

Why the M&A Stage Seems Set for an Uptick in Tuck-ins

By Jim Russell



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Many of our clients have learned that this form of acquisition can be the best answer for owners of firms in the late stages of their business life cycles.

We've often written in these columns about the advantages that tuck-ins offer to owners whose businesses are best suited for acquisition in this way. A tuck-in is usually the right move when growth has plateaued, the owners have no next-generation successors, or the local market is too limited to generate new clientele. Size matters as well, with small firms more likely to be acquired as tuck-ins than larger ones.

General business conditions also drive the market for tuck-ins, and if the results of 2025 are predictive of what's to come, we can expect to see more tuck-ins happening this year and in 2027.

In its State of the Industry Report 2025, PRINTING United Alliance Research revealed that sales for survey respondents rose by an average of only 0.7% compared with sales one year earlier. Sales were flat or decreasing for 62.8% of the survey group and up for just 32.7%. At the same time, tariff- and inflation-driven operating cost increases put pressure on margins that respondents could not fully compensate for by adjusting pricing to their customers.

Tough trends like these affect everyone, but they tend to fall hardest on companies that have not sufficiently reinvented themselves in ways that make their customers "stickier" to them. Firms in these circumstances will be especially ripe for tuck-ins by buyers who appreciate the value that is still inherent in their business.

Hub-and-Spoke Model

One such buyer is Bloomington Offset Process, Inc. (BOPI), a third-generation Illinois-based print and packaging provider since 1947. In 2018, BOPI broadened its footprint by acquiring JK Creative Printers of Quincy, IL in a tuck-in structured on a hub-and-spoke model. This involved leaving the seller's sales force and digital print department in place in their original location and bringing the offset and direct mail volumes to BOPI's headquarters plant in Bloomington, where those jobs could be produced more efficiently.

The tuck-in worked well for both parties. BOPI extended its geographic reach, and revenues from the seller's operations went up. The growth BOPI experienced not only benefited BOPI. The sellers also benefited from a larger earnout thanks to the increased sales driven by BOPI's more diversified product and service offering. Last year, with the owner of one of our clients nearing retirement, and family members not interested in continuing the business legacy, we approached BOPI and other buyers about another opportunity with similar characteristics. Multiple proposals were received and reviewed, but it soon became clear that the one from BOPI offered the best cultural fit and the most reasonable financial terms. BOPI closed the transaction late in 2025, noting that operations at the seller's location would continue much as they had before.

In this hub-and-spoke tuck-in, BOPI will shift some of the seller's volume to its main plant and leave other work where it is. BOPI also acquired specified equipment and inventory, rented the seller's building, and absorbed most of its employees.

Variation on a Theme

This deal could be called a hybrid or a quasi tuck-in given that the buyer acquired more than just the seller's book of active accounts and kept a portion of the original operation in place. But no matter how a tuck-in is structured, its benefits flow in both directions.

The buyer gets to add a significant chunk of new business that might have been much more difficult to achieve through organic growth. The seller gets to monetize its most valuable asset, its account list. In a deal like this one, the seller also protects its employees' jobs and carries on its legacy in its home territory – a key consideration for firms with long, multi-generational histories or highly regarded reputations in their small communities.

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New Direction Partners helped to closed three other similarly structured tuck-ins in the fourth quarter of 2025. One of them illustrates especially well why this form of acquisition can be the best answer for owners of firms in the late stages of their business life cycles.

Still Some Value

In this example, our client was the owner of a label manufacturer that had a significant concentration of its revenue in one account. When that customer's orders declined, so did the profitability of the company. But because its remaining business was attractive, we were still able to find multiple prospective buyers. The tuck-in by the chosen buyer let the seller pay off his debt, net some proceeds going forward, and find a new tenant for the building he owns out of which the label company had been operating.

It's important for owners to remember that whether their companies are only modestly profitable, operating at breakeven, or even losing money, their book of business still has significant value in the marketplace. We expect to see that principle hard at work for the rest of this year and into the next one as more owners learn to appreciate the practical wisdom of becoming tuck-in sellers.

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.