

## Risk Factors Comparison 2024-02-28 to 2023-03-01 Form: 10-K

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The following risks are considered material to our business, operating results and financial condition based upon current knowledge, information and assumptions. This discussion of risk factors should be considered closely in conjunction with Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and the accompanying notes thereto included in Part II, Item 8 of this Annual Report on Form 10-K. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us, or that we presently deem less significant, may also impair our business, operating results and financial condition. If any of the following risks actually occur, our business, operating results and financial condition could be materially adversely affected. The order of these risk factors does not reflect their relative importance or likelihood of occurrence. Some of these risks and uncertainties could affect particular lines of business, while others could affect all of our businesses. We, except as required by law, undertake no obligation to update or revise this risk factors discussion, whether as a result of new developments or otherwise. Economic and Industry Risks Downturns in the general economy or decreases in government infrastructure spending or commercial and residential construction spending may adversely affect our revenues and operating results. General economic downturns, including downturns in government infrastructure spending and the commercial and residential construction industries, could result in a material decrease in our revenues and operating results. Sales of our products are sensitive to the specific locations and regional economies in which they are sold in general, and in particular, changes in commercial construction spending and government infrastructure spending. In addition, many of our costs are fixed and cannot be quickly reduced in response to decreased demand. Several factors, including the following, could cause a downturn in the commercial and residential construction industries in which we operate: • a decrease in the availability of funds for construction; • declining economy domestically and internationally; • labor disputes in the construction industry causing work stoppages; • rising gas and oil prices; • rising steel prices and steel surcharges; • rising interest rates; • energy or building materials shortages; • natural disasters and inclement weather; **and • changes in regulations; • availability of credit for customers ; • geopolitical conflicts; and • general economic and political uncertainty**. A decrease or delay in government funding of highway construction and maintenance may cause our revenues and profits to decrease. Many of our customers depend on government funding of highway construction and maintenance and other infrastructure projects. Historically, much of the U. S. highway infrastructure market has been driven by government spending programs, and federal government funding of infrastructure projects has typically been accomplished through bills that establish funding over a multi- year period. For example, the U. S. government funds highway and road improvements through the Federal Highway Trust Fund Program. This program provides funding to improve the nation's roadway system. In November 2021, the U. S. government enacted the Infrastructure Investment and Jobs Act ("IIJA"). The IIJA allocates \$ 548 billion in government spending to new infrastructure over the five- year period concluding in 2026, with certain amounts specifically allocated to fund highway and bridge projects. Governmental funding that is committed or earmarked for federal highway projects is always subject to political decision making that may result in repeal or reduction. Congress could pass legislation in future sessions that would allow for the diversion of previously appropriated highway funds for other national purposes, or it could restrict funding of infrastructure projects unless states comply with certain federal policies. **Furthermore, the presidential and congressional elections in November 2024 could alter legislative priorities and have a material impact on government funding of infrastructure projects.** The cyclical nature of our industry and the ~~customization~~ **product mix** of the equipment we sell may cause adverse fluctuations to our revenues and operating results. We sell equipment primarily to contractors whose demand for equipment depends greatly upon the volume of road or utility construction projects underway or to be scheduled by both government and private entities. The volume and frequency of road and utility construction projects are cyclical; therefore, demand for many of our products is cyclical. The equipment we sell is durable and typically lasts for several years, which also contributes to the cyclical nature of the demand for our products. As a result, we may experience cyclical fluctuations to our revenues and operating results. Any difficulty in managing our manufacturing workflow during downturns in demand could adversely affect our financial results. Changes in interest rates **and the lack of credit and third- party financing arrangements for our customers** could reduce demand for our products. **Throughout** ~~Prior to 2022~~ **and 2023**, global interest rates **increased substantially from historically low levels, which** had ~~facilitated been at or near historic lows resulting in historically low financing costs for construction projects.~~ **Periods of** ~~Beginning in 2022, interest rates have increased substantially and are expected to continue to increase. Rising~~ **rising** interest rates could have a dampening effect on overall economic activity and / or the financial condition of our customers, either or both of which could negatively affect customer demand for our products, **and customers' ability to repay obligations to us. An** ~~increase in interest rates could also make it more difficult for customers to cost- effectively~~ **secure financing to** fund the purchase of new equipment **or our customers' ability to repay obligations to us. Our customers' inability to secure financing for projects on attractive terms could result in the delay, cancellation or downsizing of new purchases** which could adversely affect our sales. Market Conditions Competition could reduce revenue from our products and services and cause us to lose market share, and our ability to compete in international jurisdictions is dependent upon trade policies, which are subject to change. We currently face strong competition in product performance, price and service. Some of our domestic and international competitors have greater financial, product development and marketing resources than we have. If competition in our industry intensifies or if our current competitors enhance their products or lower their prices for competing products, we may lose sales or be required to lower the prices we charge for our products. This may reduce revenue from our products and

services, lower our gross margins or cause us to lose market share. In addition to the general competitive challenges we face, international trade policies could negatively affect the demand for our products and services and reduce our competitive position in such markets. In addition, unfavorable currency fluctuations could result in our products and services being more expensive than local competitors. The implementation of more restrictive trade policies, such as higher tariffs, duties or charges, in countries where we operate could negatively impact our business, results of operations and financial condition. Our operations in foreign countries, and continued expansion into additional international markets, could expose us to risks inherent in doing business outside of the United States. In 2022-2023, international sales represented approximately 20-19.4-0% of our total sales as compared to 23-20.1-4% in 2021-2022. We plan to continue increasing our already significant sales and production efforts in international markets. Both the sales from international operations and export sales are subject in varying degrees to risks inherent in doing business outside of the United States. Such risks include the possibility of unfavorable circumstances arising from host country laws or regulations and general economic and political conditions in the countries we do business, which are typically more volatile than the U. S. economy and more vulnerable to geo-political/geopolitical conditions. In addition, the U. S. Government has established and, from time to time, revises sanctions that restrict or prohibit U. S. companies and their subsidiaries from doing business with certain foreign countries, entities and individuals. Doing business internationally also subjects us to numerous U. S. and foreign laws and regulations, including regulations relating to anti-bribery, privacy regulations and anti-boycott provisions. We incur meaningful costs complying with these laws and regulations. The continued expansion of our international operations could increase the risk of violations of these laws in the future. Significant violations of these laws, or allegations of such violations, could harm our reputation, disrupt our business and result in significant fines and penalties that could have a material adverse effect on our results of operations or financial condition. Our ability to understand our customers' specific preferences and requirements, and to develop, manufacture and market products that meet customer demand as we expand into additional international markets, could significantly affect our business results. Our ability to match new product offerings to diverse global customers' anticipated preferences for different types and sizes of equipment and various equipment features and functionality, at affordable prices, is critical to our success. This requires a thorough understanding of our existing and potential customers on a global basis, particularly in Europe, Asia, Africa, the Middle East and Africa, and Latin America. Failure to deliver quality products that meet customer needs at competitive prices ahead of competitors could have a significant adverse effect on our business. Our international sales and associated operating results are subject to currency exchange risk. We are exposed to risk as a result of fluctuations in foreign currency exchange rates from transactions involving foreign operations and currencies. We derive significant revenue, earnings and cash flow from operations outside of the U. S., where business operations are transacted in local currencies. Our exposure to currency exchange rate fluctuations results primarily from the translation exposure associated with the preparation of our consolidated financial statements, as well as from transaction exposure associated with transactions and assets and liabilities denominated in currencies other than the respective subsidiaries' functional currencies. While our consolidated financial statements are reported in U. S. dollars, the financial statements of our international subsidiaries are prepared using their respective functional currency and translated into U. S. dollars by applying appropriate exchange rates. As a result, fluctuations in the exchange rate of the U. S. dollar relative to the local currencies could cause significant fluctuations in the value of our assets and liabilities, equity and operating results. Additionally, our international sales involve some level of export from the U. S., either of components or completed products. Policies and geopolitical events affecting exchange rates could adversely affect the demand for construction equipment in many areas of the world. Further, any strengthening of the U. S. dollar or any other currency of a country in which we manufacture our products (e.g. the Brazilian real and the South African rand) and / or any weakening of local currencies can increase the cost of our products in foreign markets. Irrespective of any effect on the overall demand for construction equipment, the effect of these changes can make our products less competitive relative to local producing competitors or other non-U. S. competitors and, in extreme cases, can result in our products not being cost-effective for customers. As a result, our international sales and profit margins could decline.

**us to recruit and retain top-level talent across our organization. We believe our employees and experienced leadership group are competitive advantages, as the best people, over time, produce the best results. Our ability to attract and retain qualified engineers, skilled manufacturing personnel and other professionals, either through direct hiring or acquisition of other businesses employing such professionals, will also be an important factor in determining our future success. The shrinking availability of qualified talent in these areas is a significant challenge in retaining and attracting sufficiently qualified personnel to enable us to meet customer demand efficiently resulting in longer lead times to convert backlog to revenue and materially and adversely** impacting our margins. If we are unable to attract the most talented candidates, and cannot retain and engage additional highly qualified managerial, technical, manufacturing, and sales and marketing personnel by investing in their talent and personal development, our operational and financial performances could continue to suffer. In addition, disputes with labor unions could potentially affect our ability to operate our facilities as well as our financial results. Any strike, work stoppage or other dispute with a labor union could materially adversely affect our business, results of operations and financial condition. Failure to retain our key personnel or attract additional key personnel as required and the impact of our recent leadership changes may adversely impact our ability to implement our business plan and our results of operations could be materially and adversely affected. We depend to a large extent on the abilities and continued participation of our executive officers and other key employees. We believe that as our activities increase and change in character, additional experienced personnel will be required to implement our One ASTEC business model. Competition for such personnel is intense, and we cannot assure that they will be available when required, or that we will have the ability to attract and retain them. The loss of any of these individuals or an inability to attract, retain and maintain additional personnel could prevent us from implementing our business strategy. There is no assurance that we will be able to retain our existing management personnel or to attract additional qualified personnel when needed. Furthermore, we have had recent leadership changes and transitions involving our senior leadership team, including

our Chief Executive Officer, Group Presidents of both of our Infrastructure Solutions and Materials Solutions segments and General Counsel, as previously announced. Such leadership changes can be inherently difficult to manage, and an inadequate transition may cause disruption to our business, including to our relationships with our customers, suppliers, vendors and employees. It may also make it more difficult for us to hire and retain key employees. In addition, any failure to ensure the effective transfer of knowledge and a smooth transition could hinder our strategic planning, execution and future performance. Our business operations are dependent upon the ability of our new employees to learn their new roles. In connection with the **transition of recent leadership changes noted above and our strategic initiatives - business operations and implementation of the OneASTECC business model**, we have replaced, redirected or hired many employees in key functions, including in important management roles, **and otherwise hired key personnel**. Any significant management change involves inherent risk and any failure to ensure the effective transfer of knowledge and a smooth transition could hinder our strategic planning, execution and future performance. As new employees gain experience in their roles, we could experience inefficiencies or a lack of business continuity due to loss of historical knowledge and a lack of familiarity of new employees with business processes, operating requirements, policies and procedures, some of which are new, and key information technologies and related infrastructure used in our day-to-day operations and financial reporting. We may also experience additional costs as these new employees learn their roles and gain necessary experience. It is important to our success that these new employees quickly adapt to and excel in their new roles. If they are unable to do so, our business and financial results could be materially adversely affected. In addition, if we were to lose the services of any one or more key employees, whether due to death, disability or termination of employment, our ability to successfully operate our business segments, financial plans, marketing and other objectives could be significantly impaired. **Failure to retain our key personnel or attract additional key personnel as required and the impact of our recent leadership changes may adversely impact our ability to implement our business plan and our results of operations could be materially and adversely affected. We depend to a large extent on the abilities and continued participation of our executive officers and other key employees. We believe that as our activities increase and change in character, additional, experienced personnel will be required to implement our OneASTECC business model. Competition for such personnel is intense, and we cannot assure that they will be available when required, or that we will have the ability to attract and retain them. The loss of services of any one or more of these individuals may have a material and adverse effect on our Company and our business prospects. Furthermore, we have had recent leadership changes and transitions involving our senior leadership team, including our CEO, as previously announced. Such leadership changes can be inherently difficult to manage, and an inadequate transition may cause disruption to our business, including to our relationships with our customers, suppliers, vendors and employees. It may also make it more difficult for us to hire and retain key employees. In addition, any failure to ensure the effective transfer of knowledge and a smooth transition could hinder our strategic planning, execution and future performance.**

**Legal, Regulatory and Compliance Risks** We are subject to an ongoing risk of product liability claims and other litigation arising in the ordinary course of business. We manufacture heavy machinery, which is used by our customers at excavation and construction sites, ports and inland terminals and on high-traffic roads. Any defect in or improper operation of our equipment can result in personal injury and death, and damage to or destruction of property, any of which could cause product liability claims to be filed against us. The amount and scope of our insurance coverage may not be adequate to cover all losses or liabilities we may incur in the event of a product liability claim. We may not be able to maintain insurance of the types or at the levels we deem necessary or adequate or at rates we consider reasonable. A successful claim brought against us in excess of available insurance coverage or a requirement to participate in a product recall may have a material adverse effect on our business. ~~In addition, insurance coverage is increasingly expensive, contains more stringent terms and may be difficult to obtain in the future.~~ We are subject to significant governmental regulation and if we fail to comply with such regulation or if we become subject to increased regulation, we may incur significant costs related to penalties, remedial measures or increased compliance requirements. We are subject to **various risks related to conducting business domestically and internationally which encompass** a wide range of government regulations, including but not limited to: the U.S. Foreign Corrupt Practices Act, other anti-corruption laws, regulations administered by U.S. Customs and Border Protection, the U.S. Department of Commerce's Bureau of Industry and Security, the U.S. Department of Treasury's Office of Foreign Assets Control and various non-U.S. government entities, including applicable import and export control regulations and customs requirements, imposition by the U.S. and foreign governments of additional taxes, tariffs, economic sanctions on countries, entities or **and other** persons, **customs requirements** embargoes, or other restrictions on trade, currency exchange regulations and transfer pricing regulations. We are also subject to potential adverse changes or increased uncertainty relating to the political, social, religious and economic stability of the countries in which we do business or transact with, and their diplomatic relations with the U.S. Accordingly, we are at risk to comply with complex international laws and regulations that may change unexpectedly, differ or conflict with laws in other countries in which we conduct business. While we maintain compliance programs to help ensure compliance with such regulations, there is no assurance that we will be effective in complying with all such regulations. Failure to comply with such regulations could subject us to criminal and civil penalties, disgorgement and other sanctions, remedial measures, legal expenses and reputational damage, all of which could have an adverse impact on our business, financial condition, results of operations and liquidity. In addition, certain of our equipment is subject to rules limiting emissions and other climate related rules and regulation. **In addition, Several** of our products contain components that must comply with environmental, health and safety laws or regulations, including performance standards, promulgated by the **EPA Environmental Protection Agency** and other state regulatory agencies. These performance standards may change or become more stringent in the future. In addition, we may become subject to additional legislation, regulations or accords regarding climate change, and compliance with any new rules could be difficult and costly as a result of increased energy, environmental, and other costs and capital expenditures to comply with any such legislation, regulation or accord. Changes in these requirements could also cause us to undertake costly measures to redesign or modify our equipment

or otherwise adversely affect the manufacturing processes of our products. Such changes could also impact operations of our suppliers and customers. In addition, we may incur material costs or liabilities in connection with other regulatory requirements applicable to our business, including, for example, state regulation of our component equipment, the accuracy of weights and measures and the maximum weight transportable on highways and roads. Environmental, Social and Governance risks could adversely affect our reputation and shareholder, employee, customer and third party relationships and may negatively affect our stock price. As a public company, we face increased public and investor scrutiny related to Environmental, Social and Governance (“ESG”) activities. We risk damage to our brand and reputation if we fail to act responsibly or meet any commitments that we may set in a number of areas, such as diversity, equity and inclusion, environmental stewardship, including with respect to climate change, human capital management, support for our local communities, corporate governance and transparency, or fail to consider ESG factors in our business operations. Additionally, investors and shareholder advocates are placing ever increasing emphasis on how corporations address ESG issues in their business strategy when making investment decisions and when developing their investment theses and proxy recommendations. Furthermore, In 2023, many of our peers have more resources to devote to first Corporate Sustainability Report, which includes information about our ESG activities and may result in increased investor, media and employee attention to such initiatives. If our and may be further ahead than we are on their ESG efforts. We may incur meaningful costs with respect to our ESG efforts and if such efforts are negatively perceived, our reputation and stock price may suffer. Moreover, Manufacturing and Operations Risks Our profitability may be negatively affected by changes in the availability and price of certain parts, components compliance with applicable laws and regulations raw materials. We require access to various parts, components and raw materials at competitive prices in order to manufacture our products. Changes in the availability and price of these parts, components and raw materials (including steel) have changed significantly and rapidly at times. The availability and price of such items are affected by factors like demand, changes to international trade policies that may result in additional tariffs, duties or other ESG charges, freight costs, global pandemics,.... resulting from fire, earthquake, weather - related objectives may require us to make additional capital events (such as tornadoes, hurricanes, flooding and other storms), an act of terrorism or any other cause could damage a significant portion of our inventory and could materially impair our ability to distribute our products to customers. Moreover, we could incur significantly higher costs and longer lead times associated with distributing our products to our customers during the time that may it takes for us to reopen or replace a damaged facility. If any of these events were to occur, our financial condition, operating results and cash flows could be materially adversely affected. In addition, general weather patterns affect our operating results throughout the year, with adverse weather historically reducing construction activity in the first and fourth quarters in the U. S., our largest market. An increase of adverse weather events, including as a result of climate change, could generally reduce or delay construction activity, which could adversely impact our revenues. The emergence of the COVID-19 pandemic has significantly impacted our operations. Throughout 2020, our operations were adversely affected by significantly weakened demand for our products given the global economic uncertainty resulting from the pandemic. While demand for our products has recovered, our operations continue to be adversely affected by the contributory effects of the pandemic, including supply chain disruptions, higher supply costs, including, in particular, higher steel costs, and labor shortages, disruptions and higher labor costs and longer contracting times. Future pandemics other than COVID-19 could further impact our operations and might have a material adverse effect on our its earnings, liquidity, financial condition, cash flows and results of operations. There is no certainty that current or future measures taken by governmental authorities will be sufficient to mitigate the risks posed by the coronavirus or other viruses, and our or ability to perform critical functions could be,.... indebtedness, could prevent us from remaining competitive and, ultimately, could adversely affect,.... strongest assets. Our strong culture positions - position us to recruit and retain top-.... maximum weight transportable on highways and roads. We are subject to a variety of legal proceedings, the outcome of which may be unfavorable to us. From time to time, we may be involved in various legal proceedings and subject to government investigations. We are unable to predict when claims or matters will arise and the extent to which they will affect our business, and the international nature of our business exposes us to legal and regulatory matters that arise in foreign jurisdictions as well. We could incur significant expenses to administer and defend such matters, and any judgments or fines imposed on us could significantly impact our financial condition. Our business may be adversely impacted by the outcome of legal proceedings and other contingencies that cannot be predicted with certainty. We estimate loss contingencies and establish reserves based on our assessment where liability is deemed probable and reasonably estimable given the facts and circumstances known to us at a particular point in time. Subsequent developments may affect our assessment and estimates of the loss contingencies recognized as liabilities. These matters could also significantly divert the attention of our management. If we are unable to protect our proprietary technology from infringement or if our technology infringes technology owned by others, then the demand for our products may decrease or we may be forced to modify our products, which could increase our costs. We hold numerous patents covering technology and applications related to many of our products and systems, as well as numerous trademarks and trade names registered with the U. S. Patent and Trademark Office and in foreign countries. Our existing or future patents or trademarks may not adequately protect us against infringements, and pending patent or trademark applications may not result in issued patents or trademarks. Our patents, registered trademarks and patent applications, if any, may not be upheld if challenged, and competitors may develop similar or superior methods or products outside the protection of our patents. This could reduce demand for our products and materially decrease our revenues. We may need to spend significant resources monitoring and enforcing our intellectual property rights and we may not be aware of or able to detect or prove infringement by third parties. Our ability to enforce our intellectual property rights is subject to litigation risks, as well as uncertainty as to the protection and enforceability of those rights in some countries. If we seek to enforce our intellectual property rights, we may be subject to claims that those rights are invalid or unenforceable, and others may seek counterclaims against us, which could have a negative impact on our business. In

**addition, changes in intellectual property laws or their interpretation may impact our ability to protect and assert our intellectual property rights, increase costs and uncertainties in the prosecution of patent applications and enforcement or defense of issued patents, and diminish the value of our intellectual property. If we do not protect and enforce our intellectual property rights successfully, or if they are circumvented, invalidated or rendered obsolete by the rapid pace of technological change, it could have an adverse impact on our competitive position and our operating results.**

**Additionally, if** our products are deemed to infringe upon the patents or proprietary rights of others, we could be required to modify the design of our products, change the name of our products or obtain a license for the use of some of the technologies used in our products. ~~We may be unable to do any of the foregoing in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do so could cause us to incur additional costs or lose revenues.~~ Information Technology and Cybersecurity Risks Our operations may be adversely affected by any disruption in our information technology systems. Our operations are dependent upon our information technology systems, which encompass all of our major business functions. We rely upon our information technology systems to run critical functions, including accounting and financial information systems, process receivables, manage and replenish inventory, fill and ship customer orders on a timely basis and coordinate our sales activities across all products and services. A substantial disruption in our information technology systems for any prolonged time period could result in problems and delays in generating critical financial and operational information, processing receivables, receiving inventory and supplies and filling customer orders. These disruptions could adversely affect our operations as well as our customer service and relationships. Our systems, or those of our significant customers or suppliers, might be damaged or interrupted by natural or man-made events or by computer viruses, physical or electronic break-ins or similar disruptions affecting the global Internet. In addition, we rely on a number of third-party service providers to execute certain business processes and maintain certain information technology systems and infrastructure, and any breach of security or disruption in their systems could impair our ability to operate effectively. Such disruptions, delays, problems or associated costs relating to our systems or those of our significant customers, suppliers or third-party providers could have a material adverse effect on our operations, operating results and financial condition. Security breaches and other disruptions to our information technology infrastructure amid a general worldwide increase in threats and more sophisticated and targeted cybercrime could compromise our and our customers' and suppliers' information, **exposing which could expose us to liability and damage our reputation**. In the ordinary course of business, we rely upon information technology networks and systems to process, transmit and store electronic information and to manage or support a variety of business functions, including supply chain, manufacturing, distribution, invoicing and collection of payments. We use information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, we collect and store sensitive data, including intellectual property, proprietary business information and the proprietary business information of customers and suppliers, as well as personally identifiable information of customers and employees, in data centers and on information technology networks. The secure operation of these networks and the processing and maintenance of this information is critical to our business operations and strategy. ~~We~~ **Despite our efforts to protect our systems and confidential information, we have experienced cybercrime in the past and may, while we believe that we have adopted appropriate measures and procedures to mitigate potential risks to our systems from information technology-related disruptions, it is possible that a cybersecurity attack could be vulnerable successful in breaching the measures and procedures designed to material-protect our systems. In such an event, we could potentially be subject to production downtimes, operational delays, other detrimental impacts on our operations or ability to provide products and services to our customers, the compromising of confidential or otherwise protected information, misappropriation, destruction or corruption of data,** security breaches, **theft misappropriation of corporate funds**, misplaced, lost or corrupted data, programming errors, employee errors and / or malfeasance or other **manipulation** disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. The occurrence of any of these events could compromise our **or improper use of our systems or** networks, and the information stored there could be accessed, publicly disclosed, modified, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, ~~disrupted operations~~ **financial losses from remedial actions**, ~~production downtimes~~ **loss of business or potential liability and / or damage to our reputation, any of which could have an a material adverse effect on our business, financial condition, results of operations and cash flows**. While we have not experienced any material losses relating to cybercrime or other information security breaches to date, there can be no assurance that we will not suffer such significant losses in the future. **Moreover, as the cybersecurity landscape continues to evolve, the costs associated with our cybersecurity measures and procedures may increase significantly. While we maintain cyber risk insurance, in the event of a significant security or data breach, this insurance may not cover all of the losses that we may suffer and may result in increased cost or impact the future availability of coverage**. We may not be able to successfully implement our strategic transformation initiatives, including our new enterprise resource planning system. We have launched a multi-year phased implementation of a standardized ~~enterprise resource planning~~ ("ERP") system across our global organization, which will replace our existing disparate core financial systems. The upgraded ERP will convert our internal operations, manufacturing, finance, human capital resources management and customer relationship systems to cloud-based platforms. This new ERP system will provide for standardized processes and integrated technology solutions that enable us to better leverage automation and process efficiency, transforming how we connect people, products and processes to operate as OneASTECC. An implementation of this scale is a major financial undertaking and has, and will continue to, require substantial time and attention of management and key employees. We may not be able to successfully implement our ERP system without delays related to resource constraints or challenges with the critical design phases of the implementation. Inefficiencies in our financial reporting processes due to the conversion to our new ERP

could adversely affect our ability to produce accurate financial statements on a timely basis until the new ERP and processes have matured. **Furthermore, we may incur higher than anticipated costs in connection with our ERP implementation, which could adversely impact our results of operations and financial condition.** Additionally, the effectiveness of our internal control over financial reporting could be adversely affected if the new ERP is not successfully implemented.