Risk Factors Comparison 2024-02-23 to 2023-02-22 Form: 10-K

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The following describes the principal risks affecting the Company and its business. Additional risks and uncertainties, not presently known to the Company, could negatively impact the Company' s results of operations or financial condition in the future. Risks Related to the Industry Reduced housing starts adversely affect demand for the Company' s products, thereby reducing revenues and earnings. Demand for certain Company products is affected by housing starts. Variation in housing starts due to economic volatility both within the United States and globally could adversely impact gross margins and operating results. The Company' s results may be adversely affected by global macroeconomic supply and demand conditions related to the energy and mining industries. The energy and mining industries are users of the Company' s products, including the coal, iron ore, gold, copper, oil, and natural gas industries. Decisions to purchase the Company' s products are dependent upon the performance of the industries in which our customers operate. If demand or output in these industries increases, the demand for our products will generally increase. Likewise, if demand or output in these industries declines, the demand for our products will generally decrease. The energy and mining industries' demand and output are impacted by the prices of commodities in these industries which are frequently volatile and change in response to general economic conditions, economic growth, commodity inventories, and any disruptions in production or distribution. Changes in these conditions could adversely impact sales, gross margin, and operating results. Volatility in the prices and availability of raw materials, components, finished goods and other commodities could adversely affect operations. The Company purchases most of the raw materials for its products on the open market and relies on third parties for the sourcing of certain finished goods. Accordingly, the cost of its products may be affected by changes in the market price and its ability to successfully obtain raw materials, sourced components, or finished goods. The Company and its suppliers also use natural gas and electricity in manufacturing products both of which have historically been volatile. The Company does not generally engage in commodity hedging for raw materials and energy. Significant increases in the prices or disruptions in the supply chain of commodities, sourced components, finished goods, energy or other commodities could cause product prices to increase, which may reduce demand for products or make the Company more susceptible to competition. Furthermore, in the event the Company is unable to pass along increases in operating costs to its customers, margins and profitability may be adversely affected. The growth of municipal water systems and increased government restrictions on groundwater pumping could reduce demand for private water wells and the Company' s products, thereby reducing revenues and earnings. Demand for certain Company products is affected by rural communities shifting from private and individual water well systems to city or municipal water systems. Many economic and other factors outside the Company' s control, including governmental regulations on water quality, and tax credits and incentives, could adversely impact the demand for private and individual water wells. A decline in private and individual water well systems in the United States or other economies in the international markets the Company serves could reduce demand for the Company' s products and adversely impact sales, gross margins, and operating results. Demand for Fueling Systems products is impacted by environmental legislation which may cause significant fluctuations in costs and revenues. Environmental legislation related to air quality and fuel containment may create demand for certain Fueling Systems products which must be supplied in a relatively short time frame to meet the governmental mandate. During periods of increased demand, the Company' s revenues and profitability could increase significantly, although the Company can also be at risk of not having capacity to meet demand or cost overruns due to inefficiencies during ramp up to the higher production levels. After the Company' s customers have met the compliance requirements, the Company' s revenues and profitability may decrease significantly as the demand for certain products declines substantially. The risk of not reducing production costs in relation to the decreased demand and reduced revenues could have a material adverse impact on gross margins and the Company' s results of operations. Changes in tax legislation regarding the Company' s U. S. or foreign earnings could materially affect future results. Since the Company operates in different countries and is subject to taxation in different jurisdictions, the Company' s future effective tax rates could be impacted by changes in such countries' tax laws or their interpretations. Both domestic and international tax laws are subject to change as a result of changes in fiscal policy, legislation, evolution of regulation and court rulings. The application of these tax laws and related regulations is subject to legal and factual interpretation, judgment, and uncertainty. The Company cannot predict whether any proposed changes in tax laws will be enacted into law or what, if any, changes may be made to any such proposals prior to their being enacted into law. If the tax laws change in a manner that increases the Company' s tax obligation, it could have a material adverse impact on the Company' s results of operations and financial condition. ~~The~~ **On December 15, 2022, the European Union (EU) Member States formally adopted the EU' s Pillar Two Directive, which generally provides for a minimum effective tax rate of 15 %, as established by the** Organization for Economic Co- operation and Development (~~the "~~OECD ~~"~~) **Pillar Two Framework. The EU effective dates are January 1** , **2024,** ~~an~~ **and** ~~international association comprised~~ **January 1, 2025, for different aspects** of ~~38~~ **the directive. A significant number of other** countries **are expected** ~~, including the United States, has issued proposals that change long- standing tax principles including on a global minimum tax initiative. On December 12, 2022, the European Union member states agreed~~ to **also** implement **similar legislation with varying effective dates in** the ~~OECD' s~~ **future. The Company does not expect** Pillar 2 **to have a material impact** ~~global corporate minimum tax rate of 15 percent~~ on ~~companies with revenues of at least $ 790 million, which would go into effect in 2024. Other countries are also actively considering changes to their tax laws to adopt certain parts of the OECD' s proposals. If these proposals are implemented in the countries where the Company operates, it~~ **its** ~~may materially impact our~~ income tax liability, provision for income taxes ~~and~~ **, or** effective tax rate ~~. The Inflation Reduction Act signed on August 16,~~

~~2022, enacted a new excise tax under Section 4501 on certain repurchases of corporate stock. The Tax applies to repurchases of stock net of issuances after December 31, 2022. The estimated impact to the Company could be material if the Company decides to increase share repurchases~~ . Risks Related to the Business The Company is exposed to political, economic and other risks that arise from operating a multinational business. The Company has significant operations outside the United States, including Europe, South Africa, Brazil, Mexico, India, China, Turkey, Canada and Argentina. Further, the Company obtains raw materials and finished goods from foreign suppliers. Accordingly, the Company' s business is subject to political, economic, and other risks that are inherent in operating a multinational business. These risks include, but are not limited to, the following: • Difficulty in enforcing agreements and collecting receivables through foreign legal systems • Trade protection measures and import or export licensing requirements • Inability to obtain raw materials and finished goods in a timely manner from foreign suppliers • Imposition of tariffs, exchange controls or other restrictions • Difficulty in staffing and managing widespread operations and the application of foreign labor regulations • Compliance with foreign laws and regulations • Changes in general economic and political conditions in countries where the Company operates Additionally, the Company' s operations outside the United States could be negatively impacted by changes in treaties, agreements, policies, and laws implemented by the United States. If the Company does not anticipate and effectively manage these risks, these factors may have a material adverse impact on its international operations or on the business as a whole. The Company has significant investments in foreign entities and has significant sales and purchases in foreign denominated currencies creating exposure to foreign currency exchange rate fluctuations. The Company has significant investments outside the United States, including Europe, South Africa, Brazil, Mexico, India, China, Turkey, Canada and Argentina. Further, the Company has sales and makes purchases of raw materials and finished goods in foreign denominated currencies. Accordingly, the Company has exposure to fluctuations in foreign currency exchange rates relative to the U. S. dollar. Foreign currency exchange rate risk is partially mitigated through several means: maintenance of local production facilities in the markets served, invoicing of customers in the same currency as the source of the products, prompt settlement of intercompany balances, limited use of foreign currency denominated debt, and application of derivative instruments when appropriate. To the extent that these mitigating strategies are not successful, foreign currency rate fluctuations can have a material adverse impact on the Company' s international operations or on the business as a whole. In the second quarter of 2022, the Company concluded that Turkey represents a hyperinflationary economy as its ~~projected~~ three- year cumulative inflation rate ~~exceeds~~ **exceeded** 100 percent. As a result, the Company started remeasuring the financial statements for the Company' s Turkish operations in accordance with the highly inflationary accounting rules in the Financial Accounting Standards Board (" FASB") Accounting Standards Codification (" ASC") 830" Foreign Currency Matters" as of the beginning of the second quarter of 2022. As a result, all gains and losses resulting from the remeasurement of the financial results of operations and other transactional foreign exchange gains and losses **are** ~~would be~~ reflected in earnings, which ~~could~~ **have** ~~result~~ **resulted** in volatility within the Company' s earnings, rather than as a component of the Company' s comprehensive income within ~~stockholders~~ **shareholders** ' equity. **The Company also remeasures its financial statements for its Argentina operations in accordance with the highly inflationary accounting rules.** Turkey **and Argentina** becoming ~~a~~ hyperinflationary ~~economy~~ **economies** ~~may have~~ **has had** a material adverse effect on the Company' s consolidated **results of operations and further inflation may have additional adverse effects on the Company' s consolidated** financial position, results of operations, or cash flows **in future periods** . The Company' s acquisition strategy entails expense, integration risks, and other risks that could affect the Company' s earnings and financial condition. One of the Company' s continuing strategies is to increase revenues and expand market share through acquisitions that will provide complementary Water and Fueling Systems products, add to the Company' s global reach, or both. The Company spends significant time and effort expanding existing businesses through identifying, pursuing, completing, and integrating acquisitions, which generate expense whether or not the acquisitions are actually completed. Competition for acquisition candidates may limit the number of opportunities and may result in higher acquisition prices. There is uncertainty related to successfully acquiring, integrating and profitably managing additional businesses without substantial costs, delays or other problems. There can also be no assurance that acquired companies will achieve revenues, profitability or cash flows that justify the investment. Failure to manage or mitigate these risks could adversely affect the Company' s results of operations and financial condition. The Company' s products are sold in highly competitive markets, by numerous competitors whose actions could negatively impact sales volume, pricing and profitability. The Company is a global leader in the production and marketing of groundwater and fuel pumping systems. End user demand, distribution relationships, industry consolidation, new product capabilities of the Company' s competitors or new competitors, and many other factors contribute to a highly competitive environment. Additionally, some of the Company' s competitors have substantially greater financial resources than the Company. The Company believes that consistency of product quality, timeliness of delivery, service, and continued product innovation, as well as price, are principal factors considered by customers in selecting suppliers. Competitive factors previously described may lead to declines in sales or in the prices of the Company' s products which could have an adverse impact on its results of operations and financial condition. The Company' s products are sold to numerous distribution outlets based on market performance. The Company may, from time to time, change distribution outlets in certain markets based on market share and growth. These changes could adversely impact sales and operating results. Transferring operations of the Company to lower cost regions may not result in the intended cost benefits. The Company is continuing its rationalization of manufacturing capacity between all existing manufacturing facilities and the manufacturing complexes in lower cost regions. To implement this strategy, the Company must complete the transfer of assets and intellectual property between operations. Each of these transfers involves the risk of disruption to the Company' s manufacturing capability, supply chain, and, ultimately, to the Company' s ability to service customers and generate revenues and profits and may include significant severance amounts. Delays in introducing new products or the inability to achieve or maintain market acceptance with existing or new products may cause the Company' s revenues to decrease. The industries to which the Company belongs are characterized by intense competition, changes in end- user requirements, and evolving product offerings and introductions.

The Company believes future success will depend, in part, on the ability to anticipate and adapt to these factors and offer, on a timely basis, products that meet customer demands. Failure to successfully develop new and innovative products or to enhance existing products could result in the loss of existing customers to competitors or the inability to attract new business, either of which may adversely affect the Company’ s revenues. Certain Company products are subject to regulation and government performance requirements in addition to the warranties provided by the Company. The Company’ s product lines have expanded significantly and certain products are subject to government regulations and standards for manufacture, assembly, and performance in addition to the warranties provided by the Company. The Company’ s failure to meet all such standards or perform in accordance with warranties could result in significant warranty or repair costs, lost sales and profits, damage to the Company’ s reputation, fines or penalties from governmental organizations, and increased litigation exposure. Changes to these regulations or standards may require the Company to modify its business objectives and incur additional costs to comply. Any liabilities or penalties actually incurred could have a material adverse effect on the Company’ s earnings and operating results. The Company has significant goodwill and intangible assets and future impairment of the value of these assets may adversely affect the Company' s operating results and financial condition. The Company’ s total assets include substantial intangible assets, primarily goodwill. Goodwill results from the Company’ s acquisitions, representing the excess of the purchase price paid over the fair value of the net assets acquired. Goodwill and indefinite- lived intangible assets are tested annually for impairment during the fourth quarter or as warranted by triggering events. If future operating performance at one or more of the Company’ s operating segments were to decline significantly below current levels, the Company could incur a non- cash impairment charge to operating earnings. The recognition of an impairment of a significant portion of the Company’ s goodwill or intangible assets could have a material adverse impact on the Company’ s results of operations and financial condition. The Company’ s business may be adversely affected by the seasonality of sales and weather conditions. The Company experiences seasonal demand in a number of markets within the Water Systems segment. End- user demand in primary markets follows warm weather trends and is at seasonal highs from April to August in the Northern Hemisphere. Demand for residential and agricultural water systems are also affected by weather- related disasters including heavy flooding and drought. Changes in these patterns could reduce demand for the Company’ s products and adversely impact sales, gross margins, and operating results. The Company depends on certain key suppliers, and any loss of those suppliers or their failure to meet commitments may adversely affect the Company' s business and results of operations. The Company is dependent on a single or limited number of suppliers for some materials or components required in the manufacture of its products. If any of those suppliers fail to meet their commitments to the Company in terms of delivery or quality, the Company may experience supply shortages that could result in its inability to meet customer requirements, or could otherwise experience an interruption in operations that could negatively impact the Company’ s business and results of operations. The Company’ s operations are dependent on information technology infrastructure and failures could significantly affect its business. The Company depends on information technology infrastructure in order to achieve business objectives. If the Company experiences a problem that impairs this infrastructure, such as a computer virus, a problem with the functioning of an important IT application, or an intentional disruption of IT systems by a third party, the resulting disruptions could impede the Company' s ability to record or process orders, manufacture and ship products in a timely manner, or otherwise carry on business in the ordinary course. Any such events could cause the loss of customers or revenue and could cause significant expense to be incurred to eliminate these problems and address related security concerns. The Company is also subject to certain U. S. and international data protection and cybersecurity regulations. Complying with these laws may subject the Company to additional costs or require changes to the Company’ s business practices. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could expose the Company to potentially significant liabilities. Additional Risks to the Company. The Company is subject to various risks in the normal course of business as well as catastrophic events including severe weather events, earthquakes, fires, acts of war, terrorism, civil unrest, epidemics and pandemics and other unexpected events. Exhibit 99. 1 sets forth risks and other factors that may affect future results, including those identified above, and is incorporated herein by reference.