

Brigstocke's belief

Private equity fund Knox Investment Partners is quietly buying up niche Australian and New Zealand print companies, particularly in short run books and wide format printing. Knox Print Media CEO Cliff Brigstocke explains the company's strategy to AP editor Wayne Robinson

CLIFF Brigstocke is the figurehead of a significant new player in the Australian print industry, the Knox Print Group. Backed by the Knox private equity fund Knox has, in little over a year, bought several companies both here and in New Zealand, and in the process become Australia's biggest short run digital printer, and its biggest wide

format operation.

Knox first came to attention as the buyer of Richard Celarc's highly respected Ligare Printing, which it purchased in June last year. A few months later Knox bought Ligare's main rival Southwood Press. This was followed by fund's entry into the wide format market, initially in Auckland with Omnigraph, which was quickly followed by F Display and F Digital, New Zealand's Cactus Imaging, and just last month it bought the Australian version of Cactus Imaging.

It now claims to be the biggest wide format printer in the country. It is certainly now the biggest short run digital book printer in the country.

When Knox entered print last year with its purchase of Ligare, it installed Cliff Brigstocke as its CEO.

Brigstocke didn't come from a printing background, but had worked for Bunzl in its logistics business, where he was involved supplying companies such as Starbucks Coffee with all their consumables on a global basis, and prior to that was at Thomson Publishing, where he bought print from among others, Ligare, for its tax, legal and accounting publishing division.

Brigstocke says, "When Knox came in, Ligare was a successful business, which Richard Celarc had been driving for 29 years. From his perspective he was looking at the next stage in the company's development, and was seeking strategic

guidance. Knox Investment Partners saw Ligare as a superb company with a great track record, well placed to capitalise on upcoming opportunities, and so made its first investment in print."

The owners of Knox met at New Zealand's Otago University in the 1980s, and were friends there with Brigstocke. Its investment portfolio is broad, with print only a minor division. Brigstocke says, "Knox is relatively small, and really functions on networks. Many of the investors know each other, and companies it invests in tend to come with some kind of personal contact."

Of its entry into print, Brigstocke says, "The companies Knox has invested in have been chosen for their niche sectors, and particularly for operating in the time sensitive space in short to medium run print. In book printing for instance we are not going to invest in a business which is susceptible to overseas (ed: read Chinese) competition."

Unlike the two high profile Trans-Tasman private equity backed companies – Blue Star and Geon – Knox is steering away from sheetfed, preferring instead to focus on niche sectors. However just like the other two Knox has its roots in the land of the long white cloud.

Interestingly, Richard Celarc is still with Ligare, in the role of executive chairman. And just as interestingly, Celarc is now an investor in Knox, so buying back into his company. Brigstocke says,



Big is beautiful: Cactus Imaging produced Australia's biggest building banner, for the Sydney 2000 Olympic Games



Cliffe Brigstocke : CEO - Knox Print Media

“Richard is clearly happy with the way Knox has handled the business since we came in, so much so that he is buying back in. I think that says a lot about Knox.”

Ligare was of course just the first step for Knox, with main rival Southwood next in the shopping basket. Brigstocke says, “Although a competitor of Ligare Southwood was operating in somewhat different segments; there were only a dozen customers that crossed over.” Southwood’s plant and staff were relocated into the Ligare production and sales centre.

Knox does not intend to stay where it is in the print industry. Brigstocke says, “We will buy other print businesses, but only if they are the right fit. Our strategy is to buy good businesses that operate in niche growth areas, and are the number one or number two in their segments.”

In wide format – one of the fastest growing print segments – Knox made its first move late last year with the purchase of Auckland-based Omnigraphics, which was quickly followed with the acquisition of F Display and F Digital. Brigstocke says, “Again these businesses were complimentary to each other, which gave us a good spread across the market.” Knox then followed up by adding Cactus Imaging, also a Kiwi wide format business, to its portfolio. Brigstocke says, “Cactus wanted cash to expand, and by then Knox knew it was a great business.”

This led to Knox’s most recent splash, the purchase of the Australian version of Cactus Imaging, which was a related but separate business. As is the case with all of

Knox’s printer acquisitions the existing management have remained in place. China is a significant player in Australian wide format print; there are more than a few wide format printers who are having their work produced in the middle kingdom. However Brigstocke says, “Our proposition includes quick turnaround, which China cannot match. There is also a growing complexity to wide format print products, as the creatives look to exploit the opportunities that wide format is offering, and again this is outside the scope of China.”

Brigstocke says, “With Cactus Imaging Australia joining our growing network of specialist print providers, we can now deliver grand and wide format print solutions in both New Zealand and Australia. A trans-Tasman offering is important for our customers who have locations in Australia and New Zealand as it ensures seamless production, the latest in technology and consistency whilst delivering the benefits of economies of scale”.

Former Cactus partner, Keith Ferrel, now manager at Cactus says that after recent consultation with his business partner, they recognised the opportunity to join with a larger print specialist group in order to realise longer term goals. He says, “Knox Print Media has a proven record in supporting small to medium size specialist print business by developing a sound growth plan. The Knox team has a wealth of knowledge and their support during the transition phase has been fantastic. For me it is the best of both worlds, I remain in the business that I love

and am passionate about, and have partners who will support me to further grow the business. For our customers, my message is business as usual with many potential benefits as we connect with the Knox Print Media group”. In the medium to longer term Knox does not have an IPO as part of its game plan, rather it intends to build a profitable print group though its niche and value add businesses.

Brigstocke says, “Each business that we have bought or will buy needs to be stand alone profitable, and it needs to have credible potential growth paths.”

Neither is Knox looking to build superplants, consolidating all its business under one roof.

Brigstocke says, “We will realise synergies downstream, but this is almost a by-product, it is certainly not our reason for buying a range of businesses. We will eventually move to a preferred supplier basis.”

Knox is moving its short-run book business into a new plant next year.

Brigstocke believes that despite its often negative portrayal the print business has plenty to offer entrepreneurs and investors.

He says, “The time is right to invest in print. A new generation of print owners can really do well in today’s environment, which offers great opportunities.

“I know there are a lot of people who have been in print for a long time who are currently operating in a tough market, but the digital world is changing the business, and Knox intends to ensure it is well placed to exploit those changes.” AP