SUPPLIERS AND MANUFACTURERS SCORECARD

SALES

- Current compared to the past year
- Expected in 2019

<table>
<thead>
<tr>
<th>Increase</th>
<th>Stay the same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>65.2%</td>
<td>27.9%</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

PRE-TAX PROFITABILITY

- Current compared to the past year
- Expected in 2019

<table>
<thead>
<tr>
<th>Increase</th>
<th>Stay the same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.7%</td>
<td>42.9%</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

WHY SALES ARE EXPECTED TO INCREASE

- New products/services: 71.1%
- More resources devoted to sales: 55.3%
- More resources devoted to marketing: 50.0%
- Strength of our major product/service markets: 47.4%
- Favorable economy/business climate: 42.1%

TOP OBSTACLES TO HIGHER PROFITABILITY

- Rising cost of essential materials, supplies, inputs: 46.5%
- Need to find/develop new markets: 37.2%
- Lack of sales, difficulty growing sales: 32.6%
- Rising wages: 30.2%
- Increased tariffs: 30.2%

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Based on 2019, Q2 SGIA Industry Survey – Financial Ratios, N=79