

NEW DIRECTION PARTNERS



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



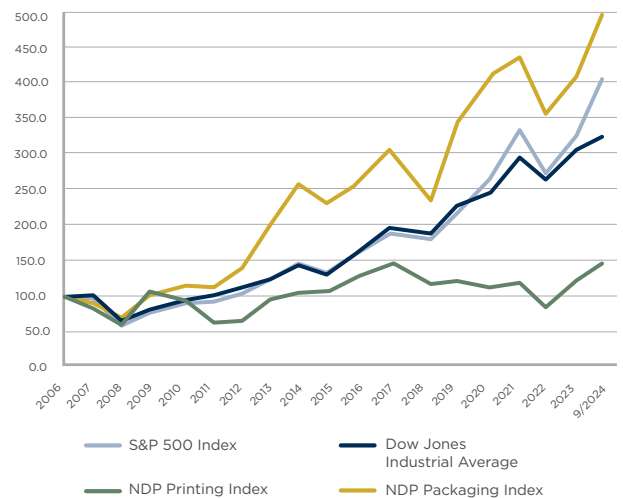
Recent Transactions

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

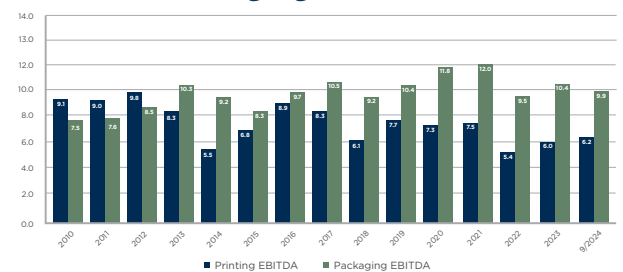
- ▶ Sale of Starkey Printing to Walker 360. New Direction Partners represented the seller.
- ▶ Sale of Kappa Graphics to Marketing.com. New Direction Partners represented the seller.
- ▶ Sale of Anchor Graphics to Marketing.com. New Direction Partners represented the seller.
- ▶ Sale of Response Envelope 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 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 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

- ▶ Jim Russell will be attending the Envelope Manufacturers Association (EMA) fall meeting, October 22-25 in Kansas City, MO.
- ▶ Peter Schaefer will be participating in an M&A Webinar with DirectMail2.0 on October 22nd at 2:00 pm.
- ▶ Peter Schaefer and Jim Russell will be attending the Digital Packaging Summit in Ponte Vedra Beach, FL on November 12 - 14.

Recent Webinars

- ▶ NAPCO hosted a recent webinar “Looking Ahead: The Power of M&A for Printing & Packaging Businesses in 2025”, presented by Jim Russell and Tom Williams. Despite some of the news you might have read, 2024 has been a banner year for mergers and acquisitions in printing and packaging. Fragmented industries such as ours tend to consolidate, and we expect this trend to continue into 2025. This session will explain how you can best increase the valuation of your company, and why that is important even if you don't have current plans to sell the business. We will also discuss the types of M&A transactions we have been engaged with and what we expect to see moving forward. In this session, you will learn:

- ▶ Why this is a great time to be a seller or buyer.
- ▶ The types of buyers currently in the market for printing/packaging businesses, and what they are looking for.
- ▶ How acquiring another company can benefit your business.
- ▶ Considerations for successful mergers and/or acquisition
- ▶ [View presentation here](#)

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

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- ▶ 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.](#)

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- ▶ 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](#)

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

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

Featured Listings

Firms for Sale

▶ 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.**

▶ Nationally Recognized Digital Printer

A recognized leader in the digital printing space. Manages and executes complex 1:1 direct mail campaigns and produces perfect bound and hardcover books. Also develops customized web-to-print portals and provides complete document management services and kitting & fulfillment. Has a national footprint through multiple locations. Annual revenues of approximately \$25 million.

Contact:

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

▶ Digital Out of Home Media Company

Seize the opportunity to acquire a recognized premier player in the digital out-of-home (DOOH) media landscape. This established company excels in location-based advertising, featuring state-of-the-art Digital LCD Displays and innovative outdoor media formats that captivate audiences. The advertising clientele includes top-tier national and global brands, showcased across prime locations owned by leading national institutional real estate firms. This dynamic business operates at the convergence of print, broadcast, online, outdoor, and mobile advertising. With a highly scalable model that fosters repeat business and a steady revenue stream, the company generates approximately \$5 million in annual revenue, boasting a robust 25% EBITDA. Don't miss the chance to invest in a growing market with immense potential!

Contact:

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

▶ 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.

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

▶ **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.**

Inside the Thinking of Strategic Buyers and Search Funds

By James A. Russell

As we've been reporting, much of the recent action in M&As within the packaging industry has been driven by private equity (PE) investment. PE investors like the solid returns they've been getting from their ventures into labels and packaging, and we expect their interest to remain high for as long as demand in these markets continues to grow.

But, we should also recognize significant activity among strategic buyers and search funds. Strategic buyers are owners of label and packaging firms seeking to supplement their organic growth with growth by acquisition. Search funds, representing buyers from outside the industry, are generating market momentum of their own as they set their sights on label and packaging producers.

A strategic acquisition aims at expanding the profile or the reach of an existing business, almost always with a permanent solution in mind. Unlike fast-moving, platform-building PE investors with target dates for cashing out, strategic buyers tend to proceed at a deliberate, one-step-at-a-time pace that suits their long-term visions for their companies.

Still a Force in the Market

What we've been hearing from strategic buyers tells us that while the pace has lately slowed a little, the packaging market still has ample opportunity for owners who are determined to grow by acquisition. Behind most strategic acquisitions are one or more of the following business goals:

Location. For label and packaging firms, footprint often defines competitive strength. A Midwest-based client of ours that does a large volume of online sales wants to acquire a plant west of the Mississippi to better fulfill orders bound for the West Coast. The goal of another client is to operate a facility in each of the country's top 10 metropolitan areas, either within city limits or in the suburbs. Territory-specific strategic acquisitions will give both of these clients the geographic coverage that's key to their growth.

Product mix. A good example is a trend we're seeing among wholesalers of packaging supplies who want to establish their own credentials as packaging manufacturers. One such client has acquired a label company in its first foray into this product category. The client now wants to buy a boxmaking company for an expansion into custom packaging. These strategic acquisitions give the client more to offer than just commodity products – a move that should reward it with a larger share of its customers' business.

Capability. Companies acquiring on the basis of location tend to target businesses with capabilities similar or complementary to theirs. In most other cases, however, the buyer's objective will be to enter new markets without already possessing the equipment or the technology that serving the market requires.

That means buying a company that has the capability and operating it as an extension of the buyer's business. For example, a commercial printer equipped to print board stock can become a full-fledged packaging manufacturer by acquiring a company that also offers folding and gluing. Searching by capability is always a good tactic for narrowing the field of likely acquisition targets.

Customer base. At some point, the owner of a label or packaging business that has succeeded by catering to one market may begin to think about replicating that success in one or more adjacent markets. A client of ours who primarily serves automotive customers now wants to branch into labels and packaging for the pharmaceutical and medical equipment markets, which it has a limited ability to support. Acquiring businesses with full sets of tools for new types of customers gives buyers like our client the market access they want – as well as a hedge against a downturn in their main lines of business.

Financial condition. Not surprisingly, strategic buyers prefer financially stable, non-distressed companies that they can fold without difficulty into their existing operations. In today's M&A marketplace, an acquisition candidate with an EBITDA of 10% or more can expect to attract buyers willing to pay a fair multiple for the seller's business.

Workforce. Along the same lines, what strategic buyers want to see in prospective new employees are solid experience and high-value skill sets. For obvious reasons, non-union workforces are more desirable than organized ones.

Search, and They Shall Find

These are the main motivations of strategic buyers, which differ significantly in some respects from those of PE investors. There is, however, a third class of buyers for sellers to be aware of: those known in the market as search funds.

Search funds represent ambitious individuals who are out to purchase and manage existing businesses as the next stage of their professional lives. These buyers – very often people who have been successful in the corporate world – have substantial financial backing and a long-term perspective on the acquisitions they have in mind. Unlike PE investors, they have no predetermined exit strategies: they want to own, hold, and prosper in the same spirit that strategic buyers do.

Sellers entertaining offers from search funds will find them selective and methodical in their approach to doing business. Since most search fund buyers probably will have had no prior experience in packaging or labels, they can be expected to focus on the stability of the workforce and the willingness of the selling owner to remain in place during the transition period.

Sellers who can measure up to the expectations of strategic purchasers should prove equally attractive to search funds. Both types of buyers are active in the market now, and we foresee continued dealmaking on their part as more owners of label and packaging firms take their first steps toward being acquired.

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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