

Risk Factors Comparison 2025-02-28 to 2024-02-26 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 consider carefully the risks and uncertainties described below, together with the other information included in this Form 10-K. The occurrence of any of the following risks may materially and adversely affect our business, financial condition, results of operations and future prospects. In these circumstances, the market price of our Class A common stock could decline. Other events that we do not currently anticipate or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations. Risks Related to Our Business Our business model is impacted by general economic conditions in our markets, including inflation and interest rates, as well as the health of the RV industry, and ongoing economic and financial uncertainties could cause a decline in consumer spending that could adversely affect our business, financial condition and results of operations. As a business that relies on consumer discretionary spending, we have in the past and may in the future be adversely affected if our customers reduce, delay or forego their purchases of our services, protection plans, products and resources as a result of: ● job losses, lower income levels or other population and employment trends; ● bankruptcies; ● higher consumer debt and interest rates; ● reduced access to credit; ● higher energy and fuel costs; ● relative or perceived cost, availability and comfort of RV use versus other modes of travel, such as air travel and rail; ● falling home prices; ● lower consumer confidence or discretionary consumer spending; ● higher inflation rates; ● uncertainty or changes in tax policies and tax rates; ● uncertainty **or changes in import / export policies, including tariffs; ● uncertainty** due to national or international security concerns; or ● other general economic conditions, including deflation and recessions. We also rely on our store locations to attract and retain customers and to build our customer database. If we close store locations, are unable to open ~~or acquire~~ new store locations, **including greenfield locations and acquisitions**, on the timelines we anticipate or at all due to general economic conditions or otherwise, or experience declines in customer transactions in our existing store locations due to general economic conditions or otherwise, our ability to maintain and grow our customer database and our Active Customers will be limited, which could have a material adverse effect on our business, financial condition and results of operations. **In addition, political conditions, including new and changing laws or tariffs, regulations, executive orders and enforcement priorities, may create uncertainty about how such laws and regulations will be interpreted and applied and, consequently, may create market uncertainty. This may adversely impact customer demand, increase our costs and adversely impact our business.** Decreases in Active Customers, average spend per customer, or retention and renewal rates for our Good Sam services and plans has, at times, negatively affected and could in the future negatively affect our financial performance, and a prolonged period of depressed consumer spending could have a material adverse ~~effect~~ **effect** on our business. For instance, our Active Customers declined in ~~2023~~ **2024**. In prior years **and to some extent in 2024**, promotional activities and decreased demand for consumer products affected our profitability and margins, and this negative impact could return or worsen in future periods. In addition, adverse economic conditions may result in an increase in our operating expenses due to, among other things, higher costs of labor, energy, equipment and facilities, as well as higher tariffs. Due to fluctuations in the U. S. economy, our sales, operating and financial results for a particular period are difficult to predict, making it difficult to forecast results for future periods. Additionally, we are subject to economic fluctuations in local markets that may not reflect the economic conditions of the U. S. economy. Any of the foregoing factors could have a material adverse effect on our business, financial condition and results of operations. ~~16~~ **In** addition, the success of our recurring Good Sam services and plans, as well as our RV and outdoor retail business, depends, in part, on our customers' use of certain RV websites and / or the purchase of services, protection plans, products and resources through participating merchants, as well as the health of the RV industry generally. In addition, during recent periods we have faced, and may continue to face, increased competition from other businesses with similar product and service offerings. For example, our competitors have listed RVs at or below cost **and, As a result,** ~~we have had little visibility into our competitors or manufacturers' inventories. As a result, we have~~ responded and may need to further respond by establishing pricing, marketing and other programs or by seeking out additional strategic alliances or acquisitions that may be less favorable to us than we could otherwise establish or obtain in more favorable economic environments. Such programs have adversely impacted our gross margin, operating margin and selling, general and administrative expenses. In addition, declines in the national economy could cause partners **and /** or advertising customers who participate in our programs to go out of business. Should the number of partners **and /** or advertising customers entering bankruptcy rise, it is likely that the number of uncollectible accounts would also rise. These factors could have a material adverse effect on our business, financial condition and results of operations. Our business is affected by the availability and cost of financing to us and our customers. Our business is affected by the availability of financing to us and our customers. Generally, RV dealers, including us, finance their purchases of inventory. As of December 31, ~~2023~~ **2024**, we had up to \$ 1.85 billion in maximum borrowing capacity under our Eighth Amended and Restated Credit Agreement for floor plan financing (the "Floor Plan Facility") (see Note 4 — Inventories and Floor Plan Payables to our consolidated financial statements included in Part II, Item 8 of this Form 10-K). A decrease in the availability of this type of wholesale financing or an increase in the cost of such wholesale financing could prevent us from carrying adequate levels of inventory, which may limit product offerings and could lead to reduced revenues. Furthermore, many of our customers finance their RV purchases. Consumer credit market conditions continue to influence demand, especially for RVs, and may continue to do so. There continue to be fewer lenders, more stringent underwriting and loan approval criteria, and greater down payment requirements than in the past. Deteriorating economic conditions as a result of federal government action to control inflation, such as higher interest rates, increased unemployment, financial market uncertainty, decreases in disposable income, declines in

consumer confidence, economic slowdowns or recessions has negatively impacted and may in the future negatively impact credit conditions or credit worthiness of our customers, and adversely affect the ability of consumers to finance potential purchases at acceptable terms and interest rates. For instance, the higher interest rates have limited the amount of financing that certain customers qualify for when purchasing a new or used RV. This has resulted and could in the future result in a decrease in sales of our products and have a material adverse effect on our business, financial condition and results of operations. Fuel shortages, high prices for fuel, or changes in energy sources could have a negative effect on our business. Gasoline or diesel fuel is currently required for the operation of RVs. There can be no assurance that the supply of these petroleum products will continue uninterrupted, that rationing will not be imposed or that the price of or tax on these petroleum products will not significantly increase in the future. Shortages of gasoline and diesel fuel have had a material adverse effect on the RV industry as a whole in the past and any such shortages or substantial increases in the price of fuel could have a material adverse effect on our business, financial condition or results of operations. ~~In-17~~**In the future, new government regulations could require us to sell RVs and other products that rely on alternative energy sources or require prohibit consumers to from purchase purchasing vehicles products that rely on alternative fuel or other traditional energy sources. For example, regulations passed in December 2021 by the California Air Resources Board (“ CARB ”) will prohibit the sale of gas- powered generators in California beginning in 2028. Additionally, CARB approved the Advanced Clean Trucks regulation in March 2021, which places requirements on RV manufacturers that are expected to prevent many new diesel RV models from being sold in California (and in states that have adopted the California standard) beginning with the 2024 model year. However, President Trump’ s January 20, 2025 executive order titled “ Unleashing American Energy ” directs the United States Environmental Protection Agency (“ EPA ”) to revoke certain federal waivers that previously allowed California to adopt the Advanced Clean Truck regulation and other greenhouse gas (“ GHG ”) emissions regulations that are stricter than what is currently provided under federal law. In addition, Trump’ s executive order also calls for creation of a new, and likely less stringent, federal vehicle emissions standard and also preventing individual states from implementing regulations on vehicle and GHG emissions that are more stringent than the federal standard. It is currently unclear whether such as electric regulations implementing the executive order will be proposed or adopted and, if adopted, whether they would survive likely judicial challenges. However, if current EPA and CARB regulations relating to vehicles- vehicle -emissions and energy sources remain in place, or become more stringent in the future, we may not have offerings available to satisfy Such such requirements or such** alternative energy sources could be less desirable to our customers or result in reduced towing capacity, which may reduce demand or lower margins and adversely affect our business, financial condition or results of operations. ~~17~~**Our** success depends to a significant extent on the well-being, as well as the continued popularity and reputation for quality, of our manufacturers, particularly Thor Industries, Inc. and Forest River, Inc. Thor Industries, Inc. and Forest River, Inc. supplied approximately ~~63-61~~ **.74** % and ~~26-30~~ **.72** %, respectively, of our new RV inventory as of December 31, ~~2023-2024~~. We depend on our manufacturers to provide us with products that compare favorably with competing products in terms of quality, performance, safety and advanced features. Any adverse change in the production efficiency, product development efforts, technological advancement, marketplace acceptance, reputation, marketing capabilities or financial condition of our manufacturers, particularly Thor Industries, Inc. and Forest River, Inc., could have a substantial adverse impact on our business. Any difficulties encountered by any of these manufacturers, resulting from economic, financial, or other factors, could adversely affect the quality and amount of products that they are able to supply to us, and the services and support they provide to us. The interruption or discontinuance of the operations of Thor Industries, Inc. and Forest River, Inc. or other manufacturers could cause us to experience shortfalls, disruptions, or delays with respect to needed inventory. Although we believe that adequate alternate sources would be available that could replace any manufacturer as a product source, those alternate sources may not be available at the time of any interruption, and alternative products may not be available at comparable quality and prices. Our supply arrangements with manufacturers are typically governed by dealer agreements, which are customary in the RV industry. Our dealer agreements with manufacturers are generally made on a location- by- location basis, and each store location typically enters into multiple dealer agreements with multiple manufacturers. These dealer agreements may contain affirmative obligations that we must comply with. Our dealer agreements also generally provide for a one- year term, which is typically renewed annually. For more information on our dealer arrangements, see “ Item 1. Business — Vehicle Sourcing and Dealer Arrangements ” under Part I of this Form 10- K. In addition, certain of our dealer agreements contain stocking level requirements and certain of our dealer agreements contain contractual provisions concerning minimum advertised product pricing for current model year units. Wholesale pricing is generally established on a model year basis and is subject to change at the manufacturer’ s sole discretion. In certain cases, manufacturers have, and may continue to establish a suggested retail price, below which we cannot advertise that manufacturer’ s RVs. Any change, non- renewal, unfavorable renegotiation or termination of these arrangements for any reason could adversely affect product availability and cost and our financial performance. ~~Changes-18~~**Changes** in consumer preferences for our products or our failure to gauge those preferences could lead to reduced sales and increased cost of sales and selling, general and administrative expenses. We cannot be certain that historical consumer preferences for RVs in general, and any related products, will remain unchanged. RVs are generally used for recreational purposes, and demand for our products may be adversely affected by competition from other activities that occupy consumers’ leisure time and by changes in consumer lifestyle, usage pattern, or taste. Similarly, an overall decrease in consumer leisure time may reduce consumers’ willingness to purchase our products. During the COVID- 19 pandemic, we experienced significant acceleration in our in- store traffic and revenue trends in May 2020 continuing into the quarter ended June 30, 2021 and demand ~~in-for~~ new and used vehicles remained elevated through the remainder of 2021 and into the beginning of 2022. The industry saw an influx of new first- time participants because RVs ~~allow~~ **allowed** people to travel in a safe and socially distant manner during the COVID- 19 crisis. These trends ~~have slowed~~ **are no longer prevalent** and may not ~~continue~~ **recur** in the future. Over the past several years, we

have seen a shift in our overall sales mix towards new travel trailer vehicles, which, prior to the COVID-19 pandemic, had led to declines in our average selling price of a new vehicle unit. From 2015 to 2023, new vehicle travel trailer units as a percent of total new vehicles increased from 62% to 75-77% of total new vehicle unit sales but, from 2015 to 2023, our average selling price of a new vehicle unit increased 1%, from \$39,853 to \$43,866, as inflation over that period was partially offset by the higher mix of lower priced travel trailers. As a result of the lower industry supply of travel trailers and motorhomes for much of 2021, both average cost and average sales price increased in 2022 and 2021, but average selling price began to decrease in 2023. If supply chain costs decline over the next twelve months, as expected, average sales price may continue to decline and impact our same store revenue.

18 We have announced a strategic review of our Good Sam business, and any resulting transaction may introduce significant risks and uncertainties. We have initiated a strategic review of our Good Sam business, which could include a potential sale, spin off or other disposition of the business. No decision has been made whether to proceed with any particular alternative. We have not set a deadline for the strategic alternatives review process, and there can be no assurance that this process will result in any particular outcome. We expect to incur substantial costs associated with the strategic review. We are also subject to other risks in connection with the uncertainty created by the strategic review process, including stock price volatility and the ability to retain qualified employees. We do not currently intend to disclose further developments with respect to this process, unless and until our Board of Directors approves a specific transaction or otherwise concludes the review of strategic alternatives. A strategic transaction involving our Good Sam business could create significant risks and uncertainties that could adversely affect our business, consolidated financial position and consolidated results of operations. These include, among others, the inability to find potential buyers on favorable terms; disruption to our business and/or diversion of management attention from other business concerns; the potential loss of key employees; difficulties in separating the operations of the divested business; and retention of certain liabilities related to the divested business. In addition, a strategic transaction may not be successful in achieving its intended benefits and could negatively impact our remaining business, for example through the loss of cross-selling opportunities, as any ongoing relationship with Good Sam could be uncertain. Significant time and expenses could be incurred related to any resulting transaction and such transaction may require our continued in 2024 financial involvement, such as through transition service agreements, guarantees, and indemnities or other current or contingent financial obligations and liabilities.

19 Our expansion into new, unfamiliar markets, businesses, product lines or categories presents increased risks that may prevent us from being profitable in these new markets, businesses, product lines or categories. Delays in opening or acquiring new store locations, including greenfield locations and acquisitions, on anticipated timelines or at all, could have a material adverse effect on our business, financial condition and results of operations. As a result of any future expansion into new, unfamiliar markets, businesses, product lines or categories, we may have less familiarity with local consumer preferences and less business, product or category knowledge with respect to new businesses, product lines or categories, and could encounter difficulties in attracting customers due to a reduced level of consumer familiarity with our brands or reduced product or category knowledge. Other factors that may impact our ability to open or acquire new store locations, including greenfield locations and acquisitions, in new markets and to operate them profitably or acquire new businesses, product lines or categories, many of which are beyond our control, include:

- our ability to identify suitable acquisition opportunities or new locations, including our ability to gather and assess demographic and marketing data to determine consumer demand for our products in the locations we select or accurately assess profitability;
- our ability to negotiate favorable lease agreements;
- our ability to secure product lines;
- delays in the entitlement process, the availability of construction materials and labor for new store locations and significant construction delays or cost overruns;
- our ability to secure required third-party or governmental permits and approvals;
- our ability to hire and train skilled store operating personnel, especially management personnel;
- our ability to provide a satisfactory mix of merchandise that is responsive to the needs of our customers living in the geographic areas where new store locations are built or acquired;
- our ability to supply new store locations with inventory in a timely manner;
- our competitors building or leasing store locations near our store locations or in locations we have identified as targets; and
- regional economic and other factors in the geographic areas where we expand.

Our expansion into new markets, businesses, products or categories may not be supported adequately by our current resources, personnel and systems, and may also create new distribution and merchandising challenges, including additional strain on our distribution centers, an increase in information to be processed by our management

information systems and diversion of management attention from existing operations. To the extent that we are not able to meet these additional challenges, our sales could decrease, and our operating expenses could increase, which could have a material adverse effect on our business, financial condition and results of operations. Finally, the size, timing, and integration of any future new store location openings **or, including greenfield locations and** acquisitions, or the acquisition of new businesses, product lines or categories may cause substantial fluctuations in our results of operations from quarter to quarter. Consequently, our results of operations for any quarter may not be indicative of the results that may be achieved for any subsequent quarter or for a full fiscal year. These fluctuations could adversely affect the market price of our common stock. As a result of the above factors, we cannot assure you that we will be successful in operating our store locations in new markets or acquiring new businesses, product lines or categories on a profitable basis, and **our 2020** failure to do so could have a material adverse effect on our business, financial condition and results of operations. **20Unforeseen -- Unforeseen** expenses, difficulties, and delays encountered in connection with acquisitions could inhibit our growth and negatively impact our **profitability**. Our ability to continue to grow through the acquisition of additional store locations will depend upon various factors, including the following: • the availability of suitable acquisition candidates at attractive purchase prices; • the ability to compete effectively for available acquisition opportunities; • the availability of cash on hand, borrowed funds or Class A common stock with a sufficient market price to finance the acquisitions; • the ability to obtain any requisite third- party or governmental approvals; and • the absence of one or more third parties attempting to impose unsatisfactory restrictions on us in connection with their approval of acquisitions. As a part of our strategy, we occasionally engage in discussions with various dealerships and other outdoor lifestyle businesses regarding their potential acquisition by us. In connection with these discussions, we and each potential acquisition candidate exchange confidential operational and financial information, conduct due diligence inquiries, and consider the structure, terms, and conditions of the potential acquisition. Potential acquisition discussions frequently involve difficult business integration and other issues, including in some cases, management succession and related matters. As a result of these and other factors, a number of potential acquisitions that from time to time have been announced or appear likely to occur do not result in binding legal agreements or are not consummated. In addition, we may have disagreements with potential acquisition targets, which could lead to litigation. Acquisitions that have closed may not have the intended benefit. Any of these factors or outcomes could result in a material adverse effect on our business, financial condition and results of operations. Failure to maintain the strength and value of our brands could have a material adverse effect on our business, financial condition and results of operations. Our success depends on the value and strength of our key brands, including Good Sam and Camping World. These brands are integral to our business as well as to the implementation of our strategies for expanding our business. Maintaining, enhancing, promoting and positioning our brands, particularly in new markets where we have limited brand recognition, will depend largely on the success of our marketing and merchandising efforts and our ability to provide high quality services, protection plans, products and resources and a consistent, high quality customer experience. Our brands could be adversely affected if we fail to achieve these objectives, if we fail to comply with local laws and regulations, if we are subject to publicized litigation or if our public image or reputation were to be tarnished by negative publicity. Some of these risks may be beyond our ability to control, such as the effects of negative publicity regarding our manufacturers, suppliers or third- party providers of services or negative publicity related to members of management. Any of these events could result in decreases in revenues. Further, maintaining, enhancing, promoting and positioning our brands' image may require us to make substantial investments, which could adversely affect our cash flow, and which may ultimately be unsuccessful. These factors could have a material adverse effect on our business, financial condition and results of operations. Our failure to successfully order and manage our inventory to reflect consumer demand in a volatile market and anticipate changing consumer preferences and buying trends has, and may continue to have, an adverse effect on our business, financial condition and results of operations. Our success depends upon our ability to successfully manage our inventory and to anticipate and respond to merchandise trends and consumer demands in a timely manner. Our products are intended to **appeal 21 appeal** to consumers who are, or could become, RV owners and enthusiasts across North America. The preferences of these consumers cannot be predicted with certainty and are subject to change. Further, the retail consumer industry, by its nature, is volatile and sensitive to numerous economic factors, including **21consumer -- consumer** preferences, competition, market conditions, general economic conditions and other factors outside of our control. We typically order merchandise well in advance of the following selling season making it difficult for us to respond rapidly to new or changing product trends, increases or decreases in consumer demand or changes in prices. Additionally, we may not be able to adjust proprietary pricing tools, such as the RV Valuator, to respond to changes in consumer demand or pricing until after a trend is established. If we misjudge either the market for our merchandise or our consumers' purchasing habits in the future, our revenues may decline significantly, and we may not have sufficient quantities of merchandise to satisfy consumer demand or sales orders, or we may be required to discount excess inventory, either of which could have a material adverse effect on our business, financial condition and results of operations. For example, in the normal course of business, we periodically will implement discounting to reduce our excess RV inventory. During 2023 **and early 2024**, we discounted 2022 and 2023 model year RVs to reduce the mix of those model years compared to **incoming** 2024 model year RVs that we had procured at a lower cost, which also resulted in the need for us to discount certain used RVs. This discounting resulted in a decrease in average selling prices of new and used vehicles in 2023 **and early 2024**. During the fourth quarter of 2022 and in connection with **our Active Sports Restructuring restructuring activities** during 2023, we used clearance and discounted pricing on certain categories within our products, services, and other offerings to reduce our retail inventory levels. In addition, we have exited certain non- RV retail categories because we felt those categories did not have sufficient demand or sales margins to justify our inventory levels. These activities have negatively impacted our gross margin, operating margin and selling, general and administrative expenses **and could materially adversely affect our future results of operations and financial condition**. Our same store revenue may fluctuate and may not be a meaningful indicator of future performance. Our same store revenue may vary from **quarter period to quarter period**. In

addition to the above risk factors a number of additional factors have historically affected, and will continue to affect, our same store revenue results, including: • changes or anticipated changes to regulations related to some of the products we sell or to the localities in which we operate, such as the regulations passed in December 2021 by **CARB the California Air Resources Board** that will prohibit the sale of gas- powered generators in California beginning in 2028 **or the Advanced Clean Trucks regulation approved by CARB in March 2021, which places requirements on RV manufacturers that are expected to prevent many new diesel RV models from being sold in states that have adopted the regulation beginning with the 2024 model year**; • our ability to provide quality customer service that will increase our conversion of shoppers into paying customers; • atypical weather patterns; • changes in our product mix; • ~~changes in sales of Good Sam services and plans and retention and renewal rates for our annually renewing Good Sam services and plans;~~ and • changes in pricing and average unit sales. An unanticipated decline in revenues or same store revenue may cause the price of our Class A common stock to fluctuate significantly. Our business is seasonal and this leads to fluctuations in revenues. We have experienced, and expect to continue to experience, variability in revenue, net income and cash flows as a result of annual seasonality in our business. The RV outdoor and active sports specialty retail industries are cyclical and, because RVs are used primarily by vacationers and campers, demand for services, protection plans, products and resources generally declines during the winter season, while sales and profits are generally highest during the spring and summer months. In addition, unusually severe weather conditions in some geographic areas may impact demand. ~~On 22~~**On** average, over the three years ended December 31, ~~2023~~**2024**, we generated 30.5% and 27.4**5**% of our annual revenue in the second and third fiscal quarters, respectively, which include the spring and summer ~~22 months~~**months**. We have historically incurred additional expenses in the second and third fiscal quarters due to higher purchase volumes, increased staffing in our store locations and program costs. If, for any reason, we miscalculate the demand for our products or our product mix during the second and third fiscal quarters, our sales in these quarters could decline, resulting in higher labor costs as a percentage of sales, lower margins and excess inventory, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, **selling, general, and administrative (“SG & A”)** expenses as a percentage of gross profit tend to be higher in the first and fourth quarters due to the seasonality of our business. Due to our seasonality, the possible adverse impact from other risks associated with our business, including atypical weather, consumer spending levels and general business conditions, is potentially greater if any such risks occur during our peak sales seasons. Our ability to operate and expand our business and to respond to changing business and economic conditions will depend on the availability of adequate capital. The operation of our business, the rate of our expansion and our ability to respond to changing business and economic conditions depend on the availability of adequate capital, which in turn depends **partly** on cash flow generated by our business ~~and, if necessary, the availability of additional equity or debt capital~~. We also require sufficient cash flow to meet our obligations under our existing debt agreements. (See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Description of Senior Secured Credit Facilities and Floor Plan Facility” in Item 7 of Part II of this Form 10- K). We cannot assure you that our cash flow from operations or cash available under our financing agreements, including our \$ 65.0 million revolving credit facility (the “Revolving Credit Facility”) or our floor plan financing through the Floor Plan Facility, will be sufficient to meet our needs. If we are unable to generate sufficient cash flows from operations in the future, and if availability under our Revolving Credit Facility or our Floor Plan Facility is not sufficient, or if additional borrowings under our Real Estate Facilities (as defined in Note 10 — Long- Term Debt to our consolidated financial statements included in Item 8 of Part II of this Form 10- K) are unavailable, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. Our Senior Secured Credit Facilities and our Floor Plan Facility contain restrictive covenants that may impair our ability to access sufficient capital and operate our business. Our senior secured credit facilities, comprised of our Revolving Credit Facility and our \$ 1.4 billion term loan facility (the “Term Loan Facility” and together with the Revolving Credit Facility, the “Senior Secured Credit Facilities”) and our Floor Plan Facility contain various provisions that limit our ability to, among other things: • incur additional indebtedness; • incur certain liens; • consolidate or merge; • alter the business conducted by us and our subsidiaries; • make investments, loans, advances, guarantees and acquisitions; • sell assets, including capital stock of our subsidiaries; • pay dividends on capital stock or redeem, repurchase or retire capital stock or certain other indebtedness; • engage in transactions with affiliates; ~~and~~**and**~~23~~ • enter into agreements restricting our subsidiaries’ ability to pay dividends. ~~23~~**In** addition, the restrictive covenants in our Senior Secured Credit Facilities and our Floor Plan Facility require us to maintain specified financial ratios and provide for acceleration of the indebtedness thereunder in the case of certain events of default, which could have a material adverse effect on our business, financial condition and results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Description of Senior Secured Credit Facilities and Floor Plan Facility” in Item 7 of Part II of this Form 10- K and Note 10 — Long- Term Debt to our consolidated financial statements included in Item 8 of Part II of this Form 10- K. Our ability to comply with those financial ratios may be affected by events beyond our control, and our failure to comply with these ratios could result in an event of default. In an event of default, we may not have sufficient funds available, or we may not have access to sufficient capital from other sources, to repay any accelerated debt and our lenders could foreclose on liens which cover substantially all of our assets. **Future pandemics or health crises may** ~~COVID-19 had, and could have in the future, certain~~ **COVID-19 had, and could have in the future, certain** negative impacts on our business, ~~and such impacts may including~~ **disruptions to our operations that could** have a material adverse effect on our results of operations, financial condition and cash flows. ~~Other future~~ **Future** pandemics or health crises may have ~~similar material adverse impacts on our business. The public health crisis caused by COVID-19 and the measures taken by governments, businesses, including us and our vendors, and the public at large to limit the impact of COVID-19 had, and could again have in the future, certain~~ negative impacts on our business, including, without limitation, the following: • delays in the delivery of certain products from our vendors as a result

of shipping delays; • temporary facility closures, production slowdowns and disruption to operations; • increased product costs or shortages; • **reduced** traffic at our store locations or reduced demand for our products and services; • labor shortages including for key positions; • financial impacts that could cause one or more of our counterparty financial institutions to fail or default on their obligations to us or for us to default on one or more of our credit agreements; • potential significant impairment charges with respect to noncurrent assets, including goodwill, other intangible assets, and other long-lived assets, as well as inventory whose fair values may be negatively affected; and • heightened cybersecurity risks during periods of increased remote working. **These and other other future pandemics disruptions to or our business could health crises may have similar a material adverse impacts effect on our business results of operations, financial condition and cash flows.** We may not successfully execute or achieve the expected benefits of our cost cutting or restructuring initiatives. ~~The restructuring initiatives may result in further asset impairment charges and adversely affect the Company's business. In the third fiscal quarter of 2019 and the second fiscal quarter of 2023, we announced the 2019 Strategic Shift and the Active Sports Restructuring, respectively. As of December 31, 2023, the activities under each of the 2019 Strategic Shift and Active Sports Restructuring have been completed with the exception of certain lease termination costs and other associated costs relating to the leases of previously closed locations or facilities. The process of identifying subtenants and negotiating lease terminations was delayed initially in part due to the COVID-19 pandemic. The timing of these negotiations will vary as both subleases and terminations are contingent on landlord approvals and the costs may be greater than expected. In addition, the Company may need to incur further impairment charges to its long-lived assets, including its operating lease assets, as a result of the 2019 Strategic Shift. As of December 31, 2023, the Company had eight leases relating to the 2019 Strategic Shift and one lease relating to Active Sports Restructuring that had not been terminated or sublet. In addition, from~~ **From** time to time, we engage in cost cutting or restructuring initiatives to try to streamline our organizational footprint. These initiatives may not have the intended benefits and may result in unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended number of employees impacted by any reduction in force, and decreased morale among our remaining employees. **We also may be unable to terminate or sublet applicable leases related to such initiatives, which has occurred in connection with recent restructuring initiatives.** If we are unable to realize the anticipated benefits from our cost cutting or restructuring initiatives, or if we experience significant adverse consequences from such initiatives, our business, financial condition, and results of operations may be materially adversely affected. ~~We~~ **24** ~~We~~ primarily rely on our fulfillment and distribution centers for our retail, e-commerce and catalog businesses, and, if there is a natural disaster or other serious disruption at any such facility, we may be unable to deliver merchandise effectively to our stores or customers. We handle almost all of our e-commerce and catalog orders and distribution to our retail stores through fulfillment and distribution facilities (see "Item 2. Properties" under Part I of this Form 10-K). ~~We closed one of these fulfillment and distribution facilities in January 2023.~~ Any natural disaster or other serious disruption at any such facility due to fire, tornado, earthquake, flood or any other cause could damage our on-site inventory or impair our ability to use such distribution and fulfillment center. While we maintain business interruption insurance, as well as general property insurance, the amount of insurance coverage may not be sufficient to cover our losses in such an event. Any of these occurrences could impair our ability to adequately stock our stores or fulfill customer orders and harm our results of operations. Natural disasters, whether or not caused by climate change, unusual weather conditions, epidemic outbreaks, terrorist acts and political events could disrupt business and result in lower sales and otherwise adversely affect our financial performance. The occurrence of one or more natural disasters, such as tornadoes, hurricanes, fires, droughts, floods, hail storms and earthquakes, unusual weather conditions, epidemic outbreaks such as Ebola, Zika virus, **bird flu**, novel coronavirus or measles, **or other public health crises**, terrorist attacks or disruptive political events in certain regions where our stores are located could adversely affect our business and result in lower sales, or could impact the degree to which travel and recreational activities remain attractive, either of which could have a material adverse effect on our business, financial condition, and results of operations. Severe weather, such as heavy snowfall or extreme temperatures, may discourage or restrict customers in a particular region from traveling to our stores or utilizing our products, thereby reducing our sales and profitability. Natural disasters including tornadoes, hurricanes, droughts, floods, hailstorms and earthquakes may damage our stores or other operations, which may materially adversely affect our consolidated financial results. ~~The public health crisis caused by COVID-19 and the measures taken by governments, businesses, including us and our vendors, and the public at large to limit COVID-19's spread had, and could again have in the future, certain negative impacts on our business including product shortages and reduced customer demand for our products.~~ In addition to business interruption, our retail business is subject to substantial risk of property loss due to the concentration of property at our store locations. Climate change **and other environmental and social pressures** may impact the frequency and / or intensity of such events as well as cause chronic changes, such as changes in temperature or precipitation patterns or sea-level rise, that may also have an adverse impact on our operations, including but not limited to a change in consumer behavior, including with respect to the degree to which travel and recreational activities remain attractive. To the extent these events also impact one or more of our key suppliers or result in the closure of one or more of our distribution centers or our corporate headquarters, we may be unable to maintain inventory balances, maintain delivery schedules or provide other support functions to our stores. Our insurance coverage may also be insufficient to cover all losses related to such events, or changing climatic conditions may make it so that we are not able to obtain sufficient insurance coverage on terms that we find acceptable. Any of these events could have a material adverse effect on our business, financial condition and results of operations. **We depend on our relationships with third-party providers of services, protection plans, products and resources and a disruption of these relationships or of these providers' operations could have an adverse effect on our business and results of operations. Our business depends in part on developing and maintaining productive relationships with third-party providers of services, protection plans, products and resources that we market to our customers. During the year ended December 31, 2024, we sourced our products from over 2,800 domestic and international vendors. Additionally, we rely on certain third-party providers to support**

our services, protection plans, products and resources, including insurance carriers for our property and casualty insurance and extended service contracts, banks and captive financing companies for vehicle financing and refinancing, Comenity Capital Bank as the issuer of our co-branded credit card, and a tow provider network for our roadside assistance programs. We cannot accurately predict when, or the extent to which, we will experience any disruption in the supply of products from our vendors or suppliers or services from our third-party providers. Any such disruption could negatively impact our ability to market and sell our services, protection plans, products and resources, which could have a material adverse effect on our business, financial condition and results of operations. In addition, Comenity Capital Bank could decline to renew our services agreement or become insolvent and unable to perform our contract, and we may be unable to timely find a replacement bank to provide these services. 25