

Risk Factors Comparison 2025-02-28 to 2024-02-23 Form: 10-K

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Risks Related to our Business and Operations. The seasonality of Arcosa's business and its susceptibility to severe and prolonged periods of adverse weather and other conditions could have a material adverse effect on us. Demand for Arcosa's products in some markets is typically seasonal, with periods of snow or heavy rain negatively affecting construction activity. ~~For example, sales~~ **Sales** of Arcosa's products are somewhat higher from spring through autumn when construction activity is greatest. Construction activity declines in these markets during the winter months in particular due to inclement weather, frozen ground, and fewer hours of daylight. Construction activity and Arcosa's ability to deliver products on time or at all to its customers can also be affected in any period by public holidays, vacation periods, and adverse seasonal weather conditions such as extreme temperature, hurricanes, severe storms, torrential rains and floods, low river levels, and similar events, any of which could reduce demand for Arcosa's products, push back existing orders to later dates or lead to cancellations. Additionally, the seasonal nature of Arcosa's business has led to variation in Arcosa's quarterly results in the past and is expected to continue to do so in the future. This general seasonality of Arcosa's business and any severe or prolonged adverse weather conditions or other similar events could have a material adverse effect on Arcosa's business. Delays in construction projects and any failure to manage Arcosa's inventory could have a material adverse effect on us. Many of Arcosa's products are used in large-scale projects which generally require a significant amount of planning and preparation and which can be delayed and rescheduled for a number of reasons, including customer labor availability, difficulties in complying with environmental and other government regulations or obtaining permits, financing issues, changes in project priorities, additional time required to acquire rights-of-way or property rights, unanticipated soil conditions, or health-related shutdowns or other work stoppages. These delays may create unplanned downtime, increasing costs and inefficiencies in Arcosa's operations, and increased levels of excess inventory. Additionally, Arcosa maintains an inventory of certain products that meet standard specifications and are ultimately purchased by a variety of end users. Arcosa forecasts demand for these products to ensure that it keeps sufficient inventory levels of certain products that Arcosa expects to be in high demand and limits its inventory for which Arcosa does not expect much interest. However, Arcosa's forecasts are not always accurate and unexpected changes in demand for these products, whether because of an unexpected delay, a change in preferences or otherwise, can lead to increased levels of excess inventory. Any delays in construction projects and Arcosa's customers' orders or any inability to manage Arcosa's inventory could have a material adverse effect on Arcosa's business. Arcosa operates in highly competitive industries. Arcosa may not be able to sustain its market positions, which may impact its financial results. Arcosa faces intense competition in all geographic markets and each industry sector in which it operates. In addition to price, Arcosa faces competition with respect to product performance and technological innovation, substitution, quality, reliability of delivery, customer service, and other factors. If Arcosa is unable to successfully compete or if the cost of successfully competing is significant, the effects of such competition, which is often intense, could reduce Arcosa's revenues and operating profits, limit Arcosa's ability to grow, increase pricing pressure on Arcosa's products, and otherwise affect Arcosa's financial results. Arcosa's inability to deliver its backlog on time could affect its revenues, future sales and profitability and its relationships with customers. At December 31, ~~2023~~ **2024**, Arcosa's backlog was approximately \$ 1. ~~4~~ **2** billion within our Engineered Structures and \$ ~~253~~ **280**. ~~7~~ **1** million within our Transportation Products segments. Arcosa's ability to meet customer delivery schedules for backlog is dependent on a number of factors including, but not limited to, sufficient manufacturing plant capacity, adequate supply channel access to raw materials and other inventory required for production, an adequately trained and capable workforce, engineering expertise, and appropriate planning and scheduling of manufacturing resources. We may also encounter capacity limitations due to changes in demand despite our forecasting efforts. Some of the contracts we enter into with our customers, such as for barges, traffic structures and wind towers, require long manufacturing lead times and contain penalty clauses or liquidated damages provisions related to late delivery. Failure to deliver in accordance with contract terms and customer expectations could subject us to financial penalties, damage existing customer relationships, increase our costs, reduce our sales and have a material adverse effect on Arcosa's business. Arcosa depends on its key management employees, and Arcosa may not be able to retain their services in the future. Arcosa's success depends on the continued services of its executive team and key management employees, none of whom currently have an employment agreement with Arcosa. Arcosa may not be able to retain the services of its executives and key management in the future. The loss of the services of one or more executives or key members of Arcosa's management team, or Arcosa's inability to successfully develop talent for succession planning, could result in increased costs associated with attracting and retaining a replacement and could disrupt Arcosa's operations and result in a loss of revenues. The inability to hire and retain skilled or professional labor could adversely impact Arcosa's operations. Arcosa depends on professional labor across its businesses and skilled labor in the manufacture, maintenance, and repair of Arcosa's products. Some of Arcosa's facilities are located in areas where demand for skilled laborers, such as welders, complex machine operators, and equipment maintenance workers, may exceed supply. Arcosa competes for such personnel with other companies, including public and private company competitors who may periodically offer more favorable terms of employment. If Arcosa is unable to hire and retain these skilled laborers, Arcosa may be limited in its ability to maintain or increase production rates and costs to replace or retain skilled laborers may increase. Failure to maintain safe work sites could result in losses, which could adversely affect our business and reputation. Our operational sites include mining, processing and manufacturing facilities, where our employees and others are often in close proximity with mechanized equipment, moving vehicles, chemical substances, and dangerous manufacturing processes or natural conditions. Sites such as these are subject to potentially dangerous workplace risks. ~~For~~

~~example,~~ Arcosa operates an underground limestone mine in Pennsylvania, which involves unique potential safety risks and hazards inherent to underground mining operations. Safety is a primary focus of our business and is critical to our reputation and performance. Unsafe work conditions, or any perceived failure to protect the health and safety of our employees, can also increase employee turnover, which increases our overall operating costs. If we fail to implement effective safety procedures, our employees and others could be injured, the completion of a project could be delayed, or we could be exposed to investigations and possible litigation, which may be significant. Our failure to maintain adequate safety standards through our safety programs could also result in reduced profitability or the loss of customers. Some of Arcosa's employees belong to labor unions and strikes or work stoppages could adversely affect Arcosa's operations. Arcosa is a party to collective bargaining agreements with various labor unions at some of Arcosa's operations in the U. S. and Canada and all of Arcosa's operations in Mexico. Disputes with regard to the terms of these agreements or Arcosa's potential inability to negotiate acceptable contracts with these unions in the future could result in, among other things, strikes, work stoppages, or other slowdowns by the affected workers and Arcosa could experience a significant disruption of its operations and higher ongoing labor costs. In addition, Arcosa could face higher labor costs in the future as a result of severance or other charges associated with lay- offs, shutdowns, reductions in the size and scope of its operations or difficulties of restarting Arcosa's operations that have been temporarily shuttered. Negative publicity, work stoppages, or strikes by unions could have a material adverse effect on Arcosa's business. Equipment failures or other material disruption at one or more of Arcosa's manufacturing ~~facilities~~ or other **mining** facilities or in Arcosa's supply chain could have a material adverse effect on us. In some instances, Arcosa relies on a limited number of suppliers for certain raw materials, parts, and components needed in its production. Arcosa owns and operates manufacturing **and mining** facilities of various ages and levels of automated control and relies on a number of third parties as part of Arcosa's supply chain, including for the efficient distribution of products to Arcosa's customers. Any disruption at one of Arcosa's ~~manufacturing~~ facilities or within Arcosa's supply chain could prevent Arcosa from meeting demand or require Arcosa to incur unplanned capital expenditures. **In addition, some While Arcosa maintains backups for certain critical pieces of the equipment that Arcosa operates is old and some is highly technical. Both older to use during the time it may take to repair or replace inoperable equipment and more complex equipment may break down, any resulting in unplanned downtime. Any unplanned downtime at Arcosa's facilities may cause delays in meeting customer timelines, result in liquidated and delay damages claims, or cause Arcosa to lose or harm customer relationships. Arcosa's manufacturing operations partially depend on Arcosa's ability to obtain timely deliveries of raw materials, parts, and components in acceptable quantities and quality from Arcosa's domestic and foreign suppliers. Certain raw materials, parts, and components for Arcosa's products are currently available from a limited number of suppliers and, as a result, Arcosa may have limited control over pricing, availability, and delivery schedules. If Arcosa is unable to purchase a sufficient quantity of raw materials, parts, and components on a timely basis, Arcosa could face disruptions in its production and incur delays while it attempts to engage alternative suppliers. Fewer suppliers could require Arcosa to source unproven and distant supply alternatives. In addition, meeting certain production demands is dependent on Arcosa's ability to obtain a sufficient amount of steel. An unanticipated interruption in Arcosa's supply chain could have an adverse impact on both Arcosa's margins and production schedules. Any such disruption or supply shortage could harm Arcosa's business. Furthermore, any shortages in trucking, rail, barge, or container shipping capacity, any increase in the cost thereof, or any other disruption to those transportation systems could limit Arcosa's ability to deliver its products in a timely manner or at all. Any material disruption at one or more of Arcosa's facilities or those of Arcosa's customers or suppliers or otherwise within Arcosa's supply chain, whether as a result of downtime, facility damage, an inability to deliver Arcosa's products or otherwise, could prevent Arcosa from meeting demand, require Arcosa to incur unplanned capital expenditures, or cause other a material disruption to Arcosa's operations, any of which could have a material adverse effect on Arcosa's business. Extensive damage to Arcosa's facilities, including as a result of natural disasters or similar incidents, could lead to production, delivery or service curtailments or shutdowns, loss of revenue, or higher expenses. Arcosa operates a substantial amount of equipment at its production facilities, several of which are located in areas that may experience adverse weather, including extreme temperatures, tornados, and hurricanes, or are located on navigable waterways, subject to potential flooding and other excessive or low water conditions on one or more rivers that serve Arcosa facilities. Moreover, manufacturing facilities or other facilities can unexpectedly stop operating because of events unrelated to Arcosa or beyond its control, including equipment or technology failures, fires and other industrial accidents, implementation of non- navigation orders, the discovery of hazardous environmental conditions or other environmental incidents, or natural disasters such as floods, severe weather events, or other catastrophes. An interruption in operations at Arcosa's facilities could reduce or prevent Arcosa's production, delivery, service, or repair of Arcosa's products and increase Arcosa's costs and expenses. A halt of production at any of Arcosa's manufacturing facilities could severely affect delivery times to Arcosa's customers. While Arcosa maintains emergency response and business recovery plans that are intended to allow Arcosa to recover from natural disasters, Arcosa cannot provide assurances that its plans would fully protect Arcosa from the effects of all such disasters. In addition, insurance may not adequately compensate Arcosa for any losses incurred as a result of natural or other disasters, which may adversely affect Arcosa's financial condition. Any significant delay in deliveries not otherwise contractually mitigated by favorable force majeure or other provisions could result in cancellation of all or a portion of Arcosa's orders, cause Arcosa to lose future sales, and negatively affect Arcosa's reputation and Arcosa's results of operations. Fluctuations in the price and supply of raw materials and parts and components used in the production of Arcosa's products could have a material adverse effect on its ability to cost- effectively manufacture and sell its products. A significant portion of Arcosa's business depends on the adequate supply of raw materials and numerous specialty and other parts and components at competitive prices. The principal material used in Arcosa's manufacturing segments is steel. The **current U. S. presidential administration has proposed to significantly increase tariffs on foreign imports of steel and aluminum. The** inflationary pressures on principal raw material prices, like steel, may result in increased costs or a delay in orders from Arcosa's customers, including but not**

limited to a customer's decision to place or delay orders for new barges due to fluctuations in the price of steel. During 2022 and 2023, Arcosa's Engineered Structures and Transportation Products segments were impacted by elevated steel costs, which negatively impacted order levels for wind towers and barges. Market steel prices **have in the past and** may **continue to in the future** exhibit periods of volatility and **an a continued** increase in steel prices could continue to negatively impact demand for Arcosa's products ~~like wind towers and barges~~. Steel prices may experience further volatility as a result of scrap surcharges assessed by steel mills, tariffs, and other market factors. Furthermore, consolidation of steel producers may lead to decreased competition in the industry and result in increased steel prices. Arcosa may use contract-specific purchasing practices, supplier commitments, contractual price escalation provisions, flexing between steel type, and other arrangements with Arcosa's customers to mitigate the effect of this volatility on Arcosa's operating profits. To the extent that Arcosa does not have such arrangements in place, a change in steel prices could materially lower Arcosa's profitability. The availability of natural aggregates reserves, specialty materials reserves, and supply stock for recycled aggregates could have a material adverse effect on Arcosa's ability to cost-effectively manufacture and sell its products. A part of the operations in Arcosa's Construction Products segment includes the mining of natural aggregates and specialty materials reserves. The success and viability of these operations depend on the accuracy of Arcosa's reserve estimates, the costs of production and the ability to economically distribute the natural aggregates and specialty materials. Estimates for natural aggregate and specialty materials reserves and for the costs of production of such reserves depend upon a variety of factors and assumptions, many of which involve uncertainties beyond Arcosa's control, such as geological and mining conditions that may not be identifiable. In addition, Arcosa's success in recovering natural aggregates and specialty materials depends on the ability to secure new reserve locations and permits to mine such reserves in areas that make distribution of materials economically viable. **Engaging Community engagement** and maintaining good relations within the communities where we operate is important to **securing and** retaining **and securing** permits. Inaccuracies in reserve estimates and production costs, and the inability to secure locations and permits for future operations could negatively affect our results of operations. The success and viability of Arcosa's recycled aggregates operation depends on Arcosa's success in procuring supply stock for processing recycled materials into recycled aggregates. The inability to **secure and** maintain **and secure** locations and permits for recycled aggregates operations could negatively affect our results of operations. Reductions in the availability of energy supplies or an increase in energy costs may increase Arcosa's operating costs. Arcosa uses electricity and various gases, including natural gas, at Arcosa's manufacturing facilities and uses diesel fuel in vehicles to transport Arcosa's products to customers and to operate its plant equipment. An outbreak or escalation of hostilities between the U. S. and any foreign power or between other foreign powers, such as the war in Ukraine or the **Israeli-Hamas conflict** **conflicts in the Middle East**, could result in a real or perceived shortage of petroleum and / or natural gas, which could result in an increase in the cost of natural gas or energy in general. Additionally, extreme weather conditions such as extreme temperatures, hurricanes, tornadoes, or floods could result in varying states of disaster and lead to disruptions to the delivery and supply of petroleum and / or natural gas, including rationing thereof, or an increase in natural gas prices, electricity prices, or other general energy costs. Future limitations on the availability (including limitations imposed by increased regulation or restrictions on rail, road, and pipeline transportation of energy supplies) or consumption of electricity, petroleum products or natural gas and / or an increase in energy costs, particularly natural gas and diesel fuel, could have an adverse effect upon our ability to conduct Arcosa's business cost effectively. The limited number of customers for certain of Arcosa's products, the variable purchase patterns of Arcosa's customers in all of its segments, and the timing of completion, delivery, and customer acceptance of orders may cause Arcosa's revenues and income from operations to vary substantially each quarter, potentially resulting in significant fluctuations in its quarterly results. Some of the markets Arcosa serves have a limited number of customers. For example, Arcosa's wind tower customer base is highly concentrated due to a limited number of companies constructing wind towers. The volumes purchased by customers in each of Arcosa's business segments vary from year to year, and not all customers make purchases every year. Furthermore, the timing of the completion, delivery, and customer acceptance of orders, including backlog orders, may cause Arcosa's revenues and income from operations to vary substantially each quarter. As a result, the order levels for Arcosa's products have varied significantly from period to period in the past and may continue to vary significantly in the future. **For example, GE Vernova Renewable Energy, a customer in our Engineered Structures segment,** accounted for approximately **10.8 -1%** of our consolidated revenues in **2023-2024 down-up** from **9.8 -3-1%** of consolidated revenues in **2022-2023**. As a result of these fluctuations, Arcosa believes that comparisons of its sales and operating results between periods may not be meaningful and should not be relied upon as indicators of future performance. Any material nonpayment or nonperformance by any of our customers could have a material adverse effect on our business and results of operations. Any material nonpayment or nonperformance by any of our customers could have a material adverse effect on our revenue and cash flows. While our contracts with our customers, including backlog orders, include terms and provisions that protect us in the event of a breach, we may be unable to enforce payment or performance obligations in a timely manner or at all or recover the entire amount we anticipated receiving under such contract. If we were to pursue legal remedies against a customer that failed to purchase the contracted amount of product under a fixed-volume contract or failed to satisfy the take-or-pay commitment under a take-or-pay contract, we may receive significantly less in a judgment or settlement of any claimed breach than we would have received had the customer fully performed under the contract. In the event of any customer's breach, we may also choose to renegotiate any disputed contract on less favorable terms (including with respect to price and volume) in order to preserve the relationship with that customer. Defects in materials and workmanship could harm our reputation, expose us to product warranty or product liability claims, decrease demand for products, or materially harm existing or prospective customer relationships. A defect in materials or components from suppliers, our materials, or in the manufacturing of our products could result in product warranty and product liability claims, decrease demand for products, or materially harm existing or prospective customer relationships. Depending on the product, Arcosa warrants its workmanship and certain materials (including surface coatings), parts, and components pursuant to express limited contractual warranties.

Arcosa may be subject to significant warranty claims in the future, such as multiple claims based on one defect repeated throughout Arcosa's production process or claims for which the cost of shipping, repairing, or replacing the defective part, component, or material is highly disproportionate to the original price. Responding to such defects may also include costs related to disassembly of our products and transportation of the products from the field to our facilities and returning the products to the customer, a change in our manufacturing processes, recall of previously manufactured products, or personal injury claims. Any of these outcomes could result in significant expense and materially harm our existing or prospective customer relationships and reputation. Some of Arcosa's products are sold to contractors, distributors, installers, and rental companies who may misuse, abuse, improperly install, or improperly or inadequately maintain or repair such products, thereby potentially exposing Arcosa to claims that could increase Arcosa's costs and weaken Arcosa's liquidity and financial condition. The products Arcosa manufactures are designed to work optimally when properly assembled, operated, installed, repaired, and maintained. For example, Arcosa's shoring products and barges are often subsequently rented or leased by Arcosa's customers to third parties who may misuse or improperly operate these products. If this or similar instances of misuse or improper operation were to occur, Arcosa may be subjected to claims or litigation associated with personal or bodily injuries or death and property damage. Insurance coverage could be costly, unavailable, or inadequate. Arcosa **maintains primary and excess insurance coverage and** is subject to potential liability for **certain third-party claims alleging, including business interruption, property damage and, personal and bodily injury, or death arising from the production, use, or exposure to, or the transport of** Arcosa's products, especially in connection with products Arcosa manufactures that its customers use to transport hazardous, flammable, toxic, or explosive materials. **Insurance** Arcosa's businesses are subject to losses arising from property damages or losses from business interruption. As policies expire, premiums for renewed or new coverage may further increase and / or require that Arcosa increase its self-insured retention, deductibles, or overall limits. **A claim** Arcosa maintains **primary coverage and excess coverage policies for personal injury, auto liability claims as well as property damage. An unusually large liability claim, property loss claim, business interruption claim, or a string of such claims or a coupled with an unusually large damage award could exceed Arcosa's available insurance coverage. Moreover, any accident or incident involving Arcosa's businesses in general or Arcosa or Arcosa's products specifically, even if Arcosa is fully insured, contractually indemnified, or not held to be liable, could negatively affect Arcosa's reputation among customers and the public.** The ability of Arcosa to insure against the risks described in this Item 1A is limited by the applicable insurance markets, which may be costly, unavailable or inadequate. Arcosa's inability to secure adequate insurance **could increase Arcosa's risk exposure and operational expenses / or a claim that exceeds Arcosa's insurance limits could have a material adverse effect on our financial condition and results** disrupt the management of its business operations. Arcosa's indebtedness restricts its current and future operations, which could adversely affect its ability to respond to changes in its business and manage its operations. Arcosa is a party to the Second Amended and Restated Credit Agreement (**as amended**, the "Credit Agreement"), by and **an among Arcosa, as borrower, and the lenders party thereto and the Indenture by and among Arcosa, certain of (the "2021 Indenture") governing** its subsidiaries which are guarantors and the trustee (the "Indenture"), pursuant to which \$ 400 million of 4.375 % senior **unsecured** notes due 2029 (the "Senior "2021 Notes ")), and **an Indenture (the "2024 Indenture") governing its 6.875 % senior unsecured notes due 2032 (the "2024 Notes " and** collectively, with the Credit Agreement **and, the 2021 Indenture, the 2021 Notes and the 2024 Indenture, the "Financing Documents") were issued.** The Financing Documents contain a number of covenants potentially restricting the operations and financial condition of Arcosa and certain of its subsidiaries, including, among other things and subject to certain exceptions, restrictions on our ability to incur debt or liens, merge, sell assets, make investments and acquisitions, and make dividends and other restricted payments. The Credit Agreement also requires us to maintain compliance with financial covenants, and a change of control (as defined in the applicable Financing Document) could result in a default or prepayment event under the applicable Financing Document. These covenants and change of control provisions could have an adverse effect on Arcosa's business by limiting its ability to take advantage of financing, merger and acquisition, or other opportunities. The breach of any of these covenants or restrictions could result in a default under the Financing Documents, our inability to access the liquidity provided by the **revolving credit facility in the** Credit Agreement, **and the acceleration of the indebtedness under the Financing Documents, and the foreclosure of the liens securing the indebtedness outstanding under the Credit Agreement.** Borrowings under the Credit Agreement incur interest which is variable based on fluctuations in the referenced Secured Overnight Financing Rate ("SOFR"). Increases in the referenced SOFR will increase Arcosa's borrowing costs and negatively impact financial results and cash flows. **Increases in interest rates have resulted in higher interest expense related to borrowings under our Financing Documents year over year.** For more information on the restrictive covenants in the Financing Documents, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources." Arcosa's ability to comply with these agreements may be affected by events beyond its control, including prevailing economic, financial, and industry conditions. **Arcosa's indebtedness could adversely affect its financial condition and prevent it from fulfilling its obligations** Arcosa has a significant amount of indebtedness. As of December 31, 2024, our total debt (excluding debt issuance costs) was approximately \$ 1.7 billion, and we had unused commitments of \$ 699.3 million under our revolving credit facility that is part of our Credit Agreement (after giving effect to \$ 0.7 million of outstanding letters of credit). **Our increased amount of indebtedness year-over-year primarily resulted from the closing of the Stavola acquisition, and this increase in the amount of our indebtedness resulted in higher interest expense year over year. In addition, Arcosa is subject to a variety of performance bonds, payment guarantees and other contingent obligations in the operation of its business. Despite our increase in leverage to finance the Stavola acquisition, subject to the limits contained in the Financing Documents, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, it could have important consequences, including the following:**

- making it more difficult for us to satisfy our obligations with respect

to our existing indebtedness; • limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements; • requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; • increasing our vulnerability to general adverse economic and industry conditions; • exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the Credit Agreement, are at variable rates of interest; • limiting our flexibility in planning for and reacting to changes in the industry in which we compete; • placing us at a disadvantage compared to other, less leveraged competitors; and • increasing our cost of borrowing.

Arcosa may be required to reduce the value of Arcosa's long-lived assets, including intangible assets and / or goodwill, which would weaken Arcosa's financial results. Arcosa periodically evaluates for potential impairment the carrying values of Arcosa's long-lived assets, including intangible assets, to be held and used. The carrying value of a long-lived asset to be held and used is considered impaired when the carrying value is not recoverable through undiscounted future cash flows and the fair value of the asset is less than the carrying value. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risks involved or market quotes as available. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced commensurate with the estimated cost to dispose of the assets. In addition, goodwill is required to be tested for impairment annually or on an interim basis whenever events or circumstances change indicating that the carrying amount of the goodwill might be impaired. Certain non-cash impairments may result from a change in our strategic goals, business direction, changes in market interest rates, or other factors relating to the overall business environment. Any impairment of the value of goodwill or other intangible assets recorded in connection with previous acquisitions would result in a non-cash charge against earnings, which could have a material adverse effect on our financial condition and results of operations. Risks Related to Economic, Geopolitical, and Legal Factors. Pandemics, epidemics, or other public health emergencies, as well as the governmental reaction thereto, may adversely affect Arcosa's business. Arcosa's business may be adversely affected if a pandemic, epidemic, or other public health emergency occurs. **The** For example, the outbreak of COVID-19, including its variants, disrupted **local, state, national, and global economies** trade, commerce, financial and credit markets, and daily life throughout the world. Any future similar public health emergency could negatively impact our business **in a number of ways**, including the health **and productivity** of our employees **and employee productivity**, the availability and pricing of supplies and raw materials, our ability to fulfill customer orders, and the availability of our transportation and distribution networks. **If any** For example, if one or more of Arcosa's facilities become subject to closure **from in connection with** a public health emergency, the business as a whole could be materially affected. In addition, the impact of a government shutdown could have a material adverse effect on Arcosa's revenues, profits, and cash flows. Arcosa relies on government personnel to conduct certain routine business processes **for related to** the inspection and delivery of certain products that, if disrupted, could have an **immediate** impact on Arcosa's revenues and business. The negative impact on the economy from a **pandemic, epidemic or other** public health emergency could also impact our customers in similar ways, causing customers to postpone projects, cancel or delay orders, or file bankruptcy. A **pandemic, epidemic, or other** public health emergency could also disrupt Arcosa's cross-border business transactions and activities. During the COVID-19 pandemic, governments in the **United States U. S.** and elsewhere in the world implemented strict measures to help control the spread of the virus, including quarantines, travel restrictions, **and** business curtailments, **and other measures**. Such actions may impair or prevent Arcosa from continuing its operations **and business arrangements outside the United States**. The extent to which a pandemic, epidemic, or other public health emergency could impact our business will depend on numerous evolving factors that we may not be able to accurately predict. Instability in the economy or negative conditions in credit markets may adversely affect our business by limiting Arcosa's or its customers' and suppliers' access to credit. Instability in the global economy or negative conditions in the global credit markets that limit or impair our access to credit may adversely affect our business. In general, Arcosa may rely upon banks and capital markets to fund its growth strategy. Any downgrades in our credit ratings may make raising capital more difficult, increase the cost and affect the terms of future borrowings, affect the terms under which we purchase goods and services, **and** limit our ability to take advantage of potential business opportunities. If Arcosa is unable to secure financing on acceptable terms, Arcosa's other sources of funds, including available cash, its revolving credit facility, and cash flow from operations may not be adequate to fund its operations and contractual commitments and refinance existing debt. We are also exposed to risks associated with the creditworthiness of our customers and suppliers. **If** For example, if volatile conditions in the global credit markets such as rising interest rates and tightening of credit standards limit our customers' access to credit (or increase the cost of obtaining credit), product order volumes may decrease, or customers may default on payments owed to Arcosa. Likewise, if Arcosa's suppliers face challenges obtaining credit, selling their products to customers that require purchasing credit, or otherwise operating their businesses, the supply of materials Arcosa purchases from them to manufacture its products may be interrupted. These events or a more general economic downturn could lead to a reduction in orders for Arcosa's products, requests for deferred deliveries of backlog orders and make it difficult to collect on accounts receivable, which could result in lower revenue or increased operating costs. In addition, such events could result in Arcosa's customers' attempts to unilaterally cancel or terminate firm contracts or orders in whole or in part, resulting in contract or purchase order breaches which could result in increased commercial litigation costs. Arcosa and its customers participate in cyclical industries, which are subject to downturns. A majority of Arcosa's revenue is from customers who are in industries and businesses that are cyclical in nature which may result in decreased demand for Arcosa's products and negatively affect the collectability of receivables. For example, demand for our construction products is driven in large part by residential and commercial construction spending and by population and economic growth which typically slow during a downturn. The barge industry in particular has previously experienced sharp cyclical downturns and at such times operated with a minimal backlog. In addition, since Arcosa's operations are in a variety of geographic markets, its businesses are subject to differing economic conditions **and**

labor availability in each such geographic market. While the business cycles of Arcosa's different operations may not typically coincide, an economic downturn could affect disparate cycles contemporaneously. **Cyclical or other fluctuations, including as a result of government or macroeconomic policy, could result in** ~~Decreased~~ **decreased** demand **for our products, which** could **in turn** result in lower sales volumes, lower prices, a slowdown in production at our facilities and / or a decline in or loss of profits. In addition, an economic downturn may negatively affect the collectability of accounts receivable. Any of the foregoing market or industry conditions or events could result in reductions in Arcosa's revenues, or increased operating costs. The impact of increased prices and inflation on principal raw material prices, including **the cost of** steel with respect to the order of new barges or wind towers **and liquid asphalt with respect to our asphalt paving operations**, could negatively impact Arcosa's performance and financial results. Increased inflation **and volatile input costs may be beyond our control**, including rising prices for raw materials such as steel, **liquid asphalt**, fuel, parts and components, freight, packaging, supplies, labor, and energy, increases our costs to manufacture and distribute our products. We ~~use market prices for materials, fuel, and parts and components, and~~ may be unable to pass these rising costs on to our customers. While Arcosa cannot predict the extent to which inflation may ~~continue to~~ increase, increases **and volatility** in the price of steel **and liquid asphalt** have and could ~~continue to~~ impact a customer's decision to place or delay orders for new barges ~~or~~, wind towers, **or asphalt paving**. Other inflationary pressures may generally result in a reduction in construction activity, which could have a material adverse effect on our business. Under varying circumstances, Arcosa may take actions to minimize these inflationary risks, but such efforts may not be effective in mitigating the impact on Arcosa's margins. Arcosa's revenues or operating costs may be negatively affected if we are unable to mitigate the impact of these cost increases through contractual means or otherwise offset the effect of these cost increases. Risks related to Arcosa's operations outside of the U. S., particularly Mexico, could decrease Arcosa's profitability. Arcosa's operations outside of the U. S. are subject to risks associated with cross-border business transactions and activities. Political, legal, trade, **environmental regulations**, or economic change or instability, criminal activities, or social unrest could limit or curtail Arcosa's respective foreign business activities and operations, including the ability to hire and retain employees. Violence in Mexico associated with drug trafficking is continuing. Arcosa has not, to date, been materially affected by any of these risks, but Arcosa cannot predict the likelihood of future effects from such risks or any resulting adverse impact on Arcosa's business. Arcosa ships raw materials to Mexico and manufactures products in Mexico that are sold in the U. S. or elsewhere, which are subject to customs and other regulations. Any shutdown or delays at the U. S. / Mexico border could affect our ability to transport or import our products manufactured in Mexico in a timely manner or at all. Some foreign countries where Arcosa operates have regulatory authorities that regulate products sold or used in those countries. If Arcosa fails to comply with the applicable regulations related to the foreign countries where Arcosa operates, Arcosa may be unable to market and sell its products in those countries or could be subject to administrative fines or penalties. In addition, with respect to operations in Mexico and other foreign countries, unexpected changes in the political environment, laws, rules, and regulatory requirements; tariffs and other trade barriers, including regulatory initiatives for buying goods produced in America; more stringent or restrictive laws, rules and regulations relating to labor or the environment; adverse tax consequences; price exchange controls and restrictions; regulations affecting cross-border rail and vehicular traffic; or availability of commodities, including gasoline and electricity, could limit operations affecting production throughput and making the manufacture and distribution of Arcosa's products less timely or more difficult. Furthermore, any material change in the **tariffs**, quotas, regulations or duties on imports imposed by the U. S. government and agencies or on exports by the government of Mexico or its agencies, could affect Arcosa's ability to export products that Arcosa manufactures in Mexico. Failure to comply with such import and export regulations could result in significant fines and penalties. Because Arcosa has operations outside the U. S., Arcosa could be adversely affected by final judgments of non-compliance with the U. S. Foreign Corrupt Practices Act of 1977 ("FCPA") or import / export rules and regulations and similar anti-corruption, anti-bribery, or import / export laws of other countries. As a result of our policy to comply with the FCPA and similar anti-bribery laws, we may be at a competitive disadvantage to competitors that are not subject to, or do not comply with, such laws. Arcosa may incur increased costs due to fluctuations in foreign currency exchange rates. Arcosa is exposed to risks associated with changes in foreign currency exchange rates. ~~For example,~~ Arcosa has substantial manufacturing operations in Mexico. To the extent there are significant changes in the exchange rate between the U. S. dollar and the Mexican peso, Arcosa may incur increased costs or losses and reduced profits. Because our financial statements are denominated in U. S. dollars, fluctuations in currency exchange rates between the U. S. dollar and other currencies have had and will continue to have an impact on our reported earnings. Under varying circumstances, Arcosa may seek to minimize these risks using hedges and similar financial instruments and other activities, although these measures, if and when implemented, may not be effective. Any material and untimely changes in exchange rates could adversely impact our business. Arcosa may be adversely affected by trade policies and practices, including trade practices of competitors that violate U. S. or other foreign laws, regulations, or practices. Arcosa faces competition from manufacturers both in the U. S. and around the world, some of which may engage in competition and trade practices involving the importation of competing products into the U. S. in violation of U. S. or other foreign laws, regulations, or practices. ~~For example,~~ Arcosa's competitors may import competing products that are subsidized by foreign governments and sold in the U. S. at less than fair value. The results of trade negotiations, trade agreements, and tariffs could also negatively affect Arcosa's supplies, cost of goods sold, and customers. ~~For example,~~ Arcosa produces certain products at its manufacturing facilities in Mexico. Arcosa's business benefits from free trade agreements, such as the United States- Mexico- Canada Agreement ("USMCA"). Potential **USMCA** developments, including **tariffs** ~~failure to enforce the USMCA~~, potential changes or amendments to the agreement, governmental **orders**, policies, and laws and regulations could adversely affect Arcosa's existing production operations in Mexico and have a material adverse effect on Arcosa's business. ~~These~~ **Additionally, effective February 4, 2025, the U. S. government implemented an additional tariff on goods being imported from China and announced additional tariffs for goods imported into the U. S. from Mexico and Canada beginning in March 2025. Changes in U. S. trade policy have**

resulted and could again result in reactions from U. S. trading partners, including adopting responsive trade policies and practices making it more difficult or costly for us to export or import our products from Mexico. While we cannot predict what additional changes to trade policy will be made by the current or a future presidential administration or Congress, including whether existing tariff policies will be maintained or modified, what products may be subject to such policies, or whether the entry into new or bilateral or multilateral trade agreements will occur, such changes could increase pricing pressure on Arcosa's products, reduce Arcosa's revenues and operating profits, limit Arcosa's ability to grow, and otherwise adversely affect Arcosa's financial results. Arcosa and its customers depend on government spending and funding from federal, state and local government agencies, and any disruption in government funding could harm Arcosa's business. Periods of partial or full U. S. federal government shutdown, impasse, deadlock, and last-minute accords may continue to permeate many aspects of U. S. governance, including federal government budgeting and spending, government-funded infrastructure projects and building activities, taxation, U. S. deficit spending and debt ceiling limits, and international commerce. Such periods could negatively impact U. S. domestic and global financial markets, thereby reducing customer demand for Arcosa's products and services and potentially result in reductions in Arcosa's revenues, increased price competition, or increased operating costs, any of which could adversely affect Arcosa's business. Furthermore, certain of Arcosa's businesses depend on government spending for infrastructure and other similar building activities. As a result, demand for some of Arcosa's products is influenced by local, state, U. S. federal, and international government fiscal policies, tax incentives and other subsidies, and other general macroeconomic and political factors. Projects in which Arcosa participates may be funded directly by governments or privately-funded, but are otherwise tied to or impacted by government policies, **U. S. presidential executive orders and memorandums**, and spending measures. Government spending is often approved only on a short-term basis and some of the projects in which Arcosa's products are used require longer-term funding commitments. If government funding is not approved or funding is lowered as a result of **a change in priorities under the current U. S. presidential administration**, poor economic conditions, lower than expected revenues, ~~competing spending priorities~~, or other factors, it could limit infrastructure projects available, increase competition for projects, result in excess inventory, and decrease sales, all of which could adversely affect the profitability of Arcosa's business. Additionally, certain regions or states may require or possess the means to finance only a limited number of large infrastructure projects and periods of high demand may be followed by years of little to no activity. There can be no assurances that governments will sustain or increase current infrastructure spending and tax incentive and other subsidy levels, and any reductions thereto or delays therein could affect Arcosa's business. Repercussions from terrorist activities or armed conflict could harm Arcosa's business. Terrorist activities, anti-terrorist efforts, and other armed conflict involving the U. S. or its interests abroad or other foreign actors, including the war in Ukraine and the ~~Israeli-Hamas conflict~~ **conflicts in the Middle East**, may adversely affect the U. S. and global economies, potentially negatively affecting the industries in which Arcosa operates. ~~For example, this~~ **This** could result in delays in or cancellations of the purchase of Arcosa's products or shortages in raw materials, parts, or components, any of which could prevent Arcosa from meeting its financial and other obligations. Litigated disputes and other claims could increase Arcosa's costs and weaken Arcosa's liquidity and financial condition. Arcosa is currently, and may from time to time be, involved in various claims or legal proceedings arising out of Arcosa's operations. The defense of these lawsuits, claims, investigations, and proceedings may divert management's attention from Arcosa's core business and be expensive to defend. Any claims or legal proceedings brought against Arcosa, with or without merit, could harm Arcosa's reputation in the industry and reduce product sales. Adverse judgments and outcomes in some or all of these matters could result in significant losses and costs that could weaken Arcosa's liquidity and financial condition. Although Arcosa maintains reserves for its probable and reasonably estimable liability, Arcosa's reserves may be inadequate to cover its portion of claims or final judgments after taking into consideration rights in indemnity and recourse under insurance policies or to third parties as a result of which there could be a material adverse effect on Arcosa's business. See Note 15. "Commitments and Contingencies" for additional information on the Company's current litigation.

Risks Related to Growth Strategy. Arcosa may not be able to successfully identify, consummate or integrate acquisitions. Arcosa expects to routinely engage in the search for growth opportunities, including assessment of merger and acquisition prospects in new markets and / or products. However, Arcosa may not be able to identify and secure suitable opportunities. Arcosa's ability to consummate any acquisitions on terms that are favorable to Arcosa may be limited by a number of factors, such as competition for attractive targets and, to the extent necessary, Arcosa's ability to obtain financing on satisfactory terms, if at all. In addition, if Arcosa is not able to successfully integrate its transactions, **including the Ameron and Stavola acquisitions**, to any material degree, such failure of a successful integration could result in unexpected claims or otherwise have a material adverse effect on Arcosa's business. Integration risks include the following: (i) the diversion of management's time and resources to integration matters from other Arcosa matters; (ii) difficulties in achieving business opportunities and growth prospects of the acquired business; (iii) difficulties in managing the expanded operations; ~~and~~ (iv) challenges in retaining key personnel; **and (v) the disruption of ongoing business, customer, and employee relationships**. The failure to successfully integrate such mergers or acquisitions could prevent Arcosa from achieving the anticipated operating and cost synergies or long-term strategic benefits from such transactions. Acquisitions and divestitures bring risks of unexpected liabilities that could harm Arcosa's business. Acquisitions and divestitures may bring known and unknown risks to Arcosa. If we fail to adequately perform due diligence during the acquisition process **or if despite adequate diligence an unknown condition or circumstance is discovered after the closing of a transaction**, we may be subject to unexpected liabilities in connection with such transaction. Acquisitions and divestitures also bring risks that the counterparties to the transactions may fail to perform their obligations, which could result in costly litigation, divert management's attention, and disrupt our business operations. Third parties could also seek to hold Arcosa responsible for these liabilities, and there can be no assurance that any indemnity from our counterparties or any insurance we obtain in connection with the transaction will be sufficient to protect Arcosa against the full amount of such potential liabilities. Furthermore, an element of Arcosa's long-term strategy is to reduce the complexity and

cyclicality of the overall business which may result in divestitures. Divestitures pose risks and challenges that could negatively impact Arcosa's business, including retained liabilities related to divested businesses, obligations to indemnify counterparties against contingent liabilities and potential disputes with counterparties. If we do not realize the expected benefits of these divestitures or our post-completion liabilities and continuing obligations are substantial and exceed our expectations, our financial position, results of operations and cash flows could be negatively impacted. Any divestiture may result in a dilutive impact to our future earnings if we are unable to offset the dilutive impact from the loss of revenue and profits associated with the divestiture, as well as significant write-offs, including those related to goodwill and other intangible assets, which could result in a material adverse effect on Arcosa's business. Potential expansion of our business may expose us to new business, regulatory, political, operational, financial, and economic risks associated with such expansion, both inside and outside of the U. S. Arcosa's growth strategy may result in the acquisition of a new lines of business or expansion into geographic markets (whether inside or outside the U. S.) in which we have limited operating experience, including with respect to seeking regulatory approvals, becoming subject to regulatory authorities, and marketing or selling products. For example, the acquisitions of StonePoint, Ameron and Stavola in 2024 expanded Southwest Rock brought new lines of business to Arcosa, including asphalt production, s Engineered Structures and Construction Products segments and exposed Arcosa to new geographic markets. Further, our operations in new foreign markets may be adversely affected by a number of factors, including: general economic conditions and monetary and fiscal policy; financial risks, such as longer payment cycles, difficulty in collecting from international customers, the effect of local and regional financial crises, and exposure to foreign currency exchange rate fluctuations and controls; multiple, conflicting, and changing laws and regulations such as export and import restrictions, employment laws, regulatory and local zoning requirements, and other governmental approvals, permits, and licenses; interest rates and taxation laws and policies; increased government regulation; social stability; and political, economic, or diplomatic developments. Certain jurisdictions have, from time to time, experienced instances of civil unrest and hostilities, both internally and with neighboring countries. Rioting, military activity, terrorist attacks, or armed hostilities could cause our operations in such jurisdictions to be adversely affected or suspended. We generally do not have insurance for losses and interruptions caused by terrorist attacks, military conflicts, and wars. Any of these factors could significantly harm our potential business or international expansion and our operations. Risks Related to Regulatory and Environmental Matters Our business is subject to significant regulatory compliance obligations in the U. S., Mexico, and other countries where we do business, and any a failure to comply with any current or future laws or regulations could have a material adverse effect on us. Arcosa's Transportation Products segment is subject to comprehensive federal, state, local, and foreign laws and regulation regulations and held to industry standards established by, among others, the U. S. Coast Guard; the U. S. National Transportation Safety Board; the U. S. Customs Service; the Maritime Administration of the USDOT and private industry organizations such as the American Bureau of Shipping and the Association of American Railroads. These organizations establish safety criteria, conduct inspections and investigate investigations vessel accidents, and recommend improved safety and operating standards - Arcosa's Construction Products segment is subject to regulation by MSHA, USEPA, FDA, and various state agencies. Arcosa's Engineered Structures segment is subject to the regulations by the USDOT and various state agencies, including state departments of transportation. Arcosa's operations are also subject to various governmental regulations in the U. S., Mexico, and other countries where we do business related to the environment, occupational safety and health, labor, and business practices, including OSHA and MSHA. Although we believe that we are in material compliance with all applicable regulations and operating permits material to our business operations, if we determine that our current or future products or processes are not in compliance with applicable requirements, rules, regulations, specifications, standards or product testing criteria, it might result in additional operating expenses, administrative fines or penalties, criminal sanctions, product recalls, reputational harm, or loss of business that could have a material adverse effect on Arcosa's business. In addition, amendments to existing statutes and regulations, adoption of new statutes and regulations, modification of existing operating permits, or entering into new lines of business which are covered by regulatory agencies that Arcosa has not previously been subject to could require us to alter our methods of operation and / or discontinue the sale of certain of our products, resulting in substantial costs to us that could be substantial. For example, the U. S. barge industry relies, in part, on the Jones Act because it prohibits foreign vessels from transporting goods between U. S. ports. Changes to or a repeal of such legislation could have a material adverse impact on Arcosa's barge business and revenues. Arcosa is subject to health and safety laws and regulations and any failure to comply with any current or future laws or regulations could have a material adverse effect on us. Manufacturing and construction sites are inherently dangerous workplaces. Arcosa's manufacturing sites often put Arcosa's employees and others in close proximity with large pieces of mechanized equipment, moving vehicles, chemical and manufacturing processes, heavy products and other items, and highly regulated materials. Unsafe work sites have the potential to increase employee turnover and raise Arcosa's operating costs. Arcosa's safety record can also impact Arcosa's reputation. Arcosa maintains functional groups whose primary purpose is to ensure Arcosa implements effective work procedures throughout Arcosa's organization and take other steps to ensure the health and safety of Arcosa's work force, but there can be no assurances these measures will be successful in preventing injuries or violations of health and safety laws and regulations. Any failure to maintain safe work sites or violations of applicable health and safety standards and laws, including non-compliance with operating permits, could result in the imposition of substantial fines, suspension of production, alterations of our production processes, cessation of operations, or other actions which could harm our business. Such compliance failures could also expose Arcosa to significant financial losses and reputational harm, as well as civil and criminal liabilities, any of which could have a material adverse effect on Arcosa's business. Arcosa has potential exposure to environmental liabilities that may increase costs and lower profitability. Arcosa is subject to comprehensive federal, state, local, and foreign environmental laws and regulations relating to: (i) the release or discharge of regulated materials into the environment at Arcosa's facilities or with respect to Arcosa's products while in operation; (ii) the management, use, processing, handling, storage, transport and transport arrangement, and disposal of

hazardous and non-hazardous waste, substances, and materials; and (iii) other activities relating to the protection of human health and the environment. ~~These laws and regulations primarily relate to the generation and disposal of waste, wastewater discharges and air emissions.~~ Such laws and regulations expose Arcosa to liability for its own acts and ~~in certain instances~~ potentially expose Arcosa to liability for the acts of others. These laws and regulations also may impose **current** liability on Arcosa ~~currently~~ under circumstances where, ~~at the time of the action taken,~~ **such action** Arcosa's acts or those of others complied with then applicable laws and regulations. In addition, ~~such~~ **environmental laws and regulations** may require significant expenditures to achieve compliance, and ~~non~~ **are frequently modified or revised to impose new obligations.** Non-compliance ~~with these environmental laws and regulations~~ could result in a shutdown or work stoppage and civil and criminal fines or penalties. ~~Arcosa's operations involving hazardous materials also raise potential risks of liability under common law.~~ Environmental pre-construction, construction, and operating permits are, or may be, required for Arcosa's operations under these laws and regulations. These ~~environmental~~ permits are subject to modification, renewal, and / or revocation. Although Arcosa regularly monitors and reviews its operations, procedures, and policies for compliance with Arcosa's environmental permits and related laws and regulations, the risk of environmental liability is inherent in the operation of Arcosa's businesses. ~~However~~ **Moreover**, future events, such as changes in, or modified interpretations of, existing environmental laws and regulations or enforcement policies, or further investigation or evaluation of the potential health hazards associated with the manufacture of Arcosa's products and related business activities and properties, may give rise to additional compliance and other costs that could have a material adverse effect on Arcosa's business. The transportation of commodities by rail, barge, or container also raises potential liability risks in the event of an accident that results in the release of substances that ~~cause~~ **or threaten to cause** harm to the environment ~~or~~, natural resources, or result in exposure to harmful substances. ~~Generally,~~ liability under existing laws for an accident depends upon causation analysis and the acts, errors, or omissions, if any, of a party involved in the transportation activity, including, but not limited to, the shipper, the buyer, and the seller of the substances being transported, or the manufacturer of products or their components used to transport such substances. Additionally, the severity of injury or property damage arising from an incident may influence the causation responsibility analysis, exposing Arcosa to potentially greater liability. Under certain circumstances, strict liability concepts may apply. If Arcosa is found liable in any such incidents, it could have a material adverse effect on Arcosa's business. Responding to claims relating to improper handling, transport, storage, or disposal of hazardous materials could be time consuming and costly. We use controlled hazardous materials in our business and generate wastes that are regulated as hazardous wastes under U. S. federal, state, and local environmental laws and under equivalent provisions of law in ~~those and~~ other jurisdictions in which our manufacturing facilities are located. Our use ~~and management~~ of these substances and materials is subject to stringent, and periodically changing, regulation that can impose costly compliance obligations on us and have the potential to adversely affect our manufacturing activities. We are also subject to potential liability for claims alleging property damage and personal and bodily injury or death arising from the use of or exposure to our products, especially in connection with products we manufacture that our customers use to transport or store hazardous, flammable, toxic, or explosive materials. The risk of accidental contamination or injury from these materials cannot be completely eliminated. If an accident involving these substances occurs, we could be held liable for any damages that result, as well as ~~incurring~~ **incur** clean-up costs and liabilities, which can be substantial. Additionally, an accident could damage our facilities, resulting in **operational** delays and increased costs. Our manufacturing plants or other facilities may have unknown environmental conditions that could be expensive and time-consuming to correct. There can be no assurance that we will not encounter environmental conditions at any of our manufacturing plants or other facilities that may require us to incur significant clean-up or correction costs. Upon encountering an environmental condition or receiving a notice of an environmental condition, we may be required to correct the condition. The presence of an environmental condition requiring corrective action or remediation relating to any of our manufacturing plants or other facilities may require significant expenditures to address. Business, regulatory, and legal developments regarding climate change, and physical impacts from climate change, could have an adverse effect on our business. Legislation and new rules to regulate emission of greenhouse gases ("GHGs") **may** have been introduced in numerous state legislatures, the U. S. Congress, and by the USEPA. ~~Some of these proposals would require industries~~ **Arcosa** to meet new standards that may require substantial reductions in carbon emissions. There is also a potential for climate change legislation and regulation that could adversely impact the cost of certain manufacturing inputs, including the increasing cost of energy and electricity. While Arcosa cannot assess the direct impact of these or other potential regulations, new climate change protocols could affect demand for its products and / or affect the price of materials, input factors, energy costs, and manufactured components. Potential impacts of climate change include physical impacts, such as disruption in production and product distribution due to impacts from major storm events, shifts in regional weather patterns and intensities, and sea level changes. Other adverse consequences of climate change could include an increased frequency of severe weather events, low river levels, drought, flooding, **wildfires**, and rising sea levels that could affect operations at Arcosa's manufacturing facilities as well as the price and / or availability of insurance coverage for the Company assets or other unforeseen disruptions of Arcosa's operations, systems, property, or equipment. We also communicate certain initiatives and goals regarding GHG and related matters in our public disclosures. These initiatives and goals may be difficult and expensive to implement or may not advance at a pace sufficient to meet our goals, and we could be criticized for the scope, accuracy, adequacy or completeness of the disclosure. Further, statements about our GHG-related initiatives and goals, and progress towards these goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. If our GHG-related data, processes and reporting are inaccurate or incomplete, or if we fail to achieve progress with respect to these goals or initiatives on a timely basis or at all, our operations and financial performance could be adversely affected. ~~In addition,~~ California **has** enacted ~~two new~~ climate disclosure laws ~~in September 2023 that (1) require~~ **requiring certain** U. S. **companies** ~~-based businesses with total annual revenues over one billion dollars and doing business in California to annually report~~ **certain** their Scope 1, 2, and 3

GHG emissions, and **make** (2) require U. S.-based businesses with total annual revenues over five hundred million dollars and doing business in California to prepare biennial risk reports disclosing the **other** entity's climate-related financial risk and measures adopted to reduce and adapt to climate-related financial risk. A lawsuit challenging the new California climate disclosure **disclosures** laws was filed in a federal district court in California on January 30, 2024. **In addition** The California Air Resources Board is required to adopt regulations implementing the new California disclosure requirements, but **the SEC** has not, to date, issued any such regulations. Furthermore, if the SEC's proposed climate disclosure requirements, **Both the California and the SEC disclosure rules have been legally challenged and are pending final resolution. To the extent these climate disclosures survive and / or substantially similar ones** are adopted **in the future** on substantially similar terms as proposed, we will be required to incur significant time and money to comply with the disclosure requirements and may be required to modify certain of our operations. These compliance costs could adversely impact our future business. The impacts of climate change and related regulations on our operations and the Company overall are highly uncertain and difficult to estimate, but such effects could be materially adverse to our business. Arcosa's sustainability efforts may be costly or may not **meet-align with** the public sentiments of our stockholders and others with respect to our sustainability practices and related public disclosures. Arcosa has been proactive in integrating its sustainability initiatives into its long-term strategy. The subjective nature and wide variety of frameworks and methods used by our stockholders and others to assess Arcosa's sustainability strategy and progress; **diversity, equity, and inclusion ("DEI") initiatives**; and heightened governance standards could result in a negative perception by our stockholders or misrepresentation **by others** of Arcosa's sustainability goals and progress. Arcosa's inability to achieve satisfactory progress on its sustainability initiatives, **like climate change related initiatives, reduced air emissions, water and waste management, DEI efforts,** and improved safety, on a timely basis, or at all, or to **meet-align with** the sustainability criteria of our stockholders and others could adversely affect Arcosa's business. From time to time Arcosa may take tax positions that the Internal Revenue Service ("IRS"), the Servicio de Administracion Tributaria ("SAT") in Mexico, or other taxing jurisdictions may contest. Our subsidiaries have in the past and may in the future take tax positions that the IRS, the SAT, or other taxing jurisdictions may challenge. If the IRS, SAT, or other taxing jurisdictions successfully contests a tax position that Arcosa takes, Arcosa may be required to pay additional taxes or penalties which may not have been previously accrued that may adversely affect its results of operations and financial position. The expiration, elimination, modification, or reduction of tax benefits or tax credits or the ability to utilize federal-aid programs that allow for purchase price reimbursement or other government funding or subsidies may harm Arcosa's business. Some of Arcosa's customers **and contractual counterparties** place orders for Arcosa's products (i) **rely in reliance** on their ability to obtain **and-or** utilize tax benefits or tax credits such as accelerated depreciation or the production tax credit or investment tax credit for renewable energy or (ii) **to** utilize federal-aid programs that allow for purchase price reimbursement or other government funding or subsidies, any of which benefits, credits, or programs could be modified, discontinued or allowed to expire without extension thereby reducing demand for certain of Arcosa's products **and-or** reducing certain tax credits **or other tax benefits** for which Arcosa **or its contractual counterparties** may be eligible. Additionally **For example**, the recently enacted Inflation Reduction Act of 2022 (the "IRA") provides for certain manufacturing, production, and investment tax credit incentives, including new AMP tax credits for companies that domestically manufacture and sell clean energy equipment, like Arcosa Wind Towers. **If any currently available tax benefits, tax credits, subsidies, For- or programs** the year ended December 31, **including** 2023, the Company has recognized \$ 32.4 million in AMP tax credits for wind towers produced and sold in 2023. The issuance of comprehensive guidance and interpretation as to the eligibility for, calculation of, and methods for claiming many of the IRA's various tax benefits, tax credits, subsidies, and programs remains ongoing. If forthcoming guidance interprets the AMP in a restrictive manner or if any benefits, credits, subsidies, or programs under the IRA are allowed to expire or are otherwise modified or **discontinued-repealed**, the demand for Arcosa's products could decrease and / or the amount of AMP tax credits **or other tax benefits** for which Arcosa **or its contractual counterparties** may be eligible may be reduced, thereby creating the potential for a material adverse effect on Arcosa's business and future financial results. Risks Related to Technology and Cybersecurity **The inability to produce and disseminate relevant and / Information system failures, cyber incidents or security breaches, whether with Arcosa or a third party, could disrupt or our business** reliable data and **result in the compromise of confidential, sensitive, or proprietary** information pertaining to Arcosa's business in an efficient, cost-effective, secure, and well-controlled fashion may have significant negative impacts on confidentiality requirements and obligations and trade secret or other proprietary needs and expectations and, therefore, Arcosa's future operations, profitability, and competitive position. Arcosa relies on information technology infrastructure and architecture, including hardware, cloud computing networks, software, people, and processes to manage protected, confidential, and other sensitive information to conduct Arcosa's business in the ordinary course. Any material failure, interruption of service, compromise of data security, or cybersecurity threat **or attack** could adversely affect Arcosa's relations with suppliers, customers, and regulators **and place Arcosa in violation of data protection laws, rules, and regulations,** and result in negative impacts to Arcosa's market share, operations, and profitability. Arcosa will have to continually upgrade its infrastructure and applications to reduce or mitigate these risks. Security breaches in Arcosa's information technology systems could result in theft, destruction, loss, misappropriation, or release of protected, confidential or other sensitive data including personal information of our employees, trade secrets, or other proprietary intellectual property that could adversely impact Arcosa's future results. Cybersecurity incidents, whether with Arcosa or a third party, could disrupt our business and result in the compromise of confidential information. Our business is at risk from and may be impacted by information security incidents, including attempts to gain unauthorized access to our systems or data, ransomware, malware, phishing **or social engineering** scams, and other physical and electronic security events as well as from similar events impacting third parties with which we do business. **Such incidents can range from individual attempts to gain unauthorized access to Security breaches could result in theft, destruction, loss, misappropriation, or release of protected, confidential, or other sensitive data including personal information of** our

information technology systems to more sophisticated security attacks and events. They can also result from internal compromises, such as human error, or malicious acts or misconduct by employees, **trade secrets**, or third-party vendors. There are additional risks related to the **other proprietary intellectual property** use of remote networking services and technologies that **enable remote work could adversely impact Arcosa's future results**. While we employ several measures to prevent, detect, and mitigate these threats, there is no guarantee such efforts will be successful in preventing a cyber event or that any third parties with which we do business will be successful in preventing a cyber event. We have invested and continue to invest in risk management, information security, and data protection measures, including technical, administrative, and organizational safeguards, in order to protect our systems and data. The cost and operational consequences of implementing, maintaining, and enhancing further data or system safeguards could increase significantly to keep pace with increasingly frequent, complex, and sophisticated global cyber threats. ~~Although we believe that we have taken adequate measures to protect against data breaches and system disruptions, we are not able to anticipate or prevent all such risks.~~ Any material breaches of cybersecurity, including the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data, or media reports of perceived security vulnerabilities to our systems, products, and services or those of our third parties could cause us to experience reputational harm, loss of customers and revenue, fines, regulatory actions and scrutiny, sanctions, or other statutory penalties, litigation, liability for failure to safeguard our customers' information, or financial losses that are either not insured against or not fully covered through any insurance maintained by us. ~~The report, rumor, or assumption regarding a potential breach may have similar results, even if no breach has been attempted or occurred.~~ Any of the foregoing may have a material adverse effect on our business, operating results, and financial condition. **Arcosa is subject** Any measures that we take to **complex and evolving laws and regulations regarding privacy and cybersecurity** avoid, detect, mitigate, or recover from material incidents, may be insufficient, circumvented, or may become ineffective. ~~The~~ In addition, laws and regulations governing cybersecurity, data privacy and protection, and the unauthorized disclosure of confidential or protected information pose increasingly complex compliance challenges and potentially elevate costs, and any **actual or perceived** failure to **adequately address privacy and cybersecurity concerns or** comply with these **applicable** laws and regulations could result in significant penalties and, legal liability, judgments and negative publicity; require us to change our business practices; increase the costs and complexity of compliance; and adversely affect our business. **If we are not able to adjust to changing laws, regulations and standards relating to privacy or cybersecurity, our business may be materially harmed. As noted above, we are also subject to the possibility of cyber events, which themselves may result in a violation of these privacy and data security laws.** Arcosa's inability to sufficiently protect Arcosa's intellectual property rights could adversely affect Arcosa's business. Arcosa's patents, copyrights, trademarks, trade secrets, and other intellectual property rights are important to Arcosa's success. Arcosa relies on patent, copyright, and trademark law, and trade secret protection and confidentiality and / or license agreements with others to protect Arcosa's intellectual property rights. Arcosa's trademarks, service marks, copyrights, patents, and trade secrets may be exposed to market confusion, commercial abuse, infringement, or misappropriation and possibly challenged, invalidated, circumvented, narrowed, or declared unenforceable by countries where Arcosa's products and services are made available, including countries where the laws may not protect Arcosa's intellectual property rights as fully as in the U. S. Such instances could negatively impact Arcosa's competitive position and adversely affect Arcosa's business. Additionally, Arcosa could be required to incur significant expenses to protect its intellectual property rights. Risks Related to Arcosa Common Stock. Arcosa cannot guarantee the timing, amount, or payment of dividends on its common stock. The timing, declaration, amount, and payment of future dividends to Arcosa's stockholders falls within the discretion of ~~the Arcosa's Board of Directors (the "Board").~~ The Board ~~'s of Directors'~~ decisions regarding the payment of future dividends will depend on many factors, such as Arcosa's financial condition, earnings, capital requirements, debt service obligations, covenants related to our debt service obligations, industry practice, legal requirements, regulatory constraints, access to the capital markets, and other factors that the Board ~~of Directors~~ deems relevant. Arcosa cannot guarantee that it will continue to pay any dividend in the future. Certain provisions in Arcosa's restated certificate of incorporation and amended and restated bylaws ("Arcosa's Governing Documents"), and of Delaware law, may prevent or delay an acquisition of Arcosa, which could decrease the trading price of the common stock. Arcosa's Governing Documents and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with ~~the Arcosa's Board of Directors~~ rather than to attempt a hostile takeover. These provisions include limitations on the ability of our stockholders to call special meetings, the establishment of advance notice procedures for stockholder proposals and nominations for election of directors and allow for ~~the Arcosa's Board of Directors~~ to issue blank check preferred stock with voting or conversion rights without stockholder approval. In addition, Arcosa is subject to Section 203 of the Delaware General Corporation Law which makes it more difficult for a person who acquires, 15 % or more of Arcosa's outstanding voting stock to effect various business combinations with us for a three- year period following the time such stockholder became a 15 % stockholder. Arcosa believes these provisions will protect its stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with ~~the Arcosa's Board of Directors~~ and by providing ~~the Arcosa's Board of Directors~~ with more time to assess any acquisition proposal. These provisions are not intended to make Arcosa immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that ~~the Arcosa's Board of Directors~~ determines is not in the best interests of Arcosa and its stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors. Arcosa's stock price may fluctuate significantly. We cannot predict the prices at which shares of Arcosa common stock may trade. The trading and market price of Arcosa common stock may fluctuate significantly due to a number of factors, some of which may be beyond Arcosa's control, including: Arcosa's quarterly or annual earnings, or those of other companies in its industry; actual or anticipated fluctuations in Arcosa's operating results; changes in earnings estimates by securities analysts or Arcosa's ability to meet those estimates; Arcosa's ability to meet

its forward- looking guidance; the operating and stock price performance of other comparable companies; overall market fluctuations and domestic and worldwide economic conditions; and other factors described in these “ Risk Factors ” and elsewhere in this Annual Report on Form 10- K. Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. Broad market and industry factors may materially harm the market price of Arcosa’ s common stock, regardless of Arcosa’ s operating performance. In the past, following periods of volatility in the market price of a company’ s securities, shareholder derivative lawsuits and / or securities class action litigation has often been instituted against that company. Such litigation, if instituted against us, could result in substantial costs and a diversion of management’ s attention and resources. Stockholders’ percentage of ownership in Arcosa may be diluted in the future. Stockholders’ percentage ownership in Arcosa may be diluted because of equity issuances for acquisitions, capital market transactions, or otherwise, including, without limitation, equity awards that Arcosa grants to its directors, officers, and employees. In addition, Arcosa’ s restated certificate of incorporation authorizes Arcosa to issue, without the approval of Arcosa’ s stockholders, one or more classes or series of preferred stock having such designation, powers, preferences, and relative, participating, optional, and other special rights, including preferences over Arcosa common stock respecting dividends and distributions, as ~~the Arcosa’ s Board of Directors~~ generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the residual value of Arcosa common stock. 28