

Risk Factors Comparison 2024-02-20 to 2023-02-17 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Our business, financial condition, operating results, and cash flows can be impacted by a number of factors, including, but not limited to, those set forth below, any of which could ~~cause~~ **adversely impact** our results ~~to be adversely impacted~~ and could result in a decline in the value or loss of an investment in our common stock. Other factors may also exist that we cannot anticipate or that we currently do not consider to be material based on information that is currently available. These risks and uncertainties have the potential to materially affect our business, financial condition, results of operations, cash flows and future results. Such risks and uncertainties may also impact the accuracy of forward- looking statements included in this Form 10- K and other reports we file with the Securities and Exchange Commission. **Macroeconomic Business** and Industry Risks The industries in which we compete are subject to volatile and unpredictable fluctuation or cycles. As a supplier to the global semiconductor equipment, ~~telecom~~ **telecommunication**, networking, data center computing, industrial, and medical industries, we are subject to business fluctuations, the timing, length, and volatility of which can be difficult to predict. We are ~~also~~ impacted by sudden changes in customers' manufacturing capacity requirements and spending, which depend in part on technology transitions, capacity utilization, demand for customers' products, inventory levels relative to demand, and access to affordable capital. These changes have affected the timing and amount of customers' purchases and investments in technology, and continue to affect our orders, net ~~sales~~ **revenue**, operating expenses, and net income. **We In addition, several of the markets in which we compete are highly cyclical and experience downturns characterized by diminished product demand, production overcapacity, high inventory levels, and price erosion, which has caused, and in the future could cause, our revenue and gross margin to decline, adversely impacting our results of operations. It is difficult to predict the timing, length, and severity of such fluctuations and downturns, and we** may not be able to respond adequately or quickly to the ~~decline~~ **changes** in demand ~~by reducing our costs~~. To meet rapidly changing demand in each of the industries we serve, we must effectively manage our resources and production capacity. During periods of decreasing demand for our products, we must be able to appropriately align our cost structure with prevailing market conditions, effectively manage our supply chain, and motivate and retain key employees. During periods of increasing demand, we must have enough manufacturing capacity and inventory to fulfill customer orders, effectively manage our supply chain, and attract, retain, and motivate enough qualified individuals. If we are not able to timely and appropriately adapt to changes in our business environment or to accurately assess where we are positioned within a business cycle, our business, financial condition, or results of operations may be materially and adversely affected. **For example, the semiconductor industry and the enterprise service and storage market are currently experiencing cyclical downturns, which have adversely impacted demand for our products. If the length, severity, and / or volatility of these downturns exceeds our expectations, if we fail to achieve further growth in our other markets, or if we are unable to sufficiently respond to reduced demand in these markets, our results of operations could be adversely impacted.** We must achieve design wins to retain our existing customers and to obtain new customers, although design wins achieved ~~do~~ **may** not necessarily result in substantial ~~sales~~ **revenue or gross profit**. Driven by continuing technology migration and changing customer demand, the markets we serve are constantly changing in terms of advancement in applications, core technology, and competitive pressures. New products designed for capital equipment manufacturers typically have a lifespan of many years. Increasingly, we are required to accelerate our investment in research and development to meet the time- to- market, performance, and technology adoption cycle needs of our customers simply to compete for design wins. Given such up- front investments we make to develop, evaluate, and qualify products in the design win process, our success and future growth depend on our products being designed into our customers' new generations of equipment as they develop new technologies and applications. We must work with these manufacturers early in their design cycles to modify, enhance, and upgrade our products or design new products that meet the requirements of their new systems. The design win process is highly competitive, the design windows may be narrow, and there is no assurance we will succeed with new design wins for our existing customers or new customers' next generations of equipment. If existing or new customers do not choose our designs or we ~~cannot~~ agree to **suboptimal pricing, volumes, and other key** commercial terms with these customers, our market share may ~~decline~~ **be reduced**, the potential revenues related to the lifespan of our ~~customers'~~ products may not be realized, and our business, financial condition, and results of operations could be materially and adversely impacted. **Further Supply chain disruptions, manufacturing interruptions or our delays, ability to generate revenue or gross profit from design wins is in part or wholly dependent upon the success of our the customers' solutions. failure Failure** to accurately forecast customer demand, **supply chain disruptions, or manufacturing interruptions or delays** could affect our ability to meet customer demand, lead to higher costs, or result in excess or obsolete inventory. We place orders with many of our suppliers based on our **expectations as to demand for our products and our** customers' ~~quarterly~~ forecasts ~~and our annual forecasts~~. ~~These forecasts are based on our customers' and our expectations as to demand for our products~~. As the quarter and the year progress, such demand can change rapidly or we may realize that our customers' expectations were overly optimistic or pessimistic, especially when industry or general economic conditions change. Our sales are primarily made on a purchase order basis, **or are pulled from " just in time " bins or hubs by our customers,** and we generally have no long- term purchase commitments from our customers, which is typical in the industries we serve. As a result, we are limited in our ability to predict the level of future ~~sales~~ **revenue** or commitments from our current customers, which may diminish our ability to allocate labor, materials, and equipment in the manufacturing process effectively. In addition, we may purchase inventory in anticipation of sales that do not materialize, resulting in excess and obsolete inventory write- offs. Customers may delay delivery of products or

cancel orders prior to shipment, **and may not be** subject to possible cancellation penalties. Delays in delivery schedules and / or customer changes to backlog orders during any particular period could cause a decrease in **sales revenue** and have a material adverse effect on our business and results of operations. Orders with our suppliers cannot always be amended in response **to changing demand conditions**. In addition, to assure availability of certain components or to obtain priority pricing, we have entered into contracts with some of our suppliers that require us to purchase a specified number of components and subassemblies each quarter, even if we are not able to use such components or subassemblies. Moreover, we have obligations to some of our customers to hold a minimum amount of finished goods in inventory, **to fulfill just in time orders**, regardless of whether the customers expect to place such orders. We currently have firm purchase commitments and agreements with various suppliers to ensure the availability of components. If demand for our products exceeds our customers' and our forecasts, we may not be able to timely obtain enough raw materials, parts, components, or subassemblies, on favorable terms or at all, **to fulfill the excess demand**. **This Furthermore, some of our products have lengthy lifecycles and are subject to supplier parts obsolescence, and sole-sourced parts can create challenges in terms of purchasing parts on reasonable terms and lead-times. These situations** may lead to customers cancelling orders prior to shipment causing a decrease in **sales revenue**, which may have a material adverse effect on our business and results of operations. **In recent years Beginning in 2021 and continuing into 2023**, there has been a shortage of critical components caused by a variety of factors, including increased demand for electronic components used in a wide variety of industries, the pandemic-driven rise in consumer demand for technology goods, logistics-related disruptions in shipping, capacity limitations at some suppliers, **and labor shortages, and other factors**. These supply constraints led to longer lead times in procuring materials and subcomponents and, in some cases, meaningfully higher costs for the subcomponents. **It is not clear how long global supply chain performance and lead times generally improved in 2023 and the negative impact from component shortages and higher material costs will continue-likely subside in 2024; however**, how quickly the supply chain will recover, the extent to which our mitigating actions will be successful, **or our** to what extent we can recover our higher costs. As such, our forward-looking projections of revenues, earnings, and cash flow may be adversely impacted if **any of these situations conditions** continue for longer than we expect **expected** or further **once again** deteriorate. **We are exposed** **COVID-19 could continue to affect risks associated with worldwide financial markets and the global economy. Uncertain our- or adverse economic and business conditions**, **workforce including uncertainties and volatility in the financial markets**, **supply chain rising inflation and interest rates**, **economic recession, national debt, and fiscal or monetary concerns, could materially adversely impact our operating results and of operations, financial condition**. **Disruptions in the global economy or financial markets, higher interest rates and market volatility could have and- an /or cash flows. The COVID-19 pandemic has adversely-- adverse impacted-- impact on our ability (access to and cost of capital. Additionally, tightening of credit markets, turmoil in the financial markets, and a weakening) to manufacture, test, service and ship our products, (b) to get required materials and sub-assemblies to build and service our products and (c) to staff labor and management for manufacturing, research and development, supply chain, service, and administrative operations. COVID-19 continues to impact the global supply chain causing disruptions such as higher input costs through material premiums, expedite fees, price increases, and higher logistic costs. The pandemic has also resulted in economic economy volatility have in many countries, the past contributed and could again contribute to slowdowns in the industries in which could-we operate and adversely impact have in the past and could again contribute to slowdowns in the industries in which we operate and adversely impact the global demand for our products. Some of our key markets ultimately depend largely on a combination of consumer and business spending. Economic uncertainty exacerbates negative trends in consumer and business spending and may cause our customers-12customers to delay push-out, cancel, or refrain from placing orders. Difficulties or increased costs in obtaining capital and uncertain market conditions may also lead to customer liquidity constraints, a reduction of sales revenue, and greater instances of nonpayment or other failures to perform their obligations**. **These Adverse or uncertain economic conditions** may similarly affect our key suppliers, which could affect their ability to deliver parts and result in delays for our products. Further, these conditions and uncertainty **about future economic conditions could also make it challenging for us** customer purchases of our products. **The COVID-19 situation continues to evolve forecast our operating results and to evaluate the extent risks that may it adversely affects- affect our business, financial condition, operating-and results, and cash flows, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section. Other impacts may arise that we are not aware of currently. Our results of operations could be affected by natural or other disasters in the locations in which we or our customers or suppliers operate. We have manufacturing and other operations in locations subject to natural disasters such as severe weather and geological events including earthquakes or tsunamis that could disrupt operations. In addition, our suppliers and customers are also subject to natural and other disaster risk exposure. A natural disaster, fire, explosion, or other event that results in a prolonged disruption to our operations, or the operations of our customers or suppliers, may materially adversely affect our business, results of operations, or financial condition. If our information security measures are breached or fail and a customer's or our data is improperly obtained or unauthorized access to our information technology systems occurs, we may incur significant legal and financial exposure and liabilities. As part of our day-to-day business, we store our data and certain data about our customers in our global information technology system. We and our third-party providers have experienced, and expect to continue to experience, cybersecurity or confidential information theft incidents, some of which may be successful. We continue to devote significant resources to network security, data encryption, network redundancy, and other measures to protect our systems and data from unauthorized external access or internal misuse, and we may be required to expend greater resources in the future, especially in the face of continuously evolving and increasingly sophisticated cybersecurity threats and privacy and data protection laws. Unauthorized access to our data or inability to access our data (e. g. through ransomware or denial of service), including any regarding our technology or customers, could expose us to a risk of loss of this information, loss of business, litigation, and possible liability. These security measures may be breached by intentional misconduct by**

computer hackers, employee error, employee malfeasance, or otherwise. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as usernames, passwords, or other information to gain access to our customers' data or our data, including our intellectual property and other confidential business information, or our information technology systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any security breach or theft of any kind of confidential information including trade secrets could result in a loss of confidence by our customers, damage our reputation, disrupt our business, lead to legal liability, and adversely impact our future sales. ¹⁴Business Risks We continue to evolve our manufacturing footprint and where our product lines are manufactured. Our manufacturing facilities are located globally, and the majority of our products are manufactured in a select few key facilities. Most facilities are under operating leases and interruptions in operations could be caused by early termination of existing leases by landlords or failure by landlords to renew existing leases upon expiration, including the possibility that suitable operating locations may not be available in proximity to existing facilities, which could result in labor or supply chain risks. Natural disasters, uncontrollable occurrences, or other operational issues at any of our manufacturing facilities could significantly reduce or disrupt our productivity at such site and could prevent us from meeting our customers' requirements in a timely manner, or at all. Additionally, we continue to evaluate our manufacturing facilities and may decide to conduct optimization and consolidation initiatives, which may or may not be successful. If we are unable to **maintain our pricing strategy or** adjust our business strategy successfully for some of our product lines to reflect our customers' price sensitivity, our business and financial condition could be harmed. Our business strategy for many of our product lines ~~is has been~~ focused on product performance and technology innovation to provide enhanced efficiencies and productivity. Our customers continually exert pressure on us to reduce our prices and extend payment terms and we may be required to enter into long term reduced pricing agreements, extended payment terms, exclusivity arrangements, ~~or and~~ other unfavorable contract terms ~~with our largest customers to remain competitive~~. In addition, we compete in markets in which customers may dual or multi- source their power. We believe some of our Asia- based competitors benefit from local governmental funding incentives and purchasing preferences from end- user customers in their respective countries. If competition against any of our product lines should come to focus solely on price rather than on product performance and technology innovation, we would need to adjust our business strategy, product offerings, and product costs accordingly, and if we are unable to do so, our business, financial condition, and results of operations could be materially and adversely affected. ~~Further~~ **Conversely**, in 2022, we increased prices and implemented surcharges across many of our products to reflect our higher supply chain costs. Although these price changes ~~have were~~ generally ~~been~~ accepted by our customers, ~~we did experience some loss of business. Throughout 2023, we returned to the higher normal course of business with respect to our pricing strategy; however, any future widespread price increases~~ could make our products less competitive in the market over time and could have an adverse effect on our results of operations. A significant portion of our ~~sales revenue~~ and accounts receivable are concentrated among a few customers. Consistent with prior years, ~~in 2022, two a limited number of~~ customers each ~~accounted for a significant portion of our business. In 2023, one customer~~ represented over 10 % of our total revenue, and our ten largest customers, in the aggregate, accounted for over half of our total revenue. At December 31, ~~2022~~ **2023**, ~~one the same~~ customer accounted for over 10 % of our total accounts receivable. A significant decline in ~~sales revenue~~ from ~~these this~~ or our other large customers, ~~or the loss of this our- or another large customer, or any~~ inability to collect ~~from large customers on these sales,~~ could materially and adversely impact our business, results of operations, and financial condition. **We expect that revenue from a few large customers will continue to account for a significant percentage of our total revenue in future periods; however, we generally do not have long- term purchase commitments. If our largest customers do not place orders, or if they substantially reduce, delay, or cancel orders, we may not be able to replace their business on a timely basis or at all. As a result, our future success depends on our ability to maintain and strengthen our existing customer relationships, build new customer relationships, and diversify our customer base. If our information security measures are breached, disrupted, or fail, we may incur significant legal and financial exposure and liabilities. As part of our day- to- day business, we process, transmit and store our own confidential data and certain data about our customers and employees in our global information technology system. We are subject to ongoing data security threats, including phishing attempts, denial of service attacks, ransomware, viruses, and other malware, employee error or malfeasance, theft, natural disasters, and hardware or software malfunctions, any one of which could compromise our data security, cause the loss of critical data, or disrupt operations, which could materially adversely affect our business and results of operations. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as usernames, passwords, or other information to gain access to our customers' data or our data or our information technology systems. We and our third party providers have experienced, and expect to continue to experience, cybersecurity events or confidential information theft incidents, some of which could be devastating. We continue to devote significant resources to network security, data encryption, network redundancy, and other measures to protect our systems and data from unauthorized external access or internal misuse, ¹³and we may be required to expend greater resources in the future for cybersecurity protection, compliance, and remediation, especially in the face of continuously evolving and increasingly sophisticated cybersecurity threats and privacy and data protection laws. Despite our implementation of cybersecurity measures, there is no assurance that our actions will be sufficient to prevent future threats and incidents. Because the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. A cybersecurity event or other breach, disruption, or failure of our information and operational systems, could: • result in the disclosure, misuse, corruption, or loss of our or our customers' data, confidential business information, or intellectual property, including trade secrets; • damage our**

reputation; • lead to a loss of confidence by our current and potential customers; • adversely impact our future revenue; • disrupt our business; • divert management attention; and • expose us to significant remediation costs, legal liability, and litigation risk. In addition, our business could be adversely affected to the extent we fail to appropriately manage, expand, and update our information technology infrastructure . The loss of and inability to attract and retain key personnel could significantly harm our results of operations and competitive position. Our success depends to a significant degree upon the continuing contributions of our management, technical, marketing, and sales employees. We may not be successful in retaining our employees or attracting and retaining additional skilled personnel as required. If we are unable to attract, retain, and motivate qualified employees and leaders, we may be unable to fully capitalize on current and new market opportunities, which could adversely impact our business and results of operations. Our success in hiring and retaining employees depends on a variety of factors, including the attractiveness of our compensation and benefit programs, global economic or political and industry conditions, our organizational structure, our reputation, culture and working environment, competition for talent and the availability of qualified employees, the readiness for and availability of career development opportunities, and our ability to offer a challenging and rewarding work environment. We have experienced, and may continue to experience, increasing costs to attract and retain needed talent, driven by macro-economic macroeconomic conditions and a highly competitive labor market. We must develop. In addition, the loss or retirement of key employees presents particular challenges to the extent the departing employee had particularly valuable knowledge or experiences. This requires us to identify and train existing or new employees to perform necessary functions, which we may be unable to do, or which could result in unexpected costs, reduced productivity, or difficulties with respect to internal processes and controls. If we fail to have succession plans in place or capable of maintaining continuity during the inevitable unpredictability of employee retention. If our succession plans do not operate effectively, we may not be able to maintain continuity and our business could be adversely affected. Our manufacturing footprint is consolidated, which brings risks. Our manufacturing facilities are located globally, and the majority of our products are manufactured in a select few key facilities. Most facilities are under operating leases, and interruptions in operations could be caused by early termination of existing leases by landlords or failure by landlords to renew existing leases upon expiration, including the possibility that suitable operating locations may not be available in proximity to existing facilities, which could result in labor or supply chain risks. Additionally, we have restructuring plans in place to optimize and consolidate our manufacturing operations and improve operating efficiencies, and we continue to evaluate our manufacturing facilities and may decide to conduct additional optimization and consolidation initiatives. These plans and any future initiatives may or may not be successful in achieving our intended results. If the expected costs and charges are greater than anticipated, the estimated cost savings are lower than anticipated, or we experience a loss of continuity or inefficiency during transitional periods, our business and results of operations may be adversely affected. Disruptions to our manufacturing operations or the operations of our customers or suppliers, due to natural or other disasters, uncontrollable events or other issues could affect our results of operations. Certain of our manufacturing and other operations are in locations subject to natural disasters, such as severe weather and geological events, including earthquakes or tsunamis, that could disrupt operations. Natural disasters, uncontrollable occurrences, or other operational issues at any of our manufacturing facilities could significantly reduce or disrupt our productivity at such site and could prevent us from meeting our customers' requirements in a timely manner, or at all. In addition, the loss of our suppliers and customers are also subject retirement of key employees presents particular challenges to natural and the other extent it involves disaster risk exposure. A natural disaster, fire, explosion, or the other departure of employees with particularly valuable knowledge event that results in a prolonged disruption to or our operations or the operations of experiences. This requires us to identify and train existing or our customers or suppliers new employees to perform necessary functions, which we may materially be unable to do, or could..... dividend in the future. This could adversely affect the market price of our business common stock. For information on our Credit Facility, see Note 21. Credit Facility and Note 8. Derivative Financial Instruments in Part II, Item 8 "Financial Statements and Supplementary Data." Our operating results are subject to fluctuations, and if we fail to meet the expectations of securities analysts or investors, our share price may decrease significantly. Our annual and quarterly results may vary significantly depending on various factors, many of which are beyond our control. Because our operating operations expenses are based on anticipated revenue levels, our or financial sales cycle for development work is relatively long, and a high percentage of our expenses are fixed for the short term, a small variation in the timing of recognition --- condition of revenue can cause significant variations in operating results from period to period. If our earnings do not meet the expectations of securities analysts or investors, the price of our stock could decline. Our long-term success and results of operations depend on our ability to successfully identify, close, integrate, and realize the anticipated benefits from our acquisitions and strategic investments. As part of our business strategy, we have and will likely continue to acquire companies or businesses and make investments to further our business. Risks associated with these transactions are many, including the following which could adversely affect our financial results: • the inability to source or complete proposed transactions timely or at all ; • due to the failure to obtain regulatory or other approvals, litigation or other disputes, and any ensuing obligation to pay a termination fee or undergo litigation resulting from failed deals; • the failure to perform adequate due diligence on target companies ; • the failure to realize expected revenues, gross and operating margins, net income, and other returns from acquired businesses; • the inability to successfully integrate product and / or service offerings to realize all anticipated benefits from business combinations; • a failure the inability to integrate acquired perform adequate due diligence with respect to business into combination and investment transactions and our ability to evaluate the results, is dependent upon the completeness and accuracy of statements and disclosures made or our existing enterprise resource planning actions taken by third parties and their other representatives global information technology systems to realize productivity improvement and cost efficiencies ; • we have incurred and will incur additional depreciation and amortization expense over the useful lives of certain

assets acquired in connection with business combination and investment transactions and, to the extent that the value of goodwill or intangible assets acquired in connection with a business combination ~~and~~ **and** investment transaction becomes impaired, we may be required to incur additional material charges related to impairment of those assets; • deterioration in our effective tax rate; • a failure to retain and motivate key employees of acquired businesses; • ~~an inability to integrate with our existing enterprise resource planning (“ ERP ”) and other global information technology systems to realize productivity improvement and cost efficiencies;~~ • our ability to ~~diligence and~~ maintain appropriate business processes, procedures, and internal controls at the acquired business; • ~~the risk of~~ litigation or claims associated with a proposed or completed transaction; and • unknown, underestimated, undisclosed or undetected commitments or liabilities or non-compliance **by acquired business** with laws, regulations, or policies. **net of income taxes ” on our Consolidated Statement of Operations in future periods. We plan to continue supporting inverter customers with service maintenance and repair operations. This includes performing service to fulfill obligations under existing service maintenance contracts. There is no certainty that these can be performed profitably, and they could be adversely affected by higher than anticipated product failure rates, loss of critical service technician skills, an inability to obtain service parts, customer demands and disputes and the cost of repair parts, among other factors.** Our products may suffer from defects or errors leading to increased costs, damages, or warranty claims. Our products use complex system designs and components that may contain errors or defects, **particularly when we incorporate new technology into our products or release new versions**. ~~The~~ **Further, the** manufacture of these products often involves a highly complex and precise process and the utilization of specially qualified components **that conform to stringent specifications**. The production of many ~~Many~~ of our products also ~~requires~~ **require** highly skilled labor. As a result of the technical ~~15 complexity~~ **complexity** of these products, design defects, skilled labor turnover, changes in our or our suppliers’ manufacturing processes or the inadvertent use of defective or nonconforming materials ~~or components~~ by us or our suppliers could adversely affect our manufacturing **quality yields** and product reliability. ~~To the extent~~ **If any of** our products are defective or fail, we might be required to repair, redesign, ~~replace~~, or recall those products, pay damages (including liquidated damages) or ~~fulfill~~ warranty claims, and we could suffer significant ~~expenses as well as~~ harm to our reputation. Furthermore, some of our products are used in medical device applications where malfunction of the device could result in serious injury. We accrue a warranty reserve for estimated costs to provide warranty services, ~~including~~ **including** the cost of technical support, product repairs, and product replacement for units that cannot be repaired. Our estimate of costs to fulfill our warranty obligations is based on historical experience and expectation of future conditions. To the extent we experience increased warranty claim activity or increased costs associated with servicing those claims, our warranty accrual will increase, resulting in decreased gross profit. ~~Our legacy inverter products may suffer higher than anticipated litigation, damage, or warranty claims. Our legacy inverter products (of which we discontinued the manufacture, engineering, and sale in December 2015 and which are reflected as discontinued operations in this filing) contain components that may contain errors or defects and were sold with original product warranties ranging from one to ten years with an option to purchase additional warranty coverage for up to 20 years. If any of our products are defective or fail because of their design, we might be required to repair, redesign, During~~ **during** the year ended December 31, 2022 ~~2023~~, we acquired SL Power, and we are continuing to integrate SL Power with our business. Integrating SL Power’s operations with ours requires significant management attention, effort, and expenditures, and we may not be able to achieve the longer-term integration or other business goals in an effective, complete, timely or cost-efficient manner.

Commercial and Financial Related Risks We are subject to risks inherent in international operations. Given the global nature of our business, we have both domestic and international concentrations of cash and ~~investments~~ **investments**. The value of our cash, cash equivalents, and marketable securities can be adversely affected by liquidity, credit deterioration, inflation, foreign currency exchange rate fluctuations, financial results, economic risk, political risk, sovereign risk, or other factors. **Sales to customers outside the United States represented 61 % of our total revenue during the year ended December 31, 2022. Refer to Note 3. Revenue in Part II, Item 8 “ Financial Statements and Supplementary Data ” for additional** **Additionally**, information regarding our revenue by geographic area. We are a global organization with an expanding presence in international locations. ~~Our~~ **operational** success producing goods internationally and competing in international markets is subject to our ability to manage various **operational** risks and difficulties, including, but not limited to: • our ability to effectively manage our employees at remote locations who are operating in different business environments from the United States; • our ability to develop and maintain relationships with suppliers and other local businesses; • interruptions to our and / or our suppliers’ supply chain; • compliance with product safety requirements and standards that are different from those of the United States; • variations and changes in laws applicable to our operations in different jurisdictions, including enforceability of contract rights; • ineffective or inadequate legal **and physical** protection of intellectual property rights in certain countries; • global trade issues and changes in and uncertainties with respect to trade and export regulations, trade policies and sanctions, tariffs, and international trade disputes, including new and changing export regulations for certain exports to China and any retaliatory measures; • delays or restrictions on personnel travel and in shipping materials or finished products between and within countries; ~~17~~ • political instability, natural disasters, health epidemics, disruptions in financial markets, and deterioration of economic conditions; • our ability to maintain appropriate business processes, procedures, and internal controls, and comply with environmental, health and safety, anti-corruption, and other regulatory requirements; • customs regulations including customs audits in various countries that occur from time to time; • the ability to provide enough levels of technical support in different locations; • our ability to obtain business licenses that may be needed in international locations to support expanded operations; • **timely collecting accounts receivable from foreign customers, including significant balances in accounts receivable from foreign customers; and** • changes in tariffs, income tax, value added tax, and foreign currency exchange rates **; and** • **laws and regulations regarding privacy, data use and processing, data privacy and protection, cybersecurity, and network security**. ~~Our~~ **Our operations debt obligations and the restrictive covenants in the agreements governing Asia Pacific region, including China, are subject to significant political and economic uncertainties over which we have little** ~~our~~ **or** debt could limit our ability **no control**

and we may be unable to operate alter our business practice in time to avoid reductions in revenues. A significant portion of our pursue our business strategies, could adversely affect our business, financial condition, results of operations, and cash flows supply chain outside the United States are located in the Asia Pacific region, including China, which exposes and could significantly reduce stockholder benefits from a change of control event. Our debt obligations could make us more vulnerable to risks general adverse economic and industry conditions and could limit our flexibility in planning for, or reacting to, such as exchange controls and currency restrictions, changes in local our business and the industries in which....., these conditions and uncertainty about future economic conditions including inflation, changes in customs regulations interest rates, the transition away from the London Interbank Offered Rate and tariffs transition to the Secured Overnight Financing Rate, availability of capital markets changes in tax policies, changes in local laws consumer spending rates, energy availability and regulations, possible retaliatory costs and the effects of government initiatives actions, potential inability to manage enforce intellectual property protection or contracts terms, and changes in U. S. policy regarding overseas manufacturing and export controls. The U. S. and China regularly have significant disagreements over geopolitical, trade, and economic conditions could make it challenging issues. Any escalating political controversies between the U. S. and China, whether for or us not directly related to forecast our operating results and evaluate the risks that may affect our business, financial condition, and results of operations.....) or warranty claims, and we could suffer significant harm to our reputation. We are experiencing claims from customers and suppliers and are involved in litigation related to the legacy inverter product line. We review such claims and vigorously defend against such lawsuits in the ordinary course of our business. We cannot assure that any such claims or litigation will not have a material adverse effect on our operations, business or, results of operations, and financial statements condition. Additionally, Our involvement in such litigation could result in significant expense to us and divert the efforts Chinese government exercises substantial control over the Chinese economy, and our operations and supply chain in China may be subject to various government and regulatory interference. Policy changes, preferential treatment of local companies, our or technical and management personnel the imposition of new, stricter regulations or interpretations of existing regulations could require changes to our operating activities, increase our costs, or limit our ability to sell products in China. We continuously evaluate the risk of operations in China, also accrue a warranty reserve for estimated costs to provide warranty services including manufacturing the cost of technical support, product repairs, and supply chain, product replacement for units that cannot be repaired. Our estimate of costs to fulfill our warranty obligations is based on historical experience and expectation of future conditions. To the potential financial impact to extent we experience increased warranty claim activity or our increased costs associated with servicing those claims, our warranty accrual will increase, resulting in additional expenses in the line "Income (loss) from discontinued operations, net of income taxes" on..... increase, resulting in decreased gross profit. Unfavorable currency exchange rate fluctuations may lead to lower operating margins, or may cause us to raise prices, which could result in reduced sales revenue. Currency exchange rate fluctuations could have an adverse effect on our sales revenue and results of operations, and we could experience losses with respect to forward exchange contracts into which we may enter. Unfavorable currency fluctuations could significantly increase the labor and other costs incurred in the operation of our international facilities and the cost of raw materials, parts, components, and subassemblies that we source there, which could materially and adversely affect our results of operations. These increased costs could require us to increase prices to foreign customers, which could result in lower net revenue from sales by us to such customers. Alternatively, if we do not adjust the prices for our products in response to unfavorable currency fluctuations, our results of operations could be materially and adversely affected. In addition, we have large, long- term liabilities, such as local lease and pension liabilities in Asia and Europe creating more significant exposure to fluctuations in numerous currencies the value of the Philippine Peso, Chinese Yuan, British Pound, Euro, Hong Kong Dollar, and New Taiwan Dollar. We do not attempt to hedge these exposures given the long- term nature of the underlying liabilities and the non- cash nature of the foreign exchange gain or loss. The Chinese government is continually pressured by its trading partners to allow its currency to float in a manner like other major currencies. Any change in the value of the Chinese Yuan could significantly increase the labor and other costs incurred in the operation of our China facilities and the cost of raw materials, parts, components, and subassemblies that we source there, which could materially and adversely affect our results of operations. Our operations in the Asia Pacific region, including China, are subject to significant political and economic uncertainties over which we have little or no control and we may be unable to alter our business practice in time to avoid reductions in revenues. A significant portion of our operations and supply chain outside the United States are located in the Asia Pacific region, including China, which exposes us to risks, such as exchange controls and currency restrictions, changes in local economic conditions, changes in customs regulations and tariffs, changes in tax policies, changes in laws and regulations, possible retaliatory government actions, potential inability to enforce intellectual property protection or contracts terms, and recent changes in U. S. policy regarding overseas manufacturing and export controls. The U. S. and China regularly have significant disagreements over geopolitical, trade and economic issues. Any escalating political controversies between the U. S. and China, whether or not directly related to our business, could have a material adverse effect on our operations, business, results of operations, and financial condition. We continuously evaluate the risk of operations in China, including manufacturing and supply chain, and the potential financial impact to our operations Return on investments or interest rate declines on plan investments could result in additional unfunded pension obligations for our pension plan. We currently have unfunded obligations to our pension plans. The extent of future contributions to the pension plan depends heavily on market factors such as the discount rate used to calculate our future obligations and the actual return on plan assets which enable future payments. We estimate future contributions to the plan using assumptions with respect to these and other items. Changes to those assumptions could have a significant effect on future contributions. Additionally, a material deterioration in the funded status of the plan could increase pension expenses and reduce our profitability. See Note 17. Employee Retirement Plans and Postretirement Benefits in Part II, Item 8 "Financial Statements and Supplementary Data" contained herein. Our intangible

assets may become impaired. We periodically review the carrying value of our goodwill and the estimated useful lives of our intangible assets, taking into consideration any events or circumstances that might result in either a diminished fair value, or for intangible assets, a revised useful life. The events and circumstances include significant changes in the business climate, legal factors, operating performance indicators, and competition. Any impairment or revised useful life could have a material and adverse effect on our financial position and results of operations and could harm the trading price of our common stock.

Regulatory, Legal, Tax, and Compliance Related **Risks** Continued restrictive global trade regulatory environment, coupled with **increasingly complex rules** respect to trade policies and export regulations, including export license requirements, tariffs, and trade sanctions have adversely impacted and could further adversely impact our business, and could erode the competitiveness of our products compared to local and global competitors. Trade controls are a primary tool leveraged by U. S. government actions when trying to achieve international policy objectives, and we continue to see this in newly imposed regulations and increased enforcement of existing regulations. As a global company, we are imposing greater restrictions subject to the rules of the U. S. and economic disincentives on international other government authorities, and we should expect continued activity in both the promulgation and enforcement of global trade regulations. Recently Since October 2022, we have been particularly affected by U. S. government - imposed has amended and expanded export regulations regarding sales to companies on the U. S. semiconductor Entity List preventing sales of U. S. foreign direct product, and supercomputing in October 2022, placed unilateral export controls on the export, reexport, and transfer of technology sold in China, for certain advanced computing and semiconductor manufacturing equipment and related parts and services. In October 2023, the U. S. government introduced another round of final interim rules. These rules are not yet final, and additional restrictions could be imposed. The rules impose extensive restrictions and compliance obligations, and Chinese customers may replace us with competitors who are not subject to U. S. export rules. Maintaining China business may be dependent at least in part on obtaining export licenses. Obtaining export licenses may be difficult, costly, and time-consuming, and there is no assurance we will be issued licenses in time to meet customer requirements or at all. 18 Other current or future regulatory changes could materially and adversely affect our business as well, such as additional tariffs; additions or updates to various restricted party lists; further restrictions on selling products to entities in certain countries whose actions or functions are intended to support policies contrary to U. S. national security; new customs rules or requirements. Additionally, with increasing geopolitical risks, we might experience customers or governments of our customers promoting their own domestic businesses and competitors. The implementation and interpretation of these complex rules and other regulatory actions taken by the U. S. and other governments is ongoing uncertain and evolving and creates challenges in managing our operations and international sales and increases our exposure to foreign competitors. The U. S. government may promulgate additional export controls or license requirements that will further limit our ability to sell products and services to non-U. S. customers, trending towards including China. Additionally, the U. S. Department of Defense continues continued increasing to issue lists of companies it has determined to be owned or controlled by China's People's Liberation Army on which sanctions could be levied by executive order, and the Department of Commerce continues to expand the list of designated military end users from China and Russia for whom export licenses are now required. In addition, the US Government has previously initiated the imposition of additional tariffs on certain foreign goods, including steel and aluminum, semiconductor manufacturing equipment and spare parts thereof and has also announced the imposition of import license requirements on aluminum articles. China has passed numerous regulations, including the Export Control Law of the People's Republic of China, effective December 1, 2020, the Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures promulgated on January 9, 2021, and the Anti-Foreign Sanctions Law of the People's Republic of China, released on July 24, 2021. These laws provide China with the framework to ban exports to specific foreign entities on its Control List, block application of foreign laws, impose its own sanctions on entities and countries and provides a counterweight to the U. S. government's restrictions through provisions for retaliatory action and extraterritorial jurisdiction. The potential imposition of retaliatory measures could adversely impact demand for our products, prohibit our ability to sell products or purchase necessary components, and could adversely affect this is both deleterious to our business and challenging. Changes in U. S. trade policy could result in one or more U. S. trading partners adopting responsive trade policy making it more difficult or costly for us to manage export our products to those countries. As indicated above, these measures could also result in increased costs for goods imported into the U. S. This in turn could require us to increase prices to our customers which may reduce demand, or our operations, if we are unable to increase prices, result in lowering our margin on goods and forecast services sold. To the extent that trade tariffs and other restrictions imposed by the U. S. increase the price of semiconductor equipment and related parts imported into the U. S., the cost of our materials may be adversely affected and the demand from customers for products and services may be diminished, which could adversely affect our revenues and profitability. The adoption and expansion of trade restrictions, the occurrence of a trade war, or our operating other governmental action related to tariffs, trade sanctions, or policies has the potential to further adversely impact demand for our products, our costs, our customers, our suppliers, and the U. S. economy, which in turn could adversely impact our business, financial condition, and results of operations. We Changes in U. S. social, political, regulatory, and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where we currently develop and sell products, and any negative sentiments towards the United States as a result of such changes, could adversely affect our business. In addition, negative sentiments towards the United States among non-U. S. customers and among non-U. S. employees or prospective employees could adversely affect sales or hiring and retention, respectively. 21 We are highly dependent on our intellectual property. Our success depends significantly on our proprietary technology. We attempt to protect our intellectual property rights through a variety of methods including trade secrets, patents, and non-disclosure agreements; however, we might not be able to protect our technology, and customers or competitors might be able to develop similar

technology independently. Infringement, misappropriation, and unlawful use of our intellectual property rights, and resulting unauthorized manufacture or sale of equipment using our IP rights, could result in lost revenue. Monitoring and detecting any unauthorized use of intellectual property is difficult and costly and we cannot be certain that the protective measures we have implemented will completely prevent **theft or** misuse. If we are unable to protect our intellectual property successfully, our business, financial condition, and results of operations could be materially and adversely affected. **Patent** ~~Patents~~, **trademark** ~~trademarks~~ **laws**, and trade secret protection may not be adequate to deter infringement or misappropriation of our ~~patents, trademarks, trade secrets and similar~~ proprietary rights. **In addition** ~~For example~~, patents issued to us may be challenged, invalidated, or circumvented. The loss or expiration of any of our key patents could lead to a significant loss of sales of certain of our products and could materially affect our future operating results. The process of seeking patent protection can be time consuming and expensive and patents may not be issued for currently pending or future applications. Moreover, our existing patents or any new patents that may be issued may not be sufficient in scope or strength to provide meaningful protection or any commercial advantage to us. We may initiate claims, enforcement actions or litigation against third parties for infringement of our proprietary rights, which claims could result in costly litigation, the diversion of our technical and management personnel, and the assertion of counterclaims by defendants. In addition, the laws of some foreign countries might not afford our intellectual property the same protections as do the laws of the United States. Our intellectual property is not protected by patents in several countries in which we do business, and we have limited or no patent protection in other countries, including China. Consequently, manufacturing our products in China may subject us to an increased risk that unauthorized parties may attempt to copy our products or otherwise obtain or use our intellectual property. Generally, our efforts to obtain international patents have been concentrated in the European Union and ~~certain industrialized countries in Asia~~, Korea, Japan, and Taiwan. Third parties may also assert claims against us and our products. Claims that our products infringe the rights of others, whether or not meritorious, can be expensive and time-consuming to defend and resolve, and may divert the efforts and attention of management and personnel. The inability to obtain rights to use third party intellectual property on commercially reasonable terms could also have an adverse impact on our business. In addition, we may face claims based on the theft or unauthorized use or disclosure of third-party trade secrets and other confidential business information. Any such incidents and claims could severely harm our business and reputation, result in significant expenses, harm our competitive position, and prevent us from selling certain products, all of which could have a material and adverse impact on our business and results of operations. **Our supply chain is subject to regulatory risk. Requirements applicable to our supply chain include rules aimed at promoting transparency as well as rules that restrict sourcing from certain locations or suppliers. For example, rules aimed at extinguishing forced labor require extensive efforts to map supply chains effectively and efficiently beyond tier 1 suppliers for any involvement in human rights abuses. Goods suspected of being manufactured with forced labor could be blocked from importation into the U. S., which could impact revenue. Another possible risk is foreign governments that restrict our access to supply; for example, if China were to further restrict export of rare earth minerals, our suppliers' ability to obtain such supply may be constrained and we may be unable to obtain sufficient quantities, or obtain supply in a timely manner, or at a commercially reasonable cost.** We are, and expect to continue to be, involved in litigation. Legal proceedings are costly and could have a material adverse effect on our commercial relationships, business, financial condition, and operating results. We may be involved in legal proceedings, litigation, enforcement actions, or claims regarding product performance, product warranty, product certification, product liability, patent infringement, misappropriation of trade secrets, other intellectual property rights, antitrust, environmental regulations, securities, contracts, unfair competition, employment, workplace safety, and other matters. Legal proceedings, enforcement actions and claims, whether with or without merit, and associated internal investigations, may be time-consuming and expensive to prosecute, defend or conduct; divert management's attention and other resources; inhibit our ability to sell our products or services; prevent us from using our technology; result in adverse judgments for damages, injunctive relief, penalties, and fines; and ~~adversely~~ **adversely** affect our business. We can provide no assurance of the outcome of these legal proceedings, enforcement actions or claims or that the insurance we maintain will be adequate to cover them. Changes in tax laws, tax rates, or mix of earnings in tax jurisdictions in which we do business, could impact our future tax liabilities and related corporate profitability. We are subject to income taxes in the U. S. (federal and state) and numerous foreign jurisdictions. Tax laws, regulations, and administrative practices in various jurisdictions by their nature are complex and may be subject to significant change due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. As both domestic and foreign governments contemplate or make changes in tax law to raise more revenues, our results could be adversely affected. Further, there are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be adversely affected by earnings being lower than anticipated in jurisdictions where we have lower statutory rates and earnings higher than anticipated in jurisdictions where we have higher statutory rates, losses incurred in jurisdictions for which we are not able to realize the related tax benefit, changes in foreign currency exchange rates, entry into new businesses and geographies and changes to our existing businesses, acquisitions (including integrations) and investments, changes in our deferred tax assets and liabilities and their valuation, and changes in the relevant tax, accounting, and other laws, regulations, administrative practices, principles, and interpretations, including fundamental changes to the tax laws applicable to corporate multinationals. The U. S., many countries in the European Union, and several other countries are actively considering changes in this regard. **Furthermore, due to shifting economic and political conditions, tax policies, laws, or rates in various jurisdictions may be subject to significant changes in ways that could harm our financial condition and operating results. For example, various jurisdictions around the world have enacted or are considering revenue-based taxes such as digital services taxes and other targeted taxes, which could lead to inconsistent and potentially overlapping international tax regimes. The Organization for Economic Cooperation and Development is coordinating negotiations among more than 140 countries with the goal of achieving consensus around**

substantial changes to international tax policies, including the implementation of a minimum global effective tax rate of 15 %. These changes could increase our effective tax rate and cash tax payments could increase in future years, create additional compliance burdens, and / or require changes to our tax compliance processes.

Increased governmental action on income tax regulations could adversely impact our business. International governments have heightened their review and scrutiny of multinational businesses like ours, which could increase our compliance costs and future tax liability to those governments. As governments continue to look for ways to increase their revenue streams, they could increase audits of companies to accelerate the recovery of monies perceived as owed to them under current or past regulations. As we are subject to examination by tax authorities in every jurisdiction where we do business, an unfavorable audit outcome could adversely affect us. **Changes 20** Changes in our provision for income taxes or adverse outcomes resulting from examination of our income tax returns could adversely affect our results. Our provision for income taxes is subject to volatility and could be adversely affected by earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; by changes in the valuation of our deferred tax assets and liabilities; by changes, regulations, and interpretations of research and development capitalization and tax credit regulations, foreign- derived intangible income (“ FDII ”), global intangible low- tax income (“ GILTI ”) and base erosion and anti- abuse tax (“ BEAT ”) laws; by expiration of or lapses in tax incentives; by transfer pricing adjustments, including the effect of acquisitions on our legal structure; by tax effects of nondeductible compensation; by tax costs related to intercompany realignments; by changes in accounting principles; or by changes in tax laws and regulations, treaties, or interpretations thereof, including changes to the taxation of earnings of our foreign subsidiaries, the deductibility of expenses attributable to foreign income, and the foreign tax credit rules. Significant judgment is required to determine the recognition and measurement attribute prescribed in the accounting guidance for uncertainty in income taxes. The Organization for Economic Co- operation and Development (“ OECD ”), an international association comprised of 36 countries, including the **United States U. S.**, has made changes to numerous long- standing tax principles. There can be no assurance that these changes, once adopted by countries, will not have an adverse impact on our provision for income taxes. Further, because of certain of our ongoing employment and capital investment actions and commitments, our income in certain countries is subject to reduced tax rates. Our failure to meet these commitments could adversely impact our provision for income taxes. In addition, we are the subject of regular examination of our income tax returns by tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition. **23** Our **Our** business is subject to complex and evolving U. S. and international laws and regulations regarding privacy and data protection. Many of these laws and regulations are subject to change and uncertain interpretation and could result in claims, changes to our business practices, penalties, increased cost of operations, or declines in customer growth or engagement, or otherwise harm our business. Regulatory authorities around the world have implemented or are considering several legislative and regulatory proposals concerning data protection, including measures to ensure that encryption of users’ data does not hinder law enforcement agencies’ access to that data. In addition, the interpretation and application of consumer and data protection laws in the U. S., Europe, China and elsewhere are often uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. Violation of any of these rules could result in fines or orders requiring that we change our data practices, which could have an adverse effect on our business and results of operations. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business. We are subject to numerous governmental regulations. We are subject to federal, state, local and foreign regulations, including environmental regulations and regulations relating to the design and operation of our products and control systems and regulations governing the import, export and customs duties related to our products. We might incur significant costs as we seek to ensure that our products meet safety and emissions standards, many of which vary across the states and countries in which our products are used. In the past, we have invested significant resources to redesign our products to comply with these directives. In addition, through recent acquisitions, we expanded our presence in the medical market to include more highly regulated applications and added a medical- certified manufacturing center to our operating footprint. We may encounter increased costs to maintain compliance with the quality systems and other regulations and requirements that apply to the acquired business. Compliance with future regulations, directives, and standards could require us to modify or redesign some products, make capital expenditures, or incur substantial costs. Also, we may incur significant costs in complying with the numerous imports, exports, and customs regulations as we seek to sell our products internationally. If we do not comply with current or future regulations, directives, and standards: ● we could be subject to fines and penalties; ● our production or shipments could be suspended; **and and 21** ● we could be prohibited from offering particular products in specified markets. If we were unable to comply with current or future regulations, directives and standards, our business, financial condition, and results of operations could be materially and adversely affected. We are subject to risks associated with environmental, health, and safety regulations. We are subject to environmental, health, and safety regulations in connection with our global business operations, such as regulations related to the development, manufacture, sale, shipping, and use of our products; handling, discharge, recycling and disposal of hazardous materials used in our products or in producing our products; the operation of our facilities; and the use of our real property. The failure or inability to comply with existing or future environmental, health and safety regulations could result in significant remediation or other legal liabilities; the imposition of penalties and fines; restrictions on the development, manufacture, sale, shipping, or use of certain of our products; limitations on the operation of our facilities or ability to use our real property; and a decrease in the value of our real property. We could also be required to alter our manufacturing, operations, and product design, and incur substantial expenses in order to comply with environmental, health and safety regulations. Any failure to comply with these regulations could subject us to significant costs and liabilities that could adversely affect our business, financial condition, and results of operations. **reporting could be costly, and we could be at a disadvantage compared to**

companies that do not have similar reporting requirements. Commercial and Financial Related Risks Our debt obligations and the restrictive covenants in certain of the agreements governing our debt could limit our ability to operate our business or pursue our business strategies, could adversely affect our business, financial condition, results of operations, and cash flows, and could significantly reduce stockholder benefits from a change of control event. Our debt obligations could make us more vulnerable to general adverse economic and industry conditions and could limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate, thereby placing us at a disadvantage to our competitors that have less debt. We may enter into additional debt obligations at any time. Our **debt obligations** credit agreement, dated as of September 10, 2019, as amended, imposes **impose** financial covenants on us and our subsidiaries that require us to maintain a certain leverage ratio. The financial covenants place certain restrictions on our business that may affect our ability to execute our business strategy successfully or take other actions that we believe would be in the best interests of our Company. These include limitations or restrictions, among other things, on our ability and the ability of our subsidiaries to: • incur additional indebtedness; • pay dividends or make distributions on our capital stock or certain other restricted payments or investments; • conduct stock buybacks; • make domestic and foreign investments and extend credit; • engage in transactions with affiliates; • transfer and sell assets; • effect a consolidation or merger or sell, transfer, lease, or otherwise dispose of all or substantially all our assets; and • create liens on our assets to secure debt. Any breach of the covenants or other event of default could cause a default on our **credit agreement debt obligations**, which could result in **our credit facility** the entire outstanding balance being immediately due and payable, and **Such such** breach or default may also constitute a default of our 2.50% convertible senior notes (“Convertible Notes”), which could also result in the **other obligations** entire outstanding balance being immediately due and payable. Our assets and cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. If we are unable to repay, refinance, or restructure our indebtedness as required, or amend the covenants contained in these agreements, the lenders can exercise all rights and remedies available under our debt obligations or applicable laws or equity. There can be no assurance that we will have sufficient financial resources or be able to arrange financing to repay any borrowings at such time. **Return on investments 18** We are exposed to risks associated with worldwide financial markets and the global economy. Uncertain or adverse economic and business conditions, including uncertainties and volatility in the financial markets, rising inflation and interest rate rates declines on plan investments, economic recession, national debt, or fiscal or monetary concerns, could materially adversely impact our operating results. Tightening of credit markets, turmoil in the financial markets, and a weakening global economy have in the past and could again contribute to slowdowns in the industries in which we operate and adversely impact the global demand for our products. Some of our key markets depend largely on consumer spending. Economic uncertainty exacerbates negative trends in consumer and business spending and may cause our customers to push out, cancel, or refrain from placing orders. Difficulties or increased costs in obtaining capital and uncertain market conditions may also lead to a reduction of sales and greater instances of nonpayment. These conditions may similarly affect our key suppliers, which could affect their ability to deliver parts and result in delays additional unfunded pension obligations for our products pension plan. **Further, these conditions and uncertainty about** We currently have unfunded obligations to our pension plans. The extent of future contributions to the pension 24