

Risk Factors Comparison 2024-11-20 to 2023-11-29 Form: 10-K

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

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the following risks and uncertainties, together with all of the other information contained in this Annual Report on Form 10-K, or this Annual Report, including our Consolidated Financial Statements and related notes included elsewhere in this Annual Report, before making an investment decision. The occurrence of any of the following risks, or additional risks not presently known to us or that we currently believe to be immaterial, could materially and adversely affect our business, financial condition, results of operations and prospects. In such case, the trading price of our Class A common stock could decline, and you may lose all or part of your investment. **Summary Risk Factors** The risks described below include, but are not limited to, the following:

- demand for our products is significantly influenced by general economic conditions and trends in consumer spending on outdoor living and home exteriors, and adverse trends in, among other things, inflation, interest rates, the health of the economy, repair and remodel and new construction activity, industrial production and institutional funding constraints;
- risks related to shortages in supply, price increases or deviations in the quality of raw materials;
- we compete against other manufacturers of (i) engineered and composite products; and (ii) products made from wood, metal and other traditional materials;
- our ability to maintain product quality and product performance at an acceptable cost, and potential exposures resulting from our product warranties;
- the seasonal nature of certain of our products and the impact that changes in weather conditions, channel inventory recalibrations and product mix may have on our sales;
- our ability to develop new and improved products and effectively manage the introduction of new products;
- our ability to effectively manage changes in our manufacturing process resulting from the growth and expansion of our business and operations, including, **without limitation,** with respect to new manufacturing facilities, cost savings and integration initiatives and the introduction of new products;
- risks related to our ability to accurately predict demand for our products and risks related to our ability to maintain our relationships with key distributors or other customers;
- our ability to retain management;
- risks related to acquisitions, divestitures or joint ventures we may pursue;
- our ability to ensure that our products comply with local building codes and ordinances;
- **risks arising from the material weaknesses we have identified in our internal control over financial reporting and any failure to remediate these material weaknesses, as well as risks relating to** our ability to maintain an effective system of internal controls and produce timely and accurate financial statements or comply with applicable regulations;
- our ability to protect our intellectual property rights;
- risk of disruption or failure of our technology systems or failure to successfully implement new technology effectively;
- cybersecurity risks and risks arising from new regulations governing information security and privacy;
- risks associated with our indebtedness and debt service.
- our reliance on dividends, distributions and other payments from our subsidiaries to meet our obligations; and
- certain provisions in our certificate of incorporation and our bylaws that may delay or prevent a change of control.

Risks Relating to Our Business and Industry Demand for our products is significantly influenced by general economic conditions and trends in consumer spending on outdoor living and home exteriors, and adverse trends in, among other things, inflation, interest rates, the health of the economy, repair and remodel and new construction activity, industrial production, consumer confidence and discretionary spending and institutional funding constraints could have a material adverse effect on our business. Demand for our products is significantly influenced by a number of economic factors affecting our customers, including distributors, dealers, contractors, architects, builders, homeowners and institutional and commercial consumers. Demand for our products depends on the level of residential and commercial improvement and renovation and new construction activity, and, in particular, the amount of spending on outdoor living spaces and home exteriors. Home and commercial renovation and improvement and new construction activity are affected by, among other things, interest rates, consumer confidence and spending habits, demographic trends, housing affordability levels, unemployment rates, institutional funding constraints, industrial production levels, tariffs, actual inflation levels and uncertainty with respect to future inflation levels, **recession possibility** and general economic conditions. Demand for products in our Residential segment depends primarily on the level of repair and remodel activity and, to a lesser extent, new construction activity, which are in turn impacted by interest rates and inflation. The ~~recent and continued~~ combination of high interest rates and high inflation **have in recent years has** reduced the affordability of mortgages and increased the cost of home improvement projects. These trends have likely resulted in reduced levels of repair and remodel as well as new construction activity and demand for our products, and, **while inflation levels have moderated in recent months,** we expect these trends may continue for the foreseeable future. In addition, the residential repair and remodel market depends in part on home equity financing, and accordingly, the level of equity in homes will affect consumers' ability to obtain a home equity line of credit and engage in renovations that would result in purchases of our products. While home prices and equity levels of current homeowners **have** remained strong **throughout fiscal 2024,** ~~higher~~ **elevated** interest rates could cause home prices to decrease and a weakness or reduction in home prices may result in a decreased demand for our residential products. We cannot predict if or when interest rates or inflation levels will decline or, **once they have declined, if they will remain low, or** the impact that any such decline may have on home prices, repair and remodel activity, new construction activity, demand for our products, our business generally or our financial condition. ~~Many of our residential products are impacted by consumer demand for, and spending on,~~ **outdoor living spaces and home exteriors. For example, sales of our decking and railing products depend on lifestyle and architectural trends and the extent to which consumers prioritize spending to enhance outdoor living spaces for their homes. While we believe consumer preferences have increased spending on outdoor living and home exteriors in recent years, the level of spending could decrease in the future, including as a result of high interest rates and inflation levels and potential decreases in**

~~home prices as discussed above. Decreased spending on outdoor living spaces and home exteriors generally or as a percentage of repair and remodel activity may decrease demand for our outdoor living products.~~ Demand for our products in our Commercial segment is primarily affected by the level of commercial and governmental construction and renovation activity. The levels of commercial and governmental construction and renovation activity are affected by the levels of interest rates, availability of financing for commercial and industrial projects, the general business environment and the availability of governmental funding. Sales of products by our Commercial segment have included sales for use in institutions, such as universities and schools, and in federal, state and local government buildings, which depend on federal, state and local funding for construction and renovation projects. Sales to institutions that depend on public funding are affected by factors that may impose constraints on funding availability for construction and renovation projects, including **, without limitation,** increased operational costs, budget cuts by federal, state and local governments, including as a result of lower than anticipated tax revenues, increased limitations on federal spending or government shutdowns. Sales to commercial establishments depend on, among other things, general levels of industrial production and business growth and the performance of the various **markets sectors** in which our commercial end customers operate. Adverse trends in any of the foregoing factors could reduce our sales and have a material adverse effect on our business, financial condition and results of operations. Such factors could also alter the balance of our Residential and Commercial sales or the balance of our product sales within either such segment. In light of differing margins, changes in the relative amount and type of residential and commercial industrial activity or the mix of products sold may have an impact on our business and cause our revenues and profitability to fluctuate from period to period. Shortages and disruptions in supply, price increases or deviations in the quality of the raw materials used to manufacture our products could adversely affect our sales and operating results. The primary raw materials used in our products are various petrochemical resins, including polyethylene, polypropylene and PVC resins, reclaimed polyethylene and PVC material, waste wood fiber and aluminum. We also utilize other additives including modifiers, TiO₂, and pigments. Our contracts with key suppliers are typically short term in nature, with terms generally ranging from one to three years. While we do not rely on any single supplier for the majority of our raw materials, we do obtain certain raw materials from single or a limited number of suppliers. In particular, we rely on a single supplier for certain critical capped compounds used in our decking and railing products. We do not currently have arrangements in place for a redundant or second- source supply for those compounds. In the past, we have experienced disruptions and delays in our supply chain causing us to seek alternate suppliers for certain raw materials, and we may need to do so again in the future. Alternate suppliers may be more expensive, may encounter delays in shipments to us or may be unavailable, which would adversely affect our business, financial condition and results of operations. In the event of an industry- wide general shortage of our raw materials, a shortage affecting or discontinuation in providing any such raw materials by one or more of our suppliers or a supplier's declaration of force majeure, we may not be able to arrange for alternative sources of such materials on a timely basis **or,** on equally favorable terms **or at all**. In recent years, we have increased the use of reclaimed polyethylene **and,** PVC **and aluminum** material in our products and we have also increased our production across our facilities. As we increase our use of such materials and introduce new materials into our manufacturing processes, we may be unable to obtain adequate quantities of such **new** raw materials in a timely manner **, on favorable terms or at all**. Any such shortage may materially adversely affect our production process as well as our competitive position as compared to companies that are able to source their raw materials more reliably or at lower cost. In addition, increases in the market prices of raw materials used in the manufacture of our products could adversely affect our operating results as prices of our raw materials directly impact our cost of sales. The cost of some of the raw materials we use in the manufacture of our products is subject to significant price volatility and other drivers often outside of our control. For example, the cost of petrochemical resins used in our manufacturing processes has historically varied significantly and has been affected by changes in supply and demand and in the price of crude oil. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, floods and other climatic events, could disrupt our supply chain, and cause our suppliers to incur significant costs in preparing for or responding to these effects. In the past, we have faced price volatility for some of our raw materials as a result of extreme weather events and weather- related disruptions, particularly in the southern part of the United States where a significant portion of our raw materials are produced. To the extent such extreme weather events continue in the future or increase in frequency or severity, we may ~~continue to~~ face increased and / or unpredictable costs for our raw materials. Global economic uncertainty or conflict between or within nation states have also historically impacted global supply chains and raw material prices. For example, crude oil prices have fluctuated considerably in recent years, in large part due to the ongoing conflict between Russia and Ukraine. The ~~recent escalation between Israel and Hamas~~ **ongoing conflict in the Middle East** may also have an impact on energy and commodity prices and on our raw materials and freight costs. We are unable to predict the impact that future supply and demand balances, weather events or conflicts may have on the global economy, our industry or our business, financial condition, results of operations or cash flows. We have not entered into hedges of our raw material costs, and our supply contracts with our major vendors generally do not contain obligations to sell raw materials to us at a fixed price. We seek to mitigate the effects of increases in raw material costs by broadening our supplier base, increasing our use of recycled material and scrap, reducing waste and exploring options for material substitution and by increasing prices, however, we may not be able to recover the increases through corresponding increases in the prices of our products or the other mitigating actions noted above. Even if we are able to implement mitigating actions and / or increase prices over time, we may not be able to take such action or increase prices as rapidly as our costs increase. If we are unable to, or experience a delay in our ability to, recover such increases in our costs, our gross profit will suffer. In addition, increases in the price of our products to compensate for increased costs of raw materials may reduce demand for our products and adversely affect our competitive position as compared to products made of other materials, such as wood and metal, that are not affected by changes in the price of resins and some of the other raw materials that we use in the manufacture of our products. We are dependent upon the ability of our suppliers to consistently provide raw materials that meet our specifications, quality standards

and other applicable criteria. Our suppliers' failure to provide raw materials that meet such criteria could adversely affect production schedules and our product quality, which in turn could materially adversely affect our business, financial condition and results of operations. We operate in a competitive business environment. If we are unable to compete effectively, our sales would suffer and our business, financial condition and operating results would be adversely affected. We operate in a competitive business environment, and we compete with multiple companies with respect to each of our products. While we have longstanding business relationships with many of our distributors, dealers and contractors, we generally do not have long-term contracts with these customers. Accordingly, any failure to compete effectively, including as a result of the various factors described below, could cause our customers to cease purchasing our products or rapidly decrease our sales. Our residential products compete primarily with wood products that comprise the majority of decking, railing, trim and related market sales. We also compete with metal products and with engineered products sold by other companies. Products made by Scranton Products compete with bathroom partitions, lockers and storage solutions sold at a wide range of prices and manufactured using a variety of materials. Our ability to grow relies in part on the continued conversion in demand from traditional wood products to our engineered products, and our business could suffer if this conversion does not continue, or reverses, in the future. A number of suppliers of wood and wood composite decking, railing and trim products have established relationships with contractors, builders and large home improvement retailers, and, to compete successfully, we must expand and strengthen our relationships with those parties. We must also compete successfully with products from other manufacturers that offer alternatives to wood and wood composite products, including by developing competitive new products and by responding successfully to new products introduced, and pricing actions, including price reductions, and other competitive actions taken, by competitors. Some of our competitors have financial, production, marketing and other resources that are significantly greater than ours. Consolidation by industry participants could further result in them having increased their resources and result in competitors with expanded market share, larger customer bases, greater diversified product offerings and greater technological and marketing expertise, which may allow impact our ability to compete against them to compete more effectively against us. Moreover, our competitors may develop products that are superior to our products (on a price-to-value basis or otherwise) or may adapt more quickly to new technologies or evolving customer requirements. Technological advances by our competitors may lead to new manufacturing techniques and make it more difficult for us to compete. If we are unable to compete successfully it could have a material adverse effect on our business, financial condition and results of operations. Our business could be adversely affected if we fail to maintain product quality and product performance at an acceptable cost or if we incur significant losses, increased costs or harm to our reputation or brand as a result of product liability claims or product recalls. In order to maintain and increase our net sales and sustain profitable operations we must produce high-quality products at acceptable manufacturing costs and yields. If we are unable to maintain the quality and performance of our products at acceptable costs, our brand, the market acceptance of our products and our results of operations would suffer. As we regularly modify and expand our product lines, including through the introduction of new products, and introduce changes to our manufacturing processes or incorporate new raw materials, we may encounter unanticipated issues with product quality or production delays. For example, we have disclosed our goal to continue to increase the proportions of recycled materials, primarily reclaimed polyethylene and PVC, into our products. While we engage in product testing in an effort to identify and address any product quality issues before we introduce products to market, unanticipated product quality or performance issues may be identified after a product has been introduced and sold. In addition, we face the risk of exposure to product liability or other claims, including class action lawsuits, in the event our products are, or are alleged to be, defective or have resulted in harm to persons or to property. We may in the future incur significant liabilities if product liability lawsuits against us are successful. We may also have to recall and / or replace defective products, which would also result in adverse publicity and loss of sales, and would result in us incurring costs connected with the recall, which could be material. Any losses not covered by insurance could have a material adverse effect on our business, financial condition and results of operations. Real or perceived quality issues, including, but not limited to, those arising in connection with product liability lawsuits, warranty claims or recalls, could also result in adverse publicity, which could harm our brand and reputation and cause our sales to decline rapidly. In addition, any such issues may be seized on by competitors in efforts to compete against us increase their market share. We provide product warranties and, if our product warranty obligations were significantly in excess of our reserves, our business, financial condition and results of operations could be materially and adversely affected. We provide various warranties on our products, ranging from five years to lifetime warranties depending on the product and subject to various limitations. Management estimates warranty reserves, based in part upon on factors such as historical warranty costs and short- and long-term warranty trends by product line, as a proportion of sales by product line. Management also considers various relevant factors, including, but not limited to, our stated warranty policies and procedures, as part of the evaluation of our warranty liability. Because warranty issues may surface later in the life cycle of a product, management continues to review these estimates on a regular basis and considers adjustments to these estimates based on actual experience compared to historical estimates. Estimating the required warranty reserves requires a high level of judgment, especially as many of our products are at a relatively early stage in their product life cycles, and we cannot be sure that our warranty reserves will be adequate for all warranty claims that arise. We also regularly modify our product lines and introduce changes to our manufacturing processes or incorporate new raw materials. While we perform extensive testing in connection with new products and formulations, changes Changes in our products may result in unanticipated product quality or performance issues and an increase in warranty claims for certain of our products. Material warranty obligations, including, but not limited to, those in excess of our reserves, could have a material adverse effect on our business, financial condition and results of operations. Our quarterly operating results may fluctuate as a result of seasonality, changes in weather conditions, inventory recalibration in our channel and changes in product mix. We have typically experienced moderately higher levels of sales of our residential products in the second fiscal quarter of the year as a result of our "early buy" sales and extended payment terms typically available during that quarter. As a result of

these extended payment terms, our accounts receivable have typically reached seasonal peaks at the end of the second fiscal quarter of the year, and our net cash provided by operating activities has typically been lower in that quarter relative to other quarters. Our sales are also generally impacted by the number of days in a quarter or a year that contractors and other professionals are able to install our products. We have generally experienced lower levels of sales of residential products during the first fiscal quarter due to adverse weather conditions in certain **markets geographic areas**, which typically reduce the construction and renovation activity during the winter season. ~~Although our products can be installed year-round, unusually adverse weather conditions can negatively impact the timing of the sales of certain of our products, causing reduced sales and negatively impacting profitability when such conditions exist. Our residential products are generally purchased shortly before installation and used in outdoor environments. As a result, there is a correlation between the number of products we sell and weather conditions during the time they are to be installed.~~ Adverse weather conditions, including the increased occurrence or strength of extreme weather events caused by climate change or otherwise, may interfere with ordinary construction, delay projects or lead to cessation of construction involving our products. ~~Prolonged adverse weather conditions could significantly reduce our sales in one or more periods.~~ These conditions may shift sales to subsequent reporting periods or decrease overall sales, given the limited outdoor construction season in many locations. In addition, we have experienced higher levels of sales of our engineered bathroom partition products and our locker products during the second half of our fiscal year, which includes the summer months during which schools are typically closed and therefore more likely to be undergoing remodel activities. These factors can cause our operating results to fluctuate on a quarterly basis. Our operating results may also fluctuate due to changes in the quantity and type of inventory held from time to time in our distribution channel by our distributors and dealers, especially during periods of increased economic volatility and uncertainty. Demand signals and inventory recalibration decisions across our channel can become magnified as they move up the channel to us, potentially resulting in larger demand fluctuations for us than we are able to forecast. Such fluctuations can result in us having to increase or decrease our manufacturing output quickly, and we cannot be sure that we would be able to respond to such fluctuations at the appropriate time or in the appropriate manner, and our short-term results of operations may be negatively impacted. In addition, changes in the mix of products sold can affect our operating results. We sell products at different prices, composed of different materials and involving varying levels of manufacturing complexity. Changes in the mix of products sold from period to period may affect our average selling price, cost of sales and gross margins. If we fail to develop new and improved products successfully, or if we fail to effectively manage the introduction of new products, our business will suffer. Our continued success depends on our ability to predict the products that will be demanded by our customers and consumers, such as homeowners or commercial or industrial purchasers, and to continue to innovate and introduce improved products in our existing product lines and products in new product categories. We may not be successful in anticipating these needs or preferences or in developing new and improved products. **We must also be able to respond successfully to technological advances, including, but not limited to, artificial intelligence and machine learning, which may become critical in interpreting consumer preferences in the future.** If we do not respond effectively to changing market trends, demands and preferences and to actions by competitors by introducing competitive new products, our business, financial condition and results of operations would suffer. Even if we do introduce new products, consumers may not choose our new products over existing products. In addition, competitors could introduce new or improved products that would replace or reduce demand for our products or develop proprietary changes in manufacturing technologies that may render our products obsolete or too expensive to compete effectively. In addition, when we introduce new products, we must effectively anticipate and manage the effect of new product introductions on sales of our existing products. If new products displace sales of existing products more broadly or rapidly than anticipated, we may have excess inventory of existing products and be required to reduce prices on existing products, which could adversely affect our results of operations. As we continue to introduce new products at varying price points to broaden our product offerings to compete with products made with wood or other traditional materials across a wide range of prices, our overall gross margins may vary from period to period as a result of changes in product mix. Moreover, we may introduce new products with initially lower gross margins with the expectation that the gross margins associated with those products may improve over time as we improve our manufacturing efficiency for those products, and our results of operations would be adversely affected if we are unable to realize the anticipated improvements. In the past we have devoted, and in the future we expect to continue to devote, significant resources to developing new products. However, we cannot be sure that we will successfully complete the development and testing of new products and be able to release the products when anticipated or at all. From time to time, we may make investments in the development of products we ultimately determine not to release resulting in write-downs of inventory and related assets. Our business would suffer if we do not effectively manage our manufacturing processes, including, **without limitation,** adjusting production to meet demand, integrating new manufacturing facilities, achieving cost-savings initiatives and successfully introducing new technologies and products. We continually review our manufacturing operations in an effort to achieve increased manufacturing efficiencies, to integrate new technologies and to address changes in our product lines and in **market** demand. Periodic manufacturing integrations, realignments and cost-savings programs and other changes have adversely affected, and could in the future adversely affect, our operating efficiency and results of operations during the periods in which such programs are being implemented. Such programs may include the addition of manufacturing lines and the consolidation, integration and upgrading of facilities, functions, systems and procedures, including the introduction of new manufacturing technologies and product innovations. These programs involve substantial planning, often require capital investments, and may result in charges for fixed asset impairments or obsolescence and substantial severance costs. Our ability to achieve cost savings or other benefits within the time frames we anticipate is subject to many estimates and assumptions, a number of which are subject to significant economic, competitive and other uncertainties. For example, we have made substantial investments to expand our recycling capabilities and to increase the use of reclaimed materials in our manufacturing processes. While we anticipate that enhancing these capabilities will ultimately decrease our costs, the introduction of these capabilities has required

significant initial investment, and we cannot be certain we will realize the benefits of this initiative when anticipated or at all. If these investments and other changes are not effectively integrated into our manufacturing processes, we may suffer from production delays, lower efficiency and manufacturing yields, increased costs and reduced net sales. We also face risks in starting up new manufacturing facilities, including with respect to expanding our overall production capacity as well as moving production to such new facilities, that could increase costs, divert management attention and reduce our operating results. For example, in 2022 we opened a new manufacturing facility in Boise, Idaho. The establishment and operation of that facility, and any capacity expansion project, involves significant risks and challenges, including, but not limited to, design and construction delays and cost overruns. There can be no assurance that our Boise facility will contribute the incremental production capacity that we anticipated and in a manner suitable to our goals or that any other expansion project will be operational on the timeline or contribute the incremental production capacity **or fulfill such other purpose** that we anticipate, and we cannot guarantee that any such facility will operate at costs acceptable to us or that demand for our products will remain at levels high enough to meet the return on investment necessary to justify our investment in these projects. We must also effectively address changes to our manufacturing operations resulting from growth of our business generally, including as a result of acquisitions, and introduction of new products. As we increase our manufacturing capacity to meet market demand, integrate newly acquired manufacturing operations or begin to manufacture new products at scale, we may face unanticipated manufacturing challenges as production volumes increase, new processes are implemented and new supplies of raw materials used in these products are secured. Newly acquired businesses may not operate as efficiently as we do, and we may have to expend costs to increase their efficiency and generally integrate them into our processes. New products may initially be more costly and less efficient to produce than our existing products. In addition, we could experience delays in production as we increase our manufacturing capacity or begin to manufacture new products that may result in the products ordered by our customers being on back- order as initial production issues are addressed. As a result, increases in manufacturing capacity, integrating new operations or the introduction of new products may initially be associated with lower efficiency and manufacturing yields and increased costs, including shipping costs to fill back- orders. If we experience production delays or inefficiencies, a deterioration in the quality of our products or other complications in managing changes to our manufacturing processes, including those that are designed to increase capacity, enhance efficiencies and reduce costs or that relate to new products or technologies, we may not achieve the benefits that we anticipate from these actions when expected, or at all, and our operations could experience disruptions, our manufacturing efficiency could suffer and our business, financial condition and results of operations could be materially and adversely affected. Our sales and results of operations may suffer if we do not maintain our relationships with, forecast the demand of and make timely deliveries to our key distributors or other customers. Our **sales and results of** operations depend upon our ability to maintain our ~~strong~~ relationships with our network of distributors and dealers. Our top ten distributors collectively accounted for a majority of our net sales for the year ended September 30, ~~2023~~ **2024**. Our largest distributor, ~~Parksite Inc.~~, accounted for approximately 19 % of our net sales for the year ended September 30, ~~2023~~ **2024**. While we have long- standing business relationships with many of our key distributors and our distribution contracts generally provide for exclusive relationships with respect to certain products within certain geographies, these contracts typically permit the distributor to terminate for convenience on several months' notice. ~~The loss of, or a significant adverse change in, our relationships with one or more of our significant distributors could materially reduce our net sales. Distributors and dealers that sell our products are sensitive to meeting the demands of their end customers on a timely basis. Dealers that sell our products typically place orders with our distributors that need to be filled in a short time frame, and these dealers typically do not have an exclusive relationship with us. Purchases by our distributors and dealers are affected by their individual decisions on the levels of inventory they carry, their views on product demand, their financial condition and the manner in which they choose to manage inventory risk. In addition, purchases by distributors and dealers are affected by a variety of other factors, including general economic conditions, product pricing, increases in the number of competitive producers and the production capacity of other producers, new product introductions, changes in levels of home renovation and new construction activity, and weather- related fluctuations in demand. As a result, demand for our products can be difficult to predict. If we do not forecast and plan production effectively, to manufacture sufficient products to meet demand or if we experience delays in our ability to manufacture products, dealers may seek alternative products, including those of our- or if we fail competitors. Failure to meet demand requirements on a timely basis may cause distributors or dealers to build up inventory as a precautionary measure, rapidly shift their product mix away from our products, harm our long- term relationships with distributors and dealers, harm our brand and reduce, or increase the variability of, our net sales. We must continue to provide product offerings at price points that meet the needs of distributors and dealers and that they perceive to be competitive with the- other products on-, distributors and dealers may seek alternative products, including the- those market- of our competitors~~. If our key distributors or dealers are unwilling to continue to sell our products at existing or higher levels, or if they desire to sell competing products alongside our products, our ability to maintain or increase our sales could suffer. In addition, mergers or acquisitions involving our distributors or dealers and one of our competitors, or a distributor or dealer with a relationship with one of our competitors, could decrease or eliminate purchases of our product by that distributor or dealer. If a key distributor or dealer were to terminate its relationship with us or reduce purchases of our products, we may not be able to replace that relationship with a relationship with a new distributor or dealer in a timely manner or at all. In addition, any such new relationship may take time to develop and may not be as favorable to us as the relationship it is replacing. The loss of, or a reduction in orders from, any significant distributor or dealer, may have a material adverse effect on our business, financial condition or results of operations. An interruption of our production capability at one or more of our manufacturing facilities ~~from global health pandemics, accident, calamity or other causes, or events affecting the global economy~~, could adversely affect our business. We manufacture our products at a limited number of manufacturing facilities, and we generally do not have redundant production capabilities that would enable us to shift production of a particular product rapidly to another facility in the event of a loss of one of or a portion of one of our manufacturing facilities. A

catastrophic loss of the use of one or more of our manufacturing facilities due to global health pandemics, accident, fire, explosion, labor issues, tornado, other weather conditions, natural disasters, condemnation, cancellation or non-renewals of leases, **cybersecurity breaches**, terrorist attacks or other acts of violence or war or otherwise could have a material adverse effect on our production capabilities. In addition, unexpected failures, including **, without limitation,** as a result of power outages **, cybersecurity breaches** or similar disruptions outside of our control, of our equipment and machinery could result in production delays or the loss of raw materials or products in the equipment or machinery at the time of such failures. Any of these events could result in substantial revenue loss and repair costs. An interruption in our production capabilities could also require us to make substantial capital expenditures to replace damaged or destroyed facilities or equipment. There are a limited number of manufacturers that make some of the equipment we use in our manufacturing facilities, and we could experience significant delay in replacing manufacturing equipment necessary to resume production. An interruption in our production capability, particularly if it is of significant duration, could result in a permanent loss of customers who decide to seek alternate products. Our business operations could be adversely affected by the loss of the services from members of our senior management team and other key employees. Our success depends in part on the continued contributions of our senior management and other key employees. Our senior leadership team members have extensive sales and marketing, engineering, product development, manufacturing and finance backgrounds in our industry. This experience also includes specialized knowledge and expertise relating to the manufacturing and production of composite **Outdoor-outdoor Living-living** products and recycled materials, a combination which may be particularly hard to replace **considering the limited number of companies that produce such products in general and particularly with the breadth of our product offerings**. The loss of any member of our senior management team or other key employees in the future could significantly impede our ability to successfully implement our business strategy, financial plans, product development goals, marketing initiatives and other objectives **. Should we lose the services of any member of our senior management team or key personnel, replacing such personnel could involve a prolonged search and divert management time and attention and we may not be able to locate and hire a qualified replacement**. We do not carry key person insurance to mitigate the financial effect of losing the services of any member of our management team. Acquisitions, divestitures or joint ventures we may pursue in the future may be unsuccessful. We may consider the acquisition of other manufacturers or product lines of other businesses that either complement or expand our existing business, or may enter into joint ventures. For example, we have acquired a number of companies in our recent history, including with respect to both manufacturing operations and recycling initiatives. While we believe those acquisitions were successful in improving our business, we cannot assure you that we will be able to consummate any other acquisitions or joint ventures or that any future acquisitions or joint ventures will be able to be consummated at acceptable prices and on acceptable terms. Any future acquisitions or joint ventures we pursue may involve a number of risks, including **, but not limited to,** some or all of the following: • difficulty in identifying acceptable acquisition candidates; • the inability to consummate acquisitions or joint ventures on favorable terms and to obtain adequate financing, which financing may not be available to us at times, in amounts or on terms acceptable to us, if at all; • the diversion of management's attention from our core businesses; • the disruption of our ongoing business; • entry into **markets-sectors** in which we have limited or no experience; • the inability to integrate our acquisitions or enter into joint ventures without substantial costs, delays or other problems; • unexpected liabilities for which we may not be adequately indemnified; • inability to enforce indemnification and non-compete agreements; • failing to successfully incorporate acquired product lines or brands into our business; • the failure of the acquired business or joint venture to perform as well as anticipated; • the failure to realize expected synergies and cost savings; • the loss of key employees or customers of the acquired business; • increasing demands on our operational systems and the potential inability to implement adequate internal controls covering an acquired business or joint venture; • any requirement that we make divestitures of operations or property in order to comply with applicable antitrust laws; • possible adverse effects on our reported operating results, particularly during the first several reporting periods after the acquisition is completed; and • impairment of goodwill relating to an acquired business, which could reduce reported income. In addition, acquisitions or joint ventures could result in significant increases in our outstanding indebtedness and debt service requirements or could involve the issuance of preferred stock or common stock that would be dilutive to existing stockholders. Incurring additional debt to fund an acquisition may result in higher debt service and a requirement to comply with financial and other covenants in addition to those contained in our Senior Secured Credit Facilities, including potential restrictions on future acquisitions and distributions. Funding an acquisition with our existing cash would reduce our liquidity. The terms of our existing and future debt agreements may limit the size and / or number of acquisitions we can pursue or our ability to enter into a joint venture. We have also divested and may in the future divest certain assets or businesses that no longer fit with our strategic direction or growth targets. Divestitures also involve significant risks and uncertainties, including **, without limitation** : • inability to find potential buyers on favorable terms; • failure to effectively transfer liabilities, contracts, facilities and employees to buyers; • requirements that we retain or indemnify buyers against certain liabilities and obligations; • the possibility that we will become subject to third-party claims arising out of such divestiture; • challenges in identifying and separating the intellectual property, systems and data to be divested from the intellectual property, systems and data that we wish to retain; • inability to reduce fixed costs previously associated with the divested assets or business; • challenges in collecting the proceeds from any divestiture; • disruption of our ongoing business and distraction of management; • loss of key employees who leave us as a result of a divestiture; and • if customers or partners of the divested business do not receive the same level of service from the new owners, or the new owners do not handle the customer data with the same level of care, our other businesses may be adversely affected, to the extent that these customers or partners also purchase other products offered by us or otherwise conduct business with our retained business. Any of these risks could have a material adverse effect on our business, financial condition or results of operations. We depend on third parties for transportation services, and the lack of availability of and / or increases in the cost of transportation could have a material adverse effect on our business and results of operations. Our business depends on the transportation of both finished goods to

our distributors and other customers and the transportation of raw materials to us primarily through the use of flatbed trucks and rail transportation. We rely on third parties for transportation of these items. The availability of these transportation services is subject to various risks, including those associated with supply shortages, change in fuel prices, work stoppages, operating hazards and interstate transportation regulations. In particular, a significant portion of our finished goods are transported by flatbed trucks, which are occasionally in high demand (especially at the end of calendar quarters) and / or subject to price fluctuations based on market conditions and the price of fuel. Any material delays and challenges, including increases to freight and shipping costs and our ability to secure sufficient quantities of flatbed trucks and railcars necessary for our operations, both with respect to our procurement of raw materials and our delivery of our products, may result in a material adverse effect on our results of operations. If the required supply of transportation services is unavailable when needed, we may be unable to sell our products when they are requested by our customers. In that event, we may be required to reduce the price of the affected products, seek alternative and, potentially more costly, transportation services or be unable to sell the affected products. Similarly, if any of these transportation providers were unavailable to deliver raw materials to us in a timely manner, we may be unable to manufacture our products in response to customer demand. In addition, a significant increase in transportation rates or fuel surcharges could adversely affect our profitability. Any of these events could have a material adverse effect on our business and, **financial condition or** results of operations. Increases in labor costs, potential labor disputes and work stoppages or an inability to hire skilled manufacturing, sales and other personnel could adversely affect our business. An increase in labor costs, work stoppages or disruptions at our facilities or those of our suppliers or transportation service providers, or other labor disruptions, could decrease our sales and increase our expenses. In addition, although our employees are not represented by a union, our labor force may become subject to labor union organizing efforts, which could cause us to incur additional labor costs and increase the related risks that we now face. The competition for skilled manufacturing, sales and other personnel is often intense in the regions in which our manufacturing facilities are located. **Regional** During 2021, the entire country experienced an overall tightening and increasingly competitive labor market, and the labor market has remained very competitive. A sustained labor shortage **shortages** or, increased turnover rates within our employee base, **changes in work- life balance expectations** caused by global health pandemics or other national or international emergencies, increases in the salaries and wages paid by competing employers, as a result of general macroeconomic factors or otherwise, **each** could lead to increased costs, such as increased overtime to meet demand and increased salaries and wage rates to attract and retain employees, and could negatively affect our ability to efficiently operate our manufacturing facilities and overall business. If we are unable to hire and retain employees capable of performing at a high- level, or if mitigation measures we may take to respond to a decrease in labor availability have unintended negative consequences, our business, financial condition and results of operations could be adversely affected. If we are unable to hire or retain skilled manufacturing, sales and other personnel for our new facilities, our ability to execute our business plan, and our results of operations, would suffer. If we are unable to collect accounts receivable from one or more of our significant distributors, dealers or other customers, our financial condition and operating results could suffer. We **have identified** extend credit to our distributors and,..... and results of operation could be materially, -- **material weaknesses in** and adversely affected if our credit losses significantly exceed our estimates. If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or **our** comply with applicable regulations could be impaired. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations and the listing standards of the NYSE. The Sarbanes-Oxley Act requires, among other things, that we evaluate the effectiveness of our disclosure controls and procedures and internal control over financial reporting, **and our management has concluded**. While we were able to determine that our disclosure controls and procedures and internal control over financial reporting were **not** effective as of **the end of the period covered by this** September 30, 2023, we anticipate that we will continue to expend resources to further improve our internal control over financial reporting --- **report**. If we **fail to remediate these material weaknesses, or if we identify additional material weaknesses in the future or otherwise** fail to maintain an effective system of internal control **controls** over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations or prevent fraud, which may adversely affect investor **investors may lose** confidence in us and, as a result, the value **accuracy and completeness of our financial reports and the trading price** of our Class A common stock **may decline**. Pursuant Any failure to maintain effective disclosure controls and procedures and internal control over financial **Section 404 of the Sarbanes- Oxley Act of 2002, or SOX, our management is required to** reporting --- **report** could have an adverse effect on our business and results of operations and financial condition. In addition, **and** if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is **unable required to attest to**, express an opinion on the effectiveness of our internal control **over**, investors may lose confidence in the accuracy and completeness of our financial reports **reporting**, which could cause the price of our Class A common stock to decline. In addition **The rules governing the standards that must be met for management to determine the adequacy of our internal control over financial reporting are complex and require significant documentation, testing, and possible remediation if a deficiency is identified. Annually, we are unable perform activities that include reviewing, documenting, and testing our internal control over financial reporting. If we fail to maintain** continue to meet these -- **the requirements adequacy of our internal control over financial reporting**, we may **will** not be able to **conclude** remain listed on an ongoing basis that we have effective internal control over financial reporting in accordance with SOX. Any failure to achieve and maintain an effective internal control environment could result in materially misstated consolidated financial statements and a failure to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could result in significant expenses to remediate any internal control deficiency and lead to a decline in our stock price. Our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of September 30, 2024, and our management has concluded that our

internal control over financial reporting was not effective as of September 30, 2024 due to the following material weaknesses: A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that the there NYSE and operating results could suffer. We extend credit to our distributors and, to a lesser extent, dealers and other customers, based on an evaluation of their financial condition, and we generally do not require collateral to secure these extensions of credit. The financial health of many of our customers is affected by changes in the economy and the cyclical nature of the building industry. The effects of ~~elevated~~ **rising** interest rates, reduced home prices and homeowner equity and prospective homebuyer purchasing power and any related economic downturn, ~~recession~~ or protracted or severe economic declines and cyclical downturns from other causes in the building industry, **including any long-term effects of global health pandemics**, may cause our customers to be unable to satisfy their payment obligations, including their debts to us. While we maintain allowances for credit losses, these allowances may not be adequate to provide for actual losses, and our financial condition and results of operation could be materially ~~and adversely affected~~. Subjective estimates and judgments used by management in the preparation of our financial statements, including estimates and judgments that may be required by new or changed accounting standards, may impact our financial condition and results of operations. The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, including the accounting for rebates, warranties and recovery of goodwill. Due to the inherent uncertainty in making estimates, results reported in future periods may be affected by changes in estimates reflected in our financial statements for earlier periods. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. For example, we review our goodwill and other intangibles not subject to amortization for impairment annually, or when events or circumstances indicate that it is more likely than not that the fair value of a reporting unit could be lower than its carrying value. Changes in economic or operating conditions impacting our estimates and assumptions could result in the impairment of our goodwill or long-lived assets, which may require us to record a significant charge to earnings in our financial statements that could have a material adverse effect on our results of operations. From time to time, there may be changes in the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can materially impact how we record and report our financial condition and results of operations. In some instances, we could be required to apply a new or revised standard retrospectively. If the estimates and judgments we use in preparing our financial statements are subsequently found to be incorrect or if we are required to restate prior financial statements, our financial condition or results of operations could be significantly affected. Our forecasts of market opportunity and market growth may prove to be inaccurate, and we cannot assure you our business will grow at rates similar to our overall markets, or at all. Estimates and forecasts of market size and opportunity and of market growth are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Our estimates and forecasts of the size of the markets that we may be able to address and the growth in these markets are subject to many assumptions and may prove to be inaccurate. Further, recent increases in interest rates, reduced home prices and homeowner equity and prospective homebuyer purchasing power, ~~as well as the global health pandemics~~, have affected and may continue to materially affect the growth of our markets, and we cannot predict the extent to which those estimates will be affected. Further, we may not be able to address fully the markets that we believe we can address, and we cannot be sure that these markets will grow at historical rates or the rates we expect for the future. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, even if we are able to address the markets that we believe represent our market opportunity and even if these markets experience the growth we expect, we may not be able to grow our business at similar rates, or at all. We may be subject to significant compliance costs as well as liabilities under environmental, health and safety laws and regulations, including climate- and climate change- related regulations, which could materially and adversely affect our business, financial condition and operations. Our past and present operations, assets and products are subject to regulation by extensive environmental laws and regulations at the federal, state and local levels, **including, but not limited to, permitting requirements**. These laws regulate, among other things, air emissions, the discharge or release of materials into the environment, the handling and disposal of wastes, remediation of contaminated sites, worker health and safety and the impact of products on human health and safety and the environment. **These laws and regulations often vary depending on the applicable governmental agency and the location where our activities are conducted**. Under some of these laws, liability for contaminated property may be imposed on current or former owners or operators of the property or on parties that generated or arranged for waste sent to the property for disposal. Liability under these laws may be joint and several and may be imposed without regard to fault or the legality of the activity giving rise to the contamination. Our facilities are located on sites that have been used for manufacturing activities for an extended period of time, which increases the possibility of contamination being present. Despite our compliance efforts, we may still face material liability, **compliance costs**, limitations on our operations or fines or penalties for violations of environmental, health and safety laws and regulations, including releases of regulated materials and contamination by us or previous occupants at our current or former properties or at offsite disposal locations we use. We ~~are~~ **may** also **face delays** ~~subject to permitting requirements under environmental, health and safety laws and regulations applicable in the jurisdictions in which we operate. Those requirements obligate us to obtain~~ **obtaining** permits from one or more governmental agencies in order to conduct our operations. Such permits are typically issued by state agencies, but permits and approvals may also be required from federal or local governmental agencies. The requirements for such permits vary depending on the location where our regulated activities are conducted. As with all governmental permitting processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit to be issued and the conditions that may be imposed in connection with the granting of the permit. Any failure to obtain or delay in obtaining a permit required for our operations, or the imposition of onerous conditions in any such permits, **each of which** could adversely affect our business, financial condition and operations. In addition, climate change and new or revised rules and regulations related thereto, including regulations **adopted**

by federal and state regulators with respect to greenhouse gas emissions ~~and regulations enacted by the SEC~~, may impact our business in numerous ways. Climate change and its effects could lead to further increases in raw material prices or their reduced availability due to, for example, increased frequency and severity of extreme weather events and any supply chain disruptions resulting therefrom, and could cause increased incidence of disruption to the production and distribution of our products and an adverse impact on consumer demand and spending. In recent ~~months~~ **years**, there have been ~~substantial~~ **significant** legislative and regulatory developments on climate- related issues, including proposed, issued or implemented legislation and rulemakings that would require companies to assess and / or disclose climate metrics, risks, opportunities, policies and practices. For example, in March ~~2022~~ **2024**, the SEC ~~proposed~~ **adopted** climate- related disclosure ~~requirements~~ **rules** that would require increased climate change- related disclosure in our periodic reports and other filings with the SEC, **which rules have been stayed pending completion of judicial review. The State of California has also recently enacted laws and regulations regarding disclosure of climate- related risks and greenhouse gas emissions, each of which is expected to impose meaningful compliance burdens on in- scope companies. In addition, various governmental bodies and international organizations have proposed or adopted policies or requirements that seek to reduce the usage of plastics and plastic products, which could impact the availability of our raw materials, consumer sentiment regarding our products and our ability to effectively source waste for purposes of our recycling operations**. The potential impact to us of these legislative and regulatory developments, **including the potential impact to us as part of the value chain of our customers, suppliers and other business partners that are subject to current or future legislation or regulations in this area**, is uncertain at this time. **We are continuing to monitor and evaluate these impacts**, although we expect that the emerging legal and regulatory requirements on climate- related issues will result in additional compliance and may require us to spend significant resources and divert management attention. We cannot be sure that we will be able to successfully adapt our operations in response to any climate- related changes or comply with any increased reporting **or other** obligations in a cost- effective manner, and our business, financial condition and results of operations could be materially and adversely affected. ~~Applicable environmental, health and safety laws and regulations, and any changes to them or in their enforcement, may require us to make material expenditures with respect to ongoing compliance with, or remediation under, these laws and regulations or require that we modify our products or processes in a manner that increases our costs and / or reduces our profitability. For example, additional pollution control equipment, process changes or other environmental control measures may be needed at our facilities to meet future requirements. In addition, discovery of currently unknown or unanticipated soil or groundwater contamination or other investigations or remedial efforts relating to environmental properties at our properties could result in significant liabilities and costs. Accordingly, we are unable to predict the future costs of compliance with, or liability under, environmental, health and safety laws and regulations.~~ Our business operations could suffer if we fail to adequately protect our intellectual property rights, and we may experience claims by third parties that we are violating their intellectual property rights. We rely on trademark and service mark protection to protect our brands, and we have registered or applied to register many of these trademarks and service marks. In particular, we believe the AZEK and AZEK Exteriors brands, the TimberTech brand, the VERSATEX brand, the StruXure brand and the FULL- CIRCLE brand, including FULL- CIRCLE PVC Recycling and FULL- CIRCLE Recycling, are significant to the success of our business. In the event that our trademarks or service marks are successfully challenged and we lose the rights to use those trademarks or service marks, or if we fail to prevent others from using them (or similar marks), we could be forced to rebrand our products and programs, requiring us to devote resources to advertising and marketing new brands. In addition, we cannot be sure that any pending trademark or service mark applications will be granted or will not be challenged or opposed by third parties or that we will be able to enforce our trademark rights against counterfeiters. We ~~generally~~ **also** rely on a combination of unpatented proprietary know- how and trade secrets, and to a lesser extent, patents to preserve our position in the market. Because of the importance of our proprietary know- how and trade secrets, we employ various methods to protect our intellectual property, such as entering into confidentiality agreements with third parties, and controlling access to, and distribution of, our proprietary information. We may not be able to deter current and former employees, contractors and other parties from breaching confidentiality obligations and misappropriating proprietary information. It is difficult for us to monitor unauthorized uses of our products and technology. Accordingly, these protections may not be adequate to prevent competitors from copying, imitating or reverse engineering our products or from developing and marketing products that are substantially equivalent to or superior to our own. In addition, we have applied for patent protection relating to certain existing and proposed products, processes and services or aspects thereof. We cannot be sure that any of our pending patent applications will be granted or that any patents issued as a result of our patent applications will be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. If third parties take actions that affect our rights or the value of our intellectual property or proprietary rights, or if we are unable to protect our intellectual property ~~from infringement or misappropriation~~, **including in response to developing artificial intelligence technologies**, other companies may be able to offer competitive products at lower prices, and we may not be able to effectively compete against these companies. In addition, if any third party copies or imitates our products in a manner that affects customer or consumer perception of the quality of our products, or of engineered products generally, our reputation and sales could suffer whether or not these violate our intellectual property rights. In addition, we face the risk of claims that we are infringing third parties' intellectual property rights. Any such claim, even if it is without merit, could be expensive and time- consuming to defend and could divert the time and attention of our management. An intellectual property claim against us that is successful could cause us to cease making or selling products that incorporate the disputed intellectual property, require us to redesign our products, which may not be feasible or cost effective, and require us to enter into costly royalty or licensing arrangements, any of which could have a material adverse effect on our business, financial condition and results of operations. Moreover, certain material technology and know- how we use to manufacture our products is licensed to us rather than owned by us, and our license is subject to termination in the event of uncured material breach, among other reasons. Any major disruption or failure of our **or**

our customers' or suppliers' technology systems or our website, or our failure to successfully implement new technology effectively, could adversely affect our business and operations. We rely on various technology systems, including information technology and operational technology systems, owned by us and third parties, to manage our operations, maintain books and records, record transactions, provide information to management and prepare our financial statements. In addition, we have made a significant investment in our website which we believe is critical for lead generation and is the primary forum through which we interact with end consumers. **Further, our customers and our suppliers rely on similarly complex and potentially vulnerable technology systems, some of which may be the same as the systems we or other customers and suppliers rely on.** A failure of our **or our customers' or suppliers'** technology systems or our website to operate as expected could disrupt our business and adversely affect our financial condition and results of operations. These systems and our website are vulnerable to damage from hardware failure; fire; power loss; data network and telecommunications failure; loss or corruption of data, cyber attacks and impacts of terrorism; natural disasters or other disasters. We may not have sufficient redundant operations to cover a loss or failure in a timely manner. In addition, the operation of these systems and our website are dependent upon third party technologies, systems and services, and support by third party vendors, and we cannot be sure that these third- party systems, services and support will continue to be available to us **or our customers or suppliers** without interruption. Any damage to ~~our~~ **such** technology systems or website could cause interruptions to our operations that materially adversely affect our ability to meet customers' requirements, resulting in an adverse impact to our business, financial condition and results of operations. Periodically, these systems and our website need to be expanded, updated or upgraded as our business needs change. We **or our customers or suppliers** may not be able to successfully implement changes ~~in our~~ **to such** technology systems and to our website without experiencing difficulties, which could require significant financial and human resources. We face cybersecurity risks and risks arising from new regulations governing information security and privacy and may incur increasing costs in an effort to mitigate those risks. The automated nature of our business and our reliance on digital technologies ~~also could make~~ **make** us a target for, and potentially vulnerable to, cybersecurity attacks, computer malware, computer viruses, social engineering (including phishing and ransomware attacks), general hacking, physical or electronic break- ins, or similar disruptions. In addition, our hybrid working environment may exacerbate these and other operational risks. The techniques used to obtain unauthorized, improper or illegal access to our systems, or to disable or degrade service or sabotage systems, are constantly evolving, may be difficult to detect quickly, and often are not recognized until after they have been launched against a target. Attempts to gain access to our systems or facilities could occur through various means, including, among others, hacking into our or our vendors' or consumers' systems, or attempting to fraudulently induce our employees, partners, consumers or others into clicking on a malware link or disclosing usernames, passwords, or other sensitive information, which may in turn be used to access our technology systems. Such efforts may be state- sponsored and supported by significant financial and technological resources, making them even more difficult to detect and prevent. We may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative or remedial measures. We are also subject to the risk that cybersecurity attacks on, or other security incidents affecting, our vendors may adversely affect our business even if an attack or breach does not directly impact our systems. Due to the evolving nature of cybersecurity threats, the scope and impact of any incident cannot be predicted. In addition, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks. While we have implemented measures to safeguard our systems and mitigate potential risks, there is no assurance that such actions will be sufficient to prevent cybersecurity attacks or security breaches that damage or interrupt access to information systems or networks, compromise confidential or otherwise protected information, destroy or corrupt data, or otherwise disrupt our operations which could have a material adverse effect on our business, financial condition and reputation. In addition to the various technology systems we rely on to manage our operations, maintain books and records, record transactions, provide information to management and prepare our financial statements as described above, we utilize systems and websites that allow for the secure storage and transmission of our proprietary or confidential information and proprietary or confidential information regarding our customers, employees and others, including personal information. All of these systems, including those owned and operated by third parties, are also potential targets for cybersecurity attacks. Data security breaches can occur as a result of a breach by us or our employees or by persons with whom we have commercial relationships that result in the unauthorized release of personal or confidential information. In addition to our own databases, we use third- party service providers to store, process and transmit confidential or sensitive information on our behalf. A data security breach could occur in the future either at their location or within their systems that could affect our personal or confidential information. A data security breach may expose us to a risk of loss or misuse of this information, and could result in significant costs to us, which may include, among others, fines and penalties, costs related to remediation, potential costs and liabilities arising from governmental or third- party investigations, proceedings or litigation, diversion of management attention and harm to our reputation. Any compromise or breach of our security could result in a violation of applicable privacy and other laws, significant legal and financial exposure, and a loss of confidence in our security measures, which could have an adverse effect on our business, financial condition and reputation. The regulatory environment surrounding information security and privacy is increasingly demanding, with frequent imposition of new and changing requirements, which could cause us to incur substantial costs. In the United States, various laws and regulations apply to the collection, processing, disclosure and security of certain types of data, including **, but not limited to,** the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the ~~Health Insurance Portability and Accountability Act of 1996, the~~ Gramm Leach Bliley Act **,** and various state laws relating to privacy and data security, including the California Consumer Privacy **Act and the Illinois Personal Information Protection** Act. Federal and state laws and regulations require notice of any data security breaches that involve personal information. These mandatory disclosures regarding a security breach are costly and often lead to widespread negative publicity, which may cause consumers to lose confidence in the effectiveness of our data security measures. We may incur significant costs and operational consequences in connection with investigating, mitigating, remediating, and putting in place

additional tools and devices designed to prevent security incidents, as well as in connection with complying with any notification or other obligations resulting from any security incidents. Any failure or perceived failure by us to comply with laws, regulations, policies or regulatory guidance relating to privacy or data security may result in governmental investigations and enforcement actions, litigation, fines and penalties or adverse publicity, and could cause our customers and consumers to lose trust in us, which could have an adverse effect on our reputation and business. While we maintain insurance to mitigate our exposure to these risks, our insurance policies carry retention and coverage limits, which may not be adequate to reimburse us for losses caused by security breaches or other cybersecurity events, and we may not be able to collect fully, if at all, under these insurance policies.

Changes to legislative, in trade policies, including the imposition of tariffs, could negatively impact our business, financial condition and results of operations. We procure certain of the raw materials we use in the manufacturing of our products directly or indirectly from outside of the United States. The United States has implemented certain tariffs on steel and aluminum imported into the country. In October 2023, certain industry groups within the United States petitioned the U.S. government to impose additional tariffs on the importation of aluminum. ~~We import both steel and aluminum from outside of the United States, including from certain countries that are currently subject to U.S.-based tariffs and may be subject to increased tariffs in the future.~~ **Changes in trade policies, including the imposition of tariffs, could negatively impact our business, financial condition and results of operations.** The imposition and continuation of tariffs and other potential changes in U.S. trade policy could increase the cost and / or limit the availability of raw materials, **which could hurt our competitive position and adversely impact our business, financial condition and results of operations.** regulatory policies, scientific, technological, methodological and other developments. **In addition, certain information relating to or underlying our sustainability-related initiatives, targets and goals, as well as progress thereon, incorporates or otherwise relies on data provided to home ownership us by third parties, which may have been prepared or be presented in ways that are not consistent with our methodologies or practices. If our data, processes, and reporting related to such initiatives, targets, and goals are incomplete or inaccurate, or if we fail, or are perceived to fail, to achieve progress with respect to such targets or goals on a timely basis, or at all, our reputation, business, financial performance, and growth could be adversely affected. Our use of artificial intelligence technologies may not be successful and may present business, compliance, and reputational risks. We have begun implementing the use of certain artificial intelligence tools within our business. Artificial intelligence is an emerging technology, and we cannot be sure that our use of artificial intelligence will increase efficiency or provide any other benefits. Further, the use of artificial intelligence technologies could present certain risks. For example, the use of artificial intelligence has the potential to result in bias, miscalculations, data errors and other unintended consequences. Further, the use of artificial intelligence tools may unintentionally compromise confidential or sensitive information, put our intellectual property at risk, or subject us to claims related to data privacy management or intellectual property infringement. It is possible that the artificial intelligence tools we use may negatively affect our reputation, disrupt our operations, or** have a material adverse effect **impact** on our business, financial condition and results of operations.

Our markets are affected by legislative and regulatory policies that promote or do not promote home ownership, such as U. S. federal and state legislative and regulatory policies enacted in response to the global health pandemics that provided various measures of relief for homeowners, primarily in the form of mortgage payment forbearance for homeowners with federally-backed mortgages, temporary moratoria on foreclosures and evictions and rental assistance. While those relief measures have largely lapsed, it remains uncertain how such relief measures and similar policies enacted in response to the global health pandemics and other events affecting the U. S. and global economies will continue to impact the U. S. real estate market and the U. S. and global economies generally, and our business, financial condition and results of operations may be materially and adversely affected as a result. Future changes to laws or policies relating to these or similar matters could reduce demand for our products and have a material adverse effect on our business, financial condition and results of operations. Many of our products must comply with local building codes and ordinances and failure of our products to comply with such codes and ordinances may have an adverse effect on our business. Many of our products must comply with local building codes and ordinances. These codes and ordinances are subject to future government review and interpretation. If our products fail to comply with such local building codes or ordinances, our ability to market and sell such products would be impaired. Also, should these codes and ordinances be amended or expanded, or should new laws and regulations be enacted, we could incur additional costs or become subject to requirements or restrictions that require us to modify our products or adversely affect our ability to market and sell our products. Furthermore, failure of our products to comply with such codes or ordinances could subject us to negative publicity or damage our reputation. Our insurance coverage may be inadequate to protect against the potential hazards incident to our business. We maintain customary insurance policies for businesses of our type, including property, business interruption, product liability and casualty insurance coverage, but such insurance may not provide adequate coverage against potential claims, including losses resulting from interruptions in our production capability or product liability claims relating to the products we manufacture. Consistent with market conditions in the insurance industry, premiums and deductibles for some of our insurance policies have **been increasing increased in recent years**, sometimes substantially, and may, in the future, increase further. In some instances, some types of insurance may become available only for reduced amounts of coverage, if at all. In addition, our insurers could deny coverage for claims. If we were to incur a significant liability for which we were not fully insured or that our insurers disputed, our business, financial condition or results of operations could be materially adversely affected. We are subject to litigation and legal proceedings and may be subject to additional litigation, arbitration or legal proceedings in the future. From time to time, we may be involved in litigation relating to claims arising out of our operations and businesses that cover a wide range of matters, including, among others, contract and employment claims, personal injury claims, product liability claims and warranty claims. The results of any current or future litigation cannot be predicted with certainty and, regardless of the outcome, we may incur significant costs and experience a diversion of management resources as a result of litigation. The results of any such litigation could have a material adverse impact on our

business, financial condition, cash flows and results of operations. We are in the early stages of implementing strategic initiatives related to the use of recycled materials. If we fail to implement these initiatives as expected, our business, financial condition and results of operations could be adversely affected. We are dedicated to investing in and expanding our recycling capability in order to increase the use of reclaimed materials in our manufacturing processes. Our future financial performance depends in part on our management's ability to successfully implement our strategic initiatives related to developing our recycling capabilities, increasing the recycle content of our products, and other cost savings measures, with an aim to reduce our material costs, improve net manufacturing productivity and enhance our business operations. We are still in the early stages of material substitution across our manufacturing network and realizing the benefits of our investments in recycling. To achieve such benefits, we must recycle materials on a cost-effective basis and efficiently convert these materials into high-quality finished goods. This strategy involves significant risks, including the risk that we are unable to meet our objectives with respect to recycle content and other recycle initiatives and our profitability may be negatively impacted as a result. In particular, the variability of our raw material sources can result in production issues causing a considerable reduction in our operating rates and yields, which may more than offset any savings we realize from the low purchase price of the materials. Our plants must convert our raw materials at high rates and net yields to generate the profit margins and cash flows necessary to achieve sustainable returns, and we may not produce a sustainable return on investment. Our ability to achieve our environmental, social and governance and sustainability initiatives is subject to emerging risks and the outcomes may not achieve the anticipated benefits or align with new regulations and stakeholders' expectations. There has been an increasing focus from stakeholders and regulators related to ESG matters across all industries in recent years. ESG standard setting and stakeholder expectations continue to evolve. Criteria used to evaluate ESG practices and metrics often change rapidly and unexpectedly, which could result in uncertain expectations for public companies and may cause us to undertake costly initiatives to satisfy any new requirements, to the extent we are able and to the extent appropriate. Some investors may use ESG criteria to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our policies relating to corporate responsibility do not align with their ESG criteria. In addition, different stakeholder groups have divergent views on ESG matters, which increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some stakeholders and could adversely affect our reputation, business, financial performance, and growth. Further, regulators across many jurisdictions, including those where we operate, continue to enact new or changed ESG-related regulations. Non-compliance with such regulations or a failure to address stakeholder and societal expectations may result in potential cost increases, litigation, fines, penalties, production and sales restrictions, brand or reputational damage, loss of customers, failure to retain and attract talent, lower valuation and increased investor activism. We may, from time to time, communicate certain initiatives, targets, and goals regarding environmental matters, diversity, responsible sourcing and social investments and other ESG matters. These initiatives, targets, and goals could be difficult and expensive to implement, and we could be criticized for the accuracy, adequacy, or completeness of the disclosure thereof. Further, statements about our ESG initiatives, targets, and goals, and progress against those targets and goals, may be based on standards, both internal and external, for measuring progress that are still developing, as well as assumptions, estimates and climate scenarios that are subject to change in the future. In addition, we could be criticized or subject to litigation for the scope or nature of such initiatives, targets, or goals, or for any revisions to such targets or goals. If our ESG-related data, processes, and reporting are incomplete or inaccurate, or if we fail, or are perceived to fail, to achieve progress with respect to our ESG targets or goals on a timely basis, or at all, our reputation, business, financial performance, and growth could be adversely affected. We, along with our customers and vendors, face uncertainty in the public and private credit markets and in general economic conditions in the United States and around the world. In recent years there has been at times disruption and general slowdown of the public and private capital and credit markets in the United States and around the world. Such conditions can adversely affect our revenue, results of operations and overall financial growth. Additionally, many lenders and institutional investors, at times, have reduced funding to borrowers. A constriction on future lending by banks or investors could result in higher interest rates on future debt obligations, restrict our ability to obtain sufficient financing to meet our long-term operational and capital needs or limit our ability in the future to consummate strategic acquisitions. These factors could also negatively impact the ability of our customers and suppliers to finance their operations which, in turn, could result in a decline in our sales and in our ability to obtain necessary raw materials and components, thus potentially having an adverse effect on our business, financial condition, cash flows or results of operations. Geopolitical unrest and armed conflicts may cause economic conditions in the United States or abroad to deteriorate and exacerbate certain risks we face. The current conflicts in the Middle East and Russia / Ukraine have created substantial uncertainty in the global political and economic landscapes. While our manufacturing operations are all within North America and we have no operations in the Middle East, Russia or Ukraine, we continue to monitor and respond to any adverse impact that such events may have on the global economy in general, on our business and operations and on the businesses and operations of our suppliers and customers. For example, while we have no direct exposure to customers and vendors in Russia or Ukraine, we currently have and have had supplier relationships within Israel. While we do not currently expect a material adverse impact on our business or financial results, we are unable to fully predict the impact that current and future governmental actions and other events will have on the global economy, our industry or our business, financial condition, results of operations or cash flows. For example, these and similar conflicts have resulted in, and may in the future result in, increased inflation, escalating energy and commodity prices and constrained availability, and thus increasing costs, of raw materials and freight. Such conflicts and related events may also have the effect of heightening many of the other risks described in this **annual Annual report Report**, such as those relating to our supply chain, volatility in prices of raw materials, scrap and other inputs, cybersecurity, demand for our products and market conditions, any of which could negatively affect our business, financial condition, results of operations or cash flows. [Changes in trade policies, including....., financial condition and results of operations](#). Risks Relating to Our Indebtedness Our indebtedness could materially adversely affect our financial

condition. As of September 30, 2023-2024, our total indebtedness was \$ 594-440.0 million under our first lien credit facility, or the 2022-2024 Term Loan Agreement Facility, and, as described below, we may incur more debt. Our indebtedness could have important consequences to the holders of our Class A common stock, including, without limitation, the following: • making it more difficult for us to satisfy our obligations with respect to other debt we may incur; • limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements; • requiring us to dedicate a substantial portion of our cash flows to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; • increasing our vulnerability to general adverse economic and industry conditions; • exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the 2022-2024 Term Loan Agreement Facility and our revolving credit agreement facility, or the 2024 Revolving Credit Facility, and, together, with the 2022-2024 Term Loan Agreement Facility, the Senior Secured Credit Facilities, are at variable rates of interest; • limiting our flexibility in planning for and reacting to changes in the industry in which we compete; • placing us at a disadvantage compared to other, less leveraged competitors; and • increasing our cost of borrowing. In addition, the credit agreements—agreement that governs—the Senior Secured Credit Facilities, or the Senior Secured Credit Agreement, contain—contains restrictive covenants, including financial maintenance covenants, that may limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt. The 2022-2024 Term Loan Agreement Facility will mature on April 28-September 26, 2031, and the 2029-2024, and the Revolving Credit Facility will mature on March 31-September 26, 2026-2029. We may need to refinance all or a portion of our indebtedness on or before the maturity thereof. We may not be able to obtain such financing on commercially reasonable terms or at all. Failure to refinance our indebtedness could have a material adverse effect on us. We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors, some of which are beyond our control. We cannot be sure that our business will generate sufficient cash flows from operating activities, or that future borrowings will be available, to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreements that govern the Senior Secured Credit Facilities Agreement restrict—restricts our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would have a material adverse effect on our financial condition and results of operations. If we cannot make scheduled payments on our debt, we will be in default, and the lenders under the Senior Secured Credit Facilities could accelerate the debt, terminate their commitments to loan money, and / or foreclose against the assets securing their borrowings, and we could be forced into bankruptcy or liquidation. We and our subsidiaries may be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described herein. We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the credit agreements that govern the Senior Secured Credit Facilities Agreement contain—contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. As of September 30, 2023-2024, we had commitments available for borrowing under the 2024 Revolving Credit Facility of up to \$ 150-372.0-8 million. We also have the option to increase the commitments under the Revolving Credit Facility by up to \$ 100.0 million, subject to certain conditions. Because our borrowing capacity under the Revolving Credit Facility depends, in part, on inventory, accounts receivable and other assets that fluctuate from time to time, the amount of commitments may not reflect actual borrowing capacity. In addition, we also have the option to incur incremental term loans under the 2022-2024 Term Loan Agreement Facility and incremental revolving loan commitments under the 2024 Revolving Credit Facility in an amount that shall not exceed the sum of (i) the Fixed Incremental Amount, as defined in the 2022 Term Loan Senior Secured Credit Agreement, and (ii) the Ratio Incremental Amount, as defined in the 2022 Term Loan Senior Secured Credit Agreement, subject to certain other limitations and conditions set forth in the 2022-2024 Term Loan Agreement Facility. All of those borrowings would be secured by first- priority liens on our property. The terms of the credit agreements that govern the Senior Secured Credit Facilities Agreement may restrict our current and future operations, including our ability to respond to changes or to take certain actions. The credit agreements that govern the Senior Secured Credit Facilities Agreement contain—contains a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest. See “ Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness. ” The restrictive covenants under the Senior Secured Credit Facilities Agreement include restrictions on our ability to: • incur additional indebtedness and guarantee indebtedness; • pay dividends or make other distributions or repurchase or redeem our capital stock; • prepay, redeem or repurchase junior debt; • issue certain preferred stock or similar equity securities; • make loans and investments; • sell assets or property, except in certain circumstances; • incur liens; • enter into transactions with affiliates; • modify or waive certain material agreements in a manner that is adverse in any

material respect to the lenders; • enter into agreements restricting our subsidiaries' ability to pay dividends; and • make fundamental changes in our business, corporate structure or capital structure, including, among other things, entering into mergers, acquisitions, consolidations and other business combinations or selling all or substantially all of our assets. As a result of these restrictions, we may be: • limited in how we conduct our business; • unable to raise additional debt or equity financing to operate during general economic or business downturns; or • unable to grow in accordance with our strategy, compete effectively or to take advantage of new business opportunities. A breach of the covenants or restrictions under the **credit agreements that govern the Senior Secured Credit Facilities Agreement** could result in a default or an event of default. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. In addition, an event of default under the Senior Secured Credit **Facilities Agreement** would permit the lenders under the **2024** Revolving Credit Facility to terminate all commitments to extend further credit under such facility. Furthermore, if we were unable to repay the amounts due and payable under the Senior Secured Credit Facilities, those lenders under each facility could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders were to accelerate the repayment of our indebtedness, we and our subsidiaries may not have sufficient assets to repay that indebtedness. In exacerbated or prolonged circumstances, one or more of these events could result in our bankruptcy or liquidation. We rely on available borrowings under the **2024** Revolving Credit Facility for cash to operate our business, and ~~the any availability---~~ **inability of credit under the Revolving Credit Facility may be subject to significant fluctuation** ~~borrow may adversely affect our liquidity, financial position and results of operations~~. In addition to cash we generate from our business, our principal existing source of cash is borrowings available under the **2024** Revolving Credit Facility. As of September 30, **2023-2024**, we had commitments ~~available to be borrowed~~ under the **2024** Revolving Credit Facility of ~~up to \$ 150-375 . 0 million . We also have the option to increase the commitments under the Revolving Credit Facility by up to \$ 100. 0 million, subject to certain conditions~~. There are limitations on our ability to incur the full \$ **150-375 . 0** million of existing commitments under the **2024** Revolving Credit Facility. **Availability will be limited to the lesser of a borrowing base and \$ 150. 0 million. The borrowing base is calculated on a monthly (or more frequent under certain circumstances) valuation of our inventory, accounts receivable and certain cash balances. As a result, our access to credit under the Revolving Credit Facility is potentially subject to significant fluctuation, depending on the value of the borrowing base- eligible assets as of any measurement date.** Any inability to borrow under the **2024** Revolving Credit Facility may adversely affect our liquidity, financial position and results of operations. Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under the Senior Secured Credit Facilities are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. For example, the Board of Governors of the Federal Reserve System increased interest rates multiple times in **2022 and 2023** in response to concerns about inflation, and it may raise interest rates again in the future. Based on amounts outstanding as of September 30, **2023-2024**, unhedged, each 100 basis point change in interest rates would result in a \$ **2-1 . 9-4** million change in annual interest expense on our indebtedness under the Senior Secured Credit Facilities. We have and may continue to enter into agreements such as floating for fixed- rate interest rate swaps and or other hedging contracts in order to hedge against interest rate volatility associated with our Senior Secured Credit Facilities. For example, we have entered into \$ 300 million of interest rate swaps against our **2022-2024** Term Loan **Agreement Facility**, which was accruing interest at a rate based on SOFR, for fixed rates. However, we may not enter into additional interest rate swaps in the future and, even if we do enter into additional interest rate swaps, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness. Moreover, any swaps or other instruments we have entered into or may enter into may not fully mitigate our interest rate risk. In addition, these agreements expose us to the risk that other parties to the agreements will not perform or that the agreements will be unenforceable. Risks Relating to Ownership of Our Class A Common Stock The market price of our Class A common stock may be volatile or may decline steeply or suddenly regardless of our operating performance, and we may not be able to meet investor or analyst expectations. You may not be able to resell your shares at or above the price you paid and may lose all or part of your investment. If you purchase shares of Class A common stock, you may not be able to resell those shares at or above the price you paid. The market price of our Class A common stock may fluctuate or decline significantly in response to numerous factors, many of which are beyond our control, including **, without limitation** : • actual or anticipated fluctuations in our revenues or other operating results; • worsening of economic conditions in the United States and reduction in demand for our products; • increases in interest rates or changes in tax laws that make it more costly for consumers to finance home renovation or purchases; • variations between our actual operating results and the expectations of securities analysts, investors and the financial community; • any forward- looking financial or operating information we may provide to the public or securities analysts, any changes in this information or our failure to meet expectations based on this information; • actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us or our failure to meet these estimates or the expectations of investors; • additional shares of Class A common stock being sold into the market by us or our stockholders, or the anticipation of such sales; • announcements by us or our competitors of significant products or features, innovations, acquisitions, strategic partnerships, joint ventures, capital commitments, divestitures or other dispositions; • loss of relationships with significant distributors, dealers or other customers; • changes in operating performance and stock market valuations of companies in our industry, including our competitors; • difficulties in integrating any new acquisitions we may make; • loss of services from members of management or employees or difficulty in recruiting additional employees; • price and volume fluctuations in the overall stock market, including as a result of general economic trends; • an active trading market in our Class A common stock not being maintained or our failure to satisfy the continued listing standards of the NYSE; • future issuances of our Class A common stock or other equity securities; • lawsuits

threatened or filed against us, or events that negatively impact our reputation; and • developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies. In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect the stock prices of many companies. Often, their stock prices have fluctuated in ways unrelated or disproportionate to their operating performance. In the past, stockholders have filed securities class action litigation against companies following periods of market volatility. Such securities litigation, if instituted against us, could subject us to substantial costs, divert resources and the attention of management from our business and seriously harm our business. Provisions in our certificate of incorporation and bylaws, could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our Class A common stock. Our certificate of incorporation and bylaws contain provisions that could depress the trading price of our Class A common stock by acting to discourage, delay or prevent a change of control of our company or changes in our management that our stockholders may deem advantageous. In particular, our certificate of incorporation and bylaws: • establish a classified board of directors so that not all members are elected at one time, which could delay the ability of stockholders to change the membership of a majority of our board of directors, provided that such classification will be phased out by 2025, such that, following our 2025 annual meeting of stockholders, all directors will be elected annually for one- year terms; • permit our board of directors to establish the number of directors and fill any vacancies (including vacancies resulting from an expansion in the size of our board of directors); • establish limitations on the removal of directors; • authorize the issuance of “ blank check ” preferred stock that our board of directors could use to implement a stockholder rights plan; • provide that our board of directors is expressly authorized to make, alter or repeal our bylaws; • restrict the forum for certain litigation against us to Delaware; • provide that stockholders may not act by written consent, which requires stockholder action to be taken at an annual or special meeting of our stockholders; • prohibit stockholders from calling special meetings, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including with respect to the removal of directors; • prohibit us, except under specified circumstances and subject to specified exceptions, from engaging in a business combinations with any stockholders, or stockholders, who own or within the last three years has owned 15 % of our voting stock; and • establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’ s own slate of directors or otherwise attempting to obtain control of us. Any provision of our certificate of incorporation, our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of Class A common stock and could also affect the price that some investors are willing to pay for our Class A common stock. We are a holding company and rely on dividends, distributions, and other payments, advances and transfers of funds from our subsidiaries to meet our obligations. We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash distributions and other transfers from our direct and indirect subsidiaries to meet our obligations. The agreements governing the indebtedness of our subsidiaries impose restrictions on our subsidiaries’ ability to pay dividends or other distributions to us. See “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Liquidity Outlook — Holding Company Status. ” Each of our subsidiaries is a distinct legal entity, and under certain circumstances legal and contractual restrictions may limit our ability to obtain cash from them and we may be limited in our ability to cause any future joint ventures to distribute their earnings to us. The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could impair their ability to make distributions to us. We cannot guarantee that our share repurchase program will be fully implemented or that it will enhance long- term stockholder value. In ~~May-June 2022~~ **2024**, our Board of Directors approved a share repurchase program authorizing the repurchase of up to \$ ~~400-600~~ million of our Class A common stock, **in addition to the remaining available amount of approximately \$ 76 million pursuant to the 2022 Share Repurchase Authorization**. The repurchase program does not have an expiration date and we are not obligated to repurchase a specified number or dollar value of shares, on any particular timetable or at all. There can be no assurance that we will repurchase stock at favorable prices. The repurchase program may be suspended or terminated at any time and, even if fully implemented, may not enhance long- term stockholder value. 33