Risk Factors Comparison 2024-02-22 to 2023-02-27 Form: 10-K

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You should carefully consider each of the risks described below, together with all of the other information contained in this Annual Report on Form 10- K, before making an investment decision with respect to Quad' s securities. If any of the following risks develop into actual events, the Company' s business, financial condition or results of operations could be materially and adversely affected, and you may lose all or part of your investment. Risks Relating to Quad' s Business, Operations and Industry Decreases in demand for printing services caused by factors outside of the Company' s control, including the substitution of printed products with digital content, ~~prior and any future~~ recessions **and other macroeconomic conditions** ~~, nationwide supply chain disruption~~ , as well as significant downward pricing pressure, may continue to adversely affect the Company. The Company and the overall printing industry continues to experience a reduction in demand for printed materials and overcapacity due to various factors including the sustained and increasing shift of digital substitution by marketers and advertisers (to both replace and augment campaigns that were historically focused on print), ~~which was exacerbated by the COVID- 19 pandemic,~~ as well as ~~the current~~ macroeconomic conditions and ~~prior~~ recessions (which ~~have~~ severely ~~impacted~~ -- **impact** print volumes and further ~~accelerated~~ - **accelerate** the impact of media disruption). The impacts of overcapacity, as well as intense competition, have led to the Company experiencing significant downward pricing pressures for printing services in recent years and such pricing may continue to decline from current levels. Any future increases in the supply of printing services or decreases in demand could cause prices to continue to decline, and prolonged periods of low prices, weak demand and / or excess supply could have a material adverse effect on the Company' s business growth, results of operations and liquidity. The media landscape is experiencing rapid change due to the impact of digital media and content on printed products. Improvements in the accessibility and quality of digital media through the online distribution and hosting of media content, mobile technologies, e- reader technologies, digital retailing and the digital distribution of documents and data has resulted and may continue to result in increased consumer substitution. Continued consumer acceptance of such digital media, as an alternative to print materials, is uncertain and difficult to predict and may decrease the demand for the Company' s printed products, result in reduced pricing for its printing services and additional excess capacity in the printing industry, and adversely affect the results of the Company' s operations. The Company may be adversely affected by increases in...... or results of operations. The Company ' s transformation to a marketing experience company increases the complexity of the Company' s business, and if the Company is unable to successfully adapt its marketing offerings and business processes as required by ~~these~~ new markets **and technologies, such as artificial intelligence** , the Company will be at a competitive disadvantage and its ability to grow will be adversely affected. As the Company **continues to** ~~expands~~ - **expand** its integrated marketing platform, the overall complexity of the Company' s business **continues to** ~~increases~~ - **increase** ~~at an~~ **and** ~~accelerated rate and~~ the Company **continues to** ~~becomes~~ - **become** subject to different market dynamics. The new markets into which the Company is expanding, or may expand, may have different characteristics from the markets in which the Company historically competed. These different characteristics may include, among other things, demand volume requirements, demand seasonality, product generation development rates, client concentrations and performance and compatibility requirements. The Company' s failure to make the necessary adaptations to its business model to address these different characteristics, complexities and new market dynamics could adversely affect the Company' s operating results. The Company operates in a highly competitive......' s operations and competitive position. In addition, **with rapid changes** ~~the need to reduce ongoing operating costs have and,~~ in ~~the future, may continue to result in significant up- front costs to reduce workforce, close or consolidate facilities, or upgrade equipment and~~ technology **affecting the marketing and advertising industry, including generative artificial intelligence, the Company may not accurately predict trends, identify use cases, or make the technological adaptations or investments necessary to stay competitive in these new markets** . Changes in postal rates, postal regulations and postal services may adversely impact clients' demand for print products and services. Postal costs are a significant component of the cost structures of many of the Company' s clients and potential clients. Postal rate changes and USPS regulations that result in higher overall costs can influence the volume that these clients will be willing to print and ultimately send through the USPS. Integrated distribution with the USPS is an important component of the Company' s business. Any material change in the current service levels provided by the postal service could impact the demand that clients have for print services. The USPS continues to experience financial problems. The passing of the Postal Service Reform Act of 2022, signed in April 2022, gave the USPS considerable financial relief as well as significant relief over the next ten years. While the legislative postal reform helps considerably, without decreased operational cost structures, increased efficiencies or increased volumes and revenues, these losses will potentially continue into the future. As a result of these financial difficulties, the USPS has continued to adjust its postal rates and service levels. Additional price increases may result in clients reducing mail volumes and exploring the use of alternative methods for delivering a larger portion of their products, such as continued diversion to the internet **, digital and mobile channels** and other alternative media channels, in order to ensure that they stay within their expected postage budgets. The USPS offers " work- share " discounts that provide incentives to co- mail and place product as far down the mail- stream as possible. Discounts are earned as a result of less handling of the mail, and therefore, lower costs for the USPS. As a result, the Company has made substantial investments in co- mailing technology and equipment to ensure clients benefit from these discounts. ~~As the USPS reacts to its financial difficulties, it often revises design standards for mail entering its system. These design standards often increase costs for clients and, in turn, decrease the value of the cost reductions that the Company' s co- mailing services provide.~~ If the incentives to co- mail are decreased by USPS regulations, the overall cost to mail printed products will increase and may result in print volumes declining. Federal statute requires the Postal Regulatory Commission (“ PRC ”) to conduct reviews of the overall rate- making structure for the USPS to ensure funding stability. As a result of those reviews, the PRC authorized a five year rate- making structure that provides the USPS with additional pricing flexibility over the Consumer Price Index cap, which may result in a substantially altered rate structure for mailers. The revised rate authority that is effective as a result of the rules issued by the PRC includes a higher overall rate cap on the USPS’ ability to increase rates from year to year. The USPS **has** ~~is expected to use~~ **used** these additional rate authorities to implement twice a year increases **and are expected to continue to do so** in the future. This has led to price spikes for mailers and may also reduce the incentive for the USPS to continue to take out costs and instead continue to rely on postage to cover the costs of an outdated postal service that does not reflect the industry’ s ability or willingness to pay. The uncertainty as to how much of the authority the USPS will use on any specific rate increase also creates potential volume declines as rate predictability with respect to cost is no longer known for mailers. The result may be reduced demand for printed products as clients may move more aggressively into other delivery methods, such as the many digital and mobile options now available to consumers. ~~circumstances,due primarily to factors such as freight rates and client preference for local services,printers with better access to certain regions of a given country may be preferred by clients in such regions.Some of the industries that the Company services have been subject to consolidation efforts,leading to a smaller number of potential clients.Furthermore,if the smaller clients of the Company are consolidated with larger companies using other printing companies,the Company could lose its clients to competing printing companies.The Company may not be able to reduce costs and improve its operating efficiency rapidly enough to meet market conditions.Because the markets in which the Company competes are highly competitive,the Company will need to continue to improve its operating efficiency in order to maintain or improve its profitability.There can be no assurance that the Company’ s continuing cost reduction efforts will continue to be beneficial to the extent anticipated,or that the estimated productivity,cost savings or cash flow improvements will be realized as anticipated or at all.If the Company’ s efforts are not successful,it could have an adverse effect on the Company’ s operations and competitive position.In addition,the need to reduce ongoing operating costs have and,in the future,may continue to result in significant up- front costs to reduce workforce,close or consolidate facilities,or upgrade equipment and technology~~ .The Company may suffer a data- breach of sensitive information,ransomware attack or other cyber incident.If the Company’ s efforts to protect the security of information or systems are unsuccessful,any such failure may result in costly government enforcement actions and / or private litigation,and the Company’ s business and reputation could suffer.The Company and its clients are subject to various United States and foreign **cyber-** ~~cybersecurity~~ ----- **security** laws,which require the Company to maintain adequate protections for electronically held information.The Company may not be able to anticipate techniques used to gain access to the Company’ s systems or facilities,the systems of the Company’ s clients or vendors,or implement adequate prevention measures.Moreover,unauthorized parties may attempt to access the Company’ s systems or facilities,or the systems of the Company’ s clients or vendors,through fraud or deception.In the event and to the extent that a data breach,ransomware attack or other cyber incident occurs,such breach could have an adverse effect on the Company’ s business and results of operations.Complying with these various laws could cause the Company to incur substantial costs or require changes to the Company’ s business practices in a manner adverse to the Company’ s business.The fragility of and decline in overall distribution channels may adversely impact clients’ access to cost effective distribution of their advertising materials,and therefore may adversely impact the Company’ s business.The distribution channels of print products and services,including the newspaper industry,face significant competition from other sources of news,information and entertainment content delivery.If overall distribution channels,including newspaper distribution channels,continue to decline,the Company’ s clients may be adversely impacted by the lack of access to cost effective distribution of their advertising materials.In turn,this decline in cost effective distribution channels may force clients to use other avenues of distribution that may be at significantly higher cost,which may decrease demand for the Company’ s products and **services,and thus adversely affect the Company’ s financial condition,results of operations and cash flows.Negative publicity could have an adverse impact on the Company’ s business and brand reputation.Unfavorable publicity,whether accurate or not,related to the Company or the Company’ s executive management team,employees,board of directors,operations,business or prospects,or to the Quadracci family shareholders of the Company,could negatively affect the Company’ s reputation,stock price,ability to attract new clients from growth vertical industries,ability to attract and retain high- quality talent,or the performance of the Company’ s business.In addition,there has been a substantial increase in the use of social media platforms,including blogs,social media websites,and other forms of internet- based and mobile communications,which allow individuals access to a broad audience of consumers and other interested persons.Many social media platforms immediately publish the content their subscribers’ and participants’ post,often without filters or checks on accuracy of the content posted.Information or commentary posted on such platforms at any time may be adverse to the Company’ s interests or may be inaccurate,each of which may harm the Company’ s reputation,business or prospects.The harm may be immediate without affording the Company an opportunity for redress or correction** Failure to attract and retain qualified talent across the enterprise could materially adversely affect the Company’ s business, competitive position, financial condition and results of operations. The Company continues to be substantially dependent on its production personnel to print the Company’ s products in a cost- effective and efficient manner that allows the Company to obtain new clients and to drive sales from the Company’ s existing clients. The Company believes that there is significant competition for production personnel with the skills and technical knowledge that the Company requires, especially in light of ~~the~~ **continuing** labor shortages ~~which initially resulted from the COVID- 19 pandemic~~ . The Company’ s ability to continue efficient operations, reduce production costs, and consolidate operations will depend, in large part, on the Company’ s success in recruiting, training, integrating and retaining sufficient numbers of production personnel to support the Company’ s production, cost savings and consolidation targets. New hires require extensive training and it may take significant time before they achieve full productivity. In addition, increases in the wages paid by competing employers, including as a result of current macroeconomic conditions, has resulted, and may continue to result, in increases in the wage rates that the Company must pay. As a result, the Company has and may continue to incur additional costs to attract, train and retain employees, including expenditures related to salaries and benefits, and the Company may lose new, as well as existing, employees to competitors or other companies before the Company realizes the benefit of its investment in recruiting and training them. If the Company is unable to hire and train sufficient numbers of personnel, the Company' s business would be adversely affected. The nationwide shortage of available production personnel may also put a strain on the Company' s ability to accept new work from client requests, including during the Company' s seasonally higher ~~third and fourth quarters~~ **second half of the calendar year** . The Company' s future success also depends on its continuing ability to identify, hire, develop, and retain its executive management team, including its Chief Executive Officer, and other personnel for all areas of the organization. Approximately 1, ~~400~~ **000** of the Company' s United States and international employees are covered by an industry wide agreement, a collective bargaining agreement or through a works council or similar arrangement. While the Company believes its employee relations are good and that the Company maintains an employee- centric culture, ~~and there has not been~~ any material disruption in operations resulting from labor disputes, a strike or other forms of labor protest affecting the Company' s United States or international plants, distribution centers or other facilities in the future could materially disrupt the Company' s operations and result in an adverse impact on its financial condition, results of operations and cash flows, which could force the Company to reassess its strategic alternatives involving certain of its operations . The Company may suffer a data...... Company an opportunity for redress or correction . The Company' s business depends substantially on client contract renewals and / or client retention. Any contract non- renewals, renewals on different terms and conditions or decline in the Company' s client retention or expansion could materially adversely affect the Company' s results of operations, financial condition and cash flows. The Company has historically derived a significant portion of its revenue from long- term contracts with significant clients. If the Company loses significant clients (including as a result of reduced demand for a client' s products or services), is unable to renew such contracts on similar terms and conditions, or at all, or is not awarded new long- term contracts with important clients in the future, its results of operations, financial condition and cash flows may be adversely affected. The Company is exposed to risks of loss in the event of nonperformance by its clients. Some of the Company' s clients are highly leveraged or otherwise subject to their own operating and regulatory risks. Even if the Company' s credit review and analysis mechanisms work properly, the Company may experience financial losses and loss of future business if its clients become bankrupt, insolvent or otherwise are unable to pay the Company for its work performed. Any increase in the nonpayment or nonperformance by clients could adversely affect the Company' s results of operations and financial condition. Certain industries in which the Company' s clients operate are experiencing consolidation. When client consolidation occurs, it is possible that the volume of work performed by the Company for a client after the consolidation will be less than it was before the consolidation or that the client' s work will be completely moved to competitors. In addition, new and enhanced technologies, including search, web and infrastructure computing services, digital content, and electronic devices, may affect clients. The internet facilitates competitive entry and comparison shopping, and the reliance on digital retailing may reduce clients' volume. Any such reduction or loss of work could adversely affect the Company' s results of operations and financial condition. There are additional risks associated with the Company' s operations outside of the United States, including trade restrictions, currency fluctuations, the global economy, and geopolitical events like war and terrorism. Net sales from the Company' s wholly- owned subsidiaries outside of the United States accounted for approximately **14 % and** 13 ~~% and 11~~ % of its consolidated net sales for the years ended December 31, **2023 and** 2022 ~~and 2021~~ , respectively. As a result, the Company is subject to the risks inherent in conducting business outside of the United States, including, but not limited to: the impact of economic and political instability; fluctuations in currency values, foreign- currency exchange rates, devaluation and conversion restrictions; exchange control regulations and other limits on the Company' s ability to import raw materials or finished product; tariffs and other trade barriers; trade restrictions and economic embargoes by the United States or other countries; health concerns regarding infectious diseases ~~(such as COVID- 19)~~ ; adverse weather or natural disasters; social unrest, acts of terrorism, force majeure, war or other armed conflicts; inflation and fluctuations in interest rates; language barriers; difficulties in staffing, training, employee retention and managing international operations; logistical and communications challenges; differing local business practices and cultural ~~consideration~~ **considerations** ; restrictions on the ability to repatriate funds; foreign ownership restrictions and the potential for nationalization or expropriation of property or other resources; longer accounts receivable payment cycles; potential adverse tax consequences and being subject to different legal and regulatory regimes that may preclude or make more costly certain initiatives or the implementation of certain elements of its business strategy. ~~The COVID- 19 pandemic continues to negatively affect the Company' s business, financial conditions, cash flows, results of operations, supply chain and raw materials availability, as well as client demand. Since the first quarter of 2020, there has been a worldwide impact from the COVID- 19 pandemic. Quad has significant operations in the United States and printing operations or investments in printing operations in England, France, Germany, Poland, Colombia, Mexico, Peru and India, and each of these countries has been affected by the pandemic and taken measures to try to contain the virus, such as limiting or closing business activities, transportation and person- to- person interactions, resulting in disruptions at some of the Company' s printing facilities and support operations, as well as the operations of the Company' s clients and suppliers. In some cases, the relaxation of such trends has been followed by actual or contemplated returns to stringent restrictions on commerce or gatherings, including in parts of the United States and the rest of the world. Global trade conditions and client trends that originated during the pandemic continue to persist and may also have a long- lasting adverse impact on the Company independently of the progress on the pandemic. For example, the COVID- 19 pandemic weakened demand for the Company' s products and services, disrupted the Company' s supply chain and resulted in rising inflationary cost and labor pressures, distribution challenges, recessionary concerns and other evolving macroeconomic conditions. The COVID- 19 pandemic has had, and could continue to have, a negative impact on the Company' s business, financial condition, cash flows, results of operations, supply chain and raw materials availability, although the full extent is still uncertain and cannot be predicted. In~~

~~addition to the COVID- 19 pandemic, future natural disasters, epidemics, other public health crises, conflicts, wars, terrorist attacks, fires or other catastrophic events affecting the Company' s plants, distribution centers or other facilities, could also materially disrupt the Company' s operations and result in an adverse impact on its financial condition, results of operations and cash flows, which could force the Company to reassess its strategic alternatives involving certain of its operations.~~ If the Company fails to identify, manage, complete and integrate acquisitions, investment opportunities or other significant transactions, as well as identify and execute strategic divestitures, it may adversely affect the Company' s future results and ability to implement its business strategy. The Company may pursue acquisitions of, investment opportunities in, or other significant transactions with, companies that are complementary to the Company' s business, as well as divestitures of businesses, product lines or other assets. In order to pursue this strategy successfully, the Company must identify attractive acquisition or investment opportunities, successfully complete the transaction, some of which may be large and complex, and manage post- closing issues such as integration of the acquired company or employees. The Company may not be able to identify or complete appealing acquisition or investment opportunities given the intense competition for these transactions. Even if the Company identifies and completes suitable corporate transactions, the Company may not be able to successfully address inherent risks in a timely manner, or at all. These inherent risks include, among other things: failure to achieve all or any projected synergies, performance targets or other anticipated benefits of the acquisition, investment or divestiture; failure to successfully integrate the purchased operations, technologies, products or services and maintain uniform standard controls, policies and procedures; substantial unanticipated integration costs; loss of key employees, including those of an acquired business; diversion of management' s attention from other business concerns; failure to retain the clients of the acquired business; additional debt and / or assumption of known or unknown liabilities; potential dilutive issuances of equity securities; and a write- off of goodwill, client lists, other intangibles and amortization of expenses. If the Company fails to successfully integrate an acquisition, the Company may not realize all or any of the anticipated benefits of the acquisition, and the Company' s future results of operations could be adversely affected. In addition, the ~~acceleration of the~~ Company' s transformation to a marketing ~~solutions partner~~ **experience company** is partially dependent upon the Company' s continued ability to identify and execute strategic divestiture opportunities to generate cash and related benefits. There can be no assurance whether the strategic benefits and expected financial impact of any divestitures will be achieved. ~~operations and cash flows.~~ Negative publicity could have an adverse impact on the Company' s business and brand reputation.Unfavorable publicity,whether accurate or not,related to the Company or the Company' s executive management team,employees,board of directors,operations,business or prospects,or to the Quadracci family shareholders of the Company,could negatively affect the Company' s reputation,stock price,ability to attract new clients from growth vertical industries,ability to attract and retain high- quality talent,or the performance of the Company' s business.In addition,there has been a substantial increase in the use of social media platforms,including blogs,social media websites,and other forms of internet- based and mobile communications,which allow individuals access to a broad audience of consumers and other interested persons.Many social media platforms immediately publish the content their subscribers' and participants' post,often without filters or checks on accuracy of the content posted.Information or commentary posted on such platforms at any time may be adverse to the Company' s interests or may be inaccurate,each of which may harm the Company' s reputation,business or prospects.The harm may be immediate without affording the Company an opportunity **for redress or correction.** Financial Risks The Company may be required to make ~~investments, including~~ capital expenditures ~~and in the development and implementation of new systems, client technology, product technology, marketing and talent~~ to sustain and grow its platforms and processes, **as well as make investments** in ~~part~~ **the development and implementation of new systems, client technology, product technology, marketing and talent in order** to keep pace with industry developments ~~and~~ **,** client expectations, and to remain technologically and economically competitive **. The cash or financing required for these capital expenditures and investments may not be sufficient or available on terms acceptable to the Company. In addition** , ~~which~~ **these capital expenditures and investments** may increase ~~its~~ **the Company' s** costs, reduce its profits, disrupt its operations or adversely affect its ability to implement its business strategy. The printing and advertising and marketing services industries are experiencing rapid change as new digital technologies are developed that offer clients an array of choices for their marketing and publication needs. In order to remain competitive, the Company will need to adapt to future changes, especially with regard to technology and talent, to enhance the Company' s existing offerings and introduce new offerings to address the changing demands of clients. In order to remain technologically and economically competitive, the Company may need to make significant capital expenditures and other investments, including in its talent, as it develops and continues to maintain its platforms and processes, and to develop and integrate new technologies. In order to accomplish this effectively, the Company will need to deploy its resources efficiently, maintain effective cost controls and bear potentially significant market and raw material risks. If the Company' s revenues decline, it may impact the Company' s ability to expend the capital necessary to develop and implement new technology and be economically competitive. Debt or equity financing, or cash generated from operations, may not be available or sufficient for these requirements or for other corporate purposes or, if debt or equity financing is available, it may not be on terms favorable to the Company. In addition, even if capital is available to the Company, there is risk that the Company' s vendors will have discontinued the production of parts needed for repairs, replacements or improvements to the Company' s existing platforms, leading the Company to expend more capital than expected to perform such repairs, replacements or improvements. The Company' s business and operating results may be adversely affected if the Company is unable to keep pace with relevant technological and industry changes or if the technologies or business strategies that the Company adopts or services it promotes do not receive widespread market acceptance. If the Company is unable to make the capital expenditures and other investments necessary to adapt to industry and technological developments, the Company may experience a decline in demand for its services, be unable to implement its business strategy and its business operating results may be adversely affected. Additionally, if the Company is unable to meet future challenges from competing technologies on a timely basis or at an acceptable cost, the

Company could lose clients to competitors. In general, the development of new communication channels inside and outside the printing and media solutions industry requires the Company to anticipate and respond to the varied and continually changing demands of clients. The Company may not be able to accurately predict technological trends or the success of new services in the market. The Company' s debt facilities include various covenants imposing restrictions that may affect the Company' s ability to operate its business. On September 1, 1995, and as last amended on November 24, 2014, the Company entered into a senior secured note agreement (the " Master Note and Security Agreement ") pursuant to which the Company has issued over time senior notes in an aggregate principal amount of $ 1. 1 billion in various tranches. As of December 31, ~~2022~~ **2023** , the borrowings outstanding under the Master Note and Security Agreement were $ ~~4~~ **2** . ~~4~~ **5** million. On April 28, 2014, and as last amended on January ~~24~~ **4** , ~~2023~~ **2024** , the Company entered into a senior secured credit facility (the " Senior Secured Credit Facility, ") which includes two different loan facilities: a $ 825. 0 million Term Loan A and a $ 432. 5 million revolving credit facility. As a result of the November 2, 2021 amendment to the Senior Secured Credit Facility, the Term Loan A and revolving credit facility were both broken into two separate maturity dates. Borrowing from lenders who elected to not extend the maturity date ~~will mature~~ **matured** on January 31, 2024, whereas borrowing from lenders who elected to extend the maturity date ~~will now mature~~ **matures** on November 2, 2026. As of December 31, ~~2022~~ **2023** , the borrowings outstanding under the Senior Secured Credit Facility were $ **511** ~~556. 7 million. On May 2, 2022, the Company used liquidity available under its revolving credit facility and available cash on hand to fund the repayment on maturity of all $ 209~~ . 1 million ~~aggregate principal amount, outstanding at the time, of its unsecured 7. 0 % senior notes due May 1, 2022 (" Senior Unsecured Notes ")~~ . The Company' s various lending arrangements include certain financial covenants. In addition to the financial covenants, the debt facilities also include certain limitations on acquisitions, indebtedness, liens, dividends and repurchases of capital stock. As of December 31, ~~2022~~ **2023** , the Company was in compliance with all financial covenants in its debt agreements. While the Company currently expects to be in compliance in future periods with all of the financial covenants, there can be no assurance that these covenants will continue to be met. The Company' s failure to maintain compliance with the covenants could prevent the Company from borrowing additional amounts and could result in a default under any of the debt agreements. Such default could cause the outstanding indebtedness to become immediately due and payable, by virtue of cross- acceleration or cross- default provisions. The Company may be adversely affected by interest rates, particularly floating interest rates, and foreign exchange rates. As of December 31, ~~2022~~ **2023** , ~~75~~ **44** % of the Company' s borrowings were subject to variable interest rates. As a result, the Company is exposed to market risks associated with fluctuations in interest rates, and increases in interest rates could adversely affect the Company. The Company currently holds one ~~active~~ interest rate swap contract. ~~Another previously held interest rate swap, effective on February 28, 2017, terminated on February 28, 2022.~~ The purpose of entering into ~~these~~ **this** ~~contracts~~ - **contract** was to reduce the variability of cash flows from interest payments related to a portion of the Company' s variable- rate debt. The ~~swaps~~ - **swap** ~~convert~~ **converts** the notional value of the Company' s variable rate debt based on one- month ~~London Interbank Offered~~ **Secured Overnight Finance** Rate (" ~~LIBOR~~ **SOFR** ") to a fixed rate, including a spread on underlying debt, and a monthly reset in the variable interest rate. The Company has ~~also~~ entered into two interest rate collar contracts, both effective February 1, 2023. The purpose of entering into the contracts is to reduce the variability of cash flows from interest payments related to a portion of the Company' s variable- rate debt. The interest rate collars convert the notional value of the Company' s variable rate debt based on one- month term ~~Secured Overnight Financing Rate ("~~ SOFR ~~")~~ to a fixed rate if that month' s interest rate is outside of the collars' floor and ceiling rates, including a spread on underlying debt, and a monthly reset in the variable interest rate. Because a portion of the Company' s operations are outside of the United States, significant revenues and expenses are denominated in local currencies. Although operating in local currencies may limit the impact of currency rate fluctuations on the results of operations of the Company' s non- United States subsidiaries and business units, fluctuations in such rates may affect the translation of these results into the Company' s consolidated financial statements. To the extent revenues and expenses are not in the applicable local currency, the Company may enter into foreign exchange forward contracts to hedge the currency risk. There can be no assurance, however, that the Company' s efforts at hedging will be successful. There is always a possibility that attempts to hedge currency risks will lead to greater losses than predicted. The Company' s revenue, operating income and cash flows are subject to cyclical and seasonal variations. The Company' s business is seasonal, with the Company recognizing the majority of its operating income in the **second half** ~~third and fourth quarters~~ of the ~~financial~~ **calendar** year, primarily as a result of the increased magazine advertising page counts and retail inserts and catalogs from back- to- school and holiday- related advertising and promotions. The fourth quarter is typically the highest seasonal quarter for cash flows from operating activities and Free Cash Flow due to the reduction of working capital requirements that reach peak levels during the third quarter. If the Company does not successfully manage the increased workflow, necessary increases in paper and ink inventory, production capacity flows and other business elements during these high seasons of activity, this seasonality could adversely affect the Company' s cash flows and results of operations. An other than temporary decline in operating results and enterprise value could lead to non- cash impairment charges due to the impairment of property, plant and equipment, goodwill and other intangible assets. The Company has a material amount of property, plant, equipment, goodwill and other intangible assets on its balance sheet, due in part to acquisitions. As of December 31, ~~2022~~ **2023** , the Company had the following long- lived assets on its consolidated balance sheet included in Part II, Item 8, " Financial Statements and Supplementary Data, " of this Annual Report on Form 10- K: (a) property, plant and equipment of $ ~~672~~ **620** . ~~1~~ **6** million; (b) goodwill of $ ~~86~~ **103** . ~~4~~ **0** million; and (c) other intangible assets, primarily representing the value of customer relationships acquired, of $ ~~46~~ **21** . ~~9~~ **8** million. As of December 31, ~~2022~~ **2023** , these assets represented approximately ~~47~~ **49** % of the Company' s total assets. The Company assesses impairment of property, plant and equipment, goodwill and other intangible assets based upon the expected future cash flows of the respective assets. These valuations include management' s estimates of sales, profitability, cash flow generation, capital structure, cost of debt, interest rates, capital expenditures and other assumptions. A decline in expected profitability, significant negative industry or economic trends, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of the assets or in entity structure, divestitures and discontinued operations may adversely impact the assumptions used in the valuations. As a result, the recoverability of these assets could be called into question, and the Company could be required to write down or write off these assets. Such an occurrence could have a material adverse effect on the Company' s results of operations and financial position. The Company has liabilities with respect to defined benefit pension plans that could cause the Company to incur additional costs. As a result of the 2010 acquisition of World Color Press, the Company assumed frozen single employer defined benefit pension plans for certain of its employees in the United States. The majority of the plans' assets are held in North American and global equity securities and debt securities. The asset allocation as of December 31, ~~2022~~ **2023** , was approximately ~~23~~ **21** % equity securities and ~~77~~ **79** % debt securities. As of December 31, ~~2022~~ **2023** , the Company had underfunded pension liabilities of $ ~~36~~ **39** . ~~3~~ **4** million for single employer defined benefit plans in the United States. Under current United States pension law, pension funding deficits are generally required to be funded over a seven- year period. These pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan investment performance, pension legislation and other factors. Declines in global debt and equity markets would increase the Company' s potential pension funding obligations. Any significant increase in the Company' s required contributions could have a material adverse impact on its business, financial condition, results of operations and cash flows. In addition to the single employer defined benefit plans described above, the Company has previously participated in multiemployer pension plans (" MEPPs ") in the United States, including the Graphic Communications International Union- Employer Retirement Fund (" GCIU ") and the Graphic Communications Conference of the International Brotherhood of Teamsters National Pension Fund (" GCC "). Prior to the acquisition of World Color Press by the Company, World Color Press received notice that certain plans in which it participated were in critical status, as defined in Section 432 of the Internal Revenue Code of 1986, as amended (the " Internal Revenue Code "). As a result, the Company could have been subject to increased contribution rates associated with these plans or other MEPPs suffering from declines in their funding levels. Due to the significantly underfunded status of the United States multiemployer plans and the potential increased contribution rates, the Company withdrew from participation in these multiemployer plans and has replaced these pension benefits with a Company- sponsored " pay as you go " defined contribution plan, which is historically the form of retirement benefit provided to the Company' s employees. As of December 31, ~~2022~~ **2023** , the Company has recorded in its financial statements a pre- tax withdrawal liability for all United States MEPPs of $ ~~28~~ **24** . ~~3~~ **0** million in the aggregate. The Company is scheduled to make payments to the GCIU and GCC until April 2032 and February 2024, respectively. The Company may not be able to utilize deferred tax assets to offset future taxable income. As of December 31, ~~2022~~ **2023** , the Company had deferred tax assets, net of valuation allowances, of $ ~~95~~ **86** . ~~1~~ **6** million. The Company expects to utilize the deferred tax assets to reduce consolidated income tax liabilities in future taxable years. However, the Company may not be able to fully utilize the deferred tax assets if its future taxable income and related income tax liability is insufficient to permit their use. In addition, in the future, the Company may be required to record a valuation allowance against the deferred tax assets if the Company believes it is unable to utilize them, which would have an adverse effect on the Company' s results of operations and financial position. Legal and Regulatory Risks Unfavorable outcomes in legal proceedings could result in substantial costs and may harm the Company' s financial condition. The Company' s financial condition may be affected by the outcome of pending and future litigation, claims, investigations, legal and administrative cases and proceedings, whether civil or criminal, or lawsuits by governmental agencies or private parties. Defending against any such claims, or any legal proceedings to which the Company is subject, can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on the Company' s liquidity and financial condition and / or cause significant reputational harm to the Company' s business. The Company may incur costs or suffer reputational damage due to improper conduct of its employees, contractors or agents under anti- corruption or other laws governing business practices, including the United States Foreign Corrupt Practices Act. The Company could be adversely affected by engaging in business practices that are in violation of United States or foreign anti- corruption laws, including the United States Foreign Corrupt Practices Act. The Company operates in parts of the world with developing economies that have experienced governmental corruption to some degree, and in certain circumstances, strict compliance with anti- corruption laws may conflict with local customs and practices. In certain countries, the Company does substantial business with government entities or instrumentalities, which creates increased risk of a violation of the Foreign Corrupt Practices Act and international laws. There can be no assurance that all of the Company' s employees, contractors or agents, including those representing the Company in countries where practices which violate anti- corruption laws may be customary, will not take actions that violate the Company' s policies and procedures. The failure to comply with the laws governing international business practices may result in substantial penalties and fines. The Company and its facilities are subject to various consumer protection and privacy laws and regulations,and will become subject to additional laws and regulations in the future.If the Company' s efforts to comply with such laws or protect the security of information are unsuccessful,any failure may subject the Company to material liability,require it to incur material costs or otherwise adversely affect its results of operations as a result of compliance with such laws,costly enforcement actions and private litigation.The nature of the Company' s business includes the receipt and storage of information about the Company' s clients,vendors and the end- users of the Company' s products and services.The Company and its clients are subject to various United States and foreign consumer protection,information security,data privacy and " do not mail " requirements at the federal, ~~state~~ **states** ,provincial and local levels.The Company is subject to many legislative and regulatory laws and regulations around the world concerning data protection and privacy.In addition,the interpretation and application of consumer and data protection laws in the United States and elsewhere are often fluid and uncertain.To the extent that the Company or its clients become subject to additional or more stringent requirements or that the Company is not successful in its efforts to comply with existing requirements or protect the security of information,demand for the Company' s services may decrease and the Company' s reputation may suffer,which could adversely affect the Company' s results of operations.In addition,such laws may be interpreted and applied in a manner inconsistent with the Company' s internal policies.If so,the Company could suffer costly enforcement actions (including an order requiring changes to the Company' s data practices) and private litigation,which could have an adverse effect on the Company' s business and results of operations.Complying with these various laws could cause the Company to incur substantial costs or require changes to the Company' s business practices in a manner adverse to the Company' s business. Changes in the legal and regulatory environment **or reporting requirements** could limit the Company' s business activities, increase its operating costs, reduce demand for its products or result in litigation. The conduct of the Company' s businesses is subject to various laws and regulations administered by federal, state and local government agencies in the United States, as well as to foreign laws and regulations administered by government entities and agencies in markets in which the Company operates. These laws and regulations and interpretations thereof may change, sometimes dramatically, as a result of political, economic or social events, such as the election of the new administration. Such regulatory environment changes may include changes in taxation requirements, accounting and disclosure standards, immigration laws and policy, environmental laws, and requirements of United States and foreign occupational health and safety laws. Changes in laws, regulations or governmental policy and the related interpretations may alter the environment in which the Company does business, and therefore, may impact its results or increase its costs or liabilities. In addition, the Company and its subsidiaries are party to a variety of legal and environmental remediation obligations arising in the normal course of business, as well as environmental remediation and related indemnification proceedings in connection with certain historical activities, former facilities and contractual obligations of acquired businesses. Permits are required for the operation of certain parts of the Company' s business, and these permits are subject to renewal, modification and, in some circumstances, revocation. Due to regulatory complexities, uncertainties inherent in litigation and the risk of unidentified contaminants on current and former properties, the potential exists for remediation, liability and indemnification costs to differ materially from the costs the Company has estimated. The Company cannot assure you that the Company' s costs in relation to these matters will not exceed its established liabilities or otherwise have an adverse effect on its results of operations. Various laws and regulations addressing climate change are being considered at the federal and state levels. Proposals under consideration include **requiring climate- and emissions- related disclosures and** limitations on the amount of greenhouse gas that can be emitted (so- called " caps ") together with systems of trading allowed emissions capacities. The impacts of such proposals could have a material adverse impact on the Company' s financial condition and results of operations. The Company and its facilities are subject...... to the Company' s business. If QuadMed, a wholly- owned subsidiary of the Company, fails to comply with applicable healthcare laws and regulations, the Company could face substantial penalties, and its business, reputation, operations, prospects and financial condition of the Company' s subsidiary could be adversely affected. QuadMed provides employer- sponsored healthcare solutions in the United States to employers of all sizes, including the Company and other private and public- sector companies. These solutions include, but are not limited to, on- site and near- site healthcare clinics, occupational health services, telemedicine, and health and wellness programs. The healthcare industry is heavily regulated, constantly evolving and subject to significant change and fluctuation. The United States federal and state healthcare laws and regulations that impact the QuadMed subsidiary business include, among others, those: (a) regarding privacy, security and transmission of individually identifiable health information; (b) prohibiting, among other things, soliciting, receiving or providing remuneration to induce the referral of an individual for an item or service or the purchasing or ordering of an item or service for which payment may be made under healthcare programs; (c) prohibiting, among other things, knowingly presenting or causing to be presented claims for payment from third- party payors that are false or fraudulent; and (d) prohibiting the corporate practice of medicine. Risks Relating to Quad' s Common Stock Holders of class A common stock are not able to independently elect directors of the Company or control any of the Company' s management policies or business decisions because the holders of class A common stock have substantially less voting power than the holders of the Company' s class B common stock, all of which is owned by certain members of the Quadracci family or trusts for their benefit, whose interests may be different from the holders of class A common stock. The Company' s outstanding stock is divided into two classes of common stock: class A common stock (" class A stock ") and class B common stock (" class B stock "). The class B stock has ten votes per share on all matters and the class A stock is entitled to one vote per share. As of January 31, ~~2023~~ **2024** , the class B stock constitutes approximately 78 % of the Company' s total voting power. As a result, holders of class B stock are able to exercise a controlling influence over the Company' s business, have the power to elect its directors and indirectly control decisions such as whether to issue additional shares, declare and pay dividends or enter into corporate transactions. All of the class B stock is owned by certain members of the Quadracci family or trusts for their benefit, whose interests may differ from the interests of the holders of class A stock. As of January 31, ~~2023~~ **2024** , approximately 93 % of the outstanding class B stock was held of record by the Quad Voting Trust, and that constitutes approximately ~~72~~ **73** % of the Company' s total voting power. The trustees of the Quad Voting Trust have the authority to vote the stock held by the Quad Voting Trust. Accordingly, the trustees of the Quad Voting Trust are able to exercise a controlling influence over the Company' s business, have the power to elect its directors and indirectly control decisions such as whether to issue additional shares, declare and pay dividends or enter into corporate transactions. Furthermore, in response to recent public focus on dual class capital structures, certain stock index providers are implementing limitations on the inclusion of dual class share structures in their indices and certain institutional shareholder advisory firms are updating their voting guidelines to generally withhold support for directors of companies with dual class voting rights. If these restrictions increase or these guidelines are followed, they may impact who buys and holds the Company' s stock. The Company is a controlled company within the meaning of the rules of the New York Stock Exchange (" NYSE ") and, as a result, it relies on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies. Since the Quad Voting Trust owns more than 50 % of the total voting power of the Company' s stock, the Company is considered a controlled company under the corporate governance listing standards of the NYSE. As a controlled company, an exception under the NYSE listing standards exempts the Company from the obligation to comply with certain of the NYSE' s corporate governance requirements, including the requirements that (a) the Company have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and (b) the Company have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities. Accordingly, for so long as the Company is a controlled company, holders of class A stock may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NYSE. Currently, there is a limited active market for Quad' s class A common stock and, as a result, shareholders may be unable to sell their class A common stock without losing a significant portion of their investment. The Company' s class A stock has been traded on the NYSE under the symbol " QUAD " since July 6, 2010. However, there is ~~currently~~ **still** a limited active market for the class A common shares. The Company cannot predict the extent to which investor interest in the Company will lead to the development of a more active trading market for its class A common stock on the NYSE or how liquid that market will ~~become~~ **be** . If a more active trading market does not develop, shareholders may have difficulty selling any class A stock without negatively affecting the stock price, and thereby, losing a significant portion of their investment.