



# PRINT · PACKAGING

FOURTH QUARTER

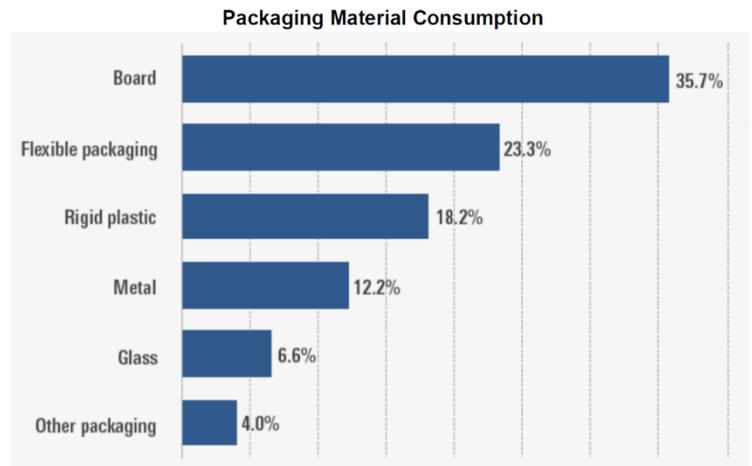
2018

The Print & Packaging Industry Practice Group draws on the experience of CFA dealmakers, who as former business owners, CEOs, and industry professionals, have first-hand knowledge and have completed many transactions in sectors throughout the Print & Packaging category. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.

## Print | Packaging M&A

M&A activity for North American based target companies in the Print and Packaging sector for Q3 2018 included 25 closed deals, according to data published by industry data tracker FactSet.

One of the notable middle market transactions was announced in July when Ahlstrom-Munksjö Oyj acquired Expera Specialty Solutions, LLC from KPS Capital Partners LP for US\$615 million in cash, subject to an agreed post completion adjustment. The transaction would allow Ahlstrom-Munksjö Oyj to expand its operations in North America and strengthens its services offerings. Founded in 2013, Expera Specialty Solutions is located in Kaukauna, Wisconsin and manufactures and converts lightweight packaging, pressure sensitive and industrial papers.



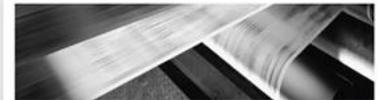
Source: Smithers Pira

Board and paperboard (corrugated, folding carton stock and liquid paperboard) is the largest packaging material type according to a recent study conducted by Smithers Pira. It accounts for 35.7% of world packaging consumption followed by flexible packaging (plastic, paper and foil) with 23.3%, rigid plastic packaging with 18.2% and metal with 12.2%.

## Transactional Overview

Notable closed lower middle market transactions for the period in the Print and Packaging sector include:

**August 2018** - Dunn Paper, Inc., a portfolio company of Arbor Private Investment Co LLC, acquired the assets related to the Ladysmith Facility from Clearwater Paper Corp, for around US\$72 million. Founded in 1999, Arbor Private Investment Co. is a private equity firm located in Chicago; Dunn Paper manufacturer of specialty paper products. Clearwater Paper manufactures recycled paper products.



MERGERS, ACQUISITIONS, AND CAPITAL RESOURCES SINCE 1956

FOR MORE INFORMATION CONTACT

Corporate Finance Associates  
24461 Ridge Route, Suite A200  
Laguna Hills, CA 92653

For over 60 years CFA has been advocating on behalf of business owners. Whether you're selling, buying or recapitalizing your company, our business is your business.

info@cfaw.com  
www.cfaw.com

**August 2018** - Ennis, Inc. acquired Wright Enterprises Holding Co., Inc., the holding company of Wright Business Graphics, Inc., for US\$36.1 million. Ennis is a holding company that engages in the production and sale of business forms and other products. Wright Enterprises engages in printing business forms. It offers digital printing, UV printing, print & mail, cut sheet, laser forms and continuous unit form services. The company was founded in 1970 and is headquartered Portland, OR.

**July 2018** - Green Bay Packaging, Inc. acquired Grand Traverse Container, Inc. for an undisclosed amount. The acquisition is in line with Green Bay Packaging's growth strategy. Green Bay Packaging manufactures paperboard packaging products. Traverse Container, located in Traverse City, MI, manufactures packaging products.

Selected Q4 Closed Transactions	
Target/Issuer	Buyers/Investors
Lewis Label Products Corp.	Main Post Partners, L.P.; Fortis Solutions Group LLC
National Gift Card Corp.	LSCG Management, Inc.
HZDG	Burson Cohn & Wolfe
Dr. Graphx, Inc.	Tukaiz LLC
National Communications Group, Inc.	Duggal Visual Solutions, Inc.
Central Kentucky Corrugated Specialists, Inc.	Welch Packaging Group, Inc.
Laddawn, Inc.	Berry Global Group, Inc.
Trio Printing Co.	Modern Litho-Print Co.

## Industry Update

More commercial printers are starting to offer garment printing to meet increasing demand for custom textiles, according to a new study cited by Printing Impressions. The Specialty Graphic Imaging Association (SGIA)-sponsored study, "Convergence in the Print Industry: Understanding Growth Opportunities and Competition," found that 95% of printers across all segments see opportunities for growth in exploring other niche industries, and nearly 20% of commercial printers are researching garment and dye-sublimation printing. As more brands seek to consolidate print work into a single source, they may prefer to hire printers that can complete a diverse set of jobs. For instance, a commercial printer that is already printing banners for an event can capture more business by also printing the event's T-shirts. New direct-to-garment (DTG) inkjet printers and high-density infrared dryers aid in the manufacture of high-quality products and can command higher prices.

## Industry Indicators

- US corporate profits, an indicator for corporate demand for printing services, rose 7.7% in the second quarter of 2018 compared to the same period in 2017.
- US nondurable goods manufacturers' shipments of printed goods, an indicator of demand for commercial printing, rose 0.6% year-to-date in July 2018 compared to the same period in 2017.
- The spot price of crude oil, a key cost factor in commercial printing operations, rose 46.8% in the week ending September 7, 2018, compared to the same week in 2017.

The Print & Packaging Practice Group is a multi-disciplinary group of investment banking advisors within Corporate Finance Associates. Collectively, the Print & Packaging Practice Group provides M&A advice to public and private companies in all sectors of the print and packaging industries, including flexible packaging, paper and durable labels, packaging equipment, materials and supplies, pulp and paper mills and commercial printing. For information on mergers, acquisitions, divestitures, recapitalizations, joint ventures or financial resources, contact your local Corporate Finance Associates office.

