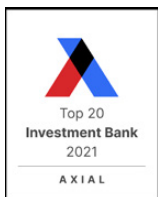


NEW DIRECTION PARTNERS

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.

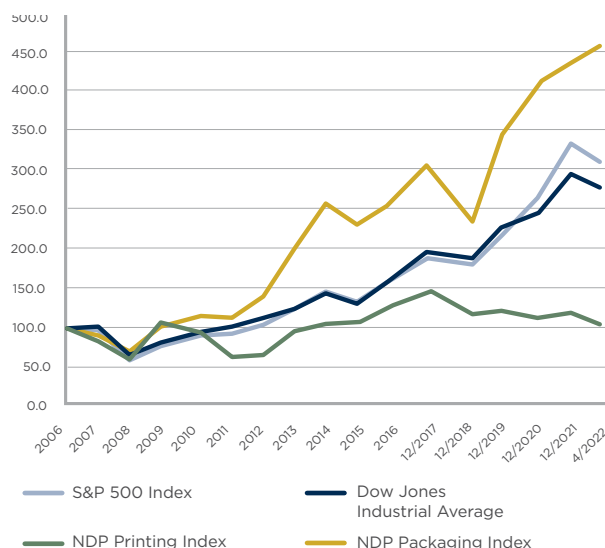
Recent Transactions

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

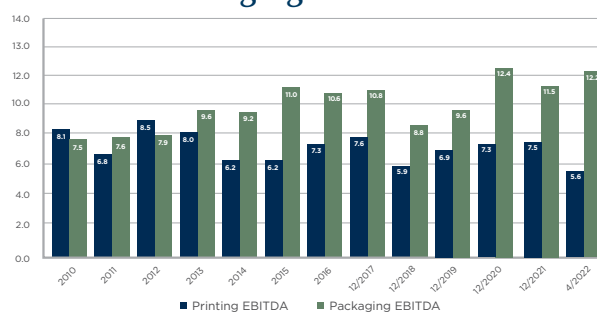
- ▶ Las Vegas Color Graphics was acquired by JAL Equity. New Direction Partners represented the seller.
- ▶ Fenske Media was acquired by Allan Creel. New Direction Partners represented the seller.
- ▶ LEM Products was acquired by Trident Solutions and River Associates. New Direction Partners represented 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

- ▶ Jim Russell and Peter Schaefer will be attending the Flexo Label Advantage Group (FLAG) Annual Meeting in Bloomington, MN April 19-21, 2022.
- ▶ Paul Reilly will be presenting at the Printing Industries Alliance and the Graphic Arts Association conference in Princeton, NJ on April 21, 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.



8 Mega Trends Driving Success in the Printing Industry
August 17 at 9:15 a.m.



AMERICAS
PRINT
SHOW 22
BOUND FOR SUCCESS



Jim Russell
Partner - NDP

Upcoming Webinars

- ▶ NAPCO will host the following webinar:
 - ▶ 8 Mega Trends Driving Success In The Printing Industry April 28 at 2:00 pm EST. [Register Here.](#)
- ▶ PIA Mid America will host the following webinar:
 - ▶ Managing Customer Concentration in Today's Printing and Packaging Environment on April 26th at 12:30 pm EST.

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.

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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.](#)

-
- ▶ 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 PIAAlliance 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 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

▶ 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.*

▶ 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.*

▶ 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

▶ 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.*

▶ 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.*

▶ 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.*

▶ 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.*

▶ 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.*

▶ 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:

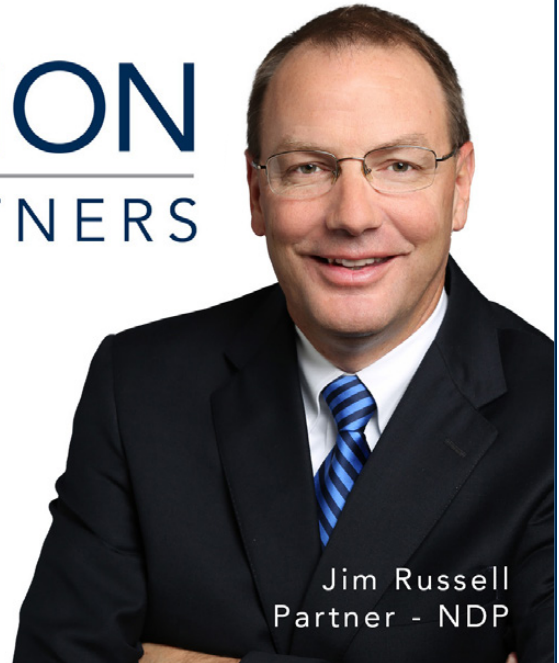
*Paul Reilly @ PReilly@NewDirectionPartners.com
or by phone at 303-520-7803.*

NEW DIRECTION PARTNERS

A Creative Approach
to Selling Your Business:
Capitalizing on M&A Trends
August 18 at 8 a.m.



**AMERICAS
PRINT
SHOW 22**
BOUND FOR SUCCESS



Jim Russell
Partner - NDP

Achieving Goals and Setting New Ones

Marty Hayes, Dave Hayes' father, founded Apogee Industries as a commercial printing company in 1961. By the mid to late 1970s, the company had transitioned into the label business and has never looked back.

"My wife, Elaine, and I took over the company in 1999," Hayes said. "The company continued to grow. In 2012, as we each turned 50, we purchased our current location and began discussing what our exit would look like."

The couple attended the Flexo Label Advantage Group (FLAG) conference in 2017, where they met Jim Russell of New Direction Partners. "He spent a little time with us explaining the metrics that buyers look at when examining the financial statements of a company," Hayes said. "He gave us an estimate of what we could sell our business for based on then-current revenues. So we set a revenue goal we expected to hit when we were in our early 60s that would make us more attractive to a potential buyer. We got there much sooner than expected. And in 2019 we engaged New Direction Partners to help us sell Apogee."

Elaine added, "Jim was extremely helpful, walking us through the whole process of selling a business. I was tasked with most of the due diligence. Jim was always ready to explain the what and why of all we were asked to provide to potential buyers. He never got tired or frustrated with my many questions! He made the whole process manageable. He is part accountant, part social worker!"

Finding the Right Buyer

Hayes had a number of requirements for a potential buyer, not the least of which was a commitment to continuing the company's successful business strategies and taking good care of Apogee's 20+ employees and loyal customers. "Jim brought us a few options that we ultimately nixed because we were not comfortable with them, for a variety of reasons. He was very patient with us, and we really appreciated that. In addition to finding the right buyer for the business, we also had some family issues that also caused delays. But ultimately, he connected us with Brian West and Richard Reyes, who ended up acquiring the company."

Both Brian and Richard had strong backgrounds in the label industry, according to Hayes, and their approach to business, customers and employees was well aligned with the vision held by Dave and Elaine. Brian had spent a number of years with a flexo prepress company and knows the industry, including prepress and how plates are made. Hayes says, "When you talk to him about industry-specific terms like gear chatter and moiré and process work, he totally gets it. And Richard was the plant manager for a corrugated box printing company. So we were pleased that both were so immersed in the industry. They fit our customer base well, and I am thankful for that."

Working Through the Transition

Both Dave and Elaine have a one-year contractual commitment to transition the company to its new ownership. “Elaine does a little bit of everything in the company,” Dave said. “She is an accountant by background and does the bookkeeping. She also implemented new accounting software and handles customer service for the largest customers. Brian and Richard are delighted to have her help, and I’m sure they would like her to stay on longer.” As for Dave, he continues to work with the company four or five days a week. “I am enjoying helping them with the transition, and we have continued to be unbelievably busy.”

What’s Next?

Dave is big into ice hockey, still playing regularly. He also got back into coaching ice hockey about three years ago, coaching a girls’ team of 15- and 16-year-olds. “Elaine and I always enjoy going to the tournaments,” he says, “even though they aren’t always the most exciting destinations. But we recently went to a tournament in Nashville, and I got to play on the NHL rink – probably as close as I will ever get to the NHL!”

Continuing with the hockey them, Dave added, “Elaine and I are looking forward to the third period. We haven’t decided exactly what we will do once our employment contract has ended. There are plenty of options, including hockey coaching and teaching Sunday school in our church. There is no question that we will both stay busy!”

The Perfect Partner

“Again, I have to say, we really appreciated Jim’s patience throughout the entire process. New Direction Partners, with its industry-specific knowledge and wealth of contacts, was the perfect partner for us. And if I wasn’t sure what or how to communicate something to a potential buyer, Jim would step right in and say it or write it for me. He’s a great communicator and really helped us move things forward. The bottom line is, I was really glad they were there to help us through this.”

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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