Risk Factors Comparison 2024-02-16 to 2023-02-16 Form: 10-K

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The Company' s business, financial condition, results of operations and cash flows can be affected by a number of factors including those material factors set forth below, those set forth in our " Forward Looking Statements " disclosure in Item 7 and those set forth elsewhere in this Annual Report on Form 10- K, any one of which could cause the Company' s actual results to vary materially from recent results or from anticipated future results and make an investment in the Company speculative or risky. Strategic, Business and Operational Risks The Company' s earnings growth strategy is partially dependent on the acquisition and successful integration of other businesses. The Company has a history of acquiring businesses as part of its earnings growth strategy. Typically, the Company considers acquiring companies that can be integrated within an existing business. Acquisitions of this type involve numerous risks, which may include a failure to realize expected revenue growth and operating and cost synergies from integration initiatives, increasing dependency on the markets served by the combined businesses or increased debt to finance the acquisitions. The Company also considers the acquisition of businesses that may operate independent of existing businesses. Acquisitions of this type involve risks similar to those encountered when acquiring companies that can be integrated within an existing business, including a failure to realize expected revenue growth or operating and cost reductions within the acquired business, and could increase the possibility of diverting corporate management' s attention from its existing operations. The successful realization of revenue growth, cost reductions and synergies with our existing businesses, and within acquired stand- alone businesses, and increases in profitability overall, are dependent upon successful integration initiatives. If these integration initiatives are not fully realized, there may be a negative effect on the Company' s business, financial condition, results of operations and cash flows, including goodwill and / or intangible asset impairments, which may be material. ~~See~~ **Refer to** Note 3 for recent acquisition information. The loss of, a significant decline in business with, or pricing pressure from, one or more of the Company' s key customers could adversely affect the Company' s business, financial condition, results of operations and cash flows. The Company **' s CCM segment** operates in several niche markets in which a large portion of the segment' s revenues are attributable to a few large customers. See " Item 1. Business — Overview — Description of Businesses by Segment " for a discussion of customer concentrations ~~by segment~~ **for CCM** . A significant reduction in purchases by one or more of these customers could have an adverse effect on the business, financial condition, results of operations or cash flows of one or more of the Company' s segments. Some of the Company' s key customers enjoy significant purchasing power that may be used to exert pricing pressure on the Company. Additionally, as many of the Company' s businesses are part of a long supply chain to the ultimate consumer, the Company' s business, financial condition, results of operations or cash flows could be adversely affected if one or more key customers elects to in- source or find alternative suppliers for the production of a product or products that the Company currently provides. Failure to successfully complete dispositions or restructuring activities could negatively affect the Company. From time to time, the Company, as part of its commitment to concentrate on its core business, may dispose of all or a portion of certain businesses. Such dispositions involve a number of risks and present financial, managerial and operational challenges, including diversion of management' s attention from the Company' s core businesses, increased expense associated with the dispositions, potential disputes with the customers or suppliers of the disposed businesses, potential disputes with the acquirers of the disposed businesses and a potential dilutive effect on the Company' s earnings per share. If dispositions are not completed in a timely manner, there may be a negative effect on the Company' s cash flows and / or the Company' s ability to execute its strategy. Additionally, from time to time, the Company may undertake consolidation and other restructuring projects in an effort to reduce costs and streamline its operations. Such restructuring activities may divert management' s attention from the Company' s core businesses, increase expenses on a short- term basis and lead to potential disputes with the employees, customers or suppliers of the affected businesses. If restructuring activities are not completed in a timely manner or if anticipated cost savings, synergies and efficiencies are not realized, there may be a negative effect on the Company' s business, financial condition, results of operations and cash flows. Refer to ~~Notes~~ **Note** 4 ~~and 8~~ for a discussion of disposition ~~and restructuring~~ matters. Industry and Macroeconomic Risks Several of the market segments that the Company serves are cyclical and sensitive to domestic and global economic conditions. Several of the market segments in which the Company sells its products are, to varying degrees, cyclical and may experience periodic downturns in demand. For example, the CCM and CWT segments are susceptible to downturns in the commercial construction industry, particularly in the construction repair and replacement sectors, **and** the CWT segment is susceptible to downturns in the residential construction ~~industry, the CIT segment is susceptible to downturns in the commercial aerospace industry and the CFT segment is susceptible to downturns in the automotive~~ industry. Uncertainty regarding global economic conditions may have an adverse effect on the businesses, results of operations and financial condition of the Company and its customers, distributors and suppliers. Among the economic factors which may affect performance are: manufacturing activity, commercial and residential construction, ~~passenger airline travel,~~ difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability. These effects may, among other things, negatively impact the level of purchases, capital expenditures and creditworthiness of the Company' s customers, distributors and suppliers, and therefore, the Company' s results of operations, margins and orders. The Company cannot predict if, when or how much worldwide economic conditions will fluctuate. These conditions are highly unpredictable and beyond the Company' s control. If these conditions deteriorate, however, the Company' s business, financial condition, results of operations and cash flows could be adversely affected. The Company is subject to risks arising from international economic, political, legal and business factors. The Company operates in global markets. Approximately ~~14~~ **10** % of the

Company’ s revenues in ~~2022~~ **2023** were generated outside the United States. In addition, to compete globally, ~~all~~ **both** of the Company’ s segments have manufacturing facilities outside the United States. In ~~2022~~ **2023** , approximately ~~12~~ **11** % of cost of goods sold was derived from facilities outside of the United States. The Company’ s reliance on international revenues and international manufacturing bases exposes its business, financial condition, operating results and cash flows to a number of risks, including price and currency controls; government embargoes or foreign trade restrictions, including import and export tariffs; extraterritorial effects of U. S. laws such as the Foreign Corrupt Practices Act; expropriation of assets; war, civil uprisings, acts of terror and riots; political instability; nationalization of private enterprises; hyperinflationary conditions; the necessity of obtaining governmental approval for new and continuing products and operations, currency conversion or repatriation of assets; legal systems of decrees, laws, taxes, regulations, interpretations and court decisions that are not always fully developed and that may be retroactively or arbitrarily applied; cost and availability of international labor, materials and shipping channels; and customer loyalty to local companies. The Company has significant concentrations in the ~~domestic~~ construction market. **Most** ~~For the year ended December 31, 2022, approximately 83 %~~ of the Company’ s revenues and ~~approximately 102 % of its~~ operating income ~~were~~ **are** generated ~~by the CCM and CWT segments, principally~~ from the construction market. Construction spending is affected by economic conditions, changes in interest rates, demographic and population shifts, new housing starts and changes in construction spending by federal, state and local governments. A decline in the construction market, particularly in construction repair and replacement activities, could adversely affect the Company’ s business, financial condition, results of operations and cash flows. Additionally, adverse weather conditions such as heavy or sustained rainfall, cold weather and snow can limit construction activity and reduce demand for roofing materials. The CCM and CWT segments compete through pricing, among other factors. Competition in ~~this~~ **these** ~~segment~~ **segments** may increase pricing pressure on the Company which may negatively affect operating results in future periods. Raw material costs are a significant component of the Company’ s cost structure and are subject to volatility, including cost increases, significant disruptions to the Company' s supply chains or significant shortages of materials. The Company utilizes petroleum- based products, chemicals, resins and other commodities in its manufacturing processes. Raw materials, including inbound freight, accounted for approximately ~~79~~ **67** % of the Company’ s cost of goods sold in ~~2022~~ **2023** . Significant increases in the costs of these materials may not be recovered through selling price increases and significant disruption to the Company' s supply chains or significant shortages of materials could adversely affect the Company’ s business, financial condition, results of operations and cash flows. The Company also relies on global sources of raw materials, which could be adversely impacted by unfavorable shipping or trade arrangements, including import and export tariffs and global economic conditions. Refer to “ Part II — Item 7A. Quantitative and Qualitative Disclosures About Market Risk ” for additional information regarding commodity price risk. Currency fluctuation could have a material impact on the Company’ s reported results of business operations. The Company’ s global revenues and other activities are translated into U. S. Dollars (" USD") for reporting purposes. The strengthening or weakening of the USD could result in unfavorable translation effects as the results of transactions in foreign countries are translated into USD. In addition, sales and purchases in currencies other than our subsidiaries' functional currencies (primarily the USD, Euro, Chinese Renminbi and British Pound) expose the Company to fluctuations in foreign currencies relative to those functional currencies. Increased strength of the functional currency will decrease the Company’ s reported revenues or margins in respect of sales conducted in foreign currencies to the extent the Company is unable or determines not to increase local currency prices. Likewise, decreased strength of the functional currency could have a material adverse effect on the cost of materials and products. Many of the Company’ s sales that are exported by its USD functional subsidiaries to foreign countries are denominated in USD, reducing currency exposure. However, increased strength of the USD may decrease the competitiveness of our U. S. subsidiaries’ products that are sold in USD within foreign locations. The Company has entered into foreign currency forward contracts to mitigate the exposure of certain of our results of operations and cash flows to such fluctuations. See “ Part II — Item 7A. Quantitative and Qualitative Disclosures About Market Risk ” for a discussion on foreign currency exchange risk. Environmental, Regulatory and Legal Risks The Company **' s** ~~and certain of its customers’~~ operations are subject to ~~regulatory~~ risks **related** ~~. Certain products manufactured by our businesses and certain of our customers operating in the aerospace and medical markets are subject~~ to **environmental laws** ~~extensive regulation by the FAA~~ and ~~EASA, and FDA, respectively. It can be costly and time- consuming for the Company and our customers to obtain and maintain regulatory approvals and certifications to operate in these markets. Delays in FAA or EASA approvals or certifications of the products of our aerospace customers may impact the requirements for our interconnect components. Product approvals subject to~~ regulations ~~might not be granted for new medical devices on a timely basis, if at all. Proposed new regulations or changes to regulations could result in the need to incur significant additional costs to comply. Continued government scrutiny, including reviews of the FDA medical device pre- market authorization and post- market surveillance processes, may impact the requirements for our medical device components. Failure of the Company or any of its customers operating in these markets to effectively respond to changes to applicable laws and regulations or comply with existing and future laws and regulations may have a negative effect on the Company’ s business, financial condition, results of operations and cash flows~~ . We are ~~also~~ subject to increasingly stringent environmental laws and regulations, including those relating to air emissions, wastewater discharges, and chemical and hazardous waste management and disposal. Some of these environmental laws hold owners or operators of land or businesses liable for their own and for previous owners’ or operators’ releases of hazardous or toxic substances or wastes. Other environmental laws and regulations require the obtainment of, and compliance with, environmental permits. To date, costs of complying with environmental, health and safety requirements have not been material, and the Company did not have any significant accruals related to potential future costs of environmental remediation as of December 31, **2023 and** 2022 ~~and 2021~~ , nor are any material asset retirement obligations recorded as of that date. However, the nature of the Company’ s operations and its long history of industrial activities at certain of its current or former facilities, as well as those acquired, could potentially result in material environmental liabilities or asset retirement obligations. Global climate change and related regulations could negatively affect the Company. Changes in environmental and climate change laws or regulations, including laws relating to GHG emissions, could lead to new or additional investment in the Company’ s products or facilities and could increase environmental compliance expenditures. Changes in climate change concerns including GHG emissions, and the regulation of such concerns including climate- related disclosures, could subject the Company to additional costs and restrictions, including increased energy and raw material costs and other compliance requirements which could negatively impact the Company’ s reputation, business, capital expenditures, results of operations and financial position. As of the date of this filing, we have made several public commitments regarding our intended reduction of GHG emissions, including commitments to achieve net zero GHG emissions by 2050 and the establishment of science- based targets to reduce GHG emissions from our operations and the operations of our value chain. Although we intend to meet these commitments, we may be required to expend significant resources to do so, which could increase our operational costs. Further, there can be no assurance of the extent to which any of our commitments will be achieved, or that any future investments we make in furtherance of achieving such targets and goals will meet investor expectations or any binding or non- binding legal standards regarding sustainability performance. Moreover, we may determine that it is in the best interest of ~~our~~ **the** ~~company~~ **Company** and our stockholders to prioritize other business, social, governance or sustainable investments over the achievement of our current commitments based on economic, regulatory and social factors, business strategy or pressure from investors, activist groups or other stakeholders. If we are unable to meet these commitments, then we could incur adverse publicity and reaction from investors, activist groups and other stakeholders, which could adversely impact the perception of our brands and our products and services by current and potential customers, as well as investors, which could in turn adversely impact our results of operations. General Risk Factors The Company is subject to risks arising from **widespread health emergencies** ~~global pandemics, including COVID- 19~~ . The Company’ s businesses operate in market segments impacted by **widespread health emergencies, including** the COVID- 19 pandemic. Operating during a ~~global pandemic~~ **widespread health emergency** exposes the Company to a number of risks, including diminished demand for our products and our customers’ products, suspensions in the operations of our manufacturing facilities, maintenance of appropriate labor levels, our ability to ship products to our customers, interruptions in our supply chains and distribution systems, increases in operating costs related to pay and benefits for our employees, collection of trade receivables in accordance with their terms, and potential impairment of goodwill and long- lived assets, any of which, individually or in the aggregate, could have a material adverse effect on the Company’ s business, financial condition, results of operations and cash flows. ~~We have experienced, and could continue to experience, diminished demand for our products as a result of COVID- 19. The initial decline in domestic and international passenger airline travel caused by COVID- 19 and foreign government lockdowns continue to impact demand for our products sold to customers operating in the commercial aerospace industry.~~ While these **risks** ~~COVID- 19- related impacts~~ have not to date, in the aggregate, had a material adverse impact on the Company, we are unable to predict the extent or duration of ~~these~~ impacts **from widespread health emergencies** as they will depend on future developments, which are highly uncertain and cannot be predicted at this time, such as the duration and frequency of **,** ~~coronavirus outbreaks~~ and government responses to **,** such ~~outbreaks~~ **emergencies** . Cybersecurity breaches or significant disruptions of our information technology systems or violations of data privacy laws could adversely affect our business. We rely on information technology systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support critical business processes. Security breaches of these systems could result in the unauthorized or inappropriate access to confidential information or personal data entrusted to us by our business partners. While we have experienced, and expect to continue to experience, cybersecurity breaches to our information technology systems, none of them to date has had a material impact on the Company. Additionally, these systems may be disrupted as a result of attacks by computer hackers or viruses, human error or wrongdoing, operational failures or other catastrophic events. The Company leverages its internal information technology infrastructures, and those of its business partners, to enable, sustain and protect its global business interests. However, any of the aforementioned breaches or disruptions could result in legal claims, liability or penalties under privacy laws or damage to operations or to the Company' s reputation, which could adversely affect our business. We are subject to data privacy and security laws, regulations and customer- imposed controls as a result of having access to and processing confidential, personal and / or sensitive data in the ordinary course of business. If we are unable to maintain reliable information technology systems and appropriate controls with respect to privacy and security requirements, we may suffer regulatory consequences that could be costly or otherwise adversely affect our business.