

Risk Factors Comparison 2025-02-26 to 2024-02-26 Form: 10-K

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The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing the Company. This list is not all-inclusive or necessarily in order of importance. If any of the events contemplated by the following risks occur, our business, financial condition, or results of operations could be materially adversely affected. Some of these risks are described below and in the documents incorporated by reference, and investors should take these risks into account when evaluating any investment decision involving the Company. Risks related to our business and operations **We may fail to realize all of..... result in such assets being impaired.** A number of industry factors have had, and in future periods could have, an adverse impact on net revenues, profitability and cash flow in the Company's MC and AEC segments. Significant consolidation and rationalization in the paper industry in recent years have reduced global consumption of paper machine clothing in certain markets and for certain grades. Developments in digital media have adversely affected demand for newsprint and for printing and writing grades of paper, which has had, and is likely to continue to have, an adverse effect on demand for paper machine clothing in those markets. At the same time, technological advances in papermaking, including in paper machine clothing, while contributing to the papermaking efficiency of customers, have in some cases lengthened the useful life of our products and reduced the number of pieces required to produce the same volume of paper. These factors have had, and in the future are likely to have, an adverse effect on paper machine clothing net revenues. The market for paper machine clothing in recent years has been characterized by continuous pressure to provide more favorable commercial terms, which has ~~continued to~~ **in turn place placed** pressure on our operating results. We expect such pressure to remain intense in all paper machine clothing markets, especially during periods of customer consolidation, plant closures, or when major contracts are being renegotiated. The ~~emergence~~ **growing sophistication** of Asian competitors exacerbates this risk. Similar pressures in the markets in which AEC ~~serves are highly competitive and price sensitive. AEC competes along with domestic and international companies that have substantially greater manufacturing, purchasing, marketing, and financial resources than the Company. Some of AEC's facilities also compete for labor shortages could have with other industrial an and impact on AEC commercial businesses. If we are unable to successfully compete for new business, our net revenues , growth, and operating margins may decline .~~ During 2019, ~~Net net~~ revenues under the LEAP contract exceeded \$ 210 million, only to significantly decline in the years that followed due to several factors outside of the Company's control, including the temporary Boeing 737 MAX groundings **, other Boeing production issues,** and the COVID- 19 pandemic. Such events drove a reduction in demand for LEAP components and disrupted supply chains for an extended period of time. While these factors have ~~largely somewhat~~ **subsidied, events and Net revenues have recovered steadily year over year and now approach 2019 levels, factors** like this can recur without notice, on this or on other programs, and ~~cause a detriment to negatively impact the performance of~~ the AEC segment. Additionally, many of AEC's customers, as well as the companies supplied by our customers, are under pressure to improve returns on their substantial investments **made** in recent years in new technologies, new programs and new product introductions. This has contributed to a relentless focus on capital investments to reduce costs, resulting in continuous pressure for cost reductions and customer pricing improvement throughout the supply chain. Future consolidation in the aerospace industry could intensify these pressures –Some of the Company's competitors in the MC segment have the capability to make and sell paper machines and papermaking equipment as well as other engineered fabrics. Although customers historically have tended to view the purchase of paper machine clothing and the purchase of paper machines as separate purchasing decisions, the ability to bundle fabrics with new machines and after- market services could provide an advantage to our competitors. This underscores the importance of our ability to maintain the technological competitiveness and value of our products, and a failure to do so could have a material adverse effect on our business, financial condition, and results of operations. Moreover, we cannot predict how the nature of competition in this segment may continue to evolve as a result of future consolidation among our competitors, or consolidation involving our competitors and other suppliers to our customers . The long- term organic growth prospects of AEC are subject to a number of risks. The prospect of future successful organic growth in AEC depends in large part on its ability to maintain and grow a healthy pipeline of potential new products and applications for its technologies, to transform a sufficient number of those potential opportunities into commercial supply agreements, and to then execute its obligations under such agreements. In addition, existing and future supply agreements, especially for commercial and defense aerospace, are subject to the same curtailment or cancellation risks as the programs they support. AEC is currently working on ~~a broad portfolio of~~ potential new product applications in the aerospace industry. These development projects may or may not result in commercial supply opportunities. In the event that AEC succeeds in developing products and securing contracts to manufacture and supply them, it will face the same industrialization and manufacturing ramp- up risks that it currently faces **in on** its existing contracts, and AEC may or may not be successful in meeting its obligations under these contracts. Failure to manage these development, commercialization and execution risks could have a material adverse impact on AEC's prospects for revenue growth. In addition to ~~dealing with~~ these development and manufacturing execution risks, future AEC growth will likely require **additional increasingly larger amounts of** cash to fund the investments in equipment, capital, and development efforts needed to achieve this growth. Until AEC is able to consistently generate cash flows sufficient to fund its existing operations and any future investments needed to support its growth, it will remain dependent on the MC segment's ability to generate cash. A significant decline in MC net revenues, operating income or cash flows could therefore have a material adverse impact on AEC's **ability to invest and deliver on future** growth . Deterioration of global economic conditions could have an adverse impact on the Company's business and results of

operations. The Company identifies in this section a number of risks, the effects of which may be exacerbated by an unfavorable economic climate. For example, a recession could lead to lower consumption in all paper grades including tissue and packaging, which would not only reduce consumption of paper machine clothing, but could also increase the risk of greater price competition in the machine clothing industry. Similarly, in the Company's AEC segment, a decline in global or regional economic conditions could result in lower-reduced orders for aircraft or aircraft engines, or the cancellation of existing orders, which would in turn result in reduced demand for the AEC components utilized on such aircraft or engines. Customer demand for AEC's lightweight composite aircraft components is driven by market demand for the lighter, more fuel-efficient aircraft engine and other applications into which they are incorporated, such as the CFM International LEAP engine. Fuel costs are a significant part of operating costs for airlines and, in many cases, may constitute a carrier's single largest operating expense. A sustained drop in oil prices, and related decline in the price of jet fuel, could prompt airlines to defer orders or delivery dates for such newer, more fuel-efficient airframes and aircraft engines, as the urgency to reduce fuel consumption may be lessened. In addition, any economic conditions that led to sustained high interest rates could affect the airline's ability to finance new aircraft and engine orders. Weak or unstable economic conditions also increase the risk that one or more of our customers might be unable to pay outstanding accounts receivable, whether as the result of bankruptcy or an inability to obtain working capital financing from banks or other lenders. Furthermore, both the MC and AEC business segments manufacture products that are custom-designed for a specific customer application. In the event of a customer liquidity issue, the Company could also be required to write off amounts that are included in Contract assets or Inventories. In the case of AEC, such write-offs could also include investments in equipment, tooling, and non-recurring engineering costs, some of which could be significant depending on the program.

The U. S. Government's Department of Defense ("DoD") Cybersecurity Maturity Model Certification ("CMMC") program introduces new and unique risks for DoD contractors. Under the applicable federal regulations for DoD contractors, AEC is required to comply with the agency's current cybersecurity regulations. In addition to these current regulations, AEC will be required to comply with the new CMMC program requirements on future contracts as they are flowed down from our DoD prime customers in the coming years. Given the current and planned future portfolio of U. S. Government-related business and based on the CMMC Proposed Rule released by the DoD in December 2023, AEC expects to be required to comply fully with CMMC Level 2 once the rule is finalized, and eventually CMMC Level 3 for certain programs as those requirements are further defined. This will require a CMMC Third-Party Assessment Organization (C3PAO) assessment for Level 2 certification, as well as a DCMA Defense Industrial Base Cybersecurity Assessment Center (DIBCAC) assessment for any required Level 3 certification. The CMMC compliance requirements are complex, the costs are significant, and the DoD timelines for certifications are aggressive. To the extent that AEC is unable to achieve the required CMMC certifications within the timeframes required by the DoD, AEC may be unable to maintain or grow its business with the DoD and its prime customers. AEC is subject to significant risks related to labor, raw material, energy, and logistics, and labor costs due to supply chain constraints and inflationary pressures. The Company is a significant user of raw materials that are based on petroleum or petroleum derivatives. Increases in the prices of petroleum or petroleum derivatives, particularly in regions that are experiencing higher levels of inflation, could increase our costs, and we may not be able to fully offset the effects through price increases, productivity improvements, and/or cost-reduction programs. There is a limited number of suppliers of polymer fiber and monofilaments, key raw materials used in the manufacture of machine clothing, and of carbon fiber and carbon resin, key raw materials used by AEC. In addition, there are a limited number of suppliers of some of the equipment used in each of the MC and AEC segments. The risks associated with limited suppliers increased as a result of the COVID-19 pandemic, which has put pressure on the supply chain in general, and on transportation companies that deliver raw materials to us and our products to customers, in particular. While we have been able to meet our raw material and equipment needs, the limited number of suppliers of these items creates the potential for disruptions in supply. AEC currently relies on single suppliers under contracts we have with SAFRAN to meet the carbon fiber and carbon resin requirements for the LEAP program. Lack of supply, delivery delays, or quality issues relating to supplied raw materials or for our key manufacturing equipment could harm our production capacity. Such issues could require the Company to attempt to qualify one or more additional suppliers, which could be a lengthy, expensive and uncertain process. These disruptions could make it difficult to supply our customers with products on time or at all, which could have a negative impact on our business, financial condition, and results of operations. The Company also relies on the labor market in many regions of the world to meet our operational requirements, advance our technology and differentiate our products. Low rates of unemployment in key geographic areas in which the Company operates can lead to high rates of turnover and loss of critical talent, which could in turn lead to higher labor costs. We may be unable to maintain effective systems of internal controls while consolidating dispersed corporate functions to our corporate headquarters in New Hampshire. The Company is relocating corporate staff working remotely or working in offices outside of New Hampshire to the Company's corporate headquarters in New Hampshire. If we lose critical personnel before transferring roles and responsibilities and fail to maintain an effective system of internal controls, we may be unable to accurately report our results of operations and meet our reporting obligations. Our ability to attract and retain business and employees may depend on our reputation in the marketplace. We believe our brand names and our reputation are important corporate assets that help distinguish our products and services from those of our competitors and also contribute to our efforts to recruit and retain talented employees. However, our reputation is susceptible to material damage by events such as disputes with customers, suppliers, or competitors, cybersecurity incidents or service outages, internal control deficiencies, delivery failures, regulatory compliance violations, government investigations or legal proceedings. We may also experience reputational damage from employees, advocacy groups, regulators, investors and/or other stakeholders that disagree with the way we conduct our business. Similarly, our reputation could be damaged by actions or statements by current or former customers, suppliers, employees, competitors, joint venture partners, adversaries in legal proceedings, legislators or government regulators, as well as

members of the investment community or the media, including social media influencers. Our brand and reputation are also associated with our sustainability strategy, including our public commitments related to climate and, the environment and ~~DE & other matters~~. **Increasing stakeholder environmental, social and governance expectations, evolving sustainability and social regulation, contractual requirements, and policy requirements may pose risk to our brand and reputation**. Our failure to ~~achieve our commitments~~ **meet stakeholder expectations** could harm our reputation and adversely affect our relationships with customers and suppliers or our talent recruitment and retention efforts, **which may impact our ability to achieve our long-term business objectives**. In addition, positions we take or do not take on environmental or social issues may be unpopular with some of our employees, suppliers, customers or potential customers, which may in the future impact our ability to attract or retain employees, suppliers or customers. We also may choose not to conduct business with potential customers or suppliers or discontinue or not expand business with existing customers **or suppliers** due to these positions. There is a risk that negative or inaccurate information about the Company, even if based on rumor or misunderstanding, could adversely affect our business. Damage to our reputation could be difficult, expensive and time-consuming to repair, could make potential or existing customers reluctant to select us for new opportunities or could negatively impact our relationships with existing customers and suppliers, resulting in a loss of business, and could adversely affect our talent recruitment and retention efforts. Damage to our reputation could also reduce investor confidence in the Company, materially adversely affecting our share price. ~~Some of the Company's competitors..... and other suppliers to our customers.~~ Conditions in the paper industry have required, and could further require, the Company to reorganize its operations, which could result in significant expense and could pose risks to the Company's operations. **We continue to** ~~In the recent past, we engaged-~~ **engage** in significant restructuring that **has** included the closing of manufacturing operations. These restructuring activities were intended to match manufacturing capacity to shifting global demand, and also to improve the efficiency of manufacturing and administrative processes. Future shifting of customer demand, the need to reduce costs, or other factors could cause us to determine in the future that additional restructuring steps are required. Restructuring involves risks such as employee work stoppages, slowdowns, or strikes, which can threaten uninterrupted production, maintenance of high product quality, meeting of customers' delivery deadlines, and maintenance of administrative processes. Increases in output in remaining manufacturing operations can likewise impose stress on ~~these~~ remaining facilities as they undertake the manufacture of greater volume and, in some cases, a greater variety of products. Competitors can ~~be quick to~~ attempt to exploit these situations. Although we plan each step of the process carefully, and work to reassure customers who could be affected that their requirements will continue to be met, we could lose customers and associated revenues if we fail to execute properly on any restructuring. Natural disasters at one or more of our facilities could make it difficult for us to meet our supply obligations to our customers. AEC's production of LEAP engine components is currently located in three facilities. A natural disaster at any of these locations could have a significant adverse effect on AEC's ability to timely satisfy orders for LEAP components. Production of almost all of AEC's other legacy and growth programs – including components for the F-35, fuselage components for the Boeing 787, components for the CH-53K helicopter, and missile bodies for Lockheed Martin's JASSM air-to-surface missiles – is located primarily in facilities in Salt Lake City, Utah or Boerne, Texas. Significant consolidation of manufacturing operations in our MC segment over the past decade has reduced the number of facilities available to produce our products, and increased utilization significantly at remaining facilities. Not all product lines are produced at, or are capable of being produced at, all facilities. ~~We have certain MC~~ **Based on our assessment of our manufacturing facilities that for natural disaster risk, our three facilities in China and two facilities in Switzerland** are located in or near ~~areas of higher-~~ **high risk for flood/flooding zones**. **Our facilities in Belgium, the U.S., and Mexico, China, Italy, Germany, are at medium-high risk for flooding. Physical impacts of climate change such as increased frequency of severe and Switzerland extreme weather events could materially impact our facilities and production continuity. We are unable to predict these events with certainty; however, that we perform ongoing assessments of physical risk, including climate risk, to our business. Weather events such as more extreme and volatile temperatures, increased storm intensity and flooding, and more volatile precipitation leading to changes in lake and river levels** may **significantly impact** ~~be vulnerable to flood, storm surge or our business earthquake risks~~. A significant interruption in the operation of any one or more of our plants, whether as the result of a natural disaster or other causes, could significantly impair our ability to timely meet our supply obligations to customers being supplied from an affected facility. While the occurrence of a natural disaster or other business interruption event in an area where we have a facility may not result in any direct damage to the facility itself, it may cause disruptions in local transportation and public utilities on which such locations are reliant, and may also hinder the ability of affected employees to report for work. Although we carry property and business interruption insurance to help mitigate the risk of property loss or business interruption that could result from the occurrence of such events, such coverage may not be adequate to compensate us for all loss or damage that we may incur. The Company's insurance coverage may be inadequate to cover other significant risk exposures. The Company has been named as defendant in a large number of suits relating to the actual or alleged exposure to "asbestos-containing products." In addition to asbestos-related claims, the Company may be exposed to other liabilities related to cyber incidents and the products and services we provide. AEC is engaged in designing, developing, and manufacturing components for commercial jet aircraft and defense and technology systems and products. We expect this portion of the business to grow in future periods. Although we maintain insurance for the risks associated with our businesses, there can be no assurance that the amount of our insurance coverage will be adequate to cover all claims or liabilities. In addition, there can be no assurance that insurance coverage will continue to be available to us in the future at a cost that is acceptable. Any material liability not covered by insurance could have a material adverse effect on our business, financial condition, and results of operations. Also see "The Company is subject to legal proceedings and legal compliance risks". The Company has significant manufacturing operations outside of the U.S., which could involve many uncertainties. We currently have manufacturing facilities outside the U.S. **which in 2023, 43 percent of consolidated Net revenues were generated by our non-U.S. subsidiaries.** Operations outside of the U.S. are subject to a

number of risks and uncertainties, including: ~~governments may impose limitations on our ability to repatriate funds;~~ governments may impose withholding or other taxes on remittances and other payments from our non- U. S. operations, or the amount of any such taxes may increase; an outbreak or escalation of any insurrection or armed conflict may occur; governments may seek to nationalize our assets; or governments may impose or increase investment barriers or other restrictions affecting our business. In addition, emerging markets pose other uncertainties, including the protection of our intellectual property, pressure on the pricing of our products, and risks of political instability. The occurrence of any of these conditions could disrupt our business or prevent us from conducting business in particular countries or regions of the world. The military invasion of Ukraine by Russia, and the ensuing sanctions are likely to continue to have an impact on our business. We have ~~already~~ **previously** stopped shipping our products to Russia and ~~abandoned~~ **are in the process of winding down** a small joint venture in that country which supplied dryer fabrics to local papermakers, resulting in lost sales. **Net assets were written- off in 2022** and ~~possible the~~ **Company does not expect** future write- offs **in this country**. However, we ~~also~~ expect that there could be further indirect impacts. For instance, the conflict has already caused disruption in the availability of shipping options between Asia and Europe. Supply chain disruptions could make it more difficult to find favorable pricing and reliable sources for the raw materials we need, putting upward pressure on our costs and increasing the risk that we may be unable to acquire the materials or services we need to continue to make and deliver certain products. Moreover, these same pressures could hinder our customers' ability to source materials needed for their own manufacturing efforts, thereby reducing or slowing their demand for our products. There can be no assurance that we will be able to pass through input cost increases to our customers or to fully offset them via operational efficiencies. If we are unsuccessful in managing such cost increases, they could have a material adverse effect on our business, financial position, results of operations, and liquidity. Geopolitical tensions have heightened elsewhere as well, including between China and Taiwan. MC has significant manufacturing operations in China and vendors that support AEC import significant materials from China, and any escalation in this region could ~~also~~ disrupt **either segment of** our business. These ongoing conflicts, along with other geopolitical uncertainties such as the current conflict in the Middle East, could have broader adverse impacts on macroeconomic factors that impact our business, cash flows, financial condition and results of operations. Changes in U. S. trade policy with foreign countries, or other changes in U. S. laws and policies governing foreign trade, as well as any responsive or retaliatory changes in regulations or policies by such countries, could have an adverse impact on our business, either directly or in the form of increased costs ~~due to their impacts~~ on our supply chain. While the direct impact to date of recent developments in global trade and tariff policy has not been significant, there is a risk that the impact of such developments on ~~companies in~~ our supply chain will be reflected in higher costs from affected suppliers. In addition, our global presence subjects us to certain risks, including controls on foreign exchange and the repatriation of funds. While we have been able to repatriate current earnings in excess of working capital requirements from certain countries in which we operate without substantial governmental restrictions, there can be no assurance that we will be able to cost effectively repatriate foreign earnings in the future. **The implementation of trade tariffs could result in significant impacts on our business operations, financial condition, and overall market environment. In 2024, the Company imported over \$ 100 million into the U. S. from other countries, of which approximately 45 % of the imports were from Mexico and 29 % of the imports were from Canada. Tariffs on imported goods may lead to higher costs for raw materials, components, or finished products that we procure from affected countries. These increased costs may not be fully absorbed or passed on to customers, thereby impacting our profit margins. Tariffs may lead to disruptions in our supply chain if suppliers face increased costs or decide to relocate production. Delays or shortages could also affect our ability to meet customer demand on time. Trade partners affected by these tariffs may impose retaliatory tariffs on goods exported from the United States. This could reduce demand for our products in international markets and limit our growth opportunities. Tariff- related policies could further create price volatility and uncertainty in global markets. This may lead to fluctuations in customer demand and difficulty in forecasting revenues. Higher costs stemming from tariffs could lead customers to seek alternative products or services from competitors in regions not affected by such trade policies. Navigating the complexities of new trade regulations and compliance requirements may increase administrative burdens and operational costs. We continue to monitor developments regarding trade tariffs and assess their potential impact on our business. While we are exploring strategies to mitigate these risks, the full extent of tariffs' impact on our operations remains uncertain and may vary depending on the scope and duration of the policies. Our growth strategy includes evaluating selected acquisitions, which entails certain risks to our business, and presents financial, managerial and operational challenges that may adversely affect our operating results and financial condition. Our growth strategy includes acquisitions. Acquisitions involve various inherent risks, such as our ability to assess accurately the fair value, strengths, weaknesses, internal controls, contingent and other liabilities and potential profitability of the acquired business. We cannot assure that all potential risks or liabilities are adequately discovered, disclosed, or understood in each instance. We may fail to achieve anticipated synergies and lose key employees of the acquired business. In addition, internal controls over financial reporting of acquired companies may not be compliant with required standards. Issues may exist that could rise to the level of significant deficiencies or, in some cases, material weaknesses, particularly with respect to foreign companies or non- public U. S. companies. Customer dissatisfaction or performance problems with an acquired business, technology, service or product could also have a material adverse effect on our reputation and business.** We might not be successful at acquiring, investing in or integrating businesses, entering into joint ventures or divesting businesses. We have a history of making acquisitions, **entering new markets, and pursuing joint ventures** and we expect to opportunistically seek to make acquisitions, **invest in strategic growth initiatives including possible entry into new markets, or enter into joint ventures** in the future. We are subject to numerous risks as a result of our ~~acquisition- growth~~ **acquisition- growth** strategy, including, but not limited to, the following: • We may invest time and capital pursuing acquisitions, **joint ventures, or new products** that do not materialize; • We may incur costs and expenses associated with any unidentified or potential liabilities of the acquired companies; • We may

not achieve anticipated revenue and cost benefits from the acquisitions, **joint ventures, or new product development**; • We may encounter unforeseen difficulties in integrating the acquired operations, **joint ventures, or new businesses** into our existing operations; and • Our past or future acquisitions, **joint ventures, or new businesses** might not ultimately improve our competitive position and business. We also periodically evaluate, and have engaged in, the disposition of assets and businesses. Divestitures could involve difficulties in the separation of operations, services, products and personnel, the diversion of management's attention, the disruption of our business and the potential loss of key employees. After reaching an agreement with a buyer for the disposition of a business, the transaction may be subject to the satisfaction of pre-closing conditions, including obtaining necessary regulatory and government approvals, which, if not satisfied or obtained, may prevent us from completing the transaction. Divestitures may also involve continued financial involvement in or liability with respect to the divested assets and businesses, such as indemnities or other financial obligations, in which the performance of the divested assets or businesses could impact our results of operations. Any divestiture we undertake could adversely affect our **results of operations**. We may fail to realize all of the anticipated benefits of the acquisition of Heimbach or those benefits may take longer to realize than expected. We ~~are devoting~~ **continue to devote** significant management attention to integrating the business practices and operations of Heimbach. We may experience disruptions to our business and, if integrated ineffectively, it could restrict the realization of the full expected benefits of the acquisition. The failure to meet the challenges involved in the integration process and to realize the anticipated benefits of the acquisition of Heimbach could cause an interruption or loss of momentum in our operations ~~and could adversely affect our business, financial condition and results of operations~~. Difficulties in the integration of the acquired business may include rationalizing the operations, processes and systems of the acquired business, retaining and motivating key management and employees, and integrating existing business relationships with suppliers and customers. Even if integration is successful, the financial and operational results may differ materially from our assumptions and forecasts due to unforeseen expenses, delays, conditions and liabilities. In addition, we may incur unanticipated costs or expenses following an acquisition, including post-closing asset impairment charges, expenses associated with eliminating duplicate facilities, and other liabilities. Furthermore, the acquisition of Heimbach may result in material unanticipated problems, expenses, charges, liabilities, competitive responses, loss of customers and other business relationships, and diversion of management's attention. Additional integration challenges may include difficulty in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the acquisition; difficulties in the integration of operations and systems, including pricing and marketing strategies; and difficulties in conforming standards, controls, procedures, financial reporting and accounting and other policies, business cultures and compensation structures. Many of these factors will be outside of our control and any one of them could result in increased costs, including restructuring charges, decreases in revenues and diversion of management's time and energy, which could **adversely affect our business, financial condition and** results of operations. Risks related to our contracts AEC is subject to significant financial risk related to potential quality escapes that could cause customer recalls, or production shortfalls that could cause delays in customer deliveries. AEC manufactures critical aerospace parts and must meet increasingly demanding quality, delivery, and cost targets across a broad spectrum of programs and facilities. AEC's ability to realize its full financial objectives will depend on how effectively it meets these challenges. Failure to accomplish these customer quality, delivery, and cost targets on any key program could result in material losses to the Company and have a material adverse impact on the amount and timing of anticipated AEC revenues, segment operating income, and cash flows, which could in turn have a material adverse impact on our consolidated financial results. Long-term supply contracts in our AEC segment pose certain risks. AEC has a number of long-term contracts with fixed pricing, and is likely to enter into similar contracts in the future. While long-term contracts provide an opportunity to realize steady and reliable revenues for extended periods, they pose a number of risks, such as program cancellations, reductions or delays in orders by AEC's customers ~~under these contracts~~, the termination of such contracts or orders, changes in the customers' requirements that may not entitle AEC to additional compensation or payment, or the occurrence of similar events over which AEC has no or limited control. Accounting for long-term contracts and related assets requires estimates and judgments related to our progress toward completion and the long-term performance on the contract. Significant judgments include potential risks associated with the ability and cost to achieve program schedule, including customer-directed delays or reductions in scheduled deliveries, and technical and other specific contract requirements including customer activity levels and variable consideration based upon that activity. Due to the size and long-term nature of many of AEC contracts, the estimation of total revenues and cost at completion is ~~complicated~~ **complex** and subject to many variables. Management must make assumptions and estimates regarding contract revenue and cost (which may include estimates of variable consideration, including award fees and penalties), including, but not limited to, labor productivity and availability, complexity and scope of the work to be performed, availability and cost of materials, length of time to complete the performance obligation, availability and timing of funding from our customers, as well as overhead cost rates. **In 2024, the Company recorded negative cumulative adjustments to the estimated profitability of long-term contracts in the amount of \$ 43.2 million, primarily related to our CH- 53K, Gulfstream, F- 35, and GE Platforms programs.** Because of the significance of management's judgments and estimation processes, it is likely that materially different ~~amounts~~ **estimates** could be recorded **in the future** if we used different assumptions or if the underlying circumstances were to change. Changes in underlying assumptions, circumstances or estimates may adversely affect our future results of operations and financial condition. Sales of components for a number of programs that are currently considered to be important to the future revenue-growth of AEC are pursuant to short-term purchase orders for a finite period or number of parts, or short-term supply agreements with terms of one to four years. Such programs include airframe components for the F- 35; forward fuselage frames for the Boeing 787; **AFT**, ~~and aft transition~~ assembly including skins and longerons, **sponson assemblies, tail rotor pylon and the horizontal stabilizer** for the CH- 53K helicopter, **and other long-term programs**. As a result, while AEC reasonably expects to continue as a supplier on these programs ~~as for so~~ long as it meets its obligations, there can be no assurance that this will be the case, or that, in programs where it is currently a

sole supplier, this sole supplier status will continue. Even if AEC's status as a supplier is extended or renewed, there can be no assurance that such extension or renewal will be on the same or similar commercial or other terms. Any failure by AEC to maintain its current supplier status under these programs, or any material change in their commercial or other terms, could have a material adverse effect on AEC's future revenues and segment operating income. AEC derives a significant portion of its revenue from contracts related to U. S. Government Department of Defense, which are subject to unique risks. The funding of DoD programs is subject to congressional appropriations. Many of the DoD programs in which we participate may last several years, but they are normally funded annually. Changes in military strategy and priorities may affect future opportunities and / or existing programs. Long- term DoD contracts and related orders are subject to cancellation, delay or restructure, if appropriations for subsequent performance periods are not made. The termination or reduction of funding for existing or new DoD programs could result in a material adverse effect on our earnings, cash flow and financial position. Additionally, our business funded by the U. S. Government is subject to extensive federal and DoD agency acquisition regulations. As a result, specific business systems and processes, as well as our proposed contract costs, are subject to audits by U. S. Government agencies. U. S. Government representatives may audit our compliance with these required federal regulations, and such audits could result in adjustments to allowable contract costs. Any costs found to be improperly allocated to a specific contract will not be reimbursed, and such costs already reimbursed must be refunded. Certain business systems or processes found to be non-compliant to federal and agency regulations could result in a suspension of work until such compliance issues are corrected. If any audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or prohibition from doing business with the U. S. Government. Realization of any of these risks could result in a material adverse effect on our earnings, cash flow and financial position. See also "The U. S. Government's Department of Defense ("DoD") Cybersecurity Maturity Model Certification ("CMMC") program introduces new and unique risks for DoD contractors." The loss of one or more major customers could have a material adverse effect on Net revenues and profitability. **Our In the AEC segment, our customer Safran accounted for approximately 39 percent 37 % of AEC's Net revenues in the AEC segment in 2023-2024,** substantially all of which was under an exclusive long- term supply agreement relating to parts for the LEAP engine. Although we are an exclusive supplier of such parts, and although this is a cost- plus- fee arrangement, our customer is not obligated to purchase any minimum quantity of parts, and cancellation or significant reduction in demand for the LEAP program would have a material adverse impact on AEC's Net revenues and profitability. LEAP engines are currently used on the Boeing 737 MAX, Airbus A320neo, **Airbus A321neo** and COMAC 919 aircraft. The LEAP long- term supply agreement contains certain events of default that, if triggered, could result in termination of the agreement by the customer, which would also have a material adverse impact on segment Net revenues and profitability. A substantial portion of AEC's non- LEAP revenue in the near term, and revenue growth opportunity in the longer term, is dependent upon a small number of customers and programs. Unlike the 3D- woven composite components supplied by ASC, parts supplied for such non- LEAP programs are capable of being made by a number of other suppliers. Such programs include airframe components for the F- 35, forward fuselage frames for the Boeing 787, and sponsons, tail- rotor pylons, horizontal stabilizers and struts for the CH- 53K helicopter. Any failure by AEC to maintain its current supplier status under these programs, or any material change in their commercial or other terms, could have a material adverse effect on AEC's future Net revenues and operating income. Our top ten customers in the MC segment accounted for a significant portion of our Net revenues in **2023-2024**. The loss of one or more of these customers, or a significant decrease in the amount of machine clothing they purchase from us, could have a material adverse impact on MC's Net revenues and profitability. We could also be subject to similar impacts if one or more such customers were to suffer financial difficulties and be unable to pay us for products they have purchased. While we normally enter into long- term supply agreements with significant MC customers, the agreements generally do not obligate the customer to purchase any products from us, and may be terminated by the customer at any time with appropriate notice. Risks related to information technology and cybersecurity We are dependent on information technology networks, systems and cloud- based services to securely process, transmit and store electronic information and to communicate among our locations around the world and with our employees, customers and suppliers. The failure to prevent attacks on our operational systems and / or infrastructure or our cloud- based providers could result in disruptions to our businesses, loss or disclosure of regulated data, or the loss or disclosure of confidential and proprietary intellectual property or other assets. As the breadth and complexity of this infrastructure continues to grow, including the increasing reliance on, and use of, mobile technologies and cloud- based services, and as **many some** of our **global** employees **continue to** work remotely **following the coronavirus pandemic**, the risk of security incidents and cyberattacks has increased. Cybersecurity threats are constantly expanding and evolving, becoming increasingly sophisticated and complex, increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols. The use of emerging technologies by organized cyber criminals, such as artificial intelligence and quantum computing, has increased the range of security threats faced by the Company. As AEC continues to perform aerospace and defense work, attacks from threat actors could become more persistent, including attacks from highly organized adversaries such as nation state actors, which target the defense industrial base and other critical infrastructure sectors. The improper conduct of our employees or others working on our behalf who have access to export controlled or other sensitive information could also adversely affect our business and reputation. Our customers, suppliers, and subcontractors experience similar security threats and an incident at one of these entities could adversely impact our business. These entities are typically outside our control and may have access to our information with varying levels of security and cybersecurity resources, expertise, safeguards and capabilities. Breaches in our supply chain could compromise our data and adversely affect customer deliverables. We also rely on our supply chain to adequately detect and report cyber incidents, which could affect our ability to report or respond to cybersecurity incidents effectively or in a timely manner. Our information technology systems, processes, sites and cloud- based providers may suffer interruptions or failures, **or we may experience disruptions or challenges arising**

from the implementation or upgrading of new information technology systems, which may affect our ability to conduct our business. Our information technology systems may be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages and security breaches (including destructive malware such as ransomware) resulting in unauthorized access or cyber- attacks. If our business continuity plans, incident response capabilities, and security controls do not function effectively, we may experience partial or complete interruptions in our operations, which may adversely impact our business, financial condition, results of operations and cash flows . **As part of our ongoing efforts to enhance operational efficiency and support our growth strategy, we are undertaking a significant upgrade to our Enterprise Resource Planning (ERP) system by transitioning to a cloud- based platform. This upgrade is expected to streamline our business processes, improve data accessibility, and provide greater scalability. However, the implementation of this new ERP system involves substantial operational and internal controls risks. We are committed to managing these risks through careful planning, rigorous testing, and ongoing monitoring** . We face legal, reputational and financial risks from any failure to protect customer and / or Company data from security incidents or cyberattacks. Such incidents could lead to shutdowns or disruptions of or damage to our systems and those of our customers and suppliers, and unauthorized disclosure of sensitive or confidential information, potentially including personal data and proprietary business information. Unauthorized disclosure of, denial of access to, or other incidents involving sensitive or confidential Company, employee, customer or supplier data, whether through systems failure, employee negligence, fraud, misappropriation, or cybersecurity, ransomware or malware attacks, or other intentional or unintentional acts, could damage our reputation and our competitive positioning in the marketplace, disrupt our or our customer' s business, cause us to lose customers and result in significant financial exposure and legal liability. We are subject to numerous laws and regulations designed to protect this information, such as the European Union' s General Data Protection Regulation (" GDPR ") and the United Kingdom' s GDPR, the Cybersecurity Law of the People' s Republic of China, as well as various other U. S. federal and state laws governing the protection of privacy, health or other personally identifiable information and data privacy and cybersecurity laws in other regions. We are subject to U. S. federal procurement regulations such as the DFARS clause 252. 204- 7012, based on the NIST 800- 171 framework whose goal is protecting controlled unclassified information in non- federal systems and organizations. In **2023-2024** , we continued efforts to comply with the forthcoming U. S. Department of Defense Cybersecurity Maturity Model Certification (" CMMC") program, which will impact us in the coming years as it is formalized through the DFARS and those regulations are incorporated into our contracts for government programs. These laws and regulations continue to evolve, are increasing in complexity and number and increasingly conflict among the various countries in which we operate, which has resulted in greater compliance risk and cost for us. Various privacy laws impose compliance obligations regarding the handling of personal data, including the cross- border transfer of data, and significant financial penalties for noncompliance. If any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to Company, employee, customer or supplier data, or otherwise mismanages or misappropriates that data, we could be subject to significant litigation, monetary damages, regulatory enforcement actions, fines and / or criminal prosecution in one or more jurisdictions. These monetary damages might not be subject to a contractual limit of liability or an exclusion of consequential or indirect damages and could be significant. In addition, our liability insurance, which includes cyber insurance, might not be sufficient in type or amount to cover us against claims related to security incidents, cyberattacks and other related incidents. Risks related to our **liquidity and financial matters** Fluctuations in currency exchange rates could adversely affect the Company' s business, financial condition, and results of operations. We operate our business in many regions of the world, and currency rate movements can have a significant effect on operating results. The effect of currency rate changes on gross profit in the MC segment can be difficult to anticipate because we use a global sourcing and manufacturing model. Under this model, while some non- U. S. Net revenues and associated costs are in the same currency, other non- U. S. Net revenues are denominated in currencies other than the currency in which most costs of such sales are incurred. At the same time, the geographic sources of materials purchased (and the currencies in which these purchases are denominated) can vary depending on market forces, and the Company may also shift production of its products between manufacturing locations, which can result in a change in the currency in which certain costs to produce such products are incurred. Changes in exchange rates can result in revaluation gains and losses that are reflected in our Consolidated Statements of Income. Revaluation gains and losses occur when our business units hold financial assets or liabilities denominated in a currency other than their functional currency. Operating results can also be affected by the translation of Net revenues and costs from each non- U. S. subsidiary' s functional currency to the U. S. dollar. Changes in the value of foreign currencies relative to the U. S. dollar could impact the reported level, in U. S. dollars, of Net revenues and operating expenses which are denominated in those currencies. Changes in currency exchange rates could adversely affect the Company' s business, financial condition or results of operations. We have a substantial amount of indebtedness. At December 31, **2023-2024** , the Company had outstanding long- term debt of \$ **453-319** million. At December 31, **2023-2024** , our leverage ratio (as defined in our primary borrowing agreement) was **1-0. 25-88** to 1. 00, and we had borrowed \$ **446-318** million under our \$ 800 million revolving credit facility. While we feel that we generate sufficient cash from operations and have sufficient borrowing capacity to make required capital expenditures to maintain and grow our business, any decrease in our cash generation could result in higher leverage. Higher leverage could hinder our ability to make acquisitions, capital expenditures, or other investments in our businesses, pay dividends, or withstand business and economic downturns. Our primary borrowing agreement contains a number of covenants and financial ratios that the Company is required to satisfy. The most restrictive of these covenants pertain to prescribed leverage and interest coverage ratios and asset dispositions. Any breach of any such covenants or restrictions would result in a default under such agreement that would permit the lenders to declare all borrowings under such agreement to be immediately due and payable and, through cross- default provisions, could entitle other lenders to accelerate their loans. In such an event, the Company would need to modify or restructure all or a portion of such indebtedness. Depending on prevailing economic conditions at the time, the Company might find it difficult to modify or restructure the debt

on attractive terms, or at all. **From time to time, we** use interest rate swaps to manage the interest cost associated with our borrowings. ~~Borrowings under the revolving credit facility and the interest rate swaps are currently based on LIBOR, which is expected to be phased out and replaced starting in 2024.~~ Future changes in the interest rate benchmark could affect the Company's cost of borrowing and its cash flows, or the effectiveness of the hedges, which could have an effect on net income. As of December 31, ~~2023~~ **2024**, we had approximately \$ ~~354.482~~ million of additional borrowing capacity under our \$ 800 million revolving credit facility. The incurrence of additional indebtedness could increase the above-described risks associated with higher leverage. In addition, any such indebtedness could contain terms that are more restrictive than our current facilities. Significant changes in critical estimates and assumptions related to pension and other ~~post- postretirement~~ **retirement** benefit ("OPEB") costs and liabilities could affect our earnings and pension contributions in future periods. The determination of our pension and other ~~post- postretirement~~ **retirement** benefit plans' expense or income involves significant judgments, specifically related to our discount rate, long-term return on assets, and other actuarial assumptions. We establish our discount rate assumption annually and review whether to change our long-term return on assets assumption annually. These estimates and actuarial assumptions could change significantly as a result to changes in economic, legislative, and / or demographic profiles. Such changes could result in unfavorable changes to our pension and OPEB expense and funded status, and our cash contributions thereof, which could have a negative impact on our results of operations. Further, the difference between actual investment returns and our long-term return on asset assumptions would result in a change to our pension and OPEB expense, funded status, as well as our required contributions to the plans. We manage our plan assets in accordance with our investment management objectives, and they are subject to market volatility and other conditions. Differences may also arise due to changes in regulatory, accounting and other requirements applicable to pension plans. The Company is exposed to the risk of increased expense in health-care related costs. We are largely self-insured for some employee and business risks, including health care programs in the U. S. Losses under all of these programs are accrued based upon estimates of the ultimate liability for claims reported and an estimate of claims incurred but not reported, with assistance from third-party actuaries and service providers. However, these liabilities are difficult to assess and estimate due to unknown factors, including the severity of an illness and the number of incidents not reported. The accruals are based upon known facts and historical trends, and management believes such accruals to be adequate. The Company also maintains stop-loss insurance policies to protect against catastrophic claims above certain limits. If actual results significantly differ from estimates, our financial condition, results of operations, and cash flows could be materially impacted by losses under these programs, as well as higher stop-loss premiums in future periods. **Goodwill and other intangible assets represent a significant portion of our assets, and any impairment of these assets could negatively impact our results of operations and financial conditions. Goodwill and other intangible assets that have indefinite useful lives must be evaluated at least annually for impairment. The specific guidance for testing goodwill and other non-amortized intangible assets for impairment requires management to make certain estimates and assumptions when allocating goodwill to reporting units and determining the fair value of reporting unit net assets and liabilities, including, among other things, an assessment of market conditions, projected cash flows, investment rates, cost of capital and growth rates, which could significantly impact the reported value of goodwill and other intangible assets. Changes in our estimates and assumptions could adversely impact projected cash flows and the fair value of reporting units. Fair value is generally determined using a combination of the discounted cash flow, market multiple and market capitalization valuation approaches. Absent any impairment indicators, we generally perform our evaluations annually, using available forecast information. If at any time we determine an impairment has occurred, we are required to reflect the reduction in value as an expense within operating income, resulting in a reduction of earnings and a corresponding reduction in our net asset value in the period such impairment is identified. In the event there is deterioration in business conditions or estimated cash flows beyond amounts previously or currently forecasted, there is a risk of impairments on our goodwill balance.** Unanticipated changes in tax laws or exposure to additional tax liabilities could affect our future profitability. We are subject to income taxes in both the U. S. and various non-U. S. jurisdictions. Unanticipated changes in foreign and domestic tax laws, regulations, or policies, or their interpretation and application by regulatory bodies, or exposure to additional tax liabilities could affect our future profitability and cash flows. Our domestic and international tax liabilities are dependent upon the distribution of income among these jurisdictions. Our future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, as well as changes in the overall profitability of the Company, tax legislation, and generally accepted accounting principles. As of December 31, ~~2023~~ **2024**, we have approximately \$ ~~130.140~~ **7.3** million of net operating loss ("NOL") carryforwards in various taxing jurisdictions. Our ability to utilize the NOL carryforward could be adversely impacted by several factors, including but not limited to significant changes to tax legislation and lower than expected future earnings ~~of the Company~~. We are subject to tax audits by various tax authorities in many jurisdictions. Following the acquisition of Heimbach, the open tax years in these jurisdictions range from approximately ~~2009 to 2023~~ **2013 to 2024**. We regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes. The results of tax audits and examinations of previously filed tax returns or related litigation and continuing assessments of our tax exposures could materially affect our financial results. Risks related to our legal and regulatory environment The Company may fail to adequately protect its proprietary technology **or intellectual property**, which would allow competitors or others to take advantage of its research and development efforts. Proprietary trade secrets are a source of competitive advantage in each of our segments. If our trade secrets were to become available to competitors, it could have a negative impact on our competitive strength. We employ measures to maintain the confidential nature of these secrets, including maintaining employment and confidentiality agreements, maintaining clear policies intended to protect such trade secrets, educating our employees about such policies, clearly identifying proprietary information subject to such agreements and policies, and vigorously enforcing such agreements and policies. Despite such measures, our employees, consultants, and third

parties to whom such information may be disclosed in the ordinary course of our business may breach their obligations not to reveal such information, and any legal remedies available to us may be insufficient to compensate our damages. **Our success depends on our ability to protect our intellectual property. We rely on a combination of patents, trade secrets, and contractual agreements to safeguard our intellectual property. However, there is a risk that these measures may not be sufficient to prevent the unauthorized use or infringement of our intellectual property rights. We may also face intellectual property disputes and litigation. These disputes could arise from allegations of infringement by third parties of our intellectual property or from claims that our operations infringe the intellectual property rights of others. Such litigation can be costly, time-consuming, and may divert management's attention and resources from other business operations. If we are unsuccessful in defending our intellectual property, or if our intellectual property rights are deemed invalid or unenforceable, we may lose valuable competitive advantages. This could result in a decline in market share, reduced revenue, and a material adverse effect on our business, financial condition, and results of operations. Furthermore, we may be required to license our technology to third parties or to license technology from third parties to settle intellectual property disputes. Such licenses may not be available on commercially reasonable terms, or at all, which could further harm our business and financial performance.**

The Company is subject to legal proceedings and legal compliance risks. We are subject to a variety of legal proceedings in multiple jurisdictions where we conduct business. Litigation is an inherently unpredictable process and unanticipated negative outcomes are always possible. An adverse outcome in any period could have an adverse impact on the Company's operating results for that period. We are also subject to a variety of legal compliance risks. While we believe that we have adopted appropriate risk management and compliance programs, the global and diverse nature of our operations means that legal compliance risks will continue to exist and related legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, are likely to arise from time to time. Failure to resolve successfully any legal proceedings related to compliance matters could have an adverse impact on our results in any period. Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business. We are subject to numerous, and sometimes conflicting, legal regimes on matters as diverse as anti corruption, import / export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, immigration, internal and disclosure control obligations, securities regulation, sustainability and climate initiatives, human capital requirements, anti-competition, anti-money-laundering, data privacy and protection, government compliance, wage-and-hour standards, employment and labor relations and human rights. The global nature of our operations further increases the difficulty of compliance. Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in significant fines, enforcement actions or criminal sanctions against us and / or our employees, prohibitions on doing business and damage to our reputation. Violations of these regulations in connection with the performance of our obligations to our customers also could result in liability for significant monetary damages, fines, enforcement actions and / or criminal prosecution or sanctions, unfavorable publicity and other reputational damage and restrictions on our ability to effectively carry out our contractual obligations and thereby expose us to potential claims from our customers. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws may not be well developed or provide sufficiently clear guidance and may be insufficient to protect our rights. In particular, in many parts of the world, including countries in which we operate and / or seek to expand, practices in the local business community might not conform to international business standards and could violate anti corruption laws, or regulations, including the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act 2010. The Company provides, and all employees must participate in, regular training activities with respect to the Company's business ethics standards and expectations. Our employees, subcontractors, suppliers, and agents, any companies we may acquire and their employees, subcontractors, suppliers and agents, and other third parties with which we associate, could take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anti corruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or knew about the actions leading to the violations), including fines or penalties, disgorgement of profits and suspension or disqualification from work, including U. S. federal contracting, any of which could materially adversely affect our business, including our results of operations and our reputation. Our global operations are subject to increasing environmental, social and governance regulatory requirements, increasing operational and compliance costs, as well as the risk of noncompliance. **Evolving sustainability and increasing stakeholder environmental, social regulation and governance expectations, physical contractual requirements, and policy requirements, including transition risks associated with climate change, emerging sustainability and social regulation, contractual requirements, and policy requirements** may pose risk to our market outlook, brand and reputation, financial outlook, cost of capital, global supply chain, and production continuity, which may impact our ability to achieve long-term business objectives. Changes in environmental and climate change laws or regulations could lead to additional operational restrictions and compliance requirements upon us or our products, require new or additional investment in product **and packaging** designs, result in carbon offset investments or otherwise could negatively impact our business and / or competitive position. Increasing industry performance standards, increasing sustainability disclosure requirements in the U. S. and globally, and requirements on manufacturing and product air pollutant emissions, especially GHG emissions, may result in increased costs or reputational risks and could limit our ability to manufacture and / or market certain of our products at acceptable costs, or at all. **Physical impacts of climate change, increasing Increasing global chemical restrictions and bans, increasing regulation related to product end-of-life and packaging materials**, and water and waste requirements may drive increased costs to us and our suppliers and impact our production continuity and data facilities. **For example, the European Union's Corporate Sustainability Reporting Directive ("CSRD") requires new and expansive disclosures related to sustainability risks and opportunities, and its Corporate Sustainability Due Diligence Directive ("CSDDD") requires extensive due diligence and reporting of**

actual and potential adverse impacts on human rights and the environment arising from our own operations and across our value chains, and to remediate any such adverse impacts. Changes in laws and regulations could also mandate significant and costly changes to the way we conduct our business, including increasing the cost of compliance, or could impose additional taxes. Such changes may result in contracts being terminated, greater costs to us, or could have a negative impact on our ability to obtain future work from government **or other** customers. Changes in sustainability reporting requirements may impact our global operations as we ~~begin~~ **continue** collecting information for reports to be published according to new standards. We will face significant challenges in being able to implement separate but overlapping standard- setting initiatives, which may contain inconsistencies. ~~As~~ **While** we ~~devote~~ **are devoting** increasing amounts of resources to sustainability reporting **to ensure compliance**, ~~there~~ **the reporting landscape is highly dynamic and uncertainty** remains ~~uncertainty~~ **uncertainty** about how to address various sustainability issues, including enforcement in voluntary frameworks. Intensive work ~~must will~~ **need to** be done in short timetables to comply with newly- introduced sustainability standards, with resultant ~~transition~~ costs. Non- compliance could result in various penalties, including liability for significant monetary damages, fines, enforcement actions and / or criminal prosecution or sanctions. Given the reach of new and proposed regulations in the jurisdictions where we operate, there is the possibility that we may not be able to comply, or may not be able to comply in time. We also may not be able to ensure that relevant companies within our supply chain are compliant with applicable supply chain due diligence acts, which may require us to embark on new due diligence processes with other companies and in some cases parting ways with suppliers. We closely monitor developments in sustainability- and climate change- related laws, regulations and policies for their potential effect on our business, however, we are currently not able to accurately predict the materiality of any potential costs associated with such developments. In addition, climate change- related litigation and investigations have increased in recent years and any claims or investigations against us could be costly to defend, and our business could be adversely affected by the outcome. Certain provisions of our Certificate of Incorporation, our Bylaws and Delaware law could hinder, delay or prevent a change in control of us that you might consider favorable, which could also adversely affect the price of our ~~Class A~~ Common Stock. Certain provisions under our Certificate of Incorporation, our Bylaws and Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, even if doing so would benefit our stockholders. These provisions could delay or prevent a change in control and could limit the price that investors might be willing to pay in the future for shares of our ~~Class A~~ Common Stock. Our Certificate of Incorporation authorizes our Board of Directors to issue new series of preferred stock without stockholder approval. Depending on the rights and terms of any new series created, and the reaction of the market to the series, the rights or value of our ~~Class A~~ Common Stock could be negatively affected. For example, subject to applicable law, our Board of Directors could create a series of preferred stock with superior voting rights to our existing common stock. The ability of our Board of Directors to issue this new series of preferred stock could also prevent or delay a third party from acquiring us, even if doing so would be beneficial to our stockholders. We may not pay cash dividends on our Common Stock. It is our current practice to pay cash dividends on our common stock. There can be no assurance, however, that we will pay dividends in the future in the amounts that we have in the past, or at all. Our Board of Directors may change the timing and amount of any future dividend payments or eliminate the payment of future dividends in its sole discretion, without any prior notice to our stockholders. Our ability to pay dividends will depend upon many factors, including our financial position and liquidity, results of operations, legal requirements, restrictions that may be imposed by the terms of our current and future credit facilities and other debt obligations and other factors deemed relevant by our Board of Directors. For example, we have a substantial amount of indebtedness and while we feel that we generate sufficient cash from operations and have sufficient borrowing capacity to make required capital expenditures **to maintain and grow our business, any decrease in our cash generation could result in higher leverage. Higher leverage could hinder our ability to make acquisitions, capital expenditures, or other investments in our businesses, pay dividends, or withstand business and economic downturns.** In the future, we may also enter into other credit agreements or other borrowing arrangements or issue debt securities that, in each case, restrict or limit our ability to pay cash dividends on our common stock. In addition, since a significant portion of our cash is generated from operations of our subsidiaries, our ability to pay dividends is in part dependent on the ability of our subsidiaries – some of which are located outside of the U. S. – to make distributions to us. Such distributions will be subject to their operating results, cash requirements and financial condition, as well as our ability to repatriate cash held by non- U. S. subsidiaries. Any change in the level of our dividends or the suspension of the payment thereof could adversely affect the market price of our common stock. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our Class A Common Stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades our Class A Common Stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our Class A Common Stock could decrease, which could cause our stock price and trading volume to decline. Future sales of shares by us or our existing stockholders could cause our stock price to decline. Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline or might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. As of February ~~16-18, 2024-2025~~, we had ~~31-30~~ **29** million shares of Class A Common Stock outstanding. In addition, shares of ~~Class A~~ Common Stock are issuable upon the vesting of outstanding equity awards, and certain shares are reserved for future issuance under our equity compensation plans. **Shareholder activism can have a significant impact on our operations, strategy, and overall performance. Activist shareholders may attempt to influence or enact changes in our corporate governance, business strategies, or financial decisions. This can lead to substantial disruptions and pose various risks. Activist campaigns can divert the attention of our management team and board of directors from executing our business strategy and managing day- to- day**

operations. The need to respond to shareholder activists' demands or proposals can be time-consuming and may detract from our ability to focus on long-term goals. Shareholder activists may propose changes to our board composition, executive compensation, or other governance practices. Proposed changes could lead to instability or conflict within our leadership, potentially affecting the company's strategic direction and decision-making processes. Shareholder activism often brings increased scrutiny from the media, investors, and analysts. Negative publicity or heightened market perception of instability could adversely affect our stock price, investor confidence, and overall market reputation. This could also lead to increased volatility in our stock and potential loss of shareholder value. Activist shareholders may push for changes in our business strategies, such as divestitures, acquisitions, cost-cutting measures, or shifts in focus. While some suggestions may align with broader market trends or opportunities, others may conflict with our long-term vision or operational capabilities, potentially leading to suboptimal business outcomes. Engaging with activist shareholders may also increase the risk of legal challenges or regulatory scrutiny. Activist campaigns can result in proxy battles, litigation, or regulatory investigations, which can be costly, time-consuming, and damaging to our reputation. Prolonged activist campaigns and the associated uncertainty can negatively affect employee morale and retention. Employees may become concerned about the stability of their positions or the overall direction of the company, potentially leading to decreased productivity and higher turnover rates. Implementing changes advocated by activists may involve substantial costs or capital expenditures, which could impact our financial position and operating results. We are vigilant in monitoring and addressing potential activism to safeguard our long-term interests and those of our shareholders. 28