

NEW DIRECTION PARTNERS



New Direction Partners featured as Top 10 Firm on Axial's Q1 2024 Investment Banking League Tables

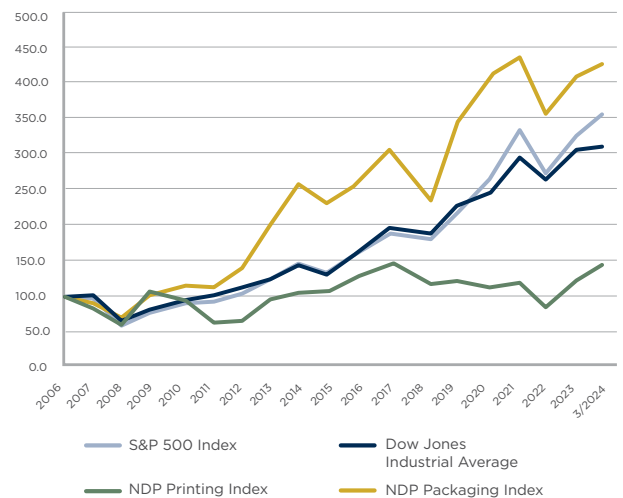
Recent Transactions

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

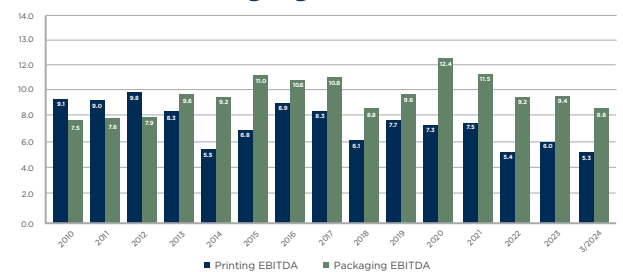
- ▶ Sale of Starkey Printing to Walker 360. New Direction Partners represented the seller.
- ▶ Sale of Kappa Graphics to Marketing.com. New Direction Partners represented the seller.
- ▶ Sale of Anchor Graphics to Marketing.com. New Direction Partners represented the seller.
- ▶ Sale of Response Envelope to Marketing.com. New Direction Partners represented the seller.
- ▶ Sale of South African based First Impressions Labels (a division of Hirt & Carter) to All4Labels. New Direction Partners represented the seller.
- ▶ Sale of Husky Envelope to JAL Equity. New Direction Partners represented the seller.
- ▶ Sale of Gerald Printing and Liberty Imaging to Purpose Group. New Direction Partners represented the seller.
- ▶ Salem One was acquired by Granite Creek Capital. New Direction Partners represented the seller.
- ▶ Sale of Ballabox Company, Inc. to Quest Graphics, LLC. New Direction Partners represented the Seller.
- ▶ Sale of HBP, Inc. to JAL Equity. New Direction Partners represented the seller.
- ▶ Sale of Brant InStore Corporation to JAL Equity. New Direction Partners represented the seller.
- ▶ Sale of Abbott Communications Group to Sandy Alexander (Snow Peak Capital). New Direction Partners represented the seller.
- ▶ Sale of Southland Envelope to JAL Equity. New Direction Partners represented the seller.
- ▶ Sale of Knepper Press and Dual Printing & Mailing to JAL Equity. New Direction Partners represented the seller.
- ▶ Sale of the Direct Mail division of American Spirit Graphics to JAL Equity. New Direction Partners represented the seller.
- ▶ Sale of Sandy Alexander to Snow Peak Capital. 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

- ▶ Peter Schaefer to speak at the PIAS Convention in Destin, FL on June 4th, 2024.
- ▶ Jim Russell and Peter Schaefer will be attending the Flexo label Advantage Group (FLAG) annual conference in Buffalo, NY on June 11-13, 2024.
- ▶ Peter Schaefer will be attending the Wide Format Summit in Miami, FL July 29 – 31, 2024.
- ▶ Peter Schaefer will be speaking on M&A trends at PRINTING United, scheduled for September 10-12, 2024 in Las Vegas. The entire New Direction Partners team will also be at the show. To schedule a one-on-one meeting, email info@newdirectionpartners.com.

Recent Webinars

- ▶ NAPCO hosted a recent webinar “How The “Haves” Are Transforming The Printing And Packaging Industries”, presented by Jim Russell and Peter Schaefer.

The printing industry continues to transform into what New Direction Partners commonly refers to as the “haves” and the “have nots.” During this webinar you will learn what the “haves” are doing today to position themselves for growth and profitability...and increase the value of their businesses for the long-term. The “haves” have reinvented themselves to become fully integrated communications companies, providing a wide array of products and services beyond print that inspire customer loyalty and “stickiness.”

During this webinar, you will learn:

- ▶ The common characteristics found among these successful companies
- ▶ What the “haves” are doing to build brand loyalty and higher profit margins
- ▶ Ways to build intrinsic value for your printing or packaging business
- ▶ [View presentation here](#)

- ▶ NAPCO hosted a recent webinar “The M&A Road Ahead in 2024 and Beyond”, presented by Jim Russell and Tom Williams.

In this session, New Direction Partners experts shared their thoughts on the current state of mergers and acquisitions in the broader printing and packaging industry as well as provide an outlook for the M&A environment as we move into 2024. It included important advice for both buyers and sellers preparing for the future. In this session, you will learn:

- ▶ How 2023 shaped up in terms of industry M&A activity.
- ▶ What the future of M&A looks like for the balance of 2023 and into 2024, including any anticipated barriers or opportunities.
- ▶ A summary of the types of buyers active in the market and the difference between them.
- ▶ Insight into how to increase company valuation in preparation for a sale.
- ▶ The importance of an up-to-date succession plan.
- ▶ [View presentation here](#)

- ▶ NAPCO hosted a recent webinar “The Inside Scoop On Buyers Interested In Print And Packaging”, presented by James Russell and Peter Schaefer.

Mergers & Acquisitions in the Printing & Packaging Industry remain strong with activity being fueled by strong private equity (PE) and strategic interest. While PE has been active in the packaging space for a number of years, with multiple buyers engaged in significant roll-ups, both large and small, they are also active in commercial print and other industry segments. In this webinar, you will learn:

- ▶ Who some of the more active PE and strategic acquirers are
- ▶ What they find attractive and how they differ
- ▶ How to increase the value of your business to make it more attractive
- ▶ [View presentation here](#)

- ▶ Aleyant hosted a recent webinar “Succession Planning For Your Print Business”, presented by Jim Russell.

Are you thinking of retiring in a few years or maybe down the road? Wondering how to plan for the future of your print shop to ensure it continues to be well-managed and profitable in your absence? Or perhaps you are looking to sell your business and want to maximize your business valuation? [View presentation here.](#)

- ▶ NAPCO hosted a recent webinar “Why It’s Still a Good Time to Buy/Sell Your Printing or Packaging Company”, presented by Jim Russell and Tom Williams.

And here’s why. If you’re a Seller, there are more active buyers in the marketplace than ever before. In addition to the two traditional types of buyers, Strategic and Financial, there is now a new type of buyer active in our industry, the Search Fund. With so many active, qualified buyers looking at all segments of the printing industry, it’s a very good time to maximize the lifelong investment you have in your business.

And if you’re a Buyer, a strategic acquisition remains one of the best ways to diversify your product and service offering or grow your sales. As more and more print and packaging company owners reach retirement age and having just come through the challenges that Covid-19 created in their businesses, they are ready to transition to the next phase of life. They are looking for the right buyers to take over their businesses.

In this session, we’ll explain the difference between financial and strategic buyers, the pros, and cons of each, and we’ll explain what a search fund is. We’ll discuss the effects the current turbulent economic environment has on buying and selling in print and packaging. In this session you will also learn:

- ▶ As a seller, what type of buyer best fits your requirements.
- ▶ As a buyer, what to look for in a successful acquisition.
- ▶ An overview of both macro- and micro-economic conditions.
- ▶ How to maximize value as a seller; and how to ensure a fair value as a buyer.
- ▶ ... and much more.
- ▶ [View presentation here](#)

- ▶ NAPCO hosted a recent webinar “8 Mega Trends Driving Success In The Printing Industry”, presented by Peter Schafer and Jim Russell.

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 will share what they have found to be the 8 mega trends driving success for printing companies, providing insight to owners and managers about how they can ensure enduring success in their own businesses. This includes:

- ▶ Operating as efficiently as possible
- ▶ Investing in technology
- ▶ Maintaining a healthy balance sheet
- ▶ The role of mergers and acquisitions
- ▶ ... and more

Don’t miss this important webinar. The future of your business may depend on it. [View presentation here.](#)



Featured Listings

Firms for Sale

- ▶ **Northwestern Premier Graphic Solutions Firm**
This offering provides a unique opportunity to acquire a technologically competitive offset, digital, and grand format printing, finishing and fulfillment operation in a major business center where management's main focuses are exceeding customer expectations and doing so through the most sustainable means possible. The firm has exhibited continued year-over-year growth and is positioned for new ownership to take it to the next level.

Contact:

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

- ▶ **Growing Niche Printer Specializing in Envelopes**
Located in the Far West, the business has grown consistently and generates revenues of \$4 million and EBITDA of \$500K.

Contact:

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

- ▶ **Growing Highly Specialized Wide Format Printer**
Located in the Midwest, this business has grown every year and is currently approaching \$10 million in sales with 20% in EBITDA.

Contact:

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

- ▶ **Highly Profitable, Data Drive Midwestern Printer**
This firm is located in the Midwest with all the leading data security certifications. High end provider of 1:1 digital and offset solutions including large format, fulfillment and customized storefronts. Revenues between \$15 and \$20 million with above industry average profitability.

Contact:

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

- ▶ **West Coast Digital Printer**
100% digital (b&w and color), highly profitable (20% EBITDA) firm with \$12 million in sales in 2023, projected to grow to \$13.5 million in 2024. Seller wishes to retire after a mutually agreeable transition period and seeks a new owner who will continue to invest in the firm's long-term future. Company serves a national base of long term customers in the financial, pharmaceutical, automotive, healthcare, ballots and book markets. Company's long-term success is driven by its proven solution provider and strategic partnership culture and transactional printing expertise. Success is enabled by its leading edge technology and very productive workflow.

Contact:

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

or

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

- ▶ **Successful Display Graphics firm in the Southeast**
Our client is a resolute team of professionals, centrally located in the Southeast, driven to provide their customers with premium products and services by utilizing the latest technology and software available. They strive to create custom digital graphics that fulfill their client's demanding business requirements. creating designs for menu boards, brochures, vehicle wraps, wall murals and signage, utilizing the most advanced production equipment available. Substrates utilized include vinyl, banner, magnetic, poster, paper, canvas, wallpaper, and others.

Contact:

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



▶ **Northeast Wide Format/Digital Printer**

This client is a very successful and profitable mid-sized Wide Format/Digital Printer serving a large and stable list of customers. Their products and specialties serve an ongoing, cyclical market segment with repeat and ongoing continued relationships expected. They serve local, regional, and national clients from their current location which affords adequate space and quick access for delivery. Strong relationships with customer base with great prospects for growth. Key employees are in place which affords a smooth transition with ongoing operations. Owner looking to depart after a reasonable transition and/or willing to stay on as consultant.

Contact:

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

or

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

▶ **Western Print Services Provider**

From marketing collateral to signage to event graphics and fleet wraps, our client powers their clients' most imaginative ideas with artistic print solutions that elevate their brand and amplify their results. They are their state's largest commercial print provider, serving top businesses with offset printing, finishing services, offset-quality digital printing, and large format graphics for indoor and outdoor applications. They invest in best-of-class equipment and handle all aspects of production from prepress to the pressroom to bindery and distribution.

Contact:

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

▶ **Central New England Commercial Printing Company**

Strategically located in central New England, this highly-regarded and profitable commercial printing company services well-recognized customers in the higher education, non-profit, and medical imaging industries. With revenue approaching \$5.0 million and EBITDA of \$700,000, the Company is a great fit for either a strategic buyer looking to diversify, or an individual looking for an established company with opportunity for growth. The owner is willing to stay on for up to five years to assist in a transition, but his continued involvement is not a requirement for the purchase. A long-term lease is in place for their modern facility.

Contact:

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

▶ **Integrated Marketing Company Located in the Southeast**

NDP represents a growing marketing partner specializing in one-to-one and conventional consumer communications strategically located in a thriving market in the Southeast. The Company works with blue-chip brand innovators to provide fully integrated marketing across all relevant marketing and execution channels, including variable digital and conventional print, e-mail and mobile communications, and web-to-print software for e-commerce-enabled storefronts. Sales and EBITDA of \$11 million and \$1.5 million, respectively.

Contact:

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

▶ **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 clients' 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.**

▶ **Mountain States Screen Printing, Embroidery, & Promotional Products Firm**

This profitable screen printing firm has a solid record of growing sales and profitability and is highly regarded for its diversity of services as well as its quality and customer service. Located in the Mountain States region, and with its diversification of clients and products, its customers should be very attractive to firms seeking to absorb sales into existing operations for rapid growth and expand their current sales base. Currently operating in a leased, modern facility, and, with a full management/production team in place, this firm also offers the opportunity to continue in-place with 3 years left on the current lease. Synergies are readily available to provide great economics for this transaction.

Contact:

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

or

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

► Premier Printer for Offset Printing

Our client is a premier printer for offset printing, digital wide & grand format printing, graphic design and mailing with facilities located in a major SE metro area. This firm is a family-owned business who's core specialty of offset printing has been supplemented with additional products and services focused on providing marketing solutions for their clients, including point-of-purchase and collateral retail marketing materials, brand and corporate identity, graphics and signage designs, brochures and marketing materials.

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 \$8 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

▶ International Buyer Seeks
US Paper Wholesaler

Buyer seeking to acquire a paper wholesaler, distributor or merchant with a particular interest in containerboard and sanitary paper.

Contact:

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

▶ Buyer Seeks Short Run Publication Printers

A national producer of short-run publications and other printed products, seeks to purchase similar operations nationwide.

Contact:

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

▶ 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 complement 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.**

▶ Atlanta Client Seeks Strategic Acquisition

Our client, 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 will 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 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.**

▶ 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.**

New Direction Partners Finds Buyer for Smith-Edwards-Dunlap Company

Third acquisition the company has accomplished with support from New Direction Partners

Founded in 1938 by Henry and Edith Lobel, Smith-Edwards-Dunlap was a long-term family-owned business located in downtown Philadelphia. Jonathan Shapiro joined the company in 1979, and about 20 years ago, was promoted to President.

The Lobel's owned 100% of the company shares, and on their passing, the company went to their three daughters, one of whom had the voting shares. "I came here as a 25-year-old kid and ended up being the boss and making a good living," Shapiro said. "I basically reported to one person, Debra Lobel, who was a real estate attorney in the Hamptons and ultimately retired to Florida. We had weekly update calls, and she reviewed the financials once a month and gave me an attaboy because the company was doing well. It was the perfect relationship, and I am grateful to the family for giving me this opportunity!"



In 2015, at age 86, Debra asked Shapiro to help her sell the company so the family could earn a return on the asset that had been in the family all those years. Her primary requirement was that she wanted to make sure the business stayed in place, that someone wasn't going to come in, sell off the assets, and move the equipment and work elsewhere. Shapiro adds, "She felt like the employees were family and she wanted people to retain their jobs."

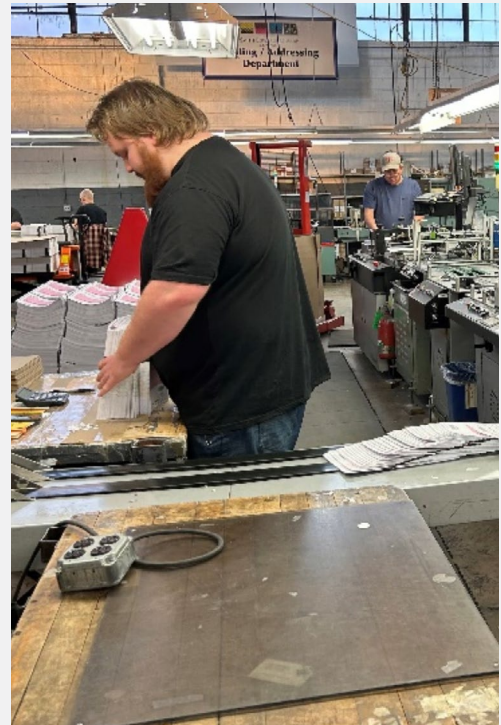
There were a couple of barriers to selling the firm. First, it was vital that the business stay intact with all of the employees remaining with the business. Also, it is a union company which is less attractive to buyers because of the pension plan liabilities. Finally, the company operates from a large facility in Philadelphia and that needed to be sold as well. Shapiro explains, "It's an expensive place to do business, with city taxes and all that. So, selling the company was easier said than done."

Coincidentally, Shapiro had already signed up to attend the Inkjet Summit. “Part of the arrangement,” he said, “is you get to sign up for one-to-one pitches from various exhibitors. I looked at the roster and saw a company called New Direction Partners and thought that would be a good place to start. That’s when I first met Peter Schaefer. We are actually almost neighbors!”

After Shapiro presented his pitch, Schaefer predicted that the timing wasn’t optimal given the barriers and buyside environment at the time. “So, I proceeded over the next couple of years to reach out to various people instead of going through a company,” he said. “And we had a couple of false starts, including offers that would end up shutting us down and moving elsewhere. And at that time, there was not a lot of pressure from Debra to close a deal.”

Shapiro reports that from 2018 on, the company was having gangbuster years, and the shareholders were getting good dividends. But in 2023, Debra again asked if Shapiro could step up the process. “As luck would have it,” he said, “there was another Inkjet Summit, and I looked at the roster, and there was Peter Schaefer. Isn’t this a great story? I could have lifted up the phone and made a meeting, but it just seemed like this would come full circle. So I went to the Summit, showed him my last four years, and he said that the timing was perfect as he knew of a buyer who owned a shop with the same union and likes to purchase real estate, and who could be very interested! They had just acquired another union shop and were likely to be intrigued by the Philly location.”

A visit from the acquiring company, Marketing.com, was quickly set up, and within a week, a letter of intent was prepared. “From that point, it takes a while,” Shapiro explained. “Due diligence, dealing with lawyers, etc., but at the end of the day, we closed on December 1, 2023. They met 90% of what we were looking for, and it looked like a good win for the employees. We are now owned by a large consortium



of some 35 companies. We retain our company name with a subtitle of “a Marketing.com company.”

Shapiro plans to stay on for a couple of years to help with the transition. “One of my strengths,” he says, “is running Democratic political direct mail. And in a presidential election year, that’s a lot of volume. I like the sales, I like the action, I love my clients and the excitement of producing large amounts of mail in a short period of time. So I’m excited about

the way the deal turned out, and looking forward to a bang-up year. I'm grateful that our owners had the patience to see this through, as well. So all around, it's a win/win for everyone, the buyers and the sellers."

Shapiro concludes, "On a personal level, I like Peter. He's a wonderful guy, easy to talk to and engaging. Just a warm guy and very communicative and organized. He kept us all on task and was the point man between us and the buyer. It was a lot of work, but it was a pleasant experience. I can't speak highly enough of how he helped us through this. The other benefit was that he knew the acquiring group well, having done several other deals with them, so that was helpful as well. I'm a firm believer that timing is everything. You don't know what's coming next; but you keep your eyes open and your wits about you, and good things will come. And it's important to be patient. Our patience paid off in the end!"

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.

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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