

## Risk Factors Comparison 2025-03-03 to 2024-02-23 Form: 10-K

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

Our business is subject to a variety of material risks about which we are aware **and** ~~We~~ could also be affected by additional risks and uncertainties not currently known to us or that we currently deem to be immaterial. This Risk Factors section discusses the material risks relating to our business activities, including **those** ~~business risks~~ affecting the transportation industry and our Company that are largely out of our control. If any of these risks or circumstances actually occur, it could materially harm our business, results of operations, financial condition, and cash flows; impair our ability to implement business plans or complete development activities as scheduled; and / or result in a decline in the market price of our common stock. **Risks Related to Significant Unusual Events.....** of operations will not be materially impacted. Risks Related to Cybersecurity, Data Privacy, and Information Technology We depend on our Information Technology (“ IT ”) systems **as well as software programs and applications provided by third parties**, and a systems failure, perceived or actual data privacy breach, or cybersecurity incident could have a material adverse effect on our business, results of operations, and financial condition. We depend on the proper functioning, availability, and security of our IT systems, including communications, data processing, financial, and operating systems, as well as proprietary software programs **and certain software applications provided by third parties** that are integral to the efficient operation of our business **operations. Such third parties may host, store, transmit data or have access by means of connected IT systems to information about our business, customers, employees, and vendors**. Our IT systems **and third- party applications that we utilize** are vulnerable to interruption by adverse weather conditions or natural disasters; power loss; telecommunications failures; terrorist attacks; internet failures and other disruptions to technology, including computer viruses ~~;~~ ~~and other events beyond our control, including~~ cybersecurity incidents such as denial of service, system failure, security breach, intentional or inadvertent acts by employees or vendors with access to our systems or data, phishing, disruption by malware, ~~or~~ attacks enabled by AI **, or other security or data breach; and other events beyond our control**. Any significant failure or other disruption in our critical IT systems that impacts the availability, reliability, speed, accuracy, or other proper functioning of these systems or that results in proprietary information or sensitive or confidential data, including personal information of customers, employees and others, being compromised could **have a significant impact on our business**, interrupt or delay our operations, damage our reputation, **cause result in** a loss of customers, cause errors or delays in financial reporting, result in violation of privacy laws, expose us to **potential** a risk of loss or litigation, and / or cause us to incur significant time and expense to remedy such an event ~~;~~ ~~any of which could have a material adverse effect on our business, results of operations, and financial condition~~. New or enhanced technology that we develop and implement may also be subject to cybersecurity attacks and may be more prone to related incidents ~~.~~ ~~We also utilize certain third- party software applications; provide underlying data to third parties; grant access to certain of our systems to third parties who provide certain services; and increasingly store and transmit data with our customers and third parties by means of connected IT systems, any of which may increase the risk of a data privacy breach or other cybersecurity incident. Any problems caused by or impacting these third parties, including cybersecurity attacks and security breaches at a vendor, could result in claims, litigation, losses and / or liabilities and materially adversely affect our ability to provide service to our customers and otherwise conduct our business.~~ A portion of our employee population operates under remote and hybrid work arrangements, which has increased demand for IT resources and our exposure to cybersecurity risks, including an increased risk of social engineering attempts **unauthorized access to proprietary information or sensitive or confidential data and cybersecurity incidents**, such as phishing ~~;~~ ~~unauthorized access to proprietary information or sensitive or confidential data, and other cybersecurity incidents~~. As AI capabilities improve and are increasingly adopted, we may see cybersecurity attacks perpetrated through AI **, including an increase in the speed, scale, and automation of such attacks**. While we maintain property and cyber insurance, losses arising from a significant disaster or cyber incident may exceed our insurance coverage and could have a material adverse impact on our results of operations and financial condition. Although we have implemented measures to mitigate our exposure to the heightened risks of cybersecurity incidents, we cannot be certain that such measures will be effective to prevent a cybersecurity incident from materializing. We have experienced incidents involving attempted denial of service attacks, malware attacks, and other events intended to disrupt information systems, wrongfully obtain valuable information, or cause other types of malicious events that could have resulted in harm to our business. To our knowledge, the various protections we have employed have been effective to date in identifying **such** these types of events at points when the impact on our business could be minimized. Despite our efforts to monitor and develop our IT networks and infrastructure, due to the increasing sophistication of cyber criminals and the development of new techniques for attack, we may be unable to anticipate, promptly detect, or timely implement adequate protective or remedial measures against cybersecurity attacks or recover use of our IT networks and infrastructure timely. We engage **Interruptions or failures in third parties- party systems, including licensed software, that we utilize** to provide ~~meet~~ certain IT needs, including licensed software, and the inability to maintain these third- party systems or licenses, or any interruptions or failures thereof, could adversely affect our business. Certain of our IT needs are provided or supported by third parties, and we have limited control over the operation, quality, or maintenance of services provided by our vendors or whether they will continue to provide services that are essential to our business. The IT systems and operations of our third- party service providers are vulnerable to interruption by ~~adverse weather conditions or natural disasters, power loss, telecommunications failures, terrorist attacks, internet failures, computer viruses, security breaches, and other events beyond our control~~ **, as previously described. We have limited control over the operation, quality, maintenance, or continued availability of services provided by our vendors that are essential to our business**. Disruptions or failures in the services

upon which our IT platforms rely, or in other third- party services upon which we rely to operate our business and report financial results, may adversely affect our operations ~~and or~~ the services we provide, **as well as** ~~Such disruptions or failures could increase our costs or result in a loss of customers that could have a material adverse effect on our results of operations and financial condition.~~ **We also** ~~Additionally, we~~ license a variety of software that provide critical support for our operations. There is no guarantee that we will be able to continue these licensing arrangements with the current licensors, or that we can replace the functions provided by these licenses, on commercially reasonable terms or at all. We rely on the suitability of the design and operating effectiveness of internal controls maintained by our third- party software providers and obtain related assurance reports from independent service auditors engaged by our third- party software providers for all in- scope systems. However, we cannot ensure that controls identified **and performed** by our third- party software providers are adequate to prevent, detect or correct misstatements in processing or reporting transactions, or to adequately limit or eliminate system or operational vulnerabilities. ~~214~~ **If** we are unable to timely and effectively develop and implement new or enhanced technology or processes, or if we fail to realize the potential benefits thereof, we may suffer competitive disadvantage, loss of customers, or other consequences that could negatively impact our business, results of operations, and financial condition. The industry has experienced, and will likely continue to experience, rapid changes in technology, including the development of new technology **;** the deployment of emerging technology, such as generative AI and machine learning **;** and enhancements in existing technology. With industry advancements in technology, our customers may find alternatives to our services to meet their freight transportation and logistics needs. New entrants to the market, including **technology- centric or technology- enabled** start- ups and emerging business models ~~which are often technology- centric or technology- enabled,~~ have also expanded the field of competition and ~~driven an~~ increased pressure for innovation in the industry. Technology and new market entrants may also disrupt the way we, and our competitors, operate to provide freight logistics services. We expect our customers will continue to demand more sophisticated technology- driven solutions from their suppliers, including advancements in processes, equipment, and facilities to **build automation and** address concerns over business efficiency, supply chain effectiveness, and climate change. To improve efficiencies and meet our customers' needs, we have made, and continue to make, significant investments in the enhancement of existing technology and in the development of new and innovative solutions, such as software and physical assets that are in various stages of development and implementation. **Our** ~~Among other initiatives, our~~ investments in technology **are include** Vaux™ and our equity investment in Phantom Auto, as further described in “ Technology ” within Part I, Item 1 (Business) of this Annual Report on Form 10- K. A number of factors **are will be** involved in determining proof of concept, and there can be no assurance that our technology implementations **;** including Vaux and remote- operated equipment, will be successful. ~~Furthermore, investments in start- up companies, by their nature, involve risk which may subject our investment to risk of loss.~~ **Our** ~~19~~ **Our** efforts and investments in technology innovation, **including the development, adoption and use of generative AI technologies,** may continue to require significant ongoing research and development ~~costs and~~ implementation costs and may involve new or unforeseen risks and challenges, including heightened risks for data and information security, privacy, protection, and copyright infringement and, in the case of generative AI, potential compliance gaps in an emerging but fragmented regulatory environment. The success of our approach to technology innovation depends on market acceptance of our solutions and ~~a number of~~ other factors, including our ability to: • deploy funds and resources for investment in technology and innovation; • achieve the right balance of strategic investments in existing or developing technology and innovation; • timely and effectively develop and implement new or enhanced technology, including integration into current operations and interaction with existing systems; • train our employees to operate the technology and / or achieve appropriate customer, carrier, **;** or other desired user adoption of the technology; • adequately anticipate challenges and respond to unforeseen challenges; • detect and remedy defects in enhanced or new technology; and • recover costs of investment through increased business levels, higher prices, improved efficiencies **;** or other means, such as licensing or disposing of the developed technology. **We are still in the early stages of developing and deploying generative AI, a process that is particularly complex. This complexity arises from the use of sensitive, proprietary, and confidential data that could be leaked, as well as the potential flaws in algorithms and models, which may include biases, errors, and limitations in handling certain data types or scenarios, ultimately affecting outputs**. If we do not pursue technological advances or engage in innovation **;** if we fail to successfully or timely develop and deploy enhanced or new technology **;** ~~or~~ **if any** enhanced or new technology does not yield the results we expect, or is developed by others **;** **or if the decisions are made by us or our customers based on flawed AI or model outputs**, we may be placed at a competitive disadvantage; lose customers; **be led to make decisions that could bias certain individuals or classes of individuals and adversely impact their rights;** incur higher than anticipated costs, including the possible impact of asset impairment or the write- off of software development costs; or fail to meet the goals of our internal growth strategy, any one of which could materially adversely impact our financial condition and results of operations. Risks Related to Our Business ~~The loss of or reduction in business from one or more large customers, or an overall reduction in our customer base, could have a material adverse effect on our business, results of operations, financial condition, and cash flows.~~ ~~We~~ ~~Although we~~ do not have a significant customer concentration. **However**, ~~the growth of~~ **our customer relationships are generally not subject to long- term contractual obligations** ~~our~~ **or minimum volume commitments, and we cannot ensure that our current customer relationships will continue at the same** business levels ~~could be materially impacted and our~~ **or at all.** ~~If~~ results of operations and cash flows would be adversely affected if we were to lose all or a portion of the business of some of our large customers ~~to~~. ~~Such loss may occur~~ **our competitors or** if our customers ~~choose were~~ to divert all or a portion of their business with us to our competitors; demand pricing concessions for our services **;** require us to provide enhanced services at lower prices **;** or develop their own shipping and distribution capabilities **;** ~~Our customer relationships are generally not subject to~~ **22** ~~long- term contractual obligations or~~ **our minimum volume commitments, and we cannot ensure that our current customer relationships will continue at the same** business levels **or at all,** **results of operations, and cash flows could be materially adversely impacted**. A reduction in our customer base or difficulty

in collecting, or the inability to collect, payments from our customers due to pricing changes in pricing, economic hardship, or other factors could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Our initiatives to grow our business operations or to manage our cost structure to business levels may take longer than anticipated or may not be successful. Developing our service offerings requires ongoing investment in personnel and infrastructure, including operating and management information systems. Depending upon the timing and level of revenues generated from our growth initiatives, the related results of operations and cash flows we anticipate from these initiatives and additional service offerings may not be achieved. ~~If we are unable to manage our growth effectively, our business, results of operations, and financial condition may be adversely affected.~~ Our growth plans place significant demands on our management and operating personnel, and we may not be able to hire, train, upskill, and retain the appropriate personnel to manage and grow these our services. We have incurred increased costs associated with long-term investment in the development of our owner-operator fleet and contract carrier capacity for our Asset-Light segment. As we focus on growing-market opportunities for our Asset-Light segment solutions, we may also encounter difficulties in adapting our corporate structure or in developing and maintaining effective partnerships among our operating segments, which could hinder our operational, financial, and strategic objectives. Furthermore, we may invest significant resources to 20to enter or expand our services in markets with established competitors and in which we will encounter new competitive challenges, and we may not be able to successfully gain market share, which could have an adverse effect on our operating results and financial condition. We also face challenges and risks in implementing initiatives to manage our cost structure to business levels or changing market demands, as portions of salaries, wages, and benefits are fixed in nature, and the adjustments that would otherwise be needed be necessary to align the labor cost structure to corresponding business levels are limited as we strive to maintain customer service quality. It is more difficult to match our staffing levels and purchased transportation resources to our business needs in periods of rapid or unexpected change, which we have experienced in recent years. We may, in the future, incur additional costs related to purchased transportation and / or experience labor inefficiencies in training new employees who are hired in response to growth. If such Such additional costs are could be disproportionate to our business levels and, they may adversely impact our operating results. A prolonged labor shortage or significant labor inefficiencies could have a material adverse effect on our results of operations, financial condition, and cash flows as a result of in lower levels of service, including timeliness, productivity and / or quality of service. We While we regularly evaluate and modify the network of our Asset-Based operations to reflect changes in customer demands and to reconcile the segment's infrastructure with tonnage and shipment levels and the proximity of customer freight, and there can be no assurance that any given network change will result in a material improvement in our Asset-Based segment's results of operations. We may be unsuccessful in realizing all or any part of the anticipated benefits of acquisitions within the expected time period or at all. The cost, integration, and performance of any such acquisition may adversely affect our business, results of operations, financial condition, and cash flows. We may be unable to generate sufficient revenue or earnings from the operations of MoLo, which we acquired on November 1, 2021, or any future acquired business, to offset our acquisition or investment costs, and the acquired business may otherwise fail to meet our operational or strategic expectations. Difficulties encountered in combining operations, including underestimation of the resources required to support an acquisition, could prevent us from realizing the full anticipated benefits, and within the anticipated timeframe, and could adversely impact our business, results of operations, and financial condition. If acquired operations fail to generate sufficient cash flows, we may incur impairments of goodwill, intangibles, and other assets in the future. The possible risks involved in acquisitions include, among others: • potential loss of customers, key employees, and third-party service providers; • difficulties synchronizing operations of the companies, including the integration of workforces, while continuing to provide consistent, high-quality service to customers; • unanticipated issues in the assimilation and consolidation of IT, communications, and other systems, including additional systems training and other labor inefficiencies; • potentially unacceptable qualification requirements for contract carriers or other third-party vendors; 23• potentially unfavorable, or adverse changes to, pre-existing contractual relationships; • delays in consolidation of corporate and administrative infrastructures; • difficulties and costs of synchronizing our policies, procedures, business culture, and benefits and compensation programs; • inability to apply and maintain our internal controls and comply with regulatory requirements; • difficulties related to additional or unanticipated regulatory and compliance issues; • adverse tax consequences associated with the acquisition; and • other unanticipated issues, expenses, and liabilities, including previously unknown liabilities, or legal proceedings which may arise, associated with the acquired business for which we have no, or are unable to secure, recourse under applicable indemnification or insurance provisions. We continue to evaluate acquisition candidates and may acquire assets and businesses that we believe complement our existing assets and business or enhance our service offerings. The complex and time-consuming processes of evaluating acquisitions and performing due diligence procedures include risks that may adversely impact the success of our selection of candidates, pricing of the transaction, and ability to integrate critical functional areas of the acquired business. Future acquisitions, if any, may require substantial capital or the incurrence of substantial indebtedness or may involve the dilutive issuance of equity securities, which may negatively impact our capitalization and financial position. Further, we may not be able to acquire businesses or assets in the future, or acquire them on terms favorable to us, even though we may have incurred expenses in evaluating and pursuing strategic transactions. Unsolicited 21Unsolicited takeover proposals, proxy contests and other proposals /or actions by activist investors may distract management and adversely affect our business and the market our stock price and lead to pronounced volatility in the price of our common stock. We could become subject to unfavorable advances by investor activists or receive unsolicited takeover proposals at an undervalued stock price. In the event that a third party makes an unsolicited takeover proposal or otherwise attempts to gain control of our Company, our review and consideration of such proposals may be a significant distraction for our management and may require us to expend significant time and resources away from our primary operations. Such proposals may disrupt our business by causing uncertainty among current and potential employees, customers, and other stakeholders, which could negatively impact our business, results of operations, and financial condition. Any

perceived uncertainties as to our future direction also may adversely affect the market price and lead to pronounced volatility in the price of our common stock. Damage to our corporate reputation may cause our business to suffer. Our business depends, in part, on our ability to maintain the image of our brands. Service, performance, and safety issues, whether actual or perceived, and whether as a result of our actions or those of our third- party service providers, could adversely impact our customers' image of our brands, including ArcBest, ABF Freight, Panther, MoLo, and U- Pack, and result in the loss of business or impede our growth initiatives. Adverse publicity regarding labor relations, legal matters, cybersecurity and data privacy concerns, social and sustainability issues, and similar matters, whether or not justified, could have a negative impact on our reputation and may result in the loss of customers and our inability to secure new customer relationships. Despite our efforts to adapt to and address these concerns ~~and concerns over AI impacting brand reputations~~, our efforts may be insufficient. Additionally, the implementation of initiatives, including our sustainability initiatives, may increase our costs. It is difficult to predict how our efforts with respect to sustainability matters will be evaluated by current and prospective investors or by our customers or business partners, and our industry may be generally disfavored by the investing community at large. Our business is increasingly dependent on the internet for attracting and securing customers, and the possibility that fraudulent behavior may confuse or deceive customers, including through use of AI, heightens the risk of damage to our reputation and increases the time and expense required to protect and maintain the integrity of our brands. With the increased use of social media outlets, adverse publicity, even when based upon incorrect information or false statements, can be disseminated quickly and broadly, making it increasingly difficult for us to effectively respond. Damage to our reputation and loss of brand equity could reduce demand for our services and, thus, have an adverse effect on our business, results of operations, financial condition, and the market price of our stock, as well as require additional resources to rebuild our reputation and restore the value of our brands. ~~24Our~~ **Our** corporate reputation and business depend on a variety of intellectual property rights, and the costs and resources expended to enforce or protect our rights or to defend against infringement claims could adversely impact our business, results of operations, and financial condition. We have registered or are pursuing registration of various marks and designs as trademarks in the United States, ~~including, but not limited to, "ArcBest," "ABF Freight," "Panther," "MoLo," "U- Pack," "Vaux," and "More Than Logistics."~~ For some marks, we also have registered or are pursuing registration in certain other countries. At times, competitors may adopt service or trade names, logos, or designs similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. We have obtained or are pursuing patent protection on internally developed and certain purchased technology, including equipment and process patents in connection with Vaux. Competitors or other third parties could attempt to reproduce or reverse-engineer our patented technologies, or we could be subject to third- party claims of infringement. Any of our intellectual property rights related to trademarks, trade secrets, domain names, copyrights, patents, or other intellectual property, whether owned or licensed, could be challenged ~~or, invalidated, or misappropriated~~, or infringed upon ~~by~~ third parties. Our efforts to obtain, enforce, or protect our proprietary rights, or to defend against third- party infringement claims, may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our corporate reputation, business, results of operations, and financial condition. **Ineffective internal controls could negatively impact our business, results of operations, and reputation. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal controls over financial reporting, even if effective, only provide reasonable, not absolute, assurance with respect to the preparation and fair presentation of financial statements and may not prevent or detect misstatements because of their inherent limitations, including the possibility of human error, failure or interruption of information technology systems, the circumvention or overriding of controls, or fraud. If we are unable to establish adequate internal controls or if our 22internal controls do not consistently operate as designed, our business, operating results, and reputation could be harmed, and we could fail to meet our financial reporting obligations.** Risks Related to Our Industry A nationwide or global disruption in the supply chain could increase volatility in freight volumes and materially impact our business. Our business may be materially impacted by the cyclical nature of the supply chain industry due to ~~and the related~~ changes in consumer spending ~~related to inflation and higher interest rates and,~~ **which impacts** more recently, due to disruption to two crucial trade corridors—the Panama Canal as a result of low rain levels and the Suez Canal as a result of geopolitical tensions in the Middle East, among other challenges affecting our industry **freight volumes**. ~~We~~ Although there have been recent signs of normalizing in the manufacturing capacity of original equipment manufacturers ("OEMs"), we have experienced, and may continue to experience, an inability to obtain, or delays in the delivery of, equipment necessary for operations, including tractors, trailers, and other equipment, as a result of manufacturing delays, supply chain disruptions, parts shortages, and equipment design changes due to upcoming federal and / or state emissions standards. The extent to which we are vulnerable to and may be negatively impacted by supply chain disruptions is uncertain and dependent upon the duration and severity of supply shortages **or decreased consumer demand,** as well as other factors beyond our control, ~~such as extreme weather events, natural disasters, cybersecurity breaches, geopolitical conflicts, or government shutdowns.~~ Supply chain disruptions have and may continue to have a significant impact on consumer prices ~~and~~ demand, and **create or exacerbate** bottlenecks in production, which may negatively impact our freight volume, operating costs, and ability to serve our customers. We operate in a highly competitive and fragmented industry, and our business could suffer if we are unable to adequately address factors that could affect our profitability, growth prospects, and ability to compete in the transportation and logistics market. We face significant competition in local, regional, national, and, to a lesser extent, international markets. We compete with ~~LTL carriers of varying sizes, including both~~ union and nonunion LTL carriers **of varying sizes** and, to a lesser extent, with truckload carriers and railroads. We also compete with domestic and global logistics service providers, including asset- light logistics companies, integrated logistics companies, and third- party freight brokers that compete in one or more segments of the transportation industry. Numerous factors could adversely impact our ability to compete effectively in the transportation and logistics industry, retain our existing customers, or attract new customers, ~~which could have a material adverse effect on our business, results of operations, financial condition, and cash flows.~~ The competitive

factors material to our business are the following:

- Our Asset- Based segment competes primarily with nonunion motor carriers who generally have a lower fringe benefit cost structure than union carriers for freight- handling and driving personnel and have greater operating flexibility because as they are subject to less- stringent labor work rules. Under its current collective bargaining agreement, ABF Freight continues to pay some of the highest benefit contribution rates in the industry, which continues to adversely impact the operating results of our Asset- Based segment relative to our competitors in the LTL industry.
- Some of our competitors periodically reduce their prices to gain business, especially during times of reduced growth rates in the economy, which limits our ability to maintain or increase prices. If customers select 25 transportation -- transportation service providers based on price alone rather than the total value offered, we may be unable to maintain our operating margins or to maintain or grow tonnage levels.
- Enhanced visibility of capacity options in the marketplace is increasing, and customers may seek bids from multiple carriers for their shipping needs, which may generally depress prices or result in the loss of some business to our competitors.
- In an excess capacity market, we may be unable to maintain the higher market- driven prices we obtained for our services in the tighter capacity environment, especially if there is a prolonged recessionary period in the freight environment as there was during 2023 and 2024. As Alternately, as market capacity tightens, customer demand may exceed available carrier capacity in the industry as experienced through the second half of 2022.
- Customers may reduce the number of carriers they use by selecting “ core carriers ” as approved transportation service providers, and in some instances, we may not be selected.
- Customers are increasingly focused on environmental concerns, including emissions, and may select transportation providers that are able to reduce emissions more readily or effectively through efficiency improvements to existing and emerging technologies, adoption of alternative fuels, or through carbon offsetting mechanisms.
- Shippers may choose to build their own logistics capabilities reducing or eliminating need for these services from our Asset- Based segment.

Additionally, as the retail industry continues its trend toward increases in e- commerce at an unprecedented rate, the manner in which our customers source or utilize our services will continue to evolve. If we are unable to successfully adapt and implement appropriate measures in response to these changes, our operating results could be adversely affected. Increased 23 Increased prices for, or decreases in the availability of, equipment, including new revenue equipment, as well as higher costs of related operating expenses, could adversely affect our results of operations and cash flows. In recent years, original equipment manufacturers (“ OEMs ”) have significantly raised the prices of equipment, including new revenue equipment, due to supply chain disruptions and other challenges beyond our control, including, but not limited to geopolitical conflicts ; and significant weather events, in addition to increased costs of materials and labor, above normal inflation levels ; ; and high interest rates, which impact equipment financing. Manufacturers have also raised prices, in part, to offset their costs of compliance with new tractor engine and emissions system design requirements intended to reduce emissions, which have been mandated by the EPA, the NHTSA, and various state agencies as described in “ Environmental and Other Government Regulations ” within Part I, Item 1 (Business) of this Annual Report on Form 10- K. GHG emissions regulations are likely to continue to impact the design and cost of equipment utilized in our operations as well as fuel costs. Additional state- mandated emission -- control requirements could increase equipment and fuel costs for entire fleets that operate in interstate commerce. If new equipment prices increase more than anticipated, we could incur higher depreciation and rental expenses than anticipated. Our third- party capacity providers, including owner- operators for portions of our Asset- Light segment operations, are also subject to increased regulations and higher equipment and fuel prices, which will, in turn, increase our costs for utilizing their services or may cause certain providers to exit the industry, which could lead to or exacerbate a capacity shortage and further increase our costs of securing third- party services. If we are unable to fully offset any such increases in expenses with freight rate increases and / or improved fuel economy, our results of operations could be adversely affected. We depend on suppliers for equipment, parts, and services that are critical to our operations, which may be difficult to procure in the event of decreased supply or other supply chain disruptions. From time to time, some OEMs of tractors and trailers may reduce their manufacturing output due to, for example, lower demand for their products in economic downturns or a shortage of component parts. For example, significant shortages of semiconductor chips, as experienced through the first half of 2023, and other component parts and supplies, including steel, have forced and may continue to force manufacturers to curtail or suspend their production, leading to a lower supply of tractors and trailers, higher prices, and lengthened trade cycles. Component suppliers may either reduce production or be unable to increase production to meet OEM demand, creating periodic difficulty for OEMs to react in a timely manner to increased demand for new equipment and / or increased demand for replacement components as economic conditions change. When market, as experienced through the first half of 2023 due to significant shortages of semiconductor chips, which forces forced result in demand outstripping manufacturers to curtail or suspend their production, leading to lower supply of tractors and trailers. we higher prices and lengthened trade cycles. We have and may continue to face reduced supply levels and / or increased acquisition costs for new tractors or trailers, as well as related parts and services, for our Asset- Based operations. Fuel shortages, which changes in fuel prices, or the inability to collect fuel surcharges, could have a material adverse effect on our business and growth initiatives, results of operations, financial condition, and cash flows. 26 Fuel shortages, changes in fuel prices, or the inability to collect fuel surcharges could have a material adverse effect on our business, results of operations, financial condition, and cash flows. The transportation industry is dependent upon the availability of adequate fuel supplies. A disruption in our fuel supply resulting from natural or man- made disasters; armed conflicts; terrorist attacks; actions by producers, including a decrease in drilling activity or the use of crude oil and oil reserves for purposes other than fuel production; legislation or regulations that require or result in new or alternate uses or other increases in the demand for fuel traditionally used by trucks; or other political, economic, and market factors that are beyond our control could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Fuel represents a significant operating expense for us, and we do not have any long- term fuel purchase contracts or any hedging arrangements to protect against fuel price increases. Fuel The supply and prices price of fuel fluctuate fluctuates greatly due to factors beyond our control, such as global supply and demand for crude oil and diesel, political events, legislation and regulation, military conflicts, price and

supply decisions by oil producing countries and cartels, terrorist activities, and hurricanes and other natural or man-made disasters. Significant increases in fuel prices or fuel taxes resulting from these or other economic or regulatory changes that are not offset by base freight rate increases or fuel surcharges **or a disruption in our fuel supply** could have **an a material** adverse impact on our results of operations. **We also** Additionally, we pay independent contractor drivers a fuel surcharge that increases with the increase in fuel prices **in our Asset- Light segment**. A significant increase or rapid fluctuation in fuel prices could cause the fuel surcharge we pay to independent contractors to be higher than the revenue we receive under our customer fuel surcharge programs, which could adversely impact **the our** results of operations **of our Asset- Light segment**. Our Asset- Based segment and certain operations of our Asset- Light segment assess a fuel surcharge based on an index of national diesel fuel prices. When fuel surcharges constitute a higher proportion of the total freight rate paid, our customers are less receptive to increases in base freight rates. Prolonged periods of inadequate base rate improvements could adversely impact operating results as elements of costs, including contractual wage rates, continue to increase. In periods of declining fuel prices, fuel surcharge percentages also decrease, which negatively impacts the total billed revenue per hundredweight or revenue per shipment measure and, consequently, our revenues, and the revenue decline may be disproportionate to the corresponding decline in our fuel costs, as experienced in 2023. **Risks 24Risks** Related to Employees and Benefits Difficulty attracting, retaining, and upskilling employees **throughout the Company**, or if ABF Freight is unable **'s inability** to reach agreement on future collective bargaining agreements, could result in labor inefficiencies, disruptions, stoppages, or delayed growth. **In During recent years,** we experienced, and continue to experience in certain markets, **we continue to experience** challenges with hiring an adequate number of qualified drivers, and freight handlers, and professional personnel to meet increases in demand due to numerous factors. **With Although** the **these hiring difficulties were tempered by** exception of the market disruption experienced in 2023 due to the shutdown of a large LTL competitor **in 2023**, the available pool of drivers has been declining in recent years **and may continue to decline**, which has caused and may in the future cause difficulty in retaining and hiring qualified drivers. Government regulations or **the adverse impact of certain** legislative actions that result in shortages of qualified drivers could also impact our ability to grow. The expansion of flexible work options **in recent years** triggered by the COVID-19 pandemic has also provided more employment opportunities for those in professional roles, including our IT roles, making attraction and retention more complex. If wage inflation continues for noncontractual professional roles, our labor costs will increase. If we encounter difficulty in attracting, retaining, and upskilling employees, including qualified drivers, freight handlers, and professional personnel, we could incur higher recruiting expenses or a loss of business, and our profitability and ability to grow could be adversely affected. **As A significant portion** of **the employees in** December 2023, approximately 82% of our Asset-Based segment **are**'s employees were covered under the 2023 ABF NMFA, the collective bargaining agreement **with between** **ABF Freight and** the IBT **that will remain in effect through June 30, 2028**. If we are unable to effectively manage our relationship with the IBT, we could be less effective in ongoing relations and future negotiations, which could lead to operational inefficiencies and increased operating costs. There can be no assurance that our future collective bargaining agreements will be renewed on terms favorable to us. The terms of any future collective bargaining agreements or the inability to agree on acceptable terms for the next contract period may also result in higher labor costs, insufficient operational flexibility, **which may increase our operating costs**, a work stoppage, the loss of customers, or other events that could have a material adverse effect on our business, **results of operations, financial condition, and cash flows**. We could also experience a loss of customers or a reduction in our potential share of business in the markets we serve if shippers limit their use of unionized freight transportation service providers because of the risk of work stoppages. We could be obligated to make additional significant contributions to multiemployer pension plans. ABF Freight contributes to multiemployer pension and health and welfare plans to provide benefits for its contractual employees. These multiemployer plans, established pursuant to the Taft-Hartley Act, are jointly **trusteed** and cover collectively bargained employees of multiple unrelated employers. Due to the inherent nature of multiemployer pension plans, there are risks associated with participation in these plans that differ from single **employer plans**. Assets received by the plans are not segregated by employer, and contributions made by one employer can be and are used to provide benefits to current and former employees of other employers. If a participating employer in a multiemployer pension plan no longer contributes to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. If a participating employer in a multiemployer pension plan completely withdraws from the plan, it owes to the plan its proportionate share of the plan's unfunded vested benefits, referred to as **a withdrawal liability**. A complete withdrawal generally occurs when the employer permanently ceases to have an obligation to contribute to the plan. Withdrawal liability is also owed in the event the employer withdraws from a plan in connection with a mass withdrawal, which generally occurs when all or substantially all employers withdraw from the plan in a relatively short period of time pursuant to an agreement. Were ABF Freight to completely withdraw from certain multiemployer pension plans, whether in connection with a mass withdrawal or otherwise, under current law, we would have material liabilities for our share of the unfunded vested liabilities of each such plan. The multiemployer pension plans to which ABF Freight contributes vary greatly in size and in funded status. ABF Freight's obligations to these plans are generally specified in the 2023 ABF NMFA and other related supplemental agreements, as further discussed in Note **K-J** to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K. These pension plans provide the best retirement benefits in the industry. However, when compared to competitors, ABF Freight pays some of the highest benefit contribution rates in the industry and continues to address the effect of the Asset- Based segment's wage and benefit cost structure on its operating results in discussions with the IBT. Through the term of its current collective bargaining agreement, ABF Freight's multiemployer pension obligations generally will be satisfied by making the specified contributions when due. Future contribution rates will be determined through the negotiation process for contract periods following the term of the current collective bargaining agreement. Certain legislative actions that became effective in recent years include provisions to improve funding for multiemployer pension plans, as further discussed in Note **K-J** to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

However, despite such legislative actions, we may still trigger withdrawal liability through, among **25**among other things, mergers and other fundamental corporate transactions and, as a result of operational changes, site closures and job losses. We continue to monitor the impact these legislative actions have on the funding status of the multiemployer pension plans to which ABF Freight contributes; however, we cannot determine with any certainty the minimum contributions that will be required under future collective bargaining agreements or the impact they will have on our results of operations and financial condition.

**Risks Related to Third Parties**We depend on services provided by third parties, and **could be adversely impacted by** increased costs or disruption of these services, and claims arising from these services, ~~could adversely affect our business, results of operations, financial condition, cash flows, and customer relationships~~. A reduction in the availability of rail services or services provided by third-party capacity providers to meet customer requirements; **higher prices, including fuel surcharges;** as well as higher utilization of third-party agents to maintain service levels in periods of tonnage growth or higher shipment levels, could increase purchased transportation costs which we may be unable to pass along to our customers. If a disruption or reduction in transportation services from our rail or other third-party service providers were to occur, we could be faced with business interruptions that could cause us to fail to meet the needs of our customers, which could result in loss of business or customer loyalty. In addition, third-party providers can be expected to increase their prices based on market conditions or to cover increases in **their** operating expenses. If we are unable to correspondingly increase the prices we charge to our customers, or if we are unable to secure sufficient third-party services to expand our capacity, add additional routes, or meet our commitments to our customers, there could be a material adverse impact on our operations, revenues, profitability and customer relationships. ~~28~~**Our** Our ability to secure the services of third-party service providers is affected by many risks beyond our control, including unfavorable pricing conditions; the shortage of quality third-party providers, including owner-operators and drivers of contracted carriers for our Asset-Light segment; shortages in available cargo capacity of third parties; equipment shortages in the transportation industry, particularly among contracted truckload carriers; changes in government regulations affecting the transportation industry and their related impact on operations, such as hours-of-service rules and the ELD mandate; labor disputes; or a significant interruption in service or stoppage in third-party transportation services. Each of these risks could have a material adverse effect on the operating results of our Asset-Light segment. In addition, we may be subject to claims arising from services provided by third parties, particularly in connection with the operations of our Asset-Light segment, which are dependent on third-party contract carriers. From time to time, the drivers who are owner-operators, independent contractors, or employees working for third-party carriers that we contract with are involved in accidents or incidents that may result in cargo loss or damage, other property damage, or serious personal injuries including death. As a result, claims may be asserted against us for actions by such drivers or for our actions in contracting with them initially or retaining them over time. We or our subsidiaries could be held directly responsible for these third-party claims and, regardless of ultimate liability, may incur significant costs and expenses in defending these claims or through settlements, even in cases where we believe we have meritorious claims or defenses. Our third-party contract carriers and other vendors may not agree to bear responsibility for such claims, or we may become responsible if they are unable to pay the claims, for example, due to bankruptcy proceedings, and such claims may exceed the amount of our insurance coverage or may not be covered by insurance at all. Our engagement of independent contractor drivers to provide a portion of the capacity for our Asset-Light segment exposes us to different risks than we face with our employee drivers, **which could have an adverse effect on our business**. The driver fleet for portions of our Asset-Light segment is made up of independent owner-operators and individuals. We face intense competition in attracting and retaining qualified owner-operators from the available pool of drivers and fleets, and we may be required to increase owner-operator compensation or take other measures to remain an attractive option for owner-operators, ~~which may negatively impact our results of operations~~. If we are not able to maintain our delivery schedules due to a shortage of drivers or if we are required to increase our rates to offset increases in owner-operator compensation, our services may be less competitive, ~~which could have an adverse effect on our business~~. Furthermore, as these independent owner-operators and individuals are third-party service providers, rather than our employees, they may decline loads of freight from time to time, which may impede our ability to deliver freight in a timely manner or result in increased expenses to do so. ~~If~~**26****If** the independent contractors with which we contract are deemed by regulators or judicial process to be employees, or if we experience operational or regulatory issues related to our use of these contract drivers, our financial condition, results of operations, and cash flows could be adversely affected. Class actions and other lawsuits have arisen in the transportation and logistics industry seeking to reclassify independent contractor drivers as employees for a variety of purposes, including workers' compensation, wage ~~and~~ hour, and health care coverage. Many states have enacted restrictive laws that make it difficult to successfully prove independent-contractor status, and all states have enforcement programs to evaluate the classification of independent contractors. In the event of such reclassification of our owner-operators, we could be exposed to various liabilities and additional costs, for both future and prior periods, under federal, state, and local tax laws, and workers' compensation, unemployment benefits, labor, and employment laws, as well as potential liability for penalties and interest and under vicarious liability principles.

**Risks Related to Legal and Regulatory Matters**We are subject to litigation risks, and at times may need to initiate litigation, which could result in significant costs and have other material adverse effects on our business, results of operations, and financial condition. The nature of our business exposes us to the potential for various claims and litigation, including class-action litigation and other legal proceedings brought by customers, suppliers, employees, or other parties, related to labor and employment, including wage and hour claims; competitive matters; personal injury; property damage; cargo claims; safety and contract compliance; environmental liability; and other matters, such as the matters (, if any ), described in Item 3 (Legal Proceedings) included in Part I of, or otherwise disclosed in, this Annual Report on Form 10-K. We are subject to risk and uncertainties related to liabilities, including damages, fines, penalties, and substantial legal and related costs, that may result from these claims and litigation. Some or all of our expenditures to defend, settle, or litigate these matters may not be covered by ~~29~~**insurance** ~~insurance~~ or could impact our cost of, and ability to obtain, insurance in the future. ~~Also, litigation~~

**Litigation** can be disruptive to normal business operations and could require a substantial amount of time and effort from our management team. Further, because of the potential risks, expenses, and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Any material litigation or a catastrophic accident or series of accidents could have a material adverse effect on our business, results of operations, and financial condition. Our business reputation and our relationship with our customers, suppliers, and employees may also be adversely impacted by our involvement in legal proceedings. We establish reserves based on our assessment of known legal matters and contingencies. New legal claims, or subsequent developments related to known legal claims, asserted against us may affect our assessment and estimates of our recorded legal reserves and may require us to make payments in excess of our reserves, which could have a material adverse effect on our financial condition or results of operations. Our business operations are subject to numerous governmental regulations in the transportation industry, and costs of compliance with, or liability for violations of, existing or future regulations could have a material adverse effect on our financial condition and results of operations. Various international, federal, state, and local agencies exercise broad regulatory powers over the transportation industry, such as those described in “Environmental and Other Government Regulations” within Part I, Item 1 (Business) of this Annual Report on Form 10-K. We could become subject to new or more restrictive regulations, and the costs to comply with such regulations could increase our operating expenses or otherwise have a material adverse effect on the results of our operations. Such regulations could also influence the demand for transportation services. Failure to comply with laws and regulations can result in penalties, revocation of our permits or licenses, or both civil and criminal actions against us. In addition to the potential **potentially harming** harm to our reputation and brands, the financial burdens resulting from such actions could have a material adverse effect on our financial condition and results of operations. Failures by us, or our contracted owner-operators and third-party carriers, to comply with the various applicable federal safety laws and regulations, or downgrades in our safety rating, among other things, could have a material adverse impact on our operations or financial condition, and could cause us to lose customers and our ability to self-insure. The loss of our ability to self-insure for any significant period of time could materially increase insurance costs, or we could experience difficulty in obtaining adequate levels of insurance coverage. Our Asset-Light segment utilizes third-party service providers who are subject to similar regulatory requirements. **If We could be materially adversely affected if** the operations of these providers are impacted **by regulatory actions** to the extent that a shortage of quality third-party service providers occurs, there could be a material adverse effect on the business and results of operations of our Asset-Light segment. Also, activities by these providers that violate applicable laws or regulations could result in governmental or third-party actions against us. Although third-party service providers with whom we contract agree to comply with applicable laws and regulations, we may not be aware of, and may therefore be unable to address or remedy, violations by them. We are also subject to stringent and changing privacy laws, regulations and standards as well as policies, contracts, and other obligations related to data privacy, including customer and employee data. As a provider of worldwide transportation and logistics services, we collect and process significant amounts of customer data on a daily basis. In recent years, there have been global efforts by governments and consumer groups for increased transparency in how customer data is utilized and how customers and employees can control the use and storage of their data. Complying with existing or new data protection laws and regulations may increase our compliance costs or require us to modify our data handling practices. Non-compliance could result in governmental or consumer actions against us and even perceived non-compliance may otherwise adversely impact our reputation, operating results and financial condition. The uncertainty of the interpretation and enforcement of these laws, and their increasing scope and complexity, create regulatory risks that will likely increase over time. Additionally, if third parties or others violate obligations and restrictions with respect to data privacy and security, such violations may also put our customers’ or employees’ information at risk and could in turn have a material and adverse effect on our business. Our operations are subject to various environmental laws and regulations, the violation of which could result in substantial fines or penalties. The costs of compliance with current and future environmental laws and regulations may be significant and could adversely impact our results of operations. We routinely transport or arrange for the transportation of hazardous materials and explosives. At certain facilities of our Asset-Based operations, we store fuel and oil in underground and aboveground tanks and other containers. In connection with these operations, we are subject to federal, state and local environmental laws and regulations relating to, among other areas: emission controls, transportation of hazardous materials, underground and aboveground storage tanks, stormwater pollution prevention, contingency planning for spills of petroleum products, and disposal of waste oil. We may be subject to substantial fines, civil penalties, or litigation if we fail to obtain proper certifications or permits or if we do not comply with required environmental inspections and, testing provisions, and consent decrees. Under certain environmental laws, we could be subject to strict liability for any clean-up costs relating to contamination at our past or present facilities, including those occurring prior to ownership or use of such facilities, and at third-party waste disposal sites. **We routinely transport or arrange for the transportation of hazardous materials and explosives. The transportation of hazardous materials or explosives also involves the risks of, among others, leakage, environmental damage, a spill or accident involving hazardous substances, and hazardous waste disposal**, as well as costs associated with the **environmental clean-up** of accidents involving our vehicles. The transportation of hazardous materials or explosives also involves the risks of, among others, fuel spillage from or our vehicles leakage, environmental damage, a spill or accident involving hazardous substances, and hazardous waste disposal. In addition, if any damage or injury occurs as a result of these operations, we may be subject to claims from third parties and bear liability for such damage or injury. Although we have instituted programs to monitor and control environmental risks and promote and maintain compliance with applicable environmental laws and regulations, violations of applicable laws or regulations may subject us to clean-up costs and liabilities not covered by insurance or in excess of our applicable insurance coverage, including substantial fines, civil penalties, or civil and criminal liability, as well as bans on making future shipments in particular geographic areas, any of which could adversely affect our business, results of operations, financial condition, and cash flows. Concern over climate change,

including the impact of global warming, has led to significant legislative and regulatory efforts to limit carbon and other GHG emissions, and some form of federal, state, and / or regional climate change legislation is possible in the future. Emission-related regulatory actions have historically resulted in increased costs of revenue equipment, diesel fuel, and equipment maintenance, and future legislation, if enacted, could impose substantial costs on us that may adversely impact our results of operations. Such regulatory actions may require changes in our operating practices, impair equipment productivity, or require additional reporting disclosures. Compliance with laws and regulations related to climate risk may also increase our exposure to litigation or governmental investigations or proceedings. We may also encounter difficulties in collecting and managing data that impact timely compliance or incur significant costs to comply with increased regulation regarding environmental monitoring and financial reporting disclosure requirements, including those ~~signed into law in October 2023 under California Senate Bill 253 Climate Corporate Data Accountability Act and California Senate Bill 261 Climate-Related Financial Risk Act,~~ as described in “ Environmental and Other Government Regulations ” within Part I, Item 1 (Business) of this Annual Report on Form 10- K. We are subject to increasing investor and customer sensitivity to sustainability issues, and we may be subject to additional requirements related to shareholder proposals, customer- led initiatives, or our customers’ efforts to comply with environmental programs. Until the timing, scope, and extent of any future regulation or customer requirements become known, we cannot predict their effect on our cost structure, business, or results of operations. ~~Risks-28~~**Risks** Related to Financial Considerations We are subject to interest rate risk and certain covenants under our financing arrangements. A default under these financing arrangements or changes in regulations could impact the availability of funds or our borrowing costs. We are affected by the instability in the financial and credit markets, which from time to time has created volatility in various interest rates and returns on invested assets. We are subject to market risk due to variable interest rates on ~~our~~ **our** borrowings on ~~the our~~ **the our** accounts receivable securitization program (“ A / R Securitization ”) and the revolving credit facility (“ Credit Facility ”) under our Fourth Amended and Restated Credit Agreement (the “ Credit Agreement ”). ~~Although we have an interest rate swap agreement to mitigate a portion of our interest rate risk by effectively converting \$ 50. 0 million of borrowings under our Credit Facility, of which \$ 50. 0 million remains outstanding at the end of February 2024, from variable- rate interest to fixed- rate interest, changes~~ **Changes** in interest rates may increase our financing costs related to **future borrowings under** our Credit Facility, future borrowings against our A / R Securitization, new notes payable or finance lease arrangements, or additional sources of financing. Interest rates are highly sensitive to many factors, including inflation, governmental monetary ~~31 policies~~ **policies**, domestic and international economic and political conditions and other factors beyond our control. Furthermore, future financial market disruptions may adversely affect our ability to refinance, maintain our letter of credit arrangements or, if needed, secure alternative sources of financing. If any of the financial institutions that have extended credit commitments to us are adversely affected by economic conditions, disruption to the capital and credit markets, or increased regulation, they may become unable to fund borrowings under their credit commitments or otherwise fulfill their obligations to us, which could have an adverse impact on our ability to borrow additional funds, and thus have an adverse effect on our operations and financial condition. See Note ~~FH~~ **H** to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10- K for further discussion of our financing arrangements. Our Credit Agreement and A / R Securitization contain customary financial ~~covenants~~ **covenants** and other ~~customary~~ **customary** restrictive covenants that may limit our future operations. Failing to achieve certain required financial ratios could adversely affect our ability to finance our operations, make strategic acquisitions or investments, or plan for or react to market conditions or otherwise execute our business strategies. If we default under the terms of the Credit Agreement or our A / R Securitization and fail to obtain appropriate amendments to or waivers under the applicable financing arrangement, ~~our~~ **any** borrowings under such facilities could be immediately declared due and payable. An event of default under either of these facilities could constitute automatic default on the other facility and could trigger cross- default provisions in our outstanding notes payable and other financing agreements unless the lenders to these facilities choose not to exercise remedies or to otherwise allow us to cure the default. If we fail to pay the amount due under our Credit Facility or A / R Securitization, the lender of the A / R Securitization could proceed against the collateral by which that facility is secured, our borrowing capacity may be limited, or one or both of the facilities could be terminated. If acceleration of outstanding borrowings occurs or if one or both of the facilities is terminated, we may have difficulty borrowing additional funds sufficient to refinance the accelerated debt or entering into new credit or debt arrangements, and, if available, the terms of the financing may not be favorable or acceptable. A default under the Credit Agreement or A / R Securitization, changes in regulations that impact the availability of funds or our borrowing costs, or our inability to renew our financing arrangements with terms that are acceptable to us, could have a material adverse effect on our liquidity and financial condition. Our business is capital intensive. If we are unable to generate sufficient cash from operations, our growth and profitability could be limited due to significant ongoing capital expenditure requirements. Our business requires significant capital expenditures, which we finance through various sources, including cash flows from operations, borrowings under our ~~revolving credit~~ **Credit facility Facility** or our accounts receivable ~~and A / R securitization~~ **Securitization** program, and notes payable. We continue to invest significantly in our revenue equipment fleet. If we are unable to generate sufficient cash over an extended period of time from operations to fund our capital requirements, we may have to limit our growth, including our ability to invest in technological initiatives that drive business efficiencies; utilize our existing liquidity or enter into additional financing arrangements, including leasing arrangements; or operate our revenue equipment for longer periods resulting in increased maintenance costs, any of which could negatively impact our financial condition and results of operations. Claims expenses, the cost of maintaining our insurance, or the loss of our ability to self- insure could have a material adverse effect on our results of operations and financial condition. Claims may be asserted against us for cargo loss or damage, property damage, personal injury, and workers’ compensation related to accidents or events occurring in our operations. Claims may also be asserted against us for accidents involving the operations of third- party service providers that we utilize, for our actions in retaining their services, ~~or~~ **or** for loss or ~~damage-29~~ **damage** to our customers’ goods or other damages for which we are alleged or may be determined to be responsible. Such claims against us

and associated costs and legal expenses may not be covered by insurance policies or may exceed the amount of insurance coverage or our established reserves. **Trends, which could adversely impact our results of operations, higher third- party casualty claims exposure, in recent years, have increased and financial condition may continue to increase our claims costs**. If the frequency and / or severity of claims increase, **as experienced in recent years**, our operating results could be adversely affected. The timing of the incurrence of these costs could significantly and adversely impact our operating results. We are primarily self- insured for workers' compensation, third- party casualty loss, and cargo loss and damage claims for the operations of our Asset- Based segment and certain of our other subsidiaries. We also self- insure for medical benefits for our eligible nonunion personnel. Because we self- insure for a significant portion of our claims exposure and related expenses, our insurance and claims expense may be volatile. If we lose our ability to self- insure for any significant period of time, insurance costs could materially increase, and we could experience difficulty in obtaining adequate levels of ~~32 insurance~~ **insurance** coverage. Our self- insurance program for third- party automobile casualty claims is conducted under a federal program administered by a government agency. If the government were to terminate the program or if we were to be excluded from the program, our insurance costs could increase. Additionally, if our third- party insurance carriers or underwriters leave the trucking / logistics sector, our insurance costs or collateral requirements could materially increase, or we could experience difficulties in finding insurance in excess of our self- insured retention limits. In recent years, many insurance companies have completely stopped offering coverage to trucking and logistics companies or have significantly reduced the amount of coverage they offer or have significantly raised premiums or retention levels as a result of increases in the severity of automobile liability claims and sharply higher costs of settlements and verdicts. Our insurance premiums, deductibles, and self- insurance retention levels, which are discussed in " Insurance " within Part I, Item 1 (Business) of this Annual Report on Form 10- K, have increased and could further increase in the future due to market conditions or if our claims experience worsens. The impact of climate change, including its effect on weather- related events which may disrupt our operations or damage our property and equipment, may increase our claims liabilities and the cost to obtain adequate insurance coverage for our business. If our insurance or claims expense increases, or if we decide to increase our insurance coverage in the future, and we are unable to offset any increase in expense with higher revenues, our earnings could be adversely affected. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial condition. We have programs in place with multiple surety companies for the issuance of unsecured surety bonds in support of our self- insurance program for workers' compensation and third- party casualty liability. Estimates made by the states and the surety companies of our future exposure for our self- insurance liabilities could influence the amount and cost of additional letters of credit and surety bonds required to support our self- insurance program, and we may be required to maintain secured surety bonds in the future, which could increase the amount of our cash equivalents and short- term investments restricted for use and unavailable for operational or capital requirements. Future impairment, if any, of our long- lived assets and our goodwill and intangible assets could adversely affect our ~~earnings~~ **financial condition and results of operations**. Long- lived assets, including operating right- of- use assets, are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Determination that certain long- lived assets are no longer needed for the strategic growth of our business may result in ~~significant~~ **impairment charges, such as those incurred during the fourth quarter of 2024 for revenue equipment and certain other long- lived assets which were determined to no longer be needed in our business, and those incurred in** third quarter of 2023 as certain long- lived operating right- of- use assets were made available for sublease. See Note C and Note ~~H-G~~ **H-G** to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10- K for further discussion of our lease- related impairment charges. Our goodwill and intangible assets are primarily associated with acquisitions in the Asset- Light segment. Our annual impairment evaluations for goodwill and indefinite- lived intangible assets in **2024, 2023, and 2022, and 2021** produced no indication of impairment of the recorded balances; however, there can be no assurance that an impairment will not occur in the future. Given the uncertainties regarding the economic environment, there can be no assurance that our estimates and assumptions made for purposes of impairment evaluations and accounting estimates will prove to be accurate. Significant declines in business levels or other changes in cash flow assumptions, or other factors that negatively impact the fair value of the operations of our reporting units, could result in impairment and noncash write- off of a significant portion of our long- lived assets, goodwill, and intangible assets, ~~which would have an adverse effect on our financial condition and results of operations~~. **Risks** ~~30~~ **Risks** Related to Other External Conditions **The widespread outbreak of an illness or disease or any other public health crisis, as well as regulatory measures implemented in response to such events, could negatively impact the health and safety of our employees and / or adversely affect our business, results of operations, financial condition, and cash flows**. We may, in the ~~Future~~ **future**, be negatively impacted by a **widespread outbreak of illness or disease, or any other public health crisis. The effects of an outbreak and future** measures intended to prevent the spread of a health epidemic, including regulatory measures and our efforts and costs incurred to comply with them, could negatively impact our **employees and** operational efficiency and that of our third- party capacity providers, as well as ~~our customers'~~ **our customers'** demand for our services. ~~Additionally, if a high number of our employees were to contract a virus, disease or illness or were quarantined, our operations and customer service levels and, consequently, our results of operations, could be adversely impacted~~. We do not have insurance coverage specific to losses resulting from a pandemic. ~~In the event of another pandemic or other public health crisis that adversely affects the U.S. and global economies, our results of operations, financial condition, and cash flows could be adversely impacted, and many~~ **Many** of the other risks discussed in this Risk Factors section may be heightened **by such an outbreak or health epidemic, including those impacted by U.S. and global economic outlook**. We, or the third parties who provide services for us, may be adversely affected by external events for which our business continuity plans may not adequately prepare us. **The External events, including, but not limited to, the** occurrence of ~~severe weather,~~ **severe weather,** natural disasters, health epidemics, **geopolitical conflicts,**

acts of war or terrorism, cybersecurity incidents, military conflicts (such as the Russia-Ukraine and Israel-Hamas wars and Red Sea crisis), and trade restrictions, and other adverse external events or conditions that impact us or our the operations of third parties who provide services for us could have the potential to significantly impact our ability to conduct business. Although we have business continuity plans in place, there is no guarantee that our plans have adequately addressed each known risk or every possible risk and can be successfully or timely implemented. We Even if we were to successfully implement our continuity plans, we may incur substantial expenses in the implementation of our business continuity plans, and there is no guarantee that our business, financial condition, and results of operations will not be materially impacted. We are subject to general economic factors and instability in financial and credit markets that are largely beyond our control. Our business is cyclical in nature and tends to reflect general economic conditions, which can be impacted by government actions, including changes in tax laws, suspension of government operations and imposition of trade tariffs. Our performance is affected by recessionary economic cycles, inflation, labor and supply shortages, downturns in customers' business cycles, and changes in their business practices, which may be impacted by factors such as higher inflation and interest rates. Our tonnage and shipment levels are directly affected by industrial production and manufacturing, distribution, residential and commercial construction, and consumer spending, in each case primarily in the North American-- American economy, and capacity in the trucking industry as well as our customers' inventory levels and freight profile characteristics. We are also subject to risks related to disruption of world markets that could affect shipments between countries and could adversely affect the volume of freight and related pricing in the markets we serve. Further changes to U. S. or international trade policy or other global trade impacts could result in increased cost for goods transported globally, which may lead to reduced consumer demand, or trading partners could limit trades with countries that impose anti-trade measures, which may lead to a lower volume of global economic trading activity. International security concerns, including the Russia-Ukraine and Israel-Hamas wars, Red Sea crisis, and other geopolitical tensions, and potential actions or retaliatory measures taken in respect thereof, could continue to have a material adverse effect on global trade and economic activity. Recessionary economic conditions may result in a general decline in demand for freight transportation and logistics services. The pricing environment generally becomes more competitive during periods of slow economic growth and economic recessions, which may adversely affect the profit margin for our services. If we are unable to respond timely and effectively to changes in the pricing environment or if our strategies for customer retention and margin optimization are unsuccessful, our business, financial condition, and results of operations could be adversely impacted. Our operations and the rates we obtain for our services may also be negatively impacted when economic conditions lead to a decrease in shipping demand, which, in turn, results in excess equipment capacity in the industry. In certain market conditions, we may have to accept more freight from freight brokers, where freight rates are typically lower, or we may be forced to incur more non-revenue miles to obtain loads. Conversely, during times of higher shipping demand, tight market capacity may negatively impact the service levels we are able to provide to our customers. Economic conditions could adversely affect our customers' business levels, the amount of transportation services they require, and their ability to pay for our services, which could negatively impact our working capital and our ability to satisfy our financial obligations and covenants of our financing arrangements. Customers encountering adverse economic conditions or facing credit issues could experience cash flow difficulties and, thus, represent a greater potential for payment delays or uncollectible accounts receivable, and, as a result, we may be required to increase our allowances for uncollectible accounts receivable. Our obligation to pay third-party service providers is not contingent upon payment from our customers, and we extend unsecured credit to these customers, which increases our exposure to uncollectible receivables. Inflation and high interest rates may adversely affect us by increasing costs beyond what we can recover through price increases. Inflation in the United States was at its highest level in 40 years by the end of June 2022 and has remained above normal and historical levels throughout 2023 and into 2024. Significant inflation can adversely impact our financial condition by increasing interest rates and the cost of equipment. Most of our operating expenses are sensitive to increases in inflation, including fuel, insurance, employee wages and benefits, purchased transportation, and depreciation due to higher equipment prices. Further, inflation may generally increase costs for materials, supplies, services, and capital. In a highly inflationary environment, we may be unable to secure adequate price increases for our services to offset the increases in our operating costs, which could reduce our operating margins. Additionally higher inflation and interest rates could impact consumer demand, which could adversely affect our financial condition and operating results as tonnage and shipment levels decrease. Our business and results of operations could be impacted by seasonal fluctuations, adverse weather conditions, natural disasters, and climate change. Our operations are, and may in the future be, impacted by seasonal fluctuations and, at times, inclement weather conditions that affect employee working conditions, tonnage and shipment levels, demand for our services, and operating costs, which in turn may impact our revenues and operating results, as further described in "Seasonality" within Part I, Item 1 (Business) of this Annual Report on Form 10-K. Climate change may have an influence on the severity of weather conditions. Severe weather events and natural disasters could disrupt our operations or the operations of our customers or third-party service providers, damage existing infrastructure, destroy our assets, affect regional economies, or disrupt fuel supplies or increase fuel costs, any of which could adversely affect our business levels and operating results. 34