

Company (Ticker Symbol)	TEV/EBITDA	For 2022	8/5/22	For 2021	2021	2020	2019	2018
Cimpres (CMPR) <i>aka</i> Vistaprint	10.0X	-47.6%	37.50	-18.4%	71.61	87.74	125.77	103.42
Deluxe Corp. (DLX)	9.2X	-26.6%	23.57	+10.0%	32.11	29.20	49.92	38.44
Ennis (EBF)	7.4X	+9.3%	21.34	+9.4%	19.53	17.85	21.65	19.25
Quad (QUAD)	4.9X	-15.3%	3.39	+4.7%	4.00	3.82	4.67	12.32
Market Cap in Mil \$: >>>>		-29.3%	2,900	-2.5%	4,103	4,210	6,875	6,017
	DJIA	-9.7%	32,803	+18.7%	36,338	30,606	28,538	23,327
	Nasdaq	-19.1%	12,658	+21.4%	15,645	12,888	8,973	6,635
	S&P 500	-13.0%	4,145	+26.9%	4,766	3,756	3,231	2,507
	Russell 2K	-14.4%	1,922	+13.6%	2,245	1,977	1,669	1,349
Total of 4 index composite: >>>>		-12.7%	51,528	+19.8%	58,995	49,228	42,411	33,818

Note: Values in Green are up, Black is "even" and Red means down from the previous month's close.

Information furnished above is from GoogleFinance except TEV/EBITDA from Yahoo! Finance which is from the prior day's close.

All information is deemed reliable, however no representation can be made as to its accuracy and may be subject to errors.

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PrintStockWatch® has been published continuously since January 2000 and now has over 1,000 printing industry executives as subscribers

There is a great deal of important content in this edition of our PrintStockWatch, and I encourage you to review it...Deluxe, RRD and Quad all released Q2-FY'22 earnings this week.

If you cannot get to it today/this weekend/next week, it will be posted on the PSW website with a "link" to review at another time, and "links" will be provided in the next several PSW editions.

The market gained +77 points on the day to close at **32,803**...our PrintStockWatch continues to lag way behind the Dow and is **down -29.3%** YTD.

Below is all the "news" from the *Wonderful World of Print* this week...**enjoy** (and learn) !



Since there seems to be a great deal of "confusion" about Deluxe Corporation and in particular its [Safeguard Division](#), I thought these excerpts from either DLX's Press Release or 10K from 2021 might be of interest.

First off, Deluxe's (NYSE: [DLX](#)) Earnings for Q2 and the first six (6) months of 2022: [PRESS RELEASE](#)

Deluxe Corporation
Condensed Financial Information
(In millions, 000's omitted)

Condensed Operating Results	Q2 ending June 30		6 mo. YTD	
	2022	2021	2022	2021
Total Revenue	563.0	478.2	1,119.0	919.5
Cost of Goods Sold	(264.2)	(206.6)	(513.3)	(385.1)
Gross Profit Margin \$	298.8	271.6	605.7	534.4
Gross Profit Margin %	53.1%	56.8%	54.1%	58.1%
S, G & A Expenses	(249.5)	(233.8)	(509.4)	(446.3)
Net Restructuring Charges	(15.2)	(11.4)	(31.4)	(25.7)
Gain on sale of businesses & facility	17.5	-	17.5	-
Operating Income \$	51.6	26.4	82.4	62.4
Operating Income %	18.6%	20.0%	19.8%	20.6%
Interest Expense	(21.4)	(9.5)	(41.7)	(14.1)
Other Income (Expense)	2.4	2.1	4.5	4.2
Earnings Before Taxes	32.6	19.0	45.2	52.5
Income Tax Provision	(10.5)	(6.9)	(13.4)	(16.0)
Net Income	22.1	12.1	31.8	36.5
"Pure" EBITDA \$ (non-GAAP measure)	99.0	61.7	173.5	127.6
"Pure" EBITDA % (non-GAAP measure)	17.6%	12.9%	15.5%	13.9%
Note: Depreciation & Amortization	45.0	33.2	86.6	61.0

Deluxe now has four (4) "Segments" and its Safeguard Division is housed *along with some other entities* within "**Promotional Solutions**" (and further divided between two "sub-segments"):

Business Segment	Category	Percentage of 2021 consolidated revenue	Description
Payments	Merchant services and other payment solutions	13.6 %	Merchant in-store, online and mobile payment solutions; payables as a service, including eChecks, Medical Payment Exchange and Deluxe Payment Exchange; payroll and human resources services; fraud and security services
	Treasury management solutions	11.6 %	Receivables as a service, including remittance and lockbox processing, remote deposit capture, receivables management, payment acceptance
	Total	25.2 %	
Cloud Solutions	Data-driven marketing solutions	7.5 %	Solutions for marketing business-to-business and business-to-consumer
	Web and hosted solutions	5.5 %	Web hosting and software-as-a-service (SaaS) solutions, including web design, logo design, financial institution profitability reporting, business incorporation services
	Total	13.0 %	
Promotional Solutions	Forms and other products	14.7 %	Business forms and accessories, including envelopes, labels, stationery and more
	Marketing and promotional solutions	12.3 %	Advertising specialties, promotional apparel, retail packaging
	Total	27.0 %	
Checks	Checks	34.8 %	Printed business and personal checks

deluxe	Deluxe Corporation	
	Segment Information	
	(Unaudited-in Millions)	
	Six Months Ended	
	June 30th	
	2022	2021
Revenue		
Payments	337.4	182.8
Cloud Solutions	138.1	130.3
Promotional Solutions	272.5	259.5
Checks	371.0	346.9
Total	1,119.0	919.5
"Adjusted" EBITDA \$		
Payments	71.4	39.5
Cloud Solutions	34.8	36.0
Promotional Solutions	31.5	39.2
Checks	165.4	163.7
Corporate O/H	(101.8)	(90.4)
Total	201.3	188.0
"Adjusted" EBITDA %		
Payments	21.2%	21.6%
Cloud Solutions	25.2%	27.6%
Promotional Solutions	11.6%	15.1%
Checks	44.6%	47.2%
Total	18.0%	20.4%

As you can see, "**Promotional Solutions**" + "**Checks**" (ie: "print") account for ~**\$1.3Bil** (*annualized*) in Revenue (ie: 57.5%) and "**Checks**" still produce the "lions-share" of DLX's EBITDA.



We are most impressed that RRD (now back under [Tom Quinlan's](#) leadership) continues to publish its financial results in light of the fact it is no longer a public company...not sure how long this will continue, but it is nice to see how RRD is doing! Make sure you look at "adjusted" EBITDA...

R.R. Donnelley's Q2 and six (6) month results for FY2022: [PRESS RELEASE](#)

Quad's (NYSE: [QUAD](#)) Q2 and six (6) month results for FY2022: [PRESS RELEASE](#)

R.R. Donnelley vs. Quad
Condensed Financial Information

(Stated in millions of dollars)

Condensed Operating Results for 6 mo.-'22 vs. 2021 Unaudited	RRD-6 mo.		QUAD-6 mo.	
	2022	2021	2022	2021
Net Sales	2,600.7	2,318.7	1,501.9	1,399.7
Cost of Goods Sold (Note: Does <u>not</u> include Depreciation)	(2,093.5)	(1,877.1)	(1,237.7)	(1,114.0)
Gross Profit Margin \$ (Note: Does <u>not</u> include Depreciation)	507.2	441.6	264.2	285.7
Gross Profit Margin % (Note: Does <u>not</u> include Depreciation)	19.5%	19.0%	17.6%	20.4%
S, G & A Expenses (See Note 2 below for RRD only)	(334.4)	(297.1)	(166.0)	(160.6)
Depreciation & Amortization (D&A \$)	(61.2)	(66.7)	(71.8)	(80.6)
Depreciation & Amortization as a % of Sales	2.4%	2.9%	4.8%	5.8%
Restructuring & Impairment	(38.7)	(15.5)	(6.8)	10.8
Other Operating Inc. (Exp.) See Note 3 below for RRD only	(37.7)	(9.0)	-	14
Total Operating Expenses	(472.0)	(388.3)	(244.6)	(216.7)
Operating Income-EBIT \$	35.2	53.3	19.6	69.0
Operating Income %	1.4%	2.3%	1.3%	4.9%
Interest Expense-Net	(48.2)	(69.0)	(20.2)	(30.1)
Other Income (Expense)-Net	9.5	9.7	6.3	7.6
Loss on Debt Extinguishment	(2.3)	(6.2)	-	-
Earnings (Loss) Before Income Taxes & Results from Discontinued Operations	(5.8)	(12.2)	5.7	46.5
Income Tax (Expense) Benefit	(22.5)	1.3	(1.4)	(1.8)
Net Income (Loss)	(28.3)	(10.9)	4.3	44.7
"Adjusted" EBITDA \$	207.5	139.0	97.7	146.4
"Adjusted" EBITDA %	8.0%	6.0%	6.5%	10.5%

Information furnished above is from company Press Releases and/or 10Q for QUAD

Note 2 (for RRD only): Inclusive of \$36MM in accelerated incentive comp expense related to the 2022 merger

Note 3 (for RRD only): Inclusive of \$29.2MM in transaction costs related to the 2022 merger

Note: "Adjusted" EBITDA Includes Restruct/Impair Charges for both plus Exp. in Notes 2 & 3 (for RRD only)

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We are still trying to get some clarification as to why Depreciation is not included in Cost of Goods Sold for either company...

We have also asked why the Gross Margin %'s (*including* Depreciation) for both companies are very low...RRD's is 17.1% and Quad's is just 14.6%.

Have a great first weekend of August...be sure to enjoy your families! The "[dog days](#)" of Summer are just about over (July 3rd-August 11th)!

[Jim Anderson](#)
Founder & Publisher

Quote for the Week: [Dog Days Of Summer: Compilation - YouTube](#)

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