Risk Factors Comparison 2024-03-12 to 2023-03-14 Form: 10-K

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The Company' s business is subject to a variety of risks and uncertainties, including, without limitation, the risks and uncertainties described below. In addition to the other information contained in this Form 10- K and the Company' s other filings with the SEC, these risk factors should be considered carefully in evaluating the Company' s business. If any of these risks, or any risks not presently known to the Company or currently deemed immaterial by the Company, materialize, the Company' s business, reputation, stock price, financial condition or results of operations could be materially adversely affected, and the Company may not be able to achieve its goals or expectations. This section should be read in conjunction with Part II, Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and the consolidated financial statements and accompanying notes in Item 8, Financial Statements and Supplementary Data of this Form 10- K. Risks Related to ~~Our~~ **Competition and Global Operations The Company' s** ~~Business~~ **business** ~~Our financial and~~ **is subject to risks associated with conducting business overseas. International** ~~operating~~ **operations have** ~~performance has~~ been and ~~may continue to~~ **could in the future** be adversely affected by **changes in political** ~~COVID- 19 pandemic~~ and ~~the resulting~~ economic conditions, ~~including inflation~~ **trade protection measures** , ~~rising interest~~ **restrictions on repatriation of earnings, differing intellectual property rights and changes in regulatory requirements that restrict the sales of products or increase costs. Changes in exchange** rates **between** ~~, and potential recessionary pressures, and may be adversely affected by future developments with respect to this or another epidemic. As a result of the COVID- 19 pandemic and its impact on economic conditions, the Company has experienced and could continue to experience disruptions to its business, its operations, the delivery of its products and customer demand for its products, including the following: · The broader economic impact of the COVID- 19 pandemic, including resurgences, may continue to result in unfavorable operating earnings and cash flow generation in the months to follow. Current global economic conditions are highly volatile due to the COVID- 19 pandemic, resulting in economic slowdowns that have caused and are likely to continue to cause contractions in some or all the markets we serve. This has led to and may continue to lead to decreased demand for the Company' s products, which in turn has negatively impacted, and may continue to negatively impact, the Company' s financial condition and operating results. Other~~ -- **the U** ~~macroeconomic factors also remain dynamic, and any causes of market size contraction, and overall economic slowdowns could reduce the Company' s sales or erode operating margin, in either case reducing earnings~~ . **S. dollar and** ~~In addition, volatile global economic conditions may cause~~ foreign **currencies** ~~exchange rate fluctuations, which~~ could result in increases or decreases in earnings and may adversely affect the value of the Company' s assets outside the United States. Increased pricing in response to fluctuations in foreign currency exchange rates may offset portions of the currency impacts but could also have a negative impact on demand for the Company' s products, which would affect sales and profits. **Some of the Company' s competitors import products from Asia and Latin America that benefit from favorable currency exchange rates and lower cost labor, which has created downward pricing pressure with respect to the Company' s products that is likely to continue.** Exchange rate fluctuations **have at times and** could ~~also increase~~ **in the future exacerbate this** pricing pressure and impair the ability of the Company' s products to compete with products imported from regions with favorable exchange rates. ~~·~~ . The Company' s operations are also subject to the effects of international trade agreements and regulations.These trade agreements could impose requirements that adversely affect the Company' s business,such as,but not limited to,setting quotas on products that may be imported from a particular country into the Company' s key markets in North America.The Company' s ability to import products in a timely and cost- effective manner may also be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers,such as port and shipping capacity,labor disputes,severe weather or increased homeland security requirements in the United States or other countries.These issues could delay importation of products or require the Company to locate alternative ports or warehousing providers to avoid disruption to customers.These alternatives may not be available on short notice or could result in higher transit costs,which could have an adverse impact on the Company' s business,financial conditions,or results of operations. ~~In~~ **6In** addition,the Company' s growth strategy involves expanding sales of its products into foreign markets.There is no guarantee that the Company' s products will be accepted by foreign customers or how long it may take to develop sales of the Company' s products in these foreign markets **.** Supply ~~.9Supply~~ chain disruptions,delays in production,and forecast inaccuracies have affected and could continue to affect our ability to meet customer demand,lead to higher costs,result in excess inventory,and could have an adverse effect on our results of operations and financial condition.Raw materials needed to manufacture **the Company' s** products are obtained from numerous suppliers.Under normal market conditions,these raw materials are readily available on the open market from a variety of producers.However,from time to time,the prices and availability of these raw materials fluctuate due to ~~the impact of inflation,as well as~~ changes in existing and expected rates of inflation,which could impair the Company' s ability to procure the required raw materials for its operations or increase the cost of manufacturing its **products.For example,supply** shortages and supply chain disruptions originally triggered by shutdowns and other restrictions imposed to slow the spread and resurgence of COVID-19 ~~have~~ impacted ~~and may continue to impact~~ the prices and availability of certain ~~of the~~ raw materials and components used in the production of the Company' s products ~~, which could impair the Company' s ability to procure the required raw materials and components for its operations or increase the cost of manufacturing its products~~ . The Company may be unable to pass **all of these price** increases ~~in the cost of raw materials and components~~ on to its customers and could experience reductions ~~to~~ **in** its profit margins. **Any** ~~Also, any~~ decrease in the availability of raw materials ~~and components~~ could impair the Company' s ability to meet production requirements in a timely manner or at all. **Similarly** ~~· The economic downturn has resulted and could~~

~~continue to result in the carrying value of goodwill or other intangible assets exceeding their fair value~~ , ~~which has required and could continue to require the Company to recognize asset impairment. 7 · To the extent the Company draws under the revolving portion of the Credit Agreement, debt of the Company would increase. Such an increase in indebtedness could adversely affect the Company' s financial results or ability to incur additional debt and could negatively impact credit ratings. The continuing economic impact of the COVID- 19 pandemic, including~~ any **prolonged interruption** ~~resurgences, could also negatively impact the Company' s compliance with the financial covenants under the Credit Agreement or the interest rate of borrowings under the Credit Agreement. In addition, as a result of the risks described above, the Company may~~ in **service** ~~the future be required to raise additional debt or equity financing, and the availability, terms and cost of such financing would depend on, among other things, global economic conditions, conditions in the global financing markets, trading prices of the Company' s common stock, the credit ratings of the Company, and the outlook for the industries in which the Company operates, all of which could be negatively impacted~~ by ~~the COVID- 19 pandemic, including the extent of any resurgences, and related economic effects, including inflation, rising interest rates, and potential recessionary pressures. There can be no assurance that such financing would be available on~~ **one of** ~~acceptable terms, in sufficient quantities, or~~ **our key component suppliers** ~~at all. · Pension plan funded status, the ratio of plan assets over plan liabilities, is largely influenced by current market conditions. To the extent asset returns and interest rates, which are used to discount future plan benefits, change from prior measurement periods, the plan' s funded ratio has the potential to change significantly. Any of the foregoing effects of the COVID- 19 pandemic and resulting economic conditions, if it persists, worsens or recurs, or the future occurrence of any other epidemic,~~ could have a material adverse effect on **our** ~~the Company' s~~ business, **results of operations and** financial condition ~~and~~ **. Additionally, we may not be able to establish additional or replacement suppliers for such components within a reasonable period of time, or on commercially reasonable terms, if at all, which could** ~~results~~ **result** ~~of~~ **in delays or interruptions in our** operations ~~. Indebtedness may~~ **, which in turn would adversely** affect our business ~~and may restrict our operating flexibility. As of December 31~~ , **results** ~~2022, the Company had $ 64, 147, 000 in total consolidated indebtedness. Subject to restrictions contained in the Credit Agreement, the Company may incur additional indebtedness in the future, including indebtedness incurred to finance acquisitions. The level~~ of ~~indebtedness and servicing costs associated with that indebtedness could have important effects on our operation~~ **operations** and business strategy. For example, the...... service its indebtedness, the business, financial condition , and results of operation would be...... in a timely manner or at all . The Company faces active global competition and if it does not compete effectively, its business may suffer. The Company encounters competition in all its business operations, and imports from Asia and Latin America with favorable currency exchange rates and low- cost labor have resulted in pricing pressure. The Company competes with other companies that offer comparable products or that produce different products appropriate for the same uses. To remain profitable and defend market share, the Company must continue to offer high quality custom engineered products on a timely basis, develop new products or update existing products to compete with new or updated products introduced by competitors, deploy internal engineering resources, maintain cost- effective manufacturing capabilities through its wholly owned Asian subsidiaries, expand its product lines through product development and acquisitions, and maintain sufficient inventory for fast turnaround of customer orders. **Additionally, technological developments and enhancements of products and services offerings in our industry may require an expanded use of artificial intelligence (“ AI ”) and machine learning; if we are unable to keep pace with the rate of these and other developments, our ability to effectively compete could be adversely affected. We expect the level of competition to remain high in the future, which, if not effectively matched or exceeded, could limit our ability to maintain or increase our profitability.** The Company may not be able to compete effectively on all these fronts and with all its competitors, and the failure to do so could have a material adverse effect on its sales and profit margins. **Furthermore** ~~In addition~~ , the Company may have to reduce prices on its products and services, or make other concessions, to stay competitive and retain market share. Price reductions taken by the Company in response to customer and competitive pressures, as well as price reductions and promotional actions taken to drive demand that may not result in anticipated sales levels, could also negatively impact the Company' s business. Tariffs, trade sanctions and political instability may impact the availability or cost of raw materials, which could adversely affect our margins, ability to meet customer demand, business, results of operations and financial condition. The Company obtains raw materials used in the production of its products from domestic sources, as well as from Company- affiliated and unaffiliated sources in Asia. Changes in international trade duties and other aspects of international trade policy, both in the United States and abroad, could materially impact the cost of these raw materials. For example, from March 2018 until March 2021, the United States imposed an additional 25 % tariff under Section 232 of the Trade Expansion Act of 1962, as amended, on steel products imported into the United States. While these tariffs have mostly been lifted on imports from countries other than China, imports from many jurisdictions are subject to limitations on volume, after which substantial tariffs will be reimposed. The United States also imposed a 10 % tariff on all aluminum imports into the United States, with initial exemptions for aluminum imported from certain U. S. trading partners. Such actions could increase steel and aluminum costs and decrease supply availability. In response to the invasion of Ukraine by the military forces of the Russian Federation, the United States, the European Union **,** and other jurisdictions have imposed sanctions that, among other things, prohibit the importation of a wide array of commodities and products from Russia, which is a major global supplier of nickel. Any increase in nickel, steel and / or aluminum prices that is not offset by an increase in the Company' s prices could have an adverse effect on the Company' s business, financial position, results of operations or cash flows. In addition, if the Company is unable to acquire timely nickel, steel or aluminum supplies, the Company may need to decline customer orders, which could also have an adverse effect on the business, financial position, results of operations or cash flows of the Company. ~~In addition to sustained increases in the cost of raw materials, the military conflict between Ukraine and Russia and the related sanctions and trade restrictions have continued to cause supply disruptions with respect to component parts for our products and resulted in higher oil and other commodity prices that have increased shipping and transportation costs. If the conflict persists or~~

~~escalates, this may further disrupt global supply chains and could result in shortages of key raw materials or component parts that the Company' s suppliers require to satisfy our needs. Any increases in the cost, or shortages, of raw materials or energy may continue to create supply issues for critical materials that could constrain the Company' s manufacturing levels, which may lead to inability to meet demand for our products and could result in a loss of business and possible reduced margins for the Company if the cost increases cannot be fully offset by higher selling prices. 10Changes~~ **7Changes** in competition in the markets that the Company services could impact revenues and earnings. Any change in competition may result in lost market share or reduced prices, which could result in reduced profits and margins. This may impair the ability to grow or even maintain current levels of revenues and earnings. The loss of certain customers could adversely affect the Company' s business, financial condition, or results of operations until such business is replaced, and no assurances can be made that the Company would be able to regain or replace any lost customers. Risks Related to Acquisitions and Organic Growth The inability to develop new or updated products could limit growth. Demand for new products, or the need to update existing products to compete with new or updated products offered by competitors, could adversely affect the Company' s performance, ability to maintain current levels of revenues and earnings, and prospects for future growth if the Company were unable to develop and introduce new competitive products or updates to existing products at favorable profit margins. The uncertainties associated with developing and introducing new products or updates to existing products, such as the market demands and the costs of development and production, may impede the successful development and introduction of new products or updates to existing products. Acceptance of the new or updated products may not meet sales expectations due to several factors, such as the Company' s potential inability to accurately predict market demand or to resolve technical issues in a timely and cost- effective manner. Additionally, the inability to develop new or updated products on a timely basis could result in the loss of business to competitors. The inability to identify or complete acquisitions could limit growth. The Company' s future growth may partly depend on its ability to acquire and successfully integrate new businesses. The Company intends to seek additional acquisition opportunities, both to expand into new markets and to enhance the Company' s position in existing markets. However, there can be no assurances that the Company will be able to successfully identify suitable candidates, negotiate appropriate terms, obtain financing on acceptable terms, complete proposed acquisitions, successfully integrate acquired businesses or expand into new markets. Once acquired, operations may not achieve anticipated levels of revenues or profitability. Acquisitions involve risk, including difficulties in the integration of the operations, technologies, services **,** and products of the acquired companies and the diversion of management' s attention from other business concerns. Although the Company' s management will endeavor to evaluate the risks inherent in any particular transaction, there can be no assurances that the Company' s management will properly ascertain all such risks. In addition, prior acquisitions have resulted, and future acquisitions could result in the incurrence of substantial debt and other expenses. Future acquisitions may also result in potentially dilutive issuances of equity securities. Difficulties encountered with acquisitions may have a material adverse effect on our business, financial condition, and results of operations. We may be unable to successfully execute or effectively integrate ~~acquisitions of any~~ businesses we may acquire in the future. We regularly review our portfolio of businesses and pursue growth through acquisitions. We may not be able to complete transactions on favorable terms, on a timely basis, or at all, and the success of any such acquisitions depends on our ability to combine the acquired business with our existing business in a manner that does not disrupt our and the acquired business' s ongoing relationships with customers, suppliers, and employees. Our results of operations and cash flows may be adversely impacted by (i) the failure of acquired businesses to meet or exceed expected returns, including risk of impairment; (ii) the failure to integrate multiple acquired businesses into the Company simultaneously and on schedule or to achieve expected synergies and (iii) the discovery of unanticipated liabilities, cybersecurity and compliance issues, labor relations difficulties or other problems in acquired businesses for which we lack contractual protections, or insurance or indemnities. ~~11Risks~~ **8Risks** Related to Technology and Information Security Our technology is important to the Company' s success and the failure to protect this technology could put the Company at a competitive disadvantage. Some of the Company' s products rely on proprietary technology; therefore, the Company believes that the development and protection of intellectual property rights through patents, copyrights, trade secrets, trademarks, confidentiality agreements and other contractual provisions are important to the future success of its business. Despite the Company' s efforts to protect proprietary rights, unauthorized parties or competitors may copy or otherwise obtain and use the Company' s products or technology. Actions to enforce these rights may result in substantial costs and diversion of resources and the Company makes no assurances that any such actions will be successful. In addition to the United States, we have applied for intellectual property protection in other jurisdictions with respect to certain innovations and new products, product features, and processes. The laws of certain foreign countries in which we do business, or may contemplate doing business in the future, do not recognize intellectual property rights or protect them to the same extent as U. S. law. As a result, these factors could weaken our competitive advantage with respect to our products, services, and brands in foreign jurisdictions, which could adversely affect our financial performance. We may also encounter significant problems in protecting and defending our licensed and owned intellectual property in foreign jurisdictions. For example, China currently affords less protection to a company' s intellectual property than some other jurisdictions. As such, the lack of strong patent and other intellectual property protection in China may significantly increase our vulnerability regarding unauthorized disclosure or use of our intellectual property and undermine our competitive position. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business. The Company relies on information and technology for many of its business operations, which could fail and cause disruption to the Company' s business operations. The Company' s business operations are dependent upon information technology networks and systems to securely transmit, process and store electronic information and to communicate among its locations around the world and with clients and vendors. A shut- down of, or inability to access, one or more of the Company' s facilities, a power outage, a ransomware incident, or a failure of one or more of the Company' s information technology, telecommunications or other systems could significantly impair the Company' s ability to perform such functions on a timely basis. Computer viruses, cyberattacks, other external hazards and human error could result in the misappropriation of assets or sensitive information, corruption of data or operational disruption. If sustained or repeated, such a business interruption, system failure, service denial or data loss and damage could result in a deterioration of the Company’ s ability to write and process orders, provide customer service, or perform other necessary business functions. A breach in the security of the Company’ s software or information technology systems could harm its reputation, result in a loss of current and potential customers, and subject the Company to material claims, which could materially harm our operating results and financial condition. If the Company’ s security measures are breached, an unauthorized party may obtain access to the Company’ s data or users’ or customers’ data. In addition, cyberattacks and similar acts could lead to interruptions and delays in operations or customer processing or a loss or breach of the Company’ s or a customer’ s data. Because the techniques used to obtain unauthorized access, disable, or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, the Company may be unable to anticipate these techniques or to implement adequate preventative measures. The risk that these types of events could seriously harm the Company’ s business is likely to increase as the Company expands its reliance on technology for its operations and order processing ~~and enhances the number of web- based products we offer, the services we provide, and our global operations~~ . ~~12Data~~ **9Data** breaches and other serious cybersecurity incidents have increased globally, along with the methods, techniques **,** and complexity of attacks, including use of viruses, ransomware and other malicious software, phishing **,** and other efforts to discover and exploit any design flaws, bugs **,** or other security vulnerabilities. Continued geopolitical turmoil, including the ongoing conflict between Russia and Ukraine, has heightened the risk of cyberattacks. We have been, and likely will continue to be, subject to such cyberattacks, although none has had a material impact on our operations. Also, the same cybersecurity threats exist for the third parties with whom we interact and share information and cyberattacks on third parties that possess or use our customer, personnel and other information could adversely impact us in the same way as would a direct cyberattack on us. The Company is subject to federal, state, and international laws and regulations relating to the collection, use, retention, security and transfer of personally identifiable information and individual payment data. The information, security and privacy requirements imposed by such laws and regulations are constantly evolving and are becoming increasingly demanding in the United States and other jurisdictions in which the Company operates. In addition, the interpretation and application of consumer and data protection laws in the United States and elsewhere are often uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with the Company’ s data practices. If so, in addition to the possibility of fines or other penalties, this could result in an order requiring that the Company change its data practices, which could be costly, divert management attention, and have an adverse effect on the Company’ s business and results of operations. The Company has incurred and may continue to incur significant costs relating to compliance with these laws and regulations, including costs related to updating certain business practices and systems and ensuring continued compliance. Further, any changes to laws or regulations, including new restrictions or requirements applicable to our business, or an increase in enforcement of existing laws and regulations, could expose the Company to additional costs and liability. Any security breaches for which the Company is, or is perceived to be, responsible, in whole or in part, or any actual or perceived violations of data privacy laws and regulations, could subject the Company to legal claims or legal proceedings, including regulatory investigations, which could harm the Company’ s reputation and result in significant litigation costs and damage awards or settlement amounts. Any imposition of liability, particularly liability that is not covered by insurance or is in excess of insurance coverage, could materially harm our operating results and financial condition. Security breaches also could cause the Company to lose current and potential customers, which could have an adverse effect on the Company’ s business. Moreover, the Company may be required to expend significant financial and other resources to further protect against security breaches or to rectify problems caused by any security breach. Litigation, Compliance and Regulatory Risks Delays in, or disagreements with the Company’ s independent registered public accounting firm regarding, the Company’ s evaluation of its internal control over financial reporting under Section 404 of the Sarbanes- Oxley Act of 2002 could have a material adverse effect on the market price of the Company’ s stock or its borrowing ability. In addition, future changes in operating conditions could result in inadequate internal control over financial reporting. The Company is an “ accelerated filer ” as defined in Rule 12b- 2 under the Exchange Act and is thus required to comply with Section 404 of the Sarbanes- Oxley Act of 2002. Section 404 requires the Company to include in its ~~report management’ s assessment of the effectiveness of the Company’ s internal control over financial reporting as of the end of the fiscal period for which the Company is filing its~~ Annual Report on Form 10- K **management’ s assessment of the effectiveness of the Company’ s internal control over financial reporting as of the end of the fiscal period for which the Company is filing the report** . This report must also include disclosure of any material weaknesses in internal control over financial reporting that the Company has identified. Additionally, the Company’ s independent registered public accounting firm is required to issue a report on the Company’ s internal control over financial reporting and their evaluation of the operating effectiveness of the Company’ s internal control over financial reporting. The Company’ s assessment requires it to make subjective judgments, and the independent registered public accounting firm may not agree with the Company’ s assessment. If the Company or its independent registered public accounting firm were unable to complete the assessments within the period prescribed by Section 404 and thus be unable to conclude that the internal control over financial reporting is effective, investors could lose confidence in the Company’ s reported financial information, which could have an adverse effect on the market price of the Company’ s common stock or impact the Company’ s borrowing ability. In addition, changes in operating conditions and changes in compliance with policies and procedures currently in place may result in inadequate internal control over financial reporting in the future. Environmental compliance costs and liabilities could increase the Company’ s expenses and adversely affect the Company’ s financial condition. The Company’ s operations and properties are subject to laws and regulations relating to environmental protection, including air emissions, water discharges, waste management and workplace safety. These laws and regulations can result in the imposition of substantial fines and sanctions for violations and could require the installation of pollution control equipment or operational changes to limit pollution emissions and / or decrease the likelihood of accidental hazardous substance releases. The Company must conform its operations and properties to these laws and adapt to regulatory requirements in the countries in which the Company' s businesses operate as these requirements change. ~~13The~~ **10The** Company uses and generates hazardous substances and wastes in its operations and, as a result, could be subject to potentially material liabilities relating to the investigation and clean- up of contaminated properties and to claims alleging personal injury. The Company has experienced, and expects to continue to experience, costs relating to compliance with environmental laws and regulations. In connection with the Company' s acquisitions, the Company may assume significant environmental liabilities, some of which it may not be aware of at the time of acquisition. In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean- up requirements could require the Company to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition, and results of operations. Natural disasters, changes in climate, ~~and~~ geo- political events **and public health crises, including pandemics (such as COVID- 19) and epidemics, and any related Company or government policies or actions** may negatively impact our business. Natural disasters, changes in climate, ~~and~~ geo- political events **, and public health crises, including pandemics (such as COVID- 19) and epidemics, as well as Company or government policies adopted or actions taken as a result of such events,** could materially adversely affect our **business and** financial performance. The occurrence of one or more natural disasters, such as hurricanes, tropical storms, floods, fires, earthquakes, tsunamis, cyclones, typhoons, weather conditions such as major or extended winter storms, droughts and tornadoes, whether as a result of climate change or otherwise, severe changes in climate ~~and~~ **,** geo- political events, such as war, civil unrest or terrorist attacks **, or public health crises** in a country in which we operate or in which our suppliers are located could **result in loss of human life, significant property and equipment damage, environmental pollution, or reputational harm and could** adversely affect our operations and financial performance **. Our business and operations may be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any of these hazards and risks or any other major crisis or if we are unable to efficiently restore or replace affected operational components and capacity. Countermeasures to address global health crises, epidemics or pandemics, such as those that were taken to reduce the spread of COVID- 19, may result in reduced demand for our products; disruptions to our supply chain, the global economy or financial or commodity markets; disruptions in our contractual arrangements with our service providers, suppliers and other counterparties; failures by our suppliers, contract manufacturers, contractors, joint venture partners and external business partners, to meet their obligations to us; or reduced workforce productivity. Any such occurrence could materially and adversely impact our financial condition, results of operations, cash flows or liquidity position. Further, our insurance may not be adequate to compensate us for all resulting losses described above, and the cost to obtain adequate coverage may increase for us in the future or may not be available** . The Company could be subject to litigation, which could have a material impact on the Company' s business, financial condition, or results of operations. From time to time, the Company' s operations are parties to or targets of lawsuits, claims, investigations, and proceedings, including product liability, personal injury, patent **,** and intellectual property, commercial, contract, and environmental and employment matters, which are defended and settled in the ordinary course of business. Any litigation to which the Company may be subject could have a material adverse effect on its business, financial condition, or results of operations. See Item 3 – Legal Proceedings of this Form 10- K for a discussion of current litigation. The Company could be subject to additional tax liabilities. The Company is subject to income tax laws of the United States, its states, and municipalities and those of other foreign jurisdictions in which the Company has business operations. These laws are complex, evolving, and subject to ~~interpretations~~ - **interpretation** by the taxpayer and the relevant governmental taxing authorities. The Company' s future annual and quarterly tax rates could be affected by numerous factors, including changes in the (1) applicable tax laws; (2) composition of earnings in countries with differing tax rates; or (3) recoverability of our deferred tax assets and liabilities. Beginning in 2022, the U. S. Tax Cuts and Jobs Act of 2017 eliminated the existing option to deduct research and development expenditures and requires taxpayers to amortize them over five years pursuant to IRC Section 174. This requirement is expected to reduce our cash ~~flows~~ - **flow** . In August 2022, the United States enacted the Inflation Reduction Act of 2022 (the " IRA ") which includes a new 15 % corporate minimum tax as well as a 1 % excise tax on fair value of corporate stock repurchases made after December 31, 2022. The IRA could have a negative impact on our tax position. Many countries and organizations such as the Organization for Economic Cooperation and Development are also actively considering changes to existing tax laws or have proposed or enacted new laws that could increase our tax obligations in countries where we do business or cause us to change the way we operate our business. Any of these developments or changes in federal, state, or international tax laws or tax rulings could adversely affect our effective tax rate and our results of operations. ~~Significant~~ **11Significant** judgment and interpretation are required in determining the Company' s worldwide provision for income taxes. In the ordinary course of business, transactions arise where the ultimate tax determination is uncertain. Although the Company believes that our tax estimates are reasonable, the outcome of tax audits and any related litigation could be materially different from that which is reflected in historical income tax provisions and accruals. Based on the status of a given tax audit or related litigation, a material effect on the Company' s income tax provision or net income may result during the period or periods from the initial recognition of a particular matter in the Company' s reported financial results to the final closure of that tax audit or settlement of related litigation when the ultimate tax and related cash flow is known with certainty. ~~operation and~~ business strategy.For example,the indebtedness could:· Place the Company at a competitive disadvantage relative to the Company' s competitors,some of which have lower debt service obligations and greater financial resources;· Limit the Company' s ability to borrow additional funds;· Limit the Company' s ability to complete future acquisitions;· Limit the Company' s ability to pay dividends;· Limit the Company' s ability to make capital expenditures;and · Increase the Company' s vulnerability to general adverse economic and industry conditions. ~~12The~~ -- **The** Company' s ability to make scheduled principal payments,to pay interest on,or to refinance our indebtedness and to satisfy other debt obligations will depend upon future operating performance,which may be affected by factors beyond the Company' s control.In addition,there can be no assurance that future borrowings or the issuance of equity would be available to the Company on favorable terms for the payment or refinancing of the Company' s debt.If the Company were unable to service its indebtedness,the **business,** ~~14General~~ **13General** Risk Factors The Company' s goodwill or indefinite- lived intangible assets may become impaired, which could require a significant charge to earnings be recognized. Under accounting principles generally accepted in the United States, goodwill and indefinite- lived intangible assets are not amortized but are reviewed for impairment at least annually. Future operating results used in the assumptions, such as sales or profit forecasts, may not materialize, and the Company has been and could in the future be required to record a significant charge to earnings in the financial statements during the period in which any impairment is determined, resulting in an unfavorable impact on our results of operations. The Company may need additional capital in the future, which may not be available on acceptable terms, if at all. From time to time, the Company has historically relied on outside financing to fund expanded operations, capital expenditure programs and acquisitions. The Company may require additional capital in the future to fund operations or strategic opportunities. The Company cannot be assured that additional financing will be available on favorable terms, or at all. In addition, the terms of available financing may place limits on the Company' s financial and operating flexibility. If the Company is unable to obtain sufficient capital in the future, the Company may not be able to expand or acquire complementary businesses and may not be able to continue to develop new products or otherwise respond to changing business conditions or competitive pressures. The Company' s stock price may become highly volatile, and investors may not be able to sell their shares at their desired prices, or at all. The Company' s stock price may change dramatically when buyers seeking to purchase shares of the Company' s common stock exceed the shares available on the market, or when there are no buyers to purchase shares of the Company' s common stock when shareholders are trying to sell their shares. The Company' s common stock has historically been " thinly " traded, meaning that the number of persons interested in purchasing shares of Company common stock at prevailing prices at any given time may be relatively small. This may contribute to price volatility, as the trading of relatively small quantities of shares by our shareholders may disproportionately influence share price and may prevent investors from selling their shares at or above their purchase price if there is not sufficient demand for the shares at the time of sale. The Company depends on key management, sales and marketing and technical personnel, the loss of whom could harm its ~~businesses~~ -- **business** . The Company depends on key management and technical personnel. The loss of one or more key employees could materially and adversely affect the Company. The Company' s success also depends on its ability to attract and retain highly qualified technical, sales and marketing and management personnel necessary for the maintenance and expansion of its activities. The Company faces strong competition for such personnel and may not be able to attract or retain such personnel. In addition, when the Company experiences periods with little or no profits, a decrease in compensation based on profits may make it difficult to attract and retain highly qualified personnel. To attract and retain executives and other key employees, the Company must provide a competitive compensation package. If the Company' s profits decrease, or if the Company' s total compensation package is not viewed as competitive, the Company' s ability to attract, retain and motivate executives and key employees could be weakened. The failure to successfully hire and retain executives and key employees or the loss of any executives and key employees could have a significant impact on our operations. ~~The~~ **14The** Company may not be able to reach acceptable terms for contracts negotiated with its labor unions and be subject to work stoppages or disruption of production. ~~During 2023, union contracts covering approximately 21 % of the Company' s total workforce will expire.~~ The Company has been successful in negotiating new contracts over the years but cannot guarantee that will continue and the Company has, in the past experienced, and could in the future experience, temporary work stoppages during negotiation of such contracts. Failure to negotiate new union contracts, or any work stoppage that is prolonged, could result in the disruption of production, inability to deliver product, or **several** ~~a number of~~ unforeseen circumstances, any of which could have an unfavorable material impact on the Company' s results of operations or financial condition. **During 2024, no union contracts are scheduled to expire.** ~~15Deterioration~~ -- **Deterioration** in the creditworthiness of several major customers could have a material impact on the Company' s business, financial condition, or results of operations. Included as a significant asset on the Company' s balance sheet are accounts receivable from our customers. If several large customers become insolvent or are otherwise unable to pay for products or become unwilling or unable to make payments in a timely manner, it could have an unfavorable material impact on the Company' s results of operations or financial condition. Although the Company is not dependent on any one customer, deterioration in several large customers at the same time could have an unfavorable material impact on the Company' s results of operations or financial condition. One customer ~~exceeded~~ **represented 12 % of total accounts receivable for fiscal 2023 and one customer represented** 14 % of total accounts receivable for fiscal 2022 ~~and one customer exceeded 10 % of total accounts receivable for fiscal 2021~~ . The Company' s operating results may fluctuate, which makes the results of operations difficult to predict and could cause the results to fall short of expectations. The Company' s operating results may fluctuate because of several factors, many of which are outside of our control. As a result, comparing the Company' s operating results on a period- to- period basis may not be meaningful, and past results should not be relied upon as an indication of future performance. Quarterly, year to date, and annual costs and expenses as a percentage of revenues may differ significantly from historical or projected levels. Future operating results may fall below expectations. These types of events could cause the price of the Company' s stock to fall. **15** ~~New or existing U. S. or foreign laws and regulations could subject the Company to claims or otherwise impact the Company' s business, financial condition, or results of operations. The Company is subject to a variety of laws, regulations, rules, and policies in both the U. S. and foreign countries that are costly to comply with, can result in negative publicity and diversion of management time and effort, and can subject the Company to claims or other remedies. These laws, regulations, rules, and policies could relate to any of an array of issues including, but not limited to, environmental, tax, intellectual property, trade secrets, product liability, contracts, antitrust, employment, securities, import / export and unfair competition. These laws and~~

~~regulations may differ in different jurisdictions and are subject to change. The cost of maintaining compliance under multiple and changing regulatory regimes, and expenditures that may be required to comply with new laws and regulations, may adversely affect the Company' s business, financial condition, and results of operations. In the event that the Company fails to comply with or violates applicable U. S. or foreign laws or regulations or customer policies, the Company could be subject to civil or criminal claims or proceedings that may result in monetary fines, penalties or other costs against the Company or its employees, which may adversely affect the Company' s operating results, financial condition, customer relations and ability to conduct its business.~~