

Risk Factors Comparison 2025-02-20 to 2024-02-15 Form: 10-K

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

You should carefully consider all of the information in this Annual Report on Form 10-K and each of the risks described below, which we believe are the principal risks we face. Any of the following risks could materially and adversely affect our business, financial condition and results of operations. **These risks** and the actual outcome of matters as to which forward-looking statements are **not made in this Annual Report on Form 10-K. Other** ~~the events that we do~~ **only risks facing our Company.** **Risks and uncertainties** not currently **known to or anticipate anticipated by us** or that we currently deem immaterial may also **adversely** affect our business, prospects, financial condition and results of operations. Risks Relating to our Business **and Strategy**: **Volatility in the cost** ~~The automotive industry is evolving~~ **and if we do not deliver new products** availability of raw materials, components, energy and **technologies** transportation, ~~in addition response~~ **to disruptions in the supply chain** **changing customer needs and preferences, our business could suffer. Our continued success depends on our ability to innovate to meet or exceed the needs of our customers. The automotive industry is increasingly focused on improved vehicle efficiency and reduced emissions**, including ~~supplier insolvency through the development of hybrid and full-battery electric vehicles~~, **has largely driven by increasingly stringent government regulations related to emissions and changing consumer preferences, and we expect this trend to continue. Increased public awareness and concern regarding global climate change may result in even more local, regional and / or federal requirements to reduce or mitigate the effects of greenhouse gas emissions further, and several markets in which we operate are already undertaking efforts to ban internal combustion vehicles altogether. While this trend presents an opportunity for increased incorporation**, and may continue to increase, the cost of our products and services **turbochargers into internal combustion engine ("ICE")**, **hybrid and fuel-cell based vehicles** may impact our ability to meet commitments to customers and cause us to incur significant liabilities. We have experienced, and may continue to experience, volatility in the **medium-term** cost and availability of raw materials, components, energy and transportation as **original equipment manufacturers ("OEMs") seek a result of a broad range of factors beyond our control including, but not limited to reduce emissions from their existing product portfolios**, ~~pandemics,~~ **demand may shift away from the types of vehicles where our turbochargers general generate inflation higher profit margins and geopolitical tensions towards the types of vehicles where our turbochargers generate smaller profit margins, and in the longer-term may shift toward vehicles where no turbocharger is needed, such as with battery electric vehicles. Conversely, if emissions regulations are weakened, postponed or repealed, demand for emissions-reducing technologies, such as turbochargers, may be negatively impacted**. If we are unable to **respond** pass through increased costs of raw materials, components, energy and transportation to **changes in the technological needs of our customers, if a transition** or are otherwise unable to mitigate these cost increases, this could **battery electric vehicles is pursued more broadly or is implemented more rapidly than we** have an adverse effect on **anticipated, or if we overestimate the turbocharger penetration rate in ICE, hybrid, or fuel-cell-based vehicles in the medium-term**, our results of operations and financial condition. Furthermore, if we are unable to overcome significant disruptions in the supply chain, such as those caused by global logistical constraints, it could **adversely impact our business.** ~~Short..... to continue filling our supply needs may~~ be adversely affected by changes in, or our failure to comply with, Chinese laws, regulations and standards, and by political risks beyond our control, including but not limited to, trade policies, treaties, government regulations and tariffs. **In addition** Our inability to fill our supply needs, on terms that **in response to the ongoing evolution in the automotive industry and the anticipated shift toward zero-emission vehicles, we have made, and we expect to continue to make, significant investments in technologies supporting zero-emission vehicles, including fuel cell compressors and high value electric vehicle components, including E-Powertrain and E-Cooling Compressor technologies. Many of these new technologies are in the pre-development stage and there is no guarantee that they will be successful. Further, investment in these new technologies is dependent on the profits generated from** ~~or our turbocharger business;~~ **reduced demand for our turbochargers could impact our ability to invest in these new technologies. If we are required to make more significant investments than expected, if consumer demand for zero-emission vehicles fails to develop or develops more slowly than expected or if competition for electrification technologies is more intense than we expect, our business, financial condition and results of operations may be materially adversely affected. We operate in a highly competitive market. We compete globally with several other manufacturers and distributors that produce and sell turbochargers, and we face intense competition in the development of technologies for electrification and other zero-emission solutions. Our competitors include independent regional and international suppliers as well as vertically integrated units of major OEMs. We compete with start-ups, which may be well-funded with more operational and financial flexibility than we have, and with competitors that are larger than we are, which may have greater financial and other resources than we do. If we face increased competition or if any of our competitors more accurately respond to market developments, develop products that are superior to our products, produce similar products at a cost that is lower than** all, would jeopardize our ability to fulfil obligations under commercial contracts, and could result in reduced sales and profits, contract penalties or **our terminations cost**, and damage **or adapt more quickly than we do** to **new technologies or evolving** customer relationships ~~needs,~~ **we may not be able to compete successfully and our business, financial condition, and results of operations may be materially adversely affected**. We rely on sales to major customers as well as a network of independent dealers to manage the distribution of our products, and we could be adversely impacted by the loss of any such major customers ~~or dealers~~, changes in their requirements for our products or changes in their

financial condition. **In 2024, our top ten customers accounted for approximately 62 % of our net sales and our largest customer accounted for approximately 12 % of our net sales.** Changes in our business relationships with any of our major customers or in the timing, size and continuation of their various programs could have a material adverse impact on **us our business**. We may lose **major** customers **from time to time** due to factors beyond our control, including due to mergers and acquisitions. Additionally, while we continually bid on new business with our existing customers **and continually**, as well as seek to diversify our customer base, there is no assurance that our efforts will be successful. The loss of any of these customers, the loss of business with respect to one or more of their vehicle models on which we have high component content, or a significant decline in the production levels of such vehicles would negatively impact our business, results of operations and financial condition. Further, to the extent that the financial condition of our largest customers deteriorates, **including possible bankruptcies, or liquidations, or due to declines in their sales**, our financial position and results of operations could be adversely affected. **we could realize substantially less revenue over the life of these projects than the projected estimate.** Industry and economic conditions, including **any economic one or more** downturns, could adversely affect our business and results of operations. We are dependent on the continued growth, viability and financial stability of our customers, a substantial portion of whom are OEMs in the automotive industry, **which**. The automotive industry is sensitive to general economic conditions and other factors, such as consumer confidence and preferences, **inflation, tax rates**, interest rates, and fuel costs. **The automobile, as well as industry - specific is also sensitive to industry conditions, particularly as it evolves**, such as rapid technological change often driven by regulatory changes, vigorous competition, short product life cycles, supplier stability, factory transitions, and capacity **constraints concerns**. Economic and industry conditions have had, and will continue to have, an impact on our business, whether directly or indirectly through our customers and suppliers. Furthermore, the regional concentration of our sales may exacerbate the impact of regional economic conditions on our results of operations, including in China, where we conduct a significant portion of our sales, and which has recently experienced low inflation, **and a** deterioration of the job market, **and a slower than anticipated economic recovery from Covid-19**. Economic declines that result in significant reductions in automotive sales or production, particularly with respect to light vehicles, or the failure to recover from such economic declines on timelines that we anticipate, would have an adverse effect on our business, results of operations and financial condition. **We Our aftermarket business is subject to unique risks. Sales in our aftermarket operations are subject directly related to consumer demand the economic, political, regulatory, foreign exchange and spending for automotive aftermarket products, which may be affected by factors outside of our control, such as other -- the risks average useful life of OEM parts and components, severity of regional weather conditions, highway and roadway infrastructure deterioration and the average number of miles vehicles are driven by owners. Given the relative importance of our of off international - highway after market business, trends in agriculture, mining, oil and gas and construction can influence our aftermarket demand as well. Improvements in technology and product quality are extending the longevity of vehicle component parts, which may result in delayed or reduced aftermarket sales. Our results of operations - We have created and financial condition could be adversely affected by these trends, including if we fail to respond in a timely geographic footprint that emphasizes locating R & D, engineering and appropriate manner manufacturing capabilities in close physical proximity to our customers. This international geographic footprint subjects us to many risks, including: exchange control regulations; wage and price controls; antitrust and environmental regulations; employment regulations; foreign investment laws; monetary and fiscal policies and protectionist measures that may prohibit acquisitions or joint ventures, establish local content requirements, or impact trade volumes; import, export and other trade restrictions (such as embargoes); violations by our employees of anti-corruption laws; changes in regulations regarding transactions with the demand for our aftermarket products.** Additionally, we rely upon a network of independent dealers to manage the distribution of our **aftermarket** products. **If our dealers are unsuccessful with their sales and business operations, it could have an adverse effect on overall sales and revenue.** We rely on the capability of our independent dealers to develop and implement effective sales plans to create demand among purchasers for the equipment and related products and services that the dealers purchase from us. **In addition, the dealer channel's ability to support and service precision technology solutions and emerging power solutions may affect customers' acceptance and adoption rates of these products.** If our dealers are not successful in these endeavors, then we will be unable to grow our sales and revenue, which would have an adverse effect on our financial condition. **Furthermore In addition, the dealer channel's ability to support and service precision technology solutions and emerging power solutions may affect customers' acceptance and adoption rates of these products. Additionally, these dealers may have trouble funding their day- to- day operations, cash flow needs and paying their obligations due we or they may seek to terminate** adverse business conditions resulting from negative economic effects or **our existing** other factors. Dealers may exit relationships with us or we may seek to terminate relationships with certain dealers, including if they are unable to meet the needs of their customers. The unplanned loss of any of our dealers could lead to inadequate market coverage, **or** negative customer impressions of us, and may adversely impact our ability to collect receivables that are associated with that dealer. We may not be able to successfully negotiate favorable pricing **and other** terms with our customers, which may adversely affect our results of operations. There is substantial and continuing pressure on OEMs to reduce costs, including the costs of the products we supply. **We negotiate sales prices annually with our automotive customers.** Our customer supply agreements **generally typically** require step- downs in component pricing over the period of production. In addition, our customers often reserve the right to terminate their supply contracts at any time, which enhances their ability to obtain price reductions. OEMs have also exercised significant influence over their suppliers, including us, because the automotive component supply industry is highly competitive and serves a limited number of customers. Based on these factors, our status as a Tier I supplier (one that supplies vehicle components directly to manufacturers) and the fact that our customers' product programs typically last **several a number of** years and are anticipated to encompass large volumes, our customers are **often** able to negotiate favorable pricing **and other terms**, and any cost- cutting initiatives that our customers adopt generally will result in increased downward pressure on our pricing. **Any The** resulting

impacts to our sales levels and margins could ~~over time~~ significantly reduce our revenues and adversely affect our competitive standing and prospects. ~~The automotive industry is evolving and..... operations, cash flows and financial condition~~. We have invested substantial resources in specific foreign markets where we expect growth, and we may be unable to timely alter our strategies should such expectations not be realized. We have identified certain countries, such as China and India, as key high-growth geographic markets. We believe these markets are likely to experience substantial long-term growth, and accordingly have made and expect to continue to make substantial investments in ~~numerous~~ manufacturing operations ~~worldwide~~, technical centers, R & D activities and other infrastructure to support anticipated growth in these areas. If market demand for evolving vehicle technologies in these regions does not grow as quickly or materialize as we anticipate, or if we are unable to deepen existing and develop additional customer relationships in these regions, we may fail to realize expected rates of return, ~~or even incur losses~~, on our existing investments and may be unable to timely redeploy the invested capital to take advantage of other markets or product categories, potentially resulting in lost market share to our competitors. In particular, our ability to remain competitive and continue to grow in these regions depends in part on the absence of competing state-sponsored domestic businesses. If a state-sponsored operation entered a local market as a competitor, it might have access to significant social and financial capital that would enable it to overcome the ordinary barriers to entry in ~~our the turbocharger~~ industry and acquire potentially significant market share, ~~likely~~ at our expense. **Further, continued trade tensions and other geopolitical concerns, particularly in China, may require us to shift our operations away from these countries.** All of the foregoing could have adverse effect on our business, results of operations, cash flows and financial condition. **We are subject to risks associated with climate change and** ~~Increased~~ **increased** scrutiny from customers, investors, regulators and others regarding ~~our sustainability /ESG-practices~~, as well as the ~~climate-related risks we may face, could expose us to liabilities, including reputational harm, affect demand for our products, lead to increased costs and have other adverse effects on our business, supply chain and results of operations~~. Many customers, regulators, investors, employees, and other stakeholders are increasingly focused on sustainability practices, including **ESG environmental and social** considerations, relating to ~~our~~ **businesses and industry**, particularly with regards to climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. Responding to these ~~sustainability /ESG~~ considerations and implementing related goals and initiatives involve risks and uncertainties, require investments and depend in part on third-party performance or data that is outside of our control. We cannot guarantee that we will achieve announced ~~sustainability /ESG~~ goals and initiatives or that our stakeholders will agree with ~~and support~~ them. Additionally, certain organizations have developed rating systems for evaluating companies on their approach to ~~ESG sustainability~~, and unfavorable ratings may lead to negative customer and / or investor sentiment. **Furthermore, our practices may be judged against sustainability standards that are continually evolving and not always clear, and prevailing sustainability standards, expectations and regulations may also reflect contrasting or conflicting values or agendas.** Any failure, or perceived failure, by the Company to achieve ~~its these~~ goals, further ~~its these~~ initiatives, adhere to its public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against the Company and materially adversely affect the Company's business, reputation, results of operations and financial condition. In particular, there is increased public awareness and concern regarding global climate change and climate-related risks, which has resulted, and is expected to continue to result, in ~~increased~~ local, regional and global ~~requirements~~ **regulations concerning environmental practices**, including requirements to reduce and / or mitigate the effects of greenhouse gas emissions, as well as requirements to make disclosures regarding greenhouse gas emissions, climate-related matters such as enterprise risks, climate-related targets and otherwise, such as those recently adopted in California and Europe, including the Carbon ~~Boarder~~ **Border** Adjustment Mechanism ("CBAM"), which includes ~~future tariff~~ and **the Corporate Sustainability reporting Reporting Directive** requirements for embedded carbon content of certain imports. There continues to be a lack of consistent climate ~~legislation~~ **regulation across the jurisdictions in which we operate**, which creates economic and regulatory uncertainty. Any future regulations aimed at mitigating climate change may negatively impact the prices of raw materials and energy as well as the demand for certain of our customers' products, which could in turn impact demand for our products and our results of operations. The costs of compliance and any changes to our operations mandated by new or amended regulations, or customer requirements, may be significant. Furthermore, any violations of climate change regulations may result in substantial fines and penalties, remediation costs, damages, or other adverse impacts on our business. **Part of our strategy to address these risks includes our investment in technologies supporting zero-emission products, which presents additional risks. See "The automotive industry is evolving, and if we do not deliver new products and technologies in response to changing customer needs and preferences, our business could suffer."** Additionally, we may also be required to make changes at the level of our sourcing and production processes, including due to demands of, and commitments to carbon neutrality or net zero by, automotive OEMs. This could require us to incur additional costs in the form of **investments needed to make our products and production processes compliant with such requirements. Furthermore**, the physical manifestations of climate change, such as extreme weather conditions or more frequent extreme weather events have in the past, and may in the future, disrupt our operations, damage our facilities, disrupt our supply chain, including our customers ~~and / or suppliers, impact the availability and cost of materials needed for manufacturing or increase insurance and other operating costs~~. As a result, ~~any severe weather or a natural disaster that results in a prolonged disruption to our operations, or the operations of which our customers or suppliers, could have a material adverse effect on our operating results, cash flows or financial condition. adversely~~ by any of our suppliers, could result in the disruption of our operations and could impact our ~~business ability to meet commitments to our customers~~. Short- or long-term capacity constraints, insufficient quality control, financial distress or significant changes in business conditions at any point in our supply chain could disrupt our operations and adversely affect our financial performance, particularly when the affected suppliers and vendors are the sole sources of products that we require or that have unique capabilities, or when our customers have directed us to use those specific

suppliers and vendors. Our ability to manage inventory and meet delivery requirements may be constrained by our suppliers' inability to scale production and adjust delivery of long-lead time products during times of volatile demand. If our third-party manufacturers fail to deliver products, parts and components of sufficient quality on time and at reasonable prices, we could have difficulties fulfilling our orders on similar terms or at all, sales and profits could decline, and our commercial reputation could be damaged. If we fail to adequately assess the creditworthiness and operational reliability of existing or future suppliers, if our suppliers become insolvent, if there is any unanticipated deterioration in their creditworthiness and operational reliability, or if they do not perform or adhere to our existing or future contractual arrangements, any resulting increase in non-performance by them, our inability to otherwise obtain the supplies or our inability to enforce the terms of the contract or seek other remedies could have a material adverse effect on our financial condition and results of operations. **Additionally, changes or additions to our supply chain necessitated by such failures would require considerable time and resources and involve significant risks and uncertainties.** Furthermore, a significant portion of our supply chain is concentrated in mainland China and, as a result, our ability to continue filling our supply needs may be adversely affected. We face risks in connection with joint venture partnerships, joint development projects and other strategic opportunities. We **are engaged in many strategic business relationships and regularly** evaluate strategic opportunities, including acquisitions of businesses, products and technologies, joint venture partnerships, and joint development agreements that we believe **will may** complement our business. We may not be able to successfully identify suitable acquisition and joint venture candidates or, complete transactions on acceptable terms, integrate acquired operations into our existing operations, **or realize potential benefits and synergies from a transaction.** **Our failure to identify suitable strategic opportunities may restrict our ability to grow our business** or expand into new markets. ~~Our failure to identify suitable strategic opportunities may restrict our ability to grow our business.~~ Furthermore, our joint venture, joint development and other business partners may ~~at any time~~ have **economic goals, strategies, priorities, and incentives** or legal interests or goals that are inconsistent with ours, which could negatively impact ~~our reputation and/or financial condition.~~ We could be adversely affected by our leading market position in certain markets. We believe that we are a market leader in the turbocharger industry in many of the markets in which we operate. Although we believe we have acted properly in the markets in which we have significant market share, we could face allegations of abuse of our market position or of collusion with other ~~the success~~ market participants, which could result in negative publicity and adverse regulatory action by the relevant authorities, including the imposition of **the strategic relationship** monetary fines, all of which could adversely affect our financial condition and results of operations. Failure to protect our intellectual property, or allegations that we have infringed on the intellectual property of others, could adversely affect ~~us~~ our business, financial condition and results of operations. We rely on a combination of patents, copyrights, trademarks, tradenames, trade secrets and other proprietary rights, as well as contractual arrangements, including licenses, to establish, maintain and protect our intellectual property rights. Effective intellectual property protection may not be available, or we may not be able to acquire or maintain appropriate registered or unregistered intellectual property, in every country in which we do business. Furthermore, in some areas of our business, the established **maturity of the industry and maturity of product technology** may leave limited opportunity for ~~new intellectual property to differentiate~~ **differentiation** our products. Accordingly, our intellectual property may not be sufficient on its own to provide us ~~with a strong product differentiation and~~ competitive advantage, which in turn could weaken our ability to secure business awards from our customers and / or our ability to achieve targeted product profitability. ~~The protection-~~ **Protecting** of our intellectual property may require us to spend significant amounts of money. Further, the steps we take to protect our intellectual property may not adequately protect our rights or prevent others from infringing, violating or misappropriating our intellectual ~~proprietary~~ **property** rights. Any impairment of our intellectual property rights, including due to changes in U. S. or foreign intellectual property laws or the absence of effective legal protections or enforcement measures, could adversely impact our businesses, financial condition and results of operations. International technical export control regulations and trade conflicts may limit our ability to use certain intellectual property in our products in some regions of the world, or customers may require assured access to intellectual property through open source- code, joint ownership of intellectual property, free license, or other measures. These constraints could cause us difficulty in securing business awards from our customers, protecting our competitive technology differentiation, and / or our ability to achieve targeted product profitability. In addition, as we adopt new technology, we face an inherent risk of exposure to the claims of others that we have allegedly violated their intellectual property rights. Successful claims that we infringe on the intellectual property rights of others could require us to enter into royalty or licensing agreements on unfavorable terms or cause us to incur substantial monetary liability. We may also be prohibited ~~preliminarily or permanently~~ from further use of the intellectual property in question or be required to change our business practices to stop the infringing use, which could limit our ability to compete effectively. In addition, our customer agreements may require us to indemnify the customer for infringement. The time and expense of defending against these claims, whether meritorious or not, may have a material ~~and~~ adverse impact on our profitability, can be time-consuming and costly and may divert management's attention and resources away from our ~~businesses~~ **business**. Furthermore, the publicity we may receive as a result of infringing intellectual property rights may damage our reputation and adversely impact our existing customer relationships and our ability to ~~develop~~ **win** new business. Work stoppages, other disruptions, or the need to relocate any of our facilities could significantly disrupt our business. Our geographic footprint emphasizes locating ~~engineering and manufacturing capabilities in close physical proximity to our customers~~ **and in regions with relatively lower costs than more developed markets**, thereby enabling us to adopt technologies and products for the specific vehicle types sold in each geographic market **and to manage costs**. ~~Because our facilities offer localized services~~ **We are therefore subject to risks inherent in this manner operating in various jurisdictions at a local level. In particular**, a work stoppage or other disruption at ~~one any of or our more of our R & D, engineering or manufacturing and assembly facilities in a given region could have a material adverse effects-~~ **effect** on our business, especially insofar as it impacts our ability to serve **our** customers. Moreover **Our production in each of our markets is heavily**

dependent upon our local manufacturing capabilities, and so if we are forced to relocate our operations from our existing facilities to new facilities due to unforeseen circumstances or factors beyond our control, we **will** ~~may be forced to~~ relocate our operations from one or more of our existing facilities to new facilities and may incur substantial costs, experience program delays and sacrifice proximity to customers and geographic markets as a result, potentially for an extended period of time, **each of which could cause a material adverse effect on our business**. The automotive industry relies heavily on “just-in-time” delivery of components during the assembly and manufacture of vehicles, and when we fail to make timely deliveries **to our customers** in accordance with our contractual obligations, we generally have to absorb our own costs for identifying and solving the “root cause” of the problem as well as expeditiously producing replacement components or products. We typically must also carry the costs associated with “catching up,” such as overtime and premium freight. Additionally, if we are the cause for a customer being forced to halt production, the customer may seek to recoup ~~all of its losses and expenses from us~~. These losses and expenses could be significant and may include consequential losses, such as lost profits. In addition, a significant disruption in the supply of a key component due to a work stoppage or other disruption at one of our suppliers could impact our ability to make timely deliveries to our customers and, accordingly, have a material adverse effect on our financial results. ~~Where~~ **Further, if** a customer halts production because of one of its other suppliers failing to deliver on time ~~, or as a result of a work stoppage or other disruption~~, it is unlikely we will be fully compensated, if at all. ~~We depend~~ **In addition, many of our major customers have union contracts throughout their operations, and any extended work stoppage or other disruption at one or more of our customers could have an adverse effect** on the recruitment and retention of qualified personnel, and our failure to attract and retain such personnel could adversely affect our business, financial condition and results of operations. ~~Due~~ **Failure to** ~~achieve~~ the complex nature of our business, our future performance is highly dependent upon the continued services of our key engineering personnel, scientists and executive officers, the development of additional management personnel and the hiring of new qualified engineering, manufacturing, marketing, sales and management personnel for our operations. Competition for qualified personnel in our industry is intense, and we may not be successful in attracting or retaining qualified personnel. The loss of key employees, our inability to attract new qualified employees or adequately train employees, or the delay in hiring key personnel, could negatively affect our business, financial condition and results of operations. If executives, managers or other key personnel resign, retire or are terminated or their service is otherwise interrupted, we may not be able to replace them in a timely manner and we could experience significant declines in productivity **and** ~~Failure to increase productivity through efficient~~ **efficiency** operational improvements ~~or~~, as well as an inability to successfully execute repositioning projects ~~or to effectively manage our workforce~~, may reduce our profitability or adversely impact our business. Our profitability and margin growth are dependent upon, **among other things**, our ability to drive efficiency improvements **throughout our organization**. In addition, we seek productivity and cost savings benefits through repositioning actions and projects, such as consolidation of manufacturing facilities, transitions to cost-competitive regions, workforce reductions, asset impairments, product line rationalizations and other cost-saving initiatives. Risks associated with these actions include **potential** delays in execution of the planned initiatives, additional unexpected costs, ~~realization of fewer than estimated~~ **failure to fully realize expected** productivity improvements and adverse effects on employee morale. We may not realize the full operational or financial benefits we expect, the recognition of these benefits may be delayed and these actions may potentially disrupt our operations. In addition, organizational changes, attrition, labor relations difficulties, or workforce ~~stoppage~~ **stoppages** could impact our efforts to improve operational efficiencies, which could have a material adverse effect on our business, reputation, financial position and results of operations. We may incur material losses ~~and costs~~ as a result of warranty claims, product recalls or field actions, as well as product liability actions that may be brought against us or our customers. We face the risk of warranty and product liability claims, as well as product recalls and field actions, if our products actually or allegedly fail to perform to specifications or cause property damage ~~, or personal~~ injury or death. There can be no assurance that we will have adequate reserves to cover **any** such recall, repair ~~and or~~ replacement costs. In the event that any of our products fails to perform as expected, we may face direct exposure to warranty and product liability claims or may be required to participate in government or self-imposed **field actions or recall** recalls involving such products. Depending on the terms under which we supply products to ~~an our~~ auto manufacturer **customers**, we may be required to guarantee or offer warranties for our products and to bear the costs of **field actions**, recalls, repair or replacement of such products pursuant to new vehicle warranties. Additionally, if our auto manufacturer customers face claims or recalls of their own, they may seek contribution from us. Our agreements with our customers do not always include limitation of liability clauses or, in certain situations or legal jurisdictions, such limitation of liability clauses may not fully protect us from all losses. If any such claims or contribution requests exceed our available insurance, or if there is a product recall, there could be a material adverse impact on our results of operations **and could negatively impact our reputation**. In addition, a recall claim could require us to review our entire product portfolio to assess whether similar issues are present in other product lines, which could result in significant disruption to our business and ~~could have a further adverse impact on our results~~ ~~result of operations~~ **in increased costs**. ~~We cannot~~ **There can be no** ~~assurance~~ **assurance** that we will not experience any material warranty or product liability claim losses in the future or that we will not incur significant costs to defend such claims. We cannot predict with certainty the outcome of litigation matters, government proceedings and other contingencies and uncertainties. ~~We~~ **In the normal course of our business, we** ~~are~~ **from time to time** currently, and we may in the future, be party to **various** a number of lawsuits, investigations and disputes arising out of our current and historical business ~~, including matters relating~~. **These proceedings may relate** to commercial transactions, product liability, prior acquisitions and divestitures, employment, employee benefits plans, intellectual property, antitrust, import and export, and environmental, health and safety matters, as well as securities litigation, tax proceedings and litigation related to our debt. For additional information regarding our pending legal proceedings, see Item 3, “Legal Proceedings.” ~~We cannot predict with certainty the outcome of legal proceedings or contingencies. The costs incurred in litigation can be substantial and result in the diversion of management’s attention and resources. We have also~~

made, and in the future may make, certain commitments, including representations, warranties and indemnities relating to current and past operations, including those related to divested businesses, and issue guarantees of third- party obligations. Our potential liabilities are subject to change over time due to new developments in legal proceedings or changes in settlement strategy, and we may become subject to, or be required to pay, damage awards or settlements that could have a material adverse effect on our results of operations, cash flows and financial condition. If we were required to make such payments, these payments could be significant and could exceed the amounts we have **therefore** accrued ~~with respect thereto~~ **for such matters**, adversely affecting our business, financial condition and results of operations. While we maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover the total amount of all insured claims and liabilities. The occurrence of significant liabilities for which there is no or insufficient insurance coverage could adversely affect our results of operations, cash flows, liquidity and financial condition. Our operations and the prior operations of predecessor companies may expose us to the risk of environmental liabilities. We are subject to extensive environmental regulations and our operations may expose us to risks of environmental liabilities. ~~We cannot~~ **There can be no assurance** that we will not incur additional liabilities related to the investigation and cleanup of environmental hazards and to claims of personal injuries or property ~~damages~~ **damage** that may arise from hazardous substance releases and exposures, including those relating to activities of our predecessor company **or companies that we have acquired or may acquire from time to time**. We are also subject to potential liabilities related to the compliance of our operations with the requirements of various federal, state, local and foreign governments that regulate the discharge of materials into the environment and the generation, handling, storage, treatment and disposal of, and exposure to, hazardous substances. If we are found to be in violation of these laws and regulations, we may be subject to substantial fines and criminal sanctions and be required to install costly equipment or make operational changes to achieve compliance with such laws and regulations. In addition, changes in laws, regulations or government enforcement of policies concerning the environment, the discovery of previously unknown contamination or new information related to individual contaminated sites, the establishment of stricter state or federal toxicity standards with respect to certain contaminants, or the imposition of new clean- up requirements or remedial techniques, could require us to incur additional currently unanticipated costs in the future that would have a negative effect on our financial condition or results of operations. Our **U. S. and non-..... on our future financial results**. Our emerging opportunities in technology, products and services depend in part on intellectual property and technology ~~licensed from third parties~~. **A number of our emerging opportunities in technology, products and services rely on key technologies developed or** licensed from third parties. While the majority of our current product offerings are not covered by third- party licenses, many of our emerging technology offerings ~~that we are developing~~ use software components or other intellectual property licensed from third parties, including ~~both~~ through proprietary and open ~~source~~ licenses. Should such emerging products become a significant part of our product offerings, our reliance on third- party licenses may present various risks to our business, including the risk that our ability to access these third- party **technologies** ~~software components~~ could be interrupted, ~~due to factors beyond our~~ **or the technologies** control, or could become obsolete, defective or incompatible with future versions of our emerging technology offerings. We may be unable to reach or renew agreements with respect to our permitted use of these technologies, on terms acceptable to us or at all, our relationships with these third parties may deteriorate, or our agreements with these third parties may expire or be terminated. We may **also** face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. Additionally, third parties who license to our competitors could refuse to license to us on equally favorable terms or at all. Our inability to obtain licenses or rights on favorable terms could have a material effect on our emerging technology offerings and our competitiveness, which would adversely impact our financial condition and results of operations. Additionally, we may ~~need to~~ incur significant costs in order to remain in compliance with the terms of our licenses, including **the need** to carefully monitor and manage our use of third- party components. ~~The Proprietary and open source~~ license terms may also require us to license or publicly disclose our intellectual property without compensation or on undesirable terms. These risks could be heightened in the case of a future merger **mergers** or acquisition **acquisitions** we may be involved in. Additionally, as a result of any such transaction, third parties may obtain licenses to some of our intellectual property ~~rights~~, or our business may be subject to certain restrictions that were not in place prior to such transaction. ~~Failure to maintain an effective system of internal control over financial reporting could adversely impact our business, financial condition and results of operations. Failure to maintain adequate, effective internal controls could result in potential financial misstatements and / or other forms of noncompliance that could have a material adverse impact on our results of operations, financial condition and organizational reputation. We have in the past experienced a material weakness in our internal control over financial reporting, and while it has since been successfully remediated, there can be no assurance that similar control issues will not be identified in the future. If we do not maintain effective internal controls, our independent registered public accounting firm may provide an adverse opinion on our internal control over financial reporting. Furthermore, if we do not maintain effective internal controls, the market price of our Common Stock could decline and we could be subject to sanctions or investigations by regulatory authorities, which would require additional financial and management resources, adversely impacting our operations and potentially harming our reputation with our key stakeholders, including investors, employees, customers and suppliers.~~ System or service failures, including as a result of cyber or other security incidents, could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations. We **rely upon information technology** ~~deploy and maintain IT and engineering~~ systems **to manage or support a variety of our business processes, activities and products, many of** which involve sensitive information. As a result, we are subject to systems or service failures, not only resulting from ~~our~~ failures **of our systems** or the failures **of systems** of third- party service providers, ~~natural disasters, power shortages or terrorist attacks~~, but also from exposure to cyber ~~or other~~ security threats, **including hackers, computer viruses, malware, social engineering and cyber extortion**. Global cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to IT systems to sophisticated and targeted measures known as advanced persistent threats, directed at the

Company, our products, our customers and / or our third- party service providers, including cloud providers. There has been an increase in the frequency and sophistication of cyber and other security threats ~~we~~ **our industry face faces**, and our customers, partners and regulators are increasingly requiring cyber and other security protections and mandating ~~cyber and other~~ security standards. ~~We have in the past experienced, and may in the future experience,~~ **Cyber cyber and or** other security incidents ; ~~depending~~ **Depending** on their nature and scope, ~~these~~ could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties) and the disruption of business operations. Moreover, employee error, ~~negligence~~ or malfeasance, ~~as well as faulty password management or other intentional or inadvertent non- compliance with our security protocols may result in a breach of our information systems.~~ **Cyber and other security** incidents aimed at the software embedded in our products could also lead to third- party claims that our product failures have caused a similar range of damages to our customers. In addition, our reliance on third- party service providers could introduce new cybersecurity risks and vulnerabilities, including supply chain attacks and other threats to our business operations. We rely on third- party service providers and technologies to operate critical business systems to process confidential, proprietary, and sensitive data in a variety of contexts, including, without limitation, cloud- based infrastructure, data center facilities, encryption and authentication technology, employee email, and other functions. We also rely on third- party service providers to provide other products or services to operate our business. If our third- party service providers experience a security incident or other interruption, we could experience adverse consequences. Supply chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third- party partners' supply chains have not been or will not be compromised. The risks associated with cyber security incidents include the risks of financial loss, reputational damage **resulting in the loss of business**, litigation with third parties, theft of intellectual property, fines levied by governmental entities, diminution in the value of our investment in research, development and engineering, and costs associated with incident remediation. We may also be required to expend significant costs and resources to protect against security incidents ~~. Cyber incidents could cause reputational damage, which could lead to increased costs and loss of revenue if our customers choose to postpone or cancel previously scheduled orders or decide not to renew any of our existing contracts.~~ The costs related to cyber or other security incidents may not be fully insured or indemnified by other means. The successful assertion of a large claim against us with respect to a cyber or other security incident could seriously harm our business. Even if not successful, these claims could result in significant legal and other costs, may be a distraction to our management and harm our customer relationships, as well as our reputation. Risks Related to Our Capital Structure Our substantial indebtedness and other obligations could adversely affect our financial health and our ability to execute our business strategy. We have substantial consolidated indebtedness. As of December 31, ~~2023~~ **2024**, we had **gross** outstanding debt of \$ ~~1, 696-493~~ million. Our ability to generate sufficient cash flows from operations **to service our indebtedness, run our business and execute our growth strategy** depends on a range of economic, competitive and business factors, many of which are outside of our control. If we are unable to generate sufficient cash flow to satisfy our debt service payments and other obligations, we may be required to seek ~~one or more~~ alternatives **that could have a negative impact on our business and financial condition**, such as reducing or delaying investments or capital expenditures, selling assets, ~~or~~ refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our ~~outstanding indebtedness or future~~ indebtedness will depend on the capital markets and our financial condition at ~~such the~~ time ~~. It and we will be limited by~~ also depend on our credit facilities which contain certain operating and financial restrictions ~~in that that may restrict our existing debt agreements~~ business and financing activities. We may not be able to **employ** engage in any of these ~~alternatives~~ activities or engage in these activities on desirable terms ~~when needed~~ **or at all**, which could result in a default on our indebtedness ~~. Our inability to generate sufficient cash flows to satisfy our debt service payments and other obligations, or to refinance our obligations on commercially reasonable terms, would could have a material adverse effect on our results of operations, financial condition and business.~~ **Furthermore Our substantial indebtedness could**, we receive for example: **limit our ability to borrow money for our working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes; make it more difficult for us to satisfy our obligations with respect to our indebtedness and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under our debt instruments; require us to dedicate a substantial portion of our cash flow from operations to the payment of interest and the repayment of our indebtedness, thereby reducing funds available to us for other purposes; limit our flexibility in planning for, or reacting to, changes in our operations or business; make us more highly leveraged than some of our competitors, which may place us at a competitive disadvantage; impact our rent expense on leased space and interest expense from financing leases, which could be significant; make us more vulnerable to downturns in our business, our industry or the economy; restrict us from making strategic acquisitions, engaging in development activities, introducing new technologies or exploiting business opportunities; cause us to make non- strategic divestitures; limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds or dispose of assets; or expose us to the risk of increased interest rates, as certain of our borrowings are at variable rates of interest. If our cash flows were to become insufficient to cover our capital requirements or our access to capital were to become constrained, or if costs of capital increased significantly, whether due to lowered credit ratings from major credit rating agencies. Any downgrade in our credit rating or the ratings of our indebtedness, or adverse prevailing industry conditions in, the debt solvency of our customers, a material decline in demand for our products, the volatility of the capital markets or other factors, our cash flows and financial condition could restrict our access to, and be materially adversely affected. These conditions may negatively impact our credit ratings, which could reduce our ability to access new capital and increase our cost of capital, which would negatively impact our financial condition and results of operations. Our debt agreements contain restrictions that limit our flexibility in operating our business. Our debt agreements contain and any ~~the other existing~~**

terms of, current or future financings indebtedness of ours would likely contain, a number of covenants that impose significant operating and financial restrictions on us, including restrictions on our and our subsidiaries' ability to, among other things: incur additional debt, guarantee indebtedness or issue certain preferred shares; pay dividends on or make distributions in respect of, or repurchase or redeem, our capital stock or make other restricted payments; prepay, redeem or repurchase certain debt; make loans or certain investments; sell certain assets; create liens on certain assets; consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; enter into certain transactions with our affiliates; substantially alter the businesses we conduct; enter into agreements restricting our subsidiaries' ability to pay dividends; and designate our subsidiaries as unrestricted subsidiaries. In addition, the Revolving Facility requires us to comply with a consolidated total leverage ratio under certain circumstances. As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. A failure to comply with the covenants in our debt agreements or any of our other existing or future indebtedness could result in ~~and an event of default under the applicable agreements,~~ which if not cured or waived, could have a material and adverse effect on our business, financial condition and results of operations. In the event of any such event of default, the lenders under our indebtedness agreements: will not be required to lend any additional amounts to us; could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further ~~credit extended;~~ could require us to apply our available cash to repay these borrowings; or could effectively prevent us from making debt service payments on our long term notes; any of which could result in an event of default under the agreements governing our indebtedness, including cross- defaults under the agreements governing our long- term indebtedness. If we were unable to repay those amounts, the lenders under our existing or future secured indebtedness could proceed against the collateral granted to them to secure such other indebtedness. We have pledged a majority of our assets as collateral under the Senior Credit Facilities. If any of our outstanding indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full. Our U. S. and non- U. S. tax liabilities are dependent, in part, upon the distribution of income among various jurisdictions in which we operate. Our future results of operations could be adversely affected ~~by certain suppliers~~ changes in ~~or our~~ effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in tax laws, regulations and judicial rulings (or changes in the interpretation thereof), changes in generally accepted accounting principles, changes in the valuation of deferred tax assets and liabilities, the results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures and various ~~other vendors~~ governmental enforcement initiatives. Our tax expense includes estimates of tax reserves and reflects other estimates and assumptions, including assessments of our future earnings, which could impact the valuation of our deferred tax assets. Changes in tax laws or regulations, such as the Pillar 2 initiative of the Organization for Economic Cooperation and Development, could increase tax uncertainty and may adversely impact our effective tax rate and provision for income taxes. Our ability to raise capital in the future may be limited, and any deterioration in industry, economic or financial conditions may restrict our ability to access the capital markets on favorable terms, which could make us unable to fund our capital requirements. We require working capital to meet our projected operating needs and fund ongoing R & D activities, capital expenditures, and other cash requirements, and may require additional capital in the future to finance our growth and development, upgrade and improve our manufacturing capabilities, implement further marketing and sales activities, fund additional R & D activities, satisfy regulatory and environmental compliance obligations, fund acquisitions or expansion, and meet varied working capital needs. Our business and operations capital requirements will depend on ~~may many~~ consume resources faster than ~~factors,~~ including acceptance of and demand for our products, the extent to which we invest in ~~anticipate.~~ In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination ~~technology and R & D projects and the status and timing~~ of both these developments. Additional financing may not be available on favorable terms, or at all. If adequate funds are not available on acceptable terms, we may not be able to fund our capital requirements. If we issue new debt securities ~~and,~~ the debt holders would have rights senior to ~~our equity~~ holders of common stock to make claims on our assets, and the terms of any additional debt could restrict our operations, including our ability to pay dividends on our common stock. **See "Our debt agreements contain restrictions that limit our flexibility in operating our business." Further, if** we issue additional equity securities, existing holders of our securities may experience dilution, financial condition and results of operations ~~preferred equity securities could would~~ be adversely affected ~~also have rights senior to holders of our Common Stock.~~ Changes in interest rates ~~and asset returns~~ could adversely affect our earnings and / or cash flows ~~and increase.~~ Because a significant number of our loans are ~~pension funding obligations.~~ **A portion of our indebtedness is** made at variable interest rates, **which subjects** our business results are subject to fluctuations in interest rates. If interest rates increase ~~or remain elevated for extended periods,~~ our borrowing costs may also increase and ~~our returns on financial investments and the valuation of derivative contracts could be negatively affected,~~ which could adversely impact our financial condition, operating results and cash flows. There can be no assurance that we will be able to mitigate any potential material adverse impacts on our earnings and cash flows caused by fluctuations in interest rates. **In addition** Changes in market interest rates may influence our financing costs, ~~we~~ returns on financial investments and the valuation of derivative contracts and could reduce our earnings and cash flows. Changes in interest rates and asset returns could increase our pension funding obligations and reduce our profitability. We have unfunded obligations under certain of our defined benefit pension and other postretirement benefit plans. The valuation of our future payment obligations under the plans and the related plan assets are subject to significant adverse changes if the credit and capital markets cause interest rates and projected rates of return to decline. Such declines could ~~also lead to a material increase in the unfunded obligations of these plans,~~ which could require us to make significant additional contributions to our pension plans ~~and in the future.~~ A material

increase in the **our pension expense**. Ownership positions of certain of our **major** stockholders may lead to conflicts of interest and could negatively impact the price of our securities. The ownership positions of certain affiliated funds of Centerbridge Partners, L. P. (the "Centerbridge Investors") and certain affiliated funds of Oaktree Capital Management, L. P. (the "Oaktree Investors") represent a significant portion of the total voting power of our outstanding shares. As a result, these two stockholders ~~in and of themselves can~~ **significantly** influence ~~significantly all~~ matters requiring approval by our stockholders. These two stockholders may, from time to time, have interests that differ from other stockholders, ~~and either or both may be~~ **averse to** ~~they~~ **the interests of** ~~may each vote in a way with which~~ other stockholders ~~disagree and either or both may be~~ **adverse in the future to the interests of other** ~~the~~ **stockholders** ~~long-~~ **term growth prospects of the Company**. Furthermore, ~~the~~ **Centerbridge Investors and the** ~~Oaktree Investors~~ each have the right to designate one director for election to ~~the~~ **our** ~~Board~~ **at each meeting of stockholders of Directors, which affords the them** ~~Company~~ **significant influence over all matters requiring approval by our Board of Directors as well**. The concentration of ownership of our shares ~~and representation by these stockholders on our Board of Directors~~ may have the effect of delaying, preventing or deterring a change of control of our Company, could deprive our stockholders of an opportunity to receive a premium for their shares as part of a sale of our Company, and consequently may affect the market price of our shares. ~~This concentration of ownership of our shares may also have the effect of influencing the completion of a change in control that may not necessarily be in the best interests of all of our stockholders.~~ There can be no assurance that we will pay dividends or repurchase shares of our Common Stock under our share repurchase program. **Our Board of Directors has announced that it intends to declare and pay quarterly dividends in an aggregate amount of approximately \$ 50 million during the fiscal year ended December 31, 2025.** The ~~actual~~ **actual** declaration and payment of any dividend is subject to the approval of our Board of Directors ~~in accordance with its bylaws~~. There can be no assurance that we will declare and pay dividends in the future ~~in at any level particular amounts~~, or at all. Our ability to pay dividends may be limited by restrictions or limitations on our cash flows, including ~~through restrictions in our debt agreements or~~ our ability to obtain sufficient funds ~~through dividends from our~~ subsidiaries, many of which are located outside of the United States. Any declaration and payment of dividends on our ~~common~~ **Common stock Stock** will depend on our earnings ~~and~~, financial condition, ~~including our consolidated EBITDA, our~~ liquidity and capital requirements, the general economic climate, the terms of our equity securities, contractual restrictions, our ability to service our debt obligations and other factors deemed relevant by the Board of Directors from time to time. Additionally, ~~we have implemented our Board of Directors has approved~~ a share repurchase program, pursuant to which we may repurchase up to \$ ~~350-250~~ million of shares of Common Stock from time to time ~~through~~ **during the fiscal year ended** December 31, ~~2024-2025~~, through various methods, including in open market transactions, block trades, accelerated share repurchases, privately negotiated transactions, derivative transactions or otherwise, certain of which may be made pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, in compliance with applicable state and federal securities laws. The timing, as well as the number and value of shares repurchased under the program, will be determined by the Board ~~of Directors~~ or an authorized committee of the Board ~~at~~ **of Directors** its discretion and will depend on a variety of factors, including our assessment of the intrinsic value of ~~our~~ the Company's ~~common~~ **Common stock Stock**, the market price of ~~our~~ the Company's ~~common~~ **Common stock Stock**, general market and economic conditions, available liquidity, compliance with the Company's debt and other agreements, applicable legal requirements, the nature of other investment opportunities available to the Company, and other considerations. The Company is not obligated to purchase any shares under the ~~share~~ repurchase program, and the program may be suspended, modified, or discontinued at any time without prior notice. ~~We have made in the past, and may in the future make, significant grants under our equity incentive program. We have made, and expect to continue to make, grants of Common Stock or options to purchase shares of Common Stock to our employees, officers or directors under the Long-Term Incentive Plan. To the extent that shares of Common Stock are granted, or options to purchase Common Stock are granted, exercised and converted, existing holders of our Common Stock may experience dilution.~~