

Risk Factors Comparison 2025-02-19 to 2024-02-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

You should carefully consider the following risks. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our common stock to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward- looking statements made by us. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, the factors mentioned under “ Forward- Looking Statements ” and the risks of our businesses described elsewhere in this Annual Report. Risk factors related to our business and industry Decreases in the availability and quality, or increases in the cost, of raw materials, key components and labor we use to make our products could materially reduce our earnings. The principal raw materials that we use to produce our products include steel, copper and aluminum as well as batteries and advanced electronic components. We also source a significant number of component parts from third parties that we utilize to manufacture our products. The prices of those raw materials and components are susceptible to significant fluctuations due to trends in supply and demand, commodity prices, ~~currencies~~ **currency rate changes**, transportation costs, government regulations and tariffs, price controls, economic conditions and other unforeseen circumstances beyond our control. ~~We In fact, we~~ have seen such trends significantly impact our business **in the past** resulting in higher costs and shortages in materials, components and labor, and such impacts may continue or arise again in the foreseeable future. We typically do not have long- term supply contracts in place to ensure the raw materials and components we use are available in necessary amounts or at fixed prices. In the short - term, we ~~have~~ **haven ' t always** been ~~unable~~ **able** to fully mitigate raw material or component price increases through product design improvements, price increases to our customers, manufacturing productivity improvements, or hedging transactions, and if our mitigation efforts continue to not be fully effective in the short or long - term, our profitability could be adversely affected. Also, our ability to continue to obtain quality materials and components is subject to the continued reliability and viability of our suppliers, including in some cases, suppliers who are the sole source of certain important components. It has been challenging to consistently obtain adequate, cost efficient or timely deliveries of certain required raw materials and components, or sufficient labor resources, and if this trend continues, we may be unable to manufacture sufficient quantities of products on a timely basis. This could cause us to lose additional sales, incur additional costs, delay new product introductions or suffer harm to our reputation. We depend upon a small number of outside contract manufacturers and component suppliers, as well as single- source suppliers, for certain products and components, and our business and operations could be disrupted if we encounter problems with these parties. For certain products we ~~do not have internal manufacturing capabilities and~~ rely upon ~~a small number of~~ contract manufacturers to build these products or supply these components, including but not limited to certain clean energy products or components. The timing of purchases in future periods could differ materially from our estimates due to fluctuations in demand requirements related to varying sales levels as well as changes in economic conditions. Further, the revenues that our contract manufacturers generate from our orders may represent a relatively small percentage of their overall revenues. **While we seek to negotiate supply agreements with all of our vendors, we may purchase some products or components on a purchase order basis.** As a result, fulfilling our orders may not be considered a priority **to these suppliers** in the event of constrained ability to fulfill all of their customer obligations in a timely manner. If any of these contract manufacturers or component suppliers were unable or unwilling to manufacture or produce our products in required volumes and at high quality levels or renew existing terms under supply agreements, we would have to identify, qualify and select acceptable alternative contract manufacturers, which may not be available to us on favorable terms, if at all. Our reliance on such contract manufacturers makes us vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, quality issues, manufacturing yields and costs. Moreover, we single- source certain types of parts in our product designs. Delays in our suppliers' deliveries have **sometimes** impaired, and may continue to impair, our ability to deliver products to our customers. A wide variety of factors could cause such delays including, but not limited to, lack of capacity, economic downturns, availability of credit, logistical challenges, labor or material shortages, trade restrictions, weather events, political instability, ~~was~~ **geopolitical conflicts (such as conflicts in the Ukraine or the Middle East)**, terrorism, civil unrest, disease or natural disasters. If any of these suppliers reduce or eliminate the supply of the components to us in the future, our revenues, business, financial condition and results of operations would be adversely impacted. Although we have ongoing contractual disputes with certain such suppliers, such disputes have not to date had any significant adverse impact on our business, financial condition or results of operation. Our business could be negatively impacted if we fail to adequately protect our intellectual property rights or if third parties claim that we are in violation of their intellectual property rights. We consider our intellectual property rights to be important assets and seek to protect them through a combination of patent, trademark, copyright and trade secret laws, as well as licensing and confidentiality agreements. These protections may not be adequate to prevent third parties from using our intellectual property without our authorization, breaching any confidentiality agreements with us, copying or reverse engineering our products, or developing and marketing products that are substantially equivalent to or superior to our own. The unauthorized use of our intellectual property by others could reduce our competitive advantage and harm our business. Not only are intellectual property- related proceedings burdensome and costly, but they could take years to resolve, and we might not ultimately prevail. We cannot guarantee that any patents, issued or pending, will provide us with any competitive advantage or will not be challenged by third parties. Moreover, the expiration of our patents may lead to increased competition with respect to certain products. If we fail to protect our intellectual property and other proprietary rights, or if such intellectual property and proprietary rights are infringed, misappropriated or otherwise violated, our business, results of operations or financial condition

could be materially harmed. In addition, we cannot be certain that we do not or will not infringe third parties' intellectual property rights. We currently are, and have previously been, subject to such third-party infringement claims, and may continue to be in the future. Any such claim, even if it is believed to be without merit, may be expensive and time-consuming to defend, subject us to damages, cause us to cease making, using or selling certain products that incorporate the disputed intellectual property, require us to redesign our products, divert management time and attention, and / or require us to enter into costly royalty or licensing arrangements. Certain parts of our business experience significant intellectual property litigation and we have in the past and could in the future become involved in costly and lengthy litigation involving patents or other intellectual property rights which could adversely affect our business. We have recently been subject to adverse rulings or have settled claims for significant amounts related to the infringement of third-party intellectual property rights, and may continue to be subject to such claims, damage awards or settlement payments. In addition, we may not prevail in such future proceedings. An adverse outcome of any such proceeding may reduce our competitive advantage or otherwise harm our financial condition and our business or potentially impair our patents and technology intangible assets which could have a material adverse effect on our financial statements. For further information, see Note "18," Commitments and Contingencies," **to the consolidated financial statements in Item 8 of this Annual Report on Form 10-K**. We may incur costs and liabilities as a result of product liability, warranty claims, recalls, or other claims. We face a risk ~~from of exposure to~~ current and future product liability claims alleging to arise from the use of our products and that may purportedly result in injury or other damage. Although we currently maintain product liability insurance coverage, such ~~current~~ insurance coverage may not be sufficient to cover claims or damage awards or we may not be able to obtain such insurance on acceptable terms in the future, if at all, or obtain insurance that will provide adequate coverage against potential claims. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for long periods of time, regardless of the ultimate outcome. A significant unsuccessful product liability defense could have a material adverse effect on our financial condition and results of operations. In addition, we believe our business depends on the strong brand reputation we have developed. If our reputation is damaged **due to product liability or warranty claims, or recalls**, we may face difficulty in maintaining our market share and pricing with respect to some of our products, which could reduce our sales and profitability. We ~~have experienced, and may continue to experience, product liability claims or other product-related claims, including higher warranty costs, which may impact our reputation and resulting sales and profitability.~~ For example, we have and may continue to experience product liability, product quality or reliability claims, or warranty claims with respect to certain clean energy, generator, and / or chore products, including being subject to certain consumer product class action lawsuits or other governmental fines or penalties in relation to such products. In the event such product or warranty related claims continue or are significantly higher in the future, or we incur losses or other damages associated with current or future product liability lawsuits or product related claims, this may continue to adversely affect our reputation or brand quality in relation to such products, subject us to significantly increased costs or penalties, and otherwise materially harm our results of operations, financial condition and our business. Even in litigation where we believe the likelihood of liability is remote, there is a risk that a negative finding or decision in a matter involving multiple plaintiffs or a purported class action could have a material adverse effect on our competitive position, results of operations or financial condition. While we do record reserves for future warranty claims, our estimated warranty accruals for previously sold products and our warranty costs for current product sales are based on assumptions using historical experience, and we do not have a long history with respect to certain products. As a result, these assumptions could prove to be materially different from the actual performance of such products, causing us to incur substantial unanticipated expenses to repair or replace defective products in the future or to compensate customers for defective products. Our failure to accurately predict future claims could have a material adverse effect on our business, results of operations, or financial condition. Moreover, we have and may continue to be exposed to product recalls and adverse public relations if our products are alleged to have defects, to cause property damage, to cause injury or illness, or if we are alleged to have violated governmental regulations. A product recall could result in substantial and unexpected expenditures, which would reduce operating profit and cash flow. In addition, a product recall may require significant management attention. Product recalls may hurt the value of our brands and lead to decreased demand for our products. Product recalls have resulted in and may continue to lead to increased scrutiny, fines or other penalties by federal, state or international regulatory agencies on our operations or business and increased litigation and could have a material adverse effect on our consolidated results of operations, financial condition and cash flows. ~~We cannot guarantee that our share repurchase..... enhance long-term stockholder value.~~ The risk of non-compliance with U. S. and foreign laws and regulations applicable to our global operations could have a significant impact on our results of operations, financial condition or strategic objectives. Our global operations subject us to regulation by U. S. federal and state laws and multiple foreign laws, regulations and policies. These laws and regulations are complex, change frequently, have become more stringent over time and increase our cost of doing business. These laws and regulations include import and export control, **sanction and trade restriction laws**, environmental, health and safety regulations, data privacy requirements, international labor laws and work councils and anti-corruption and bribery laws such as the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act, the U. N. Convention Against Bribery and local laws prohibiting corrupt payments to government officials. We are subject to the risk that we, our employees, our affiliated entities, contractors, agents or their respective officers, directors, and employees may take actions determined to be in violation of any of these laws, for which we might be held responsible, particularly as we expand our operations geographically through organic growth and acquisitions. An actual or alleged violation could result in substantial fines, sanctions, civil or criminal penalties, debarment from government contracts, curtailment of operations in certain jurisdictions, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect our results of operations, financial condition or strategic objectives. **Increased scrutiny regarding our ESG practices could impact our reputation. Increasing governmental and societal attention to ESG matters, including expanding mandatory and voluntary reporting, and disclosure topics such as climate change, sustainability,**

natural resources, waste reduction, energy, human capital, and risk oversight could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. We strive to deliver shared value through our business and our diverse stakeholders expect us to make progress in certain ESG priority issue areas. It is possible that we may be unsuccessful in the achievement of our ESG goals, on a timely basis or at all, or that the costs to achieve those goals become prohibitively expensive. Furthermore, our stakeholders may not be satisfied with our initiatives or efforts or the speed at which we are progressing towards any such aspirations and goals. Additionally, organizations that inform investors on ESG matters have developed rating systems for evaluating companies on their approach to ESG. Unfavorable ratings may lead to negative investor sentiment, which could negatively impact our stock price. Any failure, or perceived failure, to respond to ESG concerns could harm our business and reputation. Our business may face increased scrutiny from the investment community, regulators, media and other stakeholders related to our sustainability activities, including our commitments, goals, targets and objectives, and our methodologies and timelines for pursuing them. We are subject to increasing regulatory requirements around sustainability-related disclosures, including significant anticipated rulemaking by the SEC or other international governmental authorities, which may continue to evolve. Complying with regulators' disclosure requirements may impose substantial additional costs and require additional resources, including with respect to third-party attestation, to enable the capture, analysis and audit of appropriate data. Any actual or alleged failure to comply with regulatory requirements could result in fines, penalties and civil liabilities, and damage to our reputation. Furthermore, if our sustainability reporting and practices do not meet investor, regulator or other stakeholders' expectations, standards and requirements, our reputation, ability to attract or retain employees, and attractiveness as an investment, business partner or acquirer could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our sustainability commitments, goals, targets, and objectives, to comply with ethical, environmental, or other standards, regulations, or expectations, or to comply with reporting requirements and standards with respect to these matters, within the timelines we announce, or at all, could have operational, reputational, financial and legal impacts. If we fail to develop new products or enhance existing products, or our customers do not accept the new or enhanced products we develop, our revenue and profitability could be adversely impacted. Difficulties or delays in research, development or production of new or enhanced products or failure to gain market acceptance of new or enhanced products and technologies may reduce future sales and adversely affect our competitive position. We continue to invest in the development and marketing of new or enhanced products. There can be no assurance that we will have sufficient resources to make such investments, that we will be able to make the technological advances necessary to maintain competitive advantages or that we can recover major research and development expenses. **Certain of our products benefit from government incentive or tax credit programs and we cannot be assured that these incentive or tax credit programs will be maintained and for how long. For example, in July 2024, we received a grant from the U. S. Department of Energy (DOE) to facilitate the installation of residential solar and battery storage systems for disadvantaged Puerto Rican residents that, if fully realized and not terminated early, would provide up to \$ 120 million in funds over the duration of the five-year award agreement.** If we fail to make innovations, **launch products with experience unexpected delays and / or quality problems in launching products,** or the market does not accept our new products, our financial condition, results of operations, cash flows and liquidity could be adversely affected. In addition, as new or enhanced products are introduced, we must successfully manage the transition from older products to minimize disruption in customers' ordering patterns, avoid excessive levels of older or obsolete product inventories and ensure that we can deliver sufficient supplies of new products to meet customers' demands. Demand for the majority of our products is significantly affected by unpredictable power outage activity that can lead to substantial variations in, and uncertainties regarding, our financial results from period to period. Sales of our **residential** products are subject to consumer buying patterns, and demand for the majority of our products is affected by power outage events caused by thunderstorms, hurricanes, **wildfires**, ice storms, blackouts, public safety power shutoffs, and other power grid reliability issues, all of which **affect** our ability to accurately manage our business and forecast future results. The impact of these outage events on our sales can vary depending on the location, frequency and severity of the outages. Sustained periods without major power disruptions can lead, and in the past have led, to reduced consumer awareness of the benefits of standby and portable generator products and can result and have previously resulted in reduced sales growth rates and excess inventory. There are smaller, more localized power outages that occur frequently that drive a baseline level of demand for **back-backup - up** power solutions. The lack of major power outage events and fluctuations to the baseline levels of power outage activity are part of managing our business, and these fluctuations could have, and previously have had, an adverse effect on our net sales and profits. Despite their unpredictable nature, we believe power disruptions create awareness and accelerate adoption **of and demand for** our home standby products. Demand for our products is significantly affected by durable goods spending by consumers and businesses, and other macroeconomic conditions. Our business is affected by general economic conditions, and uncertainty or adverse changes, such as the prolonged downturn in U. S. residential investment and the impact of more stringent credit standards and rising interest rates or inflation. These have previously led and could lead again to a decline in demand for our products and **increase** pressure to reduce our prices. Our sales of light- commercial and industrial generators are affected by conditions in the non- residential construction sector and by the capital investment trends for small and large businesses and municipalities. If these businesses and municipalities cannot access credit markets or do not utilize discretionary funds to purchase our products as a result of the economy or other factors, our business could suffer and our ability to realize benefits from our strategy of increasing sales in the light- commercial and industrial sectors could be adversely affected. In addition, consumer confidence and home remodeling expenditures have a significant impact on sales of our residential products, and prolonged periods of weakness in consumer durable goods spending has previously had, and could again have a material impact on our business. We currently do not have any material contracts with our customers which call for committed volume, and we cannot guarantee that our current customers will continue to purchase our products at the same level, if at all. If general economic conditions or consumer confidence were to worsen, or if the non- residential construction sector or rate of capital investments were to decline,

our net sales and profits would likely be adversely affected. Changes in government monetary or fiscal policies may negatively impact our results, including increases in interest rates or sustained inflationary pressure which could negatively affect overall growth and impact sales of our products. Additionally, timing of capital spending by our national account customers can vary from quarter- to- quarter based on capital availability and internal capital spending budgets. ~~Also, the availability, renewal or potential loss of renewable energy mandates and investment tax credits and other subsidies can have an impact on the demand for energy storage systems.~~ Our global operations are exposed to political and economic risks, commercial instability and events beyond our control in the countries in which we operate. Such risks or events may disrupt our supply chain and not enable us to produce products to meet customer demand. If we do not forecast demand for our products accurately, we may experience product shortages, delays in product shipment, excess product inventory, difficulties in planning expenses or disputes with suppliers, any of which may adversely affect our business and financial condition. We manufacture our products based on both actual customer orders and our estimates of customer demand. This process requires us to make multiple forecasts and assumptions relating to the demand of our distributors, their end customers, general market conditions, and other macroeconomic conditions. **The frequency and duration of power outages also affects demand for our products as described above.** As a result, it may be difficult to forecast ~~future~~ customer demand to plan our operations, which may adversely affect our business and financial condition. If we overestimate demand for our products, we may have excess inventory that we cannot sell. We may have to make significant provisions for inventory write- downs based on events that are currently not known, **or discount finished goods to liquidate inventory,** and such provisions or any adjustments to such provisions **and discounts** could be material. We may also become involved in disputes with our suppliers who may claim that we failed to fulfill forecast or minimum purchase requirements. Conversely, if we underestimate demand, we may not have sufficient inventory to meet end- customer demand, and we may lose market share, damage relationships with our distributors and end customers and forgo potential revenue opportunities. Obtaining additional supply in the face of product shortages may be costly or impossible, which could prevent us from fulfilling orders in a timely and cost- efficient manner or at all. In addition, if we overestimate our production requirements, our contract manufacturers may purchase excess components and build excess inventory. If our contract manufacturers, at our request, purchase excess components that are unique to our products and are unable to recoup the costs of such excess inventory through resale or return or build excess products, we could be required to pay for these excess parts or products and recognize related inventory write- downs. The industries in which we compete are highly competitive, and our failure to compete successfully could adversely affect our results of operations and financial condition. We operate in markets that are highly competitive. Some of our competitors have established brands and are larger in size or are divisions of large, diversified companies which have substantially greater financial resources than we do. Some of our competitors have and may continue to be willing to reduce prices and accept lower margins in order to compete with us. In addition, we could face new competition from large international or domestic companies with established brands that enter our end markets. Demand for our products may also be affected by our ~~ability~~ **inability** to respond to changes in design and functionality, to respond to downward pricing pressure, and to provide shorter lead times for our products than our competitors. **There is also increasing use of data analytics, machine learning, and artificial intelligence software, which our competitors may be able to use or implement more effectively than we are able to do.** If we are unable to respond successfully to these competitive pressures, we could lose market share, which could have an adverse impact on our results. For further information, see “ Item 1 — Business — Competition ” **of this Annual Report on Form 10- K.** We rely on independent dealers and distribution partners, and the loss of these dealers and distribution partners, or of any of our sales arrangements with significant private label, national, retail or equipment rental customers, would adversely affect our business. We depend on the services of independent distributors and dealers to sell and install our products and provide service and aftermarket support to our end customers. Their capacity constraints and / or inability to install and service our products, including their inability to hire, develop, or retain qualified technicians or other labor, could limit our ability to maintain and grow our sales. We also rely on our distribution channels to drive awareness for our product categories and our brands. In addition, we sell our products to end users through private label arrangements with leading home equipment, electrical equipment and construction machinery companies; arrangements with top retailers and equipment rental companies; and our direct national accounts with telecommunications and other industrial customers. Our distribution agreements and any contracts we have with large national, retail and other customers are typically not exclusive, and many of the distributors with whom we do business also offer competitors’ products and services. Impairment of our relationships with our distributors, dealers or large customers, loss of a substantial number of these distributors or dealers or of one or more large customers, or an increase in our distributors’ or dealers’ sales of our competitors’ products to our customers or of our large customers’ purchases of our competitors’ products could materially reduce our sales and profits. For example, we have had, and may continue to have, disputes with one or more customers, distributors or dealers to whom we sell our products, including clean energy products, and this may reduce or limit the sales growth for such products. Additionally, our ability to successfully realize our growth strategy is dependent in part on our ability to identify, attract and retain new distributors at all layers of our distribution platform, including increasing the number of energy storage distributors, and we cannot be certain that we will be successful in these efforts. For further information, see “ Item 1 — Business — Distribution Channels and Customers ” **of this Annual Report on Form 10- K.** We cannot guarantee that our share repurchase programs will be fully consummated or that they will enhance long- term stockholder value. Share repurchases could also increase the volatility of the market price of our stock and diminish our cash reserves. On February 12, 2024, the Company’ s Board of Directors (Board) approved ~~the current~~ **a new** stock repurchase program that allows for the repurchase of up to \$ 500 million of the Company’ s common stock over ~~a the next~~ **twenty- four - month months period.** **The new program replaces the prior share repurchase program, which had approximately \$ 26 million remaining available for repurchase when the new program was approved.** Although our Board **of Directors** has authorized such share repurchase program, the program does not obligate us to repurchase any specific dollar amount or to

acquire any specific number of shares. Such program could also diminish our cash reserves. In addition, we may discontinue, modify or suspend our share repurchase program based on several factors, including our cash balances and potential future capital requirements for strategic transactions, including acquisitions, results of operations, financial condition and other factors that our Board **of Directors** may deem relevant. Any modification, suspension, or termination of our share repurchase program could cause our stock price to decline. We cannot guarantee that such program will be fully consummated or that it will enhance long-term stockholder value. **Increased scrutiny regarding our sustainability practices and reporting could impact our reputation. Increasing governmental and societal**. We are **unable** **subject to regulatory requirements around sustainability-related disclosures** determine the specific impact of changes in selling prices or changes in volumes or mix of our products on our net sales. **Because of the wide range of products that we sell, including the level of customization for EU's Corporate Sustainability Reporting Directive, which many may of continue to evolve and may impose substantial additional costs and require additional resources. Any actual our or products alleged failure to comply with regulatory requirements could result in fines, penalties** the frequent rollout of new products, the different accounting systems utilized, and the fact that **we civil liabilities, and damage to our reputation. Furthermore, if our sustainability reporting and practices** do not **meet investor, regulator** apply pricing changes uniformly across our **or** entire portfolio of products, we are unable to determine with specificity the **other effect of volume stakeholders' expectations, standards and requirements, or our mix changes reputation, ability to attract or changes in selling prices retain employees, and attractiveness as an investment, business partner or acquiror could be negatively impacted. All of these could have an impact** on our net sales **reputation as well as our financial results and operations**. Risk factors related to our operations

The loss of any key members of our senior management team or key employees could disrupt our operations and harm our business. Our success depends, in part, on the efforts of certain key individuals, including the members of our senior management team, who have significant experience in the energy products and solutions industry. If, for any reason, our senior executives do not continue to be active in management, or if key employees leave our company, our business, financial condition or results of operations could be adversely affected. Failure to continue to attract or retain these individuals at reasonable compensation levels could have a material adverse effect on our business, liquidity and results of operations. If we need to replace any of these individuals in the near future, the loss of their services could disrupt our operations and have a material adverse effect on our business if we do not have effective succession plans in place. Disruptions caused by labor disputes or organized labor activities could harm our business. We may from time **- to -** time experience union organizing activities in our non-union facilities. Disputes with the current labor union or new union organizing activities could lead to work slowdowns or stoppages and make it difficult or impossible for us to meet scheduled delivery times for product shipments to our customers, which could result in loss of business. In addition, union activity could result in higher labor costs, which could harm our financial condition, results of operations and competitive position. A work stoppage or limitations on production at our facilities for any reason could have an adverse effect on our business, results of operations and financial condition. In addition, many of our suppliers have unionized work forces. Strikes or work stoppages experienced by our customers or suppliers could have an adverse effect on our business, results of operations and financial condition. Our business and operations can be adversely affected by our ability to attract, motivate, develop, and retain our employees. We are committed to attracting, motivating, developing, and retaining our employees to ensure we remain an employer of choice. Despite our efforts, we have experienced, and could continue to experience, depending upon external market conditions, higher employee turnover and absenteeism. Furthermore, the **competition market** for skilled personnel is often very competitive **both** in markets where our facilities are located **and with the emergence of remote work**. Increased turnover rates within our employee base, perceived or actual deficiencies in total compensation paid to our employees in relation to competing employers, or as a result of general macroeconomic factors or otherwise, could lead to increased costs, such as increased overtime to meet demand and potentially further increase salaries and wage rates to attract and retain employees, and could negatively affect our ability to efficiently operate our manufacturing facilities and overall business. If we are unable to hire and retain employees capable of performing at a high level, our business, financial condition and results of operations could be adversely affected. We may experience material disruptions to our manufacturing operations. While we seek to operate our facilities in compliance with applicable rules and regulations and take measures to minimize the risks of disruption at our facilities, a material disruption at one of our manufacturing facilities could prevent us from meeting customer demand, reduce our sales and / or negatively impact our financial results. Any of our manufacturing facilities, or any of our equipment within an otherwise operational facility, could cease operations unexpectedly due to a number of events, including: • equipment or information technology infrastructure failure; • disruptions in the transportation infrastructure including roads, bridges, railroad tracks and container ports; • fires, floods, tornadoes, earthquakes, disease, pandemics, acts of violence, or other catastrophes; and • other operational problems. In addition, a significant portion of our manufacturing and production facilities are in Wisconsin within a 100-mile radius of each other. We could experience prolonged periods of reduced production due to unforeseen events occurring in or around our manufacturing facilities in Wisconsin. In the event of a business interruption at our facilities, in particular our Wisconsin **or South Carolina** facilities, we may be unable to shift manufacturing capabilities to alternate locations, accept materials from suppliers or meet customer shipment needs, among other severe consequences. Such an event could have a material and adverse impact on our financial condition and results of our operations. Changes in U. S. trade policy, including the imposition of **new or increased** tariffs and the resulting consequences, could have an adverse effect on our results of operations. Our business benefits from free trade agreements, and efforts to withdraw from, or substantially modify such agreements, in addition to the implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs, import or export licensing requirements, exchange controls or new barriers to entry, could have a material adverse effect on our results of operations, financial condition or cash flows. The U. S. government has made changes in U. S. trade policy over the past several years. These changes include renegotiating and terminating certain existing bilateral or multi-lateral trade agreements, such as the U. S.- Mexico- Canada Agreement, and initiating tariffs on certain foreign goods from a variety of

countries and regions, most notably China. These changes in U. S. trade policy have resulted in, and may continue to result in, one or more foreign governments adopting responsive trade policies that make it more difficult or costly for us to do business in or import our products or components from those countries. The sales, gross margins, and profitability for each of our segments could be directly impacted by changes in tariffs and trade agreements. In addition, certain of our products or key components or raw materials have and may continue to be subject to the imposition of higher duties as a result of anti- dumping and countervailing duties applied against them. To the extent such governmental actions, duties or tariffs are applied to such products, it could adversely affect our results of operations, financial condition and business. We cannot predict the extent to which the U. S. or other countries will impose new or additional quotas, duties, ~~tariffs, duties,~~ taxes or other similar restrictions upon the import or export of our products in the future, nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business. The continuing adoption or expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact demand for our products, our costs, our customers, our suppliers, and the U. S. economy, which in turn could have a material adverse effect on our business, operating results, and financial condition. We may not realize all of the anticipated benefits of our acquisitions, divestitures, restructurings, or realignments, or those benefits may take longer to realize than expected. We may also encounter significant unexpected difficulties in integrating acquired businesses. We regularly execute organizational changes such as acquisitions, divestitures, restructurings, and realignments to support our growth and management strategies. If we are unable to successfully manage these and other organizational changes, the ability to complete such activities and realize anticipated synergies or cost savings, as well as our results of operations and financial condition, could be materially adversely affected. Our ability to realize the anticipated benefits of our acquisitions will depend, to a large extent, on our ability to integrate the acquired businesses with our business. The integration of independent businesses is a complex, costly and time-consuming process. ~~Further, integrating and managing businesses with international operations may pose challenges not previously experienced by our management.~~ As a result, we may be required to devote significant management attention and resources to integrating the business practices and operations of any acquired businesses with ours. The integration process may disrupt our business and, if implemented ineffectively, could preclude realization of the full benefits expected by us. Our failure to meet the challenges involved in integrating an acquired business into our existing operations or otherwise to realize the anticipated benefits of the transaction could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations. As part of undertaking an acquisition, we may also significantly revise our capital structure or operational budget, such as issuing common stock that would dilute the ownership percentage of our stockholders, assuming liabilities or debt, utilizing a substantial portion of our cash resources to pay for the acquisition or significantly increasing operating expenses. Our acquisitions have resulted in, and may in the future result in, charges being taken in an individual quarter as well as future periods, which results in variability in our quarterly earnings. In addition, our effective tax rate in any particular quarter may also be impacted by acquisitions. Following the closing of an acquisition, we may also have disputes with the seller regarding contractual requirements and covenants, purchase price adjustments, contingent payments or for indemnifiable losses. Any such disputes may be time consuming and distract management from other aspects of our business. As part of the terms of an acquisition, we may commit to pay additional contingent consideration if certain revenue or other performance milestones are achieved. We are required to evaluate the fair value of such commitments at each reporting date and adjust the amount recorded if there are changes to the fair value. In addition, the overall integration of our acquired businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management' s attention, and may cause our stock price to decline. The difficulties of combining the operations of acquired businesses with ours include, among others: ● managing a larger company; ● maintaining employee morale and retaining key management and other employees; ● complying with newly applicable domestic and foreign regulations as we enter new product and geographic markets; ● integrating two business cultures, which may prove to be incompatible; ● the possibility of faulty assumptions underlying expectations regarding the integration process; ● retaining existing customers and attracting new customers; ● consolidating corporate and administrative infrastructures and eliminating duplicative operations; ● the diversion of management' s attention from ongoing business concerns and performance shortfalls as a result of management' s attention to the acquisition; ● unanticipated issues in integrating information technology, communications and other systems; ● complying with, or the failure to comply with, changes in applicable, new, or existing laws and regulations; ● managing tax costs or inefficiencies associated with integrating the operations or supply chain of the combined company; ● unforeseen liabilities, expenses or delays associated with the acquisition; ● difficulty comparing financial reports due to differing financial and / or internal reporting systems; and ● making any necessary modifications to internal financial control ~~standards~~ **systems** to comply with the Sarbanes- Oxley Act of 2002 and the rules and regulations promulgated thereunder. Many of these factors may be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management' s time and energy, which could materially impact our business, financial condition and results of operations. In addition, even if the operations of our acquired businesses are integrated successfully with our operations, we may not realize the full benefits of the transaction, including the synergies, cost savings or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all, and additional unanticipated costs may be incurred in the integration or management of our businesses. All these factors could cause dilution to our earnings per share, decrease or delay the expected accretive effect of the acquisition, and cause a decrease in the price of our common stock. As a result, we cannot be assured that the combination of our acquisitions with our business will result in the realization of the full benefits anticipated from the transaction. A significant portion of our purchased components are sourced in foreign countries, exposing us to additional risks that may not exist in the United States. We source a significant portion of our purchased components overseas, primarily in Asia and Europe. Our international sourcing subjects us to a number of potential risks in addition to the risks associated with third- party sourcing generally. Such risks include: ● inflation or

changes in political and economic conditions; • logistical challenges, including extended container port congestion, and higher logistics costs; • unstable regulatory environments; • changes in import and export duties; • domestic and foreign customs and tariffs; • currency rate fluctuations; • trade restrictions; • labor or civil unrest; • **geopolitical conflict such as that experienced in Ukraine or the Middle East**; • disputes in our relationships with certain contract manufacturers or suppliers; • communications challenges; and • other restraints and burdensome taxes. These factors have ~~had-occurred~~ in the past and are currently having an adverse effect on our ability to efficiently and cost effectively source our purchased components overseas. Additionally, if the U. S. dollar were to depreciate significantly against the currencies in which we purchase raw materials from foreign suppliers, our cost of goods sold could increase materially, which would adversely affect our results of operations. Risk factors related to legal and regulatory matters We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our business, financial ~~statements-position~~ or on our results of operations. We are subject to a variety of litigation and other legal and regulatory proceedings incidental to our business (or the business operations of previously owned entities), including claims for damages arising out of the use of products or services and claims relating to product design, safety, manufacture and performance liability, contracts, commercial disputes, competition, sales and trading practices, employment issues, environmental matters, intellectual property rights, tax, securities, regulatory compliance, personal injury, insurance coverage, and acquisition- related matters, as well as other legal proceedings that arise in and outside of the ordinary course of our business. These matters may include claims for compensatory damages, punitive and consequential damages and / or injunctive relief. The defense of these matters may divert our management' s attention, we may incur significant expenses in defending such matters, and we may be required to pay fines, penalties, damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial statements. The industries in which we operate are also periodically reviewed or investigated by regulators, and we are subject to and may continue to be subject to such investigations and claims, including by the U. S. Department of Justice (DOJ), CPSC and EPA, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. ~~The While the~~ **the** Company ~~is cooperating~~ **cooperates** with such governmental inquiries, it is not possible to predict ~~with certainty~~ the outcome of such claims, ~~or any other current or future claims~~, investigations, and lawsuits. ~~We, and we~~ could in the future incur judgments, fines or penalties or enter into settlements of lawsuits and claims that could have an adverse effect on our reputation, business, results of operations or financial condition in any particular period. Additionally, the nature of our operations means that legal and compliance risks will continue to exist and additional legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, may arise from time to time. In addition, subsequent developments in legal proceedings or investigations may affect our assessment and estimates of loss contingencies recorded as a reserve and require us to make payments in excess of our reserves, which could have an adverse effect on our reputation, business and results of operations or financial condition. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. In addition, developments in proceedings in any given period may require us to adjust the loss contingency estimates that we have recorded in our financial statements, record estimates for liabilities or assets previously not susceptible ~~of to~~ reasonable estimates or pay cash settlements or judgments. Any of these developments could adversely affect our financial statements in any particular period. We cannot assure our liabilities in connection with litigation and other legal and regulatory proceedings will not exceed our estimates or adversely affect our financial statements and reputation. While we maintain insurance coverage in amounts that we believe are reasonable, we cannot assure we will be able to maintain this insurance on acceptable terms or that this insurance will provide sufficient coverage against potential liabilities that may arise. Any product liability claim may also include the imposition of punitive damages, the award of which may not be covered by insurance. Any claims brought against us, with or without merit, may have an adverse effect on our business and results of operations as a result of potential adverse outcomes, the expenses associated with defending such claims, the diversion of our management' s resources and time and the potential adverse effect to our business reputation. **For further information, see Note, " 18. Commitments and Contingencies " and our discussion of " Non- GAAP measures – Adjusted EBITDA " in Item 7 of this Annual Report on Form 10- K.** Our operations are subject to various environmental, health and safety laws and regulations, and non- compliance with or liabilities under such laws and regulations could result in substantial costs, fines, sanctions and claims. Our operations are subject to a variety of foreign, federal, state and local environmental, health and safety laws and regulations including those governing, among other things, emissions to air; discharges to water; noise; and the generation, handling, storage, transportation, treatment and disposal of waste and other materials. In addition, under federal and state environmental laws, we could be required to investigate, remediate and / or monitor the effects of the release or disposal of materials both at sites associated with past and present operations and at third-party sites where ~~wastes – waste~~ generated by our operations ~~were-was~~ disposed. This liability may be imposed retroactively and whether or not we caused, or had any knowledge of, the existence of these materials and may result in our paying more than our fair share of the related costs. Violations of or liabilities under such laws and regulations could result in substantial costs, fines and civil or criminal proceedings or personal injury and workers' compensation claims. Our products are subject to ~~substantial~~ government regulation. Our products are subject to extensive statutory and regulatory requirements governing, among other things, emissions, noise, labeling, transport, product content **and composition**, product safety, and data privacy, including standards imposed by the EPA, CARB, CPSC and other regulatory agencies **and certification bodies** around the world. Also, as we increase our connectivity with our products and customers, we may be required to comply with additional data privacy and cybersecurity regulations. For example, personal privacy and data security have become significant issues in the United States, Europe, and in many other jurisdictions in which we operate. The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. In the United States, these include rules and regulations promulgated or pending under the authority of federal agencies, state attorneys general, legislatures, and consumer protection agencies. Internationally, many jurisdictions in which we operate have established their own data security

and privacy legal framework with which we, relevant suppliers, and customers must comply. Although we have implemented certain policies, procedures, and, in other cases, contractual arrangements designed to facilitate compliance with applicable privacy and data security laws and standards, any challenges or perceived inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations, and policies, could result in additional fines, costs, and liabilities to us, damage our reputation, inhibit sales, and adversely affect our business. ~~These~~ **The laws affecting our products** are constantly evolving and many are becoming increasingly stringent. As a further example, ~~recent~~ CARB regulations that will prohibit future sales in California of certain small off- road engines may negatively affect the long- term sales of certain products we sell today in that state. ~~In addition, some cities or municipalities have imposed, or are considering, limiting natural gas connections to new buildings or imposing additional permitting restrictions which could adversely affect the sales of certain products we sell in such jurisdictions.~~ Changes in applicable laws or regulations, or in the enforcement thereof, could require us to redesign or recall our products and could adversely affect our business or financial condition in the future. Developing and marketing products to meet such new requirements could result in substantial additional costs that may be difficult to recover in some markets. In some cases, we may be required to modify our products or develop new products to comply with new regulations, particularly those relating to air emissions and carbon monoxide. Typically, additional costs associated with significant compliance modifications are passed on to the ~~market~~ **customer**. The failure to comply with existing and future regulatory ~~or product~~ standards or requirements could adversely affect our position in the markets we serve, our reputation, business, results of operations or financial condition in any particular period. Risk factors related to cybersecurity Failures or security breaches of our networks or information technology systems could have an adverse effect on our business. We rely heavily on information technology (IT) both in our products and services for customers and in our IT systems used to run our business. Further, we collect and store sensitive information in cloud- based data centers and on our networks. Government agencies and security experts have warned about growing risks of hackers, cyber- criminals, malicious insiders and other actors targeting confidential information and all types of IT systems. These actors may engage in fraudulent activities, theft of confidential or proprietary information and sabotage or ransomware. **We may experience interruptions, delays and outages in service and availability from time to time, including infrastructure changes, human or software errors, upgrade disruptions and capacity constraints.** Our IT systems, our connected products, and our confidential information may be vulnerable to damage or intrusion from a variety of attacks including computer viruses, worms or other malicious software programs. The risk of such attacks may increase as we integrate newly acquired companies or develop new connected products and related software. These attacks pose a risk to the security of our products, private data, systems and networks and those of our customers, suppliers and third- party service providers, as well as to the confidentiality of our information and the integrity and availability of our data. **Use of artificial intelligence software may also create risks from the unintentional disclosure of proprietary, confidential, personal or otherwise sensitive information.** While we attempt to mitigate these risks through board oversight, hiring additional internal cyber- security professionals to manage these risks, enhancing controls, due diligence, employee training and communication, third party intrusion testing, system hardening, email and web filters, regular patching, multi- factor authentication, surveillance, encryption, and other measures, we remain vulnerable to information security threats. We monitor certain cyber security threats and vulnerabilities in our systems, and we have experienced viruses and attacks targeting our IT systems and networks. Such prior events, to date, have not had a material impact on our financial condition, results of operations or liquidity. Despite the precautions we take, we have had, and could have again, an intrusion or infection of our systems or connected products. ~~An~~ **While such intrusions or infections to date have not resulted in the significant disruption of our business, or a loss of proprietary or confidential information, we cannot guarantee the same for future intrusions or infections.** Similarly, ~~an~~ attack on our IT systems or connected products could result in theft or disclosure of trade secrets or other intellectual property, a breach of confidential customer or employee information, or product failure or misuse. Any such events could have an adverse impact on sales, harm our reputation and cause us to incur legal liability and increased costs to address such events and related security concerns. As the threats evolve and become more potent, we may incur additional costs to secure the products that we sell, as well as our data and infrastructure of networks and devices. See" Item 1C. Cybersecurity" **of this Annual Report on Form 10- K** for additional information related to cybersecurity risks. Risk factors related to our capital structure We have indebtedness which could adversely affect our cash flow and our ability to make payments on our indebtedness. As of December 31, ~~2023~~ **2024**, we had total indebtedness of \$ 1, ~~575~~ **334**. 2 million. Our level of indebtedness increases the possibility that we may be unable to generate ~~sufficient~~ **sufficient** cash ~~sufficient~~ to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. While we maintain interest rate swaps covering a portion of our outstanding debt, our interest expense could increase if interest rates increase because debt under our credit facilities bears interest at a variable rate based on Secured Overnight Financing Rate (SOFR) or other base rate. ~~In connection with~~ **If we do not have sufficient earnings to service our debt, we may be required to refinance all our or part of our existing debt** ~~credit agreement amendment in June 2022~~, **sell assets, borrow more money** ~~SOFR became the new benchmark interest rate for~~, **or the new sell securities, none of which we can guarantee we can accomplish. Our Tranche B Term Loan Facility matures on July 3, 2031, and our** ~~Tranche A Term Loan Facility and the Revolving Facility, and all LIBOR provisions applicable to the existing Tranche B Term Loan Facility were replaced with SOFR provisions. If we do not have sufficient earnings to service our debt, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell securities, none of which we can guarantee we will be able to do. Our Term Loan B matures on December 13, 2026, and our Term Loan A as well as our Revolving Facility mature on June 29, 2027. The terms of our credit facilities restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions. Our credit facilities contain, and any future indebtedness of ours or our subsidiaries would likely contain, a number of restrictive covenants that impose operating and financial restrictions on us and our subsidiaries, including limitations on our ability to engage in acts that may be in our best long- term interests. These restrictions set~~

limitations on, among other things, our ability to: • incur liens; • incur or assume additional debt or guarantees or issue preferred stock; • pay dividends, or make redemptions and repurchases, with respect to capital stock; • prepay, or make redemptions and repurchases of, subordinated debt; • make loans and investments; • make capital expenditures; • engage in mergers, acquisitions, asset sales, sale / leaseback transactions and transactions with affiliates; • change the business conducted by us or our subsidiaries; and • amend the terms of subordinated debt. The operating and financial restrictions in our credit facilities and any future financing agreements may adversely affect our ability to finance future operations or capital needs or to engage in other business activities. A breach of any of the restrictive covenants in our credit facilities would result in a default. If any such default occurs, the lenders under our credit facilities may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, or enforce their security interest, any of which would result in an event of default. The lenders will also have the right in these circumstances to terminate any commitments they have to provide further borrowings. We may need additional capital to finance our growth strategy or to refinance our existing credit facilities, and we may not be able to obtain it on acceptable terms, or at all, which may limit our ability to grow. We may require additional financing to expand our business. Financing may not be available to us or may be available to us only on terms that are not favorable. The terms of our senior secured credit facilities limit our ability to incur additional debt. In addition, economic conditions, including a downturn in the credit markets, could impact our ability to finance our growth on acceptable terms or at all. If we are unable to raise additional funds or obtain capital on acceptable terms, we may have to delay, modify or abandon some or all of our growth strategies. In the future, if we are unable to refinance our credit facilities on acceptable terms, our liquidity **and operating results** could be adversely affected. Our total assets include a substantial amount of goodwill and other indefinite-lived intangibles. If we determine these have become impaired, our net income could be materially adversely affected. Goodwill represents the excess of cost over the fair market value of net assets acquired in business combinations. Indefinite-lived intangibles are comprised of certain tradenames. **At As of December 31, 2023-2024**, goodwill and other indefinite-lived intangibles ~~totaled~~ **total led** \$ 1, 560-563 . 75 million. We review goodwill and other intangibles at least annually for impairment and any excess in carrying value over the estimated fair value is charged to the statement of comprehensive income. Future impairment may result from, among other things, deterioration in the performance of an acquired business or product line, adverse market conditions, a significant increase in interest rate, changes in the competitive landscape, adverse changes in applicable laws or regulations, including changes that restrict the activities of an acquired business or product line, and a variety of other circumstances including any of the risk factors noted above. A reduction in net income resulting from the write-down or impairment of goodwill or indefinite-lived intangibles could have a material adverse effect on our financial statements. Refer **General risk factors The market price of our common stock may be volatile or may decline regardless of our operating performance. The market price of our common stock has been and could be subject to wide fluctuations in response to, among the other Critical Accounting Policies things, the other risk factors described herein, and other factors beyond our control, such as quarterly variations in operating results, announcements of technology innovations or new products by us or our competitors, changes in financial Estimates-estimates factors** described herein, and other factors beyond our control, such as quarterly variations in operating results, announcements of technology innovations or new products by us or our competitors, changes in financial estimates and recommendations by securities analysts, the operating and stock price performance of other companies that investors may deem comparable to us, and news reports relating to trends in our markets or general economic conditions. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions, such as recessions, interest rate changes or international currency fluctuations, may negatively affect the market price of our common stock, regardless of our operating performance. We have experienced and may continue to see volatility in the market price of our stock price. **We As a result, we** have been subject to securities class action litigation **relating to the market price of our stock,** and may continue to be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously **harm our business. For further information, see Note, " 18. Commitments and Contingencies " and our discussion of " Non- GAAP measures- Adjusted EBITDA " in Item 7 of this Annual Report on Form 10- K** for further information regarding our process for....., which could seriously harm our business. Our business is subject to potential tax liabilities. We are subject to income tax, indirect tax or other tax claims by tax agencies in jurisdictions in which we conduct business. In the ordinary course of our business, there are many transactions and calculations where the ultimate income tax, indirect tax, or other tax determination is uncertain. Although we believe our tax estimates are reasonable, we cannot be certain that the final determination of our tax audits and litigation will not be materially different from that which is reflected in historical tax provisions and accruals. Should additional taxes be assessed as a result of an audit, assessment or litigation, there could be a material adverse effect on our cash, tax provisions and net income in the period or periods for which that determination is made.