

Valpak plans significant expansion under new owner Platinum Equity



William R. Levesque, Times Staff Writer

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ST. PETERSBURG — First things first: Don't expect platinum-colored Valpak envelopes stuffed with coupons in your mailbox.

"We're not looking at any platinum color schemes," joked Valpak CEO and president Michael Vivio, a week after his company, known for its ubiquitous blue envelopes, was purchased by Platinum Equity, a Los Angeles global investment firm.

But changes are nonetheless afoot for Valpak and its Savings.com. Their president and CEO, Michael Vivio, said in an interview Monday that the sale signals an expected expansion of his companies with a new owner expected to significantly invest in its new acquisitions.

Previous coverage: *Los Angeles investment firm buys Valpak direct mail business*

Cox Media Group, which owned Valpak, had been shopping the companies since the late spring of 2016, said Vivio, who will remain to head the firms.

Vivio said Valpak and Savings.com will expand their reach geographically and build on an emphasis in the last two years to bring consumers deals from national retailers and grocery chains. The companies' reach has been typically identified with local businesses.

The company has worked with Sam's Club, Macy's, and the HEB grocery chain, among others.

But he said he could not yet provide details of what is planned.

"Our change of ownership was about Cox realizing that an owner who is ready and prepared to invest in growing the business is the best owner for us," Vivio said. "That's why they entered into that (sale) process, and Platinum won out on that process among many companies that looked at us."

He said at least 10 companies kicked the tires and inquired about a possible purchase.



Michael Vivio, president and CEO of Valpak and Savings.com, said he anticipates significant investments from the companies' new owner. [Photo courtesy of Valpak]

Platinum certainly has deep pockets that may leave Valpak well positioned to aggressively expand.

Platinum has a \$6 billion portfolio with a global reach. The company was founded in 1995 by its current CEO, Tom Gores, a California billionaire who has a net worth estimated at \$3.3 billion and is ranked 194th on the *Forbes*' list of the wealthiest Americans.

Gores also is the owner of the NBA's Detroit Pistons.

The \$220 million state-of-the-art Valpak printing facility Interstate 275 motorists see is one sign of Cox's willingness to investment in the company itself. But Platinum's business model, Vivio said, is a better fit as it is focused on "providing capital to add values to companies.

"Platinum is the type of company that will come in and invest in a business plan, add cash and emerge in a few years with a different kind and more valuable company."

Valpak is considering adding jobs, but would not be specific on the number or timing. Valpak and Savings.com currently employ about 700 people in Pinellas County.

Currently, Valpak reaches 40 million consumers a month, providing print and digital advertising through a network of 150 local franchises across the U.S. and Canada. Some markets are owned by Valpak.

Vivio said he hasn't met Gores and said Platinum will not be deeply involved in operations. "I won't be going to (Platinum) corporate meetings," Vivio said. "They're more an investor than an operator. They pride themselves on having a lot of operating resources for us to draw upon when we need it."

Contact William R. Levesque at levesque@tampabay.com. Follow @Times_Levesque.

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