

Risk Factors Comparison 2024-03-06 to 2023-03-16 Form: 10-K

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The following risk factors set forth below and elsewhere in this Form 10-K could materially and adversely affect our business, results of operations and financial condition. These risks are not the only ones we may face. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. If any of the following risks occur, our business, results of operations or financial condition could be adversely affected.

Risks Relating to the Economic Conditions The industries in which we operate are cyclical and are affected by the economy in general. We sell products to customers in industries that experience cyclicality (expectancy of recurring periods of economic growth and slowdown) in demand for products and may experience substantial increases and decreases in business volume throughout economic cycles. Industries we serve, including the automotive and vehicle parts, heavy-duty truck, industrial equipment, steel, rail, oil and gas, electrical distribution and controls, aerospace and defense, recreational equipment, HVAC, electrical components, appliance and semiconductor equipment industries, are affected by consumer spending, general economic conditions and the impact of international trade, which have been adversely affected by the COVID-19 pandemic as well as inflation. A downturn in any of the industries we serve could have a material adverse effect on our financial condition, liquidity and results of operations. ~~Our business, results of operations and cash flows have been and may continue to be adversely affected by COVID-19. To date, the COVID-19 pandemic has had an adverse impact on our business, including how it has impacted our customers, employees, supply chain and distribution network. The impact of the COVID-19 pandemic and uncertainty with respect to the economic effects of the pandemic introduced significant volatility in the financial markets and has had a widespread adverse effect on the industries in which we operate. The COVID-19 pandemic could continue to negatively impact our business, results of operations, financial position or cash flows in a number of ways, including but not limited to: • disruptions in our supply chain due to the global semiconductor micro-chip shortage, logistics issues, labor disruptions and our ability to obtain raw materials, among other factors; • increases in raw material and freight costs; • labor shortages; • disruptions to our facilities, including shutdowns or slowdowns as a result of facility closures, reductions in operating hours and labor shortages; • the inability of a significant portion of our workforce to work as a result of illness or government restrictions; • exposure to cybersecurity threats and other risks associated with a large number of our employees working remotely; and • the need to reduce our workforce as a result of declines in our business caused by the COVID-19 pandemic, which has caused us, and may continue to cause us, to incur significant expenses. The extent to which our business, results of operations, financial position or cash flows may ultimately be adversely impacted by the COVID-19 pandemic are highly uncertain and cannot be accurately predicted. The impact of the COVID-19 pandemic may also exacerbate other risks discussed herein, any of which could have a material effect on us.~~ Adverse credit market conditions may significantly affect our access to capital, cost of capital and ability to meet liquidity needs. Disruptions, uncertainty or volatility in the credit markets, including as a result of a recession, may adversely impact our ability to access credit already arranged and the availability and cost of credit to us in the future. These market conditions may limit our ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow and maintain our business. Accordingly, we may be forced to delay raising capital or pay unattractive interest rates, which could increase our interest expense, decrease our profitability and significantly reduce our financial flexibility. Longer-term disruptions in ~~the capital~~ **thecapital** and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our access to liquidity needed for our business. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Such measures could include deferring capital expenditures and reducing or eliminating future share repurchases or other discretionary uses of cash. Overall, our results of operations, financial condition and cash flows could be materially adversely affected by disruptions in the credit markets. Adverse global economic conditions may have significant effects on our customers and suppliers that could result in material adverse effects on our business and operating results. Significant reductions in available capital and liquidity from banks and other providers of credit, substantial reductions and fluctuations in equity and currency values worldwide, volatility in commodity prices for such items as crude oil, and concerns that the worldwide economy may enter into a prolonged recessionary period, may materially adversely affect our customers' access to capital or willingness to spend capital on our products or their ability to pay for products that they will order or have already ordered from us. In addition, unfavorable global economic conditions may materially adversely affect our suppliers' access to capital and liquidity with which they maintain their inventories, production levels and product quality, which could cause them to raise prices or lower production levels. These potential effects of adverse global economic conditions are difficult to forecast and mitigate. As a consequence, our operating results for a particular period are difficult to predict, and, therefore, prior results are not necessarily indicative of results to be expected in future periods. Any of the foregoing effects could have a material adverse effect on our business, results of operations and financial condition. Inflation may continue to have a significant effect on labor and raw material costs, which could continue to result in material adverse effects on our business and operating results. Given recent inflationary trends and forecasts for rising inflation rates in the future, we expect further raw material price increases and higher labor costs, which may continue to adversely affect our business and operating results, particularly in the Assembly Components segment.

Risks Relating to Our Business and Operations Because a significant portion of our sales is to the automotive and heavy-duty truck industries, a decrease in the demand of these industries or the loss of any of our major customers in these industries could adversely affect our financial health. Demand for certain of our products is affected by, among other things, the relative strength

or weakness of the automotive and heavy- duty truck industries. ~~The global semiconductor micro- chip shortage, in particular, could continue to adversely affect a significant portion of our sales to our automotive and heavy- duty truck customers.~~ The domestic automotive and heavy- duty truck industries are also highly cyclical and may be adversely affected by international competition. In addition, the automotive and heavy- duty truck industries are significantly unionized and subject to work slowdowns and stoppages resulting from labor disputes, **such as the United Auto Workers strike in 2023**. We derived ~~32-33~~ **32-33** % and ~~6-8~~ **6-8** % of our net sales during the year ended December 31, ~~2022-2023~~ **2022-2023** from the automotive and heavy- duty truck industries, respectively. The loss of a portion of business to any of our major automotive or heavy- duty truck customers could ~~continue to~~ have a material adverse effect on our financial condition, cash flow and results of operations. We cannot assure you that we will maintain or improve our relationships in these industries or that we will continue to supply these customers at current levels. Our Supply Technologies customers are generally not contractually obligated to purchase products and services from us. We supply products and services to our Supply Technologies customers generally under purchase orders as opposed to long- term contracts. When we do enter into long- term contracts with our Supply Technologies customers, many of them only establish pricing terms and do not obligate our customers to buy required minimum amounts from us or to buy from us exclusively. Accordingly, many of our Supply Technologies customers may decrease the number of products and services that they purchase from us or even stop purchasing from us altogether, either of which could have a material adverse effect on our net sales and profitability. We are dependent on key customers. We rely on several key customers. For the year ended December 31, ~~2022-2023~~ **2022-2023**, our ten largest customers accounted for approximately ~~27-26~~ **27-26** % of our net sales. Many of our customers place orders for products on an as- needed basis and operate in cyclical industries and, as a result, their order levels have varied from period to period in the past and may vary significantly in the future. Due to competitive issues, we have lost key customers in the past and may again in the future. Customer orders are dependent upon their markets and may be subject to delays or cancellations. As a result of dependence on our key customers, we could experience a material adverse effect on our business and results of operations if any of the following were to occur: • the loss of any key customer, in whole or in part; • the insolvency or bankruptcy of any key customer; • a declining market in which customers reduce orders or demand reduced prices; or • a strike or work stoppage at a key customer facility, which could affect both their suppliers and customers. If any of our key customers become insolvent or file for bankruptcy, our ability to recover accounts receivable from that customer would be adversely affected and any payments we received in the preference period prior to a bankruptcy filing may be potentially forfeitable, which could adversely impact our results of operations. We operate in highly competitive industries. The markets in which all three of our segments sell their products are highly competitive. Some of our competitors are large companies that have greater financial resources than we have. We believe that the principal competitive factors for our Supply Technologies segment are an approach reflecting long- term business partnership and reliability, sourced product quality and conformity to customer specifications, timeliness of delivery, price and design and engineering capabilities. We believe that the principal competitive factors for our Assembly Components and Engineered Products segments are product quality and conformity to customer specifications, design and engineering capabilities, product development, timeliness of delivery and price. The rapidly evolving nature of the markets in which we compete may attract new entrants as they perceive opportunities, and our competitors may foresee the course of market development more accurately than we do. In addition, our competitors may develop products that are superior to our products or may adapt more quickly than we do to new technologies or evolving customer requirements. We expect competitive pressures in our markets to remain strong. These pressures arise from existing competitors, other companies that may enter our existing or future markets and, in some cases, our customers, which may decide to internally produce items we sell. We cannot assure you that we will be able to compete successfully with our competitors. Failure to compete successfully could have a material adverse effect on our financial condition, liquidity and results of operations. Our Supply Technologies business depends upon third parties for substantially all of our component parts. Our Supply Technologies business purchases substantially all of its component parts from third- party suppliers and manufacturers. As such, it is subject to the risk of price fluctuations and periodic delays in the delivery of component parts. Failure by suppliers to continue to supply us with these component parts on commercially reasonable terms, or at all, could have a material adverse effect on us. We depend upon the ability of these suppliers, among other things, to meet stringent performance and quality specifications and to conform to delivery schedules. Failure by third- party suppliers to comply with these and other requirements could have a material adverse effect on our financial condition, liquidity and results of operations. The raw materials used in our production processes and by our suppliers of component parts are subject to price and supply fluctuations that could continue to increase our costs of production and adversely affect our results of operations. Our supply of raw materials for our Assembly Components and Engineered Products businesses could continue to be interrupted for a variety of reasons, including supply chain constraints and price increases, raw material price inflation, supplier delays that increase lead times and higher freight costs, among other factors, may continue to have an adverse effect on our results of operations and profit margins. While we generally attempt to pass along increased raw materials prices to our customers in the form of price increases, there may be a time delay between the increased raw materials prices and our ability to increase the price of our products, or we may be unable to increase the prices of our products due various factors. Our suppliers of component parts, particularly in our Supply Technologies business, may continue to significantly and quickly increase their prices in response to increases in costs of the raw materials, such as steel, that they use to manufacture our component parts. We may not be able to increase our prices commensurate with our increased costs. Consequently, our results of operations and financial condition may be materially adversely affected. The energy costs involved in our production processes and transportation are subject to fluctuations that are beyond our control and could significantly increase our costs of production. Our manufacturing process and the transportation of raw materials, components and finished goods are energy intensive. Our manufacturing processes are dependent on adequate supplies of electricity and natural gas. A substantial increase in the cost of transportation fuel, natural gas or electricity could have a material adverse effect on our margins. We may experience higher than anticipated gas costs in the

future, which could adversely affect our results of operations. In addition, a disruption or curtailment in supply could have a material adverse effect on our production and sales levels. We may experience breaches of, or disruptions to, our information technology systems **or those of our third- party providers**, or other compromises of our data, including the improper disclosure of personal or confidential data, which may adversely affect our operations and reputation. We utilize information technology systems in connection with our business operations, including processing orders, managing inventory and accounts receivable collections, purchasing products, maintaining cost- effective operations, routing and re- routing orders. We also depend on our information technology systems to maintain confidential, proprietary and personal information relating to our current, former and prospective employees, customers and other third parties in these systems and in systems of third- party providers who we engage in connection with the processing and storage of certain information. Our information technology systems and those of our third- party providers are subject to disruptions or damage, which may be caused by a wide array of causes, including telecommunications failures, computer failures, power outages, **ransomware attacks**, computer viruses, cybersecurity **breaches incidents** and other intrusions, which could result in the disruption of our operations, or information misappropriation, such as theft of intellectual property or inappropriate disclosure of personal and confidential information. In addition, we could also experience data or cybersecurity **breaches incidents** stemming from the intentional or negligent acts of our employees or other third parties. To the extent our information technology systems **or those of our third- party providers** are disabled, **compromised, or disrupted** for a long period of time, key business processes could be interrupted. Any such operational disruptions and / or misappropriation of information, whether in systems we maintain or are maintained by others, could have a material adverse effect on our business. In addition, any such damage, compromise or breach to our systems or those of our vendors, could result in a violation of privacy and other laws, and expose us to significant legal and financial liability. **We recognize the ever- present global risk of cyberattacks from diverse threat actors, including nation- states, cybercriminals, hacktivists, insiders and organized crime. In spite of our efforts, we (or third parties we rely on) may not be able to fully, continuously and effectively implement security controls as intended. We utilize a risk- based approach and judgment to determine the security controls to implement, but it is possible we may not implement appropriate controls if we do not recognize or we underestimate a particular risk. In addition, security controls, no matter how well designed or implemented, may only mitigate and not fully eliminate risks. Further, even events that are detected by security tools or third parties may not always be immediately understood or acted upon. While no organization is immune to attack attempts and we cannot eliminate all risks from cybersecurity threats or provide assurance that we have not experienced an undetected cybersecurity incident, in 2023 we did not identify any material cybersecurity events that have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition**. Operating problems in our business may materially adversely affect our financial condition and results of operations. We are subject to the usual hazards associated with manufacturing and the related storage and transportation of raw materials, products and waste, including explosions, fires, leaks, discharges, inclement weather (including that caused by climate change), natural disasters, mechanical failure, unscheduled downtime and transportation interruption or calamities. The occurrence of material operating problems at our facilities may have a material adverse effect on our operations as a whole, both during and after the period of operational difficulties. We have a significant amount of goodwill, and any future goodwill impairment charges could adversely impact our results of operations. As of December 31, **2022-2023**, we had goodwill of \$ **108.110.92** million. The future occurrence of a potential indicator of impairment, such as a significant adverse change in legal factors or business climate, unanticipated competition, a material negative change in relationships with significant customers, strategic decisions made in response to economic or competitive conditions, loss of key personnel or a more- likely- than- not expectation that a reporting unit or a significant portion of a reporting unit will be sold or disposed of, could result in goodwill impairment charges, which could adversely impact our results of operations. For additional information, see Note 7, Goodwill, to the consolidated financial statements included elsewhere herein. Our business and operating results may be adversely affected by natural disasters, other catastrophic events or public health issues, all of which are beyond our control. While we have taken precautions to prevent production and service interruptions at our global facilities, severe weather conditions and other conditions, including those that may be caused by climate change, such as hurricanes, tornadoes, and earthquakes; other natural disasters; or public health issues in areas in which we have manufacturing facilities or from which we obtain products may cause physical damage to our properties, closure of one or more of our business facilities, lack of adequate work force in a market, temporary disruption in the supply of inventory, disruption in the transport of products and utilities, or delays in the delivery of products to our customers. Any of these factors may disrupt our operations and adversely affect our financial condition and **the** results of operations. The insurance that we maintain may not fully cover all potential expenses. We maintain property, business interruption and casualty insurance, but such insurance may not cover all risks associated with the hazards of our business and is subject to limitation, including deductible and maximum liabilities covered. We are potentially at risk if one or more of our insurance carriers fail. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the ratings and survival of some insurers. In the future, we may not be able to obtain coverage at current levels, and our premiums may increase significantly on coverage that we maintain. Risks Relating to Human Capital Some of our employees belong to labor unions, and strikes or work stoppages could adversely affect our operations. As of December 31, **2022-2023**, we were a party to **seven-eight** collective bargaining agreements with various labor unions that covered approximately 2, **000-400** full- time employees. Our inability to negotiate acceptable contracts with these unions could result in, among other things, strikes, work stoppages or other slowdowns by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If the unionized workers were to engage in a strike, work stoppage or other slowdown, or other employees were to become unionized, we could experience a significant disruption of our operations and higher ongoing labor costs, which could have a material adverse effect on our business, financial condition and results of operations. Labor shortages could continue to adversely affect our business, results of operations and financial condition. Labor shortages leading to higher labor

costs, production inefficiencies and plant downtime have had and could continue to have an adverse effect on our business, results of operations and financial condition. In addition, we have seen a decline in the skilled labor applicant pool since the start of the COVID- 19 pandemic and increased competition for skilled labor. In addition, labor disturbances affecting our customers could continue to impact our sales to certain key customers, particularly in the automotive and heavy- duty truck industries, which could continue to have an adverse effect on our business, results of operations and financial condition. The loss of key executives could adversely impact us. Our success depends upon the efforts, abilities and expertise of our executive officers and other senior managers, including Matthew Crawford, our Chairman, Chief Executive Officer and President, as well as the president of each of our operating units. Additionally, an event of default occurs under our revolving credit facility if Messrs. M. Crawford and Edward Crawford, our former President, or certain of their related parties own in the aggregate less than 15 % of Holdings' outstanding common stock and, if at such time, neither Mr. M. Crawford nor Mr. E. Crawford holds the office of chairman, chief executive officer or president. The loss of the services of Mr. M. Crawford, senior and executive officers, and / or other key individuals could have a material adverse effect on our financial condition, liquidity and results of operations. Risks Relating to Legal, Compliance and Regulatory Matters Potential product liability risks exist from the products that we sell. Our businesses expose us to potential product liability risks that are inherent in the design, manufacture and sale of our products and products of third- party vendors that we use or resell. While we currently maintain what we believe to be suitable and adequate product liability insurance, we cannot assure you that we will be able to maintain our insurance on acceptable terms or that our insurance will provide adequate protection against potential liabilities. In the event of a claim against us, a lack of sufficient insurance coverage could have a material adverse effect on our financial condition, liquidity and results of operations. Moreover, even if we maintain adequate insurance, any successful claim could have a material adverse effect on our financial condition, liquidity and results of operations. We operate and source internationally, which exposes us to the risks of doing business abroad. Our operations are subject to the risks of doing business abroad, including the following: • fluctuations in currency exchange rates; • limitations on ownership and on repatriation of earnings; • transportation delays and interruptions; • political, social and economic instability and disruptions, including the **conflict-conflicts** between Russia and Ukraine and **in the middle east, or political unrest, including** the rising tension between China and the United States; • potential disruption that could be caused by the partial or complete reconfiguration of the European Union; • government embargoes or foreign trade restrictions; • the imposition of duties and tariffs and other trade barriers; • import and export controls; • labor unrest and current and changing regulatory environments; • the potential for nationalization of enterprises; • disadvantages of competing against companies from countries that are not subject to U. S. laws and regulations, including the U. S. Foreign Corrupt Practices Act ("FCPA"); • increasingly complex laws and regulations concerning privacy and data security, including the European Union's General Data Protection Regulation; • difficulties in staffing and managing multinational operations; • limitations on our ability to enforce legal rights and remedies; and • potentially adverse tax consequences. ~~On January 31, 2020, the United Kingdom ("UK") exited ("Brexit") the European Union ("EU"). The transition period post-Brexit expired on December 31, 2020, and the UK and the EU entered into a free trade agreement that now governs the UK's relationship with the EU. While the UK and the EU can generally continue to trade with each other without the imposition of tariffs for imports and exports, there are new customs requirements that require additional documentation and data, and there are also new controls on the movement and reporting of goods. Although we have not experienced any material disruption in our business as a result of Brexit, we do not know the extent to which Brexit and the free trade agreement will ultimately impact the business and regulatory environment in the UK, the rest of the EU or other countries, although it is possible there will be tighter controls and administrative requirements for imports and exports between the UK and the EU or other countries, as well as increased regulatory complexities. Any of these factors could adversely impact customer demand, our relationships with customers and suppliers and our results of operations.~~ We are also exposed to risks relating to U. S. policy with respect to companies doing business in foreign jurisdictions. Changes in tax policy, trade regulations or trade agreements, such as the disallowance of tax deductions on imported merchandise or the imposition of new tariffs on imported products, could have a material adverse effect on our business and results of operations. Our international sales and operations are also sensitive to changes in foreign national priorities, as well as to political and economic instability. For example, our business in the European Union or elsewhere may be impacted by the conflict between Russia and Ukraine and any economic or trade sanctions enacted to condemn or counteract any Russian aggression towards or invasion of Ukraine. Any such conflict may also impact our ability to secure raw materials and exacerbate the supply chain disruption we have experienced and further limit our ability to secure certain raw materials or services. Further military action or cyberattacks by Russia to counteract any sanctions may have an impact on demand for our goods and services and adversely impact our results of operation. Our success as a global business will depend, in part, upon our ability to succeed in differing legal, regulatory, economic, social and political conditions by developing, implementing and maintaining policies and strategies that are effective in each location where we do business. In addition, we could be adversely affected by violations of the FCPA and similar worldwide anti- bribery laws. The FCPA and similar anti- bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to non- U. S. officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti- bribery laws. We operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices. We cannot assure you that our internal controls and procedures always will protect us from the reckless or criminal acts committed by our employees or agents. For example, in connection with responding to a subpoena from the staff of the SEC, regarding a third party, we disclosed to the staff that the third party participated in a payment on our behalf to a foreign tax official that implicates the FCPA. If we are found to be liable for FCPA violations (either due to our own acts or our inadvertence or due to the acts or inadvertence of others), we could suffer from criminal or civil penalties or other sanctions, which could have a material adverse effect on our business. Any of the events enumerated above could have an adverse effect on our operations in the future by reducing the

demand for our products and services, decreasing the prices at which we can sell our products or otherwise having an adverse effect on our business, financial condition or results of operations. We cannot assure you that we will continue to operate in compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject. We also cannot assure you that these laws will not be modified. We are subject to significant environmental, health and safety laws and regulations and related compliance expenditures and liabilities. Our businesses are subject to many foreign, federal, state and local environmental, health and safety laws and regulations, particularly with respect to the use, handling, treatment, storage, discharge and disposal of substances and hazardous wastes used or generated in our manufacturing processes. Compliance with these laws and regulations is a significant factor in our business. We have incurred and expect to continue to incur significant expenditures to comply with applicable environmental laws and regulations. Our failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment or remedial actions. We are currently, and may in the future be, required to incur costs relating to the investigation or remediation of property, including property where we have disposed of our waste, and for addressing environmental conditions. Some environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at such facilities and sites without regard to causation or knowledge of contamination. In addition, we occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. Consequently, we cannot assure you that existing or future circumstances, the development of new facts or the failure of third parties to address contamination at current or former facilities or properties will not require significant expenditures by us. We expect to continue to be subject to increasingly stringent environmental and health and safety laws and regulations. It is difficult to predict the future interpretation and development of environmental and health and safety laws and regulations or their impact on our future earnings and operations. We anticipate that compliance will continue to require increased capital expenditures and operating costs. Any increase in these costs, or unanticipated liabilities arising from, among other things, discovery of previously unknown conditions or more aggressive enforcement actions, could adversely affect our results of operations, and there is no assurance that they will not exceed our reserves or have a material adverse effect on our financial condition. We may be exposed to certain regulatory and financial risks related to climate change. Growing concerns about climate change may result in the imposition of additional regulations or restrictions to which we may become subject. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change, including regulating greenhouse gas emissions. The outcome of new legislation or regulation in the U. S. and other jurisdictions in which we operate may result in new or additional requirements, additional charges to fund energy efficiency activities, and fees or restrictions on certain activities. Compliance with these climate change initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, reduced emission allowances or additional restrictions on production or operations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Even without such regulation, increased public awareness and adverse publicity about potential impacts on climate change emanating from us or our industry could harm us. We may not be able to recover the cost of compliance with new or more stringent laws and regulations, which could adversely affect our results of operations, financial position or cash flows.

Risks Relating to Our Debt Adverse global economic conditions may have significant effects on our customers that would result in our inability to borrow or to meet our debt service coverage ratio in our revolving credit facility. As of December 31, 2022-2023, we were in compliance with our debt service coverage ratio covenant and other covenants contained in our revolving credit facility. While we expect to remain in compliance throughout 2023-2024, declines in demand in the automotive industry and in sales volumes could adversely impact our ability to remain in compliance with certain of these financial covenants. Additionally, to the extent our customers are adversely affected by a decline in the economy in general, they may not be able to pay their accounts payable to us on a timely basis or at all, which would make the accounts receivable ineligible for purposes of the revolving credit facility and could reduce our borrowing base and our ability to borrow.

Risks Relating to the Execution of our Strategy We may encounter difficulty in expanding our business through targeted acquisitions. We have pursued, and may continue to pursue, targeted acquisition opportunities that we believe would complement our business. We cannot assure you that we will be successful in consummating any acquisitions. Any targeted acquisitions will be accompanied by the risks commonly encountered in acquisitions of businesses. We may not successfully overcome these risks or any other problems encountered in connection with any of our acquisitions, including the possible inability to integrate an acquired business' operations, information technology, services and products into our business; diversion of management' s attention; the assumption of unknown liabilities; increases in our indebtedness; the failure to achieve the strategic objectives of those acquisitions; and other unanticipated problems, some or all of which could materially and adversely affect us. The process of integrating operations could cause an interruption of, or loss of momentum in, our activities. Any delays or difficulties encountered in connection with any acquisition and the integration of our operations could have a material adverse effect on our business, results of operations, financial condition or prospects of our business.

~~We may be unable to sell our Aluminum Products business. We are pursuing a sale of our Aluminum Products business. On December 30, 2022, the Company entered into the MOU with a third party pursuant to which the third party would purchase our Aluminum Products business. The sale of the Aluminum Products business is subject to the successful completion of a definitive purchase agreement and other customary conditions. Accordingly, there can be no assurance that the sale of the Aluminum Products business will be completed.~~

Risks Relating to Our Common Stock Our Chairman of the Board, Chief Executive Officer and President and former President collectively beneficially own a significant portion of Holdings' outstanding common stock and their interests may conflict with

yours. As of December 31, ~~2022~~ 2023, Matthew Crawford, our Chairman of the Board, Chief Executive Officer and President, and Edward Crawford, our former President, collectively beneficially owned approximately 29 % of Holdings' outstanding common stock. Mr. M. Crawford is Mr. E. Crawford' s son. Their interests could conflict with your interests.