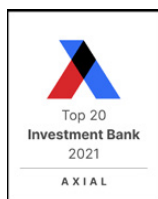


NEW DIRECTION

PARTNERS

New Direction Partners, LLC was
10 years old on March 25, 2019



Thank you for subscribing to our quarterly newsletter. Please also follow us on [LinkedIn](#) where you will find frequent postings about trends and issues that will help you better plan your business strategies.

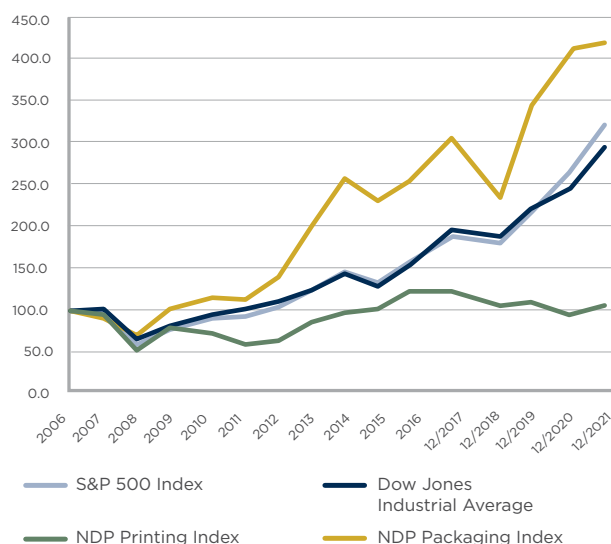
Recent Transactions

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

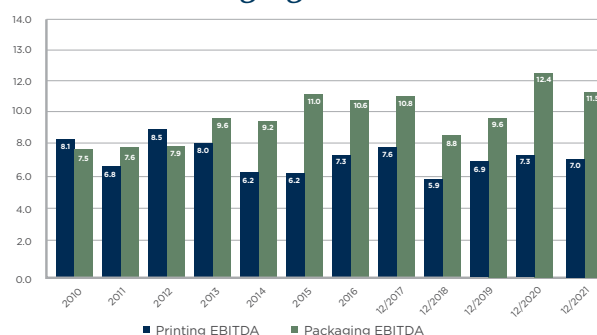
- ▶ Fenske Media was acquired by Allan Creel. New Direction Partners represented the seller.
- ▶ LEM Products was acquired by Trident Solutions and River Associates. New Direction Partners represented the seller.
- ▶ Sale of Apogee Industries to Legacy Labels, LLC. New Direction Partners represented the seller.
- ▶ Sale of Kingston Printing of Eudora, KS to Conquest Graphics. New Direction Partners represented the seller.
- ▶ Sale of Overflowworks.com to Amsive. New Direction Partners represented the seller.
- ▶ Sales of Chromatic Productions to Action Packaging & Signature Flexible Packaging (HIG Capital). New Direction Partners represented the seller.
- ▶ Sale of Creel to Mittera. New Direction Partners represented the seller.
- ▶ Sale of Trend Offset Printing to Mittera. New Direction Partners represented the seller.
- ▶ Power Marketing + Printing has acquired the assets of Keystone Press. New Direction Partners represented the buyer.
- ▶ Sale of Canterbury Press to Blackburne Search Ventures. New Direction Partners represented the seller.
- ▶ Sale of TCG Legacy Printing and Packaging to Core Industrial Partners. New Direction Partners represented the seller.
- ▶ Sale of TGI Direct to Carmel Hill Acquisitions, Inc. New Direction Partners represented the seller.
- ▶ Sale of Custom Color Corporation to GSP Retail. New Direction Partners represented the seller.
- ▶ Sale of The Goode Company to Almaden. New Direction Partners represented the seller.

Industry Trends by Peter Schaefer

The New Direction Partners Printing & Packaging Stock Price Index



The New Direction Partners 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

- ▶ Randy Camp will be attending the PIAG Annual Meeting in Atlanta on January 20, 2022.
- ▶ Peter Schaefer will be speaking at the SPIRE Conference in Weston, FL on February 20 - 22, 2022.
- ▶ Paul Reilly and Peter Schaefer will be speaking at PIASC annual board meeting at JW Marriott Desert Springs, Palm Desert, March 20 - 22, 2022.
- ▶ Joe Polanco will be presenting at the PIAS Annual Convention in Destin, FL on June 19 - 22, 2022.
- ▶ Jim Russell and Peter Schaefer will be presenting at Americas Print Show 22 in Columbus OH, August 17 - 19, 2022.

Recent Webinars

- ▶ Association for PRINT Technologies hosted a recent webinar “A Creative Approach to Selling Your Business: Capitalizing on the Latest M&A Trends”.

Are you thinking about selling your printing, packaging or display graphics company? As M&A experts in the printing, packaging and display graphics industries, Peter Schaefer and Jim Russell of New Direction Partners will be discussing the steps potential sellers need to be taking as they plan for a sale. With many years of experience in this area and having facilitated more than 300[CS1] industry mergers and acquisitions, New Direction Partners has its finger on the pulse of the latest trends, opportunities and barriers in what is arguably one of the most dynamic M&A environments we have seen in many years. In this session, you will learn:

- ▶ The steps potential sellers should be taking to prepare their companies for sale;
- ▶ The different types of buyers who are active in M&A in the printing, packaging and display graphics industries;
- ▶ The types of deals we are seeing and how they are structured; and
- ▶ How best to translate all of this to your decision-making process.

Even if you don't see a sale on your immediate horizon, this session will provide you with valuable information and insight about the best ways to position your company so you are better prepared if and when that time comes. [View presentation here.](#)

-
- ▶ NAPCO hosted a recent webinar “A Creative Approach to Selling Your Business: Capitalizing on the Latest M&A Trends”, presented by Peter Schaefer and Jim Russell.

Are you thinking about selling your printing, packaging or display graphics company? As M&A experts in the printing, packaging and display graphics industries, Peter Schaefer and Jim Russell of New Direction Partners will be discussing the steps potential sellers need to be taking as they plan for a sale. With many years of experience in this area and having facilitated more than 300[CS1] industry mergers and acquisitions, New Direction Partners has its finger on the pulse of the latest trends, opportunities and barriers in what is arguably one of the most dynamic M&A environments we have seen in many years. In this session, you will learn:

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- ▶ NAPCO hosted a webinar, “2021 – The Best Time In Over A Decade To Sell Your Company”, presented by Peter Schaefer and Paul Reilly.

The combination of a robust economic recovery out of Covid and pending capital gain tax rate increases, coupled with rising interest rates, makes 2021 the best time in many years to evaluate the sale of your business. Peter Schaefer and Paul Reilly of New Direction Partners, two of the most experienced investment bankers in the printing and packaging industries, will guide you through the complexities of today’s M&A world. They will explain how pending capital gains tax increases can wipe away any improvements that might be achieved by waiting for your profits to increase, as well as how rising interest rates will impact the ability of buyers to complete acquisitions. In this session you will learn about:

- ▶ The latest M&A trends in the printing and packaging industry
- ▶ How the proposed legislative and regulatory changes are likely to affect overall mergers & acquisitions in the printing and packaging industry
- ▶ What printing and packaging businesses should think about when considering a sale
- ▶ The perspective of potential buyers in this environment
- ▶ [View presentation here.](#)

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- ▶ GAA & PIA Alliance hosted a webinar, “Successful Succession Planning...Is the Future of Your Business Secure?”, presented by Peter Schaefer.

One of the most often overlooked aspects of strategic planning is succession planning. When you are looking for an exit strategy, area ready to hand off the business to other family members and head for the beach, or face unforeseen circumstances, having a strong succession plan in place is critical. And it can take several years to execute on that succession plan. In this session, participants will learn about the key elements of the plan to successfully transfer leadership and ownership of a printing and packaging firm, typical timelines, and strategies for ensuring optimum valuation. The program focused on:

- ▶ Key elements of a succession plan.
- ▶ Exit strategy timelines.
- ▶ Leadership and Ownership changes.
- ▶ Ensuring bench strength.
- ▶ Valuation methods.
- ▶ [View presentation here. Password: 5YC51g.s](#)

-
- ▶ GAA and PIA Alliance hosted a webinar “10 Attributes of High-Growth Companies” presented by Peter Schaefer.

In a highly competitive industry, printers must focus on two things to succeed: efficiency and growth. The first delivers a better bottom line; the second produces a more robust top line. In this session, New Direction Partners experts shared what they have found to be the 10 attributes of high growth printing companies, providing insight to owners and managers about how they can ensure high growth in their own businesses. This includes:

- ▶ Ensuring the right sales and sales management strategies.
- ▶ Putting in the time and effort to create and execute on actionable business plans.
- ▶ Ensuring accountability within the organization for achievement of strategic and tactical goals.
- ▶ The role of mergers and acquisitions
- ▶ ... and more
- ▶ [View presentation here.](#)

▶ NAPCO hosted a webinar “A Three-Pronged Route to Post-Pandemic Business Recovery” In this session, Paul Reilly and Tom Williams shared their perspective on how best to achieve post-pandemic business recovery. Taking the right actions now, can leave a printing business in better shape for the future than it would be if the need for change hadn’t been as urgent. They will provide insight and guidance on:

- ▶ Keeping employees safe and reiterate some of the guidance that has been provided by PRINTING United Alliance;
- ▶ How to safeguard and strengthen the health of your business;
- ▶ And how to use — and not use — PPP loans and other resources provided by the CARES Act.
- ▶ [View presentation here.](#)

▶ GLGA hosted a webinar “Profit Matters Webinar – Managing Customer Concentration in Today’s Printing and Packaging Environment” presented by Tom Williams and Peter Reilly. Customer concentration is occurring more frequently today, especially in family-owned firms between \$5 million and \$75 million in sales. This is the result of the successful outcome of a customer focus/solution selling sales strategy. While too much customer concentration can be risky, there are also advantages to embracing your strategic success. Our experts provide insight into how to manage customer concentration risks for profitable growth. During this session, attendees learned:

- ▶ Managing customer departure risks
- ▶ Leveraging customer concentration for business growth
- ▶ Customer concentration considerations in mergers & acquisitions... and more
- ▶ [View presentation here.](#)

▶ NAPCO hosted a webinar on “M&A Trends in Print & Packaging” Presented by New Direction Partners’s Paul Reilly. The webinar covered what is happening in today’s M&A market. Today’s transaction structures are different from just a few years ago in response to a restructuring industry. Participants learned why an acquisition strategy has never been more important and what types of transactions are occurring. They also covered the details of these various types of transactions in order to make better decisions for their own businesses. The experts from New Direction Partners also talked about the current M&A market, why now is a good time for these transactions, and how long the market might remain strong. They will also shared real life examples of things gone right, and a few that have gone wrong, from the many transactions they seen over time. The presenters also outlined EBITDA ranges that affect the value of businesses being sold and how to enhance that value. [View Archive.](#)



Featured Listings

Firms for Sale

▶ Midwest Commercial Printer

Located in a very desirable midwestern four season resort community with a high quality of life, the company has been in business for over 30 years and has no client concentration. The company successfully markets to the trade throughout the Midwest and beyond, and has a long history of stable sales to their loyal client base. Unique capabilities includes die-cutting, foil stamping, pocket folders, and various binding capabilities just to name a few. With a strong balance sheet, and a loyal customer base, and revenue in the \$1.5 million range, this is a great opportunity for an owner/operator to own their own business or for an existing company to expand geographically.

Contact:

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

▶ Southeastern US Label and Packaging Company

The company has been in business for 35 years and serves a number of highly desirable, niche markets including medical device manufacturing, military and the food and beverage industry. Revenue is north of \$4 million and EBITDA in the \$550,000 range. While the current customer base is has a long history with the company, and includes many recognizable names, there is also significant opportunity for growth by both expanding the volume in existing clients and taking advantage of the growth within the geographic region being served.

Contact:

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

▶ Midwest Supplier of Printing Equipment and Consumables

Our client is a highly-regarded, and well-known supplier in the Midwest region of the US. Annual revenue is north of \$5.0 million and is derived from the sale and service of new equipment, the sale of consumable supplies, and the sale of parts. The brands that they sell are some of the most well recognized, highly regarded brands in the industry. This is an exceptional opportunity for another industry supplier to expand geographically, or for an individual with industry experience looking to own their own business.

Contact:

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

▶ Midwest based Provider of Integrated Data and Fulfillment Solutions

The Company is a Provider of Integrated Data and Fulfillment Solutions located in the Midwest. With roots dating back to the 1970's, it assists clients with their data, personalized document and distribution needs. The Company has established a track record of growth and success utilizing principles rooted in personal service, flexible support, and innovative solutions. 2020 Revenue of \$9.5 million and EBITDA of \$1.1 million.

Contact:

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

▶ For Sale Marketing Service Provider located In Western US

Our client specializes in working with multi-location companies and franchisors in providing a broad variety of marketing material. The Company offers offset, digital and wide format printing along with graphic design and extensive direct mail capabilities. Total revenue in FY2021 was approximately \$4.2M and it employs 29 individuals. The majority of its customers are located throughout the United States. The Company was established in 1979 and ownership wishes to retire and is willing to remain with the Company through a reasonable transition period.

Contact:

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

▶ Southeastern Printing, Packaging, Direct Mail and P.O.P. Operation

Our client's state of the art pre-press, printing, advanced coating and finishing capabilities contribute to this company's superior reputation for high-end products. Complex multi-dimensional specialty pieces are produced with speed and efficiency. Each division, Commercial Printing, Packaging, Direct Mail, Fulfillment and P.O.P. Display, is focused to provide customers a competitive edge. Products include offset pre-print, folding cartons, point-of-purchase displays and sophisticated personalized direct mail design, data management and production. Capabilities include the ability to produce heat-transferred materials for the garment and fashion industries up to 60 by 81 inches. Revenue exceeds \$30 million.

Contact:

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

▶ **Offset & Digital POP, Signage and Fulfillment Operation**

Our client is the premier printer in the Southeastern United States for large format UV offset printing with facilities located in a major Southeastern metro area, specializing in Point-of-Purchase and collateral retail marketing materials. The firm serves all their client's retail environmental printing needs, including Point-of-Purchase displays, banners, clings and more. This offering provides a unique opportunity to acquire a technologically competitive digital printing and fulfillment operation in a major business center within the fastest growing regional economy in the country.

Contact:

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

▶ **Upper Midwest Commercial Printer**

Located in the Upper Midwest, this commercial printer has revenue north of \$6 million and is the go to printer in the communities they serve. The company has continually invested in the latest technology, enabling them to meet their customers' needs in a fast, efficient manner. In house capabilities include offset, digital, large format, mail, fulfillment and design. This is a great opportunity for a printer to expand in to new markets, or for an individual with industry experience to purchase their own business.

Contact:

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

Firms Seeking Acquisitions

▶ **Multi-National Firm Seeking Adhesive Manufacturer**

Our client is a multi-national firm seeking to purchase an adhesive manufacturer in the U.S. The adhesive manufacturer should service the printing, packaging and paper converting markets and preferably be between \$5 million to \$30 million in sales. Our client's strategy is to purchase a company with a committed team to support its strategy of expanding its global manufacturing footprint.

Contact:

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

▶ **Buyer Seeks Acquisition of Firms within 200 miles of Indianapolis.**

Our client is interested in acquiring print and/or a marketing service providers (MSP) with strong digital and mailing capabilities and located within 200 miles of Indianapolis IN. The ideal firm would have sales between \$4M - \$10M.

Contact:

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

▶ **Multiple Location Firm Seeks Southeastern Digital Providers**

Our client integrates marketing and large format print services to develop brand loyalty for its customers seeks acquisitions primarily in the Southeastern US area.

Contact:

*Randy Camp @ RCamp@NewDirectionPartners.com
or by phone at 770-601-0199.*

▶ **Seeking Forms/Label Printer**

Established client seeks acquisition of a firm serving the healthcare markets with forms, labels, administrative, and/or marketing products in the greater Northeast area. Desires a stable client list and helpful to have a strong sales and customer service team. Additionally, client is interested in providing manufacturing services to firms not looking to exit that might need extra capacity to serve current customers. Poised for a quick transaction with capacity and funding in place.

Contact:

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

▶ **Atlanta Client Seeks Strategic Acquisition**

Our client is a recognized firm approaching 50 years of experience with innovative technology applications and unmatched customer loyalty seeks digital, offset, label and large format companies within the proximity of Atlanta, GA.

Contact:

*Randy Camp @ RCamp@NewDirectionPartners.com
or by phone at 770-601-0199.*

▶ **Buyer Seeks Digital Print Provider on the West Coast**

West Coast forms/document specialist is searching for a digital print provider to compliment their existing sales/markets. Our client has ample capital and a desire to move quickly. The ideal firm with have sales in the \$5 million to \$10 million range.

Contact:

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

▶ Buyer of New England Commercial Printers

Client seeks purchase of commercial printers, mailing and fulfillment providers or marketing agencies in New England. Seeking firms with strong 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 Commercial Printers within 100 Miles of Philadelphia

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

Contact:

*Peter Schaefer @ PSchaefer@NewDirectionPartners.com
or by phone at 610-935-1000.*

▶ Looking for Agency and/or Direct Mail Firm

Client in the New England market is seeking to purchase or partner with a digital agency, printer or direct mail company. Interested in a firm that might compliment or be interested in a partnership / buy in to current operation. Client is profitable and has a strong, successful sales team with an aggressive client listing active in the direct mail/fundraising arena.

Contact:

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

▶ Buyer of Digital and Direct Mail Firms within 150 Miles of New York City

Client seeks to purchase digital printers and direct mail/ mailing firms located within 150 miles of New York City. The ideal target will be profitable with revenues in excess of \$8.5 million.

Contact:

*Peter Schaefer @ PSchaefer@NewDirectionPartners.com
or by phone at 610-935-1000.*

▶ Buyer Seeks Wide and Grand Format Printer

A national producer of wide and grand format digital printed products, including textiles, seeks to purchase a manufacturing operation, preferably in the Southeastern US.

Contact:

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

▶ Label Firm Seeking Strategic Add-ons

Our client seeks to purchase Label firms anywhere in the US. Our client is well capitalized, conservatively managed and looking to grow its national footprint. The ideal target will be profitable with revenues of \$10 million or less.

Contact:

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



Don't Overlook Succession Planning A Critical Success Factor for the Future of Your Business

By Jim Russell

Originally published in the [FLAG Newsletter](#)

If the pandemic taught us nothing else, it clearly demonstrated that life is unpredictable. This reinforced the importance of each and every label printer and packaging company having a current succession plan in place, a management activity that is often overlooked in the daily rush of doing business.

Many of the printing, labels and packaging firms in the U.S. are small to mid-sized family-owned businesses, some in the second, third or even fourth generation of family ownership. Transitioning to the next generation is not always easy – nor is it always possible. And if it is a question that you have put off dealing with, you have company. Inevitably in presentations we give on this topic, more than half of attendees tell us they haven't yet taken their first steps toward planning for what we like to call “the walk on the beach,” ... the point where owners put their ownership behind them and move on to whatever life has in store for them next.

Reaching the beach (or whatever your next activity may be) takes time – a lot more than you may realize. It requires a thorough understanding of what succession means and how planning for it – or failing to – affects the valuation of the business and the payout to the owner at the closing of the sale.

If you operate a family-owned printing, label or packaging business, or any printing-related business, for that matter, have you given sufficient thought to who takes over the reins when you are no longer in charge, or don't want to be? This is not a trivial decision, especially in today's crazy market where the perception of working in a print-related business is not always as appealing to the next generation as we would like it to be, and where we often see that the next generation has other interests. If you took over the business from your parents 20 or 30 years ago, times were certainly different back then!

There are five components to a successful succession planning process that businesses should keep in mind as they think about the future. These include:

- 1. Define the Objectives.** The owner needs to be very clear about what his objectives are, both within himself and with his team.
- 2. Establish the Timing.** You need to spell out your objectives step by step and by what age or timeframe you want to achieve those objectives. There is no age that is too young to start planning. There are always things that happen that catch us off guard, as we saw only too clearly during the devastating pandemic.
- 3. Confirm that Financial Resources Are Available to Make It Happen.** Once you come up with your objectives and have devised a plan and established your personal goals, it is critical to take an objective look at what your company is worth today. Understanding whether or not the proceeds from the sale of the business will support your desired lifestyle is a critical factor in your planning.

4. Make Sure You Have the Right People Involved in the Process. Once you look at the valuation, then you want to determine who you want to involve in the succession planning process. You want to involve the people that you trust most and whose opinions you value. Typically, this would include your spouse, select key employees, and perhaps your children. At this juncture, we do not recommend that you include professional outsiders such as attorneys, accountants or people that come into the process with their own agendas. They do need to be involved later in the process. But involving them too early can be expensive and get you overwhelmed in the minutia when you should be considering the big picture at that stage.

5. Finally, Conduct a SWOT Analysis of the Company. This is actually the hardest part of the process. This is where the actual planning process takes place. But whether you are preparing to sell the business, or pass it on to the next generation, an honest evaluation of the strengths and weaknesses of the company, and actions to correct the weaknesses, will no doubt improve your chance of success as you contemplate that “walk on the beach.”

At New Direction Partners, we have worked with numerous companies, helping them think through the succession planning and valuation process and create an optimal plan. We also encourage companies to update these plans at least annually to make sure all elements are still in place and relevant.

For a more detailed explanation, download our free informational white paper, Creating an Effective Succession Plan for your Printing Business [Here](#).

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.

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