Risk Factors Comparison 2024-02-23 to 2023-02-24 Form: 10-K

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The following risk factors should be considered carefully in addition to the other information contained in this Annual Report on Form 10- K. The risks and uncertainties described below are not the only ones we face, but represent the most significant risk factors that we believe may adversely affect the RV and other industries we supply our products to, as well as our business, operations or financial position. The risks and uncertainties discussed in this report are not exclusive and other risk factors that we may consider immaterial or do not anticipate may emerge as significant risks and uncertainties. ~~Risk Related to the COVID- 19 Pandemic The coronavirus (COVID- 19) pandemic, or other outbreaks of disease or similar public health threats, and their related impacts, have had, and could have, a material and adverse effect on our business, financial condition, and results of operations, the nature and extent of which are highly uncertain and unpredictable. The COVID- 19 pandemic, and any other outbreaks of contagious diseases or other adverse public health developments in the United States or internationally, as well as their related impacts, including on supply chains, labor matters, the global economy and financial markets, has had, and in the future could again have, a material adverse effect on our business, financial condition, and results of operations. COVID- 19 has significantly impacted the global economy and financial markets, and it could continue to negatively impact our business in a number of ways. These effects include, but are not limited to: • Disruptions or restrictions on our employees' ability to work effectively due to illness, quarantines, travel bans, shelter- in- place orders or other limitations. • Temporary closures of our facilities or the facilities of our customers or suppliers, which could impact our ability to timely meet our customers' orders or negatively impact our supply chain. • Our election to, or a government' s requirement that we, allocate manufacturing capacity (for example, pursuant to the U. S. Defense Production Act) in an effort to increase the availability of needed medical and other supplies and products in a way that adversely affects our regular operations and negatively impacts our reputation and customer and supplier relationships. • Resulting cost increases from the effects of a pandemic such as COVID- 19 may not be fully recoverable. • The failure of third parties on which we rely, including our suppliers, customers, contractors, commercial banks and other business partners, to meet their respective obligations to the Company, or significant disruptions in their ability to do so, which may be caused by their own financial or operational difficulties. • Significant increases in economic and demand uncertainty have had and could continue to result in disruption and volatility in the global credit and financial markets, which could increase the cost of capital and adversely impact access to capital for both the Company and our customers and suppliers. • Commodity costs have become more volatile due to the COVID- 19 pandemic, and that volatility may worsen and / or last for an extended period of time. • Increased cybersecurity and privacy risks and risks related to the reliability of technology to support remote operations. • Disruptions or uncertainties related to the COVID- 19 pandemic or other outbreaks of disease or similar public health threats for an extended period of time could result in delays or modifications to our strategic plans and hinder our ability to achieve our strategic goals. The extent to which the COVID- 19 pandemic, or other outbreaks of disease or similar public health threats, materially and adversely impacts our business, financial condition, and results of operations is highly uncertain and will depend on future developments. Such developments may include the geographic spread and duration of the virus, the severity of the disease and the actions that may be taken by various governmental authorities and other third parties in response to the outbreak.~~ Industry and Economic Risk Factors Economic and business factors beyond our control, including cyclicality and seasonality in the industries where we sell our products, could lead to fluctuations in our operating results. The RV, recreational boat and other markets where we sell many of our products or where our products are used, have been characterized by cycles of growth and contraction in consumer demand, often because the purchase of such products is viewed as a consumer discretionary purchase. A number of factors have in the past, and could continue to, negatively impact consumer demand, production levels, shipments, sales, and operating results, including credit availability, consumer confidence, employment rates, prevailing interest rates, inflation, fuel prices, and other economic conditions affecting consumer demand and discretionary consumer spending, as well as demographic and political changes. For example, during ~~portions of 2022~~ **2023**, we ~~saw a reduction in aftermarket~~ **experienced lower RV and marine OEM** volumes resulting from, in part, the negative impacts of inflation and ~~rising~~ **elevated** interest rates on consumers' discretionary spending. ~~During~~ **The declines in** ~~the~~ **these industry volumes compared** ~~fourth quarter, RV OEMs made larger- than- anticipated adjustments~~ to **2022** ~~production levels by taking a collective month of production down in order to normalize inventories as retail demand slowed, which~~ had an adverse impact on our results, including ~~severance- related and~~ inventory reserve costs. Further, consumer purchases of discretionary items historically tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty, which may lead to declines in sales and slow our long- term growth expectations. Additionally, manufacturing operations in most of the industries where we sell our products or where our products are used historically have been seasonal. However, because of fluctuations in dealer inventories, the impact of international, national, and regional economic conditions and consumer confidence on retail sales of products which include our components, the timing of dealer orders, **and** the impact of severe weather conditions on the timing of industry- wide shipments from time to time ~~, and the impact of the COVID- 19 pandemic~~, current and future seasonal industry trends have been, and may in the future be, different than in prior years. Reductions in the availability of wholesale financing limits the inventories carried by retail dealers of RVs and other products which use our components, which would cause reduced production by our customers, and therefore reduced demand for our products. Retail dealers of RVs and other products which use our components generally finance their purchases of inventory with financing known as floor- plan financing provided by lending institutions. A dealer' s ability to obtain financing is significantly affected by the number of lending institutions offering floor- plan financing, and by an institution' s lending limits, which are beyond our control. Reduction in the availability of floor- plan financing, or an increase in the cost of such financing, particularly as a result of recent ~~rising~~ **higher** interest rates, have in the past caused, and would in the future again likely cause, many dealers to reduce inventories, which would result in reduced production by OEMs, and consequently result in reduced demand for our products. Moreover, dealers which are unable to obtain adequate financing could cease operations. Their remaining inventories would likely be sold at discounts, disrupting the market. Such sales have historically caused a decline in orders for new inventory, which reduced demand for our products, and which could reoccur in the future. Conditions in the credit market could limit the ability of consumers to obtain retail financing for RVs and other products which use our components, resulting in reduced demand for our products. Retail consumers who purchase RVs and other products which use our components generally obtain retail financing from third- party lenders. The availability, terms, and cost of retail financing depend on the lending practices of financial institutions, governmental policies, and economic and other conditions, all of which are beyond our control. Restrictions on the availability of consumer financing and increases in the costs of such financing have in the past limited, and could again limit, particularly due to recent ~~rising~~ **elevated** interest rates, the ability of consumers to purchase such discretionary products, which would result in reduced production of such products by our customers, and therefore reduced demand for our products. Excess inventories at dealers and manufacturers can cause a decline in the demand for our products. Dealers and manufacturers could accumulate unsold inventory. High levels of unsold inventory have in the past caused, and would cause, a reduction in orders, which would likely cause a decline in demand for our products. Gasoline shortages, or high prices for gasoline, could lead to reduced demand for our products. Fuel shortages, and substantial increases in the price of fuel, have had an adverse effect on the RV industry as a whole in the past, and could again in the future. Travel trailer and fifth- wheel RVs, components for which represented approximately ~~61~~ **47** percent of our OEM Segment net sales in ~~2022~~ **2023** , are usually towed by light trucks or SUVs. Generally, these vehicles use more fuel than automobiles, particularly while towing RVs or other trailers. High prices for gasoline, or anticipation of potential fuel shortages, can affect consumer use and purchase of light trucks and SUVs, which could result in reduced demand for travel trailer and fifth- wheel RVs, and therefore reduced demand for our products. Risks Related to our Business, Operations and Strategy A significant percentage of our sales are concentrated in the RV industry ~~,~~ and declines in industry- wide wholesale shipments of travel trailer and fifth- wheel RVs could reduce demand for our products and adversely impact our operating results and financial condition. In ~~2022~~ **2023** , the OEM Segment represented ~~83~~ **77** percent of our consolidated net sales ~~,~~ and ~~87~~ **14** percent of consolidated segment operating profit. Approximately ~~61~~ **47** percent of our OEM Segment net sales in ~~2022~~ **2023** were from products to manufacturers of travel trailer and fifth- wheel RVs. While we measure our OEM Segment sales against industry- wide wholesale shipment statistics, the underlying health of the RV industry is determined by retail demand. Retail sales of RVs historically have been closely tied to general economic conditions, as well as consumer confidence. Declines in industry- wide wholesale shipments of travel trailer and fifth- wheel RVs could reduce demand for our products and adversely affect our operating results and financial condition. For example, in ~~2022~~ **2023** ~~we~~ **the industry** experienced a nearly ~~18~~ **37** percent decrease in wholesale RV OEM shipments, which negatively impacted our net sales for the year. The loss of any key customer, or a significant reduction in purchases by such customers, could have an adverse material impact on our operating results. Two customers of both the OEM Segment and the Aftermarket Segment accounted for ~~43~~ **a combined 31** percent of our consolidated net sales in ~~2022~~ **2023** . The loss of either of these customers or other significant customers, or a substantial reduction in sales to any such customer, would have an adverse material impact on our operating results and financial condition. In addition, we generally do not have long- term agreements with our customers and cannot predict that we will maintain our current relationships with these customers or that we will continue to supply them at current levels. Volatile raw material costs could adversely impact our financial condition and operating results. Steel and aluminum represented approximately ~~45~~ **30** percent and ~~15~~ **ten** percent, respectively, of our raw material costs in ~~2022~~ **2023** . The prices of these, and other key raw materials, have historically been volatile and can fluctuate dramatically with changes in the global demand and supply for such products ~~. For example, during 2022, steel and aluminum costs increased significantly, which negatively impacted our operating profit~~ . Because competition and business conditions may limit the amount or timing of increases in raw material costs that can be passed through to our customers in the form of sales price increases, ~~future~~ increases in raw material costs could adversely impact our financial condition and operating results. Conversely, as raw material costs decline, we may not be able to maintain selling prices consistent with higher cost raw materials in our inventory, which could adversely affect our operating results. Inadequate or interrupted supply of raw materials or components used to make our products could adversely impact our financial condition and operating results. Our business depends on our ability to source raw materials, such as steel, aluminum, glass, wood, fabric and foam, and certain components such as electric motors, in a timely and cost- efficient manner. Most materials and components are readily available from a variety of sources. However, a few key components are currently produced by only a small group of quality suppliers that have the capacity to supply large quantities. If raw materials or components that are used in manufacturing our products or for which we act as a distributor, particularly those which we import, become unavailable, or if the supply of these raw materials and components is interrupted or delayed, our manufacturing and distribution operations could be adversely affected, which could adversely impact our financial condition and operating results. In ~~2022~~ **2023** , we imported, or purchased from suppliers who imported, approximately ~~45~~ **30** percent of our raw materials and components. Consequently, we rely on the free flow of goods through open and operational ports and on a consistent basis for a significant portion of our raw materials and components. Adverse ~~political~~ **geopolitical** conditions, such as the heightened tensions between China and Taiwan, trade embargoes, increased tariffs or import duties, inclement weather, natural disasters, epidemics, public health crises, war, such as the Russia- Ukraine **and Israel- Hamas** ~~war~~ **wars** , terrorism **, such as the maritime attacks in the Red Sea** , or labor disputes at various ports or otherwise adversely impacting our suppliers create significant risks for our business, particularly if these conditions or disputes result in work slowdowns, lockouts, strikes, facilities closures, supply chain interruptions, or other disruptions, and could have an adverse impact on our operating results if we are unable to fulfill customer orders or are required to accumulate excess inventory or find alternate sources of supply, if available, at higher costs. The raw materials and components used in the manufacture of Furrion **Holdings Limited (" Furrion")** products are provided by a small group of suppliers that are principally located in China. If those raw materials or components become unavailable or their supply is interrupted or delayed, we may not be able to identify alternative sources in a timely or cost- effective manner, or at all. Further, as a result of our ~~acquisition~~ **acquisitions** of Furrion **and Way Interglobal Network LLC (" Way")** , the portion of our raw materials and components that are exported from their country of origin has increased, which could heighten the risks set forth in the immediately preceding paragraph, including in particular increased tariffs or import duties. We import a significant portion of our raw materials and the components we sell, and the effect of foreign exchange rates could adversely affect our operating results. We negotiate for the purchase of a significant portion of raw materials and semi- finished components with suppliers that are not located in the United States, and this amount has increased as a result of our ~~acquisition~~ **acquisitions** of Furrion **and Way** . As such, the prices we pay in part are dependent upon the rate of exchange for U. S. Dollars versus the currency of the local supplier. A dramatic weakening of the U. S. Dollar could increase our cost of sales, and such cost increases may not be offset through price increases for our products, adversely impacting our margins. Changes in consumer preferences relating to our products, or the inability to develop innovative new products, could cause reduced sales. Changes in consumer preferences for RV, manufactured housing and recreational boat models, and for the components we make for such products, occur over time. Our inability to anticipate changes in consumer preferences for such products, or delays in responding to such changes, could reduce demand for our products and adversely affect our net sales and operating results. Similarly, we believe our ability to remain competitive also depends on our ability to develop innovative new products or enhance features of existing products. Delays in the introduction or market acceptance of new products or product features could have an adverse effect on our net sales and operating results. Competitive pressures could reduce demand for our products or impact our sales prices. The industries in which we are engaged are highly competitive and generally characterized by low barriers to entry, and we have numerous existing and potential competitors. Competition is based primarily upon product quality and reliability, product innovation, price, customer service, and customer satisfaction. Competitive pressures have, from time to time, resulted in a reduction of our profit margins and / or reduction in our market share. Domestic and foreign competitors may lower prices on products which currently compete with our products, or develop product improvements, which could reduce demand for our products or cause us to reduce prices for our products. Sustained increases in these competitive pressures could have an adverse material effect on our results of operations. In addition, the manufacture by our customers themselves of products supplied by us could reduce demand for our products and adversely affect our operating results and financial condition. A tight labor market has, and could in the future, result in difficulty obtaining skilled labor, and available capacity may initially not be utilized efficiently. In certain geographic regions in which we have a larger concentration of manufacturing facilities, we are experiencing, and could again experience, shortages of qualified employees. Competition for skilled workers may increase the cost of our labor and create employee retention and recruitment challenges, as employees with knowledge and experience have the ability to change employers relatively easily. If such conditions become extreme, we may not be able to increase production to timely satisfy demand, and may incur higher labor and production costs, which could adversely impact our operating results and financial condition. We may incur unexpected expenses, or face delays and other obstacles, in connection with expansion plans or investments we make in our business, which could adversely impact our operating results. It may take longer than initially anticipated for us to realize expected results from investments in research and development or acquired businesses, as well as initiatives we have implemented to increase capacity and improve production efficiencies, automation, customer service and other aspects of our business, or we may incur unexpected expenses in connection with these matters. Expansion plans may involve the acquisition of existing manufacturing facilities that require upgrades and improvements or the need to build new manufacturing facilities. Such activities may be delayed or incur unanticipated costs which could have an adverse effect on our operating results. Similarly, competition for desirable production facilities, especially during times of increasing production, may increase the cost of acquiring production facilities or limit the availability of obtaining such facilities. In addition, the start- up of operations in new facilities may incur unanticipated costs and inefficiencies which may adversely affect our profitability during the ramp up of production in those facilities. Delays in the construction, re- configuration or relocation of facilities could result in an adverse impact to our operating results or a loss of market share. In addition, to the extent our expansion plans involve acquisitions or joint ventures, we may not be able to successfully identify suitable acquisition or joint venture opportunities or complete any acquisition, combination, joint venture, or other transaction on acceptable terms. Our identification of suitable acquisition candidates and joint venture opportunities and the integration of acquired business operations involve risks inherent in assessing the values, strengths, weaknesses, risks, and profitability of these opportunities, as well as significant financial, management and related resources that would otherwise be used for the ongoing development of our existing operations and internal expansion. Epidemic outbreaks, terrorist acts, and political events could disrupt our business and result in lower sales and otherwise adversely affect our financial performance. External events, such as epidemic outbreaks, terrorist attacks, or disruptive political events could adversely affect our business and result in lower sales. In the event that one of our manufacturing or distribution facilities was affected by any such event, we could be forced to shift production to one of our other facilities, which we may not be able to do effectively or at all, or to cease operations. Although we maintain insurance for damage to our property and disruption of our business from casualties, such insurance may not be sufficient to cover all of our potential losses. Any disruption in our manufacturing capacity could have an adverse impact on our ability to produce sufficient inventory of our products or may require us to incur additional expenses in order to produce sufficient inventory, and therefore, may adversely affect our net sales and operating results. Any disruption or delay at our manufacturing or distribution facilities or customer service centers could impair our ability to meet the demands of our customers, and our customers may cancel orders with us or purchase products from our competitors, which could adversely affect our business and operating results. Further, as a result of pandemic outbreaks, ~~including the COVID- 19 pandemic,~~

businesses can be shut down, supply chains can be interrupted, slowed or rendered inoperable and individuals can become ill, quarantined or otherwise unable to work and / or travel due to health reasons or governmental restrictions, and worldwide economic downturns could occur. Such outbreaks could result in the operations of our third- party manufacturers and suppliers being disrupted or suspended, or could interfere with our supply chain, which could have an adverse effect on our business. ~~See also the risk factors" Inadequate or interrupted supply of raw materials or components used to make our products could adversely impact our financial condition and operating results" and" The coronavirus (COVID- 19) pandemic, or other outbreaks of disease or similar public health threats, and their related impacts, have had, and could have, a material and adverse effect on our business, financial condition, and results of operations, the nature and extent of which are highly uncertain and unpredictable."~~ Natural disasters and unusual weather, including as a result of climate change, could impact our business negatively. Our facilities may be affected by natural disasters, such as tornadoes, hurricanes, fires, floods, earthquakes, and unusual weather conditions exacerbated by the effects of climate change. Natural phenomena with unpredictable destructive force, such as severe snowstorms, droughts, and flooding, may generate liabilities not appropriately covered by our contingency plans and insurances. As we operate globally, these natural disasters can have a significant negative impact on our supply chain channels. We have entered new markets in an effort to enhance our growth potential, and uncertainties with respect to these new markets could impact our operating results. Our ability to expand our market share for our products that are used as components for RVs is limited. We have made investments in an effort to expand the sale of our products in adjacent industries, such as boats, buses, trucks, and trains, where we may have less familiarity with OEM or consumer preferences and could encounter difficulties in attracting customers due to a reduced level of familiarity with our brands. We have also made investments to expand the sale of our products in the aftermarket of our industries and are continuing to pursue opportunities to increase international sales and export sales of our products. These investments involve significant resources, put a strain on our administrative, operational, and financial capabilities and carry a risk of failure. Limited operating experience or limited brand recognition in new markets may limit our business expansion strategy. Lack of demand for our products in these markets or competitive pressures requiring us to lower prices for our products could adversely impact our business growth in these markets and our results of operations. If acquired businesses are not successfully integrated into our operations, our financial condition and operating results could be adversely impacted. We have completed several business acquisitions and may continue to engage in acquisitions or similar activities, such as joint ventures and other business transactions. Our ability to grow through acquisitions will depend, in part, on the availability of suitable candidates at acceptable prices, terms, and conditions, our ability to compete effectively for acquisition candidates, and the availability of capital and personnel to complete such acquisitions and run the acquired business effectively. Such acquisitions, joint ventures and other business transactions involve potential risks, including: • the failure to successfully integrate personnel, departments and systems, including IT and accounting systems, technologies, books and records, and procedures; • the need for additional investments post- ~~acquisition~~ **closing** that could be greater than anticipated; • the assumption of liabilities of the acquired businesses that could be greater than anticipated; • incorrect estimates made in the accounting for acquisitions, incurrence of non- recurring charges, and write- off of significant amounts of goodwill or other assets that could adversely affect our operating results; • unforeseen difficulties related to entering geographic regions or industries in which we do not have prior experience; and • the potential loss of key employees or existing customers or adverse effects on existing business relationships with suppliers and customers. Integrating acquired operations is a significant challenge and there is no assurance that we will be able to manage the integrations successfully. Integrating operations in countries in which we previously did not have locations or experience operating ~~, such as the offices in Hong Kong and China we obtained in our acquisition of Furrion,~~ could present additional challenges. If we are unable to efficiently integrate these businesses, the attention of our management could be diverted from our existing operations and the ability of the management teams at these business units to meet operational and financial expectations could be adversely impacted, which could impair our ability to execute our business plans. Failure to successfully integrate acquired operations or to realize the expected benefits of such acquisitions **or other transactions** may have an adverse impact on our results of operations and financial condition. As we expand our business internationally, we are subject to new operational and financial risks. We have been gradually growing sales overseas and plan to continue pursuing international opportunities. Thirteen of our acquisitions since 2016 are headquartered in Europe or have international operations and customers, including our acquisition of Furrion that involves operations and locations in Hong Kong and China. Conducting business outside of the United States is subject to various risks, many of which are beyond our control, including: • adverse political and economic conditions; • trade protection measures, including tariffs, trade restrictions, trade agreements, and taxation; • difficulties in managing or overseeing foreign operations and agents; • differences in regulatory environments, including complex data privacy **, environmental, social and governance (" ESG"),** and labor relations laws, as well as differences in labor practices and market practices; • cultural and linguistic differences; • foreign currency fluctuations; • limitations on the repatriation of funds because of foreign exchange controls; • different liability standards; • potentially longer payment cycles; • different credit risks; • different technology risks; • ~~the uncertainty surrounding the implementation and effects of Brexit, as well as~~ political ~~and governmental leadership changes in the U. K. and certain E. U. countries; • political~~ , social **,** and economic instability and uncertainty, including sovereign debt issues; and • intellectual property laws of countries which do not protect our rights in our intellectual property to the same extent as the laws of the United States. The occurrence or consequences of any of these factors may have an adverse impact on our operating results and financial condition, as well as impact our ability to operate in international markets. The loss of key management could reduce our ability to execute our business strategy and could adversely affect our business and results of operations. We are dependent on the knowledge, experience, and skill of our leadership team. The loss of the services of one or more key managers or the failure to attract or retain qualified managerial, technical, sales and marketing, operations and customer service staff could impair our ability to conduct and manage our business and execute our business strategy, which would have an adverse effect on our business, financial condition and results of operations. **Further** ~~In October 2022~~ , **any**

~~Brian M. Hall, our Chief Financial Officer, notified us of his intention to resign to pursue philanthropic ventures and opportunities as well as to spend more time with his family. Although Mr. Hall intends to remain in his role at the Company until June 2023 or the appointment of his successor, if earlier, we may not be able to find a suitable replacement for Mr. Hall in that timeframe. In addition, in December 2022, Nick C. Fletcher, our Executive Vice President and Chief Human Resources Officer, notified us of his intention to retire, effective March 2023. Leadership~~ **leadership** transitions can be inherently difficult to manage, may result in operational inefficiencies, and impact our ability to retain and hire other key members of management. If our information technology systems fail to perform adequately or are breached, our operations could be disrupted, and it could adversely affect our business, reputation and results of operations. The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to effectively manage our business data, inventory, supply chain, order entry and fulfillment, manufacturing, distribution, warranty administration, invoicing, collection of payments **, remote work** , and other business processes. We use information systems to report and support the audit of our operational and financial results. Additionally, we rely upon information systems in our sales, marketing, human resources, and communication efforts. The failure of our information technology systems to perform as we anticipate could disrupt our business and could result in transaction errors, processing inefficiencies, and the loss of sales and customers, causing our business and results of operations to suffer. In addition, our information technology systems may be vulnerable to damage, interruption or unauthorized access from circumstances beyond our control, including fire, natural disasters, security breaches, telecommunications failures, computer viruses, hackers, phishing attempts, cyber- attacks, ransomware and other malware, payment fraud, and other manipulation or improper use of our systems. Any such events could result in legal claims or proceedings, liability or penalties under privacy laws, disruption in operations, and damage to our reputation, which could adversely affect our business. Further, we have been implementing a new enterprise resource planning (" ERP") system, the full implementation of which is expected to take several years; however, there may be other challenges and risks as we upgrade and standardize our ERP system on a company- wide basis. Cyber- attacks, such as those involving the deployment of malware, are increasing in frequency, sophistication, and intensity and have become increasingly difficult to detect. ~~We have an information security team that deploys the latest firewalls and constantly monitors and continually updates our security protections to mitigate these risks, but despite~~ **Despite** ~~these~~ **our** ongoing efforts **to manage cybersecurity risks** , we cannot assure you that they will be effective or will work as designed. If we fail to maintain or protect our information systems and data integrity effectively, we could: lose existing customers; have difficulty attracting new customers; suffer outages or disruptions in our operations or supply chains; have difficulty preventing, detecting, and controlling fraud; have disputes with customers and suppliers; have regulatory sanctions or penalties imposed; incur increased operating expenses; incur expenses or lose revenues as a result of a data privacy breach; or suffer other adverse consequences. Legal, Regulatory and Compliance Risks Our business is subject to numerous international, federal, state and local regulations, and increased costs of compliance, failure in our compliance efforts, or events beyond our control could result in damages, expenses, or liabilities that could adversely impact our financial condition and operating results. We are subject to numerous federal, state and local regulations governing the manufacture and sale of our products, including regulations and standards promulgated by the NHTSA of the DOT, the Consumer Products Safety Commission, HUD, and consumer safety standards promulgated by state regulatory agencies and industry associations. Sales and manufacturing operations in foreign countries may be subject to similar regulations. Any major recalls of our products, voluntary or involuntary, could adversely impact our reputation, net sales, financial condition and operating results. Changes in laws or regulations, including those related to climate change, ~~that~~ **which** impose additional regulatory requirements on us could increase our cost of doing business or restrict our actions, causing our results of operations to be adversely affected. Our failure to comply with present or future regulations and standards could result in fines, penalties, recalls, or injunctions being imposed on us, administrative penalties, potential civil and criminal liability, suspension of sales or production, or cessation of operations. Further, certain other U. S. and foreign laws and regulations affect our activities. Areas of our business affected by such laws and regulations include, but are not limited to, labor, advertising, consumer protection, quality of services, warranty, product liability, real estate, intellectual property, tax, import and export duties, tariffs, competition, environmental, and health and safety. We are also subject to compliance with the U. S. Foreign Corrupt Practices Act (" FCPA"), and other anti- corruption and anti- bribery laws applicable to our operations. Compliance with these laws and others may be onerous and costly, and may be inconsistent from jurisdiction to jurisdiction, which further complicates compliance efforts. Violations of these laws and regulations could lead to significant penalties, including restraints on our export or import privileges, monetary fines, criminal proceedings and regulatory or other actions that could adversely affect our results of operations. We cannot assure you that our employees, contractors, vendors or agents will not violate such laws and regulations, or our policies and procedures related to compliance. In addition, potentially significant expenditures could be required in order to comply with evolving healthcare, health and safety laws, regulations, or other pertinent requirements that may be adopted or imposed in the future by governmental authorities. Further, foreign, federal, state, and local regulatory and legislative bodies have proposed various legislative and regulatory measures relating to climate change, regulating greenhouse gas emissions, and energy policies. Such measures could impose significant costs on us and our suppliers and customers, including increased cost of materials and natural resources, sources and supply of energy, capital equipment, environmental monitoring and reporting, or other costs to comply with such regulations. Climate change regulation combined with public sentiment could result in reduced demand for products that use our components, higher fuel prices, or carbon taxes, all of which could materially adversely affect our business. Due to uncertainty in the regulatory and legislative processes, as well as the scope of such requirements and initiatives, we cannot currently determine the effect such legislation and regulation may have on our business, results of operations and financial condition. Our risk management policies and procedures may not be fully effective in achieving their purposes. Our policies, procedures, controls and oversight to monitor and manage our enterprise risks may not be fully effective in achieving their purpose and may leave exposure to identified or unidentified risks. Past or future misconduct by our employees, contractors, vendors, or agents could result in violations of law by us, regulatory sanctions and / or serious reputational harm or financial harm. We cannot assure you that our policies, procedures, and controls will be sufficient to prevent all forms of misconduct. We review our compensation policies and practices as part of our overall enterprise risk management program, but it is possible that our compensation policies could incentivize inappropriate risk taking or misconduct. If such inappropriate risks or misconduct occurs, it could have an adverse effect on our results of operations and / or our financial condition. Our operations are subject to certain environmental laws and regulations, and costs of compliance, investigation, or remediation of environmental conditions could have an adverse effect on our business and results of operations. Our operations are also subject to certain complex federal, state and local environmental laws and regulations relating to air, water, and noise pollution and the use, storage, discharge and disposal of hazardous materials used during the manufacturing processes. Under certain of these laws, namely the Comprehensive Environmental Response, Compensation, and Liability Act and its state counterparts, liability for investigation and remediation of hazardous substance contamination at currently or formerly owned or operated facilities or at third- party waste disposal sites is joint and several. Failure to comply with these regulations could cause us to become subject to fines and penalties or otherwise have an adverse impact on our business. One or more of our current or former operating sites, or adjacent sites owned by third- parties, have been affected, and may in the future be affected, by releases of hazardous materials. As a result, we may incur expenditures for future investigation and remediation, including in conjunction with voluntary remediation programs or third- party claims. If other potentially responsible persons are unable or otherwise not obligated to contribute to remediation costs, we could be held responsible for their portion of the remediation costs, and those costs could be material. The operation of our manufacturing facilities entails risks, and we cannot assure you that our costs in relation to these environmental matters or compliance with environmental laws in general will not have an adverse effect on our business and results of operations. We may not be able to protect our intellectual property and may be subject to infringement claims. We rely on certain trademarks, patents and other intellectual property rights, including contractual rights with third parties. Our success depends, in part, on our ability to protect our intellectual property against dilution, infringement, and competitive pressure by defending our intellectual property rights. We rely on intellectual property laws of the U. S., European Union, Canada, and other countries, as well as contractual and other legal rights, for the protection of our property rights. However, we cannot assure that these measures will be successful in any given instance, or that third parties will not infringe upon our intellectual property rights. We may be forced to take steps to protect our rights, including through litigation, which could result in a significant expenditure of funds and a diversion of resources. The inability to protect our intellectual property rights could result in competitors manufacturing and marketing similar products which could adversely affect our market share and results of operations. Competitors may challenge, invalidate, or avoid the application of our existing or future intellectual property rights that we receive or license. From time to time, we receive notices or claims that we may be infringing certain patent or other intellectual property rights of others. While it is not possible to predict the outcome of patent and other intellectual property litigation, such litigation could result in our payment of significant monetary damages and / or royalty payments, negatively impact our ability to sell current or future products, reduce the market value of our products and services, lower our profits, and could otherwise have an adverse effect on our business, financial condition or results of operations. From time to time, we also face claims of misappropriation by a third party that believes we or our employees have inappropriately obtained and used trade secrets or other confidential information of such third parties. Claims that we have misappropriated the trade secrets or other confidential information of third parties could result in our payment of significant monetary damages, and we could be prevented from further using such trade secrets or confidential information, limiting our ability to develop our products, any of which may have an adverse effect on our business, financial condition, results of operations, and prospects. If we fail to comply with data privacy and security laws and regulations, we could face substantial penalties and our business, operations, and financial condition could be adversely affected. We are subject to various data privacy and security laws and regulations. A number of U. S. states have enacted data privacy and security laws and regulations that govern the collection, use, disclosure, transfer, storage, disposal, and protection of personal information, such as social security numbers, financial information and other information. For example, several U. S. territories and all 50 states now have data breach laws that require timely notification to individuals, and at times regulators, the media or credit reporting agencies, if a company has experienced the unauthorized access or acquisition of personal information. Other state laws contain additional disclosure obligations for businesses that collect personal information about residents and afford those individuals additional rights relating to their personal information that may affect our ability to use personal information or share it with our business partners. For example, California has laws that give California residents certain privacy rights in the collection and disclosure of their personal information and requires businesses to make certain disclosures and take certain other acts in furtherance of those rights, and has recently created a new agency, the California Privacy Protection Agency, authorized to implement and enforce California' s privacy laws, which could result in increased privacy and information security regulatory actions. Other U. S. states ~~, such as Virginia, Utah, Connecticut, and Colorado,~~ have passed **, or have proposed,** consumer privacy laws ~~that become effective in 2023~~ . We will continue to monitor and assess the impact of these state laws, which may impose substantial penalties for violations, impose significant costs for investigations and compliance, allow private class- action litigation and carry significant potential liability for our business. Outside of the U. S., data protection laws also apply to some of our operations. For example, the General Data Protection Regulation (the " GDPR ") in the United Kingdom (" U. K. ") and the European Union (" E. U. ") imposes, among other things, strict obligations and restrictions on the collection and use of U. K. and E. U. personal data, a requirement for prompt notice of data breaches in certain circumstances, a requirement for implementation of certain approved safeguards for transfers of personal data to third countries, and possible substantial fines for any violations. Governmental authorities around the world have enacted similar types of legislative and regulatory requirements concerning data protection, and additional governments are considering similar legal frameworks. The interpretation and enforcement of the laws and regulations described above are uncertain and subject to change and may require substantial costs to monitor and implement compliance with those or any additional requirements. Failure to comply with U. S. and international data protection laws and regulations could result in government enforcement actions (which could include substantial civil and / or criminal penalties), private litigation and / or adverse publicity and could negatively affect our operating results and business. Additionally, because we accept debit and credit cards for payment, we are subject to the Payment Card Industry Data Security Standard (the" PCI Standard"), issued by the Payment Card Industry Security Standards Council. The PCI Standard contains compliance guidelines with regard to our security surrounding the physical and electronic storage, processing, and transmission of cardholder data. Complying with the PCI Standard and implementing related procedures, technology, and information security measures requires significant resources and ongoing attention. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology such as those necessary to maintain compliance with the PCI Standard or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our payment- related systems could have an adverse effect on our business, financial condition and results of operations. We could incur warranty claims in excess of reserves. We receive warranty claims from our customers in the ordinary course of our business. Although we maintain reserves for such claims, which to date have been adequate, there can be no assurance that warranty expense levels will remain at current levels or that such reserves will continue to be adequate. A significant increase in warranty claims exceeding our current warranty expense levels could have an adverse effect on our results of operations and financial condition. In addition to the costs associated with the contractual warranty coverage provided on our products, we also occasionally incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Although we estimate and reserve for the cost of these service actions, there can be no assurance that expense levels will remain at current levels, or such reserves will continue to be adequate. We may be subject to product liability claims if people or property are harmed by the products we sell. Some of the products we sell may expose us to product liability claims relating to personal injury, death, or property damage, and may require product recalls or other actions. Although we maintain liability and product recall insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. In addition, even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding a product recall or any assertion that our products caused property damage or personal injury could damage our brand identity and our reputation with existing and potential consumers and have an adverse effect on our business, financial condition and results of operations. Financial, Credit and Liquidity Risks We could incur asset impairment charges for goodwill, intangible assets, or other long- lived assets. A portion of our total assets as of December 31, ~~2022~~ **2023** was comprised of goodwill, intangible assets, and other long- lived assets. At least annually, we review goodwill and indefinite- lived intangibles for impairment. Long- lived assets, identifiable intangible assets, and goodwill are also reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable from future cash flows. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of the business, or other factors. If the carrying value of a long- lived asset is considered impaired, an impairment charge is recorded for the amount by which the carrying value of the long- lived asset exceeds its fair value. Our determination of future cash flows, future recoverability, and fair value of our long- lived assets includes significant estimates and assumptions. Changes in those estimates or assumptions or lower than anticipated future financial performance may result in the identification of an impaired asset and a non- cash impairment charge, which could be material. Any such charge could adversely affect our operating results and financial condition. We may become more leveraged. Financing for our investments has been provided through a combination of currently available cash and cash equivalents, term loans, our 1. 125 percent convertible senior notes due 2026 (the" Convertible Notes"), and use of our revolving credit facility. The incurrence of indebtedness may cause us to become more leveraged, which could (1) require us to dedicate a greater portion of our cash flow to the payment of debt service, (2) make us more vulnerable to a downturn in the economy, (3) limit our ability to obtain additional financing, or (4) negatively affect our outlook by one or more of our lenders. Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Convertible Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, curtailing spend, restructuring debt, or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. We are subject to covenants in our debt agreements that may restrict or limit our operations and acquisitions and our failure to comply with the covenants in our debt agreements could have an adverse material impact on our business, results of operations and financial condition. Our debt agreements contain various covenants, restrictions, and events of default. Among other things, these provisions require us to maintain certain financial ratios, including a maximum net leverage ratio and a minimum debt service coverage ratio, and impose certain limits on our ability to incur indebtedness, create liens, and make investments or acquisitions. Breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness, which may permit the lenders under these debt agreements to exercise remedies. These defaults could have an adverse material impact on our business, results of operations and financial condition. An increase in interest rates ~~, or a phase- out or replacement of LIBOR with a benchmark rate that is higher or more volatile than LIBOR,~~ could increase our cost of borrowing and could adversely impact our financial condition, results of operations and cash flows. Our financial condition, results of operations and cash flows could be significantly affected by changes in interest rates and actions taken by the Federal Reserve ~~or changes in the~~

~~London Interbank Offered Rate (" LIBOR") or its replacement. Future increases in market interest rates would increase our interest expense~~ . Borrowings under our ~~Credit~~ **credit** ~~Agreement~~ **agreement** currently bear interest at variable rates based on either an Alternate Base Rate or ~~an Adjusted LIBOR~~ **at term Secured Overnight Financing Rate (" SOFR")** plus, in each case, an applicable margin. **Any** ~~On March 5, 2021, the U. K. Financial Conduct Authority (the" FCA") announced that, (a) immediately after December 31, 2021, publication of all seven euro LIBOR settings, the overnight, 1- week, 2- month and 12- month Pound Sterling LIBOR settings and the 1- week and 2- month US dollar LIBOR settings would permanently cease and (b) immediately after June 30, 2023, publication of the overnight, 12- month US dollar LIBOR settings and the 1- month, 3- month and 6- month US Dollar LIBOR settings will cease to be provided or, subject to the FCA' s consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. While our Credit Agreement provides a hardwired mechanism for determining an alternative rate of interest when LIBOR is no longer available, any such alternative, successor, or replacement rate may not be similar to, or produce the same value or economic equivalence of, LIBOR or have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability, which may increase our overall interest expense, and we may determine that it would be advantageous to pursue an amendment to our Credit Agreement to further adjust the alternative rate of interest to be consistent with current market practice. We will continue to monitor the situation and address the potential reference rate changes in future debt obligations that we may incur, but the potential effect of the phase- out or replacement of LIBOR on our cost of capital cannot yet be determined and any~~ increase in the interest we pay and a corresponding increase in our costs of capital ~~or otherwise~~ could have a material adverse impact on our financial condition, results of operations or cash flows. Although we currently pay regular quarterly dividends on our common stock, we cannot assure you that we will continue to pay a regular quarterly dividend. In March 2016, our Board of Directors approved the commencement of a dividend program under which we have paid regular quarterly cash dividends to holders of our common stock. Our ability to pay dividends, and our Board of Directors' determination to maintain our current dividend policy, will depend on a number of factors, including: • the state of our business, competition, and changes in our industry; • changes in the factors, assumptions, and other considerations made by our Board of Directors in reviewing and revising our dividend policy; • our future results of operations, financial condition, liquidity needs, and capital resources; • limitations in our debt agreements; and • our various expected cash needs, including cash interest and principal payments on our indebtedness, capital expenditures, the purchase price of acquisitions, and taxes. Each of the factors listed above could negatively affect our ability to pay dividends in accordance with our dividend policy or at all. In addition, our Board of Directors may elect to suspend or alter the current dividend policy at any time. Conversion of the Convertible Notes may dilute the ownership interest of our stockholders or may otherwise depress the price of our common stock. The conversion of some or all of the Convertible Notes may dilute the ownership interests of our stockholders. Upon conversion of the Convertible Notes, we have the option to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted. If we elect to settle the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted in shares of our common stock or a combination of cash and shares of our common stock, any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the Convertible Notes could be used to satisfy short positions, or anticipated conversion of the Convertible Notes into shares of our common stock could depress the price of our common stock. The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of the Convertible Notes is triggered, holders will be entitled to convert their Convertible Notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, we would be required to settle any converted principal amount of such Convertible Notes through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. Certain provisions in the Indenture governing the Convertible Notes may delay or prevent an otherwise beneficial takeover attempt of us. Certain provisions in the Indenture may make it more difficult or expensive for a third party to acquire us. For example, the Indenture will require us, subject to certain exceptions, to repurchase the Convertible Notes for cash upon the occurrence of a fundamental change and, in certain circumstances, to increase the conversion rate for a holder that converts its Convertible Notes in connection with a make- whole fundamental change. A takeover of us may trigger the requirement that we repurchase the Convertible Notes and / or increase the conversion rate, which could make it more costly for a potential acquirer to engage in such a takeover. Such additional costs may have the effect of delaying or preventing a takeover of us that would otherwise be beneficial to investors. We cannot guarantee that our stock repurchase program will be fully consummated or that it will enhance long- term stockholder value, and share repurchases could increase the volatility of our stock price and will diminish our cash reserves. Although our board of directors has authorized a stock repurchase program, the program does not require us to repurchase any specific dollar amount or to acquire any specific number of shares. We cannot guarantee that the program will be fully consummated or that it will enhance long- term stockholder value. The program could also affect the trading price of our stock and increase volatility, and any announcement of a termination or change of this program may result in a decrease in the trading price of our stock. In addition, ~~any~~ purchases made under this program ~~would~~ diminish our cash reserves. Our stock price may be volatile. The price of our common stock may fluctuate widely, depending upon a number of factors, many of which are beyond our control. These factors include: • the perceived prospects of our business and our industries as a whole; • differences between our actual financial and operating results and those expected by investors and analysts; • changes in analysts' recommendations or projections; • changes affecting the availability of financing in the wholesale and consumer lending markets; • actions or announcements by competitors; • changes in laws and regulations affecting our business; • the gain or loss of significant customers; • significant sales of shares by a principal stockholder; • activity under our stock repurchase program; • changes in key personnel; • actions taken by stockholders that may be contrary to our Board of Directors' recommendations; and • changes in general economic or market conditions. In addition, stock markets generally experience significant price and volume volatility from time to time, which may adversely affect the market price of our common stock for reasons unrelated to our performance.