Risk Factors Comparison 2024-02-28 to 2023-02-22 Form: 10-K

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You should read the following risk factors carefully in connection with evaluating our business and the forward- looking information contained in this Annual Report on Form 10- K. We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could affect our operations. The risks described below highlight some of the factors that have affected, and in the future could affect, our operations. Although the risks are organized by heading, and each risk is described separately, many of the risks are interrelated. Additional risks we do not yet know of, or that we currently think are immaterial, may also affect our operations. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition, results of operations and cash flows could be affected and our stock price could decline. Industry & Market Risks Our operating results may vary significantly from period to period. Our business can be highly cyclical and subject to seasonal and other variations that can result in significant differences in operating results from period to period. Additionally, our results may be materially and adversely affected by: • the timing and volume of work under contract; • increased competition and changes in the competitive marketplace for our services; • the spending patterns of customers and governments; • safety performance and reputation; • increased costs of performance of our services caused by adverse weather conditions; • cost overruns on fixed- price and unit- price contracts; • decreased equipment utilization; • delays on projects due to permitting, regulatory issues or customer- caused delays; • disputes with customers relating to payment terms under our contracts and change orders, and our ability to successfully negotiate and obtain payment or reimbursement under our contracts and change orders; • variations in the margins of projects performed during any particular reporting period; • changes in the demand for our services; • schedule delays, equipment and materials availability and increasing insurance, equipment, labor and material costs related to supply chain disruptions, inflationary pressures, recessionary conditions, tariffs, regulatory slowdowns and market disruptions; • the timing and integration of acquisitions and the magnitude of the related acquisition and integration costs; • the loss of a major customer; • changes in the mix of our customers, contracts and business; • the amount of subcontractor and material costs in our projects; • payment risk associated with the financial condition of our customers; • increases in design, construction and operating costs, due to inflation or other unforeseen causes, that we are unable to pass through to our customers; • the termination or expiration of existing agreements; • regional and general economic conditions and the condition of the financial markets; • losses experienced in our operations not otherwise covered by insurance; • costs we incur to support growth internally or otherwise; • availability of qualified labor for specific projects; • supply chain interruptions, including as a result of natural disasters, wildfires, weather, labor disputes, **wars,** pandemic outbreak of disease, fire or explosions and power outages; • liabilities associated with participation in joint ventures related to third party failures; • the inability to secure sufficient funding to finance continuing operations, fund growth or to provide the required financial resources certain large projects may require; • significant fluctuations in foreign currency exchange rates; • significant fluctuations in interest rates; • changes in bonding requirements applicable to existing and new agreements; • costs associated with our multi- employer pension plan obligations; • the availability or increased cost of equipment; • impairment of goodwill or intangible assets; and • warranty claims. Accordingly, our operating results in any particular reporting period may not be indicative of the results that can be expected for any other reporting period. Our industry is highly competitive. Our industry is fragmented and we compete with other companies, ranging from small, independent firms servicing local markets to larger firms servicing regional, national and international markets. Any organization that has adequate financial resources and access to technical expertise may become one of our competitors. Competition in the industry depends on many factors, including pricing of the construction services, the reputation for safety and the quality and reliability of the contractor. Some of our competitors may have lower labor and overhead cost structures and, therefore, may be able to provide their services at lower prices than ours. In addition, some of our competitors may have greater financial, technological and human resources than we do. We cannot be certain that our competitors will not develop the expertise, experience and resources to provide services that are superior in both price and quality to our services. Similarly, we cannot be certain that we will be able to maintain or enhance our competitive position within the markets we serve or maintain our customer base at current levels. Additionally, we may face competition from in-house service organizations of our existing or prospective customers including electric utility companies and others which often employ personnel to internally perform some of the same types of services we do. If we are unable to compete successfully in our markets, our operating results could be adversely affected. Negative economic and market conditions including tariffs on materials **, interest rates** and recessionary conditions **have in the past and** may in the future adversely impact our customers' spending and, as a result, our operations and growth. The demand for our services from our customers has been, and will likely continue to be, cyclical in nature and vulnerable to downturns in the industries we serve as well as the economy in general. Stagnant or declining economic conditions could result in the delay, reduction or cancellation of certain projects and could cause our customers to outsource less work, which could adversely affect us in the future **. Negative economic changes could be magnified by adverse rate cases limiting the capital expenditure budgets of our customers and leading to lower demand for our services** . Additionally, many of our customers finance their projects through the incurrence of debt or the issuance of equity. A reduction in cash flow ~~or~~ **,** the lack of availability **of debt or equity financing, or a higher cost** of debt or equity financing may result in a reduction in our customers' spending for our services and may also impact the **timing or** ability of our customers to pay amounts owed to us, which could have a material adverse effect on our operations and our ability to grow at historical levels, or at all. A prolonged economic downturn or recession could adversely affect our customers and their ability or willingness to fund capital expenditures in the future or pay for past services. Material fluctuations in energy markets could also have an adverse impact on our customers' spending patterns. Consolidation, competition, capital constraints or negative economic conditions in the electric power industry may also result in reduced spending by, or the loss of, one or more of our customers. Changes to U. S. policies related to global trade and tariffs, as well as retaliatory trade measures implemented by other countries, have resulted in uncertainty surrounding the future of the global economy. Increases in the cost of imported raw materials or finished goods as a result of tariffs or trade policies may impact customer spending, and reductions in customer spending could lead to fewer project awards and more competition We cannot predict the outcome of these changing trade policies or other unanticipated political conditions, nor can we predict the timing or strength of any economic recovery or downturn worldwide or its impact on our customers' markets. New Project and Growth Risks We may be unsuccessful in generating internal growth, which could impact the projects available to the Company. Our ability to generate internal growth will be affected by, among other factors, our ability to: • attract new customers; • increase the number of projects performed for existing customers; • hire and retain qualified personnel; • successfully bid new projects; • expand geographically; and • adapt the range of services we offer to customers to address their evolving construction needs. In addition, if our customers are constrained in their ability to obtain capital, it could reduce the number, timing or size of projects available to us. Many of the factors affecting our ability to generate internal growth may be beyond our control, and we cannot be certain that our strategies will be successful, or that we will be able to generate cash flow sufficient to fund our operations and support internal growth. If we are unsuccessful, we may not be able to achieve internal growth, expand our operations and grow our business. Our inability to successfully execute or integrate acquisitions or joint ventures may have an adverse impact on our growth strategy and business. From time to time, our business strategy includes expanding our presence in the industries we serve through strategic acquisitions of companies or entry into joint ventures that complement or diversify our business. Future acquisition targets that meet our criteria may be limited. We may also face competition for acquisition opportunities, and other potential acquirers may offer more favorable terms or have greater financial resources available for potential acquisitions. This competition may limit our ability to grow through acquisitions or could raise the prices of acquisitions, adversely impacting any accretion that might be achieved. Failure to consummate future acquisitions could negatively affect our future growth strategies. Additionally, the acquisitions we pursue may involve significant cash expenditures, the incurrence or assumption of debt or burdensome regulatory requirements. Any acquisition may ultimately have a negative impact on our business, financial condition, results of operations or cash flows. We may not realize the anticipated benefits and synergies of an acquisition, and our attempts at integrating an acquired business may not be successful. Acquisitions or joint ventures may expose us to operational and financial challenges and risks, including: • the disruption of our ongoing business; • significant diversion of resources and management' s attention from our existing business; • reductions of cash and other resources available for operations and other uses; • exposure to risks specific to the acquired businesses, services, or technologies to which we are not currently exposed; • the failure to retain key personnel or customers of an acquired business; • difficulties integrating new operations and personnel; • failure of acquired companies to achieve the results we expect; and • the assumption of unknown liabilities of the acquired business for which there are inadequate reserves and the potential impairment of acquired intangible assets. Our ability to grow and maintain our competitive position may be affected by our ability to successfully integrate any businesses acquired. Business and Operating Risks Project performance issues, including those caused by third parties, or certain contractual obligations **have in the past and** may **in the future** result in additional costs to us, reductions or delays in revenues or the payment of penalties, including liquidated damages. Many projects involve challenging engineering, procurement and construction phases that may occur over several years. We **have in the past and** may **in the future** encounter difficulties that impact our ability to complete the project in accordance with the original delivery schedule. These difficulties **have and** may **continue to** be the result of delays in designs; engineering information or materials provided by the customer or a third party; delays or difficulties in equipment and material delivery; schedule changes; delays from our customer' s failure to timely obtain permits, rights- of- way or to meet other regulatory requirements; weather- related delays; delays caused by difficult worksite environments; delays caused by inefficiencies and not achieving expected labor performance and other factors, some of which are beyond our control. Any delay or failure by suppliers or by third- party subcontractors in the completion of their portion of the project may result in delays in the overall progress of the project or may cause us to incur additional costs, or both. We also may encounter project delays due to local opposition, which may include injunctive actions as well as public protests, to the siting of electric transmission lines, clean energy projects, or other facilities. We may not be able to recover the costs we incur that are caused by delays. Certain contracts have guarantee provisions regarding project completion by a scheduled acceptance date or achievement of certain acceptance and performance testing levels. Failure to meet any of our schedules or performance requirements could also result in additional costs or penalties, including liquidated damages, and such amounts could exceed expected project profit. In extreme cases, the above- mentioned factors could cause project cancellations. Delays or cancellations may impact our reputation or relationships with customers and adversely affect our ability to secure new contracts. Larger projects present additional performance risks due to complexity of the work and duration of the project. Our customers **have in the past and** may **in the future** change or delay various elements of the project after its commencement. The design, engineering information, equipment or materials that are to be provided by the customer or other parties may be deficient or delivered later than required by the project schedule, resulting in additional direct or indirect costs. Under these circumstances, we generally negotiate with the customer with respect to the amount of additional time required and the compensation to be paid to us. We are subject to the risk that we may be unable to obtain, through negotiation, arbitration, litigation or otherwise, adequate amounts to compensate us for the additional work or expenses incurred by us due to change orders or failure by others to timely deliver items, such as engineering drawings or materials. We have in the past brought, and may in the future bring, claims against our customers related to, among other things, the payment terms of our contracts and change orders relating to our contracts. These types of claims occur due to, among other things, customer- caused delays or changes in project scope, both of which may result in additional cost, which may not be recovered until the claim is resolved. Additionally, if any of our customers do not proceed with the completion of projects or default on their payment obligations, or if we encounter disputes with our customers with respect to the adequacy of billing support, we may face difficulties in collecting payment of amounts due to us for the costs previously incurred. In some instances, these claims can be the subject of lengthy legal proceedings, and it is difficult to accurately predict when or if they will be fully resolved. A failure to promptly recover on these types of claims in the future could have a negative impact on our business, financial condition, results of operations and cash flows. Additionally, any such claims may harm our future relationships with our customers. We may be unable to attract and retain qualified personnel. Our ability to maintain our productivity and our operating results may be limited by our ability to employ, train and retain qualified personnel necessary to operate efficiently and to support our growth strategy. We have from time to time experienced shortages of certain types of qualified personnel, such as linemen, field supervisors, project managers and engineers, in certain regions. In addition, our projects are sometimes located in remote areas, which can make recruitment and deployment of our personnel challenging. During periods with large volumes of storm restoration services work, linemen are frequently recruited across geographic regions to satisfy demand. Many linemen are willing to travel to earn premium wages for such work, which from time to time makes it difficult for us to retain these workers for ongoing projects when storm conditions persist. The commencement of new, large- scale infrastructure projects or increased demand for infrastructure improvements, as well as the shrinking electric utility workforce, may reduce the pool of skilled workers available to us. Labor shortages could impair our ability to maintain our business or grow our revenues. If we are unable to hire personnel with the requisite skills, we may also be forced to incur significant training expenses. In addition, the success of our business depends upon the continued efforts and abilities of our employees. The relationships between our employees and our customers are important to obtaining and retaining business. We are also dependent on recruiting effective personnel for our projects. There can be no assurance that any individual employee will continue in his or her capacity for any particular period of time. Industry- wide competition for managerial talent is high. Given that level of competition, there could be situations where our overall compensation package may be viewed as less attractive as compared to our competition, and we may experience the loss of key personnel or higher costs to retain and hire key personnel. The loss of key personnel, or the inability to hire and retain qualified personnel, could negatively impact our ability to manage our business and relationships with our customers. The timing of new contracts and termination of existing contracts may result in unpredictable fluctuations in our cash flows and financial results. A substantial portion of our revenues are derived from project- based work that is awarded through a competitive bid process. It is generally difficult to predict the timing and geographic distribution of the projects that we will be awarded. The selection of, timing of, or failure to obtain projects, delays in awards of projects, the re- bidding or termination of projects due to budget overruns, cancellations of projects or delays in completion of contracts could result in the under- utilization of our assets, including our fleet of construction equipment, which could lower our overall profitability and reduce our cash flows. Even if we are awarded contracts, we face additional risks that could affect when, or whether, work will begin. This can present difficulty in matching workforce size and equipment location with contract needs. In some cases, we may be required to bear the cost of a ready workforce and equipment that is larger than necessary, which could impact our cash flow, expenses and profitability. If an expected contract award or the related work release is delayed or not received, we could incur substantial costs without receipt of any corresponding revenues. Moreover, construction projects for which our services are contracted may require significant expenditures by us prior to receipt of relevant payments from the customer. Finally, the winding down or completion of work on significant projects that were active in previous periods will reduce our revenue and earnings if such significant projects have not been replaced in the current period. Many of our contracts may be canceled upon short notice, typically 30 to 90 days, even if we are not in default under the contract, and we may be unsuccessful in replacing contracts, resulting in a decrease in our revenue, net income and liquidity. Certain of our customers assign work to us on a project- by- project basis under MSAs. Under these agreements, our customers often have no obligation to assign a specific amount of work to us. Our operations could decline significantly if the anticipated volume of work is not assigned to us or is canceled. Many of our contracts, including our MSAs, are open to competitive bidding at the expiration of their terms. There can be no assurance that we will be the successful bidder on our existing contracts that come up for re- bid. During the ordinary course of our business, we **have in the past and** may **in the future** become subject to lawsuits or indemnity claims. We have in the past been, and may in the future be, named as a defendant in lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. These actions may seek, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination, sexual harassment, workplace misconduct and other employment- related damages, breach of contract, property damage, environmental liabilities, multiemployer pension plan withdrawal liabilities, punitive damages, consequential damages, and civil penalties or other losses or injunctive or declaratory relief. In addition, we generally indemnify our customers for claims related to the services we provide and actions we take under our contracts, and, in some instances, we may be allocated risk through our contract terms for actions by our customers, subcontractors or other third parties. Because our services in certain instances may be integral to the operation and performance of our customers' infrastructure, we have been and may become subject to lawsuits or claims for any failure of the systems that we work on, even if our services are not the cause of such failures, and we could be subject to civil and criminal liabilities to the extent that our services contributed to any property damage, personal injury or system failure. Insurance coverage may not be available or may be insufficient for these lawsuits, claims or legal proceedings. The outcome of any of these lawsuits, claims or legal proceedings could result in significant costs and diversion of management' s attention from our business. Payments of significant amounts, even if reserved, could materially and adversely affect our business, financial condition, results of operations and cash flows. Backlog may not be realized or may not result in profits and may not accurately represent future revenue. Backlog is difficult to determine accurately, and companies within our industry may define backlog differently. Reductions in backlog due to cancellation, termination or scope adjustment by a customer or for other reasons could significantly reduce the revenue and profit we actually receive from contracts in backlog. In the event of a project cancellation, termination or scope adjustment, we typically have no contractual right to the total revenues reflected in our backlog. The timing of contract awards, duration of large new contracts and the mix of services, subcontracted work and material in our contracts can significantly affect backlog reporting. Given these factors and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period, and our backlog as of the end of a fiscal year may not be indicative of the revenue we expect to earn in the following fiscal year and should not be viewed or relied upon as a stand- alone indicator. Consequently, we cannot provide assurance **of** ~~as to our customers' requirements or~~ our estimates of backlog. See " Item 1. Business — Backlog " for a discussion on how we calculate backlog for our business. Our insurance has limits and exclusions that may not fully indemnify us against certain claims or losses, including claims resulting from wildfires or other natural disasters and an increase in cost, or the unavailability or cancellation of third- party insurance coverages would increase our overall risk exposure and could disrupt our operations and reduce our profitability. We maintain insurance coverages from third party insurers as part of our overall risk management strategy and most of our customer contracts require us to maintain specific insurance coverage limits. We maintain insurance policies with respect to automobile liability, general liability, employer' s liability, workers' compensation, **cybersecurity,** our employee group health program, and other types of coverages, but these policies are subject to high deductibles, and we are self- insured up to the amount of those deductibles. Insurance losses are accrued based upon our estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported. Insurance liabilities are difficult to assess and estimate due to unknown factors, including the frequency and severity of injuries, the magnitude of damage to or loss of property or the environment, the determination of our liability in proportion to other parties, estimates of incidents not reported and the effectiveness of our safety programs, and as a result, our actual losses may exceed our estimates. There can be no assurance that our current or past insurance coverages will be sufficient or effective under all circumstances or against all claims and liabilities to which we may be subject. We generally renew our insurance policies on an annual basis; therefore, deductibles and levels of insurance coverages may change in future periods. There can be no assurance that any of our existing insurance coverages will be renewed upon the expiration of the coverage period or that future coverage will be available at reasonable and competitive rates or at the required limits. The cost of our insurance has significantly increased **over time** and may continue to increase in the future. In addition, insurers may fail, cancel our coverage, increase the cost of coverage, determine to exclude certain items from coverage, or otherwise be unable to provide us with adequate insurance coverage. We may not be able to obtain certain types of insurance or incremental levels of insurance in scope or amount sufficient to cover liabilities we may incur. For example, due to the ~~recent~~ increase in wildfire losses and related insurance claims, insurers have reduced coverage availability and increased the cost of insurance coverage for such events in recent years, and our current levels of coverage may not be sufficient to cover potential losses. If our risk exposure increases as a result of adverse changes in our insurance coverages, we could be subject to increased liabilities that could negatively affect our business, financial condition, results of operations and cash flow. In addition, we perform work in hazardous environments and our employees are exposed to a number of hazards. Incidents can occur, regardless of fault, that may be catastrophic and adversely impact our employees and third parties by causing serious personal injury, loss of life, damage to property or the environment, and interruption of operations. Furthermore, we perform a significant amount of services for customers that operate electrical power infrastructure assets in locations and climates that are more susceptible to wildfires or other natural disasters. In locations or environments where claims have become more frequent or severe in recent years, insurance may become difficult or impossible to obtain. Our contracts may require us to indemnify our customers, project owners and other parties for injury, damage or loss arising out of our presence at our customers' location, or in the performance of our work, in both cases regardless of fault, and provide for warranties for materials and workmanship. We may also be required to name the customer and others as an additional insured under our insurance policies. We maintain limited insurance coverage against these and other risks associated with our business. This insurance may not protect us against liability for certain events, and we cannot guarantee that our insurance will be adequate in risk coverage or policy limits to cover all losses or liabilities that we may incur. Any future damages caused by our services that are not covered by insurance or are in excess of policy limits could have a material adverse effect on our business, financial position, results of operations and cash flows. Risks associated with operating in the Canadian market could impact our profitability. There are numerous inherent risks in conducting our business in a different country including, but not limited to, potential instability in markets, political, economic or social conditions, and difficult or additional legal and regulatory requirements applicable to our operations. Limits on our ability to repatriate earnings, exchange controls, and complex U. S. and Canadian laws and treaties including laws related to the U. S. Foreign Corrupt Practices Act (" FCPA ") and similar laws could also adversely impact our operations. Changes in the value of the Canadian dollar could increase or decrease the U. S. dollar value of our profits earned or assets held in Canada or potentially limit our ability to reinvest earnings from our operations in Canada to fund the financing requirements of our operations in the United States. These risks could restrict our ability to provide services to Canadian customers or to operate our Canadian business profitably, and could negatively impact our results. We also are exposed to currency risks relating to the translation of certain monetary transactions, assets and liabilities. Changes in tax laws or our interpretations of tax laws could materially impact our income tax liabilities. We have operations in the United States and Canada and are subject to the jurisdiction of multiple federal and state taxing authorities. The income earned in these various jurisdictions is taxed on different bases which are subject to change by the taxing authorities. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. **Our interpretation of these tax laws has in the past and may in the future differ from the interpretation of taxing authorities.** Changes in the operating environment, including changes in **tax laws, as well as differences in the interpretation of** tax laws, could materially impact our income tax liabilities ~~The Inflation Reduction Act was enacted on August 16, 2022, and includes a number of provisions that may impact the Company, including a corporate alternative minimum~~

~~tax on certain large corporations, incentives to address climate change mitigation and other non- income tax provisions, including an excise tax on the repurchase of our stock. We are assessing these impacts on our condensed consolidated financial statements~~ . The nature of our business exposes us to potential liability for warranty claims and faulty engineering, which may reduce our profitability. Our customer contracts typically include a warranty for the services that we provide against certain defects in workmanship and material. Additionally, materials used in construction are often provided by the customer or are warranted against defects from the supplier. Certain projects have longer warranty periods and include facility performance warranties that may be broader than the warranties we generally provide. If warranty claims occurred, it could require us to re-perform the services or to repair or replace the warranted item, at a cost to us, and could also result in other damages if we are not able to adequately satisfy our warranty obligations. In addition, we may be required under contractual arrangements with our customers to warrant any defects or failures in materials we provide that we purchase from third parties. While we generally require suppliers to provide us warranties that are consistent with those we provide to ~~the~~ **our** customers, if any of these suppliers default on their warranty obligations to us, we may incur costs to repair or replace the defective materials for which we are not reimbursed. Costs incurred because of warranty claims could adversely affect our business, financial condition, results of operations and cash flows. Our business involves professional judgments regarding the planning, design, development, construction, operations and management of electric power transmission and commercial construction. Because our projects are often technically complex, our failure to make judgments and recommendations in accordance with applicable professional standards, including engineering standards, could result in damages. A significantly adverse or catastrophic event at one of our project sites or completed projects resulting from the services we have performed could result in significant warranty, professional liability, or other claims against us as well as reputational harm, especially if public safety is impacted. These liabilities could exceed our insurance limits or could impact our ability to obtain insurance in the future. In addition, customers, subcontractors or suppliers who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay us. An uninsured or underinsured claim could have an adverse impact on our business, financial condition, results of operations and cash flows. Pandemic outbreaks of disease, such as the COVID- 19 pandemic, have in the past had and may in the future have an adverse impact on our business, employees, liquidity, financial condition, results of operations and cash flows. Future pandemic outbreaks of disease may further disrupt ~~global~~ supply chains and create significant additional volatility and disruption of financial markets, which may require us to make changes to our business and, implement new health and safety protocols. Any such future health outbreaks could result in higher operating costs and could adversely impact our business, including certain operational, reporting, accounting or other processes. In addition, an extended period of remote work arrangements could impair our ability to effectively manage our business, and introduce additional operational risks, including but not limited to cybersecurity risks and increased vulnerability to security breaches, cyber- attacks, computer viruses, ransomware, or other similar events and intrusions. We are unable to predict the ultimate impact of any pandemic outbreak of disease, which could adversely affect our business, financial condition, results of operations and cash flows. Such effects may be material and the potential impacts include, but are not limited to: • disruptions in our supply chain due to transportation delays, travel restrictions, raw material cost increases and shortages, and closures of businesses or facilities; • reductions in our operating effectiveness due to workforce disruptions **or** ~~resulting from " shelter- in- place " and " stay- at- home " orders, and~~ the unavailability of key personnel necessary to conduct our business activities; and • volatility in the ~~global~~ financial markets, which could have a negative impact on our ability to access capital and additional sources of financing in the future. Should a future health outbreak persist for a prolonged period, any of the above factors and others that are unknown, may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we cannot predict the ultimate impact of any pandemic outbreak of disease will have on our customers and suppliers, and any adverse impacts on these parties may have a material adverse impact on our business. Third Party Partner Risks Our dependence on suppliers, subcontractors and equipment manufacturers ~~could~~ **have in the past and may in the future** expose us to the risk of loss in our operations. On certain projects, we rely on suppliers to obtain the necessary materials and subcontractors to perform portions of our services. We also rely on equipment manufacturers to provide us with the equipment required to conduct our operations. Although we are not dependent on any single supplier, subcontractor or equipment manufacturer, any substantial limitation on the availability of required suppliers, subcontractors or equipment manufacturers could negatively impact our operations. The risk of a lack of available suppliers, subcontractors or equipment manufacturers may be heightened as a result of market and economic conditions. We **have in the past and** may **in the future** experience difficulties in acquiring equipment or materials due to supply chain interruptions, including as a result of natural disasters, weather, labor disputes, pandemic outbreak of disease, fire or explosions and power outages. To the extent we cannot engage subcontractors or acquire equipment or materials, we could experience losses in the performance of our operations. Successful completion of our contracts may depend on whether our subcontractors successfully fulfill their contractual obligations. If our subcontractors fail to perform their contractual obligations as a result of financial or other difficulties, or if our subcontractors fail to meet the expected completion dates or quality standards, we may be required to incur additional costs or provide additional services in order to make up such shortfall and we may suffer damage to our reputation. Our participation in joint ventures and other projects with third parties may expose us to liability for failures of our partners. We may enter into joint venture or other strategic arrangements with other parties as part of our business operations. Success on a jointly performed project depends in large part on whether all parties satisfy their contractual obligations. Joint venture partners are generally jointly and severally liable for all liabilities and obligations of the joint venture. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions or other obligations, including liabilities relating to claims or lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate or agreed upon share of a liability to compensate for the partner' s shortfall. In addition, if we are unable to adequately address our partner' s performance issues, the customer may terminate the project, which could result in legal liability to us, reduce our profit on the project or damage our reputation. Regulatory and Environmental Risks Legislative or regulatory actions relating to electricity transmission and clean energy may impact demand for our services. Current and future legislative or regulatory actions may impact demand for our services, require utilities to meet reliability standards, and encourage installation of new electric transmission and clean energy generation facilities. However, it is unclear whether these initiatives will create sufficient incentives for projects or result in increased demand for our services. Because most of our T & D revenue is derived from the electric utility industry, regulatory and environmental requirements affecting that industry could adversely affect our business, financial condition, results of operations and cash flows. Customers in the electric utility industry we serve face stringent regulatory and environmental requirements, as well as permitting processes, as they implement plans for their projects, which may result in delays, reductions and cancellations of some of their projects. These regulatory factors have resulted in decreased demand for our services in the past, and they may do so in the future, potentially impacting our operations and our ability to grow at historical levels, or at all. In addition, while many states have mandates in place that require specified percentages of electricity to be generated from clean energy sources, states could reduce those mandates or make them optional, which could reduce, delay or eliminate clean energy development in the affected states. Additionally, clean energy is generally more expensive to produce and may require additional power generation sources as backup. The locations of clean energy projects are often remote and may not be viable unless new or expanded transmission infrastructure to transport the electricity to demand centers is economically feasible. Furthermore, funding for clean energy initiatives may not be available. These factors could result in fewer clean energy projects and a delay in the construction of these projects and the related infrastructure, which could negatively impact our business. We **have in the past and** may **in the future** incur liabilities and suffer negative financial or reputational impacts relating to occupational health and safety matters, including those related to environmental hazards such as wildfires and other natural disasters. Our operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace. While we have invested, and will continue to invest, substantial resources in our occupational health and safety programs, our industry involves a high degree of operational risk, and there can be no assurance that we will avoid significant liability exposure. Our business is subject to numerous safety risks, including electrocutions, fires, explosions, mechanical failures, weather- related incidents, transportation accidents and damage to equipment. Furthermore, we perform a significant amount of services for customers that operate electrical power infrastructure assets in locations and climates that are more susceptible to wildfires or other natural disasters. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations, large monetary claims and, in extreme cases, criminal liability. Members of our workforce have suffered serious injuries or fatalities in the past and may suffer additional serious injuries or fatalities in the future. Monetary claims for damages to persons, including claims for bodily injury or loss of life, could result in substantial costs and liabilities. In addition, we have in the past, and we may in the future, be subject to criminal penalties relating to occupational health and safety violations, which have resulted in and could in the future result in, substantial costs and liabilities. Any of the foregoing could result in financial loss, which could have a material adverse impact on our business, financial condition, results of operations and cash flows. Our customers seek to minimize safety risks on their sites, and they frequently review the safety records of outside contractors during the bidding process. If our safety record were to substantially deteriorate, we could become ineligible to bid on certain work, and our customers could cancel our contracts and not award us future business. Our failure to comply with environmental and other laws and regulations could result in significant liabilities. Our past, current and future operations are subject to numerous environmental and other laws and regulations governing our operations, including the use, transport and disposal of non-hazardous and hazardous substances and wastes, as well as emissions and discharges into the environment, including discharges to air, surface water, groundwater and soil. We also are subject to laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment. Under certain of these laws and regulations, such liabilities can be imposed for cleanup of previously owned or operated properties, or properties to which hazardous substances or wastes were discharged by current or former operations at our facilities, regardless of whether we directly caused the contamination or violated any law at the time of discharge or disposal. The presence of contamination from such substances or wastes could interfere with ongoing operations or adversely affect our ability to sell, lease or otherwise use our properties in ways such as collateral for possible financing. We could also be held liable for significant penalties and damages under certain environmental laws and regulations, which could materially and adversely affect our business, financial condition, results of operations and cash flows. In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or leaks, or the imposition of new permitting or cleanup requirements could require us to incur significant costs or become the basis for new or increased liabilities that could harm our business, financial condition, results of operations and cash flows. In certain instances, we have obtained indemnification or covenants from third parties (including our predecessor owners or lessors) for some or all of such cleanup and other obligations and liabilities. However, such third- party indemnities or covenants may not cover all of our costs. Legislative and regulatory proposals to address greenhouse gas emissions could result in a variety of regulatory programs, additional charges to fund energy efficiency activities, or other regulatory actions. Any of these actions could result in increased costs associated with our operations and impact the prices we charge our customers. If new regulations are adopted regulating greenhouse gas emissions from mobile sources such as cars and trucks, we could experience a significant increase in environmental compliance costs due to our large fleet. In addition, if our operations are perceived to result in high greenhouse gas emissions, our reputation could suffer. We are also subject to laws and regulations protecting endangered species, artifacts and archaeological sites. We may incur work stoppages to avoid violating these laws and regulations, or we may risk fines or other sanctions for accidentally or willfully violating these laws and regulations. We are also subject to immigration laws and regulations, for which noncompliance could be material and adversely affect our business, financial condition, results of operations and cash flows. Furthermore, failure to obtain permitting, right- of- way access and other tactical considerations prior to the commencement of work could delay the commencement of work on projects or cause modifications of work plans, potentially resulting in lower margins. We generally plan for certain up- front time and other costs to obtain required permitting and right- of- way access and for other tactical challenges prior to the commencement of work on our projects. Delays in obtaining, or the inability to obtain, permits or right- of- way access, could negatively impact our margins due to additional cost and unabsorbed overhead resulting from under- utilized personnel and equipment. Additionally, we may encounter unexpected tactical issues on the site which could lead to unanticipated costs and delays, which we may not be able to recover from our customers. Our business may be affected by seasonal and other variations, including severe weather conditions and the nature of our work environment. Although our revenues are primarily driven by spending patterns in our customers' industries, our revenues and results of operations can be subject to seasonal variations, particularly in our T & D segment. These variations are influenced by weather, hours of daylight, customer spending patterns, available system outages from utilities and holidays, and can have a significant impact on our gross margins. Our profitability may decrease during **abnormal or inclement** ~~the winter months and during severe~~ weather conditions because work performed during these ~~periods~~ **times** may be restricted and more costly to complete. Additionally, our T & D customers often cannot remove their T & D lines from service during the summer months when consumer demand for electricity is at its peak, delaying the demand for our maintenance and repair services. Furthermore, our work is performed under a variety of conditions, including but not limited to, difficult terrain, difficult site conditions and large urban centers where delivery of materials and availability of labor may be impacted and sites which may have been exposed to harsh and hazardous conditions. **Our** ~~Working~~ **working** capital needs are also influenced by the seasonality of our business. Opportunities associated with government contracts could lead to increased governmental regulation applicable to us. Most government contracts are awarded through a regulated competitive bidding process. If we were to be successful in being awarded government contracts, significant costs could be incurred by us before any revenues were realized from these contracts. Government agencies may review a contractor' s performance, cost structure and compliance with applicable laws, regulations and standards. If government agencies determine through these reviews that costs were improperly allocated to specific contracts, they will not reimburse the contractor for those costs or may require the contractor to refund previously reimbursed costs. If government agencies determine that we engaged in improper activity, we may be subject to civil and criminal penalties. Government contracts are also subject to renegotiation of profit and termination by the government prior to the expiration of the term **and are susceptible to a government shutdowns or a change in budgetary priorities which could lead to the cancellation of the award, unanticipated costs and delays** . We are subject to risks associated with climate change including financial risks and physical risks such as an increase in extreme weather events (such as floods, wildfires or hurricanes), rising sea levels and limitations on water availability and quality. Climate change may create physical and financial risk. Physical risks from climate change could, among other things, include an increase in extreme weather events (such as floods, wildfires or hurricanes), rising sea levels and limitations on water availability and quality. Such extreme weather conditions may limit the availability of resources, increasing the costs of our projects, or may cause projects to be delayed or cancelled. Certain risks associated with climate change could include but are not limited to: • changes in insurance coverage, availability of coverage, availability of adequate insurance limits, higher insurance premiums, and larger self- insured retentions / deductibles, • changes in market demand based on climate change as well as legal and regulatory requirements and trends, • operational disruptions and accompanying project inefficiencies and delays that may not be recoverable from clients due to severe weather events **and changes in weather patterns** , • damage from severe weather events to construction work in progress, • damage to our assets from severe weather events, • reputational risk due to perceptions of the company' s sustainability efforts, and • increased reporting and compliance costs due to new regulatory requirements, customer, shareholder, and stakeholder requests targeting climate change. Additionally, legislative and regulatory responses related to climate change and new interpretations of existing laws through climate change litigation may also negatively impact our operations. The cost of additional environmental regulatory requirements could impact the availability of goods and increase our costs. International treaties or accords could also have an impact on our business to the extent they lead to future governmental regulations. Compliance with any new laws or regulations regarding the reduction of greenhouse gases could result in significant changes to our operations and a significant increase in our cost of conducting business. From time to time, we establish strategies and expectations related to climate change and other environmental matters. Our ability to achieve any such strategies or expectations is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include, but are not limited to, evolving legal, regulatory, and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon markets. Failures or delays (whether actual or perceived) in achieving our strategies or expectations related to climate change and other environmental matters could adversely affect our business, operations, and reputation, and increase risk of litigation. Accounting Risks Our use of percentage- of- completion accounting could result in a reduction or reversal of previously recognized revenues and profits. A significant portion of our revenues is recognized over the contract term based on costs incurred under the cost- to- cost method. This method is used because management believes costs incurred best represent the amount of work completed and remaining on our projects and is the most common basis for computing percentage of completion in our industry. The percentage- of- completion accounting practice we use results in our recognizing contract revenues and earnings ratably over the contract term in proportion to our incurrence of contract costs. The earnings or losses recognized on individual contracts are based on estimates of contract revenues, costs and profitability. Contract losses are recognized in full when determined, and contract profit estimates are adjusted based on ongoing reviews of contract profitability. In addition, we record adjustments to estimated costs of contracts when we believe the change in estimate is probable and the amounts can be reasonably estimated. These adjustments could result in both increases and decreases in profit margins. Actual results could differ from estimated amounts and could result in a reduction or elimination of previously recognized earnings. See " Item 7. Management' s Discussion and Analysis of Financial Condition and Results from Operations — Critical Accounting Policies " and in the notes to our Financial Statements, for a discussion on how percentage- of- completion accounting impacts our business. Our financial results are based upon estimates and assumptions that may differ from actual results. In preparing our financial statements in conformity with generally accepted accounting principles in the United States (" GAAP "), estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events. These estimates and assumptions cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated. In some cases, these estimates are particularly difficult to determine, and we must exercise significant judgment. The most significant estimates we use are related to costs to complete contracts, pending change orders and claims, shared savings, insurance reserves, income tax reserves, estimates surrounding stock- based compensation, acquisition- related contingent earn- out consideration liabilities, the recoverability of goodwill and intangibles, and accounts receivable reserves. Our business, financial condition, results of operations and cash flows could be adversely affected by impairments to goodwill, other intangible assets, receivables, long- lived assets or investments. For example, when we acquire a business, we record goodwill in an amount equal to the amount we paid for the business minus the fair value of the net tangible assets and other intangible assets of the acquired business. Goodwill and other intangible assets that have indefinite useful lives cannot be amortized, but instead must be tested at least annually for impairment. For additional description on this impairment testing, please read Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies — " Goodwill and Intangibles ". Any future impairments, including impairments of goodwill, intangible assets, long- lived assets or investments, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Pricing and Cost Risks Our actual costs may be greater than expected in performing our fixed- price and unit- price contracts. We generate a significant portion of our revenues and profits under fixed- price and unit- price contracts. We must estimate the costs of completing a particular project when we bid for these types of contracts. The actual cost of labor and materials, however, may vary from the costs we originally estimated and we may not be successful in recouping additional costs from our customers. These variations, along with other risks inherent in performing fixed- price and unit- price contracts, may cause actual revenue and gross profits for a project to differ from those we originally estimated and could result in reduced profitability or losses on projects due to changes in a variety of factors such as: • failure to properly estimate costs of engineering, material, equipment or labor; • inefficient labor performance; • unanticipated technical problems with the materials or services being supplied by us, which may require us to incur additional costs to remedy the problem; • project modifications that create unanticipated costs; • changes in the costs or availability of equipment, materials, labor or subcontractors; • the failure of our suppliers or subcontractors to perform; • difficulties in our customers obtaining required governmental permits or approvals; • site conditions that differ from those assumed in the original bid; • the availability and skill level of workers in the geographic location of the project; • an increase in the cost of fuel or other resources; • changes in local laws and regulations; • delays caused by local weather conditions, third parties or customers; and • quality issues requiring rework. An increase in the cost or availability for items such as materials, parts, commodities, equipment and tooling may also be impacted by trade regulations, tariffs, global relations, **wars,** taxes, transportation costs and inflation which could adversely affect our business. For certain contracts, we are exposed to market risks that may cause increases in the cost, or the availability of, parts, commodities, equipment and tooling, utilized in our operations. We have experienced, ~~and may~~ **expect to** continue to ~~experience~~ **be affected through 2024, and may in the future be impacted by** , delays and cost volatility of these items due to ~~recent~~ supply chain disruptions, inflationary pressures, tariffs ~~,~~ **and** regulatory slowdowns ~~and the continued market disruption from the COVID- 19 pandemic~~ . In addition, our customers' capital budgets may be impacted by cost increases and reduced customer spending could lead to fewer project awards and more competition. These costs could be materially impacted by general market conditions and other factors, including U. S. trade relationships with other countries or the imposition of tariffs. We are also exposed to increases in energy prices, particularly as they relate to fuel prices for our fleet vehicles. While we believe we can increase our prices to adjust for cost increases, there can be no assurance that future cost increases would be recoverable. Additionally, some of our fixed price contracts do not allow us to adjust our prices and, as a result, increases in the cost of parts, commodities, equipment and tooling or fuel costs could reduce our profitability with respect to such projects and could have a material adverse effect on our business, financial condition, results of operations and cash flows **.** Capital and Credit Risks We may not be able to compete for, or work on, certain projects if we are not able to obtain necessary bonds, letters of credit, bank guarantees or other financial assurances. Many of our contracts require that we provide security to our customers for the performance of their projects in the form of bonds, letters of credit, bank guarantees or other financial assurances. Current or future market conditions, including losses incurred in the construction industry or as a result of large corporate bankruptcies, as well as changes in our sureties' assessment of our operating and financial risk, could cause our surety providers and lenders to decline to issue or renew, or substantially reduce the amount of, bid or performance bonds for our work and could increase our costs associated with collateral. These actions could be taken on short notice. If our surety providers or lenders were to limit or eliminate our access to bonding, letters of credit or guarantees, our alternatives would include seeking capacity from other sureties and lenders, finding more business that does not require bonds or allows for other forms of collateral for project performance, such as cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all, which could affect our ability to bid for or work on future projects requiring financial assurances. We have also granted security interests in various assets to collateralize our obligations to our sureties and lenders. Furthermore, under standard terms in the surety market, sureties issue or continue bonds on a project- by- project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing any bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or any other reasons, we may be unable to compete for or work on certain projects that would require bonding. **Unfavorable developments affecting the banking and**

financial services industry could adversely affect our business, liquidity and financial condition and overall results of operations. Actual events, concerns or speculation about disruption or instability in the banking and financial services industry, such as liquidity constraints, the failure of individual institutions, or the inability of individual institutions or the banking and financial service industry generally to meet their contractual obligations, could significantly impair our access to capital, delay access to deposits or other financial assets, or cause actual loss of funds subject to cash management arrangements. Similarly, these events, concerns or speculation could result in less favorable financing terms such as higher interest rates or costs and stricter covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Additionally, our customers also could be adversely affected by these risks, which in turn could result in their committing a breach or default under their contractual agreements with us, their insolvency or bankruptcy, or other adverse effects. Any decline in available funding, limitation on access to our cash and liquidity resources, or non- compliance of banking and financial services counterparties with their contractual commitments to us could, among other risk, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Employee Risks Work stoppages or other labor issues with our unionized workforce could adversely affect our business, and we may be subject to unionization attempts. As of December 31, ~~2022~~ **2023** , approximately ~~86~~ **84** % of our craft labor employees were covered by collective bargaining agreements. Although most of these agreements prohibit strikes and work stoppages, we cannot be certain that strikes or work stoppages will not occur in the future. Strikes or work stoppages could adversely impact our relationships with our customers and could cause us to lose business, resulting in decreased revenues. From time to time, we have experienced attempts to unionize our nonunion businesses. Such efforts often delay work and present the risk of labor unrest. If nonunion employees were to unionize, we could experience higher ongoing labor costs. Multi- employer pension plan obligations related to our unionized workforce could adversely impact our earnings. Our collective bargaining agreements may require us to participate with other companies in various multi- employer pension plans. To the extent that we participate in any multi- employer pension plans that are underfunded, the Employee Retirement Income Security Act of 1974, as amended by the Multi- Employer Pension Plan Amendments Act of 1980, may subject us to substantial liabilities under those plans if we were to withdraw from them, if they were terminated or experience a mass withdrawal. Furthermore, the Pension Protection Act of 2006, as amended, imposes additional funding and operational rules applicable to plan years beginning after 2007 for multi- employer pension plans that are classified as either " endangered, " " seriously endangered " or " critical " status. Plans in these classifications must adopt measures to improve their funded status, which may require additional employer contributions and / or modifications to employee benefits based on future union wages paid. Although we are not currently aware of any potential significant liabilities to us as a result of these plans being classified as being in a " critical " or " endangered " status, our future financial results could be impacted by the amended funding rules. Cybersecurity and Information Technology Risks We rely on information, communications and data systems in our operations and we or our business partners may be subject to failures, interruptions or breaches of such systems, which could affect our operations or our competitive position, expose sensitive information or damage our reputation. We and our business partners are heavily reliant on information and communications technology and related systems to conduct our business. We also rely on third- party software and information technology to run certain of our critical accounting, project management and financial information systems. Furthermore, in connection with our business we may collect and retain personally identifiable and other sensitive information of our customers and personnel, all of which expect that we will adequately protect such information. The failure of these systems to operate effectively or problems with transitioning to upgraded or replacement systems could cause delays and reduce the efficiency of our operations, which could have a material adverse effect on our business, financial position, results of operations and cash flows, and significant costs could be incurred to remediate any problem. Increased IT security threats and more sophisticated computer crimes, including advanced persistent threats, computer viruses, ransomware, other types of malicious code, hacking, phishing and social engineering schemes designed to provide access to our networks or data, pose a potential risk to the security of our IT systems, networks and services, as well as the confidentiality, availability and integrity of our data. If the IT systems, networks or service providers we rely upon fail to function properly, or if we suffer a loss or disclosure of sensitive information, we may suffer interruptions in our ability to manage operations, be subject to government enforcement actions, litigation, and reputational, competitive and business harm which may adversely impact our business, financial position, results of operations and cash flows, competitive position and reputation. As techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. As cyber threats continue to evolve, we may be required to expend additional resources to comply with new cyber- related regulations, continue to enhance our information security measures or investigate and remediate any information security vulnerabilities. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of service. This could also impact the cost and availability of cyber insurance to us. **While we maintain cybersecurity insurance, costs related to a cyberattack may exceed the amount of our insurance coverage or may be excluded under the terms of our cybersecurity insurance policy.** Additionally, due to recent increases in cyber losses by the insurance industry, cyber insurance coverage may be limited and / or subject to a significant increase in cost. Furthermore, our relationships with, and access provided to, third parties and their vendors may create difficulties in anticipating and implementing adequate preventative measures or mitigating harms after an attack or breach occurs. During the normal course of business, we have experienced and expect to continue to experience attempts to compromise our information and communications technology and related systems. To date, no cybersecurity incident or attack has had a material impact on our business or results of operations. If a material, actual or perceived breach of our security occurs, the public perception of the effectiveness of our security measures could be harmed and we could lose customers. Any such material disruptions or breaches of security would have a material adverse effect on our business, financial position, results of operations and cash flows. In addition, current and future laws and regulations governing data privacy and the unauthorized disclosure of confidential information may pose complex compliance challenges and / or result in additional costs. A failure to comply with such laws and regulations could result in penalties or fines, legal liabilities and / or harm our reputation. The continuing and evolving threat of cyber- attacks has also resulted in increased regulatory focus on risk management and prevention. New cyber- related regulations or other requirements could cause us to incur significant costs, which could have an adverse effect on our business, financial position, results of operations and cash flows.