Consilium Research Report

Veritiv

Executive Summary

Veritiv is one of the most important business-to-business distribution companies in North America and one of the clearest examples of hidden business operations infrastructure.

Every day, companies consume enormous quantities of products required to support normal operations.

Warehouses require packaging materials.

Retailers require shipping supplies.

Manufacturers require operational products.

Offices require workplace supplies.

Distribution centers require logistics materials.

Healthcare facilities require operational necessities.

Most people never think about these products.

Businesses cannot operate without them.

Veritiv exists to ensure these products remain available.

The company helps connect suppliers and customers through distribution, procurement, packaging, logistics, and operational support services.

For Consilium Research, Veritiv represents business operations infrastructure.

Its importance is built on a simple reality:

Businesses consume supplies just as relentlessly as consumers do.

Why This Company Matters

Most discussions about business focus on:

- Revenue
- Customers
- Products
- Growth

Far less attention is given to the operational inputs required to keep businesses functioning.

Every day organizations consume:

- Packaging materials
- Shipping supplies
- Cleaning products
- Facility supplies
- Industrial materials
- Operational necessities

Without these products, operations become more difficult, less efficient, and in some cases impossible.

Veritiv helps solve this problem.

The company acts as a distribution and procurement partner helping businesses obtain critical operational products.

This role is largely invisible.

Yet it supports countless business activities throughout the economy.

That is why Veritiv matters.

Investment Thesis

The investment thesis for Veritiv is built around a straightforward observation:

Business operations depend on continuous access to supplies and operational products.

Several factors support this thesis.

1. Essential Products

Businesses continuously consume operational materials.

Demand does not disappear simply because products are not visible to customers.

2. Recurring Consumption

Many products require ongoing replenishment.

This creates recurring purchasing behavior.

3. Distribution Scale

Large distributors benefit from purchasing power, logistics capabilities, and customer reach.

4. Customer Integration

Procurement and supply relationships often become embedded within customer workflows.

5. Broad Business Exposure

Veritiv serves numerous industries and customer categories.

The central thesis is simple:

Businesses cannot operate without supplies.

Veritiv helps ensure those supplies remain available.

Company Overview

Veritiv is a business-to-business distribution company serving customers across numerous industries.

The company provides:

- Packaging products
- Facility solutions
- Logistics support
- Supply chain services
- Procurement solutions

- Operational products

Its customers include:

- Manufacturers
- Retailers
- Distribution centers
- Healthcare organizations
- Commercial businesses
- Industrial operators

Rather than manufacturing most of the products it distributes, Veritiv focuses on sourcing, logistics, distribution, and supply chain support.

This position allows the company to occupy an important role within business operations.

Company History

Veritiv was formed through the combination of major distribution businesses operating within packaging, facility solutions, and business supplies.

The company was built around a simple concept:

Help businesses manage operational complexity.

Over time, Veritiv expanded through:

- Distribution network development
- Product portfolio growth
- Supply chain capabilities
- Procurement services
- Customer relationships

As businesses increasingly focused on efficiency, distributors became more valuable.

Organizations wanted:

- Reliable suppliers
- Product availability
- Procurement simplification
- Logistics expertise

Veritiv invested in capabilities supporting those needs.

Today, the company serves customers throughout North America and occupies an important position within business operations infrastructure.

Products & Services

Veritiv's products and services support the daily operational needs of businesses throughout North America.

While many of these products receive little public attention, they are essential to the functioning of modern organizations.

Packaging Solutions

Packaging represents one of Veritiv's most important business segments.

Products include:

- Corrugated boxes
- Shipping containers
- Protective packaging
- Packaging materials
- Custom packaging solutions

These products help businesses transport goods safely and efficiently.

Facility Solutions

Organizations require numerous products to maintain facilities and workplaces.

Categories include:

- Cleaning supplies
- Janitorial products
- Sanitation solutions
- Workplace necessities
- Facility maintenance products

These products support daily operations.

Logistics and Supply Chain Services

Beyond physical products, Veritiv provides:

- Procurement support

- Supply chain management
- Logistics coordination
- Inventory solutions

These services help customers simplify operational complexity.

Industrial Products

Many customers require products supporting manufacturing and distribution activities.

These items help facilities remain productive and efficient.

Custom Solutions

Different customers have different operational requirements.

Veritiv often provides tailored solutions designed around customer workflows and supply chain needs.

Why Product Breadth Matters

A business may require hundreds or thousands of operational products.

Managing numerous supplier relationships can become inefficient.

Veritiv helps consolidate these needs into a simpler procurement process.

Business Model

Veritiv operates one of the most overlooked business models in the Consilium library.

The company does not primarily sell products.

It sells operational simplicity.

Simplifying Complexity

Businesses consume enormous quantities of operational products.

Managing every supplier relationship independently would be difficult.

Veritiv helps reduce this complexity.

Distribution Economics

The company purchases products from suppliers and distributes them through its network.

Scale creates advantages in:

- Purchasing power
- Logistics efficiency
- Product availability
- Customer service

Procurement Partner Model

Many customers utilize Veritiv as an extension of their procurement function.

The company helps:

- Source products
- Manage inventory
- Coordinate logistics
- Reduce administrative burden

This increases customer value.

Embedded Customer Relationships

Once Veritiv becomes integrated into procurement processes, switching suppliers becomes more difficult.

The relationship evolves beyond simple product purchases.

Recurring Consumption

Operational products are continuously consumed.

Businesses reorder because operations continue every day.

Scale and Network Advantages

The company's distribution network supports efficient product movement and customer service.

Economic Characteristics

The economics of the business are driven by:

- Recurring demand

- Procurement integration
- Customer retention
- Distribution scale
- Operational necessity

These characteristics create a resilient business model.

Business Model Conclusion

Veritiv succeeds because it allows customers to focus on their core business rather than operational procurement.

The company transforms supply management into infrastructure.

Business Insight

A retailer may sell millions of dollars of products.

A manufacturer may produce millions of dollars of goods.

A distribution center may process thousands of shipments.

None of those activities happen without:

- Boxes
- Labels
- Packaging
- Cleaning products
- Operational supplies

These items rarely receive attention because they are not the product.

They are the products behind the product.

That is where Veritiv operates.

The company exists within the invisible layer supporting everyday business activity.

And that invisible layer may be far more important than most people realize.

Revenue Breakdown

Veritiv generates revenue through packaging solutions, facility products, logistics support, procurement services, and operational supplies.

The company benefits from recurring demand because businesses continuously consume operational products.

Packaging Revenue

Packaging represents one of the company's most important revenue streams.

Products include:

- Corrugated packaging
- Shipping containers
- Protective materials
- Packaging systems
- Custom packaging solutions

These products support transportation, fulfillment, and product protection.

Facility Solutions Revenue

Businesses require ongoing replenishment of:

- Cleaning products
- Sanitation supplies
- Janitorial products
- Workplace necessities

Demand is often recurring because facilities operate continuously.

Logistics and Supply Chain Revenue

Veritiv provides services supporting:

- Procurement
- Supply chain management
- Inventory coordination
- Logistics operations

These offerings expand customer relationships beyond simple product distribution.

Industrial and Operational Products Revenue

Many customers purchase products supporting manufacturing, warehousing, and distribution activities.

Revenue Quality

Several characteristics strengthen revenue quality:

- Recurring consumption
- Operational necessity
- Broad customer diversification
- Embedded procurement relationships
- Multiple product categories

Revenue Assessment

The most attractive aspect of Veritiv's revenue model is that operational supplies are consumed regardless of whether customers think about them.

Businesses simply need them.

Customer Analysis

Veritiv serves organizations across numerous sectors of the economy.

This diversification contributes to resilience.

Manufacturers

Manufacturing facilities require packaging, operational products, and facility supplies.

Retailers

Retail operations consume packaging and supply chain materials supporting inventory movement.

Distribution Centers

Warehouses depend on packaging and operational supplies to support fulfillment activities.

Healthcare Organizations

Healthcare systems require reliable access to facility and operational products.

Commercial Businesses

Office and commercial environments continuously consume workplace products.

Why Customers Choose Veritiv

Several factors explain customer loyalty.

Procurement Simplification

Customers prefer fewer supplier relationships.

Product Availability

Operational continuity depends on reliable supply.

Logistics Support

Distribution capabilities simplify operations.

Customer Service

Supply chain expertise creates value.

Operational Integration

The company increasingly becomes part of customer procurement processes.

Customer Analysis Conclusion

Customers are not buying packaging.

They are buying continuity.

That distinction is important.

Industry Overview

The business operations distribution industry supports organizations by supplying products required for day-to-day operations.

While these products rarely receive public attention, they remain essential.

The Role of Operational Distribution

The industry performs several important functions:

- Product sourcing
- Distribution
- Procurement support
- Inventory management
- Supply chain coordination

These activities help organizations remain productive.

Why the Industry Exists

Most businesses cannot efficiently manage hundreds of supplier relationships.

Distributors help simplify procurement complexity.

Industry Characteristics

Several characteristics define the industry.

Recurring Demand

Operational products require continuous replenishment.

Scale Advantages

Larger distributors benefit from purchasing power and logistics efficiency.

Procurement Importance

Customers increasingly seek procurement simplification.

Operational Dependence

Businesses rely on these products to function.

Industry Trends

Several trends continue shaping the industry.

E-Commerce Growth

Packaging demand continues increasing.

Supply Chain Optimization

Organizations seek greater efficiency.

Procurement Consolidation

Businesses increasingly prefer fewer supplier relationships.

Sustainability

Packaging and supply chain sustainability remain important priorities.

Industry Outlook

The long-term outlook remains favorable because operational products remain necessary regardless of economic conditions.

Industry Overview Conclusion

Business operations distribution exists because organizations need products supporting daily activity.

Without these products, efficiency declines and operations become more difficult.

Industry Insight

Most businesses obsess over what they sell.

Very few spend time thinking about what they consume.

Yet every shipment, warehouse, office, factory, retailer, and healthcare facility consumes operational products every day.

Boxes move products.

Labels identify products.

Packaging protects products.

Cleaning supplies maintain facilities.

These items rarely generate headlines.

But they make commerce possible.

That is where Veritiv operates.

The company serves the products behind the products.

And that may be one of the most overlooked forms of infrastructure in the economy.

Competitive Landscape

The business operations distribution industry is competitive, but scale, procurement integration, logistics capabilities, and customer relationships create meaningful advantages for leading operators.

At first glance, many of the products Veritiv distributes appear interchangeable.

However, the value often comes from the system surrounding the product rather than the product itself.

Major Competitors

Veritiv competes against:

- Uline
- Bunzl
- WESCO
- Grainger (certain categories)
- Regional distributors
- Packaging specialists
- Manufacturer-direct channels

Many competitors offer similar products.

The differentiation often comes from service, logistics, and procurement capabilities.

Uline

Uline is one of the most recognizable competitors in packaging and business supplies.

The company is known for extensive product catalogs, fast delivery, and strong customer service.

Its success demonstrates the importance of operational products.

Bunzl

Bunzl operates a large distribution network serving businesses with packaging, safety products, and operational supplies.

Like Veritiv, the company benefits from recurring demand and procurement relationships.

Regional Operators

Numerous regional distributors compete within local markets.

Many possess strong customer relationships.

However, they often lack:

- National scale
- Broad product portfolios
- Advanced procurement capabilities
- Extensive logistics networks

Competition Is About Simplicity

One of the most misunderstood aspects of business distribution is competition.

Customers do not simply want products.

They want fewer problems.

They want:

- Reliable supply
- Fewer vendors
- Simplified procurement
- Operational consistency

The company that reduces complexity often creates the most value.

Why Scale Matters

Scale creates advantages in:

- Purchasing power
- Product availability
- Distribution efficiency
- Customer service
- Logistics support

These benefits become increasingly valuable over time.

Competitive Assessment

Veritiv's position is strengthened by product breadth, procurement integration, customer relationships, and operational expertise.

These advantages create meaningful differentiation.

Economic Moat

Veritiv possesses a procurement and operational moat built upon customer integration, recurring demand, logistics capabilities, supplier relationships, and operational simplicity.

Procurement Integration

This is one of the company's most important advantages.

Many customers integrate Veritiv into procurement workflows.

The company becomes part of the purchasing process rather than simply another vendor.

Operational Dependence

Businesses continuously consume operational products.

Running out can create:

- Shipping delays
- Fulfillment issues
- Facility disruptions
- Productivity losses

This dependence strengthens customer relationships.

Supplier Consolidation

Customers increasingly prefer fewer suppliers.

Managing dozens of vendors creates administrative complexity.

Veritiv helps reduce this burden.

Distribution Infrastructure

The company operates distribution capabilities supporting product availability and logistics efficiency.

Replicating these systems requires investment and expertise.

Customer Relationships

Long-term customer relationships create trust and support retention.

Product Breadth

The ability to provide multiple categories through a single relationship increases convenience and value.

Why Someone Cannot Easily Replicate Veritiv

A common misconception is that operational products are simple commodities.

The challenge is not obtaining boxes or supplies.

The challenge is building:

- Procurement systems
- Supplier networks
- Customer relationships
- Logistics capabilities
- Distribution infrastructure

These assets take time to develop.

Why Technology Strengthens the Moat

Technology often improves procurement efficiency.

Inventory visibility, purchasing systems, and supply chain analytics can deepen customer integration.

Is the Moat Durable?

The strongest evidence supporting durability is customer behavior.

Organizations continue seeking ways to simplify operations.

As complexity increases, integrated suppliers become more valuable.

Moat Conclusion

Veritiv's moat is not the box.

It is the system that ensures the box is available when needed.

That distinction is essential.

Moat Summary

The hidden insight behind Veritiv is simple:

Veritiv does not sell supplies.

Veritiv sells operational simplicity.

Businesses want to focus on serving customers, producing goods, and generating revenue.

They do not want to spend time managing hundreds of procurement decisions.

Veritiv helps make those decisions disappear.

That is the moat.

Moat Insight

Fastenal prevents factories from running out of parts.

PFG prevents restaurants from running out of food.

Veritiv prevents businesses from running out of operations.

The company transformed ordinary supplies into a mission-critical service.

And like many of the best Consilium businesses, its greatest strength is that customers barely notice it when everything is working.

They only notice when it is gone.

Consilium Insight

This may be the deepest lesson in the Veritiv report:

The economy is not powered solely by what businesses sell.

It is powered by what businesses consume.

Every shipment requires packaging.

Every warehouse requires supplies.

Every facility requires maintenance products.

Every operation requires inputs.

The products themselves may seem insignificant.

The systems supplying them are not.

Veritiv exists within that hidden layer.

And hidden layers are exactly where Consilium likes to look.

Management & Capital Allocation

Veritiv operates in a business where execution, logistics, procurement expertise, and customer service matter significantly.

Management's challenge is allocating capital in ways that improve efficiency while strengthening customer relationships and distribution capabilities.

Operating Philosophy

Management focuses on:

- Distribution efficiency
- Customer retention
- Procurement solutions
- Supply chain optimization
- Product availability
- Operational excellence

These priorities support long-term competitiveness.

Distribution Infrastructure Investment

The company continuously invests in:

- Warehouses
- Distribution facilities
- Logistics systems
- Inventory capabilities
- Technology platforms

These assets strengthen service quality and operational efficiency.

Supply Chain Capabilities

Veritiv increasingly positions itself as a supply chain partner rather than a simple distributor.

Investments supporting procurement and logistics strengthen customer integration.

Technology Investment

Technology supports:

- Inventory visibility
- Procurement efficiency
- Supply chain analytics
- Order management
- Logistics coordination

These capabilities improve customer value.

Capital Allocation Assessment

Management's greatest success has been building systems that help customers simplify operational complexity.

Management Assessment

Veritiv's leadership has focused on making operational necessities easier to manage, which strengthens customer relationships and competitive positioning.

Financial Analysis

Veritiv possesses several attractive financial characteristics.

Recurring Demand

Businesses continuously consume operational products.

This creates recurring purchasing activity.

Diversified Customer Exposure

The company serves numerous industries and customer categories.

This diversification improves resilience.

Procurement Integration

Embedded procurement relationships support customer retention.

Distribution Scale

Larger distribution networks often benefit from:

- Purchasing power
- Logistics efficiency
- Product availability
- Customer service

Operational Necessity

Many products distributed by Veritiv are essential to ongoing business operations.

Financial Strength Assessment

Strengths include:

- Recurring demand
- Customer diversification
- Distribution scale
- Procurement integration
- Operational necessity

Risks include:

- Competitive pricing
- Economic slowdowns

- Supply chain disruptions
- Margin pressure

Financial Analysis Conclusion

Veritiv's financial attractiveness stems from supporting daily business operations rather than discretionary spending.

Growth Drivers

Several trends support future growth opportunities.

E-Commerce Expansion

Growing shipment volumes increase packaging demand.

Supply Chain Optimization

Organizations continue seeking operational efficiency.

Procurement Consolidation

Businesses increasingly prefer integrated supplier relationships.

Distribution Efficiency

Technology and logistics improvements can strengthen competitiveness.

Customer Expansion

Existing relationships create opportunities for broader product penetration.

Growth Assessment

Veritiv benefits from long-term trends supporting packaging, logistics, and operational supply demand.

Risks & Challenges

Despite its strengths, Veritiv faces several risks.

Competition

Business distribution remains competitive.

Pricing Pressure

Certain product categories may experience commoditization.

Economic Weakness

Customer spending may decline during difficult economic periods.

Supply Chain Disruptions

Product availability remains important.

Customer Concentration Risk

Large customer relationships can influence performance.

Risk Assessment

Most risks affect growth and profitability rather than the fundamental need for operational supplies.

SWOT Analysis

Strengths

Procurement Integration

Embedded customer relationships create value.

Recurring Demand

Operational products require continuous replenishment.

Product Breadth

Broad offerings simplify procurement.

Distribution Capabilities

Logistics infrastructure supports competitiveness.

Customer Diversification

Exposure spans multiple industries.

Weaknesses

Competitive Markets

Many product categories remain competitive.

Distribution Economics

Margins can be influenced by pricing pressure.

Operational Complexity

Large supply chains require careful management.

Opportunities

E-Commerce Growth

Packaging demand continues expanding.

Supply Chain Services

Additional procurement and logistics services create opportunities.

Technology Adoption

Digital procurement tools can improve efficiency.

Customer Expansion

Existing relationships offer cross-selling potential.

Threats

Competition

Numerous distributors compete for customers.

Economic Slowdowns

Business activity may decline.

Cost Inflation

Transportation and operational costs may increase.

Supply Chain Challenges

Disruptions can affect availability.

SWOT Conclusion

Veritiv's strengths are rooted in procurement integration, recurring demand, and operational necessity.

Its weaknesses and threats largely reflect the realities of business distribution.

The company's advantages appear durable because operational products remain essential.

Bull Case

The bull case assumes continued e-commerce growth, increasing procurement outsourcing, strong customer retention, and improving operational efficiency.

Bull Case Probability: 30%

Base Case

The base case assumes steady demand for operational products, continued customer relationships, and disciplined execution.

Base Case Probability: 55%

Bear Case

The bear case assumes economic weakness, pricing pressure, and slower customer growth.

Even under this scenario, businesses still require operational supplies.

Bear Case Probability: 15%

Long-Term Outlook

Veritiv benefits from a simple but powerful reality:

Businesses consume supplies every day.

Every warehouse, retailer, manufacturer, healthcare system, and distribution center requires operational products to function effectively.

Several factors support a favorable outlook:

Operational Necessity

Products remain essential.

Procurement Simplification

Organizations continue seeking efficiency.

Distribution Scale

Scale supports competitiveness.

Customer Integration

Embedded relationships strengthen retention.

Outlook Assessment

Veritiv is positioned to remain an important participant in business operations infrastructure for many years.

Consilium Scorecard

Business Quality: 8.9 / 10

Essential operational products and recurring demand support a durable business model.

Economic Moat: 8.8 / 10

Procurement integration, customer relationships, and distribution capabilities create meaningful advantages.

Financial Strength: 8.7 / 10

Recurring demand supports resilience, though distribution remains competitive.

Growth Potential: 8.6 / 10

E-commerce and procurement outsourcing provide opportunities.

Management Quality: 8.8 / 10

Management has built strong operational capabilities and customer relationships.

Hidden Company Factor: 9.9 / 10

Most consumers have never heard of Veritiv despite depending on systems it helps support.

Industry Position: 8.9 / 10

The company occupies a meaningful position within business operations distribution.

Overall Consilium Rating

8.9 / 10

Veritiv earns a place in the Consilium library as a hidden infrastructure business supporting operational continuity throughout the economy.

Its combination of procurement integration, recurring demand, logistics capabilities, and customer relationships creates a durable business model.

Final Conclusion

Most people focus on what businesses sell.

Far fewer focus on what businesses consume.

Yet every shipment requires packaging.

Every facility requires supplies.

Every operation requires inputs.

Without these products, efficiency declines and operations become more difficult.

Veritiv exists within that hidden layer.

The company helps businesses obtain the operational products required to function every day.

For Consilium Research, Veritiv represents business operations infrastructure—a largely invisible system supporting commerce, logistics, manufacturing, healthcare, retail, and countless other sectors.

Its story reinforces another lesson from the Consilium library:

The most important systems are often the ones nobody notices.

Because when they work, everything else works.

When they fail, everyone notices.

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