Risk Factors Comparison 2024-03-06 to 2023-03-10 Form: 10-K

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The Company operates in a changing environment that involves numerous known and unknown risks and uncertainties that could have a material and adverse effect on its business, financial condition, and results of operations. The following risk factors highlight what it believes to be the more material factors that have affected the Company and could affect it in the future. The Company has grouped the risk factors into five categories for ease of reading, and without any reflection on the importance of, or likelihood of, any particular category. The Company may also be affected by unknown risks or risks that it currently believes are immaterial. If any one or more such events actually occur, our business, financial condition, and results of operations could be materially and adversely affected. One should carefully consider the following risk factors and other information contained in this Annual Report on Form 10- K and any other risks discussed in our other periodic filings with the SEC before deciding to invest in our common stock. Business and Operational Risks Our inability to successfully manage acquisitions, divestitures, and other significant transactions **or to otherwise execute our strategic plan** could harm our financial results, business, and prospects. As part of our **publicly- announced** business strategy, we acquire or divest businesses or assets, enter into strategic alliances and joint ventures, ~~or~~ make investments to realize anticipated benefits, **or undertake cost- cutting initiatives, all of** which are actions that involve a number of inherent risks and uncertainties. Material acquisitions, dispositions, and other strategic transactions **and initiatives** involve numerous risks, including, but not limited to **the following** : • we may not be able to identify suitable acquisition candidates, or we may not be able to dispose of assets, at prices we consider attractive; • we may not be able to compete successfully for identified acquisition candidates, complete future acquisitions or accurately estimate the financial effect of acquisitions on our business; • future acquisitions may require us to spend significant cash and incur additional debt, resulting in additional leverage; • we may have difficulty retaining an acquired company' s key employees or clients; • we may not be able to realize the operating efficiencies, synergies, costs savings, or other benefits expected; • we may have difficulty integrating acquired businesses, resulting in unforeseen difficulties, such as incompatible accounting, information management or other control systems, or the need to significantly update and improve the acquired business' s systems and internal controls; • we may assume potential liabilities for actions of the target before the acquisition, including as a result of a failure to comply with applicable laws; • we may be subject to material indemnification obligations related to any assets that we dispose; • acquisitions or dispositions may disrupt our business or divert our management from other responsibilities; and • as a result of an acquisition, we may need to record write- downs from future impairments of intangible assets, which could reduce our future reported earnings. If these factors limit our ability to integrate the operations of our acquisitions or to execute other strategic transactions successfully or on a timely basis, we may not meet our expectations for future results of operations. In addition, our growth and operating strategies for businesses we acquire may be different from the strategies that such target businesses currently are pursuing. If our strategies are not the proper strategies for a company we acquire or with which we partner, it could have a material adverse effect on our business, financial condition, and results of operations. Further, there can be no assurance that we will be able to maintain or enhance the profitability of any acquired business or consolidate the operations of any acquired business to achieve cost savings. In addition, there may be liabilities that we fail, or are unable, to discover in the course of performing due diligence investigations on each company or business that we have already acquired or disposed of or may acquire or dispose of in the future. Such liabilities could include those arising from employee benefits contribution obligations of a prior owner or non- compliance with, or liability pursuant to, applicable federal, state, or local environmental requirements by us or by prior owners for which we, as a successor or predecessor owner, may be responsible. In addition, there may be additional costs relating to acquisitions and dispositions including, but not limited to, possible purchase price adjustments. There can be no assurance that rights to indemnification by sellers of assets to us, even if obtained, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or property acquired. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business. We can give no assurances that the opportunities will be consummated or that financing will be available. We may not be able to achieve the synergies and other benefits we expect from strategic transactions as successfully or as rapidly as projected, if at all. Prolonged negative economic conditions, volatile energy prices, and other unfavorable changes in **US** ~~U. S.~~, global, or regional economic and market conditions could adversely affect our business. We could be adversely impacted by prolonged negative economic conditions affecting either our suppliers or customers, as well as the capital markets. Negative changes in government spending may result in delayed or permanent deferrals of existing or potential projects. No assurances can be given that we will be able to successfully mitigate various prolonged uncertainties, including materials cost variability, delayed or reduced customer orders and payments, and access to available capital resources outside of operations. In addition, volatile market conditions and depressed energy prices could continue for an extended period, which would negatively affect our business prospects and reduce profitability. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty, a trend toward renewable or alternative energy resources, and a variety of additional factors that are beyond our control. Sustained declines or significant and frequent fluctuations in the price of oil and natural gas may have a material and adverse effect on our operations and financial condition. **Volatility in energy prices may also impact the Company' s plant costs, as well as overall conditions in passenger transit markets served.** Our ability to maintain or improve our profitability could be adversely impacted by cost pressures. Our profitability is dependent upon the efficient use of our resources. Rising inflation, labor costs, labor disruptions, and other increases in costs due to tariffs or other reasons in the geographic areas in which we operate could have a significant adverse impact on our profitability and results of operations. During **2023 and** 2022 ~~and 2021~~ , the Company experienced increased costs in labor and materials as a result of the inflationary environment, competitive labor market, and supply chain constraints, which adversely impacted the Company' s profitability. We expect that these adverse impacts will continue but we are unable to predict the extent, nature, or duration of the impacts on our results of operations and financial condition at this time. Our success is in part dependent on the accuracy and proper utilization of our management information and communications systems. We **recently completed** ~~are currently working through~~ an enterprise resource planning (" ERP ") system transition. Certain divisions of our Company migrated into the new ERP system during 2016 ~~,~~ **and** additional divisions have since migrated, ~~including during~~ **with the most recent migration completed in** 2022 **. Acquired entities are also regularly assessed for transition onto the Company' s central ERP system** . We also began the implementation of a global financial planning and consolidation system during 2021 that became operational in 2022. The system implementations are intended to enable us to better meet the information requirements of our users, increase our integration efficiencies, and identify additional synergies in the future. The implementation of our ERP system is complex because of the wide range of processes and systems to be integrated across our business. Any disruptions, delays, or deficiencies in the design, operation, or implementation of our various systems, or in the performance of our systems, particularly any disruptions, delays, or deficiencies that impact our operations, could adversely affect our ability to effectively run and manage our business, including our ability to receive, process, ship, and bill for orders in a timely manner or our ability to properly manage our inventory or accurately present our inventory availability or pricing. Project delays, business interruptions, or loss of expected benefits could have a material and adverse effect on our business, financial condition, or results of operations. We are subject to cybersecurity risks and may incur increasing costs in an effort to minimize those risks. Our business employs systems and websites that allow for the storage and transmission of proprietary or confidential information regarding our customers, employees, job applicants, and other parties, including financial information, intellectual property, and personal identification information. **Physical or electronic data or** ~~Security~~ **security** breaches and other disruptions could compromise our information, expose us to liability, and harm our reputation and business. ~~In October 2020, we experienced a cyber~~ **Cyber** ~~- attack~~ **attacks** on ~~our~~ information ~~technology~~ systems ~~. While~~ **constitute an ongoing risk across companies and industries, and although** ~~the~~ **they have** ~~cyber- attack caused temporary disruption and interference with our operations, it did~~ not ~~result in~~ **historically had** a material adverse effect on our business **, in the past they have caused temporary disruption and interference with our** operations. Despite the steps we take to deter and mitigate cybersecurity risks, we may not be successful. We may not have the resources or technical sophistication to anticipate or prevent current or rapidly evolving types of cyber- attacks including data and security breaches, malware, ransomware, hacking, and identity theft. Data and security breaches can also occur as a result of non- technical issues, including an intentional or inadvertent **physical or electronic data or security** breach by our employees or by persons with whom we have commercial relationships. **In 2023, the United States Securities and Exchange Commission adopted new cybersecurity rules requiring disclosure of material cybersecurity incidents and processes assessing, identifying, and managing material cybersecurity risks and the corporate governance structure designed to address such risks. Compliance with such rules could be costly and burdensome, and failure to adequately comply could have an adverse impact on the Company and its reputation.** Federal, state, and foreign government bodies and agencies have adopted or are considering the adoption of laws and regulations regarding the collection, use, and disclosure of personal information obtained from customers and individuals. The costs of compliance with, and other burdens imposed by, such data privacy laws and regulations, including those of the European Union (" **EU** ~~E. U.~~ ") and the **UK** ~~U. K.~~ which are, in some respects, more stringent than **US** ~~U. S.~~ standards, could be significant. Any compromise or breach of our security, including from the cyber- attack that we experienced or any future attack, could result in a violation of applicable privacy and other laws, legal and financial exposure, negative impacts on our customers' willingness to transact business with us, and a loss of confidence in our security measures, which could have an adverse effect on our results of operations and our reputation. Certain divisions of our business depend on a small number of suppliers. The loss of any such supplier could have a material and adverse effect on our business, financial condition, and result of operations. In our Rail Products business unit, we rely on a limited number of suppliers for key products that we sell to our customers. Our Protective Coatings division is predominately dependent on two suppliers of epoxy coating. A significant downturn in the business of one or more of these suppliers, a disruption in their manufacturing operations, an unwillingness to continue to sell to us, or a disruption in the availability of rail or coating products and services may adversely impact our financial results. Fluctuations in the price, quality, and availability of the primary raw materials used in our business could have a material and adverse effect on our operations and profitability. Many of our businesses utilize steel as a significant product component. The steel industry is cyclical and prices and availability are subject to these cycles, as well as to international market forces. We also use significant amounts of cement and aggregate in our precast products ~~and ties~~ offerings. Our technology based solutions and services are dependent on electronic components and the ability to source these items. During ~~2022~~ **2023** , the Company experienced increased raw material costs due to supply chain constraints and the inflationary environment. No assurances can be given that our financial results would not be adversely affected if prices or availability of these materials were to change in a significantly unfavorable manner. Labor disputes may have a material and adverse effect on our operations and profitability. ~~Two~~ **One** of our manufacturing facilities ~~are~~ **is** staffed by employees represented by labor unions. Approximately ~~44~~ **11** employees employed at ~~these~~ **this** ~~facilities~~ **facility** are currently working under **a** ~~two separate~~ collective bargaining ~~agreements~~ - **agreement** . Disputes with regard to the terms of ~~these~~ **this** ~~agreements~~ - **agreement** or our potential inability to renegotiate **an** acceptable ~~contracts~~ - **contract** with ~~these~~ **this** ~~unions~~ - **union** could result in, among other things, strikes, work stoppages, slowdowns, or lockouts, which could cause a disruption of our operations and have a material and adverse effect on our results of operations, financial condition, and liquidity. Actions of activist shareholders could be disruptive and potentially costly and the possibility that activist shareholders may seek changes that conflict with our strategic direction could cause uncertainty about the strategic direction of our business. **In April of 2023, the Company entered into an agreement with an activist investor, 22NW, LP,**

and various of its affiliates (collectively, " 22NW ") that had filed a Schedule 13D with the SEC with respect to the Company, which agreement provided that 22NW could appoint a non- voting Board Observer. In January of 2024, the Company entered into a new cooperation agreement with 22NW providing for the nomination of the Board Observer to stand for election to the Board of Directors of the Company at the 2024 Annual Meeting of Shareholders in return for certain customary confidentiality and standstill provisions. 22NW remains a greater than 5 % owner of Company stock. Activist investors may attempt to effect changes in the Company' s strategic direction and how the Company is governed, or to acquire control over the Company. Some investors seek to increase short- term shareholder value by advocating corporate actions, such as financial restructuring, increased borrowing, special dividends, stock repurchases, or even sales of assets or the entire company. While the Company welcomes varying opinions from all shareholders, activist campaigns that contest or conflict with our strategic direction could have an adverse effect on the Company' s results of operations and financial condition, as responding to proxy contests and other actions by activist shareholders can disrupt our operations, be costly and time- consuming, and divert the attention of the Company' s board and senior management from the pursuit of business strategies. In addition, perceived uncertainties as to our future direction as a result of changes to the composition of our Board may lead to the perception of a change in the direction of the business, instability or lack of continuity, which may be exploited by our competitors, may cause concern to our current or potential customers, may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel and business partners. These types of actions could cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Our success is highly dependent on the continued service and availability of qualified personnel. Much of our future success depends on the continued availability and service of key personnel, including our Chief Executive Officer, the executive team, and other highly skilled employees. **The** ~~As a result of the pandemic, the~~ Company is experiencing a tight labor market which has constricted the labor pool and driven up labor costs as we compete for talent. Changes in demographics, training requirements, and the availability of qualified personnel could negatively affect our ability to compete and lead to a reduction in our profitability. ~~A pandemic could continue~~ **We may not foresee or be able** to **control certain events that could** adversely affect our business **or the stability of our supply chain** . ~~The~~ **Unexpected events, including fires or explosions at our facilities, natural disasters, such as hurricanes, flooding, and winter storms causing power failures or travel restrictions with respect to our operations, armed conflicts, terrorism, health epidemics, or pandemics such as** COVID- 19 ~~pandemic is adversely affecting~~ , and **related restrictions on travel** ~~any future pandemics could adversely affect~~ , **economic or political uncertainties or instability, civil unrest, strikes, unplanned outages, equipment failures, failure to meet product specifications, or disruptions in certain areas of** our operations ~~and supply chains and~~ **, may cause our operating costs to increase or otherwise negatively impact our financial performance. For example,** we have **in the past** experienced ~~and expect to continue to experience~~ unpredictable reductions in demand for certain of our products and services **due to a global health pandemic, which adversely affected our operations and supply chain. Events such as these, or other catastrophic events, could in the future adversely affect our business and results of operations, including with respect to disruptions of our supply chain** . If we do not successfully manage our supply chain or identify new sources of supplies, we may be unable to satisfy customer orders, which could harm our reputation and customer relationships and materially adversely affect our business, financial condition, and operating results. **A** ~~Though we have implemented and enhanced safety measures and protocols in accordance with local government orders, a~~ pandemic- related outbreak ~~at~~ **or other disaster affecting** any one of our facilities could result in production delays or otherwise interrupt our operations. **US** ~~While the COVID- 19 pandemic has adversely affected each of the markets we serve, the impact on the midstream energy markets has been particularly adverse, and has contributed to volatility in the prices of oil and natural gas, weakened demand, and reduced customer spending. In the rail, transit, friction management, and fabricated steel products businesses, governmental stay- at- home orders and government and business work- from- home orders and arrangements in the U. S. and globally, particularly in the U. K., have resulted in reduced traffic and demand for our products and services, and many public works projects have been deferred or delayed as a result of governmental pandemic mitigation efforts, adversely impacting our businesses. U. S.~~ and non- domestic governmental and private pandemic mitigation measures such as stay- at- home orders ~~have~~ **can** ~~slowed~~ -- **slow** travel and movement of goods throughout the world, contributing to a reduction in demand for our products and services. **Our supply chain could be negatively affected by global shipping disruptions, trade restrictions or embargoes or similar impacts arising from geopolitical conflict, including but not limited to the ongoing conflicts between Ukraine and Russia, or Israel and Hamas.** Such ~~measures have~~ **conditions can** also ~~contributed~~ - **contribute** to a tight labor market which in turn **may** adversely ~~impacts~~ - **impact** our supply chain ~~. We expect that these adverse impacts will continue but we are unable to predict the extent, nature, or duration of the impacts on our results of operations and financial condition at this time. We may not foresee or be able to control certain events that could adversely affect our business. Unexpected events, including fires or explosions at our facilities, natural disasters, such as hurricanes, flooding, and winter storms causing power failures or travel restrictions with respect to our operations, armed conflicts, terrorism, health epidemics or pandemics, such as COVID- 19, and related restrictions on travel, economic or political uncertainties or instability, civil unrest, strikes, unplanned outages, equipment failures, failure to meet product specifications, or disruptions in certain areas of our operations, may cause our operating costs to increase or otherwise negatively impact our financial performance~~ . Competitive Risks Our business operates in highly competitive markets and a failure to react to changing market conditions could adversely impact our business. We face strong competition in each of the markets in which we operate. A slow response to competitor pricing actions and new competitor entries into our product lines could negatively impact our overall pricing. Efforts to improve pricing could negatively impact our sales volume in all product categories. We may be required to invest more heavily to maintain and expand our product offerings. There can be no assurance that new product offerings will be widely accepted in the markets we serve. Significant negative developments in any of these areas could adversely affect our financial results and condition. If we are unable to protect our intellectual property and prevent its improper use by third parties, our ability to compete may be harmed. We possess and in some cases license intellectual property including proprietary rail product and precast concrete formulations and systems and component designs, and we own a number of patents and trademarks under the intellectual property laws of the **US** ~~U. S.~~, Canada, Europe, and other countries in which product sales are possible. While we have not perfected patent and trademark protection of our proprietary intellectual property for all products in all countries, we periodically assess our portfolio to determine the need for pursuing further protection. The decision not to obtain patent and trademark protection in additional countries may result in other companies copying and marketing products that are based upon our proprietary intellectual property. This, and failure to continue such licenses, could impede growth into new markets where we do not have such protections and result in a greater supply of similar products in such markets, which in turn could result in a loss of pricing power and reduced revenue. In some cases, we may decide that the best way to protect our intellectual property is to retain proprietary information as trade secrets and confidential information rather than to apply for patents, which would involve disclosure of proprietary information to the public. Any misappropriation or reverse engineering of our trade secrets could result in competitive harm and may result in costly and time- consuming litigation. If any of these events should occur, it could materially adversely affect our results of operations and financial condition. We are dependent upon key customers. We could be adversely affected by changes in the business or financial condition of a customer or customers. A prolonged decrease in capital spending by our rail customers or decline in sales orders from other customers could negatively impact our sales and profitability. No assurances can be given that a significant downturn in the business or financial condition of a current customer, or customers, or potential litigation with a current customer, would not also impact our future results of operations and / or financial condition. Financial Risks Our future performance and market value could cause write- downs of long- lived and intangible assets in future periods. We are required under **US** ~~U. S.~~ generally accepted accounting principles to review intangible and long- lived assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. In addition, goodwill is required to be tested for impairment at least annually. Factors that may cause the carrying value of our intangible and long- lived assets to not be recoverable include, but are not limited to, a decline in stock price and resulting market capitalization, a significant decrease in the market value of an asset, or a significant decrease in operating or cash flow projections. In 2022, the Company recorded goodwill impairment related to its Fabricated Bridge reporting unit. No impairments of goodwill or intangible assets were recorded in ~~2021~~ **2023** . Impairment charges were recorded on long- lived assets related to the Company' s precision measurement products and systems business during 2022 ~~and the since divested IOS Test and Inspection Services business during 2020~~ . No assurances can be given that we will not be required to record future significant charges related to tangible or intangible asset impairments. Our indebtedness could materially and adversely affect our business, financial condition, and results of operations and prevent us from fulfilling our obligations. Our indebtedness could materially and adversely affect our business, financial condition, and results of operations. For example, it could: • require us to dedicate a substantial portion of our cash flows to service our indebtedness, which would reduce the availability of our cash flows to fund working capital, capital expenditures, expansion efforts, or other general corporate purposes; • limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; • place us at a competitive disadvantage compared to our competitors that have less debt; and • limit, among other things, our ability to borrow additional funds for working capital, capital expenditures, acquisitions, or other general corporate purposes. Our inability to comply with covenants in place or our inability to make the required principal and interest payments may cause an event of default, which could have a substantial adverse impact to our business, financial condition, and results of operations. There is no assurance that refinancing or asset dispositions could be effected on a timely basis or on satisfactory terms, if at all, particularly if credit market conditions deteriorate. Furthermore, there can be no assurance that refinancing or asset dispositions would be permitted by the terms of our credit agreements or debt instruments. Our existing credit agreements contain, and any future debt agreements we may enter into may contain, certain financial tests and other covenants that limit our ability to incur indebtedness, acquire other businesses, and any such future debt agreements may impose various other restrictions. Our ability to comply with financial tests may be adversely affected by changes in economic or business conditions beyond our control, and these covenants may limit our ability to take advantage of potential business opportunities as they arise. We cannot be certain that we will be able to comply with the financial tests and other covenants, or, if we fail to do so, that we will be able to obtain waivers or amended terms from our lenders. An uncured default with respect to one or more of the covenants could result in the amounts outstanding being declared immediately due and payable, which may also trigger an obligation to redeem our outstanding debt securities and repay all other outstanding indebtedness. Any such acceleration of our indebtedness would have a material and adverse effect on our business, financial condition, and results of operations. ~~The phase- out of LIBOR and transition to SOFR as a benchmark interest rate will have uncertain and possibly adverse side effects. In advance of the cessation of the London Interbank Offered Rate (“ LIBOR ”) on June 30, 2023, on August 12, 2022, the Company amended its Credit Agreement to obtain approval for the VanHooseCo acquisition and temporarily modify certain financial covenants to accommodate the transaction. The Second Amendment also provided for the conversion from LIBOR- based to be based on the Secured Overnight Financing Rate (“ SOFR ”). Due to the broad use of LIBOR as a reference rate, the impact of this transition to SOFR could adversely affect our financing costs, including spread pricing on our senior secured facilities and any other variable rate debt obligations, as well as our operations and cash flows. There is no guarantee that the transition from LIBOR to SOFR will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could affect our interest expense and earnings and may have an adverse effect on our business, results of operations, financial condition, and stock price. Whether or not SOFR attains market acceptance as a LIBOR replacement tool remains uncertain.~~ Legal, Tax, and Regulatory Risks An adverse outcome in any pending or future litigation or pending or future warranty claims against the Company or its subsidiaries or our determination that a customer has a substantial product warranty claim could negatively impact our financial results and /

or our financial condition. We are party to various legal proceedings. In addition, from time to time our customers assert claims against us relating to the warranties which apply to products we have sold. There is the potential that an outcome adverse to us or our subsidiaries in pending or future legal proceedings or pending or future product warranty claims could materially exceed any accruals we have established and adversely affect our financial results and / or financial condition. In addition, we could suffer a significant loss of business from a customer who is dissatisfied with the resolution of a warranty claim. Violations of the **US** ~~U. S.~~ Foreign Corrupt Practices Act and similar worldwide anti- corruption laws and other foreign governmental regulations, could result in fines, penalties, and criminal sanctions against the Company, its officers, or both and could have a material and adverse effect on our business. The **US** ~~U. S.~~ Foreign Corrupt Practices Act and other similar worldwide anti- corruption laws, such as the **UK** ~~U. K.~~ Bribery Act, prohibit improper payments for the purpose of obtaining or retaining business. Although we have established an internal control structure, corporate policies, compliance, and training processes to reduce the risk of violation, we cannot ensure that these procedures protect us from violations of such policies by our employees or agents. Failure to comply with applicable laws or regulations could subject us to fines, penalties, and suspension or debarment from contracting. Events of non- compliance could harm our reputation, reduce our revenues and profits, and subject us to criminal and civil enforcement actions. Violations of such laws or allegations of violation could disrupt our business and result in material adverse results to our operating results or future profitability. Our foreign operations are subject to governmental regulations in the countries in which we operate, as well as **US** ~~U. S.~~ laws. These regulations include those related to currency conversion, repatriation of earnings, taxation of our earnings and the earnings of our personnel, and the increasing requirement in some countries to make greater use of local employees and suppliers, including, in some jurisdictions, mandates that provide for greater local participation in the ownership and control of certain local business assets. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. We have certain tax attributes, including **US** ~~U. S.~~ federal, state and foreign operating loss carryforwards, and federal research and development credits, which may be available to offset future taxable income in certain jurisdictions. Realization of these net operating loss and research and development credit carryforwards depends on future income, and there is a risk that certain of our existing carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our operating results and financial condition. In addition, under Sections 382 and 383 of the Internal Revenue Code, if a corporation undergoes an " ownership change, " generally defined as a greater than 50 % change (by value) in ownership by " 5 percent shareholders " over a rolling three- year period, the corporation' s ability to use its pre- change net operating loss carryovers and other pre- change tax attributes, such as research and development credits, to offset its post- change income or taxes may be limited. Similar rules apply under **US** ~~U. S.~~ state tax laws. We have, and may in the future, experience ownership changes as a result of shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre- change **US** ~~U. S.~~ net operating loss carryforwards to offset **US** ~~U. S.~~ federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. Changes in our tax rates or exposure to additional income tax liability could impact our profitability and management projections, estimates, and judgments, particularly with respect to reserves for litigation, deferred tax assets, and the fair market value of certain assets and liabilities, may be inaccurate and not be indicative of our future performance. Our management team is required to use certain estimates in preparing our financial statements, including accounting estimates to determine reserves related to litigation, deferred tax assets, and the fair market value of certain assets and liabilities. Certain asset and liability valuations are subject to management' s judgment and actual results are influenced by factors outside our control. We are required to maintain a valuation allowance for deferred tax assets and record a charge to income if we determine, based on evidence available at the time the determination is made, that it is more likely than not some portion or all of the deferred tax assets will not be realized. This evaluation process involves significant management judgment about assumptions that are subject to change from period to period. The use of different estimates can result in changes in the amount of deferred taxes recognized, which can result in earnings volatility because such changes are reported in current period earnings. See Part II, Item 8, Financial Statements and Supplementary Data, Note 14 to the Consolidated Financial Statements, contained in this Annual Report on Form 10- K, for additional discussion of our deferred taxes. Shifting federal, state, local, and foreign regulatory policies impose risks to our operations. We are subject to regulation by federal, state, local, and foreign regulatory agencies and are therefore subject to a variety of legal proceedings and compliance risks, including those described in Item 3- Legal Proceedings and in Part II, Item 8, Financial Statements and Supplementary Data, Note 18 to the Consolidated Financial Statements, contained in this Annual Report on Form 10- K. Like other companies engaged in environmentally sensitive businesses, we are required to comply with numerous laws and regulations, including environmental matters relating to, among other things, the treatment, disposal, and storage of wastes, investigation and remediation of contaminated soil and groundwater, the discharge of effluent into waterways, and the emissions of substances into the air. We are required to obtain various authorizations, permits, approvals, and certificates from governmental agencies. The Company could be subject to liability with respect to remediation of past contamination in the operation of some of its current and former facilities and remediation of contamination by former owners or operators of the Company' s current or former facilities. Compliance with emerging regulatory initiatives, delays, discontinuations, or reversals of existing regulatory policies in the markets in which we operate, including costs associated with any required environmental remediation and monitoring, could have an adverse effect on our business, results of operations, cash flows, and financial condition. A substantial portion of our operations is heavily dependent on governmental funding of infrastructure projects. Many of these projects have " Buy America " or " Buy American " provisions. Significant changes in the level of government funding of these projects could have a favorable or unfavorable impact on our operating results. Additionally, government actions concerning " Buy America " provisions, taxation, tariffs, the environment, or other matters could impact our operating results. Government actions in the **US** ~~U. S.~~ or other countries where we have a higher concentration of business may change tax policy, trade policy, or enact other legislation that could create an unfavorable environment for the Company, making it more difficult to compete or adversely impact our operating results.

Legislative or regulatory initiatives related to climate change could have a material adverse effect on our business.Greenhouse gases may have an adverse effect on global temperatures,weather patterns,and the frequency and severity of extreme weather and natural disasters.Such events could have a negative effect on our business.Concern over climate change may result in new or additional legislative and regulatory requirements to reduce or mitigate the effects of climate change on the environment,which could result in future tax,transportation cost,and utility increases.Moreover,natural disasters and extreme weather conditions may impact the productivity of our facilities,the operation of our supply chain,or consumer buying patterns.Any of these risks could have a material adverse effect on our business.International Risks A portion of our sales are derived from our international operations,which expose us to certain risks inherent in doing business on an international level.Doing business outside the **US** ~~U.S.~~ subjects the Company to various risks,including changing economic and political conditions,work stoppages,exchange controls,currency fluctuations,armed conflicts,and unexpected changes in **US** ~~U.S.~~ and foreign laws relating to tariffs,trade restrictions,transportation regulations,foreign investments,and taxation.Increasing sales to foreign countries,including Brazil,Canada,China,India,Mexico,the **UK** ~~U.K.~~ ,and countries within the **EU** ~~E.U.~~ ,expose the Company to increased risk of loss from foreign currency fluctuations and exchange controls as well as longer accounts receivable payment cycles.We have little control over most of these risks and may be unable to anticipate changes in international economic and political conditions and,therefore,be unable to alter our business practices in time to avoid the adverse effect of any of these possible changes.Changes in exchange rates for foreign currencies may reduce international demand for our products or increase our labor or supply costs in non- **US** ~~U.S.~~ markets.Fluctuations in the relative values of the **US** ~~U.S.~~ dollar,Canadian dollar,British pound,and Euro may result in volatile earnings that reflect exchange rate translation in our Canadian and European sales and operations.If the **US** ~~U.S.~~ dollar strengthens in value as compared to the value of the Canadian dollar,British pound,or Euro,our reported earnings in dollars from sales in those currencies will be unfavorable.Conversely,a favorable result will be reported if the **US** ~~U.S.~~ dollar weakens in value as compared to **the value of the Canadian dollar,British pound,or Euro.Additionally,international trade agreements,including** The United States- Mexico- Canada Trade Agreement (" USMCA ") **, could affect our business, financial condition,** and **results of operations. Potential material modifications to USMCA, or** certain other international trade agreements ~~could affect our business, financial condition, and results of operations. On July 1, 2020, the USMCA became effective, replacing the North American Free Trade Agreement. It is uncertain how the USMCA will impact foreign trade and our international operations. However, given the amount of North American trade that moves by truck and rail, it could have a significant impact on supply and demand for the raw materials that we use in manufacturing processes and for finished goods in the markets we serve, and could adversely impact the amount, movement, and patterns of products that we ship. Potential material modifications to USMCA, or certain other international trade agreements~~ , including with respect to the modification of trade agreements with or among the **EU** ~~E. U.~~ and the **UK** ~~U. K.~~ , may have a material adverse effect on our business, financial condition, and results of operations . Legislative or regulatory initiatives related to...... dollar, British pound, or Euro . Economic conditions and regulatory changes caused by the United Kingdom' s exit from the European Union could adversely affect our business. Pursuant to a June 2016 referendum, the **UK** ~~U. K.~~ left the **EU** ~~E. U.~~ on January 31, 2020, commonly referred to as " Brexit. " The **UK** ~~U. K.~~ government and the **EU** ~~E. U.~~ operated under a transitional arrangement that expired on December 31, 2020. The EU- UK Trade and Cooperation Agreement was agreed in principle and became provisionally operative on January 1, 2021, and formally in force on May 1, 2021, and terms of this new relationship between the **UK** ~~U. K.~~ and the **EU** ~~E. U. remains~~ **remain** subject to uncertainties. There has been volatility in currency exchange rate fluctuations between the **US** ~~U. S.~~ dollar relative to the British pound, which could continue. The withdrawal of the **UK** ~~U. K.~~ from the **EU** ~~E. U.~~ has also created market volatility and could continue to contribute to instability in global financial and foreign exchange markets, political institutions, and regulatory agencies as negotiations of trade deals between the **UK** ~~U. K.~~ and the **EU** ~~E. U.~~ , and also between the **UK** ~~U. K.~~ and other countries, possibly including the **US** ~~U. S.~~ , occur during the near future. Brexit is an unprecedented event, and, accordingly, it is unclear what long- term economic, financial, trade, and legal effects will result. The majority of our **UK** ~~U. K.~~ operations are heavily concentrated within the **UK** ~~U. K.~~ borders; however, this could adversely affect the future growth of our **UK** ~~U. K.~~ operations into other European locations. Our **UK** ~~U. K.~~ operations represented approximately **8 % and** 9 ~~% and 11~~ % of our total revenue for the years ended December 31, **2023 and** 2022 ~~and 2021~~ , respectively. During the years ended December 31, **2023 and** 2022 ~~and 2021~~ less than 1 % of our consolidated net revenue was from the **UK** ~~U. K.~~ operation' s sales exported to **EU** ~~E. U.~~ members.