



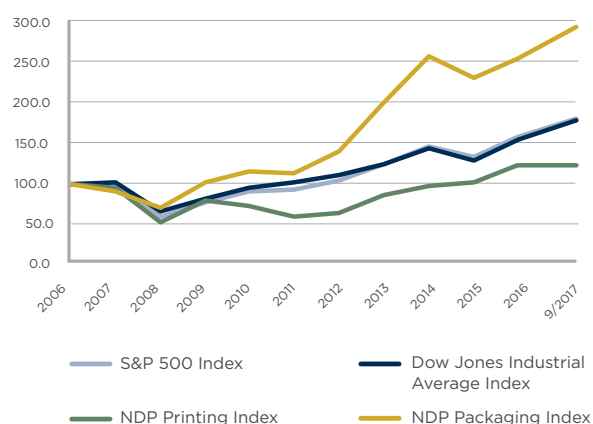
Recent Transactions

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

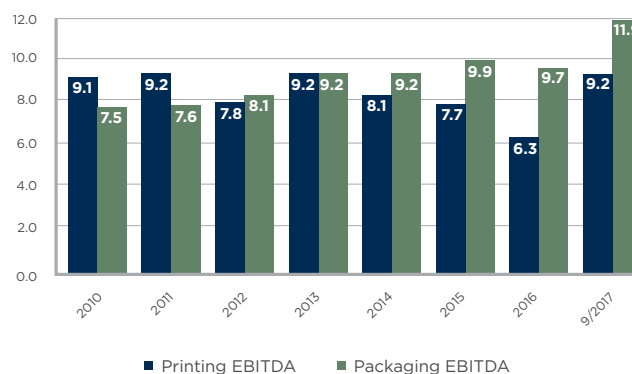
- ▶ Sale of Screen Works Inc. to an Individual Buyer. NDP Represented the Seller.
- ▶ Sale of Gooding Company, Inc. to Nosco Inc. NDP Represented the Seller.
- ▶ Sale of Galapagos LLC to Traxium LLC. NDP Represented the Seller.
- ▶ Sale of Tepel Brothers Printing to The Vomela Companies. NDP Represented the Seller.
- ▶ Sale of McArdle (a wholly-owned subsidiary of Bloomberg BNA) to Corporate Press. New Direction Partners represented the seller.
- ▶ Sale of Unette Corporation to Huizenga Group. New Direction Partners represented the seller.
- ▶ Sale of Georgia Printco, LLC to a private party. NDP represented the Seller.

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 Tepper will be attending the Franklin Luminaire Awards in New York City on October 18, 2017.
- ▶ Paul Reilly and Peter Schaefer will be attending the Digital Packaging Summit 2017 October 23 - 25 at the Ponte Vedra Inn in Ponte Vedra Fl.
- ▶ Paul Reilly will be attending the Fall Envelope Manufacturers Meeting October 25-28 at the Mayflower Hotel in Washington DC
- ▶ Peter Schaefer to speak at the Xerox XMPie Users Group Conference in Orlando, Florida, October 29 - November 1.
- ▶ Jim Tepper and Randy Camp will be attending the Ben Franklin Honor Society Dinner and Annual Meeting on November 10, 2017 in Concord, NC.
- ▶ Paul Reilly and Jim Russell will be attending the FLAG (Flexible Label & Advantage Group) Annual meeting November 14-16 in San Jose California.
- ▶ Paul Reilly and Jim Russell will be attending the Graphics of America show in Ft. Lauderdale February 22-24, 2018.
- ▶ Paul Reilly and Jim Russell will present several sessions at Graphics of the Americas:
 - ▶ Managing Costs in Today's Economic Environment - Thursday, February 22, 2018, 9:00am - 10:15am
 - ▶ Mega Trends Driving the Printing Industry - Thursday, February 22, 2018, 12:30pm - 1:45pm
 - ▶ Succession Planning - Friday, February 23, 2018 - 10:30am - 11:45am
 - ▶ Making the M & A Decision - Friday, February 23, 2018 - 2:00pm - 3:15pm
 - ▶ Reilly will also participate in a panel discussion at the event, exact time and topic TBD.
- ▶ Paul Reilly will be speaking at the National Print Owners Association meeting in Fort Lauderdale on February 23, 2018, on the topic of mergers and acquisitions.

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 and Peter Schaefer presented a webinar hosted by SGIA. Making the M&A Decision covered the fact that in the current economy, M&A activity has been picking up. But you may be questioning whether a sale or acquisition the right choice for your business. Peter and Jim shared basic information about M&A trends as well as experiences of businesses that have successfully used this strategy. Learn how to discover and take advantage of adjacencies to expand your product portfolio and grow revenues. And benefit from the experiences of your peers along with expert advice to begin the process of mapping next steps. [View Now](#)
- ▶ Dscoop hosted a webinar presented by Peter Schaefer and Jim Tepper: M&A Trends in Print and Packaging is part of the Dscoop Executive Education Series. The session focused on:
 - ▶ Why M&A makes sense as a strategy
 - ▶ Discussion of "Tuck-Ins"
 - ▶ Discussion of "Cashless Mergers"

The webinar archive is available to Dscoop members only, but membership is free. Visit www.Dscoop.org for more information.

- ▶ Joe Polanco presented a session for Printing Industries of America: Calculating Ownership Costs and ROI. When it comes to calculating ROI there are the obvious costs (equipment, consumables, etc.) - but what about those pesky hidden costs? Joe Polanco will reveal the analysis required to determine the financial viability of an inkjet investment and discuss the underlying costs that you may have not considered. [Download the presentation here](#). For more information or to have a New Direction Partners representative speak to your group, contact us at info@newdirectionpartners.com.

- ▶ Paul Reilly and Joe Polanco presented a session titled Cost Management in Today's Economic Environment, hosted by Dscope. The metrics presented can be understood by all company personnel and predict over 80% of profitability. These metrics use Value Added and payroll cost to identify where improvement can be made. Unlike ratio studies, these tools identify action improvements based on only your firm's historical performance. The program focuses on:

- ▶ Actions to be taken to improve profitability
- ▶ How to set targets and drive improved results
- ▶ How to compute these metrics

The webinar archive is available to Dscope members only, but membership is free. Visit www.Dscope.org for more information.

- ▶ Peter Schaefer presented the fourth in the Dscope series, 8 Imperatives for Growing Your Printing Business. 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, Schaefer focused on 8 imperatives for growing your printing business. In a mature market, if you don't grow, you will run out of business to make more efficient! The session discusses why it is important to:

- ▶ Measure sales activity with the same passion you measure production activity.
- ▶ Set a target, then plan, act, measure and adjust - and do it better than your competition.
- ▶ Implement a product-focus or customer-focus business strategy.
- ▶ Develop a growth plan, and make those required to execute responsible for its implementation.
- ▶ Monitor plan results and adjust actions as required.
- ▶ Be different.
- ▶ Target high growth industries.
- ▶ Purchase competitor firms.

The webinar archive is available to Dscope members only, but membership is free. Visit www.Dscope.org for more information.

Upcoming Webinars

- ▶ Paul Reilly and Frank Steenburgh will be conducting a Dscope hosted webinar on Tuesday, October 17th on Solution Selling.

Attendees will identify what solution selling is and how it differs from typical transaction selling.

More importantly, a review of required skills to succeed in solution selling will be discussed. Participants will learn that many printing sales execs do not possess these skills. This is a must webinar for firms that have attempted solution selling with less than successful results, any firm considering solution selling, or anyone looking for ways to bump up solution selling skills.

The program will focus on:

- ▶ Required sales exec skills.
- ▶ Where do you find the best solution sales execs?
- ▶ Target high growth industries.
- ▶ How your current sales force can be best used to succeed in the solution selling.

[Register Here](#)

Featured Listings

Firms for Sale

▶ 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.*

▶ 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.*

▶ South Central Regional Print Provider

Our Client is situated in a metropolitan area and is a well-established commercial printing firm offering a broad range 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. The Company is privately owned and the principal shareholder (CEO) wishes to sell the enterprise to enter retirement subsequent to a reasonable transition period.

Contact:

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

▶ 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.

Contact:

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

▶ Southeastern Packaging, Label & Commercial Printing Marketing Services Provider

Our client is a privately-held marketing services provider specializing in the manufacture of folding carton packaging, commercial printing and flexographic labels. For over 25 years, their dedicated team has delivered award-winning, customer-centric, print and packaging solutions. The firm operates a state of the art facility with over 70,000 square feet of manufacturing and fulfillment space in a major Southeastern city. They offer a wide range of in-house capabilities and marketing services, integrating print with a variety of electronic correspondence, social media and mobile technologies. Annual revenue exceeds \$12 million.

Contact:

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

▶ Digital Book Printer

The Company is a leading, response oriented digital book printer located in the Midwest. The Company's platform provides customers with the ability to print short run lengths more efficiently and cost effectively. All of the Company's revenues are generated via the Internet, eliminating the need for any sales representatives. The Company has grown each year to its current level of \$5 million in revenues. It has been exceptionally profitable each year.

Contact:

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

▶ Sale of Customer Driven Workflow Provider

New Direction Partners has been engaged to sell a highly successful technology company benefiting from its proprietary workflow technology. Its workflow technology allows the company to deliver globally a digitally printed document, timely and efficiently. This company, with sales over \$20 million, is growing 20% per year and enjoys above average EBITDA margins.

Contact:

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

Firms Seeking Acquisitions

► 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 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 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.

Contact:

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

► 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 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 610-724-0500.

► 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.



Are You Still Here?

By James A. Russell | *Partner, New Direction Partners*

At New Direction Partners, we often advise selling owners of printing businesses to be prepared to stay on in one role or another after the transaction closes. Because keeping a hand in the business at the new owner's request is a given in so many deals, it's helpful to have some idea of what the responsibility is going to entail and what psychological adjustments are going to be needed along the way.

The first thing a seller wants to know is, how long will the post-sale commitment have to last? The general answer is, long enough to leave the new owner feeling confident that sales will be retained and that key personnel will stay at their posts. If you, as the seller, have been deeply involved in sales and client relationships, you should count on continuing to do these things for at least six months to perhaps three years or more. This is an especially likely outcome for owners handling books of business in small printing companies.

The nature of the transaction also determines the seller's ongoing role. If the acquisition was a financial play by a private-equity investor with no prior experience in the printing industry, then the selling owner's leadership profile probably will not change much during the transition period. In a tuck-in, on the other hand, the seller becomes redundant as the CEO and may have to accept a different set of duties.

But, the seller's intentions have a bearing as well, and buyers usually are willing to accommodate them. We recently managed the sale of a company whose owner wanted to get out of the day-to-day chores of running the business. However, he was still relatively young and wanted to remain engaged in some other way. The new owner's solution was to return him to sales, where he's doing nicely and feeling good about the way things worked out. In another deal, the sellers were two family members: one in charge, the other in a mid-level position. The buyer gave the boss the exit he was looking for, enabling the other seller to move into the top spot during the handover—the move he wanted to make.

There are no hard and fast rules for the transition process, and initial plans can be subject to change. What often happens is that within the first few months, the new owner realizes that the seller's presence isn't as essential as first believed. Then the seller may switch from active consulting to a standby role, compensated in both cases as per the terms of the original agreement with the buyer.

The reality is that new ownership brings new perspectives that may not square with the seller's way of doing things—or may never have occurred to the seller in the first place. For example, employees valued by the seller may appear mediocre at best in the eyes of the buyer, who may have legitimate reasons for viewing them this way.

Sellers usually find that in the long run, the buyers' decisions turn out to be wise ones. As a seller who's staying on, you can help to bring about a smooth, productive transition by:

- remembering that it's no longer your company and that as a result, the final say isn't yours any more, either;
- supporting the new ownership team to help them succeed;
- for the good of the company, giving them the benefit of the doubt even when you don't agree with steps they have taken

Thinking and acting in this way is as much in your interest as it is in the new owner's. When the transition is done, you'll move on to whatever comes next with all the satisfaction that a job well done can give you.

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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