

Risk Factors Comparison 2025-02-19 to 2024-02-21 Form: 10-K

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The Company's business, financial condition, results of operations, and 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, as well as other 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 and other risks affecting the Company. In conjunction with reviewing the forward-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 those in the Safe Harbor Statement at the beginning of 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 ~~governmental initiatives to manage economic conditions, including government monetary and trade policies, tax laws and regulations.~~ 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 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 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.** **In reference to aforementioned tariffs on imported solar modules** The volatility of the commodity market with respect to the Company's principal raw materials and component parts **and inconsistencies**, ~~or substantial decreases~~ in the availability of the Company's principal raw materials and component parts, has impacted, and could continue to impact, the Company's business, results of operations, and cash flows. 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~~. **As a resulting result in, the Company is exposed** ~~exposed~~ to changes in the price and availability of **steel, aluminum, resins and glass**, ~~and furthermore~~ **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 **and** 2024. 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 of supply chain disruptions. ~~The failure~~ **Failures** by the Company's suppliers to deliver raw materials or component parts according to schedule, or at all, ~~has have~~ 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~~ **can and have resulted in** the Company ~~to adjust~~ **adjusting** 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~~ **The Company is subject to the risk of tariffs and the other** ~~Company's control~~ **restrictions on import of solar modules, which have adversely affected and may continue to** adversely affect its **Renewables** business, its industry, and the businesses..... ~~trade policies, tax laws and regulations~~. Tariffs placed on imported products used by the Company's customers, such as solar modules, **have and** could ~~impact~~ **continue to affect** cost and availability of these products to the Company's customers which could impact the demand for the Company's products or services. **Furthermore** In addition, fluctuations in the U.S. ~~to aforementioned tariffs on imported solar modules~~, while the Company does not sell or import solar modules, the goods and services the Company provides for its customers **in the Renewables segment depend depends** upon the supply of solar modules for which such shortages **or import challenges** have resulted in project delays over the past ~~two~~ **three** years. The supply has been primarily impacted by two regulatory items **relative to** : the Uyghur Forced Labor Prevention Act ("UFLPA") which was enacted in June 2022, and the circumvention of anti-dumping and countervailing duties **and** ("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 **requirements for sourcing** 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. **While these have lessened over the past year**, but ~~the~~ **they have impacted** Company expects continual improvement of supply as more module manufacturers move forward on the learning curve **timing and progress of the Company's customers' projects**. 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 an additional determinations or additional claims and investigations initiated by government. Demand for the Company's products in its Residential segment is significantly influenced by general economic conditions and trends in consumer spending on living spaces and home exteriors, and adverse trends in, among other things, inflation, interest rates, the health of the economy, repair and remodel and new construction activity, industrial production, consumer confidence and discretionary spending and institutional funding constraints could have a material adverse effect on the Company's business. Demand for products in the Company's Residential segment is significantly influenced by a number of economic factors affecting its customers, including distributors, dealers, retailers, contractors, architects, builders, homeowners and institutional and commercial consumers. Demand for products in the Company's Residential segment depends on the level of residential improvement and renovation and new construction activity, and, in particular, the amount of spending on living spaces and home exteriors. Home and commercial renovation and improvement and new construction activity are affected by, among other things, interest rates, consumer confidence and spending habits, demographic trends, housing affordability levels, unemployment rates, institutional funding constraints, industrial production levels, tariffs, actual inflation levels and uncertainty with respect to future inflation levels, recession possibility and general economic conditions. Demand for products in the Company's Residential segment depends primarily on the level of repair and remodel activity and, to a lesser extent, new construction activity, which are in turn impacted by interest rates and inflation. The combination of high interest rates and high inflation in recent years has reduced the affordability of mortgages and increased the cost of home improvement projects. These trends could and may have resulted in reduced levels of repair and remodel as well as new construction activity and demand for the Company's products, and, while inflation levels have moderated in recent months, the Company anticipates that these trends may continue for the foreseeable future. While home prices and equity levels of current homeowners remained strong throughout 2024, elevated interest rates could cause home prices to decrease and a weakness or reduction in home prices may result in a decreased demand for the Company's residential products. The Company cannot predict if or when interest rates or inflation levels will decline or, once they have declined, if they will remain low, or the impact that any final negative circumvention determinations made by the USDOC such decline may have on home prices, repair and continued timing lag remodel activity, new construction activity, demand for the Company's products, the Company's business generally or its financial condition. Adverse trends in any of the foregoing factors could reduce the Company's sales and have a material adverse effect on the Company's business, financial condition and results of operations. Such factors could also alter the balance of the Company's sales among its segments. The Company's business would suffer if the Company does not effectively manage its manufacturing processes, including, without limitation, adjusting production to meet demand, integrating new manufacturing facilities, and achieving cost-savings initiatives. The Company continually review-reviews by U-its manufacturing operations in an effort to achieve increased manufacturing efficiencies, to integrate new technologies and to address changes in its product lines and in-market demand. S-Periodic manufacturing integrations, realignments and cost-savings programs and other changes have adversely affected, and could in the future adversely affect, its operating efficiency and results of operations during the periods in which such programs are being implemented. eustoms Such programs may include the addition of manufacturing lines and the consolidation, integration and upgrading of facilities, functions, systems and procedures, including the introduction of new manufacturing technologies and product innovations. These programs involve substantial planning, often require capital investments, and may result in charges for fixed asset impairments or obsolescence and substantial severance costs. The Company's ability to achieve cost savings or other benefits within the time frames the Company anticipates is subject to many estimates and assumptions, a number of which are subject to significant economic, competitive and other uncertainties. While the Company anticipates that enhancing these capabilities will ultimately decrease its costs, the introduction of these capabilities has required significant initial investment, and the Company cannot be certain it will realize the benefits of this initiative when anticipated or at all. If these investments and other changes are not effectively integrated into the Company's manufacturing processes, the Company may suffer from production delays, lower efficiency and manufacturing yields, increased costs and reduced net sales. The Company also faces risks in starting up new manufacturing facilities, including with respect to expanding its overall production capacity as well as moving production to such new facilities, that could increase costs, divert management attention and reduce the Company's operating results. The Company must also effectively address changes to its manufacturing operations resulting from growth of its business generally, including as a result of acquisitions, and introduction of new products. As the Company increases its manufacturing capacity to meet market demand, integrate newly acquired manufacturing operations or begin to manufacture new products at scale, the Company may face unanticipated manufacturing challenges as production volumes increase, new processes are implemented and new supplies of raw materials used in these products are secured. As a result, increases in manufacturing capacity or integrating new operations may initially be associated with lower efficiency and

manufacturing yields and increased costs, including shipping costs to fill back-orders. If the Company experiences production delays or inefficiencies, a deterioration in the quality of its products or other complications in managing changes to its manufacturing processes, including those that are designed to increase capacity, enhance efficiencies and reduce costs or that relate to new products or technologies, the Company may not achieve the benefits that it anticipates from these actions when expected, or at all, and its operations could experience disruptions, its manufacturing efficiency could suffer and its business, financial condition and results of operations could be materially and adversely affected.

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 not be able to successfully compete for, attract, retain, develop or motivate a skilled and diverse workforce that the Company's business may require. The Company's business is dependent on engineers and other technical personnel to execute a variety of key responsibilities which include, 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 ~~an 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 decrease in demand from the end markets the Company serves, the loss or bankruptcy of any significant customer, a decrease in the prices that the Company can realize from sales of its products to its significant customers, or a significant decrease in business from any of the Company's significant customers, could have an adverse effect on the Company's business, results of operations and cash flows. The Company's ten largest customers accounted for approximately **38 %, 37 %, and 41 %, and 38 %** of the Company's net sales during **2024, 2023, and 2022**, and **2021**, respectively, with its largest customer accounting for approximately **12 %, 13 %, and 14 % and 13 %** of the Company's consolidated net sales during each of the years **2024, 2023, and 2022, and 2021**, respectively. **If the Company loses business from one or more of these customers, the Company's business, results of operations, and cash flows would be adversely affected.** The Company's ~~business encounters a high degree of competition in each of its segments and increased competition or failure to successfully compete could reduce the Company's revenue, gross profit, net income, and cash flows. Each of the Company's segments operates in a highly competitive business environment and increased encounters a high degree of~~ competition ~~from a number of competitors~~ could reduce the Company's revenue, gross profit, net income, and cash 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, as well as the ability to meet delivery **and construction** schedules dictated by customers. Additionally, the principal markets the Company participates in are characterized by changing technologies and new products and services, thus the Company also faces competition from the introduction of new products and services or technologies by competitors. The Company competes in its principal markets with companies of various sizes, some of which have greater scale, access to capital and other resources than the Company, ~~and as well as~~ may have 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 revenue, gross profit, net income and cash flows may be impacted. If the subcontractors the Company relies upon do not perform their contractual obligations, the Company's 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 affect the Company's cash flows. The Company's net sales are generally lowest in the first quarter primarily as a result of reduced activity in the construction industry due to inclement weather. Therefore, the Company's cash 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 business, results of operations and financial condition. The Company continually strives 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, 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 **or is unable to implement them** as timely and / or effectively as planned, the Company's business may be adversely affected by the negative impact 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 anticipated financial benefits of such plans. This may 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 results of operations and cash flows. Although 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, and is subject to risks associated with doing business internationally. The Company's sales originating outside the United States represented approximately 3 % of the Company's consolidated net sales during the year ended December 31, 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 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. **Any legislative or regulatory requirements that relate to the Company's business could be significant and may adversely affect the Company's business and results of operations. The Company's insurance coverage may be inadequate to protect against a potential hazard incident to its business. The Company maintains customary insurance policies for businesses of its type, including property, business interruption, product liability and casualty insurance coverage, but such insurance may not provide adequate coverage against potential claims, including losses resulting from interruptions in the Company's production capability or product liability claims relating to the products the Company manufactures. Consistent with market conditions in the insurance industry, premiums and deductibles for some of the Company's insurance policies have increased in recent years, sometimes substantially, and may, in the future, increase further. In some instances, some types of insurance may become available only for reduced amounts of coverage, if at all. In addition, the Company's insurers could deny coverage for claims. If the Company were to incur a significant liability for which its is not fully insured or that its insurers disputed, the Company's business, financial condition or results of operations could be materially adversely affected.** Future terror attacks, war, natural disasters or other catastrophic events **or public health crises** beyond the Company's control could negatively impact the Company's business, results of operations, and 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 continues to monitor the ongoing conflict between Russia and Ukraine, as well as other conflicts, including **between Israel and Hamas and in the Red Sea** **ongoing conflicts in the Middle East**, 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. 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, although they did not have a material adverse effect on the Company's operating results. 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~~ **U. S.** 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 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 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~~ **provides product warranties** and ~~makes~~ **, if the Company's product warranty obligations were significantly in excess of its reserves, the Company's business, financial condition and results of operations could be materially and adversely affected. The Company provides various warranties on its products and services, depending on the product and service and subject to various limitations. Management estimates warranty reserves** in accounting for certain customer contracts, ~~based~~ **and changes in these judgments or estimates may have significant impacts on factors** the Company's earnings. Changes in judgments or required estimates and any subsequent adjustments to those judgments or estimates, such as performance incentives ~~historical warranty costs and short- and long- term warranty trends by product~~ **penalties as a proportion of sales by product. Management also considers various relevant factors**, ~~contract~~ **including, but not limited to, the Company's stated warranty policies and procedures, as part of the evaluation of the Company's warranty liability. Because warranty issues may surface later in the life cycle of a product, management continues to review these estimates on a regular basis and considers adjustments to these estimates based on actual experience compared to historical estimates. Estimating the required warranty reserves requires a high level of judgment, especially as many of the Company's products are at a relatively early stage**

in their product life cycles, and the Company cannot be sure that its warranty reserves will be adequate for all warranty claims and contract modifications that arise. Material warranty obligations, including, but not limited to, those in excess of the Company's reserves, could have a material **adverse** effect on the Company's **business** sales and profits. Due to the substantial judgments applied and estimations involved with the Company's accounting for customer contracts, **financial condition** and the Company's actual results could differ materially or could be settled unfavorably from the Company's estimates. Revenue representing 35%, 40% and 47% of **operations** 2023, 2022 and 2021 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. 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, **2023-2024**, the Company had no outstanding indebtedness, but has \$ **396-395**. 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 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 U. S.** 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 Credits ("ITC"). The Inflation Reduction Act ("IRA") signed into law on August 16, 2022, among other things, provides for a variety of enhanced ITC and Production Tax Credits for renewable energy systems subject to specific dates and requirements. 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 enhanced tax credits. The **Company is subject to litigation and legal proceedings and may be subject to additional litigation, arbitration or legal proceedings in the future. From time to time, the Company may be involved in litigation relating to claims arising out of its operations and businesses that cover a wide range of matters, including, among others, contract and employment claims, personal injury claims, product liability claims and warranty claims. The results of any current or future litigation cannot be predicted with certainty and, regardless of the outcome, the Company may incur significant costs and experience a diversion of management resources as a result of litigation. The results of any such litigation could have a material adverse impact on the Company's business, financial condition, cash flows and results of operations. 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 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 could be expensive to defend and 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. 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