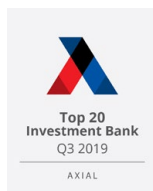


NEW DIRECTION

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.

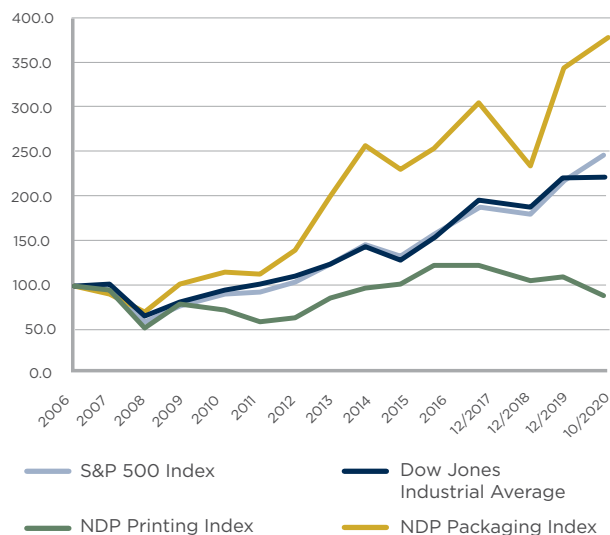
Recent Transactions

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

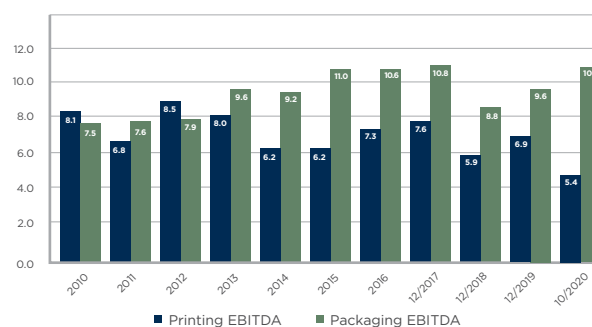
- ▶ Sale of TCG Legacy Printing and Packaging to Core Industrial Partners. NDP represented the Seller .
- ▶ Sale of TGI Direct to Carmel Hill Acquisitions, Inc. NDP represented the Seller
- ▶ Sale of Custom Color Corporation to GSP Retail. New Direction Partners represented the seller.
- ▶ Sale of The Goode Company to Almaden. New Direction Partners represented the seller.
- ▶ Power Marketing + Printing has acquired the assets of Market Place Color. New Direction Partners represented the seller.
- ▶ Sale of Sun Graphic Technologies to an individual buyer. New Direction Partners represented the seller.
- ▶ Sale of Holland & Crosby Ltd. to publicly-traded Transcontinental. New Direction Partners represented the seller.
- ▶ Sale of 2D divisions of SoftPrint Holdings to Reischling Press Inc. (RPI). New Direction Partners represented the seller.
- ▶ In an unannounced transaction, a PE firm acquired a package printer. New Direction Partners represented the seller.
- ▶ In an unannounced transaction, a NYSE publicly traded packaging firm purchased a controlling interest in a privately-held packaging entity. New Direction Partners represented the seller.
- ▶ Sale of Sprint-Denver to Mittera Group. New Direction Partners represented the seller.
- ▶ Sale of Allied Bindery to a private Party. New Direction Partners represented the seller.
- ▶ Sale of Henry Wurst, Inc. Kansas City Division to Mittera. New Direction Partners represented the seller.
- ▶ New Direction Partners assisted SoftPrint Holdings, Inc. in the raising of growth investment funding through a private placement of a Convertible Debenture.
- ▶ Sale of Badger Press Photographic to Brookstone Printing. 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

- ▶ Paul Reilly and Peter Schaefer will be presenting “Emerging Technologies - Differentiation is Returning” at a virtual event hosted by APTech on November 12th.
- ▶ Peter Schaefer and Paul Reilly will be participating in the Virtual Digital Packaging Summit, November 16th - 18th.

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!

- ▶ GLGA sponsored the following webinar on October 27th. “Building Value in Your Printing/Packaging Firm and Current Trends in M&A” presented by Al Reijmer and Jim Russell.

With the recent COVID-19 crisis adversely affecting so many businesses today, many owners and managers are currently asking themselves, “What do I need to do to maintain and grow long term value in my business?” In this webinar, they reviewed the current state of the industry and changes that will provide the most long-term bang for your buck in terms of building value in your business.

Watch our LinkedIn page for a replay link.

- ▶ 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.](#)

- ▶ New Direction Partners experts recently presented a number of sessions entitled Re-imagining M&A in These Unprecedented Times. These events were co-sponsored by NAPCO and PIA Affiliates.

They included an update on trends and how the M&A market is shifting due to the impact of the pandemic. A key result is an expectation that we will see more tuck-ins as we come out of this crisis, which has placed significant stress on many businesses in our industry.

The tuck-in process, various ways of configuring tuck-ins, and gain a general overview of the M&A environment in what is likely to be our new normal, including how the COVID-19 pandemic is likely to affect valuation were also covered.

- ▶ Hosted by NAPCO. [View presentation here.](#)
- ▶ Hosted by PICA & PIAG. [View presentation here.](#)
- ▶ Hosted by PIASC and WSPrint. [View presentation here.](#)
- ▶ Hosted by PIAAlliance, GAA and PINE. [View presentation here.](#)
- ▶ Hosted by GMA. [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 “Succession Planning”, presented by Paul Reilly and Tom Williams. One of the most often overlooked aspects of strategic planning is succession planning. When you are looking for an exit strategy, are 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.](#)

▶ PPI Association hosted a webinar “10 Attributes of High-Growth Companies” presented by Paul Reilly and Tom Williams. 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 share 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 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 share 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

▶ West Coast Multi-Channel Direct Marketing Firm

The Company succeeds in delivering measurable value to their clients by providing specialized lead generation and conversion optimization through targeted direct mail. Using proprietary analytics and data-driven techniques, The Company is able to generate more high-quality leads, enabling their clients to close a higher percentage of profitable sales. The end result is superior margins in excess of industry norms. Through organic growth, The Company has achieved an impressive CAGR of nearly 28% over the past three years, and is tracking this year to produce nearly \$12 million of non-postage revenue with a 20% EBITDA margin.

Contact:

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

▶ Publications Printer

Our client is a leading, niche-oriented short-to medium-run publication printer strategically located in the western part of the United States with TTM revenues of approximately \$90 million. The Company has a strong history of growth.

Contact:

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

▶ Packaging Sales Organization

Full-service sales organization of labels, flexible packaging and folding cartons. Consistent organic growth with high profit margins. Sales of \$7.5 - 10 million with an EBITDA margin of 20%.

Contact:

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

▶ National E-Commerce Print Provider

Our client's e-commerce platform and associated online portals support all types of products including commercial print, promotional products, inventory fulfillment as well as client storefronts. With a sophisticated e-commerce operating platform, robust marketing capabilities, and technically advanced production capabilities, this is a highly desirable property.

Contact:

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

▶ Southeastern Digital Graphic Solutions Firm

Our client provides a vast array of print technologies, design, web to print and fulfillment solutions to companies throughout the Southeast. Their E-Commerce web-to-print online portal supports their key customer accounts with all types of products including digital print, promotional products, inventory fulfillment and more. Their core business is quick-turn digital four-color production, wide format products and mailing and fulfillment services. This offering provides a unique opportunity to acquire a technologically competitive operation in a major Southeastern business center. The seller is motivated, wishing to implement an orderly exit strategy and smooth transition to the buyer.

Contact:

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

▶ West Coast Digital Printer

This 100% digital, highly profitable (20% EBITDA) firm with \$14 million in sales continues to grow at 10% per year. 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 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:

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

▶ Publications Printer

Our client is a leading, response-oriented short-to medium-run publication printer strategically located in the South-Central region of the United States with TTM revenues of approximately \$30 million and EBITDA margin of 17%. The Company is anticipated to grow organically by 7% in 2019.

Contact:

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

▶ Southeastern 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.*

▶ Midwestern Cross-Media Graphic Services Provider

Our client is an award winning, full service graphic services provider employing forty associates in a 40,000 sq. ft. facility in the Midwestern heart of the country. This enterprise hosts impressive capabilities including 40" 6-color sheet-fed offset capability, iGEN digital printing and wide format digital graphics. They also provide digital solutions for cross media marketing campaigns and web-based store fronts for procuring marketing materials online. Synchronized and micro-targeted direct mail and digital IP address strategy provides clients with focused and effective advertising campaigns. All services are provided in-house for quality control, timeframe management and project integrity. Our client is a G7 Master Printer. Offset and digital devices are G& profiled and certified to ensure best quality and consistency.

Contact:

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

UNDER LETTER OF INTENT

▶ Mid-Atlantic Flexo and Digital Label Printer

Our client is a industry leading pressure sensitive label printer and converter, as well as a reseller of automatic labeling equipment. The company has experienced constant year over year organic revenue growth, and stable profitability. Their diverse client base enables them to generate annual revenue of \$5.5 million, with EBITDA of \$350,000.

Contact:

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

UNDER LETTER OF INTENT

▶ East Coast – Marketing Service Provider

Our client has consistently been a leader in its eastern US local print media market. The key drivers of its success continue to be investments in equipment technology, investments in software facilitating customer interface technology and acquisitions. The firm serves as a marketing partner to its customer base, which is comprised of national and local firms seeking the best in marketing solutions. Its mission is to provide comprehensive marketing solutions to its clients first by listening to their needs and then by striving to flawlessly execute their marketing visions.

Contact:

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

▶ Multi-Channel Marketing Partner

A marketing execution company that serves a national base of Fortune 500 type, brand conscious customers from its strategic Midwest location. TTM revenues of approximately \$21.5 million and EBITDA of \$3.0 million. Top line organic growth in excess of 20% YTD 2019.

Contact:

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

▶ Midwest Based Commercial and Digital Printer

Very Profitable general commercial printer with sales of \$8 million and no significant client concentration. Located in a mid sized midwestern city, the company has expanded its market by successfully marketing to the trade throughout the Midwest. With a strong balance sheet, up to date equipment, and a loyal customer base, 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.*

▶ Mid Atlantic Direct Mail and Statement Processor

Leading and well recognized producer of direct mail and processor of statements. The Company is very successful, with revenues of \$10 million and EBITDA consistently in the 15 – 20% range.

Contact:

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

▶ **Technology Leader in the Manufacturing and Sales of Digital Label Systems, Plotters, Cutters & Recording Devices**

Located in the Northeast, our client develops and manufactures products and systems based on innovative technologies. Its primary business is the design and manufacture of a full line of unique on demand, short run digital label printing and finishing systems which are marketed to an international client base. The company designs and manufactures related hi-tech equipment for niche industries including laser engraving systems and digital stencil cutters for the monument industry, digital template cutters for the granite countertop fabrication industry, automated sand blast systems for the production of designs in granite, marble, glass, wood and other solid-surface materials as well as informational instrumentation utilized in multiple industrial and medical applications.

Contact:

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

▶ **Southeastern Printing, Packaging, P.O.P. and Direct Mail 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 general commercial printing, 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.

▶ **Midwest Based Commercial and Digital Printer**

Very Profitable general commercial printer with sales of \$8 million and no significant client concentration. Located in a mid sized midwestern city, the company has expanded its market by successfully marketing to the trade throughout the Midwest. With a strong balance sheet, up to date equipment, and a loyal customer base, 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.

UNDER LETTER OF INTENT

▶ **Midwest US Book Printer**

The company is a well-respected midwestern U.S. based book printer with \$15 million in annual revenue and EBITDA in the 8-10% range. The company serves a diverse range of clients, and has long-term contractual relationships with three of their top five clients, providing a solid base of business year after year. The company also has strong management who desire to remain with the company post-sale.

Contact:

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

▶ **West Coast Flexible Packaging & Labels Producer**

The Company is a producer of flexible packaging, labels and shrink sleeves. Serves a national customer base in the nutraceutical, cosmetic, food and beverage and pharmaceutical industries. Sales of \$6 million with EBITDA of \$1.2 million.

Contact:

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

▶ **West Coast Grand Format Printer**

The Company serves as a marketing partner to its customer base which is comprised of Fortune 500 type brands and retailers. Services include grand format, digital and offset production as well as cross-channel design, complete fulfillment/kitting and store-tracking. Operates in 150,000+ square feet with 125 employees. Revenues and EBITDA are approximately \$30 million and \$3 million, respectively.

Contact:

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

▶ **Highly Differentiated Omnichannel Marketing Partner**

Strategically located in the Midwest, the Company specializes in one-to-one communications by providing fully integrated marketing across all relevant channels including variable data inkjet print, personalized websites and interactive video. Its services encompass the entire cross media life cycle, including design through creation through personalized media solutions. The business has generated outstanding organic growth with unparalleled profitability. Revenues are approximately \$20 million with an unadjusted EBITDA margin in excess of 30%.

Contact:

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

Firms Seeking Acquisitions

▶ 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.*

▶ 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 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 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.*

▶ 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.*



A Perfect Match: The TGI Direct Story

When Doug Bacon realized one of the Medicare enrollment letters he produces would be sent to himself in the not-too-distant future, he decided it might be time to think about selling his business, TGI Direct.

TGI Direct is responsible for a variety of extremely important client communication and fulfillment activities, including responsibility for Medicare communications for one of the country's best known health care brands across multiple states. These communications include things like Health Cards, Explanation of Benefits, plan information, pharmacy announcements, notifications, bills, etc.

"Our Clients need, and deserve, an orderly succession," he said. "The type of work we do for them is extremely important. TGI Direct has an incredibly well qualified, and experienced Leadership Team as well as an experienced, qualified, and dedicated staff. It has been my pleasure to be a part of this Team since 1979, and to lead the Team as president since 1988. The president's position is an important one. Our Clients, our Associates, and the Company will be most successful if the president's position is staffed by a bright, energetic, level five leader."

That's where Jim Russell, Partner at New Direction Partners came in. Jim and Doug have known each other for some time, so he understood TGI's business and what Doug was trying to achieve. He also had known Monica Weaver of Carmel Hill Acquisitions for a couple of years as well, and saw a good synergy between the two. While Monica did not have a background in printing, per se, she has a strong IT background, also a critical element of TGI Direct's business.

Both Doug and Monica stated that they appreciated the patience, knowledge and expertise that Jim exhibited throughout the process, and both are very happy with the outcome. "I'm going to stay extremely engaged with the business until I turn 65," Doug noted. "And that's coming soon. I'll also be available after that if needed. But this transaction is giving me and my wife, Indy, the opportunity to pursue adventures in life while we are still blessed with good health. So from that standpoint, it was the right time to sell the business."

Doug states that TGI Direct has experienced exceptional growth as a result of its Client Zone® software system, the dependability of products and services due to its robust quality system (ISO 9001 since 1997), and the fact that the company provides so many connected services under one roof. He adds, "The company, and our Associates, needed a new captain who can help us to build and capitalize on our advantages in the coming decades. And that captain is Monica!"

Another key element that made TGI Direct a good acquisition target, according to Monica, was the strong leadership team Doug had in place. "The staff knows the business and how to get things done," she says, "but they are also open to new ways of thinking. So, I am really looking forward to digging in and working toward further growth of the business."

View our video interview with Doug and Monica [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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