Risk Factors Comparison 2024-02-21 to 2023-02-22 Form: 10-K

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The ~~COVID- 19 pandemic has significantly impacted worldwide economic conditions and adversely impacted, and may continue to adversely impact the~~ Company' s business ~~, results of operations~~ , financial condition, **results of operations,** and ~~cash flows~~ **the market price for its common stock are subject to numerous risks, many of which are driven by factors that cannot be controlled or predicted** . The **following discussion** ~~COVID- 19 pandemic began to impact the Company' s operations late in the first quarter of 2020 as government authorities imposed mandatory closures, work from home orders and social distancing protocols, which resulted in temporary curtailment of some operations and increased costs to operate certain facilities, and has continued to impact the Company' s operations as new strains of the COVID- 19 virus have been identified. During 2021 and to a lesser extent in 2022, the COVID- 19 pandemic~~ , as well as ~~broader market dynamics have resulted in impacts to the~~ **other** ~~Company'~~ **sections of this Annual Report on Form 10- K, including “ Part II, Item 7, Management’** s **Discussion and Analysis of Financial Condition and Results of Operations, ” describe certain** business ~~, including increased material cost inflation, labor availability issues (due to illness~~ and ~~otherwise) and logistics challenges and costs increases and were impacted by supply constraints for materials and commodities used in the~~ **other risks affecting** ~~Company' s operations. It is not possible to predict~~ the ~~ultimate impact of~~ **Company. In conjunction with reviewing** the ~~COVID~~ **forward** - ~~19 pandemic~~ **looking statements and other information contained in this Annual Report on Form 10- K** , **consideration should be given to the risk factors described below** as well as ~~the~~ **those** ~~emergence~~ **in the Safe Harbor Statement at the beginning** of ~~new virus strains~~ **this Annual Report on Form 10- K. These risks are not the only risks to which the Company is exposed. The Company' s business operations** and **the market for its securities could also be adversely affected by additional factors that are not presently known to the Company, or that it currently considers to be immaterial to its operations. Risks Related to the Company' s Business Operations The volatility of the commodity market with respect to the Company' s principal raw materials and component parts, or substantial decreases in the** availability of ~~effective treatment on~~ **the Company' s principal raw materials and component parts, has impacted, and could continue to impact,** the Company' s business, results of operations, **and** ~~financial position or~~ cash flows ~~, and the duration~~ **. The Company' s principal raw materials are commodity products primarily consisting** of **steel, aluminum, and resins. The Company also purchases component parts** such **as glass for greenhouse roofing systems thus resulting in exposure to changes in the price and availability of glass, and furthermore, although not purchased by the Company, the Company also has exposure related to the availability of solar modules which has impacted the installation of, and which can and has reduced demand for, the Company' s solar racking projects, as experienced in 2022 and 2023. The availability and pricing of raw materials and component parts can be volatile due to a number of factors beyond the Company' s control, including general economic conditions, domestic and worldwide supply and demand, labor costs and availability, competition, freight costs and transportation, import duties, tariffs, and currency exchange rates. The Company may not be successful in passing along pricing increases to its customers or in its efforts to mitigate the** impact ~~may vary dramatically by geography and line~~ of ~~business. However, while the COVID- 19 pandemic subsides, the Company may experience continued adverse impacts of this pandemic on the Company' s business and financial statements, including through disruptions to the~~ supply chain ~~, limiting access to the Company' s distribution~~ --- **disruptions** ~~channels~~ **. The failure by the Company' s suppliers to deliver raw materials or component parts according to schedule** , ~~reducing~~ **or at all, has resulted in manufacturing delays, capacity constraints, project delays, cost inflation and logistics delays and has affected, and may continue to affect the Company' s ability to meet its customers' needs. Furthermore, the failure of any sourced raw materials or components to conform to the Company' s specifications could also result in delays in its ability to timely deliver, and may have an adverse impact on the Company' s relationships with its customers and its ability to fully realize the revenue expected from sales to those customers. In addition, commodity price fluctuations could force the Company to adjust its prices or to offer additional services or enhanced products at a higher cost to the Company, which could reduce the Company' s gross profit, net income, and cash flow and cause the Company to lose market share. Macroeconomic factors outside of the Company' s control may adversely affect its business, its industry, and the businesses and industries of many of its customers and suppliers. Macroeconomic factors can have and have had a significant impact on the Company' s business, customer demand and** the availability of **credit and** ~~the~~ **other capital** ~~Company' s workforce and subcontractors and heightened cybersecurity risk~~ , ~~all~~ **affecting the Company' s ability to generate profitable margins. The Company' s operations are subject to the effects** of **domestic and international economic conditions, including global industrial production rates, inflation, deflation, interest rates, availability of capital, debt levels, consumer spending, energy availability, commodity prices, and the effects of governmental initiatives to manage economic conditions, including government monetary and trade policies, tax laws and regulations. Tariffs placed on imported products used by the Company' s customers, such as solar modules, could impact cost and availability of these products to the Company' s customers** which **could impact the demand for the Company' s products or services. In addition, fluctuations in the U. S. dollar impact the prices the Company charges and costs it incurs to export and import products. The Company is unable to predict the impact on its business of changes in domestic and international economic conditions. The Company faces changing market conditions, as well as changes in domestic or global economies, or certain industry sectors of those economies that are key to the Company' s sales,** may ~~pose material risk to~~ **further deteriorate, and could result in a corresponding decrease in demand for the Company' s products and negatively**

impact the Company' s results of operations ~~,~~ **and** financial condition ~~, and cash flows~~ . ~~Further~~ **In reference to aforementioned tariffs on imported solar modules** , **while** the ~~COVID~~ **Company does not sell or import solar modules, the goods and services the Company provides for its customers depend upon the supply of solar modules for which such shortages have resulted in project delays over the past two years. The supply has been primarily impacted by two regulatory items: the Uyghur Forced Labor Prevention Act (" UFLPA") which was enacted in June 2022, and the circumvention of anti** - ~~19 pandemic~~ **dumping and countervailing duties (“ AD / CVD ”) investigation launched by the U. S. Department of Commerce (" USDOC") in March 2022, against eight solar module manufacturers producing in four countries in Southeast Asia. The UFLPA requires traceability of components of imported goods to validate components are not sourced from the Xinjiang province in China. This requirement has caused delays in module availability as module manufacturers must follow a stringent importation process with the U. S. Custom and Border Protection Agency. While a few of the larger module manufacturers are experiencing more consistent success with the importation process, other module suppliers need to make further progress with UFLPA and the importation process. The UFLPA continues to create a compliance burden and constrain supply of imported solar modules, but the Company expects continual improvement of supply as more module manufacturers move forward on the learning curve. As a result of the USDOC’ s AD / CVD investigation, and until the final ruling from the USDOC was announced in August 2023, projects were delayed due to the risk of retroactive tariffs being imposed on the import of solar modules produced in four countries in Southeast Asia, where Chinese manufacturers have operations. In addition, of the eight major manufacturers under investigation, five were found to have been circumventing the AD / CVD orders. In parallel to the USDOC investigation, on June 6, 2022, an emergency Presidential Proclamation was issued delaying the imposition of duties on imports from the impacted countries until June 6, 2024. This proclamation provides non- U. S. based module manufacturers time to modify and secure supply chains to ensure compliance with U. S. law. In January 2024, a motion was filed requesting that the delay in the imposition of duties per the Presidential Proclamation be removed retroactively which could adversely impact the supply of modules imported into the U. S. As the timing and progress of many of the Company' s customers’ projects depend upon the supply of solar modules and components, the Company' s operating results have been impacted by the disruption resulting from the above investigation and validation procedures. The Company' s operating results could be further adversely impacted by any final negative circumvention determinations made by the USDOC and continued timing lag of review by U. S. customs. The success of the Company' s business depends on the Company' s senior management team, as well as other key employees and the Company' s ability to attract, retain, develop and motivate a skilled and diverse workforce. The Company' s success is dependent on the management and leadership skills of its senior executive and divisional management teams. The Company cannot provide assurance that the Company will be able to retain its existing senior management personnel, or that the Company will have a successor prepared and available upon any loss of such personnel, or that the Company will be able to attract additional qualified personnel through external recruitment when needed. The Company has not entered into employment agreements with any of its senior management personnel. Additionally, the Company** may ~~exacerbate~~ **not be able to successfully compete for, attract, retain, develop or motivate a skilled and diverse workforce that** the ~~potential impact of the~~ **Company' s business may require. The Company' s business is dependent on engineers and** other **technical personnel to execute a variety** ~~risks described herein on the Company' s results~~ of ~~operations~~ **key responsibilities which include** , ~~financial condition~~ **but are not limited to, the identification and implementation of improvements to the Company' s manufacturing process, redesign of the Company' s products for better performance, the development of new products, and the identification and execution of cost reduction activities. Also, technical service personnel work in conjunction with the Company' s sales force in the new product development process to determine the types of products and services that suit the particular needs of the Company' s customers. Furthermore, the Company' s business may be adversely impacted by the availability of labor at its manufacturing and distribution facilities, or in the field at its customers' project sites. The unexpected loss of a member of the Company' s senior management team, key employee or highly- skilled associate, including due to** ~~and~~ - **an** ~~cash flows~~ **increase in aggressive recruiting for talent in the current labor market, or the Company' s inability to attract and retain additional personnel could deplete the Company' s institutional knowledge base, erode the Company' s competitiveness and prevent the Company from successfully executing its business strategy** . A significant portion of the Company' s net sales are concentrated with a few customers. The loss of any of those customers would adversely affect the Company' s business, results of operations, and cash flows. A loss of sales **from the Company' s significant customers** , whether due to **a** ~~decreased~~ - **decrease in** demand from the end markets the Company serves, the loss or bankruptcy of any significant customer ~~in these markets~~ , a decrease in the prices that the Company can realize from sales of its products to **its significant** customers ~~in these markets~~ , or a significant decrease in business from any of the Company' s ~~major~~ **significant** customers, could have **an** ~~a significant~~ adverse effect on the Company' s ~~profitability~~ **business, results of operations** and cash flows. The Company' s ten largest customers accounted for approximately **37 %,** 41 %, **and** 38 ~~%, and 35~~ % of the Company' s net sales during **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively, with its largest customer ~~, a retail home improvement center,~~ accounting for approximately **13 %,** 14 % ~~,~~ **and** 13 ~~% and 14~~ % of the Company' s consolidated net sales during each of the years **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively. The Company' s business is highly competitive and increased competition could reduce the Company' s **revenue,** gross profit, net income, and cash ~~flow~~ **flows** . The principal markets that the Company serves are highly competitive. Competition is based primarily on product functionality, quality, price, raw material and inventory availability, ~~and~~ **as well as** the ability to meet delivery schedules dictated by customers. ~~The~~ **Additionally, the principal** markets ~~in which~~ the Company ~~operates~~ **participates in** are characterized by changing technologies and ~~introductions of~~ new products and services, ~~so~~ **thus** the Company also faces competition from the introduction **of new products and services or technologies** by competitors ~~of new products or~~

~~technologies~~ . The Company competes in its principal markets with companies of various sizes, some of which have greater scale ~~and financial~~ **, access to capital** and other resources than the Company, as well as **may** have ~~better~~ **more** established brand names and may be better able to withstand a change in conditions in the **principal** markets the Company serves. Increased competition could force the Company to lower its prices or to offer additional services or enhanced products at a higher cost to the Company, which could reduce the Company' s gross profit, net income, and cash flow **,** and **could** cause the Company to lose market share. Further, if the Company does not have sufficient resources to invest or is otherwise unable to correctly identify customer needs and preferences, innovate and drive improvements or efficiencies in existing products, develop new products, technologies or services in the markets the Company participates in, or successfully commercialize its innovation efforts, the Company may lose market share. Even when the Company successfully innovates and develops new and enhanced products and services, the Company often incurs substantial costs in doing so, and the Company' s ~~profitability~~ **revenue, gross profit, net income and cash flows** may ~~suffer~~ **be impacted** . If the subcontractors the Company relies upon do not perform their contractual obligations, the Company' s ~~revenues~~ **business, results of operations** and cash flows would be adversely affected. Some of the Company' s construction contracts with customers involve subcontracts with other companies that perform a portion of the services or provide systems that are integral to the end product that the Company provides to its customers. The Company depends on the quality and timeliness of work performed by its subcontractors. There is a risk the subcontractors may not perform their contractual obligations, which may subject the Company to customer concerns or disputes. Any such disputes or concerns could materially and adversely impact the Company' s ability to perform the Company' s obligations as the prime contractor. The Company' s operations are subject to seasonal fluctuations and the cyclical nature of construction activity that may ~~impact~~ **affect** the Company' s cash ~~flow~~ **flows** . The Company' s net sales are generally lowest in the first quarter primarily as a result of reduced activity in the ~~building~~ **construction** industry due to inclement weather. Therefore, the Company' s cash ~~flow~~ **flows** from operations may vary from quarter to quarter. Furthermore, construction activity has historically been cyclical and dependent on economic conditions, including interest rates, availability of financing, inflation, employment, spending habits, consumer confidence and other factors outside the Company' s control. Residential and commercial construction is also affected by the cost and availability of skilled labor, which could impact both the cost and pace of construction activity, as well as the construction methods used, all of which could adversely affect demand for the Company' s products. If the Company' s cash flows were significantly reduced due to seasonal fluctuations or reduced construction activity, the Company may not be able to service its indebtedness or maintain covenant compliance. The Company' s ongoing and expected restructuring plans and other cost savings initiatives may not be as effective as the Company anticipates, and the Company may fail to realize the cost savings and increased efficiencies that the Company expects to result from these actions, which could negatively affect the Company' s ~~operating~~ **business,** results **of operations and financial condition** . The Company continually **strives** ~~seeks ways~~ to simplify or improve processes, eliminate excess capacity and reduce costs in all areas of its operations, which from time to time includes restructuring and integration activities. The Company has implemented significant restructuring **and integration** activities across its manufacturing, sales and distribution footprint, which include workforce reductions and facility consolidations. Costs of future initiatives may be material and the savings associated with them are subject to a variety of risks, including the Company' s inability to effectively eliminate duplicative back- office overhead ~~and~~ **,** overlapping sales personnel, rationalize manufacturing capacity, synchronize information technology systems, consolidate warehousing and distribution facilities and shift production to more economical facilities. As a result, the contemplated costs to effect these initiatives may materially exceed estimates. The initiatives the Company is contemplating may require consultation with various employees and consultants which may influence the timing, costs and extent of expected savings and may result in the loss of skilled employees in connection with the initiatives. If the Company is unable to implement its cost savings initiatives as timely and / or effectively as planned, the Company' s business may be adversely affected by the **negative** impact ~~of~~ **on** the Company' s ability to continue to meet customer demand, maintain a high level of quality throughout the execution of the plans, and achieve the ~~expected~~ **anticipated** financial benefits of such plans **. This may** ~~, and therefore, potentially resulting~~ --- **result** in a material adverse effect on the Company' s business, results of operations and financial condition. Economic, political, and other risks associated with foreign operations could adversely affect the Company' s ~~financial~~ results **of operations** and cash flows. Although ~~the~~ **a** significant majority of the Company' s business activity takes place in the United States, the Company derives a portion of its revenues and earnings from operations in Canada, ~~China~~ and **is** ~~Japan, and are~~ subject to risks associated with doing business internationally. The Company' s sales originating outside the United States represented approximately ~~4~~ **3** % of the Company' s consolidated net sales during the year ended December 31, ~~2022~~ **2023** . The Company believes that its business activities outside of the United States involve a higher degree of risk than the Company' s domestic activities, such as the possibility of unfavorable circumstances arising from host country laws or regulations, changes in tariff and trade barriers and import or export licensing requirements and exposes the Company to currency exchange rate fluctuations between the United States Dollar and foreign currencies. In addition, any local or global health issue or uncertain political climates, international hostilities, natural disasters, or any terrorist activities could adversely affect customer demand, the Company' s operations and the Company' s ability to source and deliver products and services to the Company' s customers. Climate change and climate change legislation or regulations may adversely affect the Company' s business **and results of operations** . Legislative and regulatory changes in response to the potential effects of climate change may require additional costs and investment for compliance, including an increase in the Company' s capital expenditures to reduce the Company' s greenhouse gas emissions and increased cost of purchased energy for both the Company and its suppliers, which may increase the Company' s costs to procure raw materials, components or equipment parts. As climate change continues to increase the severity of weather, physical effects — such as damage to facilities, capital equipment and inventory or disruption in production, product distribution or field operations as a result of heat, drought, wildfires, major storm events and shifts in regional weather patterns and intensities — may also significantly affect the Company' s ~~operations~~ **business** and financial results. Concerns over global climate change and environmental sustainability over time, including due to expectations of the Company' s stockholders, customers and employees, may influence the Company' s strategic direction, supply chain, or delivery channels. Future terror attacks, war, natural disasters or other catastrophic events beyond the Company' s control could negatively impact the Company' s **business, results of** operations **,** and ~~financial results~~ **cash flows** . Terror attacks, war, or other civil disturbances, natural or man- made disasters (which may become more frequent due to climate change), other catastrophic events or public health crises could cause catastrophic loss or other material damage to the Company' s facilities or lead to economic instability, decreased capacity to produce the Company' s products and decreased demand for the Company' s products. The Company has experienced operating disruptions related to severe weather across the U. S. From time to time, terrorist attacks worldwide have caused instability in global financial markets. The Company ~~does not conduct business in nor source directly from either Russia or Ukraine yet~~ continues to monitor the **ongoing** ~~current military~~ conflict between **Russia and Ukraine, as well as other conflicts, including between Israel and Hamas and in** ~~these~~ -- **the** ~~countries~~ **Red Sea,** for any potential disruptions **to the Company' s operations** . The Company could incur uninsured losses and liabilities arising from such events, and any resulting business interruptions could have an adverse effect on the Company' s **business, results of** operations ~~,~~ **and** cash flows ~~and financial results~~ . Risks Related to Information Technology The Company' s business and financial performance may be adversely affected by cybersecurity attacks, information systems interruptions, equipment failures, and technology integration. The Company relies on information technology (" IT") systems, some of which are provided and / or managed by third- parties, to process, transmit and store electronic information ~~(~~ **,** including sensitive data such as confidential business information and personally identifiable data relating to the Company' s employees, customers and other business partners ~~)~~, and to manage or support a variety of critical business processes and activities ~~(~~ **,** such as receiving and fulfilling orders, billing, collecting and making payments, shipping products, providing services and support to customers, and fulfilling contractual obligations ~~)~~. The Company' s ability to effectively manage its business depends on the security, reliability, and capacity of these IT systems. These systems ~~(~~ **,** including those the Company acquires through business acquisitions ~~)~~ can be damaged, disrupted or shut down due to attacks by computer hackers, computer viruses, ransomware, human error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes, or other unforeseen events. While, the Company maintains IT measures designed to protect the Company against intellectual property theft, data breaches, sabotage and other external or internal cyber- attacks or misappropriation, cyber- attacks are increasingly difficult to identify and prevent, and it is possible that potential vulnerabilities could go undetected for an extended period. The Company' s systems are not fully redundant and the Company' s disaster recovery planning may not be sufficient. Any interruptions to the Company' s IT systems could disrupt the Company' s operations, causing delays or cancellation of customer orders or impeding the manufacture or shipment of products, processing of transactions or reporting of financial results. Security breaches can result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data belonging to the Company or to the Company' s employees, partners, customers, or suppliers **. Furthermore** , **security breaches could** damage customer, business partner and employee relationships and the Company' s reputation and result in legal claims and proceedings, liability and penalties under data protection laws and regulations. Some of the Company' s IT systems have experienced past security breaches ~~, and~~ , although they did not have a material adverse effect on the Company' s operating results ~~,~~ **.** ~~there~~ **There** can be no assurance that future incidents will not have material adverse effects on the Company' s operations or financial results. In addition, the Company' s IT systems require an ongoing commitment of significant resources to maintain and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards and customer expectations, changes in the techniques used to obtain unauthorized access to data and information systems, and the IT needs associated with the Company' s changing products and services. In addition, the Company is subject to data privacy and security laws, regulations, and customer- imposed controls in a number of jurisdictions as a result of having access to and processing confidential, personal and / or sensitive data in the course of the Company' s business. Compliance with the varying data privacy regulations across the United States and around the world has required ~~,~~ and will continue to require ~~,~~ significant expenditures **. Further, there is increasing regulation regarding responses to cybersecurity incidents, including reporting to regulators, which could subject us to additional liability and reputational harm** . There can be no assurance that the Company will be able to successfully maintain, enhance and upgrade the Company' s IT systems as necessary to effectively address changing cybersecurity risks and legal requirements, and the Company' s efforts to do so may be ~~costly~~ **affect the Company' s results of operations** . Risks Related to Acquisitions The Company' s strategy depends, in part, on identification, management and successful business and system integration of future acquisitions. Historically, the Company has grown through a combination of internal growth plus external expansion through acquisitions. The Company intends to continue to seek additional acquisition opportunities in accordance with the Company' s business strategy. However, the Company cannot provide any assurance that the following risks involved in completing acquisitions will not occur nor adversely impact the Company' s operations and financial results: • Failure to identify appropriate acquisition candidates, or, if the Company does, failure to successfully negotiate the terms of an acquisition; • Diversion of senior management’ s attention from existing business activities; • Failure to integrate any acquisition into the Company' s operations successfully; • Unforeseen obligations, loss of key customers, suppliers, and employees of the acquired businesses, or loss of existing customers and suppliers; • Difficulties or delays in integrating and assimilating information and systems that may require significant unforeseen upgrades or replacement of the Company' s primary IT systems across significant parts of the Company' s ~~businesses~~ -- **business** and operations, which could lead to interruptions of information flow internally and to the Company' s customers and suppliers; • The need to raise additional funds through additional equity or debt financing, which could be dilutive to stockholder value, increase the Company' s interest expense and reduce the Company' s cash flows and available funds; and • Adverse impact on overall profitability if the acquired business does not achieve the return on investment projected at the time of acquisition. Risks Related to Financing and Accounting Matters The Company applies judgments and makes estimates in accounting for certain customer contracts, and changes in these judgments or estimates may have significant impacts on the Company' s earnings. Changes in judgments or required estimates and any subsequent adjustments to those judgments or estimates ~~(~~ **,** such as performance incentives, penalties, contract claims and contract modifications ~~)~~ **,** could have a material effect on the Company' s sales and profits. Due to the substantial judgments applied and estimations involved with the Company' s accounting for customer contracts, the Company' s actual results could differ materially or could be settled unfavorably from the Company' s estimates. Revenue representing **35 %,** 40 % ~~,~~ **and** 47 % ~~and 40 %~~ of **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ of the Company' s consolidated net sales, respectively, were recognized over time under the cost- to- cost method. Refer to " Critical Accounting Estimates " within Item 7 of this Annual Report on Form 10- K for more detail of how the Company' s financial statements can be affected by accounting for revenue from contracts with customers. ~~If events occur or indicators of impairment are present that may cause the carrying value of long- lived and indefinite- lived assets to no longer be recoverable or to exceed the fair value of the asset, or that may lead to a reduction in the fair value of the asset, significant non- cash impairment charges to earnings may be taken that may have a material adverse impact on the Company' s results of operations. The Company has previously recorded significant non- cash impairment charges for goodwill and other intangible assets as a result of reductions in the estimated fair values of certain businesses. It is possible that the Company will be required to record additional non- cash impairment charges to the Company' s earnings in the future, which could be significant and have a material adverse impact on the Company' s results of operations. Refer to " Critical Accounting Estimates " within Item 7 of this Annual Report on Form 10- K for more detail of how the Company' s financial statements can be affected by asset impairment.~~ Increases in future levels of leverage and size of debt service obligations could adversely affect the Company' s ability to raise additional capital to fund the Company' s operations, limit the Company' s ability to react to changes in the economy or the Company' s industries and prevent the Company from meeting the Company' s obligations. As of December 31, ~~2022~~ **2023** , the Company had **no** ~~$ 91. 0 million of~~ outstanding indebtedness **, but has $ 396. 1 million available for borrowing under its revolving credit facility** . The Company' s ability to make scheduled payments on, or refinance, its **future** debt obligations depend on the Company' s financial condition and operating performance, which are subject to prevailing economic, industry and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond the Company' s control. The Company may need to incur additional debt in the future to fund strategic acquisitions, investments or for other purposes, which debt could have significant adverse consequences to the Company' s business. Any sustained weakness in general economic conditions and / or U. S. or global capital markets could adversely affect the Company' s ability to raise capital on favorable terms or at all. The Company' s access to funds under its credit facility is dependent on the ability of the financial institutions that are parties to that facility to meet their funding commitments. Those financial institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time. Longer term volatility and continued disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Company' s access to the liquidity needed for its businesses in the longer term. Such disruptions could require the Company to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for its business needs can be arranged. The Company' s Credit Agreement entered into on December 8, 2022, contains several financial and other restrictive covenants. A significant decline in the Company' s operating income or use of the Company' s Credit Agreement (or other additional indebtedness) for acquisitions, operations and capital expenditures could cause the Company to violate these covenants which could result in the Company incurring additional financing fees that would be costly and adversely affect the Company' s profitability and cash flows. Risks Related to Legal and Regulatory Matters ~~A portion of the Company' s business is dependent on laws and regulations pertaining to the cannabis industry, and this industry faces significant opposition that could adversely affect this portion of the Company' s business. One of the Company' s businesses makes and sells greenhouses which may be sold to companies that cultivate, process and sell cannabis products for recreational and medicinal use. This business is dependent on state laws and regulations pertaining to the cannabis industry that legalize and regulate cannabis use. While several states have legalized cannabis for medical or recreational purposes, it remains illegal under federal law. Even in those states in which cannabis use has been legalized, its use remains a violation of federal criminal law, which preempts state laws that legalize its use. Strict enforcement of federal law regarding cannabis would likely have an adverse impact on the Company' s customers, and correspondingly, may adversely impact the Company' s gross profit, net income and cash flows. The cultivation, processing and distribution of cannabis in states where it has been legalized is subject to significant regulatory requirements. If the Company' s customers who purchase greenhouses are unable to obtain and maintain the licenses, permits, authorizations or accreditations required to comply with state and local regulations, the Company may experience adverse effects on the Company' s business and results of operations. The Company' s business that engages in the sale of greenhouses is dependent, in part, on increasing legalization and market acceptance of medical and recreational cannabis use. The Company cannot predict the future increase in state legalization or the future market potential of legalized cannabis use. Other well- established business sectors with powerful economic influence may take action that could adversely impact the cannabis market. The failure of further legalization or market acceptance, or the adverse action by competing well- established business sectors, may suppress the Company' s customers' demand for the Company' s products and thereby reduce the Company' s gross profit and net income.~~ Imposed tariffs and potential future tariffs may result in increased costs and could adversely affect the Company' s results of operations. Tariffs imposed in the United States on certain steel and aluminum products imported into the U. S. have created volatility in the market and have increased the costs of these inputs. Increased costs for imported steel and aluminum products have led domestic sellers to respond with market- based increases to prices for such inputs as well. These tariffs, along with any additional tariffs or trade restrictions that may be implemented by the U. S. or other countries, could result in further increased costs, shifting in competitive positions and a decreased available supply of steel, resins and aluminum as well as additional imported components and inputs. The Company may not be able to pass price increases on to its customers and may not be able to secure adequate alternative sources of steel, resins and aluminum on a timely basis. While retaliatory tariffs imposed by other countries on U. S. goods have not yet had a significant impact, the Company cannot predict further developments. The tariffs could adversely affect the Company' s income from operations for some of the Company' s businesses and customer demand for some of the Company' s products which could have a material adverse effect on the Company' s results of operations, financial position and cash flows. The expiration, elimination or reduction of solar rebates, credits and incentives may adversely impact the Company' s business **, results of operations, and cash flows** . A variety of federal, state and local government agencies provide incentives to promote electricity generation from renewable sources such as solar power. These incentives are in the form of rebates, tax credits and other financial incentives which help to motivate end users, distributors, system integrators and others to install solar powered generating systems. Any changes to reduce, shorten or eliminate the scope and availability of these incentive programs could materially and adversely impact the demand for the Company' s related products, and the Company' s financial condition and results of operations. The timing and progress of many of the Company' s renewable energy customers’ projects are impacted by incentives provided by the Federal solar tax credit also known as Investment Tax ~~Credit~~ **Credits** (" ITC"). The ~~recent~~ Inflation Reduction Act (" IRA") signed into law on August 16, 2022, **among other things,** provides ~~a 30 % ITC for projects started prior to the guidance issued by the Department of the Treasury and published in the Federal Register on November 30, 2022. Sixty days after the issuance of such guidance, January 29, 2023, the base ITC will be reduced to 6 %. In order for the Company' s customers to attain an additional 24 %~~ for a ~~total~~ **variety of enhanced ITC and Production Tax** ~~credit~~ **Credits** ~~of 30 %, new labor~~ **for renewable energy systems subject to specific dates and** requirements ~~for the new wage and apprenticeship standards must be met~~. Demand for the Company' s products could be adversely impacted if the Company does not meet the above standards in order to enable its customer to obtain the full ~~30 %~~ **enhanced tax** ~~credit~~ **credits** . The nature of the Company' s business exposes the Company to product liability, product warranty and other claims, and other legal proceedings **and could adversely affect the Company' s business, financial condition, results of operations, and cash flows** . The Company is ~~involved~~ **a party** in product liability, product warranty and other claims relating to the products the Company manufactured and distributed. Although the Company currently maintains what the Company believes to be suitable and adequate insurance in excess of the Company' s self- insured amounts for product liability and other claims, there can be no assurance that the Company will be able to maintain such insurance on acceptable terms or that such insurance will provide adequate protection against potential liabilities. Product liability claims ~~can~~ **could** be expensive to defend and ~~can~~ **could** divert the attention of the Company' s management and other personnel for significant periods **of time** , regardless of the ultimate outcome. Claims of this nature could also have a negative impact on customer confidence in the Company' s products, the Company' s brands and the Company. In the ordinary course of business, the Company is also subject to other types of legal and regulatory proceedings. Any claims raised in legal and regulatory proceedings, whether with or without merit, could be time consuming and expensive to defend and could divert the Company' s management attention and resources. The Company cannot assure you that any current or future claims will not adversely affect the Company' s reputation, financial condition, operating results, and cash flows. The Company could incur substantial costs in order to comply with, or to address any changes in or violations of, environmental, health, safety and other laws **that could adversely affect the Company' s business, financial condition, results of operations, and cash flows** . The Company' s operations and facilities are subject to a variety of stringent federal, state, local, and foreign laws and regulations, including those relating to the protection of the environment and human health and safety. Compliance with these laws and regulations sometimes involves substantial operating costs and capital expenditures **.** ~~, and failure~~ **Failure** to maintain or achieve compliance with these laws and regulations or with the permits required for the Company' s operations could result in substantial costs and liabilities, such as fines and civil or criminal sanctions, third- party claims for property damage or personal injury, cleanup costs or temporary or permanent discontinuance of operations, including claims arising from the businesses and facilities that the Company has sold. The Company is subject to the risk that the Company, its employees, its affiliated entities, **its** contractors, **its** agents or their respective officers, directors, employees and agents may take actions determined to be in violation of any of these laws, for which the Company might be held responsible, particularly as the Company expands its operations geographically through organic growth and acquisitions. The Company cannot provide assurance that the Company' s internal controls and compliance systems, including the Company' s Code of Ethics and Statement of Policy, will protect the Company from acts committed by the Company' s employees, agents or business partners that violate U. S. and / or non- U. S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices, workplace behavior, export and import compliance, economic and trade sanctions, money laundering and data privacy. An actual or alleged violation could result in substantial fines, sanctions, civil or criminal penalties, debarment from government contracts, curtailment of operations in certain jurisdictions, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect the Company' s results of operations, financial condition or strategic objectives. For certain businesses the Company has divested, the Company has provided limited indemnifications for environmental contamination to the successor owners. The Company has also acquired and expects to continue to acquire businesses and facilities to add to the Company' s operations. While the Company sometimes receives indemnification for pre- existing environmental contamination, the party providing the indemnification may not have sufficient resources to cover the cost of any required measures. Certain facilities of the Company have been in operation for many years and the Company may be liable for remediation of any contamination at the Company' s current or former facilities; or at off- site locations where waste has been sent for disposal, regardless of fault or whether the Company, its predecessors or others are responsible for such contamination. The Company has been responsible for remediation of contamination at some of the Company' s locations, and while such costs have not been material to date, the cost of remediation of any of these and any newly- discovered contamination cannot be quantified, and the Company cannot assure you that it will not materially affect the Company' s profits or cash flows. Changes in laws, regulations or enforcement policies, including without limitation new or additional regulations affecting disposal of hazardous substances and waste, greenhouse gas emissions or use of fossil fuels, could have a material adverse effect on the Company' s business, financial condition, or results of operations. The Company is subject to certain additional regulations as a United States government contractor or subcontractor **and the Company' s business, results of operations and cash flows could be adversely affected if the Company does not comply with these certain additional regulations** . Some of the Company' s revenue is derived from contracts with agencies of the United States government and subcontracts with its prime contractors. As a United States government contractor or subcontractor, the Company is subject to federal contracting regulations, including the Federal Acquisition Regulations, which govern the allowability of costs incurred by the Company in the performance of United States government contracts. In connection with the Company' s United States government business, the Company is also subject to government audits and to review and approval of the Company' s policies, procedures, and internal controls for compliance with procurement regulations and applicable laws. In certain circumstances, if the Company does not comply with the terms of a government contract or with regulations or statutes, the Company could be subject to downward contract price adjustments or refund obligations or could in extreme circumstances be assessed civil and criminal penalties or be debarred or suspended from obtaining future contracts for a specified period of time. **19** ~~Item 1B. Unresolved Staff Comments~~