

## Risk Factors Comparison 2024-08-02 to 2023-08-04 Form: 10-K

**Legend:** New Text ~~Removed Text~~ Unchanged Text Moved Text Section

An investment in the Company involves various risks, including those mentioned below and those that are discussed from time to time in our other periodic filings with the Securities and Exchange Commission. Investors should carefully consider these risks, along with the other information filed in this report, before making an investment decision regarding the Company. Any of these risks could have a material adverse effect on our financial condition, results of operations and / or value of an investment in the Company. A pandemic or other global health crisis could adversely affect our revenues, operating results, cash flow and financial condition. Our business and operations, and the operations of our suppliers, business partners and customers, were adversely affected by the Coronavirus (or COVID- 19) pandemic which is impacted worldwide economic activity including in many countries or localities in which we operate, sell, or purchase goods and services. Any future pandemics or other global health crises could similarly have an adverse effect on our revenues, operating results, cash flow and financial condition. The ultimate extent to which any such circumstance impacts our business will depend on the severity, location and duration of the issue, the actions undertaken in response by local and world governments and health officials, and the success of medical efforts to address and mitigate the threat. A deterioration in the domestic and international economic environment, whether by way of ~~current~~ inflationary conditions or ~~potential~~ recessionary conditions, could adversely affect our operating results, cash flow and financial condition. Recent inflationary conditions in the United States, Europe and other parts of the world have increased virtually all of our costs including our cost of materials, labor and transportation. We attempt to maintain our profit margins by anticipating such inflationary pressures and increasing our prices where possible in accordance with contractual requirements and competitive conditions. While we thus far have been largely successful in mitigating the impact of such inflationary conditions, we may be unable to continue to increase our own prices sufficiently to offset cost increases, and, to the extent that we are able to do so, we may not be able to maintain existing operating margins and profitability. Additionally, competitors operating in regions with less inflationary pressure may be able to compete more effectively which could further impact our ability to increase prices and / or result in lost sales. Recessionary economic conditions, with or without a tightening of credit, could adversely impact major markets served by our businesses, including cyclical markets such as automotive, aviation, energy and power, heavy construction vehicle, general industrial, consumer appliances and food service. An economic recession could adversely affect our business by: • reducing demand for our products and services, particularly in markets where demand for our products and services is cyclical; • causing delays or cancellations of orders for our products or services; • reducing capital spending by our customers; • increasing price competition in our markets; • increasing difficulty in collecting accounts receivable; • increasing the risk of excess or obsolete inventories; • increasing the risk of impairment to long- lived assets due to reduced use of manufacturing facilities; • increasing the risk of supply interruptions that would be disruptive to our manufacturing processes; and • reducing the availability of credit and spending power for our customers. We rely on our credit facility to provide us with sufficient capital to operate our businesses and to fund acquisitions. We rely on our revolving credit facility, in part along with operating cash flow, to provide us with sufficient capital to operate our businesses and to fund acquisitions. The availability of borrowings under our revolving credit facility is dependent upon our compliance with the covenants set forth in the facility, including the maintenance of certain financial ratios. Our ability to comply with these covenants is dependent upon our future performance, which is subject to economic conditions in our markets along with factors that are beyond our control. Violation of those covenants could result in our lenders restricting or terminating our borrowing ability under our credit facility, cause us to be liable for covenant waiver fees or other obligations, or trigger an event of default under the terms of our credit facility, which could result in acceleration of the debt under the facility and require prepayment of the debt before its due date. Even if new financing is available, in the event of a default under our current credit facility, the interest rate charged on any new borrowing could be substantially higher than under the current credit facility, thus adversely affecting our overall financial condition. If our lenders reduce or terminate our access to amounts under our credit facility, we may not have sufficient capital to fund our working capital needs and / or acquisitions or we may need to secure additional capital or financing to fund our working capital requirements or to repay outstanding debt under our credit facility or to fund acquisitions. Our credit facility contains covenants that restrict our activities. Our revolving credit facility contains covenants that restrict our activities, including our ability to: • incur additional indebtedness; • make investments, including acquisitions; • create liens; • pay cash dividends to shareholders unless we are compliant with the financial covenants set forth in the credit facility; and • sell material assets. Our global operations subject us to international business risks. We operate in ~~37~~<sup>42</sup> locations outside of the United States in Europe, Canada, China, Japan, India, Singapore, Korea, Mexico, Turkey, ~~and~~ Malaysia, ~~and~~ South Africa. If we are unable to successfully manage the risks inherent to the operation and expansion of our global businesses, those risks could have a material adverse effect on our results of operations, cash flow or financial condition. These international business risks include: • fluctuations in currency exchange rates; • changes in government regulations; • restrictions on repatriation of earnings; • import and export controls; • political, social and economic instability; • potential adverse tax consequences; • difficulties in staffing and managing multi- national operations; • unexpected changes in zoning or other land-use requirements; • difficulties in our ability to enforce legal rights and remedies; and • changes in regulatory requirements. Failure to achieve expected savings and synergies could adversely impact our operating profits and cash flows. We focus on improving profitability through LEAN enterprise, low- cost sourcing and manufacturing initiatives, improving working capital management, developing new and enhanced products, consolidating factories where appropriate, automating manufacturing processes, diversification efforts and completing acquisitions which deliver synergies to stimulate sales and growth. If we are

unable to successfully execute these programs, such failure could adversely affect our operating profits and cash flows. In addition, actions we may take to consolidate manufacturing operations to achieve cost savings or adjust to market developments may result in restructuring charges that adversely affect our profits. Violation of anti-bribery or similar laws by our employees, business partners or agents could result in fines, penalties, damage to our reputation or other adverse consequences. We cannot assure that our internal controls, code of conduct and training of our employees will provide complete protection from reckless or criminal acts of our employees, business partners or agents that might violate United States or international laws relating to anti-bribery or similar topics. A violation of these laws could subject us to civil or criminal investigations that could result in substantial civil or criminal fines and penalties, and which could damage our reputation. We face significant competition in our markets and, if we are not able to respond to competition in our markets, our net sales, profits and cash flows could decline. Our businesses operate in highly competitive markets. To compete effectively, we must retain long standing relationships with significant customers, offer attractive pricing, maintain product quality, meet customer delivery requirements, develop enhancements to products that offer performance features that are superior to our competitors and which maintain our brand recognition, continue to automate our manufacturing capabilities, continue to grow our business by establishing relationships with new customers, diversify into emerging markets and penetrate new markets. In addition, many of our businesses experience sales churn as customers seek lower cost suppliers. We attempt to offset this churn through our continual pursuit of new business opportunities. However, if we are unable to compete effectively or succeed in our pursuit of new business opportunities, our net sales, profitability and cash flows could decline. Pricing pressures resulting from competition may adversely affect our net sales and profitability. If we are unable to successfully introduce new products and product enhancements, our future growth could be impaired. Our ability to develop new products and innovations to satisfy customer needs or demands in the markets we serve can affect our competitive position and often requires significant investment of resources. Difficulties or delays in research, development or production of new products and services or failure to gain market acceptance of new products and technologies may significantly reduce future net sales and adversely affect our competitive position. Increased prices or significant shortages of the commodities that we use in our businesses could result in lower net sales, profits and cash flows. We purchase large quantities of steel, aluminum, refrigeration components, freight services, and other metal commodities for the manufacture of our products. We also purchase significant quantities of relatively rare elements used in the manufacture of certain of our electronics products. Historically, prices for commodities and rare elements have fluctuated, and we are unable to enter into long-term contracts or other arrangements to hedge the risk of price increases in many of these commodities. Significant price increases for these commodities and rare elements could adversely affect our operating profits if we cannot timely mitigate the price increases by successfully sourcing lower cost commodities or rare elements or by passing the increased costs on to customers. Shortages or other disruptions in the supply of these commodities or rare elements could delay sales or increase costs. Current and threatened tariffs on components and finished goods from China and other countries could result in lower net sales, profits and cash flows and could impair the value of our investments in our Chinese operations. As part of our low-cost country sourcing strategy, we (i) maintain manufacturing facilities in China and (ii) import certain components and finished goods from our own facilities and third-party suppliers in China. Many of the components and finished goods we import from China are subject to tariffs enacted by the United States government. While we attempt to pass on these additional costs to our customers, competitive factors (including competitors who import from other countries not subject to such tariffs) may limit our ability to sustain price increases and, as a result, may adversely impact our net sales, profits and cash flows. The maintenance of such tariffs over the long-term also could impair the value of our investments in our Chinese operations. In addition, the imposition of tariffs may influence the sourcing habits of certain end users of our products and services which, in turn, could have a direct impact on the requirements of our direct customers for our products and services. Such an impact could adversely affect our net sales, profits and cash flows. An inability to identify or complete future acquisitions could adversely affect our future growth. As part of our growth strategy, we intend to pursue acquisitions that provide opportunities for profitable growth for our businesses and enable us to leverage our competitive strengths. While we continue to evaluate potential acquisitions, we may not be able to identify and successfully negotiate suitable acquisitions, obtain financing for future acquisitions on satisfactory terms, obtain regulatory approval for certain acquisitions or otherwise complete acquisitions in the future. An inability to identify or complete future acquisitions could limit our future growth. We may experience difficulties in integrating acquisitions. Integration of acquired companies involves several risks, including: • inability to operate acquired businesses profitably; • failure to accomplish strategic objectives for those acquisitions; • unanticipated costs relating to acquisitions or to the integration of the acquired businesses; • difficulties in achieving planned cost savings synergies and growth opportunities; and • possible future impairment charges for goodwill and non-amortizable intangible assets that are recorded as a function of acquisitions. Additionally, our level of indebtedness may increase in the future if we finance acquisitions with debt, which would cause us to incur additional interest expense and could increase our vulnerability to general adverse economic and industry conditions and limit our ability to service our debt or obtain additional financing. We cannot assure that future acquisitions will not have a material adverse effect on our financial condition, results of operations and cash flows. Impairment charges could reduce our profitability. We test goodwill and our other intangible assets with indefinite useful lives for impairment on an annual basis or on an interim basis if a potential impairment factor arises that indicates the fair value of the reporting unit may fall below its carrying value. Various uncertainties, including adverse conditions in the capital markets or changes in general economic conditions, could impact the future operating performance at one or more of our businesses which could significantly affect our valuations and could result in additional future impairments. The recognition of an impairment of a significant portion of goodwill would negatively affect our results of operations. Materially adverse or unforeseen legal judgments, fines, penalties or settlements could have an adverse impact on our profits and cash flows. We are and may, from time to time, become a party to legal proceedings incidental to our businesses, including, but not limited to, alleged claims relating to product liability, environmental compliance, patent infringement,

commercial disputes and employment and regulatory matters. In accordance with United States generally accepted accounting principles, we establish reserves based on our assessment of contingent liabilities. Subsequent developments in legal proceedings may affect our assessment and estimates of loss contingencies, recorded as reserves, which could require us to record additional reserves or make material payments which could adversely affect our profits and cash flows. Even the successful defense of legal proceedings may cause us to incur substantial legal costs and may divert management's time and resources away from our businesses. The costs of complying with existing or future environmental regulations, and of correcting any violations of these regulations, could impact adversely our profitability. We are subject to a variety of environmental laws relating to the storage, discharge, handling, emission, generation, use and disposal of chemicals, hazardous waste and other toxic and hazardous materials used to manufacture, or resulting from the process of manufacturing, our products and providing our services. We cannot predict the nature, scope or effect of regulatory requirements to which our operations might be subject or the manner in which existing or future laws will be administered or interpreted. We are also exposed to potential legacy environmental risks relating to businesses we no longer own or operate. Future regulations could be applied to materials, products or activities that have not been subject to regulation previously. The costs of complying with new or more stringent regulations, or with more vigorous enforcement of these or existing regulations, could be significant. In addition, properly permitted waste disposal facilities used by us as a legal and legitimate repository for hazardous waste may in the future become mismanaged or abandoned without our knowledge or involvement. In such event, legacy landfill liability could attach to or be imposed upon us in proportion to the waste deposited at any disposal facility. Environmental laws require us to maintain and comply with a number of permits, authorizations and approvals and to maintain and update training programs and safety data regarding materials used in our processes. Violations of these requirements could result in financial penalties and other enforcement actions. We could be required to halt one or more portions of our operations until a violation is cured. Although we attempt to operate in compliance with these environmental laws, we may not succeed in this effort at all times. The costs of curing violations or resolving enforcement actions that might be initiated by government authorities could be substantial. The costs of complying with existing or future regulations applicable to our products, and of correcting any violations of such regulations, could adversely impact our profitability. Certain of our products are subject to regulations promulgated by administrative agencies such as the Department of Energy, Occupational Health and Safety Administration and the Food and Drug Administration. Such regulations, among other matters, specify requirements regarding energy efficiency and product safety. Regulatory violations could result in financial penalties and other enforcement actions. We could be required to halt production of one or more products until a violation is cured. Although we attempt to produce our products in compliance with these requirements, the costs of curing violations or resolving enforcement actions that might be initiated by administrative agencies could be substantial. Our results could be adversely affected by natural disasters, political crises, labor unrest or other catastrophic events. Natural disasters, such as hurricanes, tornadoes, floods, earthquakes, and other adverse weather and climate conditions; political crises, such as terrorist attacks, war, labor unrest, and other political instability; or other catastrophic events, such as disasters occurring at our suppliers' manufacturing facilities, whether occurring in the United States or internationally, could disrupt our operations or the operations of one or more of our suppliers. Certain of our key manufacturing facilities are located in geographic areas with a higher than nominal risk of earthquake and flood (such as Japan) and hurricane (such as South Carolina). The effects of global warming have elevated the possibility of natural catastrophes which could impact these and other locations as well as the locations of certain of our customers and suppliers. Certain of our key facilities are in areas of higher than nominal political risk (such as China). The labor workforces in four of our U. S. facilities belong to unions and a strike, slowdown or other concerted effort could adversely impact production at the affected facility. To the extent any of these events occur, our operations and financial results could be adversely affected. An expansion of the war in Ukraine could adversely affect our results of operations and financial condition. To date, we have experienced minimal impacts on our businesses related to the ongoing war in Ukraine, beyond the general impact on global energy prices and other economic conditions. However, customer demand for our products and services as well as raw material and components from our suppliers may be impacted in the future if the war was to extend beyond Ukrainian borders, especially into Europe. Any of these impacts could have an adverse effect on our results of operations and financial condition. We depend on our key personnel and the development of high potential employees; the loss of their services may adversely affect our business. We believe that our success depends on our ability to hire new talent, develop existing talent and the continued employment of our senior management team and other key personnel. **While we engage in ongoing succession planning, if** one or more members of our senior management team or other key personnel were unable or unwilling to continue in their present positions, our business could be seriously harmed. In addition, if any of our key personnel joins a competitor or forms a competing company, some of our customers might choose to use the services of that competitor or those of a new company instead of our own. Other companies seeking to develop capabilities and products or services similar to ours may hire away some of our key personnel. If we are unable to maintain and develop our key personnel and attract new employees, the execution of our business strategy may be hindered and our growth limited. Strategic divestitures and contingent liabilities from businesses that we sell could adversely affect our results of operations and financial condition. From time to time, we have sold and may continue to sell business that we consider to be either underperforming or no longer part of our strategic vision. The sale of any such business could result in a financial loss and / or write-down of goodwill which could have a material adverse effect on our results for the financial reporting period during which such sale occurs. In addition, in connection with such divestitures, we have retained, and may in the future retain responsibility for some of the known and unknown contingent liabilities related to certain divestitures such as lawsuits, tax liabilities, product liability claims, and environmental matters. The trading price of our common stock has been volatile, and investors in our common stock may experience substantial losses. The trading price of our common stock has been volatile and may become volatile again in the future. The trading price of our common stock could decline or fluctuate in response to a variety of factors, including: • our failure to meet the performance estimates of securities analysts; • changes in

financial estimates of our net sales and operating results or buy / sell recommendations by securities analysts; • fluctuations in our quarterly operating results; • substantial sales of our common stock; • changes in the amount or frequency of our payment of dividends or repurchases of our common stock; • general stock market conditions; or • other economic or external factors.

Decreases in discount rates and actual rates of return could require an increase in future pension contributions to our pension plans which could limit our flexibility in managing our Company. The discount rate and the expected rate of return on plan assets represent key assumptions inherent in our actuarially calculated pension plan obligations and pension plan expense. If discount rates and actual rates of return on invested plan assets were to decrease significantly, our pension plan obligations could increase materially. Although our pension plans have been frozen, the size of future required pension contributions could require us to dedicate a greater portion of our cash flow from operations to making contributions, which could negatively impact our financial flexibility. Our business could be negatively impacted by cybersecurity threats, information systems and network interruptions, and other security threats or disruptions. Our information technology networks and related systems are critical to the operation of our business and essential to our ability to successfully perform day- to- day operations. Cybersecurity threats are persistent, evolve quickly, and include, but are not limited to, computer viruses, ransomware, attempts to access information, denial of service and other electronic security breaches. These events could disrupt our operations or customers and other third-party IT systems in which we are involved and could negatively impact our reputation among our customers and the public which could have a negative impact on our financial conditions, results of operations, or liquidity. We are subject to increasing regulation associated with data privacy and processing, the violation of which could result in significant penalties and harm our reputation. Regulatory scrutiny of privacy, data protection, collection, use and sharing of data is increasing on a global basis. Like all global companies, we are subject to a number of laws, rules and directives (“ privacy laws ”) relating to the collection, use, retention, security, processing and transfer (“ processing ”) of personally identifiable information about our employees, customers and suppliers (“ personal data ”) in the countries where we operate. The most notable of these privacy laws is the EU’s General Data Protection Regulation (“ GDPR ”), which came into effect in 2018. GDPR extends the scope of the EU data protection law to all foreign companies processing data of EU residents and imposes a strict data protection compliance regime with severe penalties for non- compliance of up to the greater of 4 % of worldwide turnover and € 20 million. While we continue to strengthen our data privacy and protection policies and to train our personnel accordingly, a determination that there have been violations of GDPR or other privacy or data protection laws could expose us to significant damage awards, fines and other penalties that could, individually or in the aggregate, materially harm our results of operations and reputation. Various restrictions in our charter documents, Delaware law and our credit agreement could prevent or delay a change in control that is not supported by our board of directors. We are subject to several provisions in our charter documents, Delaware law and our credit facility that may discourage, delay or prevent a merger, acquisition or change of control that a stockholder may consider favorable. These anti- takeover provisions include: • maintaining a classified board and imposing advance notice procedures for nominations of candidates for election as directors and for stockholder proposals to be considered at stockholders' meetings; • a provision in our certificate of incorporation that requires the approval of the holders of 80 % of the outstanding shares of our common stock to adopt any agreement of merger, the sale of substantially all of the assets of the Company to a third party or the issuance or transfer by the Company of voting securities having a fair market value of \$ 1 million or more to a third party, if in any such case such third party is the beneficial owner of 10 % or more of the outstanding shares of our common stock, unless the transaction has been approved prior to its consummation by all of our directors; • requiring the affirmative vote of the holders of at least 80 % of the outstanding shares of our common stock for stockholders to amend our amended and restated by-laws; • covenants in our credit facility restricting mergers, asset sales and similar transactions; and • the Delaware anti- takeover statute contained in Section 203 of the Delaware General Corporation Law. Section 203 of the Delaware General Corporation Law prohibits a merger, consolidation, asset sale or other similar business combination between the Company and any stockholder of 15 % or more of our voting stock for a period of three years after the stockholder acquires 15 % or more of our voting stock, unless (1) the transaction is approved by our board of directors before the stockholder acquires 15 % or more of our voting stock, (2) upon completing the transaction the stockholder owns at least 85 % of our voting stock outstanding at the commencement of the transaction, or (3) the transaction is approved by our board of directors and the holders of 66 2 / 3 % of our voting stock, excluding shares of our voting stock owned by the stockholder.