

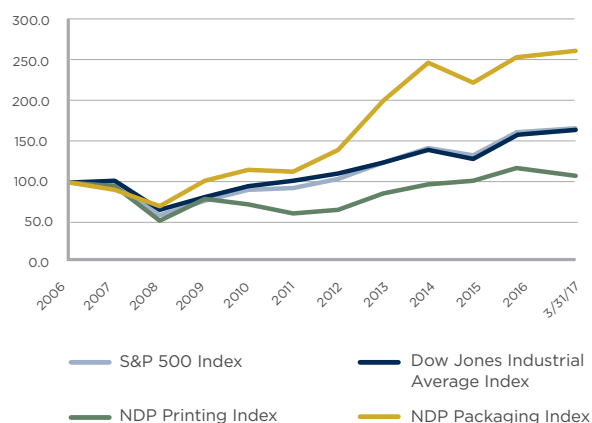
## Recent Transactions

New Direction Partners, the leading middle market investment banking firm in the printing and packaging industries, has recently completed the following transactions:

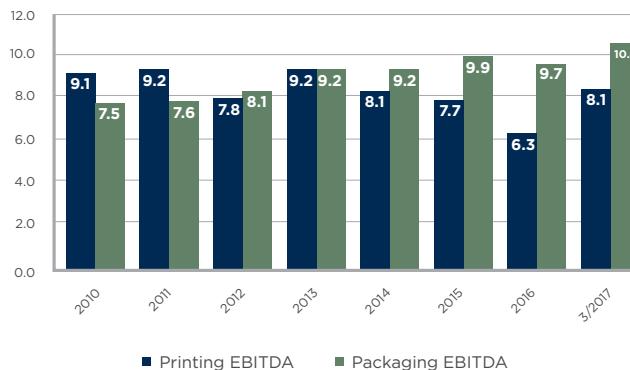
- ▶ Henry Wurst has acquired the assets of Universal Printing Company. New Direction Partners represented the seller.
- ▶ Sale of Consolidated Press to KP Corporation/Gemini Investors. New Direction Partners represented the seller.
- ▶ Winkler+Dünnebier GmbH (W+D) acquired Halm Industries. New Direction Partners represented the seller.
- ▶ Sale of Signature Offset to Special Opportunity Value Fund, LP. New Direction Partners represented the seller.
- ▶ Sale of Midnight Oil to Oak Hill Capital Partners. New Direction Partners represented the buyer.
- ▶ Sale of Popular Ink (a producer of flexible packaging) to Highlander Capital Partners. New Direction Partners represented the seller.
- ▶ Sale of ASAP Printing to 4over. New Direction Partners represented the seller.
- ▶ Printing Concepts LLC has acquired the assets of Newhouse Printing Company. New Direction Partners represented the seller.
- ▶ Foresight Group has acquired the assets of Goetzcraft Printing. New Direction Partners represented the buyer.
- ▶ Graphics East has acquired the assets of Web Litho. New Direction Partners represented the seller.
- ▶ Keller Crescent has acquired the assets of Lehigh Press Puerto Rico. New Direction Partners acted as financial advisors.

## Industry Trends by Peter Schaefer

**The NDP Printing & Packaging Stock Price Index**



**The NDP Printing & Packaging EBITDA Trend**



It is important to note that private businesses typically sell for lower EBITDA multiples than the multiples of their publicly-traded counterparts due to private company status and a lack of liquidity as well as size and risk differential.

## Places to See NDP

- ▶ Peter Schaefer will be the Keynote Presenter at the Fuji Xerox Annual Conference in Taipei, Taiwan June 12-14, 2017
- ▶ Paul Reilly will be speaking on two topics at the PIAS Annual Convention, June 13 in Destin FL: Where Do Print Owners and CEO's Find Executives To Sell A Solution Sales Proposition and What to Do in Today's Economy to Return to Profitability
- ▶ The entire New Direction Partners team will be attending Print 17 in Chicago, 10 to 14 September
- ▶ Jim Tepper will be attending the PINE Print Management Conference Oct. 1-3, 2017—Newport, RI

## Recent Webinars

New Direction Partners experts present frequent web sessions in partnership with associations, publications and others. Some have no cost associated with them; others carry a small fee for non-members of the organization. We invite you to listen to some of our recent educational sessions and contact us at [info@newdirectionpartners.com](mailto:info@newdirectionpartners.com) with questions or for additional information!

- ▶ Peter Schaefer presented Succession Planning: Is The Future of Your Business Secure? Most family-owned businesses do little, if any, succession planning. This is a significant oversight—the need for succession planning has never been greater.

The program focused on:

- ▶ Succession Plan types and options
- ▶ Leadership and Ownership changes
- ▶ Key elements of a succession plan
- ▶ Valuation methods

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- ▶ Jim Russell tackled the difficult topic of succession planning in a session sponsored by Great Lakes Graphics Association. The importance of developing an effective operating team as well as long-term planning for the purposes of retirement or complete management transition cannot be overemphasized. Hear Russell in this in-depth session that will get you on your way to achieving both objectives. [View Now.](#)
- ▶ Joe Polanco shared key components of an **effective sales strategy**, including the pros and cons of different sales compensation methods that will provide the right mix of incentives and company profitability in this session sponsored by Great Lakes Graphics Association and the Visual Media Alliance. [View Now.](#)
- ▶ M&A experts Peter Schaefer and Paul Reilly of New Direction Partners provided an overview of the current environment and options, and discussed these **6 M&A trends**:
  - ▶ Overview of notable transactions in 2016
  - ▶ What segments command premium multiples
  - ▶ Why M&A makes sense as a strategy
  - ▶ Discussion of Tuck-Ins
  - ▶ What multiples are being paid
  - ▶ Discussion of Cashless Mergers

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## Featured Listings

### Firms for Sale

#### ▶ Midwest Graphics Manufacturer

The Company is a Midwest based full service graphics manufacturer, specializing in grand format and POP. The Company's revenue is approximately \$4.0M with a 15% EBITDA. The business has an experienced staff, many of whom have been with the company for over 15 years. The facility is owned by the business owner and can be part of the sale, or excluded. The owner is willing to stay on to insure a successful transition period.

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or by phone at 248-891-6992.*

#### ▶ Digital Multichannel Marketing Firm

NDP has been retained to sell a full service provider of multichannel marketing solutions. The principal activities of the Company include design, marketing, advertising, online marketing, digital printing and letter shop mailing services. In addition, the Company serves as a full-service agency partner for firms in a variety of industries. Located in the Northeast, the Company caters to the direct mail industry and is both rapidly growing and highly profitable. Sales of between \$10.0 and \$12.5 million and EBITDA margin in excess of 25%.

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or by phone at 610-724-0500.*

#### ▶ Mid-Atlantic Commercial Printer

The Company is a leading, response-oriented graphic communications business headquartered in a major city within the Mid-Atlantic region of the United States. The Company prides itself on keeping nearly all production functions in-house, and is able to provide its customers with optimal single source graphic solutions, including: sheetfed printing, digital printing with variable capabilities, web printing, mailing and complete finishing operations. Sales are between \$15 and \$20 million.

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#### ▶ Specialty Bindery & Finishing Service

Located in the Northeast and Midwest, the Company is a leading, response-oriented provider of specialty bindery and finishing services. Operating for nearly one hundred years, it is highly regarded by its clients

and competitors due to its reputation for uncompromised quality, exceptional customer service, and utilizing leading edge technologies in its production process. Core capabilities include a growing assortment of standard and value-added services in the areas of cutting, folding, stitching, perfect binding, diecutting, specialty finishing, mailing and fulfillment. Revenues are in excess of \$20 million with \$5 million in EBITDA.

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#### ▶ Manufacturer of Digital Label Printing & Finishing Systems

Our Client designs and manufactures in the United States products and systems based on innovative technologies. Its primary business is the design and manufacture in the United States of a full line of unique on-demand short-run digital label printing and finishing systems which are marketed to an international client base. A growing and highly profitable segment of the company's product offerings include the supply of consumables utilized by its clients for label production. This offering provides a unique opportunity for a legacy manufacturer to expand its product line with technologically competitive products. The potential exists for a buyer to significantly expand the product offerings and earn impressive margins with a very diverse yet stable international client base. The company is debt-free and profitable.

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#### ▶ Sale of Midwest Web and Sheetfed Printer

Operating for over three decades with over \$4 million in sales, the Company utilizes sheet-fed and web printing capabilities to serve the community newspaper, education, governmental and trade printing sectors. The Company currently has approximately 20 employees, all of whom are non-union. The Company operates in a well maintained, efficiently laid out, 19,500 square foot facility.

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or by phone at 303-520-7803.*

▶ **Sale of Southeastern Folding Carton Plant**

Our Client, a privately held corporation, is a manufacturer of folding cartons focused on specialty packaging for multiple industries. The company was founded in the Southeastern United States in 1957. Our Client designs and manufactures printed and plain folding cartons as well as inserts, machine filled blanks and other paperboard products. The company has a broad base of customers, primarily in the Eastern U.S.

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▶ **Sale of High-Growth Southeastern Printing Company**

Our client is an established, high-growth print solutions firm located in the Southeast region of the United States. The firm's strong year over year growth has been fueled by leveraging their core competencies of quality craftsmanship with 21st century technology to create a sustainable competitive advantage in the commercial printing marketplace. While high-end printing is at the heart of the company, they are a true end-to-end solution provider.

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▶ **Sale of Award-Winning Midwestern Sheetfed Commercial Printer**

Our client is a nationally recognized, award-winning, state-of-the-art high-quality Midwestern firm providing web and sheetfed commercial printing, digital printing, fulfillment services, mailing and complex distribution services. With a continued investment in technology and experienced, dedicated employees, they provide their customers with more than just printing.

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▶ **Sale of Midwestern Multi-Channel Marketer**

This Midwestern multi-channel marketing firm provides its clients more solutions than print alone, including targeted omni-channel marketing campaigns employing innovative technologies. The firm is a provider of conventional, digital and large format print, direct mail, digital marketing, lead generation, brand asset management and a client web to print marketing portal for marketing asset management.

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## Firms Seeking Acquisitions

### ► Buyer of Corrugated Plant

Our Client is interested in expanding its existing business and is looking for a corrugated sheet plant and/or sheet-feeder with revenue up to \$20M annually and a geographic location within 100 miles of Chicago. Additional open capacity within your plant is a plus as our Client will be moving existing production to the acquired facility.

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### ► Buyer of Printers within 100 miles of New York City

Our Client seeks to acquire the book of business of, or merge with, a leading commercial (web or sheet fed) and/or digital printer. Annual revenues of \$3 to \$10 million are ideal. Because it operates in a facility with a short-term lease that is approaching full capacity, Star offers the potential flexibility of continuing to operate from the acquired company's current facilities. Therefore, it has particular interest in companies that have a strong management team, an effective sales organization, a skilled workforce and an efficient facility with opportunities for growth.

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or by phone at 610-724-0500.*

### ► Buyer of Commercial Printers within 100 Miles of Pittsburgh

Client seeks purchase of offset/digital printers or mailing entities located within 100 miles of Pittsburgh.

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or by phone at 610-724-0500.*

### ► Buyer of Digital Printing Operations

Our Client is an experienced 30-year old family owned, state-of-the-art digital printing firm specializing in high quality on demand book printing services for self-published authors and other national clients. Products include hardcover books, custom books and perfect bound books & booklets. The company employs the latest digital printing and production technologies utilizing high speed digital web presses, variable data digital printers with warehousing, mailing and fulfillment capabilities. Our buyer seeks to acquire digital printing operations nationwide. Ideal candidates

will have revenue of \$2 to \$5 million, be actively engaged in short-run digital printing and be a sales driven enterprise.

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or

*Frank Steenburgh @ [FSteenburgh@NewDirectionPartners.com](mailto:FSteenburgh@NewDirectionPartners.com)  
or by phone at 315-521-7226.*

### ► Buyer of New England Commercial Printers

Client seeks purchase of commercial, speciality, mailing and marketing printers/agencies throughout New England. Seeking firms with strong management, sales and production staff and a history of serving the corporate, institutional, and organizational markets. Poised for a quick transaction with capacity and funding in place.

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### ► Buyer of New England Commercial Printers

A southern New England based \$24 million full-service printer is interested in acquiring another printer, fulfillment house or direct mailer in the New England marketplace. This very diversified organization operates three production facilities offering the following products and services: creative design, commercial sheet-fed and digital printing, kitting, mailing and fulfillment, business forms, labels, envelopes and promotional products. Led by an experienced management team, they are poised to quickly accommodate an acquisition of \$3 to \$10 million in sales/revenue. The buyer has immediate access to capital to finance transactions and a support team to move quickly through an acquisition. An ideal prospect would be a company who specializes in commercial printing, business forms or mailing and fulfillment that would like to explore the possibility of expanding its product and service offering and ultimately increase its sales revenue by joining forces with an experienced full-service provider.

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► **Buyer Seeks Central and Northern N E Commercial Printers**

A growing major New England based full-service printer is interested in acquiring another printer or services house in the central and northern New England marketplace. This organization services a diverse client list providing a wide range of commercial, wide format and promotional products. It is very motivated and positioned to move quickly on additional acquisitions up to \$10 million in sales revenue. A skilled management team is in place but would welcome additions from prospects to help expand its product offerings and increase its sales revenue.

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► **Buyer Seeks Wide and Grand Format Printer**

A national producer of Wide and Grand Format digital printed products seeks to purchase a manufacturing operation preferably in the Southeastern United States.

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# Everything's Negotiable—Are You?

By Frank D. Steenburgh | *Partner, New Direction Partners*

*Editor's note: this post is part of a [series](#) on the six steps towards successful mergers and acquisitions.*

“Negotiation: Mutual discussion and arrangement of the terms of a transaction intended to produce a settlement or agreement.” That’s the dictionary definition, and it’s an accurate description of the process. What it doesn’t convey is how nuanced and emotionally complex an undertaking it can be for buyers and sellers of printing businesses.

Negotiation is the most critical step in our six-stage journey toward a deal—the phase in which the transaction either comes together as the negotiators want it to or falls apart because their efforts have worn them out. As Peter Schaefer notes in his introductory column to this series, negotiation is a lengthy exercise that starts early in the sequence with the signing of a letter of intent and often continues all the way down to the wire at closing.

Cooperation, transparency, and flexibility are the business virtues that enable buyers and sellers to get what they want—or what they can reasonably expect to achieve—from negotiation. Each side enters the discussion with a prioritized list of the “musts” and the “wants” that define its negotiating position. Then, the process becomes a real test of listening skills as the buyer strives to understand what the seller’s real objectives are, and vice versa.

Instant agreement on all points is rare, so the best tactic is to focus on clear areas of common ground first and then move on to the things that will be harder to resolve. Continually clarifying positions and seeking compromise on tough issues will keep the process moving forward; evasion and recalcitrance only hold it back.

Nothing will stall negotiation faster than one party’s suspicion that the other party isn’t communicating openly and honestly. This happens when information is deliberately withheld or, worse, when false or misleading statements are made. Playing games with the truth kills deals. Both parties must project personal and business integrity at all times to preserve the confidence and trust that closing the deal requires.

The less fraught a negotiation is, the likelier it is to succeed. This is why it’s vital to engage a qualified third party as a mediator and a fact-finder. An advisor who knows the industry, understands valuation, and possesses financial expertise can resolve issues that the principals, emotionally invested in the companies they may have spent their lifetimes building, can’t settle by themselves.

If the discussion shows signs of growing heated, the advisor will know when to call a time out so that the negotiation can get back on track with everyone in a calmer mood. The advisor can steer the parties from zero-sum stubbornness to win-win partnership by showing them that with a little willingness to compromise, they may be able to strike an even better deal than the ones they originally had in mind.

In negotiation, concessions aren’t signs of weakness—they’re smart dealmaking moves that repay more than whatever they may appear to be giving away. Letting the other party save face by offering to scale back a demand or sweeten an accommodation is often the catalyst that clinches the transaction.

Admittedly, some attempts at deals have too much going against them to succeed. In most cases, however, given good faith and friendliness on both sides, solutions can always be found.

Somewhere between the aspirational target price and the unacceptable walk-away price is a zone of cooperation where the deal can be consummated. That is the ground where buyers and sellers, guided by professional M&A advisement, find the outcomes they are looking for.

New Direction Partners is an investment banking and financial advisory services formed by Peter Schaefer, Paul Reilly, Jim Russell and Tom Williams to serve the printing and related industries. Services include merger advisory services through the representation of selling shareholders as well as buy side representation, valuation services, financing and refinancing efforts, turnaround and restructuring services, and temporary/interim management consulting. To learn more about New Direction Partners, visit New Direction Partners’ website at [www.newdirectionpartners.com](http://www.newdirectionpartners.com).

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