

# "The COMPANY" Business Overview

**Owner: John Smith      Visit Date: 04/10/15**

## Sales & Marketing

The Company does not have sales representatives but rather independent reps that are referred to as "brokers." The new General Manager who came to the company in the last few years also brought some new business with him.

## Markets

The following are rough percentage estimates of the markets served by The Company:

- Cosmetic: 35%
- Neutraceutical: 25%
- Food: 20%
- Other: 20%

## Customer Concentration & Retention

- Active Accounts: 200
- Top Account: 20%
- Top 10 Accounts: 50%
- 2 of Top 10: New in the Last 5 years
- Remaining Top 10: Customer for 5 years or more

The Company is currently pursuing a new customer which could potentially equal the current largest account. New equipment would be required to support the business.

## Equipment

- Two 13" Mark Andy 8 Color Presses
- One 13" Nilpeter 12 Color Press
- One 13" Xeikon Digital Press
- One 10" Webtron 8 Color Press (Water-based ink)
- One 7" Webtron 8 Color Press (Water-based ink)
- Two small Letterpresses with hot-stamp and embossing capability
- Finishing Equipment

## Capabilities

- Flexible packaging down to 2 millimeters. Down to 1 mil with new equipment under consideration.
- Multi-layer peel-able panels up to 7 layers. John shared a 5 layer ½" diameter label for a small cosmetic bottle.
- Second pass printing capability based on accurate servo-registration capability

## General Operational Observation

The plant is organized and appears to be efficient. Inventory appears to be well-organized and kept to a minimum.

## Financial

### Income statement

	2012	2013	YTD Sept 2014	YE Est 2014
Revenue	\$4,835,206	\$6,883,308	\$5,604,459	> \$7,000,000
COGS Labor	\$980,096	\$1,216,827	\$938,765	
COGS Material	\$1,709,069	\$2,385,988	\$1,915,895	
GP	\$2,043,750	\$3,255,405	\$2,730,759	
Selling Exp.	\$157,676	\$366,898	\$331,093	
G& A Exp	\$1,681,860	\$2,467,178	\$1,830,866	
Oper Income	\$204,213	\$421,327	\$568,800	

### Income Adjustments

Oper Income	\$204,213	\$421,327	\$568,800	
Excess Rent	+ \$109,110	+ \$93,570	+ \$70,294	
1 <sup>st</sup> Owner Salary	+ \$445,000	+ \$524,000	+ \$380,000	
2 <sup>nd</sup> Owner Salary	+ \$110,000	+ \$135,500	+ \$182,000	
Owner's Son	+ \$53,000	+ \$254,900	+ \$117,500	
Other Owner Benefits	+ \$20,000	+ \$12,000	+ \$18,000	
Depreciation	+ \$344,000	+ \$684,000	+ \$495,000	
Interest	+ \$12,750	+ \$13,812	+ \$9,562	
Total Adj. Income	\$1,298,073	\$2,139,109	\$1,841,156	

No attempt has been made to quantify 1<sup>st</sup> owner contribution and replacement costs. With regard to the 2<sup>nd</sup> Owner, it is estimated that fair market replacement cost is \$50,000. The Owner's son contributes little to no value to business operations.

### Balance Sheet as of 6/30/14

<b>Current Assets</b>		
	<b>Cash</b>	\$979,385
	<b>A/R</b>	\$805,739
	<b>Other</b>	\$64,250
<b>Total Current</b>		\$1,849,375
<b>Fixed Assets</b>		
	<b>PP&amp;E</b>	\$3,950,772
	<b>Accum Depreciation</b>	- \$3,566,530
<b>Net PP&amp;E</b>		\$394,242
<b>Other Assets</b>		
	<b>Officer Life Insurance</b>	\$131,581
<b>Total Assets</b>		\$2,375,199
<b>Liabilities &amp; Equity</b>		
	<b>Current Liabilities</b>	\$409,573
	<b>LT Liabilities</b>	\$0
	<b>Total Equity</b>	\$1,965,625
<b>Total Liabilities &amp; Equity</b>		\$2,375,199

### Organization

The Company is a C-Corp owned by John Smith and his two sons (60%) and foreign relatives (40%).