

NEW DIRECTION PARTNERS



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



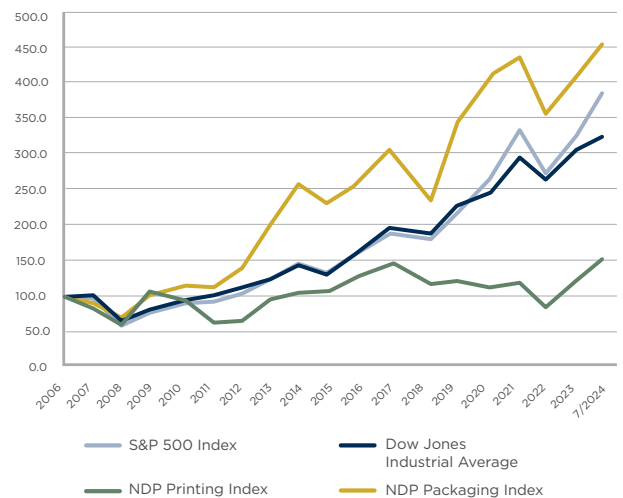
Recent Transactions

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

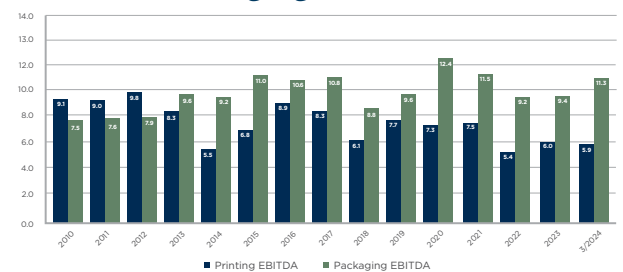
- ▶ Sale of Starkey Printing to Walker 360. New Direction Partners represented the seller.
- ▶ Sale of Kappa Graphics to Marketing.com. New Direction Partners represented the seller.
- ▶ Sale of Anchor Graphics to Marketing.com. New Direction Partners represented the seller.
- ▶ Sale of Response Envelope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

Industry Trends by Peter Schaefer

The New Direction Partners Printing & Packaging Stock Price Index



The New Direction Partners Printing & Packaging EBITDA Trend



It is important to note that private businesses typically sell for lower EBITDA multiples than the multiples of their publicly-traded counterparts due to private company status and a lack of liquidity as well as size and risk differential.

Places to See NDP

- ▶ Randy Camp will be attending the annual PIAG ImPRESS awards event in Atlanta on August 8, 2024.
- ▶ Jim Russell will be speaking at GLGA's Building Value Brief on August 19, 2024.
- ▶ Peter Schaefer will be speaking on M&A trends at PRINTING United, scheduled for September 10-12, 2024 in Las Vegas. The entire New Direction Partners team will also be at the show. To schedule a one-on-one meeting, email info@newdirectionpartners.com.
- ▶ Jim Russell will be speaking at the GMA ENCORE Leadership conference in Columbus, OH on Monday, September 23, 2024.

Recent Webinars

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

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

During this webinar, you will learn:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In a highly competitive industry, printers must focus on two things to succeed: efficiency and growth. The first delivers a better bottom line; the second produces a more robust top line. In this session, New Direction Partners experts will share what they have found to be the 8 mega trends driving success for printing companies, providing insight to owners and managers about how they can ensure enduring success in their own businesses. This includes:

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

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



Featured Listings

Firms for Sale

▶ Southeastern G7 Master Printer

Our client is a G7 Master Printer providing offset & digital wide & grand format display graphics and commercial printing managing and producing customer projects in an efficient multi-shift facility utilizing a unique mix of equipment and services including complete finishing services, warehousing, drop-shipping, online ordering, promotional products and more. They provide total print management solutions to clients throughout the Southeast; many with a national and/or global reach.

Contact:

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

▶ Northwestern Premier Graphic Solutions Firm

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

Contact:

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

▶ 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. Under LOI.

Contact:

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

or

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

▶ Successful Display Graphics firm in the Southeast

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

Contact:

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

▶ Growing Niche Printer Specializing in Envelopes

Located in the Far West, the business has grown consistently and generates revenues of \$4 million and EBITDA of \$500K.

Contact:

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

▶ Growing Highly Specialized Wide Format Printer

Located in the Midwest, this business has grown every year and is currently approaching \$10 million in sales with 20% in EBITDA.

Contact:

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

▶ Highly Profitable, Data Drive Midwestern Printer

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

Contact:

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

▶ **West Coast Digital Printer**

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

Contact:

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

or

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

▶ **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.***

▶ **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.***

▶ **Southeastern Web, Sheet-fed & Digital Printing Operation**

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.***

Firms Seeking Acquisitions

▶ International Buyer Seeks
US Paper Wholesaler

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

Contact:

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

▶ Buyer Seeks Short Run Publication Printers

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

Contact:

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

▶ Looking for Agency and/or Direct Mail Firm

Client in the New England market is seeking to purchase or partner with a digital agency, printer or direct mail company. Interested in a firm that might complement or be interested in a partnership / buy in to current operation. Client is profitable and has a strong, successful sales team with an aggressive client listing active in the direct mail/fundraising arena.

Contact:

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

▶ Atlanta Client Seeks Strategic Acquisition

Our client, a recognized firm approaching 50 years of experience with innovative technology applications and unmatched customer loyalty, seeks digital, offset, label and large format companies within the proximity of Atlanta, GA.

Contact:

**Randy Camp @ RCamp@NewDirectionPartners.com
or by phone at 770-601-0199.**

▶ Buyer 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.**



Why Investing in Technology is Key to Selling a Packaging Business

By Thomas J. Williams

A year with the world's two leading trade shows for packaging and printing is an ideal time to plan strategic investments in production technology.

With drupa 2024 about to begin, and with PRINTING United set to open its doors just a few months from now, the industry's attention naturally turns to acquiring new technology. Owners of packaging and printing businesses have a double interest: first, in the capabilities the technology will bring; and second, in the positive effect the investment can have on the valuation of the business when the time comes to sell.

In the industry as it operates today, capex investment isn't a maybe-yes, maybe-no proposition – it's a strategic necessity. The fact is that companies without sufficient investments in current technology are at a significant disadvantage in the M&A marketplace. One of the first things a buyer will spot in a preliminary review is any gap in the seller's ability to produce what it needs to stay competitive. That will have a negative impact on the terms the seller is offered, if terms are offered at all.

Buyers are especially keen to see what kinds of investments have been made in digital printing and finishing. Although digital came to the packaging segment later than it did to the commercial segment, nearly all of the digital OEMs now have solutions for paperboard, corrugated, and label manufacturing. This equipment opens new markets for packaging producers and lets them offer a broader range of services to the ones they already serve.

Think, for example, of the microbrewing industry: a collection of mostly small producers with a corresponding need for packaging and labels in short runs. They are natural customers for digitally printed and finished packaging, along with the multitudes of other kinds of small businesses that bring their products to market in limited batches.

Turnover and Timing

Digital isn't the only technology that packaging companies need to invest in: long-run producers have strengths to maintain in offset lithography and flexography as well. Investments in conventional equipment, however, have longer life cycles than digital investments, which tend to be more sensitive to timing as it relates to valuation for sale.

This is because digital technology changes rapidly: so rapidly that a device installed three to five years ago probably has reached the point where it is ready to be replaced with a more capable upgrade. In most cases, the right move for a selling owner of a packaging company will be to have the upgrade in place when the company is placed on the market.

That will appeal to potential buyers at the same time as it enhances the competitiveness of the business – a recipe for earning a premium multiple of EBITDA toward the selling price once negotiations are under way.

Given the relatively brief installed lifetimes of digital devices, leasing is usually a better option for acquiring them than purchasing them. Lease terms can include provisions for consumables, service, training, and software upgrades, simplifying the ownership experience for the user of the equipment. Another plus is that leasing costs are not recorded as long-term debt on the balance sheet.

Desirability of Debt

This isn't to suggest that there is anything wrong with taking on debt to finance investments that will make the company stronger and more productive. All successful businesses rely on long-term debt to sustain growth, a strategy that buyers understand and respect.

In fact, they fully expect to see a track record of capital expenditures for new equipment and technology meant to boost productivity and earnings. Private equity buyers in particular are not put off by debt on the balance sheet if they believe the debt has helped the selling company to develop capabilities it wouldn't have been able to finance on its own.

On the other hand, a company that is debt-free because it declined to invest will pay a price for its hesitation when the buyer's offer is reduced by whatever amount the buyer will have to spend to acquire technology the business should have, but doesn't. Strategic investment is critical – and the present year is one of the best that owners of printing and packaging companies have had for making these decisions in a long time.

Momentous Events

This is primarily because trade shows have finally regained their rightful place in the industry after the disruptions of COVID-19 earlier in the decade. Eagerly awaited after an absence of eight years is drupa, the world's largest exposition of technology for graphic media.

At the event's 2024 edition from May 28 to June 7, 1,427 exhibitors from 50 countries will fill 18 show halls at the Messe Düsseldorf fairgrounds in Düsseldorf, Germany. There, visitors can see literally everything that is new and on the horizon in printing and packaging, all in one place.

Those unable to attend drupa still have an exceptional opportunity to travel to Las Vegas for PRINTING United Expo 2024, North America's premier event for graphic technologies and products of all kinds. The show (September 10-12) is unique in bringing together all forms of graphic imaging and reproduction, with a heavy emphasis on the digital solutions that have become so essential for success in packaging.

Watch Packaging Impressions for coverage of both events, and plan to invest accordingly. Part of the ROI will come when the equipment goes to work. The rest will be reflected in the favorable terms the seller will enjoy in the sale of the business to a new owner..

Thank you for subscribing to our quarterly newsletter. Please also follow us on [LinkedIn](#) where you will find frequent postings about trends and issues that will help you better plan your business strategies.

New Direction Partners is an investment banking and financial advisory services formed by Peter Schaefer, Paul Reilly, Jim Russell and Tom Williams to serve the printing and related industries. Services include merger advisory services through the representation of selling shareholders as well as buy side representation, valuation services, financing and refinancing efforts, turnaround and restructuring services, and temporary/interim management consulting. To learn more about New Direction Partners, visit New Direction Partners' website at www.newdirectionpartners.com.

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