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UNIVERSAL GRAFIX – In pressed field, printer grows *Acquisitions help Rockland-based company thrive*

By JULIE JETTE, The Patriot Ledger

ROCKLAND - While printing pictures and words on paper in the age of the Internet may seem so 1996, a printing company in Rockland is nothing but bullish in its expansion plans.

The recently renamed Universal Grafix – its Graphic Services signs are still up through most of its VFW Drive printing plant – has been busily acquiring other printing companies for the past three years.

The company, founded in 1989 by CEO Bill Fitzgerald, recently acquired United Lithograph of Somerville from Cenveo, a Stamford, Conn., company.

Before that, it acquired Inter City Press in Rockland in 2000, and Charles River Lithography, also in Rockland, in 2003, along with Universal Press in Westwood from Quebecor in Montreal in August.

Where other printing companies were cutting back, says director of sales Jim Bailey, Universal Grafix has seen opportunities for growth. It has locations in Hanover, where it does binding, distribution, and assembling display kits, Westwood, where it does printing and binding, and Rockland and Somerville, where it does much of its printing.

The acquisitions have taken the company from one focused almost entirely on serving the textbook and publishing industry to one that also boasts financial clients such as John Hancock and retail clients such as Hingham's Talbots Inc. The company has been increasing its revenue by about 20 percent a year and expects \$50 million in sales this year.

Several acquisitions have come as large, publicly traded printers sold off assets they felt were under-performing.

The acquisitions of Universal Press from Quebecor and of United Lithograph from Cenveo were two instances where Universal Grafix, which only changed its name from Graphic Services earlier this spring, was able to expand its offerings thanks to another company downsizing.

Buying Universal Press enabled Universal Grafix to beef up its visibility in the publishing, financial and commercial printing markets, Bailey said.

The acquisition of United Lithograph brought with it digital printing capabilities, a rapidly expanding area that still makes up a small percentage of all printed materials.

"In the big universe of print, there's less material than you had five years, 10 years, 20 years ago," he said.

Traditional offset printing still makes up 98 percent of the company's business. "(But) we do see that dramatically shifting to digital in two to five years," he said.

Digital printing enables more flexibility, shorter print runs that are still economical, and the ability to personalize each printed piece.

An offset printer can print thousands of postcards that then have to be fed through a printer to be addressed. A digital printer can print the full-color postcard and the address in one process.

Universal Grafix isn't the only small to mid-sized printing company that sees growth opportunities. Tepel Brothers Printing Co., a Troy, Mich., company that's somewhat smaller than Universal Grafix, has followed a similar route of moving in where competitors were moving out.

Harriet Tepel, who owns the company with her husband, Jim, said her company hasn't made the same types of acquisitions Universal Grafix has, but it has been able to pick up business and experienced employees when other printers failed.

"In a decaying market, many companies that had been around for decades can't make it any longer," Harriet Tepel said. "Their employees needed a place to go, their accounts needed a place to go, so we decided to capitalize on that." Tepel Brothers has been able to acquire a growing piece of a shrinking pie, Tepel said.

"Now we have the best craftsmen working for us, we have the best equipment, the best sales reps – now we can really take off," she said. "We got the accounts, but we're keeping them and growing them."

While print volumes are down overall, the short-term outlook for the industry has been improving, said Bill Esler, editor in chief of trade publication Graphic Arts Monthly.

Esler said that in the first quarter, the paper production industry had revenues about 8 percent higher than last year's first quarter, and the printing industry did slightly better.

Digital printing has a particularly bright future, Esler said, because even with the advent of digital cameras and electronically-stored photo albums, people are still looking for professionally printed items.

In fact, the advent of digital printing coincides nicely with the coming-of-age of digital media users who are comfortable with do-it-yourself publishing.

"The next generation, they're handy with all the tools of desktop publishing, and the digital presses allow them to do print press runs of 5,000 (items)," he said. "Like any old-line industry, people who didn't retool are going away. The people who did retool are growing."