

PRINT · PACKAGING

FIRST QUARTER

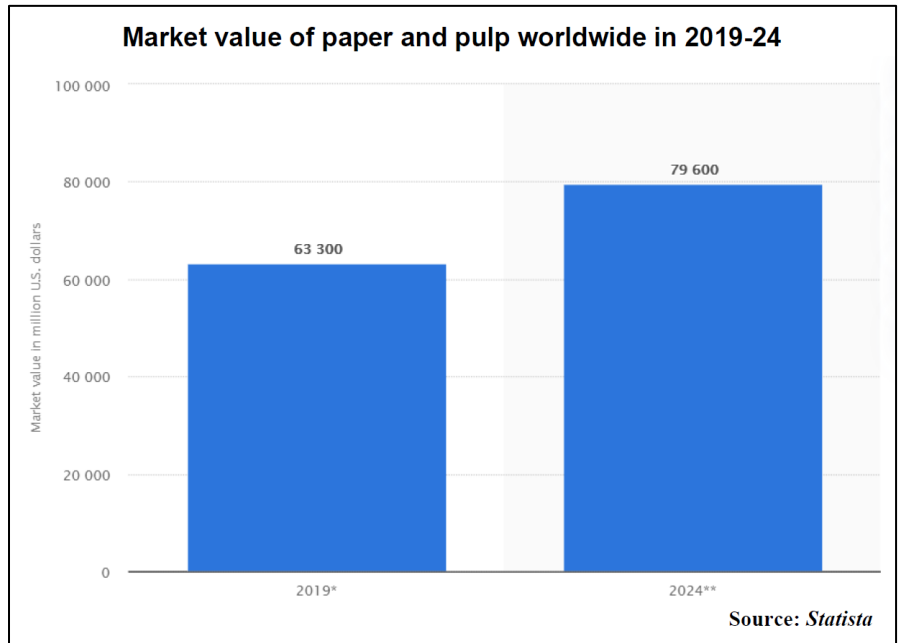
2020

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 Q4 2019 included 36 closed deals, according to data published by industry data tracker *FactSet*.

One of the notable middle market transactions in the sector was announced in November when Advanced Barrier Extrusions LLC, a portfolio company of Graham Partners, Inc., acquired Flexographic Packaging Co for an undisclosed amount. Since its founding in 1988, Graham Partners has focused on acquiring and investing in higher growth, middle-market consumer and industrial manufacturing-related companies. Flexographic Packaging provides flexographic printing and custom laminating services. The company was founded in 1995 and is headquartered in Waupun, WI.

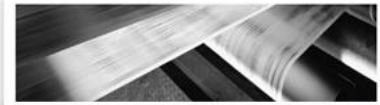


The market value of paper and pulp is expected to rise in the coming years as the demand for packaging grows.

Transactional Overview

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

December 2019 - Nittany Paper Mills, Inc. acquired Marcal Paper Mills, Inc. and Marcal Paper Mills LLC from Soundview Paper Holdings LLC, for an undisclosed amount. Nittany Paper Mills manufactures and distributes paper towels and tissue. Marcal Paper Mills manufactures papers. The company is headquartered in Elmwood Park, NJ.



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December 2019 - Industrial Opportunity Partners LLC acquired Midwest Recycled & Coated Containerboard Mill LLC, trading as Midwest Paper Group, for an undisclosed amount. Industrial Opportunity Partners, based in Evanston, IL, is a private equity investment firm. Midwest Paper Group manufactures and distributes recycled containerboard, natural kraft packaging and printing & writing grades. The company was founded in 1889 and is headquartered in Combined Locks, WI.

December 2019 - Knepper Press Corp acquired Dual Print & Mail LLC from Compu-Mail LLC for an undisclosed amount. Knepper Press Corp. provides commercial printing services. It offers sheet-fed, web and digital printing services. Dual Print & Mail LLC provides printing and mail services. It specializes in green printing, inline foiling, xpandomedia, perfect binding and mailing services. The company is headquartered in Grand Island, NY.

Selected Q1 Closed Transactions	
Target/Issuer	Buyers/Investors
Universal Wilde, Inc.	DS Graphics, Inc.
Fuse LLC (Illinois)	Mittera Group, Inc.
Davis Core & Pad Co.	Branford Castle, Inc.; Drew Foam Cos., Inc.
Grip-Pak, Inc.	Pro Mach, Inc.
Zenith Specialty Bag Co., Inc.	Novolex Holdings LLC
Consolidated Printing, Inc.	Summit Partners LP; Chicago Growth Partners LLC
Kilmer Wagner & Wise Paper Co.	Spicers Paper, Inc.
Multipack Solutions LLC / PVA Packaging Div/	Wind Point Advisors LLC; US Nonwovens Corp.

Industry Update

Consolidation of the US printing industry has continued in 2019, but at a slower pace than was seen in 2018, according to "The Target Report" released by Graphics Arts Advisors in September 2019. The number of mergers and acquisitions in the printing, packaging, and related activities industry declined 8% in the first eight months of 2019 compared to the same period a year earlier, but activity is still strong. According to Graphic Arts Advisors analysis, commercial printing has experienced steady M&A activity amid high numbers of bankruptcies and other closures, which indicates industry contraction. The trend also suggests stronger companies can find better bargains when shopping for acquisitions. In 2019, the chief rationales driving commercial printing M&A activity were tuck-ins (where the buyer transitions the seller's customers to the buyer's printing facilities), adding locations, acquiring new service offerings, and geographic expansion.

Industry Indicators

- US corporate profits, an indicator for corporate demand for printing services, fell 0.8% in the third quarter of 2019 compared to the same period in 2018.
- US nondurable goods manufacturers' shipments of printed goods, an indicator of demand for commercial printing, rose 3.6% year-to-date in October 2019 compared to the same period in 2018.
- The spot price of crude oil, a key cost factor in commercial printing operations, rose 15.0% in the week ending December 13, 2019, compared to the same week in 2018.

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.

