

Risk Factors Comparison 2025-02-05 to 2024-02-07 Form: 10-K

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You should carefully consider the following risk factors and all other information contained in this Annual Report on Form 10-K and the documents we incorporate by reference in this Annual Report on Form 10-K. Any of the following risks could materially and adversely affect our business, financial condition, results of operations and cash flows. While we believe we have identified and discussed below the material risks affecting our business, there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be material that may adversely affect our business, financial condition, results of operations or cash flows in the future, and may require significant management time and attention. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. Risks Related to Our Strategy The markets in which we operate can be cyclical, and downturns in them may adversely affect the results of our operations. Some of the markets in which we operate have been, to varying degrees, cyclical and have experienced downturns. A downturn in these markets could occur at any time as a result of events that are industry specific, such as aircraft production slowdown resulting from the impact of a public health crisis on air travel, the grounding, regulatory scrutiny and / or suspension or discontinuation of aircraft in which our products are used, or other macroeconomic events, such as geopolitical conditions, global conflict, political unrest or terrorist attacks, or an economic downturn or recession. Any deterioration in any of the cyclical markets we serve could adversely affect our financial performance and operating results. **Since During both 2020-2022 and 2021, due air traffic has continued to grow and led to record demand for aircraft. However, supply chain challenges in the impact of the COVID-19 pandemic on Commercial Aerospace industry, we as well as labor disruptions and regulatory issues experienced a material decrease by certain participants in demand the industry, resulting in order cancellations continue to delay planned production and deferrals from negatively impact aircraft build rates. Ongoing our or additional Commercial Aerospace customers, which resulted in decreased sales for our Commercial Aerospace products and reduced operating income for the years ended December 31, 2021 and 2020. To the extent there are significant deferrals, cancellations, or reductions in demand that result in decreased aircraft build rates, it would, if significant, have a negative impact on sales for our Commercial Aerospace products and as a result reduce our operating income. Approximately 60-63 % of our sales for 2023-2024 were derived from sales to the Commercial Aerospace industry. Ongoing pressures on build rates, or Reductions reductions in demand, for commercial aircraft or a delay in deliveries could result from many factors, including delays in the startup or ramp-up of new programs, suspension or discontinuation of current commercial aircraft programs, changes in the propensity for the general public to travel by air (including as a result of terrorist events and any subsequent military response, a public health crisis or a global conflict), a significant change in the cost of aviation fuel, a change in technology resulting in the use of alternative materials, environmental concerns (including climate change), consolidation and liquidation of airlines, availability of funding for new aircraft purchases or leases, inventory corrections or disruptions throughout the supply chain, labor disruptions and work stoppages and slower macroeconomic growth. At different times, both Airbus and Boeing have experienced various delays in the start and ramp up of several aircraft programs. For instance, both Boeing and Airbus have, in recent years, experienced difficulties meeting production goals due to supply chain delays, and, in fall 2024, Boeing experienced delays in 737 MAX and other aircraft production due to a strike by factory workers.** In the past, these have delayed our expected growth, or our effective utilization of capacity installed for such growth. Future delays, or production cuts arising from the impact of macroeconomic events, geopolitical conditions, global conflict or supply chain and labor disruptions, in these or other major new customer programs could similarly impact our results. In addition, our customers continue to emphasize the need for cost reduction or other improvements in contract terms throughout the supply chain. In response to these pressures, we may be required to accept increased risk or face the prospects of margin compression on some products in the future. Where possible, we seek to offset or mitigate the impact of such pressures through productivity and performance improvements, cost index contractual provisions, hedging and other actions, which may not be successful. A significant decline in business with Airbus, Boeing, or other significant customers could materially impact our business, operating results, prospects, and financial condition. We have concentrated customers in the Commercial Aerospace and the Space & Defense markets. In the Commercial Aerospace market, approximately 79-80 %, and in the Space & Defense market, approximately 20-19 %, of our 2023-2024 sales were made to Airbus and Boeing and their related subcontractors. For the years ended December 31, 2023-2024 and December 31, 2022-2023, approximately 40 % and 39 % and 38 % of our total consolidated sales, respectively, were to Airbus, and its related subcontractors and approximately 15 % and 14-15 % of our total consolidated sales, respectively, were to Boeing and its related subcontractors. Significant changes in the demand for our customers' end products, program delays, the share of their requirements that is awarded to us or changes in the design or materials used to construct their products could result in a significant loss of business with these customers. The loss of, or significant reduction in, purchases by Airbus or Boeing or any of our other significant customers could materially impair our business, operating results, prospects and financial condition. The level of purchases and product mix demanded by our customers is often affected by events beyond their control, including general economic conditions, demand for their products, conditions in the airline industry, regulatory scrutiny and / or suspension or discontinuation of aircraft, disruptions in deliveries, business disruptions, strikes and other factors, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Reductions in space and defense spending could result in a decline in our sales. Space and defense production that has occurred in recent years may not be sustained, individual programs important to Hexcel may be cancelled, production may not continue to grow or may decrease and the increased demand for composite-intensive programs

may not continue. In addition, the production of military aircraft depends upon defense budgets and the related demand for defense and related equipment. Approximately 30 % of our 2024 sales in 2023 were to the Space & Defense market, of which approximately 80-79% were related to military programs in the United States and other countries. In addition to normal business risks, our indirect supply of products to the U. S. government is subject to unique risks largely beyond our control. The level of U. S. defense spending is hard to predict, and U. S. Department of Defense budgets could be negatively impacted by several factors, including, but not limited to, a change in defense spending policy as a result of the current political environment or otherwise, military aid to countries experiencing global conflict, the U. S. government's budget deficits or breach of the debt ceiling, other spending priorities, increased defense regulatory requirements resulting in additional expenses, the cost of sustaining the U. S. military presence internationally, potential political pressure to reduce military spending and future potential government shutdowns, each of which could cause the U. S. Department of Defense budget to remain unchanged or to decline. If we fail to comply with government procurement laws and regulations, including those related to information security, we could lose business and be liable for various penalties or sanctions. We must comply with laws and regulations relating to the formation, administration, and performance of U. S. government contracts, including government security requirements and additional government export control laws and regulations, as well as certain cybersecurity certifications and other cybersecurity requirements. These regulations and other requirements regularly evolve, and new laws, regulations or procurement requirements or changes to current ones (including, for example, regulations related to cybersecurity, privacy, information classification and protection, greenhouse gas emissions and climate risk, cost accounting, recovery of employee compensation costs, counterfeit parts, pensions, anti-human trafficking, specialty metals, conflict minerals and use of certain non-U. S. equipment and materials) could significantly increase our costs and risks and reduce our profitability. In complying with these laws and regulations, we may incur significant costs, and non-compliance may result in the imposition of fines and penalties, including contractual damages. If we fail to comply with these laws and regulations or if a government audit, review, or investigation uncovers improper or illegal activities, we may be subject to civil penalties, criminal penalties, or administrative sanctions or suspension or debarment from contracting with the U. S. government. In addition, failure to follow the requirements of the National Industrial Security Program Operating Manual or any other applicable U. S. government industrial security regulations could, among other things, result in termination of any facility security clearance, which in turn would preclude us from being awarded classified contracts or, under certain circumstances, performing on our existing classified contracts. If we are unable to develop new products on a timely basis, it could adversely affect our business and prospects. We believe that our future success depends, in part, on our ability to develop, on a timely basis, technologically advanced products that meet or exceed current industry standards, including developing products with an improved environmental footprint that continue to contribute to the environmental sustainability goals of our customers. Although we believe we have certain technological and other advantages over our competitors, maintaining such advantages will require us to continue investing in research and development and sales and marketing. **In addition, to successfully compete, we may need to implement artificial intelligence strategies for our products, which may be costly or ineffective, introduce errors, cause loss of intellectual property, and raise complex regulatory compliance, intellectual property and other issues.** There can be no assurance that we will be able to make the technological advances necessary to maintain such competitive advantages or that we can recover major research and development expenses. Acquisitions, divestitures, mergers, business combinations or joint ventures may entail certain operational and financial risks. Over the past several years, we have completed strategic acquisitions of complementary manufacturing companies, as well as strategic investments in companies and divestitures of certain interests. We expect to continue to explore complementary mergers, acquisitions, investments and joint ventures and may also pursue additional divestitures or closures of business lines or investments that do not fit with our core strategy. We may also engage in further vertical integration and business restructuring. We may face competition for attractive targets and may not be able to acquire potential targets on terms or at prices acceptable to us, if at all. In addition, these types of transactions may require significant liquidity, which may not be available on terms favorable to us, or at all. We cannot provide any assurance that we will realize the intended benefits from any such transactions. The process of integrating acquired businesses into our existing operations may result in unforeseen operating difficulties and may require additional financial resources and attention from management that would otherwise be available for the ongoing development or expansion of our existing operations. Even if successfully integrated, the acquired business may not achieve the results we expect or produce expected benefits in the time frame planned. In addition, we may not be able to successfully complete any strategic divestitures in a timely manner, or at all.

Risks Related to Our Operations The global macroeconomic environment could negatively impact our business and our financial position, results of operations and / or cash flows could be materially adversely affected. Our business, financial position, results of operations and cash flows have been and may continue to be adversely impacted by the global macroeconomic environment, which has experienced, and continues to experience, extraordinary challenges, including high rates of inflation; increasing interest rates; widespread disruptions in supply chains; workforce challenges, including labor shortages; and market volatility. These challenges have, among other things, led to increased costs, labor and supply shortages, and transportation and performance delays and disruptions and have adversely affected us, our industry, our customers and suppliers and others with whom we do business. We (including our suppliers and other partners) have and may continue to experience inflationary pressures, supply chain disruption and labor, material and transportation cost increases at a rate higher than anticipated. Given the nature of our business and our contracts (many of which are fixed price and of long duration), we **have been, and in the future** may be unable to recover some of these increased costs or to offset such costs with greater than expected efficiencies. While some aspects of the macroeconomic environment appear to be improving, and we have been able to mitigate some of the challenges, other challenges persist. We cannot predict how long these challenges will persist or how they will change over time, or how the macroeconomic environment will evolve and continue to impact us. While we continue to work proactively to mitigate these challenges, if we are unable to do so successfully, our financial position, results of operations

and / or cash flows could be materially adversely affected. Our results of operations would be adversely affected by a shortage of trained personnel or work stoppages, and may be adversely affected by increasing labor costs. Our business has historically been dependent on a highly trained workforce because of the complex nature of our products. As of December 31, 2023-2024, approximately 30-26% of employees in the United States were unionized and the majority in Europe were represented by a works council. We periodically need to renegotiate our collective bargaining and works council agreements, and any failure to negotiate new agreements or extensions in a timely manner could result in work stoppages or slowdowns. **Recent labor activity in the aerospace industry, including union strikes and extended labor negotiations, may have an adverse impact on such efforts and may result in work stoppages or slowdowns, or increased labor costs.** Our ability to hire, train, assimilate and retain a qualified workforce has also been impacted by the ongoing labor market disruptions. If we are unable to hire and retain a sufficient number of trained personnel, or we experience a significant or prolonged work stoppage in such an environment, including due to salary negotiation challenges with employees covered by collective bargaining or works council agreements, our ability to secure new business and our results of operations and financial condition could be adversely affected. In **recent years 2022 and 2023**, in addition to labor shortages, we also experienced increases in labor costs in the countries in which we operate due to rising inflation rates and localized labor market disruptions. Further increases in labor costs could significantly reduce our profit margins if we are unable to flow such costs through to our customers. Our ability to attract, retain and motivate key employees is vital to our success. Our success, competitiveness and ability to execute on our global strategies and maintain a culture of innovation depend in large part on our ability to attract, retain and motivate qualified employees and leaders with expertise and capabilities, representing diverse backgrounds and experiences. Achieving this objective may be difficult due to many factors, including fluctuations in global economic and industry conditions, such as the impact of inflation, management changes, increasing local and global competition for talent, particularly due to the increase in remote working opportunities, the availability of qualified employees, restructuring and alignment activities (including workforce reductions), and the attractiveness of our compensation and benefit programs. If we are unable to attract, retain and motivate qualified employees and leaders, we may be unable to fully capitalize on current and new market opportunities, which could adversely impact our business and results of operations. The loss or retirement of employees presents particular challenges to the extent they involve the departure of knowledgeable and experienced employees and the resulting need to identify and train existing or new candidates to perform necessary functions, and ineffective succession planning could result in unexpected costs, reduced productivity, and / or difficulties with respect to internal processes and controls. **If There is also the risk that we are unable to achieve our diversity, equity and inclusion objectives or, more broadly, to meet diversity or other sustainability goals increasingly required by our stockholders, customers, employees and other stakeholders.** If we are unable to attract and retain a qualified and **diverse inclusive** workforce, we may be unable to maintain our competitive position and our future success could be materially adversely affected. We have engaged in restructuring and alignment activities from time to time and there can be no assurance that our efforts will have the intended effects. From time to time, we have responded to changes in our industry and the markets we serve, or other changes in our business, by restructuring or aligning our operations, including the closure of our **Windsor, Colorado and Tianjin, China wind energy prepreg production facilities facility** in 2020 and 2022, respectively, and the movement of our Research and Technology Center from Dublin, California to Salt Lake City, Utah, **and the sale of our 50 % interest in a Malaysian joint venture**. Due to necessary cost reduction measures or changes in the industry and markets in which we compete, we may decide to implement additional restructuring or alignment activities in the future, such as closing plants, idling certain equipment or operations, or making additions, reductions or other changes to our management or workforce. These restructuring and / or alignment activities generally result in charges and expenditures that may adversely affect our financial results for one or more periods. Restructuring and / or alignment activities can also create unanticipated consequences, such as instability or distraction among our workforce, and we cannot provide any assurance that any restructuring or alignment efforts that we undertake will result in the intended benefits. A variety of risks could cause us not to realize expected cost savings, including, among others: (a) higher than expected severance costs related to headcount reductions; (b) higher than expected costs of closing plants; (c) incurring costs to hire new employees or delays or difficulty hiring the employees needed; and (d) delays in the anticipated timing of activities related to our cost- saving plan. If we are unable to align our operations in light of evolving market conditions, it could have an adverse effect on our business, financial condition, results of operations, and cash flows. A decrease in supply, interruptions at key facilities or an increase in cost of raw materials could result in a material decline in our profitability. Our profitability depends largely on the price and continuity of the supply of raw materials, which may be supplied through a sole source or a limited number of sources. We purchase large volumes of raw materials, such as epoxy and phenolic resins, acrylonitrile, carbon fiber, fiberglass yarn, aramid paper and, to a lesser extent, aluminum foil. Any restrictions on supply resulting from geopolitical conditions, extreme weather events, availability of global logistics, increase in the cost of our raw materials including increases resulting from inflation or tariffs, or other unforeseen disruptions in the supply chain could significantly reduce our profit margins. Efforts to mitigate restrictions on the supply or price increases of these raw materials through long- term purchase agreements, productivity improvements, multi-source qualifications, use of alternative materials, hedging or flowing through cost increases to our customers may not be successful. In addition, increasing prices of our products could put such products at a competitive disadvantage. During recent years, as a result of the challenges created by global supply and transportation constraints, ongoing global conflict, ~~the COVID-19 pandemic~~ and market volatility, we experienced supply disruptions and cost increases and anticipate that the risk of supply disruptions and material shortages, as well as cost increases, may continue. While we have not experienced materially significant issues in the purchase of key raw materials, we continue to monitor the availability (including transportation) and price of raw materials on a regular basis, as well as any potential impact on our operations. The occurrence of material operational problems or interruptions, including, but not limited to, as a result of the failure of key equipment, a quality or financial failure of a sole source or major supplier, the effects of natural disasters or climate change- related events, the impact

of any public health crises, ongoing supply chain disruptions and supply shortages, energy disruption caused by ongoing global conflict, the inability to install, staff and / or qualify necessary capacity, political or social unrest, the failure to achieve planned manufacturing improvements or other causes, or any other inability to meet customer requirements, may have a material adverse effect on the productivity and profitability of a particular manufacturing facility, and could have a material effect on the Company as a whole. We have substantial international operations subject to uncertainties that could affect our operating results. We believe that revenue from sales outside the U. S. will continue to account for a material portion of our total revenue for the foreseeable future. In ~~2023~~ 2024, 50 % of our production and 59 % of our customer sales occurred outside of the United States. Additionally, we have invested significant resources in our international operations, and we intend to continue to make such investments in the future. Our business and results of operations are subject to numerous risks of doing business internationally including: (a) general economic, political, legal, social and health conditions unfavorable to our growth strategy, including the impact of rising inflation and other global economic conditions on labor and supply costs and availability, changes in currency exchange rates, geopolitical conditions and global conflicts; (b) longer payment cycles of foreign customers or challenges in enforcing agreements and collecting receivables through certain foreign legal systems; (c) the cost of compliance with international trade laws of all of the countries in which we do business, including export control laws, relating to sales and purchases of goods and equipment and transfers of technology; (d) government actions having a direct or indirect adverse impact on our international business and market opportunities, including, but not limited to, tariffs and other trade restrictions imposed by the United States, China and other jurisdictions; (e) adverse tax consequences, such as fluctuating tax rates, withholding requirements on foreign earnings or limitations on repatriations of earnings; and (f) the potential difficulty in enforcing our intellectual property rights in certain foreign countries, and the potential for the intellectual property rights of others to affect our ability to sell products in certain markets. Any one of these could adversely affect our financial condition and results of operations. With respect to tariffs, implementation of new tariff schemes by various governments, such as those implemented by the United States and China in recent years, could potentially increase the costs of our materials, increase our cost of production, and ultimately increase the landed cost of our products sold from one country into another country. In addition, although we are not experiencing direct material adverse effects on our business resulting from ongoing global conflicts, the global implications, including increased inflation, escalating energy costs, and constrained raw material availability, and thus increasing costs, as well as embargos on flights from certain countries, are impacting the global economy and the aerospace industry in particular. Fluctuations in currency exchange rates may influence the profitability and cash flows of our business. For example, most of our European operations sell a majority of the products they produce in U. S. dollars, yet the labor and overhead costs and portions of raw material costs incurred in the manufacture of those products are primarily denominated in Euros, British pound sterling or U. S. dollars. As a result, the local currency margins of goods manufactured with costs denominated in local currency, yet sold in U. S. dollars, will vary with fluctuations in currency exchange rates, reducing when the U. S. dollar weakens against the Euro and British pound sterling. In addition, the reported U. S. dollar value of the local currency financial statements of our foreign subsidiaries will vary with fluctuations in currency exchange rates. While we enter into currency hedge agreements in an attempt to mitigate these types of fluctuations, we cannot remove all fluctuations or hedge all exposures, or we may not be successful in hedging our exposure, and our earnings are impacted by changes in currency exchange rates. We currently do not have political risk insurance in the countries in which we conduct business. While we carefully consider these risks when evaluating our international operations, we cannot provide assurance that we will not be materially adversely affected as a result of such risks. We could be adversely affected by environmental and safety requirements, as well as legal, regulatory or market measures to address climate change. Our operations require the handling, use, storage, transport and disposal of certain regulated materials and wastes. As a result, we are subject to various laws and regulations pertaining to pollution and protection of the environment, health, and safety. These requirements govern, among other things, emissions to air, discharge to waters, the generation, handling, storage, transport, treatment and disposal of regulated materials and waste, and remediation of contaminated sites. We have made, and will continue to make, capital and other expenditures in order to comply with these laws and regulations. These laws and regulations are complex, change frequently and could become more stringent in the future. In some cases, regulatory bodies have decided and may decide in the future to limit or ban certain materials we use in our manufacturing process due to potentially significant health and safety risks to people or the environment. Such limitations or bans have resulted in, and may in the future require us to consider, the use of alternative raw materials or changes to our method of operations. Such alternatives often require customer approval and may result in additional costs, including higher raw material expenses, changes in operational methods, and additional customer qualifications. The formulation changes could also impact the utility of our products. We have been named as a “potentially responsible party” under Superfund or similar state laws at certain former and current sites requiring clean up. These laws generally impose liability for costs to investigate and remediate contamination without regard to fault. Under certain circumstances, liability may be joint and several, resulting in one responsible party being held responsible for the entire cleanup obligation. Liability may also include damages to natural resources. We have incurred and likely will continue to incur expenses to investigate and clean up certain of our existing and former facilities, for which we believe we have adequate reserves. The ongoing operation of our manufacturing plants also entails environmental risks, and we may incur material costs or liabilities in the future that could adversely affect us. Although most of our properties have been the subject of environmental site assessments, there can be no assurance that all potential instances of soil and groundwater contamination have been identified, even at those sites where assessments have been conducted. Accordingly, we may discover previously unknown environmental conditions and the cost of remediating such conditions may be material. See Note 16 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K. We may also be required to comply with evolving environmental, health and safety laws, regulations or requirements that may be adopted or imposed in the future or to address newly discovered information or conditions that require a response. As our business expands to meet customer and market demands, and

community growth impacts local ambient air and water limits, additional controls are anticipated to be required. In addition, concerns about the relationship between greenhouse gases and global climate change, and an increased focus on carbon neutrality, has resulted, and may continue to result, in additional regulations at the national and international level to monitor, regulate, control and tax emissions of carbon dioxide and other greenhouse gases. A number of governmental bodies have introduced or are contemplating legislative or regulatory changes in response to climate change, including regulating greenhouse gas emissions **and increasing mandatory disclosures**. The continued lack of consistent climate legislation creates economic and regulatory uncertainty. The outcome of new legislation or regulation in the U. S. and other jurisdictions in which we operate has resulted in, and may in the future result in, new or additional requirements, including mandatory disclosure requirements, and fees or restrictions on certain activities. Our manufacturing plants use energy, including electricity and natural gas, and some of our plants emit amounts of greenhouse gases that **are, and** may in the future be affected by these legislative and regulatory efforts. Compliance with greenhouse gas and climate change initiatives has resulted, and may in the future result in, additional costs to us, including increased energy, transportation and raw material costs, additional taxes, **additional compliance costs**, reduced emission allowances or additional restrictions on production or operations. We expect we will be required to make additional investments in our facilities and equipment, change our manufacturing processes, obtain substitute materials, which may cost more or be less available or harder to source, fund offset projects, or undertake other costly activities **as a result of these laws and regulations**. In addition, failure to comply with applicable regulations could result in fines or government investigations or actions, which could affect our business, financial condition, results of operations and cash flows. We could also face increased costs related to defending and resolving legal claims and other litigation related to climate change and the alleged impact of our operations on climate change. In addition to compliance obligations related to climate change, growing customer environmental and sustainability requirements, including procurement policies that include social and emissions reduction or other environmental standards and requirements that suppliers are required to comply with, as well as sustainability goals and targets that we have adopted, could cause us to alter our manufacturing, operations or equipment processes, and incur substantial expense to meet these requirements. We are actively reviewing and implementing projects to reduce our energy intensity and greenhouse gas emissions, but there is no guarantee that such options or projects will be technologically and / or environmentally feasible, or that we will be able to implement any such projects on a timely or cost- effective basis. The failure to comply with customer environmental or sustainability requirements, or similar types of requests, could adversely affect our relationships with such customers, which in turn could adversely affect our business, financial condition, results of operations and cash flows. Furthermore, our reputation could be damaged if we or others in our industry do not act, or are perceived not to act, responsibly with respect to our impact on the environment, or if we fail to achieve our sustainability goals or targets, which could limit our ability to grow and otherwise adversely affect our results of operations. Our business and operations may be adversely affected by cybersecurity breaches or other information technology system or network intrusions. We depend heavily on information technology and computerized systems to communicate and operate effectively. We store sensitive data, including proprietary business information, intellectual property, regulated data (U. S. government and other), customer data and confidential employee or other personal data, in our systems. In addition to internal information technology systems, we leverage cloud- based systems, where data is stored and exchanged with external third- party vendors. From time to time, we experience attempted cyberattacks on our information technology systems, either directly or indirectly via our supply chain or third- party vendors, which are becoming more sophisticated and could have a material impact on us. These cyberattacks, which could be related to industrial or foreign government espionage, activism, or financial motivations, continue to evolve and become more sophisticated and include attempting to covertly introduce malware to our systems, performing reconnaissance, phishing and other means of social engineering, impersonating authorized users, and stealing, corrupting, restricting our access to data or otherwise compromising the integrity, confidentiality, and / or availability of our systems hardware and networks and the information on them, among other activities. To the extent artificial intelligence capabilities improve and are increasingly adopted, they may be used to identify vulnerabilities and craft increasingly sophisticated cybersecurity attacks, and vulnerabilities may be introduced from the use of artificial intelligence by us, our customers, suppliers and other business partners and third- party providers. We continue to update our infrastructure, security tools, planning, employee training and processes to protect against cybersecurity incidents, including both external and internal threats, and to prevent their occurrence or recurrence. We have implemented various measures, including technical security controls, employee training, comprehensive monitoring of our networks and systems, maintenance of backup systems and the use of disaster recovery capability. While Company personnel have been tasked to detect and investigate any security incidents, we cannot guarantee that such measures will be effective or sufficient to prevent a cyberattack, and future cyberattacks could still occur and could go undetected and persist for an extended period of time. Such cyberattacks could lead to data corruption or loss of data and exposure of proprietary and confidential information, disruptions in or damage to critical systems, production downtimes or operational delays, and theft of data, funds, or intellectual property, and we may be unable to mitigate potential consequences of these attacks. In addition, we face information technology security and fraud risks due to increased remote work, which may create additional information security vulnerabilities and / or magnify the impact of any disruption in our information technology systems. The unauthorized use of our confidential or proprietary business information could harm our competitive position and reputation, reduce the value of our investment in research and development and other strategic initiatives, cause us to breach contractual commitments to our customers or other third parties, or otherwise adversely affect our business. Our customers, partners, **vendors**, suppliers **and**, subcontractors and others to whom we entrust confidential data, and on whom we rely to provide products and services, face similar threats and growing requirements, including ones for which others may seek to hold us responsible. **While we review cybersecurity capabilities with our top- tier suppliers and have implemented cybersecurity requirements in our standard supplier contract terms, we do not control such third parties and our ability to monitor their cybersecurity is limited, we cannot ensure the cybersecurity measures they take will be sufficient**

to protect any information we share with them or prevent any disruption arising from a technology failure, cyberattack or other information or security breach. We depend on such parties to implement adequate controls and safeguards to protect against and report cyber incidents. If such parties fail to deter, detect or report cyber incidents in a timely manner, we may suffer from financial and other harm, including to our information, operations, financial results, performance, employees and reputation. An intrusion may also result in fines, penalties, litigation or governmental investigations and proceedings, increased mitigation and remediation expenses, diminished competitive advantages through reputational damages and increased operational costs. Further, cybersecurity and data protection laws and regulations continue to evolve, and are increasingly demanding, both in the U. S. and globally, which adds compliance complexity and may increase our costs of compliance and expose us to litigation, monetary damages, regulatory enforcement actions or fines in one or more jurisdictions. Additionally, we have incurred, and expect to continue to incur, costs to comply with increased cybersecurity protections and standards of our customers, including the U. S. government. While we carry cybersecurity insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. We operate our business in regions subject to natural disasters and other severe weather events and any disruption to our business resulting from such events could adversely affect our revenue and results of operations. We operate, and rely on suppliers who operate, in regions subject to natural disasters and other severe weather events. Extreme weather events and changing weather patterns present physical risks on existing infrastructure that may become more frequent or more severe as a result of factors related to climate change. In addition, the impacts of climate change on global water resources may result in water scarcity, which could in the future impact our ability to access sufficient quantities of water in certain locations and result in increased costs. We have in the past and will continue in the future to assess potential manufacturing and operational risks related to climate change, including risk of exposure to rising sea levels and significant rainfall, flooding, wildfire, drought, earthquake, hurricane or tornado events within our supply chain. We previously determined that a small percentage of our suppliers manufacture in vulnerable locations, which may impact distribution of raw materials to our operations, although we have taken actions to mitigate the potential impact where possible. We also have two sites in the southeast United States, a region vulnerable to severe weather events (i. e., hurricanes, tornadoes and floods), that are associated with excess warming. Although preventative measures may help to mitigate damage, such measures could be costly, and any disaster could adversely affect our ability to conduct business, including disrupting our supply of raw materials, damaging our manufacturing facilities or otherwise affecting production, transportation and delivery of our products, or affect demand for our products, and the insurance we maintain may not be adequate to cover our losses resulting from any business interruption resulting from a natural disaster or other severe weather events. Further, recurring extreme weather events could reduce the availability or increase the cost of insurance. Any future disruptions to our operations as a result of a natural disaster or severe weather event could have a material adverse impact on our liquidity, financial condition and results of operations. Our business could be negatively impacted by sustainability / environmental, social and governance (“ ESG ”) matters and / or our reporting of such matters. There is an increasing focus from certain investors, customers, employees, and other stakeholders concerning sustainability / ESG matters, and an increasing number of investors stakeholders are requiring companies to disclose sustainability / ESG and related policies, practices and metrics. Our customers may require us to implement sustainability / ESG or other environmental, social and governance responsibility procedures or standards before they continue to do business with us. **At the same time, there also exists anti- environmental, social and governance sentiment among certain stakeholders and government institutions, and we may face scrutiny, reputational risk, lawsuits or market access restrictions from these parties regarding any such initiatives we have adopted.** In addition, some investors use ESG sustainability criteria to guide their investment strategies, and may not invest in us, or divest their holdings of us, if they believe our policies relating to ESG environmental, social and governance matters are inadequate or, on the other hand, have a negative response to such policies as a result of anti- ESG environmental, social and governance sentiment. Additionally, we may face reputational challenges in the event that our sustainability / ESG and other environmental, social and governance policies, practices and metrics do not meet the standards set by certain constituencies, which are often inconsistent in approach. In addition, from time to time, we communicate certain initiatives, targets or goals regarding sustainability / ESG matters. Although we intend to meet these commitments, we may be required to expend significant resources to do so, which could increase our operational costs. Further, there can be no assurance of the extent to which any of our commitments will be achieved, if at all; we could fail, or be perceived to fail, in our achievement of such initiatives, targets or goals, or we could fail in fully and accurately reporting our progress on such initiatives, targets and goals. In addition, we could be criticized for the scope of such initiatives, targets or goals or perceived as not acting responsibly in connection with these matters. Any such matters could have a material adverse effect on our business. **We may not be able to service our debt obligations or satisfy covenants included in our outstanding debt. Our ability to meet our interest expense and debt service obligations will depend on our future performance, including the cash we generate from operating activities, which could be affected by financial, business, economic and other factors, including potential changes in laws or regulations, industry conditions, industry supply and demand, customer preferences and pressure from competitors. If we are unable to meet our debt service obligations, including to repay or refinance debt as it becomes due, or we fail to comply with our financial and other negative covenants contained in the agreements governing our indebtedness, we may be required to refinance all or part of our debt, sell strategic assets at unfavorable prices, incur additional indebtedness or issue common stock or other equity securities, which we may not be able to do on acceptable terms or in amounts sufficient to meet our needs. If we are able to raise additional funds through the issuance of equity securities, such issuance would also result in dilution to our stockholders. Our inability to service our obligations or refinance our debt could have a material and adverse effect on our business, financial condition or operating results. In addition, we have been, and may continue to be, negatively impacted by high interest rates. In addition, the credit ratings of our debt**

could be subject to a downgrade. If a ratings downgrade were to occur, we could experience higher borrowing costs in the future and more restrictive debt covenants, which would reduce profitability and diminish operational flexibility. A ratings downgrade could also limit our access to certain sources of debt financing. Risks Related to Our Common Stock

We cannot make any guarantees with respect to payment of dividends on, or repurchases of, our common stock. We currently pay quarterly dividends; however, our board of directors regularly evaluates our capital allocation strategy and dividend policy, and any future determination to pay, maintain or increase cash dividends will be at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and contractual or legal restrictions, including the requirements of our revolving credit facility and other financing agreements to which we may be a party. No assurance can be given that cash dividends will continue to be declared and paid at historical levels or at all. Our share repurchase program does not have an expiration date, and we are not obligated to repurchase a specified number or dollar value of shares, on any particular timetable or at all. There can be no assurance that we will repurchase stock at favorable prices. ~~We resumed repurchases under~~ **On February 19, 2024, our Board of Directors approved a \$ 300 million share repurchase plan program in the third quarter of 2023, following suspension of which was in addition to the amount that remained available for repurchases—** ~~repurchase in April 2020; under the existing 2018 share repurchase plan,~~ however, the repurchase program may be suspended or terminated at any time and, even if fully implemented, may not enhance long- term stockholder value. **The 2018 share repurchase plan was fully utilized as of June 30, 2024.** Our amended and restated bylaws (the “ bylaws ”) provide that the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions between us and our stockholders, which could discourage lawsuits against the Company and our directors and officers. Our bylaws provide to the fullest extent permitted by law that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (the “ DGCL ”) or our restated certificate of incorporation, as amended (the “ certificate of incorporation ”), or bylaws, or any action asserting a claim governed by the internal affairs doctrine of the State of Delaware. To the fullest extent permitted by law, this exclusive forum provision applies to state and federal law claims, including claims under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the “ Exchange Act ”), although the Company will not be deemed to have waived its compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of similar choice of forum provisions in other companies’ organizational documents has been challenged in legal proceedings, and it is possible that, in connection with claims arising under federal securities laws or otherwise, a court could find the exclusive forum provision contained in the bylaws to be inapplicable or unenforceable. This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with the Company or our directors or officers, which may discourage such lawsuits against the Company and our directors and officers. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect our business, results of operations and financial condition. Certain provisions of our certificate of incorporation, bylaws, and the DGCL have anti-takeover effects and could delay, discourage, defer or prevent a tender offer or takeover attempt that a stockholder might consider to be in the stockholders’ best interests. Certain provisions of our certificate of incorporation and bylaws and the DGCL may have the effect of delaying or preventing changes in control if our board of directors determines that such changes in control are not in the best interests of the Company and its stockholders. Such provisions include, among other things, those that: • prohibit stockholders from taking action by written consent and do not permit stockholders to call a special meeting; • authorize the board of directors, without further action by the stockholders, to issue shares of preferred stock in one or more series, and with respect to each series, to fix the number of shares constituting that series, and establish the rights and terms of that series; • establish advance notice procedures for stockholders to submit proposals and nominations of candidates for election to the board of directors to be brought before a stockholders meeting; • allow our directors to establish the size of the board of directors (so long as the board of directors consists of at least three and no more than fifteen directors) and fill vacancies on the board of directors created by an increase in the number of directors (subject to the rights of the holders of any series of preferred stock to elect additional directors under specified circumstances); • do not provide stockholders cumulative voting rights with respect to director elections; • provide that the bylaws may be amended by the board of directors without stockholder approval, to the extent permitted by law; and • do not opt out of Section 203 of the DGCL, which generally prohibits a Delaware corporation from engaging in a “ business combination ” with any interested stockholder (generally speaking, a stockholder who holds 15 % or more of our voting stock) for three years from the date such stockholder becomes an interested stockholder, unless certain conditions are met. These provisions may delay or discourage transactions involving an actual or potential change in the Company’ s control or change in the board of directors or management, including transactions in which stockholders might otherwise receive a premium for their shares of common stock or transactions that our stockholders might otherwise deem to be in their best interests. Accordingly, these provisions could adversely affect the price of our common stock.