

# Due Diligence Questions

1. What drove the significant EBITDA recovery from -\$504k in 2023 to \$1.14M in 2024, and is this sustainable?
2. Why did the Company incur a \$570k loss on asset sales in 2023, and are there any remaining assets marked for disposal?
3. How realistic is the projected 3.2% annual revenue growth given the -3.5% decline from 2022 to 2023?
4. What specific initiatives support the gross margin improvement from 46.3% in 2022 to 49% in 2024?
5. Why does depreciation spike from \$272k in 2022 to \$1.5M in 2023, then drop to \$164k in 2024?
6. What is the composition and aging of the \$564k accounts receivable, given the 36-day collection period?
7. How dependent is the business on the Graton Resort customer that represents 10% of revenue?
8. What is the utilization rate of the production equipment, and what excess capacity exists for growth?
9. How does the 65/35 split between printing/mailing and signage revenue compare to industry trends, and which segment is growing faster?
10. What percentage of revenue comes from political/seasonal printing, and how does this impact cash flow predictability?
11. How effective is the online ordering platform in driving customer acquisition and retention?
12. What is preventing geographic expansion beyond the current 70% concentration in Sonoma County?
13. How is the shift to digital marketing affecting demand for traditional printing services in your market?
14. What are the barriers preventing competitors from entering the high-end commercial printing market locally?
15. How does the company's pricing compare to competitors, and what is the price elasticity of demand?
16. What succession planning exists for the three key employees earning \$325k combined annually?
17. How long are the current owners willing to stay post-transaction, and what are their compensation expectations?
18. What caused the departure of key personnel that contributed to the 2023 sales decline?
19. What is the remaining useful life and replacement cost of the key production equipment, particularly the Konica Minolta AccurioJet?
20. How does the company's technology stack compare to industry standards, and what investments are needed to remain competitive?
21. What proprietary processes or trade secrets exist that provide competitive advantages?

22. What is the nature of the shareholder-owned facility lease arrangement, and are the terms truly at market rates?
23. Are there any environmental liabilities associated with the printing operations or chemical disposal?
24. How would the loss of the top 5 customers (representing ~20% of revenue) impact profitability?
25. What contingency plans exist for supply chain disruptions given the reliance on key suppliers like Spicers Paper and Konica Minolta?