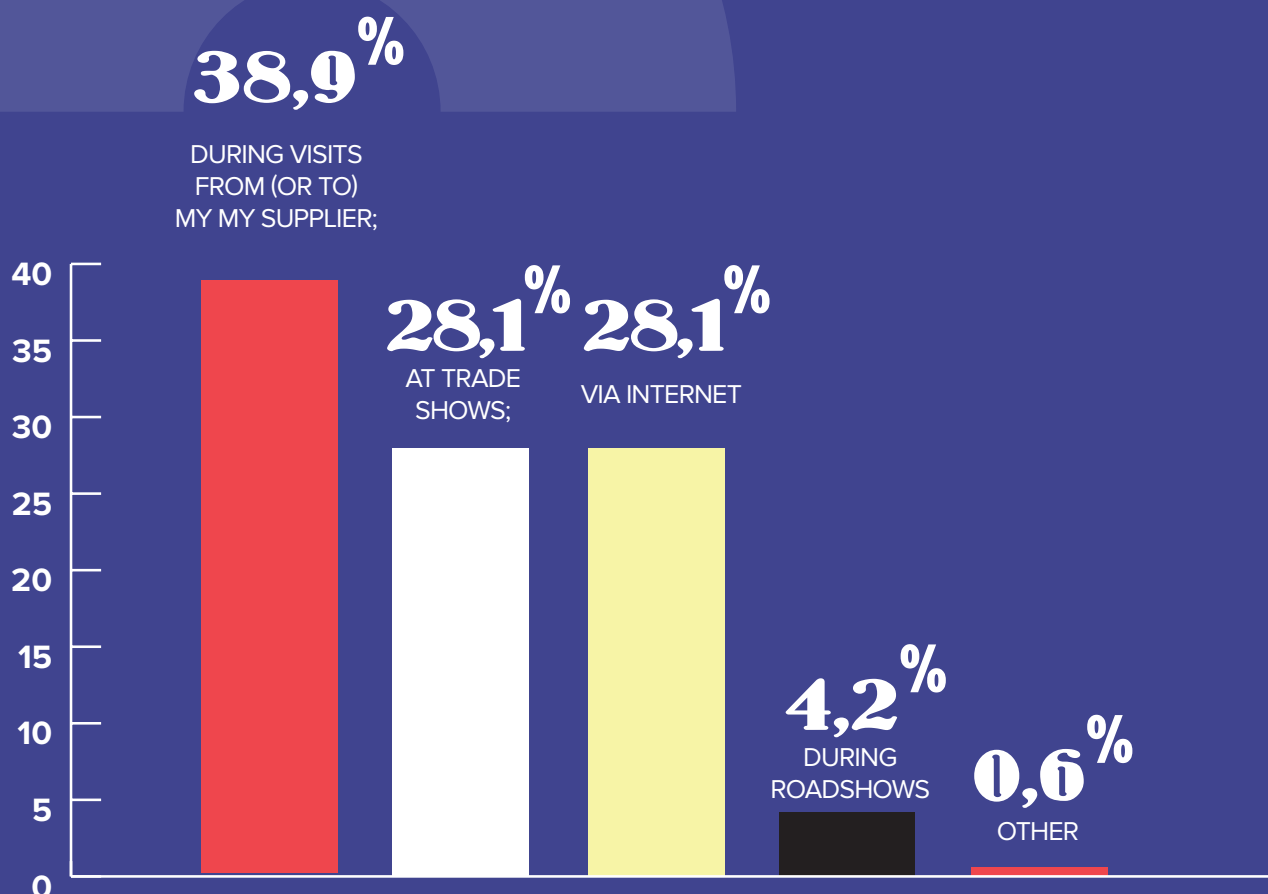


This chart shows that **the period with the most activity, with the highest level of activity, is the second quarter (42.4%)**, which corresponds to the months of April, May and June. **The first quarter, January, February and March, is the one with the lowest volume of activity (15.2%)** among the companies surveyed.



According to **Antonio Moreno, Commercial Director and President of SERICUM**: "Our busiest quarter is the last quarter of the year, especially October and November. The months of April, May and June are also usually very busy months; it seems that the good weather activates seasonal campaigns that refer to vehicles, holidays, solar products, summer sales, etc. In October and November, activity is even more concentrated, in this case referring to Christmas campaigns, giveaways, special sales days".

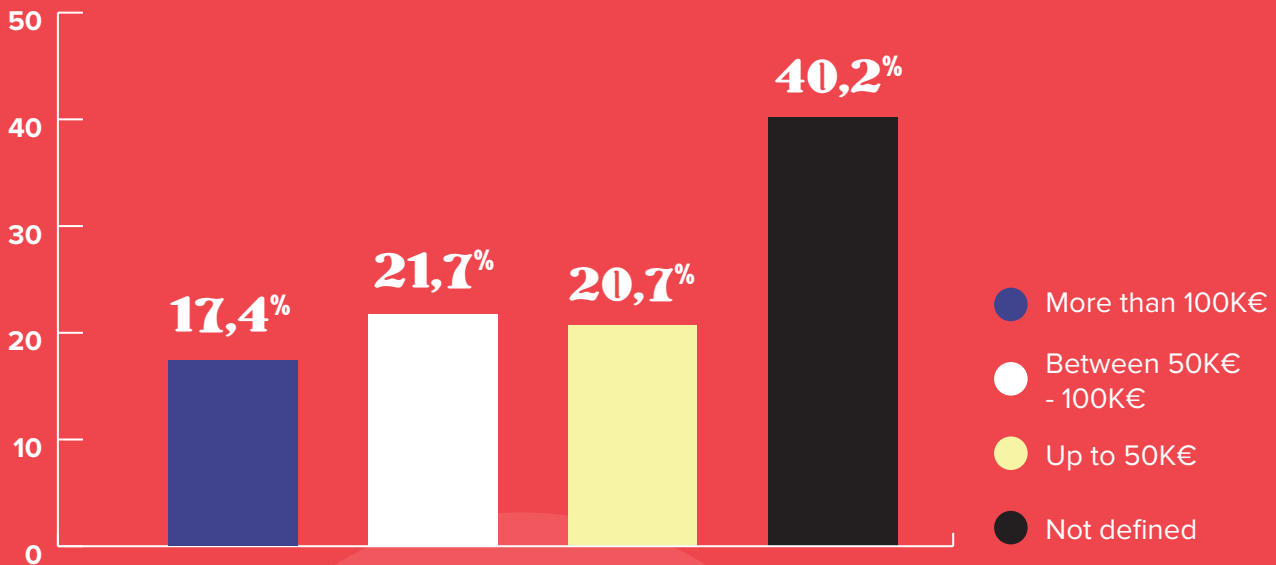
11. HOW DO YOU USUALLY FORMALIZE YOUR PURCHASES?



When we asked the participants about the most common method of formalising purchases, we found that the majority, almost 39%, made purchases naturally during visits to their supplier. Next in the ranking is followed by trade shows, with 28%, as one of the most common places to formalise purchases. **Both options, which together account for 67%, confirm that the physical meeting is key in the purchasing process.** The Internet option also obtained 28%. Finally, roadshows, and other methods, such as public bids, with 5%, close this ranking.

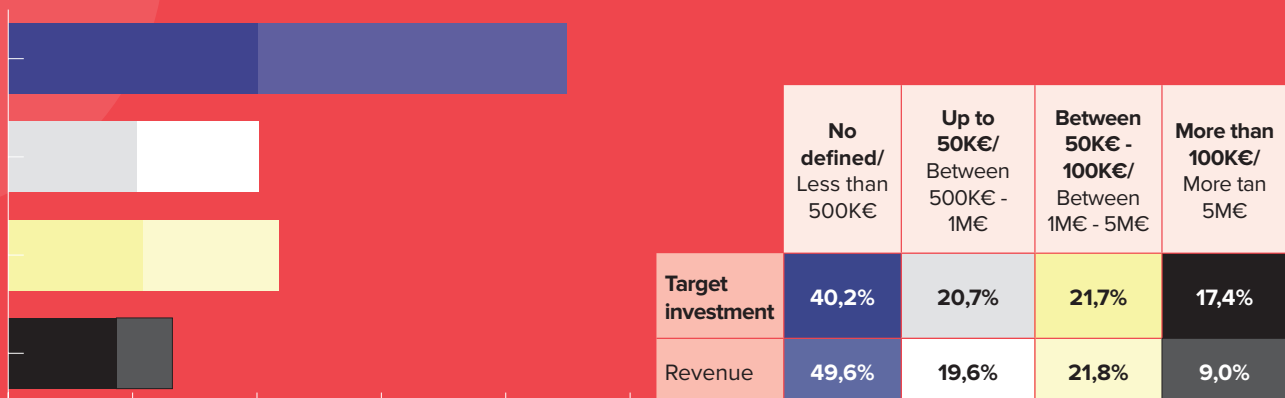
Gema Rivas, Executive Director of Artecomp explains: "From my perspective, visiting a show like C!Print is crucial for any professional in the sector for several reasons. Firstly, it is an essential meeting point that facilitates the connection between suppliers, customers and other industry professionals, enabling the exchange of ideas and strengthening networking. In addition, the trade show offers an up-to-date view of the pulse of the sector, presenting the latest technological developments and trends, which is essential to stay ahead of the latest trends."

12. WHAT IS YOUR INVESTMENT PLAN IN THE NEXT TWO YEARS?



According to the responses received, **40% do not have a defined investment target**, **42% have a target of less than €100,000** and the remaining **17% plan to invest more than €100,000**.

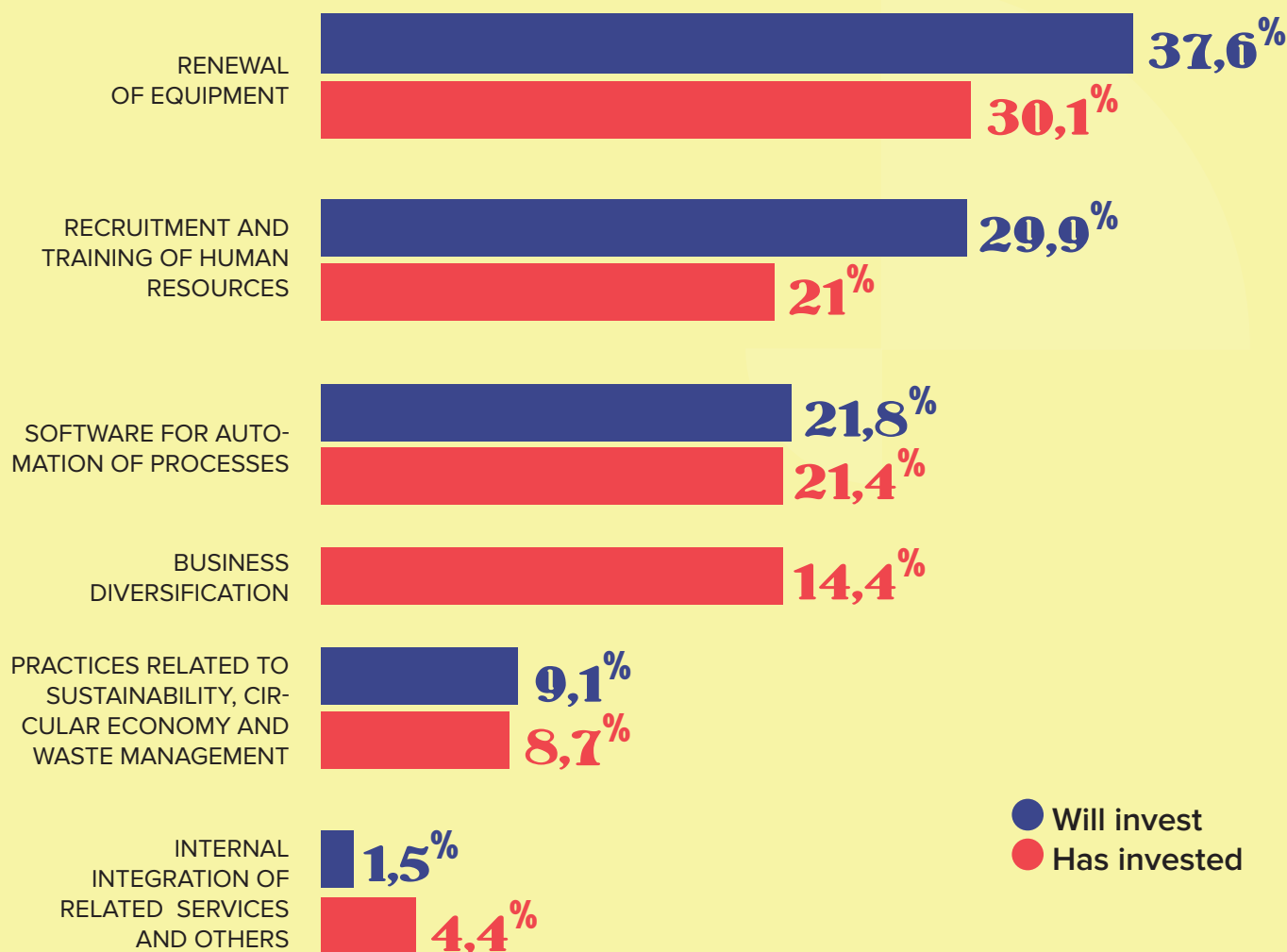
TARGET INVESTMENT VS REVENUE



In the above chart we see the percentage distribution linked to the results of Q.4 over the revenues generated. In an in-depth analysis and comparing the two results, we can see that **the percentage of companies with revenue and investment objectives are directly related. The percentage of companies with non defined targets, 40%, is close to the 49% of companies with revenues of less than 500K€.** The lowest percentages correspond to the highest revenue and investment amounts.

As a result of this comparative analysis, the more professionalised and the higher the revenues, the better the companies define their investment objectives.

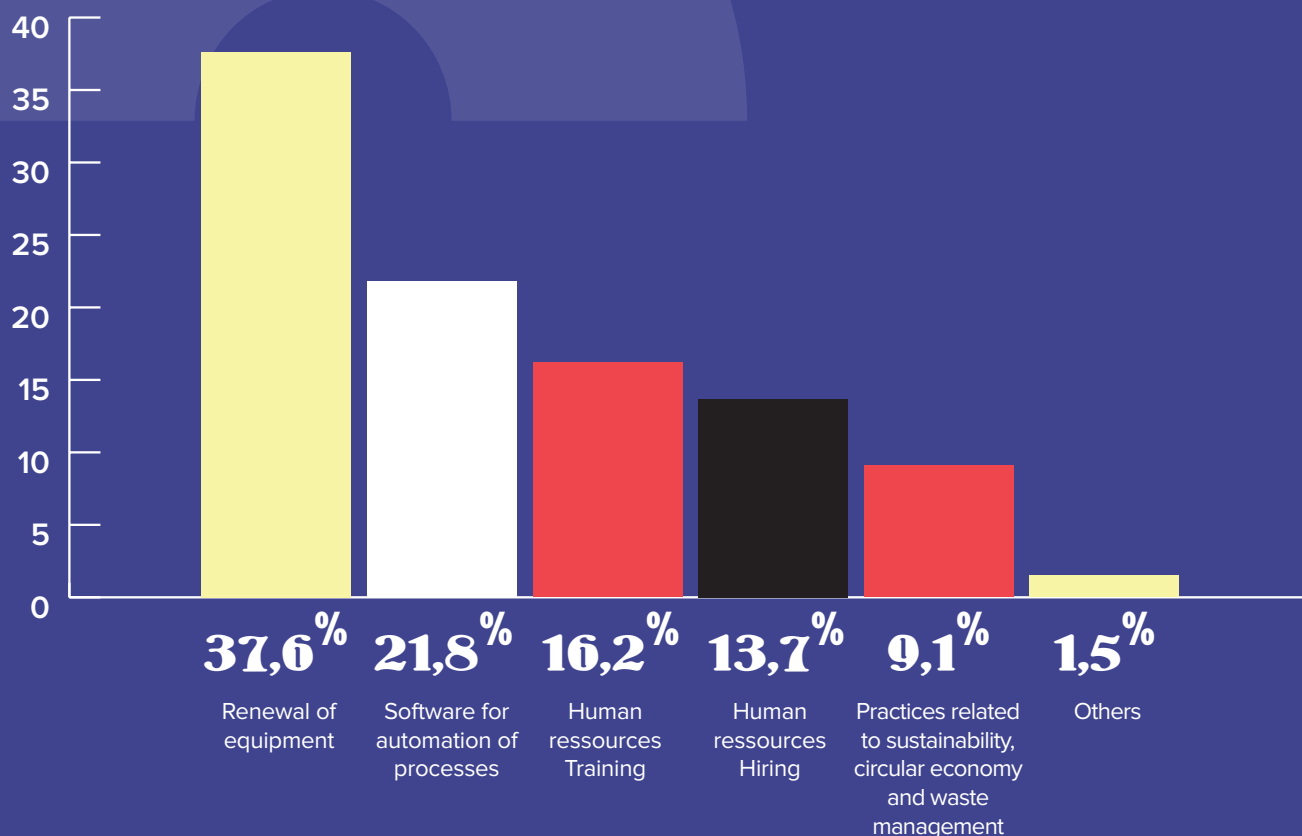
13. HAVE YOU INVESTED IN THE LAST YEAR IN ANY OF THESE AREAS?



We checked the evolution in certain areas of investment by comparing some answers on previous and future investments, and we found that **the ranking is headed by investment in machinery renewal, followed by investment in software or process automation applications, and recruitment and training of a human resource.** Business diversification was an area of investment with just over 14%. Lastly, practices related to sustainability and the integration of ancillary services and others.

There is a notable increase in investment intentions in all areas: equipment, human resources, software and sustainability. **A positive interpretation that shows, the sector represented in this survey, has objectives of growth, innovation and improvement.**

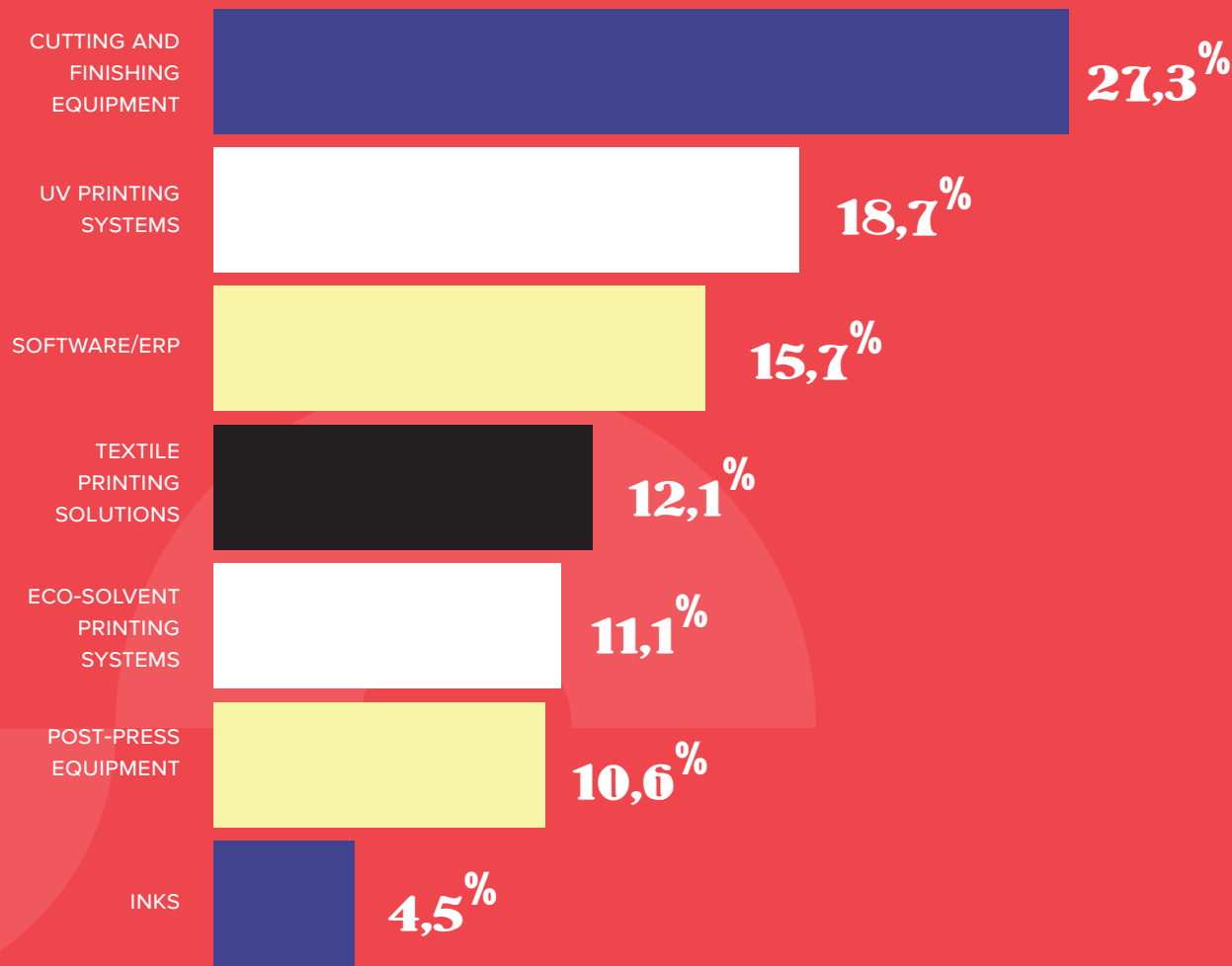
14. PLEASE INDICATE IN WHICH OF THESE AREAS YOU PLAN TO INVEST



This is the detailed chart of investment intentions. We can see that **37.6% foresee investments related to innovation, such as the renewal of machinery; followed by investments linked to digitalisation with 21.8%**. This is closely behind areas such as **training and recruitment of human resources, which account for 29.9%**, a common concern for companies in the sector that want to ensure the continuity of their business.

15. WHAT TECHNOLOGY AND/OR CONSUMABLES DO YOU PLAN TO INVEST IN IN THE NEAR FUTURE?

TECHNOLOGY INVESTMENT



The last question was designed to find out the type of technology that participants are most interested in acquiring in the near future. **Results indicate that cutting and finishing equipment and solutions rank highest at 27.3%, followed by UV printing systems at 18.7%, and software and ERP systems at 15.7%.** These insights provide valuable clues regarding purchasing trends expected in the upcoming months.



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CONCLUSIONS

This study reveals valuable trends to be highlighted, such as **the forecast annual revenue growth of 13% on average. This is a very positive figure for the sector, whose companies predict good growth in the short and medium term, applied to the different challenges set within their businesses.**

Another of the conclusions drawn from the survey is that **the most important factors contributing to the success of a company are centred primarily on optimal customer relations, innovation and the organisation of the company.**

The data collected in this survey reveals that the first quarter is **chosen to plan the most important actions of a company: purchasing as well as sales. And that the peak of activity experienced by businesses in the sector is mostly in the second quarter of the year.**

In addition, this study shows that the main challenges facing the companies surveyed are, **firstly, the renewal of equipment.** There is a notable increase in investment intentions in all areas: **purchase of equipment, recruitment and training of human resources, investment in automation software, and investments linked to sustainability.** A positive indicator reveals that the sector represented in this survey is focused on growth, innovation, and enhancement goals.