

NEW DIRECTION PARTNERS



We are proud to once again be recognized by @Axial as a top 100 Lower Middle Market M&A advisor. Thanks to the clients who recommended us for this prestigious recognition.

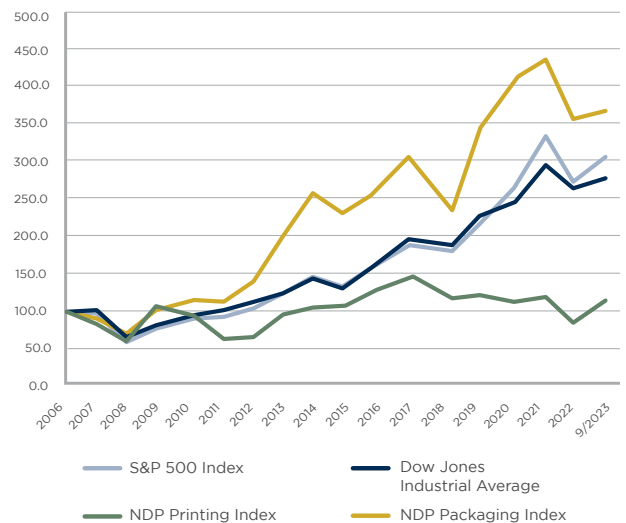
Recent Transactions

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

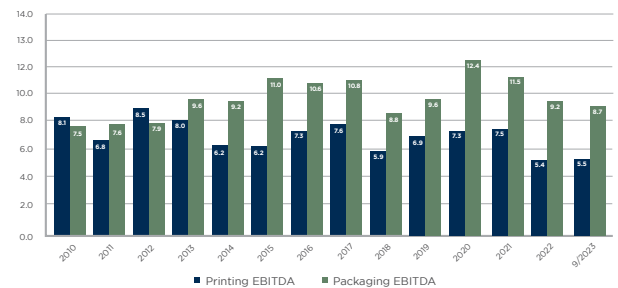
- ▶ Sale of Gerald Printing and Liberty Imaging to Purpose Group. New Direction Partners represented the Seller.
- ▶ Salem One was acquired by Granite Creek Capital. New Direction Partners represented the seller on this transaction.
- ▶ Sale of Ballabox Company, Inc. to Quest Graphics, LLC. New Direction 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.
- ▶ SEG Systems & SEG Services were acquired by Orbus Exhibit & Display Group, a portfolio investment owned by Tenex Capital Management. New Direction Partners represented the seller in these 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 Overflowworks.com to Amsive. 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

- ▶ The entire New Direction Partners team will be attending PRINTING United in Atlanta, Georgia October 18-20.
- ▶ Peter Schaefer will be presenting at Printing United on Thursday, Oct 19 @1:00pm in Meeting Room B211 “Buy, Sell or Merge...Which is the Best Option for You”

Upcoming Webinars

- ▶ NAPCO will host the following “The M&A Road Ahead in 2024 and Beyond” on October 11. [Register here.](#)

Recent Webinars

- ▶ 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 “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
- ▶ How to increase the value of your business to make it more attractive
- ▶ What they find attractive and how they differ
- ▶ [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.
- ▶ How to maximize value as a seller; and how to ensure a fair value as a buyer.
- ▶ As a buyer, what to look for in a successful acquisition.
- ▶ ... and much more.
- ▶ An overview of both macro- and micro-economic conditions.
- ▶ [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.](#)

- ▶ PIA Mid America hosted a recent webinar “Manage Your Customer Concentration”. While too much customer concentration can be risky, there are also advantages to embracing your strategic success.

Customer concentration is occurring more frequently today, especially in family-owned firms.

This is the result of customer-focused and solution-selling sales strategies.

Paul Reilly and Jim Russell from New Direction Partners discuss how to manage customer concentration risks for profitable growth. Topics include:

- ▶ Managing customer departure risks
- ▶ Leveraging customer concentration for business growth
- ▶ Concentration considerations in mergers & acquisitions

[View Presentation here.](#)

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

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

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

Featured Listings

Firms for Sale

▶ Commercial Printer located in Thriving Southeastern City

Our client, in this thriving Southeastern city, is recognized in its marketplace as the go to firm in their region for a variety of products that are high quality, cost efficient, and guaranteed to please. Our client provides its clients with award-winning solutions including digital printing with variable data capabilities, traditional offset printing, embossing and foil stamping, fulfillment, and a full line of promotional products.

Contact:

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

▶ 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.**

▶ 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.**

▶ Northeast Digital Marketing Firm

This very successful, diversified digital marketing firm maintains a stable list of clients. Located between 2 large metropolitan areas, they provide a collaborative approach to clients in accomplishing their goals. They create & design programs, execute them seamlessly, and track results to optimize for clients' success. Approaching \$3.5 million in sales and \$300,000 in EBITDA, they offer a great opportunity for continued growth. They utilize a range of digital presses, data mining and analysis, and mailing assets in successfully meeting customer's needs. With its concentration on proven results, our client's widely recognized customer list continues to grow. Management will stay for an extended transition period before exiting.

Contact:

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

▶ Southeastern Specialty Products Firm

Our client is the leader in the growing market for integrated ID cards used in applications from healthcare to higher education to retail. The company's inkjet printing and converting capabilities are uniquely suited to supply the growing \$20 billion label market with innovative solutions including floor graphics, custom labels and integrated labels. This offering provides a unique opportunity to acquire a profitable and growing business focused on providing specialty products to unique markets, including custom and stock tabs and friendly billing and return documents.

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.**

▶ 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.**

► 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.***

► 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 \$5 million and EBITDA in the \$600,000 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.***



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.**

► 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.**



Gerald Printing and the Purpose Group Join Forces

By Cary Sherburne

Key to the relationship are shared values regarding employees, customers and business operations.



Gerald Printing was founded in 1971 by Larry Gerald, and Joe Davis purchased the company in 1996. Davis says, “At the time, the company was located in Scottsville, Kentucky, and we had about 27 employees and a great reputation for four-color process printing. 100% of production was print on paper.”

Davis had an opportunity to move the company’s headquarters to Bowling Green, Kentucky, in 2000, and took that opportunity to also acquire some smaller companies and begin diversifying Gerald Printing’s product lines. This included apparel decoration, both with screen printing and embroidery, as well as signs and promotional products. Davis notes, “These are products our customers were already buying, and we were then able to be more of a one-stop shop for them by providing those things ourselves.”

As the company continued to grow, and Davis was getting to the age where he needed to think about succession planning, he found that there were no family members interested in taking on the business should he retire. “We decided it was time to put the business on the market,” he said.



Davis worked with New Direction Partners’ Jim Russell to create a confidential information memorandum (CIM) and begin to talk to potential buyers. The business generated a significant amount of interest with potential buyers, and Davis wanted to narrow down the field to potential buyers who shared the same values and would take care of his employees and customers on an ongoing basis.

Enter The Purpose Group

According to Jeff Hilimire, founder and CEO of the Purpose Group, which was founded in October of 2022 in Atlanta, the Fund was interested in firms that are a force of good in their communities, putting purpose into a business and able to rally team around a bigger goal. They were searching for the first acquisition in the printing industry as an anchor firm upon which to build a larger platform. “We looked at more than 100 companies,” he says, “and Joe was the only person that led the conversation with their values. Fireworks went off in our heads, and we were trying to keep it cool. In fact, those values were listed on the second or third page of the CIM. No one typically puts values in a document like that; it’s usually focused on the financials, with everything up and to the right. As we got to know Joe and his team, we realized he has built a company that has a foundation in caring for each other and working for good in the community.”



Leveraging New Direction Partners’ M&A and Industry Expertise

Hilimire also praises the work that New Direction Partners’ Jim Russell did to help put the deal together, saying, “Jim is incredible. I think we have been spoiled that our first deal was with Joe and Jim. Jim’s a great guy, and you can sense his honesty and trustworthiness immediately. But what I appreciated the most was how he helped us get through the process. It was as seamless as it could possibly have been. That being said, there were a couple of issues right near the end, and Jim helped us steer through them. He has that calm presence. We hope we will be able to work with him again as we expand the platform.”

The Purpose Group: A Different Approach

Davis states, “One thing that was appealing to me personally about The Purpose Group, in addition to the respect they showed for our past performance and our numbers, was the fact that they are willing to put a substantial percentage of the purchase price in as equity as opposed to highly leveraging the transaction.”

Hilimire adds, “As Joe mentioned, no one in his family wanted to take on the business, and we are finding more and more of that. What we bring to the table is our goal of keeping the team intact and taking care of them. Most of our ‘competitors’ are private equity who have a very different model, a shorter window to make moves. That usually results in cutting a certain amount of staff

Phone: **(610) 230-0635** | Email: info@newdirectionpartners.com | Website: www.newdirectionpartners.com

Corporate Office: **P. O. Box 496, Valley Forge, PA 19481-0496**

and expenses, ramping up growth quickly, and merging the business with others to get to a sale in five to seven years. We prefer the long term. If we take care of the company, the results will follow. The trick for us, then, is finding companies that share our values and that are financially stable and healthy. We look to work with the owners in a way that they can see us as a better path forward for their company.

A Word of Advice ...

“I feel like we were truly blessed in getting to work with Joe and Jim. What I would say to sellers is that they will go through a process and package everything up, but try to be yourself. I would point again to Joe having Gerald’s values early in the CIM document. He didn’t have to do that, but it felt natural for him. I don’t know if we’d be here had he buried that toward the back of the document.”

Davis adds, “In terms of advice to sellers, I would add that the first thing is to work on your numbers and reduce your debt. You also should develop your management team so you can have a smooth transition to a new owner. And I do recommend using a company like New Direction Partners. They have the connections, and you need to be looking at multiple opportunities to sell your business. Also important is being patient during the process. We did all we could to move the process along, and it was great working with Jeff and his team because they were very responsive. With Jim’s help, we were able to get decisions made and move on when issues arose, and we are very happy with the outcome!”

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.

Phone: **(610) 230-0635** | Email: info@newdirectionpartners.com | Website: www.newdirectionpartners.com

Corporate Office: **P. O. Box 496, Valley Forge, PA 19481-0496**