

Risk Factors Comparison 2025-02-11 to 2024-02-13 Form: 10-K

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The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. We believe these are the principal material risks currently facing our business; however, additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the following risks or those disclosed in our other SEC filings occurs, our business, financial condition or results of operations could be materially adversely affected. Business and Operational Risks We May Not be Able to Compete Favorably in the Competitive HVACR Business. Substantially all of the markets in which we operate are competitive. The most significant competitive factors we face are product availability, product reliability, energy efficiency, product performance, service, and price, with the relative importance of these factors varying among our product lines. Other factors that affect competition in the HVACR market include the development and application of new technologies, reputation of our company and brands, global supply chain constraints, and new product introductions. We may not be able to adapt to market changes as quickly or effectively as our current and future competitors. Also, the establishment of manufacturing operations in low-cost countries could provide cost advantages to existing and emerging competitors. Some of our competitors may have greater financial resources than we have, allowing them to invest in more extensive research and development and / or marketing activity and making them better able to withstand adverse HVACR market conditions. Current and future competitive pressures may cause us to reduce our prices or lose market share, or could negatively affect our cash flow, all of which could have a material adverse effect on our results of operations. **Negative media reports about us or our businesses, whether accurate or inaccurate, could damage our reputation and relationships with our customers and suppliers, cause customers and suppliers to terminate their relationship with us, or impair our ability to effectively compete, which could adversely affect our business, financial condition, results of operations and cash flows.** If We Cannot Successfully Develop and Market New Products or Execute ~~our~~ **Our** Business Strategy, Our Results of Operations Could be Adversely Impacted. Our future success depends on our continued investment in research and new product development as well as our ability to commercialize new HVACR technological advances in domestic and global markets. If we are unable to continue to timely and successfully develop and market new products, achieve technological advances, or extend our business model and technological advances into international markets, our business and results of operations could be adversely impacted. We are engaged in various manufacturing rationalization actions designed to achieve our strategic priorities of manufacturing, sourcing, and distribution excellence and of lowering our cost structure. For example, we are continuing to reorganize our North American distribution network in order to better serve our customers' needs by deploying parts and equipment inventory closer to them. In such case, our results of operations and profitability may be negatively impacted, making us less competitive and potentially causing us to lose market share. Our Ability to Meet Customer Demand **and Maintain Profitability** may be Limited by Our Single- Location Production Facilities, Reliance on Certain Key Suppliers, **and Unanticipated Significant Shifts in Customer Demand.** We manufacture many of our products at single- location production facilities. In certain instances, we heavily rely on suppliers who also may concentrate production in single locations or source unique, necessary products from only one supplier. **Any As a result, any significant interruptions in production at one or more of our facilities, or at a facility of one of our key suppliers, any failure to maintain favorable relationships with our suppliers, or any termination of a key supplier relationship,** could negatively impact our **profitability and** ability to deliver our products to our customers, ~~especially as we continue to experience disruptions in supply~~. Further, even with all of our facilities running at full production, we could potentially be unable to fully meet demand during an unanticipated period of exceptionally high demand. This inability to fully meet demand would be exacerbated if a single- location production facility is disrupted due to a climate- related disaster, pandemic, geopolitical political instability, or war, among other things. Our inability to meet our customers' demand for our products could have a material adverse effect on our business, financial condition, and results of operations. **Conversely, reduced demand for our products and services could unfavorably impact our absorption of fixed costs. Any of these results could materially and adversely affect our business, financial condition, results of operations and cash flows.** Our Results of Operations May Suffer if We Cannot Continue to License or Enforce the Intellectual Property Rights on Which Our Businesses Depend or if Third Parties Assert That We Violate Their Intellectual Property Rights. We rely upon patent, copyright, trademark and trade secret laws and agreements to establish and maintain intellectual property rights in the products we sell. Our intellectual property rights could be challenged, invalidated, infringed, circumvented, or be insufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Third parties may also claim that we are infringing upon their intellectual property rights. If we do not license infringed intellectual property or if we are required to substitute similar technology from another source, our operations could be adversely affected. Even if we believe that intellectual property claims are without merit, they can be time consuming, require significant resources and be costly to defend. Claims of intellectual property infringement also might require us to redesign affected products, pay costly damage awards, or face ~~injunction~~ **injunctions** prohibiting us from manufacturing, importing, marketing, or selling certain of our products. Even if we have agreements to indemnify us, indemnifying parties may be unable or unwilling to do so. Our Operations Can Be Adversely Affected By Our Ability to Attract, Motivate, Develop, and Retain Our Employees, Labor Shortages and Work Stoppages, Turnover, Labor Cost Increases and Other Labor Relations Problems. We are committed to attracting, motivating, developing, and retaining our employees to remain an employer of choice. Despite our efforts, we have experienced, and could continue to

experience, higher employee turnover, particularly in our manufacturing and distribution locations. A number of factors may adversely affect the labor force available or increase labor costs, including high employment levels and related competition. In addition, as of December 31, 2023-2024, approximately 29-32% of our core workforce locations (excluding employees related to the European businesses), were unionized. Our Marshalltown, Iowa- based union ratified a five- year labor agreement on November 1, 2021; however, the results of future negotiations with unions are uncertain. If we are unsuccessful in meeting these challenges, our results of operations results could be materially impacted . **Artificial Intelligence Technologies Could Present Business, Compliance, and Reputational Risks. Recent technological advances in artificial intelligence (“ AI ”) and machine- learning technology both present opportunities and pose risks to us. If we fail to keep pace with rapidly evolving technological developments in AI, our competitive position and business results may suffer. We face risk of competitive disadvantage if our competitors more effectively use AI to better serve customers, drive internal efficiencies, and / or create new or enhanced products or services. The introduction of these technologies, particularly generative AI, into internal processes, customer engagements, and / or new and existing product offerings may result in new or expanded risks and liabilities, including due to enhanced governmental or regulatory scrutiny, litigation, compliance issues, ethical concerns, confidentiality or security risks, as well as other factors that could adversely affect our business, reputation, and financial results. In addition, our personnel could, unbeknownst to us, improperly utilize AI and machine learning- technology while carrying out their responsibilities. The use of AI in the development of our products and services could also cause loss of intellectual property, as well as subject us to risks related to intellectual property infringement or misappropriation, data privacy and cybersecurity. The use of artificial intelligence can lead to unintended consequences, including generating content that appears correct but is factually inaccurate, misleading or otherwise flawed, or that results in unintended biases and discriminatory outcomes, which could harm our reputation and business and expose us to risks related to inaccuracies or errors in the output of such technologies .** Industry Risks

Our Financial Performance Is Affected by the Conditions and Performance of the U. S. Construction Industry. Our business is affected by the performance of the U. S. construction industry. Our sales in the residential and commercial new construction markets correlate to the number of new homes and buildings that are built, which in turn is influenced by cyclical factors such as interest rates, inflation, availability of financing, consumer spending habits and confidence, employment rates and other macroeconomic factors over which we have no control. Our sales may not improve, or improvement may be limited or lower than expected. Cooler than Normal Summers and Warmer than Normal Winters May Depress Our Sales. Demand for our products and services is seasonal and strongly affected by the weather. Cooler than normal summers depress our sales of replacement air conditioning and refrigeration products and services. Similarly, warmer than normal winters have the same effect on our heating products and services. ~~The effects~~ **Extreme weather events, conditions, and water scarcity, as a result of climate change or other factors** , such as ~~extreme weather conditions and events and water scarcity~~ , may exacerbate fluctuations in typical weather patterns, creating financial risks to our business. Price Volatility for Commodities and Components We Purchase or Significant Supply Interruptions Could Have an Adverse Effect on Our Cash Flow or Results of Operations. We depend on raw materials, such as steel, copper and aluminum, and components purchased from third parties to manufacture our products. Some of these third- party suppliers are located outside of the United States. We generally concentrate purchases for a given raw material or component with a small number of suppliers. If a supplier is unable or unwilling to meet our supply requirements, including suffering any disruptions at its facilities or in its supply chain, we could experience supply interruptions or cost increases, either of which could have an adverse effect on our results of operations. For example, disruptions have occurred due to **supplier capacity constraints, labor shortages, port congestion, logistical problems**, the COVID- 19 pandemic, ~~supplier capacity constraints, labor shortages, port congestion, logistical problems~~ and other issues. Some of these disruptions have resulted in supply chain constraints affecting our business including our ability to timely produce and ship our products. Similarly, suppliers of components that we purchase for use in our products may be affected by rising material costs and inflation and pass these increased costs on to us. Although we regularly pre- purchase a portion of our raw materials at fixed prices each year to hedge against price increases, an increase in raw materials prices not covered by our fixed price arrangements could significantly increase our cost of goods sold and negatively impact our margins if we are unable to effectively pass such price increases on to our customers. Alternatively, if we increase our prices in response to increases in the prices or quantities of raw materials or components or if we encounter significant supply interruptions, our competitive position could be adversely affected, which may result in depressed sales and profitability. Additionally, the effects of ~~climate change, including~~ extreme weather events **and natural disasters** , long- term changes in temperature levels, water availability, increased cost for decarbonizing process heating, supply costs impacted by increasing energy costs, or energy costs impacted by carbon prices or offsets , **as a result of climate change or other factors**, may exacerbate supply chain constraints and disruption. Resulting supply chain constraints have required, and may continue to require, in certain instances, alternative delivery arrangements and increased costs and could have a material adverse effect on our business and operations. In addition, we use derivatives to hedge price risk associated with forecasted purchases of certain raw materials. Our hedged prices could result in paying higher or lower prices for commodities as compared to the market prices for those commodities when purchased. ~~liability defense could have a material adverse effect on our financial condition and results of operations.~~ In addition, **for warranty claims are not covered by our product liability insurance and certain product liability claims may also not be covered by our product liability insurance.** Our product warranty liability was \$ 142.8 million as of December 31, 2023. For some of our HVACR products, we provide warranty terms ranging from one to 20 years to customers for certain components such as compressors or heat exchangers. ~~Warranty claims are not covered by our product liability insurance and certain product liability claims may also not be covered by our product liability insurance.~~ For certain limited products, we provided lifetime warranties. Warranties of such extended lengths pose a risk to us as actual future costs may exceed our current estimates of those costs. Warranty expense is recorded on the date that revenue is recognized and requires significant

assumptions about what costs will be incurred in the future. We may be required to record material adjustments to accruals and expense in the future if actual costs for these warranties are different from our assumptions. Legal, Tax, and Regulatory Risks Changes in Environmental and Climate- Related Legislation, Government Regulations, or Policies Could Have an Adverse Effect on Our Results of Operations. The sales, gross margins, and profitability for each of our segments could be directly impacted by changes in legislation, government regulations, or policies (collectively, “LRPs”) relating to global climate change and other environmental initiatives and concerns. These LRPs, implemented under global, national, and sub- national climate objectives or policies, can include changes in environmental and energy efficiency standards and tend to target the global warming potential of refrigerants and hydrofluorocarbons, equipment energy efficiency, and combustion of fossil fuels as a heating source. Many of our products consume energy and use refrigerants and hydrofluorocarbons. LRPs that seek to reduce greenhouse gas emissions may require us to make increased capital expenditures to develop or market new products to meet new LRPs. Further, our customers and the markets we serve may impose emissions or other environmental standards through LRPs or consumer preferences that may require additional time, capital investment, or technological advancement. Our inability or delay in developing or marketing products that match customer demand while also meeting applicable LRPs may negatively impact our results. There continues to be a lack of consistent climate legislation and regulations, which creates economic and regulatory uncertainty. Such regulatory uncertainty could adversely impact the demand for energy efficient buildings and could increase costs of compliance. Additionally, the extensive and frequently ever-changing legislation and regulations could impose increased liability for remediation costs and civil or criminal penalties in cases of non- compliance. Because these laws are subject to frequent change, we are unable to predict the future costs resulting from environmental compliance. Likewise, a failure to comply with any current or future sustainability- related reporting requirements, as established by U. S. and international regulators, may result in loss of business, regulatory penalties, litigation, and / or reputational damage. Further, due to the increasing focus on climate change, we may face adverse reputational risks due to our products and manufacturing operations consuming energy or using refrigerants and hydrofluorocarbons. Stakeholders if we are unable to satisfy the increasing increasingly scrutinizing environmental, social, and governance (“ESG”) practices, and stakeholders’ expectations regarding ESG practices are diverse and rapidly changing. If we are unable to satisfy the increasing ESG - related expectations of certain stakeholders, particularly as it relates to climate change, we may suffer reputational harm, which may cause our stock price to decrease or cause certain investors and financial institutions not to purchase our securities or provide us with capital or credit on favorable terms, which may cause our cost of capital to increase. In addition, we our reputation and customer relationships may not be damaged able to achieve our goals related to our ESG initiatives, which are and will continue to be impacted by many variables, such as a result tight labor market, challenging economic environment, changes to our operations, and changes to our portfolio of practices businesses via acquisitions or divestitures. Moreover, we may determine that could be associated with ESG, including as it relates is in our best interest, and in the best interest of our shareholders, to climate- related disclosures prioritize other business, social, governance, or sustainable investments over the achievement of our current ESG initiatives. A failure or perceived failure by us in this regard may damage our reputation and adversely affect our results of operations and financial position. Changes in Tax Legislation Laws and Interpretations Could Adversely Impact our Future Profitability Effective Tax Rates and Financial Results. We are subject to income taxes in the United States and many as well as certain foreign jurisdictions. Tax laws and regulations are continuously evolving with corporate tax reform, base- erosion efforts, global minimum tax, and increased transparency continuing to be high priorities in many tax jurisdictions in which we operate. We continue to monitor new tax legislation or other developments since significant changes in tax legislation, or in the interpretation of existing legislation, could materially and adversely affect our financial condition and operating results of operations. Certain countries in which we have operations have implemented, or are in the process of implementing, legislation or practices inspired by the base erosion and profit shifting project undertaken by the Organization for Economic Co- operation and Development (“OECD”). In December 2021, the OECD issued its guidance on the Global Anti- Base Erosion (“GloBE”) rules with the purpose of ensuring multinational companies pay a minimum level tax on the income generated in each of the jurisdictions where they operate (“Pillar Two”). In December 2022, the European Council attained a consensus on Pillar Two to implement a global minimum corporate tax rate of 15 %, and many European Union and G20 countries have specified their plan to adhere to the OECD guidelines starting in 2024. Our effective tax rate for 2024 incorporates our estimated Pillar Two tax liability. We are continuing to evaluate the potential impact on future periods of the Pillar Two framework, pending legislative adoption by individual countries, as such changes could result in an increase in our effective tax rate. Further, the increased scrutiny on of international tax arrangements and continuous changes to countries’ tax legislation may also affect the policies and decisions of tax authorities with respect to certain income tax and transfer pricing positions taken by the Company in prior or future periods. We are regularly subject Resulting changes in tax reserves due to challenges audits by tax authorities to, and such audits could result in changes in our tax reserves for our historic or future tax positions and transfer pricing policies, which could also significantly impact our future effective tax rate rates and financial results. For more information, see Note 12 in the Notes to our Consolidated Financial Statements. Changes in U. S. Trade Policy, Including the Imposition of Tariffs and the Resulting Consequences, Could Have an Adverse Effect on Our Results of Operations. The U. S. government has made changes in U. S. trade policy over the past several years. These changes include renegotiating and terminating certain existing bilateral or multi- lateral trade agreements, such as the U. S.- Mexico- Canada Agreement, and initiating tariffs on certain foreign goods from a variety of countries and regions. In addition, most notably China the new presidential administration has articulated that it may impose substantial new or increased tariffs on foreign imports into the U. S., particularly from Canada and Mexico. These changes in U. S. trade policy have historically resulted in, and may continue to result in, one or more foreign governments adopting responsive trade policies that make it more difficult or costly for us to do business in or import or export our products or components from those countries. The sales, gross margins, and profitability for each of our segments could be directly impacted by changes in tariffs

and trade agreements. We cannot predict the extent to which the U. S. or other countries will impose new or additional quotas, duties, tariffs, taxes or other similar restrictions upon the import or export of our products in the future, nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business. The continuing adoption or expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact demand for our products, our costs, our customers, our suppliers, and the U. S. economy, which in turn could have a material adverse effect on our business, ~~operating results~~ **of operations**, and financial condition. **Our Reputation, Ability to Do Business, and Results of Operations Could be Impaired By Improper Conduct By Any of Our Employees, Agents, or Business Partners.** We May Incur Substantial Costs as ~~are subject to regulation~~ **under a Result wide variety of Claims Which Could Have U. S. federal and Adverse Effect state and on non - U** Our Results of Operations. The development ~~S. laws~~ **regulations** manufacture, sale and ~~policies (including those related to tariffs~~ **use of our products involve warranty, intellectual property infringement, and trade barriers product liability claims, investments, taxation, exchange controls, employment regulations, anti- bribery, export and import compliance, anti- trust and money laundering).** In particular, the U. S. Foreign Corrupt Practices Act and similar ~~anti-bribery laws in~~ **other liabilities jurisdictions generally prohibit companies and risks their intermediaries from making improper payments to government officials** for the ~~purpose~~ **installation and service of obtaining our- or products.** Our ~~product liability insurance policies retaining business, and we operate in many parts of the world that have limits that~~ **experienced government corruption to some degree. We cannot provide assurance our internal controls will always protect us from** ~~if exceeded or identify any~~ **may result improper conduct of our employees, agents and business partners. Any such violation of law or improper actions could subject us to civil or criminal investigations in the U. S. and other jurisdictions, could lead to** ~~substantial~~ **civil or criminal, monetary and non- monetary penalties and related shareholder lawsuits, could lead to increased** ~~costs that of compliance, and could have damage our reputation, our business an and adverse effect on our~~ **results of operations** . In addition, ~~warranty claims are..... these warranties are different from our assumptions~~ . We are Subject to Claims, Lawsuits, and Other Litigation That Could Have an Adverse Effect on Our Results of Operations. ~~We~~ **In addition to product liability and warranty claims as described above, we** are involved in various claims and lawsuits incidental to our business, including those involving ~~product liability intellectual property infringement~~ , labor relations, alleged exposure to asbestos- containing materials , and environmental matters, some of which claim significant damages. Estimates related to our claims and lawsuits, including estimates for asbestos- related claims and related insurance recoveries, involve numerous uncertainties. Given the inherent uncertainty of litigation and estimates, we cannot be certain that existing claims or litigation or any future adverse legal developments will not have a material adverse impact on our financial condition. General Risk Factors Global General Business, Economic and Market Conditions Could Adversely Affect Our Financial Performance and Limit Our Access to the Capital Markets. The Company' s business may be materially and adversely impacted by changes in U. S. or global economic conditions, including recessions, economic downturns, inflation, deflation, interest rates, consumer spending rates, energy availability and commodity prices, and the effects of governmental initiatives to manage economic conditions. Disruptions in U. S. or global financial and credit markets or increases in the costs of capital may also have an adverse impact on our business. The tightening, unavailability or increased cost of credit adversely affects the ability of our customers to obtain financing for significant purchases and operations, resulting in a decrease in sales of our products and services and may impact the ability of our customers to make payments to us. Similarly, tightening of available credit may adversely affect our supplier base and increase the potential for one or more of our suppliers to experience financial distress or bankruptcy. Our business may also be adversely affected by future decreases in the general level of economic activity and increases in borrowing costs, which may cause our customers to cancel, decrease or delay their purchases of our products and services. If financial markets were to deteriorate, or costs of capital were to increase significantly due to a lowering of our credit ratings, prevailing industry conditions, the volatility of the capital markets or other factors, we may be unable to obtain new financing on acceptable terms, or at all. A deterioration in our financial performance could also limit our future ability to access amounts currently available under our Credit Agreement or to issue notes pursuant to our Commercial Paper Program, as more fully described below. We cannot predict the likelihood, duration, or severity of any future disruption in financial markets or any adverse economic conditions in the U. S. and other countries. Extraordinary Events Beyond our Control, Including Conflicts, Wars, Natural Disasters, Public Health Crises, or Terrorist Acts, Could Negatively Impact our Business, Which May Affect our Financial Condition, Results of Operations or Cash Flows. Conflicts, wars, natural disasters (the nature and severity of which may be impacted by climate change), public health crises (~~e. g., COVID-19~~), or terrorist acts may cause significant damage or disruption to our operations, employees, facilities, systems, suppliers, supply chain, distributors, resellers, or customers in the United States and internationally for extended periods of time and could also affect demand for our products. The extent to which any extraordinary event impacts us depends on numerous factors and future developments that we are not able to predict, including the duration and scope of the event; governmental, business, and individuals' actions in response to the event; our ability to maintain sufficient qualified personnel; global supply chain disruptions caused by the event; and the impact on economic activity, including financial market instability. Our International Operations Subject Us to Risks ~~Including Related to Foreign Currency Currencies~~ **Fluctuations , Regulations** and Other Risks. We earn revenue, pay expenses, own assets, and incur liabilities in countries using currencies other than the U. S. dollar including the Canadian dollar, the Mexican peso, and the Euro. Our Consolidated Financial Statements are presented in U. S. dollars and we translate revenue, income, expenses, assets, and liabilities into U. S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U. S. dollar relative to other currencies may affect our net operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. Because of the geographic diversity of our operations, weaknesses in some currencies might be offset by strengths in others over time. However, we cannot assure that fluctuations in foreign currency exchange rates, particularly the strengthening of the U. S.

dollar against major currencies, would not materially affect our financial results. In addition to the currency exchange risks inherent in operating in foreign countries, our international sales ~~and operations, including purchases of raw materials from international suppliers, are subject to risks associated with local government laws, regulations, and policies (including those related to tariffs and trade barriers, investments, taxation, exchange controls, employment regulations and changes in laws and regulations).~~ Our international sales and operations are also sensitive to changes in foreign national priorities, including government budgets, as well as to geopolitical and economic instability. **Net sales outside of the United States comprised approximately 6 % of our total net sales in 2024.** International transactions may involve increased financial and legal risks due to differing legal systems and customs in foreign countries, ~~as well as compliance with anti-corruption laws such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act.~~ The ability to manage these risks could be difficult and may limit our operations and make the manufacture and sale of our products internationally more difficult, which could negatively affect our business and results of operations. ~~Net sales outside of the United States comprised approximately 11 % of our total net sales in 2023. In the fourth quarter of 2023, we successfully completed the divestiture of our European~~ operations. Cyber Attacks and Other Disruptions or Misuse of Information Systems We Rely Upon Could Affect Our Ability to Conduct Our Business Effectively. Our information systems and those of our business partners are important to our business activities. We also outsource various information systems, including data management, to third- party service providers. Despite our security measures as well as those of our business partners and third- party service providers, the information systems we rely upon may be vulnerable to interruption or damage from cyber attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination thereof. Attempts have been made to attack our information systems, but we do not believe that material harm has resulted. While we have implemented controls and taken other preventative actions to strengthen these systems against future attacks, we can give no assurance that these controls and preventative actions will be effective. Any breach of data security could result in a disruption of our services or improper disclosure of personal data or confidential information, which could harm our reputation, require us to expend resources to remedy such a security breach or defend against further attacks or subject us to liability under laws that protect personal data, resulting in increased operating costs or loss of revenue. We May Not Be Able to Successfully Integrate and Operate Businesses that We May Acquire nor Realize the Anticipated Benefits of Strategic Relationships We May Form. From time to time, we may seek to complement or expand our businesses through strategic acquisitions, joint ventures, and strategic relationships. The success of these transactions will depend, in part, on our ability to timely identify those relationships, negotiate and close the transactions and then integrate, manage, and operate those businesses profitably. If we are unable to successfully do those things, we may not realize the anticipated benefits associated with such transactions, which could adversely affect our business and results of operations. ~~Any Future Determination that a Significant Impairment of the Value of Our Goodwill Intangible Asset Occurred Could Have an Adverse Effect on Our Results of Operations. As of December 31, 2023, we had goodwill of \$ 222. 1 million on our Consolidated Balance Sheet. Any future determination that an impairment of the value of goodwill occurred would require a write- down of the impaired portion of goodwill to fair value and would reduce our assets and stockholders' equity and could have a material adverse effect on our results of operations.~~