



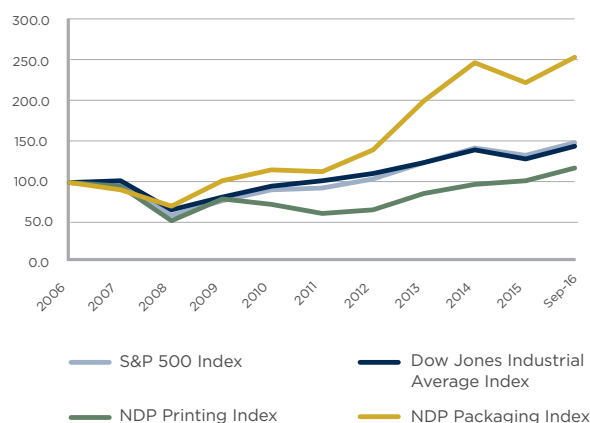
Recent Transactions

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

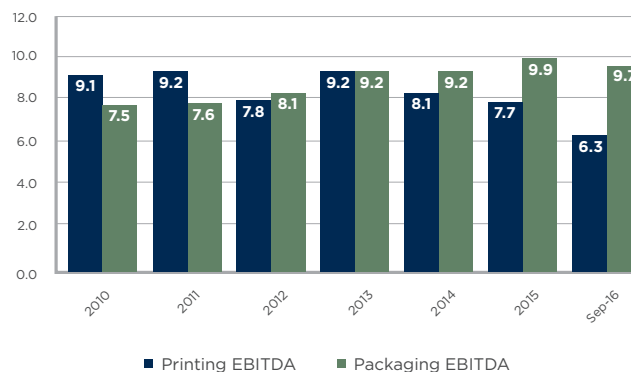
- ▶ Sale of Signature Offset to Special Opportunity Value Fund, LP. New Direction Partners represented the seller.
- ▶ Sale of Midnight Oil to Oak Hill Capital Partners. New Direction Partners represented the buyer.
- ▶ Sale of Popular Ink (a producer of flexible packaging) to Highlander Capital Partners. New Direction Partners represented the seller.
- ▶ Sale of ASAP Printing to 4over. New Direction Partners represented the seller.
- ▶ Integrity Graphics, Inc. has acquired the assets of Excelsior Integrated LLC. 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

- ▶ Jim Russell and Al Reijmer will be attending the PIANKO Print Week dinner in Cleveland, OH on February 9th.
- ▶ Paul Reilly and Jim Russell will attend Graphics of the Americas in Ft. Lauderdale, February 16-18, 2017.
- ▶ Peter Schaefer will be attending and presenting at [Dscoop](#), March 1-4, Phoenix.
- ▶ Peter Schaefer, Jim Russell, Jim Tepper and Al Reijmer will attend the PIA Presidents' Conference, March 12-15, Long Beach CA. Paul Reilly will be speaking at the conference about Growing Market Share.
- ▶ Jim Tepper will attend the PINE Awards Gala in Worcester MA on April 5th.
- ▶ Peter Schaefer and Tom Williams will be attending the AICC Independent Packaging 2017 Spring Meeting in Austin, TX, April 26-28.

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 with questions or for additional information!

- ▶ 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
 - ▶ Why M&A makes sense as a strategy
 - ▶ What multiples are being paid
 - ▶ What segments command premium multiples
 - ▶ Discussion of Tuck-Ins
 - ▶ Discussion of Cashless Mergers

[View Now](#)
- ▶ By all accounts, drupa 2016 was one of the best ever. During this session, WhatTheyThink's Cary Sherburne presented a brief overview from of the trends that emerged at this forward-thinking show. Industry experts Paul Reilly and Joe Polanco shared thoughts about **important megatrends** that will impact your business over the next five years, including ideas about actions you can take to use them to drive sales and profits. The session was sponsored by VMA, PPI and other PIA affiliates. [View Now](#).

Featured Listings

Firms for Sale

▶ Midwest Marketing Agency

This highly successful and very profitable marketing agency located in the Midwest has approximately \$2.0M in revenue and a specialized niche servicing the financial services industry. Steady and long-term relationships with key clients and stable growth has allowed the firm to continually produce consistent revenue with significant profitability. The Company offers unique services to its clientele including data

analytics that helps their clientele not only gain new customers, but strengthen and secure their relationships with their existing customer base. Owner is willing to stay involved long term if desired by buyer.

Contact:

**Jim Russell @ JRussell@NewDirectionPartners.com
or by phone at 248-891-6992.**

▶ **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.

Contact:

*Jim Russell @ JRussell@NewDirectionPartners.com
or by phone at 248-891-6992.*

▶ **Florida Commercial Printer**

The Company is a highly regarded Florida printer with \$5.0M in annual revenue and 10% EBITDA. The Company operates with state-of-the-art production equipment and has substantial room for growth. The owner is looking to sell and transition into retirement.

Contact:

*Jim Russell @ JRussell@NewDirectionPartners.com
or by phone at 248-891-6992.*

▶ **Sale of South Central Print Provider**

Our Client is a privately-owned company located in a metropolitan area. This firm is a regional provider of printed and ancillary business products and services. With a one-stop orientation, the company offers full design services, digital variable data print, sheetfed offset production, as well as a full bindery and finishing department. Because of its diversification of clients as well as products and its location in one of the country's growing regions, our Client's sales base should be very attractive to firms looking to expand their sales base.

Contact:

*Joe Polanco @ JPolanco@NewDirectionPartners.com
or by phone at 214-336-8586.*

▶ **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%.

Contact:

*Peter Schaefer @ PSchaefer@NewDirectionPartners.com
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.

Contact:

*Peter Schaefer @ PSchaefer@NewDirectionPartners.com
or by phone at 610-724-0500.*

▶ **Proprietary Technology Offering**

The Company is a pioneer in the field of smart materials for labels and packaging. Its team of polymer chemists, chemical engineers, researchers, and technicians have designed a unique research capability that has generated several novel IP platforms and disruptive technologies for both primary and secondary packaging industries. The Company's proprietary technology has been granted numerous domestic and foreign patents for both chemistry and engineering.

Contact:

*Peter Schaefer @ PSchaefer@NewDirectionPartners.com
or by phone at 610-724-0500.*

▶ **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.

Contact:

*Tom Williams @ TWilliams@NewDirectionPartners.com
or by phone at 203-856-0120.*

▶ **Midwestern Folding Carton Packaging Manufacturer**

Our Client, an ISO 9001 certified company, is an innovative designer/manufacturer of paperboard packaging solutions for the wholesale and retail industry. The company has been a value-added, high quality supplier to Fortune 1000 corporations in the medical/ pharmaceutical, cosmetics/health and beauty, foods (dry, frozen and cold), automotive, toys and games, multimedia, recreation and other industries. Capabilities include custom CAD packaging design and package prototyping.

Contact:

*Tom Williams @ TWilliams@NewDirectionPartners.com
or by phone at 203-856-0120.*

▶ **Business Critical Communication Printer**

Under current ownership for the last 27 years, the Company is the regional leader in the management and execution of business critical communication, marketing supply chain management and secure data processing. The Company's products and services include:

- ▶ Print & Marketing Supply Chain Management
- ▶ Statement Processing and Billing Services
- ▶ Electronic Statements and Document Presentment
- ▶ Branded Merchandise & Promotional Marketing
- ▶ Direct Marketing Execution
- ▶ Personalized Fulfillment
- ▶ Web Tools & eSolutions

Contact:

*Paul Reilly @ PReilly@NewDirectionPartners.com
or by phone at 303-520-7803.*

▶ **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.

Contact:

*Paul Reilly @ PReilly@NewDirectionPartners.com
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.

Contact:

*Tom Williams @ TWilliams@NewDirectionPartners.com
or by phone at 203-856-0120.*

▶ **Sale of Southeastern Wide & Grand Format Digital Printer**

New Direction Partners has been engaged to sell a perennial leader in the Wide Format and Grand Format printing industry, offering digital and dye sublimation printing and finishing for distribution worldwide. The firm is an award winning provider of some of the world's most magnificent displays being used as signs, banners, advertisements, POP displays and for decorative purposes.

Contact:

*Tom Williams @ TWilliams@NewDirectionPartners.com
or by phone at 203-856-0120.*

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.

Contact:

*Jim Russell @ JRussell@NewDirectionPartners.com
or by phone at 248-891-6992.*

▶ Buyer of Metro New York Commercial Printers

Firm is a NJ based, \$12M commercial printer specializing in serving the pharmaceutical, fashion, and corporate communities focusing on marketing and promotional work. The firm is a very successful, second-generation-managed company operating from a modern 50,000 sq. ft. facility.

The Company has grown through prior acquisitions and is currently employing a total staff of over 40. They consistently upgrade their equipment and technology in order to provide clients with highly productive and cost effective solutions.

In line with their overall goal, our client seeks to acquire additional volume and new product lines in the No. NJ, NYC, and So. CT area. The ideal candidate would be a business providing general commercial products, creative and large/grand format printing services, and/or new and innovative complimentary services to their existing markets.

Contact:

*Paul Reilly @ PREilly@NewDirectionPartners.com
or by phone at 303-520-7803.*

▶ 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.

Contact:

*Peter Schaefer @ PSchaefer@NewDirectionPartners.com
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.

Contact:

*Peter Schaefer @ PSchaefer@NewDirectionPartners.com
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.

Contact:

*Tom Williams @ TWilliams@NewDirectionPartners.com
or by phone at 203-856-0120.*

or

*Frank Steenburgh @ FSteenburgh@NewDirectionPartners.com
or by phone at 315-521-7226.*

▶ Buyer of Arizona Commercial Printers

Firm is a Phoenix based firm with a broad range of capabilities and is looking to acquire additional volume as well as expand their existing base of services. The firm is an employee owned firm, very profitable and with a strong balance sheet.

Contact:

*Paul Reilly @ PREilly@NewDirectionPartners.com
or by phone at 303-520-7803.*

▶ 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.

Contact:

*Jim Tepper @ JTepper@NewDirectionPartners.com
or by phone at 508-523-9033*

► **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.

Contact:

*Jim Tepper @ JTepper@NewDirectionPartners.com
or by phone at 508-523-9033*

► **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.

Contact:

*Jim Tepper @ JTepper@NewDirectionPartners.com
or by phone at 508-523-9033*

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

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

Contact:

*Tom Williams @ TWilliams@NewDirectionPartners.com
or by phone at 203-856-0120.*





What Part of “Yes” Don’t They Understand?

By Tom Williams | *Partner, New Direction Partners*

It should have been easy. The buyer, our client, wanted to purchase a printing company in the region where another printer we knew had been talking about selling his business for several years. It looked like a good fit, and the buyer authorized us to present what we felt was a reasonable and realistic offer.

The seller, unfortunately, didn’t see it that way.

Many other sellers have made the same mistake about the difference between what they think their companies are worth and what the market is prepared to pay. Too often, emotions, poor advice, and misconceptions about how the M&A marketplace operates scuttle deals that represent the seller’s best chance of getting a competitive price.

Correct valuation depends on a number of factors, but a key one is knowing what buyers are willing to pay for a company of a given type at the time the acquisition is intended to take place. Think of it as a pricing snapshot: a range determined by what is happening in the marketplace now, not by what the seller imagines to be the company’s cumulative worth over its entire life cycle.

In fact, selling a printing company is a lot like selling a house or another piece of real estate. Real estate professionals base their pricing recommendations on comparable recent sales of similar houses in the neighborhood. Professional M&A advisers keep the same kind of current tabs on sales of printing companies in the regions they serve. In both cases, the information is up to date and predictive of the kinds of offers the seller can expect to receive.

It’s a simple concept, but it’s one that sellers struggle with. Often, the biggest conflicts arise when lawyers, accountants, and family members offer advice that may be well intentioned but has little to do with the realities of the marketplace. Sellers who think that this input is more to their advantage than what their M&A advisors have told them may be tempted to hold out for a greater price than they have any real chance of getting. It’s usually a mistake, and it can be a very costly one.

Sadly, this is what happened to the seller that our buying client was interested in. The owner insisted on a price that was double the figure we recommended. The buyer moved on to another opportunity, and the seller is still exactly where he has been for the last several years—ready to exit the business and take his reward, but without a workable plan for doing so.

The real downside of playing this kind of waiting game is that holding out for more today often means settling for less tomorrow. Market preferences change, and the companies that buyers are snapping up now may become less attractive to investors over time. Economic downturns come in cycles, and when the next one arrives, it could flatten or depress the selling prices of the companies hardest hit. Business-busting natural disasters can happen at any time.

We’re not counseling pessimism. We are saying that when selling printers get fact-based pricing recommendations that reflect what buyers are prepared to do now, any period other than now is the wrong time frame to be thinking in.

Like the selling price the real estate agent proposes, the price from the M&A advisor aims at delivering the best possible return in the smallest amount of time. Stopping the clock with unrealistic expectations only brings frustration in the short term and the pain of economic loss when a sale at a less favorable price finally does take place.

If you are presented with a pricing recommendation that seems less than the true worth of your company, don’t reject it out of hand. Your advisor can show you how the movements of the M&A marketplace have yielded a number that marks you as a seller whom buyers will know they can do business with. That way, you can treat the price not as a compromise, but as a profit opportunity that makes sense to seize while you still can.

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