

## Risk Factors Comparison 2025-02-27 to 2024-02-22 Form: 10-K

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

You should carefully consider each of the risks described below, together with all of the other information contained in this Annual Report on Form 10-K, before making an investment decision with respect to the Company's securities. If any of the following risks develop into actual events, the Company's business, financial condition or results from operations could be materially and adversely affected and you could lose all or part of your investment. Risks related to our business A downturn in general economic conditions and outlook in the United States and around the world could adversely affect our net sales and earnings. The strength and profitability of our business depends on the overall demand for our products and upon economic conditions and outlook, including but not limited to economic growth rates, consumer spending levels, financing availability, pricing and terms for our dealers and end- users, employment rates, interest rates, inflation, consumer confidence and general economic and political conditions and expectations in the United States and the other economies in which we conduct business. Slow or negative growth rates, inflationary / deflationary pressures, higher commodity costs and energy prices, reduced credit availability or unfavorable credit terms for our dealers and end- user customers, increased unemployment rates, and recessionary economic conditions and outlook could cause consumers to reduce spending, which may cause them to delay or forgo purchases of our products and could have an adverse effect on our net sales and earnings. Deterioration of industry conditions could harm our business, results of operations and financial condition. Our business depends to a large extent upon the prospects for the infrastructure maintenance, vegetation management and agricultural markets in general. Future prospects of the industry depend largely on factors outside of our control. Any of those factors could adversely impact demand for our products, which could adversely impact our business, results of operations and financial condition. These factors include the following: • weakness in the worldwide economy; • the price and availability of raw materials, purchased components and energy; • budget constraints and revenue shortfalls for our governmental customers; • changes in domestic and foreign governmental policies and laws, including increased levels of governmental regulation and associated liabilities; • the levels of interest rates; • the value of the U. S. dollar relative to the foreign currencies in countries where we sell our products but don't have a manufacturing presence; • impact of tighter credit markets on the Company, its dealers and end- users; • impairment in the carrying value of goodwill; and • increase in unfunded pension plan liability due to financial market deterioration. In addition, our business is susceptible to a number of factors that specifically affect agricultural customer spending patterns, including the following: • animal disease outbreaks, epidemics and crop pests; • weather conditions, such as droughts, floods and snowstorms; • changes in farm incomes; • cattle and agricultural commodity prices; • changes in governmental agricultural policies worldwide; • the level of worldwide farm output and demand for farm products; and • limits on agricultural imports / exports. Our dependence on, and the price and availability of, raw materials as well as purchased components may adversely affect our business, results of operations and financial condition. We purchase commodities, components, parts, accessories and other goods, such as steel, truck chassis, engines, transmissions, hydraulics, electrification components, and other items necessary for the manufacture of our end-products. The lack of availability or the increased cost of these purchased materials and components due to supply chain disruptions, inflation, increased **tariffs, including broad- based reciprocal international** tariffs, and / or other uncontrollable events have negatively affected our business operations and profitability and may continue to do so in the future. Historically, we have mitigated commodity, component, parts, and other input cost increases, in part, by increasing prices on our products and executing on our strategic productivity initiatives. However, we may not be able to fully offset increased input costs in the future. If our price increases are not accepted by our customers and the market or we are not able to realize anticipated manufacturing efficiencies, our net sales, profit margins, earnings, and market share could be adversely affected. Further, if we are unable to timely source items such as truck chassis, engines, hydraulics and other critical components our business, results of operations and financial condition may be adversely affected. Skilled labor shortages or our inability to retain qualified employees could adversely affect our operations. Our ability to maintain our productivity at competitive levels may be limited by our ability to employ, compensate, train and retain personnel necessary to meet our requirements. We may experience shortages of qualified personnel such as engineers, project managers, supervisors, and select skilled trades. We cannot be certain that we will be able to maintain an adequate skilled or unskilled labor force or key technical personnel necessary to operate efficiently and to support our growth strategy and operations. Shortages of skilled labor, such as welders and machine operators, are ongoing and could negatively affect our production capabilities, lead to production inefficiencies, or increase our cost of operating. Labor shortages or increased labor costs could impair our ability to operate our business, meet customer commitments or grow our revenues, and could materially and adversely impact our business, results of operations and financial results. We depend on governmental sales, and a decrease in such sales could adversely affect our business, results of operations and financial condition. A substantial portion of our revenues is derived from sales to federal, state, provincial and local governmental entities and related contractors, both in the U. S. and in other countries in which we sell our products. These sales depend primarily on the levels of budgeted and appropriated expenditures for highway, airport, roadside and parks maintenance by various governmental entities and are affected by changes in local and national economic conditions. Federal, state, provincial and local government budgets were negatively affected by the COVID- 19 pandemic and its resurgence or a similar pandemic or event could have a material negative impact on our business and financial condition. Significant changes in trade policy and related trade wars could have a material adverse impact on our results of operations. The U. S. has made significant changes in its trade policy and has taken certain actions that have impacted U. S. trade and relationships with China and other trading partners, including imposing tariffs on certain goods imported into the U. S. Any continued actions or further changes in

U. S. trade policy could trigger additional retaliatory actions by affected countries, resulting in "trade wars." Trade wars may lead to reduced economic activity, increased costs, reduced demand and changes in purchasing behaviors for some or all of our products, or other potentially adverse economic outcomes. These or other consequences from any trade wars could have a material adverse impact on our sales volumes, prices and our consolidated financial results. Impairment in the carrying value of goodwill could negatively impact our consolidated results of operations and net worth. The Company has conducted for the last three years an analysis for estimating the fair value of the Company's business enterprise. We have utilized the discounted cash flow income approach and market approach for which we chose to heavily weigh more on the discounted cash flow approach. This analysis requires the Company to make significant assumptions and estimates about the extent and timing of future cash flows, discount rates and growth rates. The cash flows are estimated over a significant future period of time, which makes those estimates and assumptions subject to an even higher degree of uncertainty. The Company also utilizes market valuation models and other financial ratios, which require the Company to make certain assumptions and estimates regarding the applicability of those models to its assets and businesses. As of December 31, 2023-2024, goodwill was \$ 206-203.5-0 million, which represents approximately 15-14% of total assets. The Company recognized no goodwill impairment in 2024, 2023, or 2022 or 2021. If we were to have a significant goodwill impairment it could impact our results of operations as well as our net worth. We are significantly dependent on information technology and our business may suffer from disruptions associated with information technology, cyber- attacks or other catastrophic losses affecting our IT infrastructure. We rely on information technology networks and systems, including the Internet, to process, transmit, and store electronic and financial information, to manage a variety of business processes and activities, including our accounting and financial functions, and to comply with regulatory, legal, and tax requirements. We also depend on our information technology infrastructure for digital marketing activities and for electronic communications among our locations, personnel, customers, and suppliers. These information technology systems (some of which are provided and maintained by third parties) may be susceptible to damage, disruptions, or shutdowns due to hardware failures, computer viruses, hacker attacks, telecommunication failures, user errors, catastrophic events or other factors. In addition, a number of our salaried employees are working remotely at various times. This remote working environment may pose a heightened risk for security breaches or other disruptions of our information technology systems. If our information technology systems suffer severe damage, disruption or shutdown, and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience business disruptions, a loss of critical company records, transaction errors, processing inefficiencies, and the loss of customers and sales, causing our product sales, financial condition, and operating results to be adversely affected and the reporting of our financial results to be delayed. In addition, in the ordinary course of our business, we collect and store sensitive data, including our intellectual property, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information or other sensitive information of our customers and employees. The secure use, processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite the information security measures we have taken, our information technology and infrastructure may be subjected to attacks by hackers or breached due to employee malfeasance, employee errors, or other disruptions. Cybersecurity threats and sophisticated computer crime pose a potential risk to the security of the Company's information technology systems, networks, and services, as well as the confidentiality and integrity of the Company's data and intellectual property. Cyber- attacks, unauthorized access or security breaches, and other cyber incidents could include, among other things, computer viruses, malicious or destructive code, ransomware, social engineering attacks (including phishing and impersonation), hacking, denial- of- service attacks, and other similar attacks. These threats are constantly evolving, which increases the difficulty of defending against them or implementing adequate preventive measures. Sensitive information is also stored by our vendors and on the platforms and networks of third- party providers. Cyber- attacks on the Company, our vendors, or our third- party providers could result in inappropriate access to our intellectual property, Company data, or personally identifiable information of our global workforce, suppliers, or customers. Potential consequences of a successful cyber- attack or other cybersecurity breach or incident include remediation costs, legal costs, increased cybersecurity protection costs, lost revenues resulting from the unauthorized use of proprietary information or the failure to retain or attract customers following an attack, litigation and legal risks including governmental or regulatory enforcement actions, increased insurance premiums, reputational damage that adversely affects customer or investor confidence, and damage to the Company's competitiveness, stock price, and long- term shareholder value. While we have taken steps to address these risks by implementing enhanced security technologies, internal controls, and business continuity plans, these measures may not be adequate. We cannot assure that the steps we have taken will be sufficient to protect our systems, information or other property. Our systems and information may be vulnerable to theft, loss, damage and interruption from a number of potential threats and events. Changes in the regulatory environment regarding privacy and data protection regulations could have a material adverse impact on our results of operations. Federal, state, provincial and local governments have been moving to adopt privacy rules and regulations that may impact us in the future. In 2018, the EU adopted a comprehensive overhaul of its data protection regime in the form of the General Data Protection Regulation ("GDPR") which imposes a strict data protection compliance regime with severe penalties of 4 % of worldwide turnover or € 20. 0 million, whichever is greater, and includes new rights such as the right of erasure of personal data. Although the GDPR applies across the EU, as has been the case under the current data protection regime, EU Member States have some national derogations and local data protection authorities ("DPAs") will still have the ability to interpret the GDPR, which has the potential to create inconsistencies on a country- by- country basis. In addition, certain U. S. states have enacted privacy and data protection laws. For example, the State of California enacted the California Consumer Privacy Act ("CCPA") which became effective in 2020 and was further amended and extended by the California Privacy Rights Act ("CPRA") which became effective in 2023. Implementation of, and compliance with, the GDPR, CCPA, CPRA, and other similar laws could increase our cost of doing business and / or force us to change our business practices in a manner adverse to our business. In addition, violations of the GDPR, CCPA, CPRA, and other

laws may result in significant fines, penalties and damage to our brand and business which could, individually or in the aggregate, materially harm our business and reputation. Privacy legislation, enforcement and policy activity in this area continues to rapidly expand. Compliance costs and costs related with implementing privacy- related and data protection measures could be significant. Further, noncompliance could expose us to significant monetary penalties, damage to our reputation, and even possible criminal sanctions. Even our inadvertent failure to comply with privacy- related or data protection laws and regulations could have a material adverse impact on our results of operations. We operate in a highly competitive industry, and some of our competitors and potential competitors have greater resources than we do. Our products are sold in highly competitive markets throughout the world. We compete with several large national and international companies that offer a broad range of equipment and replacement parts that compete with our products, as well as with numerous small, privately-held manufacturers and suppliers of a limited number of products mainly on a regional basis. Some of our competitors are significantly larger than we are and have substantially greater financial and other resources at their disposal. We believe that we are able to compete successfully in our markets by, to some extent, avoiding direct competition with significantly larger potential competitors. There can be no assurance that our competitors will not substantially increase the resources devoted to the development and marketing of products competitive with our products or that new competitors with greater resources will not enter our markets. Any failure to effectively compete could have an adverse effect on our business, results of operations and financial condition. Failure to develop new products or keep pace with technological developments may have a material adverse impact on our results of operations. Our industry is affected by future technological developments. The introduction of new products or processes with innovative technologies could render our existing products or processes obsolete or unmarketable. Our success depends, to some extent, upon our ability to develop, market and sell cost- effective new products and applications that keep pace with technological developments in the markets we serve. We may not be successful in identifying, developing and marketing new products and applications or we may experience difficulties that could delay or prevent the successful development, introduction and marketing of such new products and applications, which could have a material adverse impact on our business and results of operations. We operate and source internationally, which exposes us to the political, economic and other risks of doing business abroad. We have operations in a number of countries outside of the United States and we source raw materials and components globally. Our international operations are subject to the risks normally associated with conducting business in foreign countries, including but not limited to the following:

- limitations on ownership and on repatriation of earnings;
- import and export restrictions, tariffs and quotas;
- potentially adverse effects including negative economic conditions resulting from war or the threat of war, including the ongoing war between Ukraine and Russia;
- additional expenses relating to the difficulties and costs of staffing and managing international operations;
- labor disputes and uncertain political and economic environments and the impact of foreign business cycles;
- changes in laws or policies;
- changes in any international trade agreements, such as any changes in European Union membership;
- delays in obtaining or the inability to obtain necessary governmental permits;
- potentially adverse consequences resulting from the applicability of foreign tax laws;
- cultural differences;
- increased expenses due to inflation;
- weak economic conditions in foreign markets where our subsidiaries distribute their products;
- changes in currency exchange rates;
- disruptions in transportation and port authorities;
- and
- regulations involving international freight shipments.

Operating in the international marketplace exposes us to a number of risks, including the need to comply with U. S. and foreign laws and regulations applicable to our foreign operations, including anti- corruption laws such as the Foreign Corrupt Practices Act and the U. K. Bribery Act, United States export control laws, and data privacy laws such as the European GDPR. The costs of compliance with these various laws, regulations and policies can be significant and penalties for noncompliance could significantly and adversely impact our business. Our international operations may also be adversely affected by laws and policies affecting foreign trade, investment, taxation, and our ability to effectively source components and raw materials internationally. For example, any significant changes in U. S. trade policy, including the introduction of any new or expanded tariffs, could increase the cost of critical materials and supplies that we source internationally or negatively impact international sales of our products, which would have an adverse effect on our net sales and earnings. In addition, political developments and governmental regulations and policies in the countries in which we operate directly affect the demand for our products. For example, decreases or delays in farm subsidies to our agricultural customers, or changes in environmental policies aimed at limiting mowing activities, could adversely affect our business, results of operations and financial condition. Our acquisition strategy may not be successful, which may adversely affect our business, results of operations and financial condition. We intend to grow internally and through the acquisition of businesses and assets that will complement our current businesses. To date, a material portion of our growth has come through acquisitions. We cannot be certain that we will be able to identify attractive acquisition targets, obtain financing for acquisitions on satisfactory terms or successfully acquire identified targets. Competition for acquisition opportunities may also increase our costs of making acquisitions or prevent us from making certain acquisitions. These and other acquisition- related factors may adversely impact our business, results of operations and financial condition. We may not be able to realize the potential or strategic benefits of the acquisitions we complete, and the businesses we have acquired, or may acquire in the future, may not perform as expected. Acquisitions are an important part of our growth strategy and we have completed a number of acquisitions over the past several years. We acquired Timberwolf in 2021 and Royal Truck in 2023. Acquisitions can be difficult, time- consuming, and pose a number of risks, including:

- potential negative impact on our earnings per share as a result of acquisition costs and related financing costs, among other things;
- the assumption of liabilities that are unknown to us at the time of closing;
- failure of acquired products to achieve projected sales;
- potential downward pressure on operating margins due to lower operating margins of acquired businesses, increased headcount costs and other expenses associated with adding and supporting new products;
- disruption of ongoing business operations, including diversion of management’ s attention and uncertainty for employees and customers, particularly during the post- acquisition integration process; and
- potential negative impact on our relationships with customers, distributors and vendors. If we do not manage these risks, the acquisitions that we complete may

have an adverse effect on our business, our results of operations or financial condition. In addition, we may not be successful in integrating acquired businesses into our existing operations and achieving projected synergies. We could face many risks in integrating acquired businesses, including but not limited to the following: • we may incur substantial costs, delays or other operational or financial challenges in integrating acquired businesses, including integrating each company' s accounting, information technology, human resource and other administrative systems to facilitate effective management; • we may be unable to achieve expected cost reductions, to take advantage of cross- selling opportunities, or to eliminate redundant operations, facilities and systems; • we may encounter problems in integrating the acquired products with our existing and / or new products; • we may need to implement or improve controls, procedures and policies appropriate for a public company which could take a significant amount of time and expense; • acquisitions may divert our management' s attention from the operation of our existing businesses; • we may not be able to retain key personnel of acquired businesses; • there may be cultural challenges associated with integrating management and employees from the acquired businesses into our organization; and • we may encounter unanticipated events, circumstances and legal risk and associated liabilities. Our integration of acquired businesses requires significant efforts from the management of each entity, including coordinating existing business plans and research and development efforts. Integrating operations may distract management' s attention from the day- to- day operation of the combined companies. Ultimately, our attempts to integrate the operations, technology and personnel of acquired businesses may not be successful. If we are unable to successfully integrate acquired businesses, our future results may be negatively impacted. **We may not achieve anticipated cost savings or synergies associated with restructuring some of our business operations. Efforts to restructure some of our business operations may not be successful. We may encounter significant challenges in integrating the operations, management, and cultures of the affected entities. These challenges could include difficulties in combining business processes, systems, and employee teams, which may lead to operational inefficiencies, loss of productivity, or failure to achieve anticipated cost savings or synergies. Disposal of non- core assets may adversely affect our business, results of operations and financial condition. We may sell or otherwise dispose of certain non- core assets or businesses. The failure to execute such transactions successfully or to achieve favorable terms may result in a loss of value, reduced liquidity, or the inability to reinvest in more strategic opportunities.** The agricultural industry and the infrastructure maintenance industry are seasonal, and seasonal fluctuations may cause our results of operations and working capital to fluctuate from quarter to quarter. In general, agricultural and governmental end- users typically purchase new equipment during the first and second calendar quarters. Other products such as street sweepers, excavators, snow removal equipment, front- end loaders and pothole patchers have different seasonal patterns, as do replacement parts in general. In attempting to achieve efficient utilization of manpower and facilities throughout the year, we estimate seasonal demand months in advance and manufacturing capacity is scheduled in anticipation of such demand. We utilize an annual plan with updated quarterly sales forecasts provided by our marketing divisions and order backlog in order to develop a production plan for our manufacturing facilities. In addition, many of our marketing departments attempt to equalize demand for their products throughout the calendar year by offering seasonal sales programs which may provide additional incentives, including discounts and extended payment terms, on equipment that is ordered during off- season periods. Because we spread our production and wholesale shipments throughout the year to take into account the factors described above, sales in any given period may not reflect the timing of dealer orders and retail demand. Weather conditions and general economic conditions may affect the timing of purchases and actual industry conditions might differ from our forecasts. In addition to seasonal factors, the agricultural industry is cyclical in nature with sales largely dependent on the state of the farm economy and, in particular, agriculture commodity prices and farm income. Consequently, sudden or significant declines in industry demand could adversely affect our working capital or results of operations. Extreme weather conditions may impact demand for some of our products and impact our business, results of operations and financial condition. Extreme weather conditions such as droughts or flooding may adversely affect sales of some of our products including our mowing equipment and other agricultural equipment and related parts. Milder winter conditions with lower snowfall accumulations can have an adverse impact on sales of our snow removal equipment and related parts business in the key markets we serve. In the event unfavorable weather conditions are worsened as a result of global climate change, our business may be adversely affected to a more significant extent. Our business and operations are subject to risks related to climate change. The long- term effects of global climate change present both physical risks (such as weather catastrophes) and transition risks (such as regulatory changes), which are expected to be widespread and unpredictable. Unusual weather conditions, including drought and flood conditions, may affect the purchasing decisions of some of our customers, particularly customers of our agriculture products which could lead to lower sales volumes of those products. In addition, changes in climate could affect the availability and cost of products, commodities and energy, which may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require. Our facilities may also be directly impacted by significant weather events brought on by climate change, and we face the risk of losses incurred as a result of physical damage to our facilities, loss or spoilage of inventory and business interruption caused by such events. New legal and regulatory requirements have been, and may continue to be, implemented to address the concern over climate change in an effort to reduce or mitigate the effects of it, and such regulatory requirements dealing with the environmental aspects of our operations and the products we manufacture could result in significant expenditures in upgrading our facilities and / or designing and manufacturing new forms of equipment that satisfy such requirements. We cannot currently predict the specific terms of any new climate change legislation or regulation, but any such new legislation or regulation may have a material adverse impact on our business, results of operations, or financial condition. If we do not retain key personnel and attract and retain other highly skilled employees, our business may suffer. Our continued success will depend on, among other things, the efforts and skills of our executive officers, including our president and chief executive officer, and our ability to attract and retain additional highly qualified managerial, technical, manufacturing, and sales and marketing personnel. We do not maintain “ key man ” life insurance for any of our employees, and all of our senior management are employed at will. We

cannot assure you that we will be able to attract and hire suitable replacements for any of our key employees. We believe the loss of a key executive officer or other key employee could have an adverse effect on our business, results of operations, and financial condition. Increasingly stringent engine emission regulations could impact our ability to sell certain of our products into the market and appropriately price certain of our products, which could negatively affect our competitive position and financial results. The products we manufacture or sell, particularly engines, are subject to increasingly stringent environmental emission regulations. For instance, the EPA adopted increasingly stringent engine emission regulations, including Tier 4 emission requirements applicable to diesel engines in specified horsepower ranges that are used in some of our products. State agencies, including the California Air Resources Board ("CARB"), are also adopting emission regulations that apply to products we sell. Requirements have expanded to additional horsepower categories and, accordingly, apply to more of the products we sell. Our ability to meet the Tier 4 and CARB requirements is subject to many variables, some of which are beyond our direct control. If we fail to meet the Tier 4 or CARB requirements and any other EPA or state emission standards that are currently in place or that may be introduced in the future, our ability to sell our products into the market may be limited, which could have a material adverse effect on our competitive position and financial results. We are subject to environmental, health and safety and employment laws and regulations and related compliance expenditures and liabilities. Like other manufacturers, the Company is subject to a broad range of federal, state, local and foreign laws and requirements, including those concerning air emissions, discharges into waterways, and the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste materials, as well as the remediation of contamination associated with releases of hazardous substances at the Company's facilities and offsite disposal locations, workplace safety and equal employment opportunities. These laws and regulations are constantly changing, and it is impossible to predict with accuracy the effect that changes to such laws and regulations may have on the Company in the future. Like other industrial concerns, the Company's manufacturing operations entail the risk of noncompliance, and there can be no assurance that the Company will not incur material costs or other liabilities as a result thereof. Changes in environmental laws or new laws relating to the emission of greenhouse gases ("GHG") or the emission of other gases may cause us to make additional investment in new product designs or could increase our environmental compliance expenditures. The regulation of GHG emissions could result in other additional costs to the Company in the form of tax or emissions allowances, facility improvement costs, and higher input costs. Increased input costs and other costs associated with GHG emissions regulation and related compliance may also negatively impact customer demand. Because the timing and extent of GHG emission regulations or climate change regulations are unknown at this time, we are unable to predict the impact this may have on our overall business. The Company is subject to various other federal, state, and local laws affecting its business, as well as a variety of regulations relating to such matters as working conditions, equal employment opportunities, and product safety. A variety of state laws regulate the Company's contractual relationships with its dealers, some of which impose restrictive standards on the relationship between the Company and its dealers, including events of default, grounds for termination, non-renewal of dealer contracts, and equipment repurchase requirements. We are subject on an ongoing basis to the risk of product liability claims and other litigation arising in the ordinary course of business. Like other manufacturers, we are subject to various claims, including product liability claims, arising in the ordinary course of business, and we are a party to various legal proceedings that constitute routine litigation incidental to our business. We may be exposed to product liability claims in the event that the use of our products results, or is alleged to result, in bodily injury, property damage, or both. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend the Company against such claims. We cannot assure you that our product liability insurance coverage will be adequate for any liabilities that may ultimately be incurred or that it will continue to be available on terms acceptable to us. A successful claim brought against us in excess of available insurance coverage or a requirement to participate in a product recall may have a materially adverse effect on our business. If we are unable to comply with the terms of our credit arrangements, especially the financial covenants, our credit arrangements could be terminated. We cannot assure you that we will be able to comply with all of the terms of our credit arrangements, especially the financial covenants. Our ability to comply with such terms depends on the success of our business and our operating results. Various risks, uncertainties, and events beyond our control could affect our ability to comply with the terms of our credit arrangements. If we were out of compliance with any covenant required by our credit arrangements following any applicable cure periods, the banks could terminate their commitments unless we could negotiate a covenant waiver. The banks could condition such waiver on amendments to the terms of our credit arrangements that may be unfavorable to us, including a potential increase to the interest rate we currently pay on outstanding debt under our credit arrangements, which could adversely affect our operating results. Fluctuations in currency exchange rates may adversely affect our financial results. Our earnings are affected by fluctuations in the value of the U. S. dollar as compared to foreign currencies, predominantly in European countries, Canada and Australia, as a result of the sale of our products in international markets. While we do enter into foreign exchange contracts to protect against such fluctuations to an extent (primarily in the U. K. market), we cannot assure you that we will be able to effectively manage these risks. Significant long-term fluctuations in relative currency values, such as a devaluation of the Euro against the U. S. dollar, could have an adverse effect on our future results of operations or financial condition. Risks related to investing in our common stock Because the price of our common stock may fluctuate significantly, it may be difficult for you to resell our common stock when desired or at attractive prices. The trading price of our common stock has and may continue to fluctuate. The closing prices of our common stock on the New York Stock Exchange during 2023-2024 ranged from \$ 164. 50 to \$ 228. 33 per share, and during 2023 from \$ 140. 27 to \$ 213. 25 per share, and during 2022 from \$ 109. 83 to \$ 159. 75 per share. Our stock price may fluctuate in response to the risk factors set forth herein and to a number of events and factors, such as quarterly variations in operating and financial results, litigation, changes in financial estimates and recommendations by securities analysts, the operating and stock performance of other companies that investors may deem comparable to us, news reports relating to us or trends in our industry or general economic conditions. The stock price volatility and trading volume may make it difficult for

you to resell your shares of our common stock when desired or at attractive prices. You may experience dilution of your ownership interests due to the future issuance of additional shares of our common stock. We may issue shares of our previously authorized and unissued securities, which will result in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue 20,000,000 shares of common stock. On December 31, ~~2023~~ **2024**, 12, ~~013,062~~ **481,868** shares of our common stock were issued and outstanding, and there were outstanding options and restricted stock awards totaling an additional ~~169,162~~ **840,820** shares of our common stock. We also have additional shares available for grant under our 2015 Incentive Stock Option Plan and our 2019 Equity Incentive Plan. Additional stock option or other compensation plans or amendments to existing plans for employees and directors may be adopted. Issuance of these shares of common stock may dilute the ownership interests of our then existing stockholders. We may also issue additional shares of our common stock in connection with the hiring of personnel, future acquisitions, such as the 1,700,000 shares issued as consideration for the acquisition of Bush Hog in 2009, future private placements of our securities for capital raising purposes, or for other business purposes. This would further dilute the interests of our existing stockholders. There is no assurance that we will continue declaring dividends or have the available cash to make dividend payments. On January 2, ~~2024~~ **2025**, the Board of Directors of the Company increased its quarterly dividend from \$ 0. ~~22-26~~ per share to \$ 0. ~~26-30~~ per share. Although we have paid a cash dividend in each quarter since becoming a public company in 1993, there can be no assurance that we will continue to declare dividends or that funds will continue to be available for this purpose in the future. The declaration and payment of dividends are restricted by the terms of our credit facility, are subject to the discretion of our Board of Directors, are not cumulative, and will depend upon our profitability, financial condition, capital needs, future prospects, and other factors deemed relevant by our Board of Directors. Provisions of our corporate documents may have anti-takeover effects that could prevent a change in control. Provisions of our charter, bylaws and Delaware law could make it more difficult for a third party to acquire us, even if doing so would be beneficial to our stockholders. These provisions include prohibiting stockholders from calling stockholder meetings and prohibiting stockholder actions by written consent. Our Certificate of Incorporation and Bylaws state that any amendment to certain provisions, including those provisions regarding limitations on action by written consent discussed above, be approved by the holders of at least two-thirds of our common stock. We are also afforded the protections of Section 203 of the Delaware General Corporation Law, which would prevent us from engaging in a business combination with a person who becomes a 15% or greater stockholder for a period of three years from the date such person acquired such status unless certain board or stockholder approvals were obtained. Future sales, or the possibility of future sales, of a substantial amount of our common stock may depress the price of the shares of our common stock. Future sales, or the availability for sale in the public market, of substantial amounts of our common stock could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities. If we or our existing stockholders sell substantial amounts of our common stock in the public market, or if there is a perception that these sales may occur, the market price of our common stock could decline. Certain stockholders own a significant amount of our common stock, and their interests may conflict with those of our other stockholders. As of December 31, ~~2023~~ **2024**, four investors- Henry Crown and Company, BlackRock, Inc., ~~Dimensional Fund Advisors LP, and~~ The Vanguard Group, **and Allspring Global Investments, LLC** - beneficially owned approximately ~~40-38~~ % of our outstanding common stock. As a result, the major stockholders combined could be able to significantly influence the direction of the Company, the election of our Board of Directors, and the outcome of any other matter requiring stockholder approval, including mergers, consolidations and the sale of all or substantially all of our assets, and together with other beneficially owned investors, to prevent or cause a change in control of the Company. Also, pursuant to contractual obligations, affiliates of Henry Crown and Company were entitled to certain rights with respect to the registration of the common stock owned by them under the Securities Act. Pursuant to such registration rights, on March 12, 2012, we filed a registration statement related to the common stock owned by such entities and such registration statement was declared effective by the SEC. The interests of the major stockholders may conflict with the interests of our other stockholders.