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

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Investing in our securities involves a high degree of risk. You should consider carefully the following risk factors and the other information in this Annual Report on Form 10- K, including our consolidated financial statements and related notes, before making any investment decisions regarding our securities. If any of the following risks actually occur, our business, financial condition and operating results could be adversely affected. As a result, the trading price of our securities could decline and you may lose part or all of your investment. Operational and Competitive Risks Our business could be adversely affected by declines in construction and industrial activities, or a downturn in the economy **or geopolitical conditions** in general, which could lead to decreased demand for equipment, depressed equipment rental rates and lower sales prices, resulting in a decline in our revenues, gross margins and operating results. Our equipment is principally used in connection with construction and industrial activities. Consequently, a downturn in construction or industrial activities, or the economy in general, may lead to a decrease in the demand for equipment or depress rental rates and the sales prices for our equipment. Our business may also be negatively impacted, either temporarily or long- term, by: • a reduction in spending levels by customers; • unfavorable credit markets affecting end- user access to capital **, as well as our access to capital when or if needed** ; • adverse changes in federal, state and local government infrastructure spending **or the related regulatory regime** ; • an increase in **costs, including** the cost of construction materials **, as a result of inflation or other factors; • excess fleet in the equipment rental industry** ; • adverse weather conditions or natural disasters which may affect a particular region; • a decrease in the level of exploration, development, production activity and capital spending by oil and natural gas companies; • a prolonged shutdown of the U. S. government; • an increase in interest rates; • supply chain disruptions; • **geopolitical conditions, including the war in Ukraine and escalation of conflicts in the Middle East, including the Israel / Hamas war; •** public health crises and epidemics **and similar health concerns** ~~, such as COVID- 19~~ ; or • terrorism or hostilities involving the United States **. These factors have in the past, and could in the future, among other things, cause weakness in our end- markets and impact customer demand for equipment rentals, reduce the availability and productivity of our employees, increase our costs, result in delayed payments from our customers and uncollectible accounts, impact previously announced strategic plans or impact our ability to access funds from financial institutions and capital markets on terms favorable to us, or at all** . Weakness or deterioration in the non- residential construction and industrial sectors caused by these or other factors could have a material adverse effect on our financial position, results of operations and cash flows in the future and may also have a material adverse effect on residual values realized on the disposition of our rental fleet. **face risks related to** heightened inflation,recession,financial and credit market disruptions and other economic conditions.Our financial results,operations and forecasts depend significantly on worldwide economic and geopolitical conditions,the demand for our products,and the financial condition of our customers and suppliers.Economic weakness and geopolitical uncertainty have in the past resulted,and may result in the future,in reduced demand for products resulting in decreased sales,margins and earnings.In 2022,the U.S.experienced significantly heightened inflationary pressures **which have continued into** ~~and subsequent economic recovery,causing disruptions in demand,supply chains,and labor markets.The general economy in 2022 was also affected by the war in Ukraine and associated increase in energy costs.While the global inflation rate began to stabilize and,in some cases decline,in~~ 2023 ~~as a result of central bank policy tightening,core inflation has proved persistent as a result of the preceding factors,in addition to others such as the escalating number of significant conflicts throughout the globe~~ .We may not be able to fully mitigate the impact of inflation through price increases,productivity initiatives and cost savings,which could have an adverse effect on our results of operations.In addition,if the U.S.economy enters a recession,we may experience sales declines which could have an adverse effect on our business,operating results and financial condition.Similarly,disruptions in financial and / or credit markets may impact our ability to manage normal commercial relationships with our customers,suppliers and creditors. **Further** ~~For instance~~ ,in the event of a recession or threat of a recession,our customers and suppliers may suffer their own financial and economic challenges and as a result they may demand pricing accommodations,delay payment,or become insolvent,which could harm our ability to meet our customer demands or collect revenue or otherwise could harm our business.An economic or credit crisis could occur and impair credit availability and our ability to raise capital when needed.A disruption in the financial markets could impair our banking or other business partners,on whom we rely for access to capital.In addition,changes in tax or interest rates in the U.S.or other nations,whether due to recession,economic disruptions or other reasons,could have an adverse effect on our operating results.Economic weakness and geopolitical uncertainty may also lead us to impair assets,take restructuring actions or adjust our operating strategy and reduce expenses in response to decreased sales or margins.We may not be able to adequately adjust our cost structure in a timely fashion,which could have an adverse effect on our operating results and financial condition.Uncertainty about economic conditions may increase foreign currency volatility in markets in which we transact business,which could have an adverse effect on our operating results.The inability to forecast trends accurately may have an adverse impact on our business and financial condition.An economic downturn or economic uncertainty makes it difficult for us to forecast trends **.For example** , **the current economic uncertainty related to COVID-19,or similar health concerns,and their impact on the Company' s future operational and financial performance is highly dependent on the depth and duration of the pandemic,as well as any government- mandated restrictions on economic activity and any government economic stimulus package in response to the economic downturn.This uncertainty makes it difficult to forecast** our future operating performance,cash flows and financial position,which could have an adverse impact on our business and financial condition.Additionally,uncertainty regarding future oil and natural gas prices

have negatively impacted the exploration,production and construction activity of our customers in those markets.Uncertainty regarding future equipment product demand could cause us to maintain excess equipment inventory and increase our equipment inventory carrying costs ~~.Failure to accurately forecast these trends could cause us to change or re- evaluate certain of our strategies,including as it relates to acquisitions or opening of new branch locations~~ .Alternatively,this forecasting difficulty in addition to labor shortages and supply chain disruptions could cause a shortage of equipment for sale or rental that could result in an inability to satisfy demand for our products and a loss of market shares.Our revenue and operating results may fluctuate,which could result in a decline in our profitability and make it more difficult for us to grow our business.Our revenue and operating results have historically varied from quarter to quarter.Periods of decline could result in an overall decline in profitability and make it more difficult for us to make payments on our indebtedness and grow our business.We expect our quarterly results to continue to fluctuate in the future due to a number of factors,including:• general economic conditions in the markets where we operate;• the cyclical nature of our customers' business,particularly our construction customers and customers in the oil and gas industry;• sales and rental patterns of our construction customers,with sales and rental activity tending to be lower in the winter months;• changes in the size of our rental fleet and / or in the rate at which we sell **our** used equipment from ~~our~~ **the** fleet ~~;• changes in customer,fleet,geographic and segment mix~~ ;• an overcapacity of fleet in the equipment rental industry ~~;• changes to technological requirements in our equipment or in our rental platforms~~ ;• severe weather and seismic conditions temporarily affecting the regions where we operate;• supply chain or other disruptions that impact our ability to obtain equipment and other supplies for our business from our key suppliers on acceptable terms or at all ~~;• cost increases as a result of inflation~~ ;• changes in corporate spending for plants and facilities or changes in government spending for infrastructure projects;• changes in interest rates and related changes in our interest expense and our debt service obligations;• the possible need,from time to time,to record goodwill impairment charges or other write- offs or charges due to a variety of occurrences,such as the impairment of assets,rental location divestitures,dislocation in the equity and / or credit markets,consolidations or closings,restructurings **,or the refinancing of existing indebtedness;• the effectiveness of integrating acquired businesses and new start- up locations;and • timing of acquisitions and new location openings and related costs.In addition,we incur various costs when integrating newly acquired businesses or opening new start- up locations,and the profitability of a new location is generally expected to be lower in the initial months of operation.We**
The impacts of a global pandemic ~~, including COVID- 19,~~ and similar health concerns, could have a significant impact on worldwide economic conditions and could have a material adverse effect on our operations and financial results. A significant outbreak of epidemic, pandemic, or contagious diseases, ~~including the COVID - 19 pandemic,~~ could cause a widespread health crisis that could result in an economic downturn, affecting the supply and / or demand for our equipment. Any quarantines, labor shortages or other disruptions to us, our suppliers, or our customers would likely adversely impact our sales and operating results. The extent of any ~~further~~ **additional** impact from ~~the~~ **a** pandemic on the Company' s operational and financial performance and liquidity will depend on various developments, including the duration and spread of the outbreak, governmental limitations on business operations generally, and its and their impact on potential customers, employees, and suppliers, vendors and distribution partners ~~, all of which are uncertain and cannot be reasonably predicted at this time~~ . As we cannot predict the potential future impact of the duration or scope of a global pandemic ~~, including COVID- 19,~~ or similar health concerns, any resulting future financial impact cannot be reasonably estimated ~~at this time~~ . In addition, to the extent that a global pandemic ~~, including COVID- 19,~~ or similar health concerns adversely affect our results of operations or financial position, it may also heighten the other risks described in this Item 1A- Risk Factors. We face risks related to heightened inflation,...... the initial months of operation. We are subject to competition, which may have a material adverse effect on our business by reducing our ability to increase or maintain revenues or profitability. The equipment rental ~~and retail distribution industries~~ **industry** ~~are~~ **is** highly competitive and ~~the equipment rental industry is~~ highly fragmented. Many of the markets in which we operate are served by numerous competitors, ranging from global, national and multi- regional equipment rental companies to small, independent businesses with a limited number of locations. We generally compete on the basis of availability, quality, reliability, delivery ~~and~~ **,** price **, technology and environmental friendliness** . Some of our competitors have significantly greater financial, marketing and other resources than we do, and may be able to reduce rental rates ~~or sales prices~~ . We may encounter increased competition from existing competitors or new market entrants in the future, which could have a material adverse effect on our business, financial condition and results of operations **. Furthermore, competition may begin to emerge on the basis of information technology infrastructure. We expect our competitors to continue to improve their information technology systems, including the use of artificial intelligence (" AI ") and machine learning solutions, to further enhance operations and their rental platforms. Our ability to innovate our own technology infrastructure and appropriately address user experience will affect our ability to compete** . We purchase a significant amount of our equipment from a limited number of manufacturers. Termination of one or more of our relationships with any of those manufacturers could have a material adverse effect on our business, as we may be unable to obtain equipment in an adequate or timely manner. We purchase most of our equipment from leading, nationally- known original equipment manufacturers (" OEMs "). For the year ended December 31, ~~2022~~ **2023** , we purchased approximately ~~50~~ **52** . ~~0~~ **8** % of our equipment from five manufacturers (JCB, Skyjack, Sany, ~~Komatsu~~ **John Deere** , and ~~Yanmar~~ **SkyTrak**). Although we believe that we have alternative sources of supply for the equipment we purchase in each of our core product categories, termination of one or more of our relationships with any of these major suppliers could have a material adverse effect on our business, financial condition or results of operations if we were unable to obtain equipment in an adequate or timely manner. **Additionally, if one of these manufacturers shuts down or if two or more of them consolidate operations, this could have a significant effect on supply and pricing of equipment and thus could have a material adverse effect on our business, financial condition or results of operations.** Disruptions in our supply chain could result in adverse effects on our results of operations and financial performance. Supply chain disruptions could impact our ability to obtain equipment and other supplies for our business from our

key suppliers on acceptable terms or at all. To date, our supply chain disruptions **related to the timing of receiving equipment orders, which** have been moderate ~~, but we~~ **and did not extend beyond a significant period of time. We** may experience more severe supply chain disruptions in the future or one or more supplier' s inability to manufacture or deliver equipment or parts. Any suspension or delay in any of our suppliers' ability to provide us adequate equipment or supplies, or in our ability to procure equipment or supplies from other sources in a timely manner or at all, could impair our ability to meet customer demand and therefore could have a material adverse effect on our business, financial condition or results of operations. The cost of new equipment that we ~~sell or~~ purchase for use in our rental fleet may increase and therefore we may spend more for such equipment. In some cases, we may not be able to procure equipment on a timely basis due to supplier constraints. The cost of new equipment from manufacturers that we ~~sell or~~ purchase for use in our rental fleet may increase as a result of increased raw material costs, including increases in the cost of steel, which is a primary material used in most of the equipment we use, labor shortages, **inflation,** supply chain disruptions or due to increased regulatory requirements, such as those related to emissions **and climate change** . In addition, in an effort to combat climate change, our customers may require our rental equipment to meet certain standards. If we are unable to meet such standards, then the expectations of our customers, business and results of operations could be materially adversely affected. These increases could materially impact our financial condition or results of operations in future periods if we are not able to pass such cost increases through to our customers. Our rental fleet is subject to residual value risk upon disposition. The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including: • the market price for new equipment of a like kind; • wear and tear on the equipment relative to its age; • the time of year that it is sold (prices are generally higher during the construction season); • worldwide and domestic demands for used equipment; • **advances in equipment technology and emission controls that may not be available for older equipment; •** the supply of used equipment on the market; and • general economic conditions. We include in operating income the difference between the sales price and the depreciated value of an item of equipment sold. Although for the year ended December 31, ~~2022~~ **2023** , we sold used equipment from our rental fleet at an average selling price of approximately ~~207~~ **255** . ~~7~~ **0** % of net book value, we cannot assure you that used equipment selling prices will not decline. Any significant decline in the selling prices for used equipment could have a material adverse effect on our business, financial condition, results of operations or cash flows. If our rental fleet ages, our operating costs may increase, we may be unable to pass along such costs, and our earnings may decrease. The costs of new equipment we use in our fleet may increase, requiring us to spend more for replacement equipment or preventing us from procuring equipment on a timely basis. If our rental equipment ages, the costs of maintaining such equipment, if not replaced within a certain period of time, will likely increase. The costs of maintenance may materially increase in the future and could lead to material adverse effects on our results of operations. **In addition, older equipment may not be as attractive to our customers.** The cost of new equipment for use in our rental fleet could also increase due to increased material costs for our suppliers (including tariffs on raw materials) or other factors beyond our control. Such increases could materially adversely impact our financial condition and results of operations in future periods. Furthermore, changes in customer demand could cause certain of our existing equipment to become obsolete and require us to purchase new equipment at increased costs. We incur maintenance and repair costs associated with our rental fleet equipment that could have a material adverse effect on our business in the event these costs are greater than anticipated. As our fleet of rental equipment ages, the cost of maintaining such equipment, if not replaced within a certain period of time, generally increases. Determining the optimal age for our rental fleet equipment is subjective and requires considerable estimates by management. We have made estimates regarding the relationship between the age of our rental fleet equipment, maintenance and repair costs, and the market value of used equipment. Our future operating results could be adversely affected because our maintenance and repair costs may be higher than estimated and market values of used equipment may fluctuate. Labor disputes could disrupt our ability to serve our customers and / or lead to higher labor costs. As of December 31, ~~2022~~ **2023** , we have approximately ~~68~~ **75** employees in Utah, a significant territory in our Intermountain region, who are covered by a collective bargaining agreement and approximately 2, ~~307~~ **690** employees who are not represented by unions or covered by collective bargaining agreements. Various unions periodically seek to organize certain of our nonunion employees. Union organizing efforts or collective bargaining negotiations could potentially lead to work stoppages and / or slowdowns or strikes by certain of our employees, which could adversely affect our ability to serve our customers. Further, settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements can have unknown effects on our labor costs, productivity and flexibility. Increases or fluctuations in fuel costs or reduced supplies of fuel could harm our business. We in the past have been, and in the future could be, adversely affected by limitations on fuel supplies or significant increases in fuel prices that result in higher costs to us for transporting equipment from one branch to another branch or one region to another region. **In addition, the cost of fuel could cause our clients to change capital allocation decisions and may even cause them to delay or cancel projects.** A significant or protracted price fluctuation or disruption of fuel supplies could have an adverse effect on our financial condition and results of operations. Additionally, potential climate change regulation, including a potential carbon tax, could increase the overall cost of fuel to us and have a material adverse effect on us **; see additional discussion of** ~~. See " Operational and Competitive Risks – Climate change,~~ climate ~~change regulations and greenhouse effects may materially adversely impact our operations and markets " and " Governmental Regulation Risks~~ **risks below** ~~– We could be adversely affected by environmental and safety requirements, including those regarding climate change, which could subject us to increased operational costs that could materially and adversely impact our liquidity and operating results~~ . ~~"~~ Climate change, climate change regulations and greenhouse effects may materially adversely impact our operations and markets. Climate change and its association with greenhouse gas emissions is receiving increased attention from the scientific and political communities. The U. S. federal government, certain U. S. states and certain other countries and regions have adopted or are considering legislation or regulation imposing overall caps or taxes on greenhouse gas emissions from certain sectors or facility categories **. See " We could be**

adversely affected by environmental and safety requirements and regulations, including those regarding climate change, which could subject us to increased operational costs that could materially and adversely impact our liquidity and operating results " for a discussion of the Environmental Protection Agency' s (the " EPA ") newly issued final rule to reduce gas emissions. Additionally, the SEC is considering implementing new climate change disclosure rules and other federal or state agencies may do the same. These new reporting rules may be difficult to comply with, increase costs of operation and influence customer behavior and demand . Such new laws or regulations, or stricter enforcement of existing laws and regulations, could increase the costs of operating our businesses, reduce the demand for our products and services and impact the prices we charge our customers, any or all of which could adversely affect our results of operations. Failure to comply with any legislation or regulation could potentially result in substantial fines, criminal sanctions or operational changes. Moreover, even without such legislation or regulation, the perspectives of our customers, stockholders, employees and other stakeholders regarding climate change are continuing to evolve, and increased awareness of, or any adverse publicity regarding, the effects of greenhouse gases could harm our reputation or reduce customer demand for our products and services. Additionally, as severe weather events become increasingly common, our or our customers' operations may be disrupted, which could result in increased operational costs or reduced demand for our products and services and extended periods of disruptions could have an adverse effect on our results of operations. In addition, climate change may also reduce the availability or increase the cost of insurance for weather- related events as well as may impact the global economy, including as a result of disruptions to supply chains. We anticipate that climate change- related risks will increase over time. Strategic Risks We may not be able to facilitate our growth strategy by identifying or completing transactions with attractive acquisition candidates, which could limit our revenues and profitability. Future acquisitions may result in significant transaction expenses and may involve significant costs. We may experience integration and consolidation risks associated with future acquisitions. An element of our growth strategy is to selectively pursue, on an opportunistic basis, acquisitions of additional businesses **or assets of businesses** , in particular rental companies that complement our existing business and footprint. The success of this element of our growth strategy depends, in part, on selecting strategic acquisition candidates at attractive prices and effectively integrating their businesses into our own, including with respect to financial reporting and regulatory matters. We cannot assure you that we will be able to identify attractive acquisition candidates or complete the acquisition of any identified candidates at favorable prices and upon advantageous terms and conditions, including financing alternatives. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We may not have the financial resources necessary to consummate any acquisitions or the ability to obtain the necessary funds on satisfactory terms. Any future acquisitions may result in significant transaction expenses and risks associated with entering new markets. We may also be subject to claims by third parties related to the operations of these businesses prior to our acquisition and by sellers under the terms of our acquisition agreements. We also regularly review other potential strategic transactions, including dispositions, which are also subject to claims by third parties and by the buyers under the terms of our disposition agreements. We may not have sufficient management, financial and other resources to integrate or disintegrate any future acquisitions or dispositions. Any significant diversion of management' s and other personnel' s attention, time and resources or any major difficulties encountered in the evaluation, negotiation and integration of the businesses we acquire or sell could have a material adverse effect on our business, financial condition or results of operations, which could decrease our profitability and make it more difficult for us to grow our business. Among other things, these risks could include: • the loss of key employees; • the disruption of operations and business; • the retention of the existing clients and the retention or transition of customers and vendors; • **systems integration, as well as,** the integration of corporate cultures and maintenance of employee morale; • inability to maintain and increase competitive presence; • customer loss and revenue loss; • possible inconsistencies in standards, control procedures and policies; • unexpected problems with costs, operations, personnel, technology and credit; • problems with the assimilation of new operations, sites or personnel, which could divert resources from our regular operations; • unrecorded liabilities of acquired companies and unidentified issues that we fail to discover during our due diligence investigations or that are not subject to indemnification or reimbursement by the seller; • inherent risk associated with entering a geographic area or line of business in which we have no or limited experience; • impairment of goodwill or other acquisition- related intangible assets; • failure to achieve anticipated synergies or receiving an inadequate return of capital; • integration of financial reporting and regulatory reporting functions, including with the SEC and pursuant to the Sarbanes- Oxley Act of 2002, as amended (" SOX "); and / or • potential unknown liabilities. Furthermore, general economic conditions, economic **or geopolitical** uncertainty ~~related to COVID- 19~~ , or unfavorable global capital and credit markets could affect the timing and extent to which we successfully acquire and integrate new businesses or dispose of existing businesses, which could limit our revenues and profitability. Our failure to address these risks or other problems encountered in connection with any past or future acquisition could cause us to fail to realize the anticipated benefits of the acquisitions, cause us to incur unanticipated liabilities and harm our business generally. In addition, if we are unable to successfully integrate our acquisitions with our existing business, we may not obtain the advantages that the acquisitions were intended to create, which may materially and adversely affect our business, results of operations, financial condition, cash flows, our ability to introduce new services and products and the market price of our stock. We would expect to pay for any future acquisitions using cash **or available borrowings** , but to the extent that our existing sources of cash **or borrowings** are not sufficient, we would expect to need additional debt or equity financing, which involves its own risks, such as the dilutive effect on shares held by our stockholders if we financed acquisitions by issuing convertible debt or equity securities, or the risks associated with debt incurrence **, such as increase debt service obligations and covenant compliance requirements** . We have also spent resources and efforts, apart from acquisitions, in attempting to grow and enhance our rental business over the past few years. These efforts place strains on our management and other personnel time and resources, and require timely and continued investment in facilities, personnel and financial and management systems and controls. We may not be successful in implementing all of the processes that are necessary to support any of our growth initiatives, which could result in our expenses increasing disproportionately to our incremental revenues, causing our operating margins and profitability to be adversely affected. We may not be able to facilitate our growth strategy by identifying and opening attractive start- up locations, which could limit our revenues and profitability. An element of our growth strategy is to selectively identify, source and implement start- up locations in order to add new customers. The success of this element of our growth strategy depends, in part, on identifying strategic start- up locations. We also cannot assure you that we will be able to identify attractive start- up locations. Opening start- up locations may involve significant costs and limit our ability to expand our operations. Start- up locations may involve risks associated with entering new markets and we may face significant competition. We may not have sufficient labor, real estate, management, financial and other resources to successfully open and operate new locations. Any significant diversion of management' s attention or any major difficulties encountered in the locations that we open in the future could have a material adverse effect on our business, financial condition or results of operations, which could decrease our profitability and make it more difficult for us to grow our business. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we open new start- up locations, which could limit our revenues and profitability. Liquidity and Capital Resource Risks Unfavorable conditions or disruptions in the capital and credit markets may adversely impact business conditions and the availability of credit. Disruptions in the global capital and credit markets as a result of an economic downturn, economic **or geopolitical** uncertainty **as result of escalating and potential global conflicts, including those in Ukraine, the Middle East and China** , changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our customers' ability to access capital and could adversely affect our access to liquidity needed for business in the future. Additionally, unfavorable market conditions may depress demand for our products and services or make it difficult for our customers to obtain financing and credit on reasonable terms. Unfavorable market conditions also may cause more of our customers to be unable to meet their payment obligations to us, increasing delinquencies and credit losses. If we are unable to manage credit risk adequately, or if a large number of customers should have financial difficulties at the same time, our credit losses could increase above historical levels and our operating results would be adversely affected. Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions. Moreover, our suppliers may be adversely impacted by unfavorable capital and credit markets, causing disruption or delay of product availability. These events could negatively impact our business, financial position, results of operations and cash flows. Our substantial indebtedness could adversely affect our financial condition. We have a significant amount of indebtedness outstanding. As of December 31, ~~2022~~ **2023** , we had total outstanding indebtedness of approximately $ 1. ~~3~~ **4** billion, consisting of the amount outstanding under our senior unsecured notes **, our senior secured credit facility (" Credit Facility ") and our finance lease liabilities** . Our substantial indebtedness could have important consequences. For example, it could: • increase our vulnerability to general adverse economic, industry and competitive conditions; • require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes; • limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • place us at a competitive disadvantage compared to our competitors that have less debt; and • limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes. We expect to use cash flow from operations and borrowings under our ~~senior secured credit facility (“~~ Credit Facility ~~”)~~ to meet our current and future financial obligations, including funding our operations, debt service and capital expenditures. Our ability to make these payments depends on our future performance, which will be affected by financial, business, economic and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future, which could result in our being unable to repay indebtedness, or to fund other liquidity needs. If we do not have enough capital, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of our debt, including the senior unsecured notes and our Credit Facility, on or before maturity. We cannot make any assurances that we will be able to accomplish any of these alternatives on terms acceptable to us, or at all. In addition, the terms of existing or future indebtedness, including the agreements governing the senior unsecured notes and the Credit Facility, may limit our ability to pursue any of these alternatives. As of February 15, ~~2023~~ **2024** , we had **borrowings of $ 277. 3 million outstanding under our Credit Facility leaving us with** borrowing availability **of $ 460. 3 million, as a result of $ 12. 3 million of letters of credit outstanding** under the ~~Credit Facility~~ **facility** ~~of $ 739. 4 million, net of a $ 10. 6 million outstanding letter of credit~~ . We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot make assurances that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The Credit Facility and the indenture governing the senior unsecured notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from such dispositions. Any proceeds we do receive from a disposition may not be adequate to meet any debt service obligations then due. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements, including the Credit Facility or the indenture governing the senior unsecured notes. If we cannot make scheduled payments on our debt, we will be in default and, as a result: • our debt holders could declare all outstanding principal and interest to be due and payable; • the lenders under our credit facilities, including the Credit Facility, could terminate their commitments to lend us money and foreclose against the assets securing our **outstanding** borrowings **under their facility** ; and • we could be forced into bankruptcy or liquidation. Despite current indebtedness levels, we may still be able to incur more indebtedness, which could further exacerbate the risks described above. Under the terms of the agreements governing the Credit Facility and the senior unsecured notes, we and our subsidiaries may be able to incur substantial indebtedness in the future. Additionally, our Credit Facility provides revolving commitments of up to $ 750. 0 million in the aggregate. As of February 15, ~~2023~~ **2024** , we had $ ~~739~~ **460** . ~~4~~ **3** million of availability under the Credit Facility, **as** ~~net of~~ a **result of** $ ~~10~~ **12** . ~~6~~ **3** million **of letters of credit** outstanding ~~letter of credit~~ **under the facility** . If new debt is added to our current debt levels, the risks that we now face relating to our substantial indebtedness could intensify. The agreements governing the Credit Facility and our senior unsecured notes restrict our business and our ability to engage in certain corporate and financial transactions. The agreements governing the Credit Facility and the senior unsecured notes contain certain covenants that, among other things, restrict or limit our and our restricted subsidiaries' ability to: • incur more debt; • pay dividends and make distributions; • issue preferred stock of subsidiaries; • make investments; • repurchase stock; • create liens; • enter into transactions with affiliates; • enter into sale and lease- back transactions; • execute dispositions; • merge or consolidate; and • transfer and sell assets. Our ability to borrow under the Credit Facility depends upon compliance with the restrictions contained in the Credit Facility. Events beyond our control could affect our ability to meet these covenants. In addition, the Credit Facility requires us to meet certain financial conditions tests and availability thereunder is subject to borrowing base availability. Events beyond our control can affect our ability to meet these financial conditions tests and to comply with other provisions governing the Credit Facility and the senior unsecured notes. Our failure to comply with obligations under the agreements governing the Credit Facility and the senior unsecured notes may result in an event of default under the agreements governing the Credit Facility and the senior unsecured notes, respectively. A default, if not cured or waived, may permit acceleration of this indebtedness and our other indebtedness. We may not be able to remedy these defaults. If our indebtedness is accelerated, we may not have sufficient funds available to pay the accelerated indebtedness and may not have the ability to refinance the accelerated indebtedness on terms favorable to us or at all. Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under the Credit Facility are at variable rates of interest, based on the U. S. prime rate and the ~~London Interbank Offered Rate (" LIBOR "), and expose us to interest rate risk. As such, our results of operations are sensitive to movements in interest rates. There are many economic factors outside our control that have in the past impacted, and may in the future impact, rates of interest, including publicly announced indices that underlie our interest obligations related to borrowings under the Credit Facility based on LIBOR. LIBOR is an interest rate benchmark used as a reference rate for a wide range of financial transactions, including derivatives and loans. In July 2017, the United Kingdom' s Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR rates by the end of 2021. While certain U. S. dollar LIBOR settings will continue to be published on the current basis until June 30, 2023, all other LIBOR settings either are no longer being published or are being published only for a limited time. The regulator of the administrator of LIBOR has prohibited any new use of LIBOR by firms subject to its supervision, and certain regulators in the United States have stated that no new contracts using U. S. dollar LIBOR should be entered into after 2021. The Alternative Reference Rates Committee (" ARRC ") has proposed that the~~ Secured Overnight Financing Rate (" SOFR ") ~~is the~~ **, and expose us to interest** rate **risk. As such, our financial results are sensitive to movements in interest rates. There are many economic factors outside our control** that **have** ~~represents best practice as the alternative to LIBOR for use~~ in ~~financial contracts~~ **the past impacted, and may in the future impact, rates of interest, including publicly announced indices** that **underlie** ~~are currently indexed to United States dollar LIBOR. ARRC has proposed a paced market transition plan to SOFR from LIBOR and organizations are currently working on industry wide and company specific transition plans. On February 2, 2023, we amended~~ our **interest obligations related to borrowings under the** Credit Facility **based on** ~~to transition to~~ SOFR **. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities** . Factors that also impact interest rates include **, among others,** governmental monetary policies, inflation, recession, changes in unemployment, the money supply, international disorder and instability in domestic and foreign financial markets. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our results of operations would be adversely impacted. Such increases in interest rates could have a material adverse effect on our financial conditions and results of operations. **Notably, after years of a low interest rate environment, central banks across the globe significantly increased interest rates to stem inflation and as a result, global inflation began to stabilize. However, there is no certainty as to whether interest rates will stabilize, continue to increase or decrease.** Our business could be hurt if we are unable to obtain additional capital as required, resulting in a decrease in our revenues and profitability. In addition, our inability to refinance our indebtedness on favorable terms, or at all, could materially and adversely affect our liquidity and our ongoing results of operations. The cash that we generate from our business, together with cash that we may borrow under our Credit Facility, if available, may not be sufficient to fund our capital requirements. We may require additional financing to obtain capital for, among other purposes, purchasing equipment, completing acquisitions, establishing new locations and refinancing existing indebtedness. Any additional indebtedness that we incur will make us more vulnerable to economic downturns and limit our ability to withstand competitive pressures. Moreover, we may not be able to obtain additional capital on acceptable terms, if at all. If we are unable to obtain sufficient additional financing in the future, our business could be adversely affected by reducing our ability to increase revenues and profitability. In addition, our ability to refinance indebtedness will depend in part on our operating and financial performance, which, in turn, is subject to prevailing economic conditions and to financial, business, legislative, regulatory and other factors beyond our control. In addition, prevailing interest rates or other factors at the time of refinancing could increase our interest expense. A refinancing of our indebtedness could also require us to comply with more onerous covenants and further restrict our business operations. Our inability to refinance our indebtedness or to do so upon attractive terms could materially and adversely affect our business, prospects, results of operations, financial condition and cash flows, and make us vulnerable to adverse industry and general economic conditions. **If we are unable to refinance our indebtedness or obtain additional capital sufficient to fund our capital requirements, we may be forced, among other things, to do one or more of the following: (i) sell certain of our assets, which could affect revenue generation and profitability; (ii) reduce the size of our rental fleet, which could have a similar impact; (iii) reduce or delay capital expenditures; (iv) reduce or eliminate our dividend; (v) issue additional equity, which could have a dilutive effect on current shareholders; or (vi) forgo business opportunities, including acquisitions and joint ventures.** The continued payment of our quarterly dividend is subject to, among other things, the availability of funds and the discretion of our board of directors. The payment of future dividends and the amount thereof is uncertain, at the sole discretion of our board of directors and considered by the board of directors each quarter. The payment of dividends is dependent upon, among other things, operating cash flow generated by our business, financial requirements for our operations, the execution of our growth strategy, the restrictions and covenants pursuant to our Credit Facility and senior unsecured notes, and the satisfaction of solvency tests imposed by the Delaware General Corporation Law and other applicable law for the declaration and payment of dividends. **Governmental Regulation Risks** We have operations throughout the United States, which exposes us to multiple federal, state and local regulations. Changes in applicable law, regulations or requirements, or our material failure to comply with any of them, can increase our costs and have other negative impacts on our business. Our ~~120~~ **137** branch locations, as of December 31, ~~2022~~ **2023** , in the United States are located in ~~29~~ **30** different states, which exposes us to a host of different federal, state and local regulations. These laws and requirements address multiple aspects of our operations, such as worker safety, consumer rights, privacy, employee benefits **, gas emissions** and more, and can often have different requirements in different jurisdictions. Changes in these requirements, or any material failure by our branches to comply with them, could increase our costs, affect our reputation, limit our business, drain management' s time and attention or otherwise, generally impact our operations in adverse ways **. We could be adversely affected by environmental and safety requirements and regulations, including those regarding climate change, which could subject us to increased operational costs that could materially and adversely impact our liquidity and operating results** . Our operations, like those of other companies engaged in similar businesses, require the handling, use, storage and disposal of certain regulated materials. As a result, we are subject to the requirements of federal, state and local environmental protection and occupational health and safety laws and regulations. These laws regulate issues such as wastewater, stormwater, solid and hazardous waste and materials, and air quality. While our operations generally do not raise significant environmental risks, we use petroleum products, solvents and other hazardous substances for fueling and maintaining our equipment and vehicles. Environmental laws also impose obligations and liability for the cleanup of properties affected by hazardous substance spills or releases. These liabilities can be imposed on the parties generating or disposing of such substances or the operator of the affected property, often without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous substances. Accordingly, we may become liable, either contractually or by operation of law, for remediation costs even if a contaminated property is not currently owned or operated by us, or if the contamination was caused by third parties during or prior to our ownership or operation of the property. As such, there can be no assurance that prior site assessments or investigations have identified all potential instances of soil or groundwater contamination. Future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to additional remediation liabilities, which may be material. We are subject to potentially significant civil or criminal fines or penalties if we fail to comply with any of these requirements. We have made and will continue to make capital and other expenditures in order to comply with these laws and regulations. These include climate change regulation, which could materially affect our operating results through increased compliance costs. The requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, financial condition and results of operations. In addition, the U. S. Congress and other **state and federal** legislative and regulatory authorities in the United States have considered, and likely will continue to consider, numerous measures related to climate change, greenhouse gas emissions and other laws and regulations affecting some of our end markets, such as oil, gas and other natural resource extraction. Should such laws and regulations become effective, demand for our services could be affected, our fleet or other costs could increase and our business could be materially adversely affected **. For example, the Environmental Protection Agency (the " EPA ") recently issued a final rule that will sharply reduce emissions of methane and other harmful air pollution from oil and natural gas operations, including from existing sources nationwide. The final rule includes New Source Performance Standards, to reduce methane and smog- forming volatile organic compounds from new, modified and reconstructed sources, and Emissions Guidelines, which set procedures for states to follow as they develop plans to limit methane from existing sources, including oil and natural gas operations. While we cannot be certain of this rule' s impact as we wait for states to submit their plans to the EPA for approval, we anticipate that this could adversely impact the operations of our customers, specifically those in the oil and gas industry, which could reduce demand for our services and have an adverse impact on our business** . Further, investors are placing a greater emphasis on non- financial factors, including climate risk and other ESG issues, when evaluating investment opportunities. If we are unable to provide sufficient disclosure about ESG practices or if we fail to achieve ESG goals, investors may not view us as an attractive investment, which could have a negative effect on our stock price and business. **Additionally, customers are becoming increasingly focused on ESG and climate related matters and have started considering and incorporating these factors when choosing suppliers, along with existing factors such as price and affordability. If we are unable to meet those additional requirements, we could be adversely impacted.** Our business may be materially affected by changes to fiscal and tax policies. Negative or unexpected tax consequences could adversely affect our results of operations. Adverse changes in the underlying profitability and financial outlook of our operations or future changes in tax law could lead to changes in the value of tax assets or liabilities that we currently or in the future may hold, which could materially affect our results of operations **. Our business may be materially affected by changes to other policies governing our products, technology and technological development. As we grow through acquisitions and advance our technology platforms, we could be required to comply with additional regulations which, if we fail to comply with, could affect the technological developments, in particular, and our company, as a whole. For instance, it is expected that laws and regulations around the use of AI and machine learning tools will increase over the next few years but it is unknown at this time what these laws and regulations will address and how and whether they will be adopted globally. If we introduce AI or machine learning into our information technology systems (as well as those of our customers through our technology platform), we could become subject to these new regulations, which may be difficult to comply with. Some of our competitors may not be required to comply, which would put us at a competitive disadvantage. In addition, we may find we do not have the right employee expertise for the advancement of AI and machine learning initiatives or that we that we haven' t provided the appropriate training to our team. Further, if we fail to adopt these new technologies we may face price pressure from competitors using lower- cost AI systems** . General Business Risks Fluctuations in the stock market, as well as general economic and market conditions, may impact the market price of our common stock. The market price of our common stock has been and may continue to be subject to significant fluctuations in response to general economic changes and other factors including, but not limited to: • variations in our quarterly operating results or results that vary from investor expectations; • changes in the strategy and actions taken by our competitors, including pricing changes; • securities analysts' elections to discontinue coverage of our common stock, changes in financial estimates by analysts or a downgrade of our common stock or of our sector by analysts; • announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments; • changes in the price of oil and other commodities; • investor perceptions of us and the equipment rental and distribution industry; and • national or regional catastrophes or circumstances and natural disasters, hostilities and acts of terrorism. Broad market and industry factors may materially reduce the market price of our common stock, regardless of or in a manner that is disproportionate to any related impact on our operating performance. The stock market historically has experienced price and volume fluctuations that often have been unrelated or disproportionate to the operating performance of companies. These fluctuations, as well as general economic and market conditions, including those listed above and others, may harm the market price of our common stock. Security breaches and other disruptions in our information technology systems ~~, including our customer relationship management system,~~ could limit our capacity to effectively monitor and control our operations, compromise our or our customers' and suppliers' confidential information or otherwise adversely affect our operating results or business reputation. Our information technology systems, some of which are managed by third parties, facilitate our ability to monitor and control our operations and adjust to changing market conditions, including processing, transmitting, storing, managing and supporting a variety of business processes, activities and information. Further, ~~as we pursue our strategy to grow through acquisitions and to pursue new initiatives that improve our operations,~~ we are ~~also~~ expanding and improving our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. Any disruption in any of these systems, including our customer **relationship** management system, or the failure of any of these systems to operate as expected, could, depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively monitor and control our operations and adjust to changing market conditions. Additionally, we collect and store sensitive data, including proprietary business information and the proprietary business information of our customers and suppliers, in data centers and on information technology networks, including cloud- based networks. The secure operation of these information technology networks and the processing and maintenance of this information is critical to our business operations and strategy **. However, the techniques and sophistication used to conduct cyberattacks and compromise information technology systems, as well as the sources and targets of these attacks, change and are often not recognized until such attacks are launched or have been in place for some time. In addition, there has been an increase in state sponsored cyberattacks which are often conducted by capable, well- funded groups. The rapid evolution and increased adoption of artificial intelligence technologies amplifies these concerns** . Despite security measures and business continuity plans, our information technology networks and infrastructure may be vulnerable to damage, disruptions or shutdowns due to attacks by cyber criminals or breaches due to employee error or malfeasance or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures, terrorist acts or natural disasters or other catastrophic events. Further, the growing use and rapid evolution of technology, including mobile devices, has heightened the risk of unintentional data breaches or leaks. The occurrence of any of these events could compromise our networks, and the information stored there could be accessed, publicly disclosed, lost or stolen. In addition, as security threats continue to evolve, we may need to invest additional resources to protect the security of our systems or to comply with privacy, data security, cybersecurity and data protection laws applicable to our business. Any failure to effectively prevent, detect and / or recover from any such access, disclosure or other loss of information, or to comply with any such current or future law related thereto, could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disrupt operations, and damage our reputation, which could adversely affect our business. We are dependent on key personnel. A loss of key personnel could have a material adverse effect on our business, which could result in a decline in our revenues and profitability. Our senior and regional managers have an average of approximately ~~27~~ **26** years of industry experience. Our branch managers have extensive knowledge and industry experience as well. Our success is dependent, in part, on the experience and skills of our management team. Competition for top management talent within our industry is generally significant. If we are unable to fill and keep filled all of our senior management positions, or if we lose the services of any key member of our senior management team and are unable to find a suitable replacement in a timely manner, we may be challenged to effectively manage our business and execute our strategy. If we fail to maintain an effective system of internal controls, we may not be able to accurately report financial results or prevent fraud. Effective internal controls are necessary to provide reliable financial reports and to assist in the effective prevention of fraud. Any inability to provide reliable financial reports or prevent fraud could harm our business. We must annually evaluate our internal procedures to satisfy the requirements of Section 404 of SOX, which requires management and auditors to assess the effectiveness of our internal controls. If we fail to remedy or maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we could be subject to regulatory scrutiny, civil or criminal penalties or stockholder litigation. In addition, failure to maintain effective internal controls could result in financial statements that do not accurately reflect our financial condition or results of operations. There can be no assurance that we will be able to maintain a system of internal controls that fully complies with the requirements of SOX or that our management and independent registered public accounting firm will continue to conclude that our internal controls are effective. We are exposed to various risks related to legal proceedings or claims that could adversely affect our operating results. The nature of our business exposes us to various liability claims, which may exceed the level of our insurance coverage resulting in us not being fully protected. We are a party to lawsuits in the normal course of our business. Litigation in general can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Responding to lawsuits brought against us, or legal actions that we may initiate, can often be expensive and time- consuming. Unfavorable outcomes from these claims and / or lawsuits could adversely affect our business, results of operations, or financial condition, and we could incur substantial monetary liability and / or be required to change our business practices. Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we rent or sell and from injuries caused in motor vehicle accidents in which our delivery and service personnel are involved and other employee related matters. Additionally, we could be subject to potential litigation associated with compliance with various laws and governmental regulations at the federal, state or local levels, such as those relating to the protection of persons with disabilities, employment, health, safety, security and other regulations under which we operate. We carry comprehensive insurance, subject to deductibles, at levels we believe are sufficient to cover existing and future claims made during the respective policy periods. However, we may be exposed to multiple claims, and, as a result, we could incur significant out- of- pocket costs before reaching the deductible amount which could adversely affect our financial condition and results of operations. In addition, the cost of such insurance policies may increase significantly upon renewal of those policies as a result of general rate increases for the type of insurance we carry as well as our historical experience and experience in our industry. Although we have not experienced any material losses that were not covered by insurance, our existing or future claims may exceed the coverage level of our insurance, and such insurance may not continue to be available on economically reasonable terms, or at all. If we are required to pay significantly higher premiums for insurance, are not able to maintain insurance coverage at affordable rates or if we must pay amounts in excess of claims covered by our insurance, we could experience higher costs that could adversely affect our financial condition and results of operations.