Risk Factors Comparison 2024-02-09 to 2023-02-10 Form: 10-K

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You should carefully consider the following material risks, together with the cautionary statement under the caption " Forward-Looking Information " above and the other information included in this report. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. The risks described below are not the only ones we face. Additional risks that are currently unknown to us or that we currently consider immaterial may also impair our business or adversely affect our financial condition or results of operations. If any of the following risks actually occurs, our business, financial condition or results of operation could be adversely affected. Manufacturing and Operational Risks ~~,economic and other risks that arise from operating a multinational business.Our operations~~ are subject to a number of potential risks.Such risks principally include:• **trade protection measures and currency exchange controls;• wage inflation,labor shortages and labor unrest;•** uncertainties and instability in global and regional economic conditions,including changes related to market conditions caused by **the COVID- 19 pandemic,** heightened inflation,potential economic recessions,and significant interest rate fluctuations;• ongoing political instability and uncertainties,including,but not limited to,the ongoing conflict between Russia and Ukraine,the ~~conflict between Israel and Hamas,the~~ relationship between China and the U.S.and other actual or anticipated military or political conflicts;• terrorist activities and the U.S.and international response thereto;• **restrictions on the transfer of funds into** ~~wage inflation,labor shortages and labor unrest;• trade protection measures and currency exchange controls;• changes in tax laws~~ or **out of a country** ~~interpretations,tax rates and tax legislation~~ ;• export duties and quotas;• domestic and foreign customs and tariffs;• current and changing regulatory environments;• difficulties protecting our intellectual property;• transportation delays and interruptions;• costs and difficulties in integrating,staffing and managing international operations,especially in developing markets such as China,India,Latin America,the Middle East and Africa;• difficulty in obtaining distribution support;• **natural disasters;•** health epidemics or new pandemics;and • **changes in tax laws or interpretations,tax rates and tax legislation** Changes in the availability and price of certain materials and components have resulted and could ~~continue to~~ result in significant disruptions to the supply chain causing manufacturing inefficiencies, increased costs and lower profits. We obtain materials and manufactured components from third- party suppliers. In the absence of labor strikes or...... affect, our business and outlook. Principal materials and components used in our various manufacturing processes include steel, castings, engines, tires, hydraulics, cylinders, drive trains, electric controls and motors, semiconductors, and a variety of other commodities and fabricated or manufactured items. The cost **and availability** of these materials, components and final assemblies have varied significantly in **the** past several years **. While we have seen improvements in certain areas of the supply chain, it is still not operating at optimal levels** and **additional fluctuations and disruptions** are **possible** ~~expected to continue to fluctuate~~ due to demand changes, inflation, geopolitical and economic uncertainty, regulatory and policy instability, the imposition of duties and tariffs (including on certain Chinese origin goods) and trade agreements / barriers, freight availability and costs, wage increases and labor shortages. In an effort to mitigate this, the Company has increased the prices of ~~its~~ **our** products, recouped tariffs through duty drawback and exclusions, and worked with suppliers to ensure optimum pricing and inventory levels. However, if customers are unwilling to accept price increases in the Company' s products and the Company is unable to recover a substantial portion of increased costs from our suppliers, or through duty draw- back / exclusions, or otherwise offset the increased costs, then continued or increased fluctuations in costs of materials or inflation generally and continued supply chain challenges could have a material adverse effect on the Company' s results of operation, profitability, free cash flows, and financial condition. In ~~In~~ the absence of labor strikes or other unusual circumstances,substantially all materials and components are normally available from multiple suppliers.However,certain of our businesses receive materials and components from a single source supplier,although alternative suppliers of such materials may be generally available.Delays in our suppliers' abilities,especially any sole suppliers for a particular business,to provide us with necessary materials and components may delay production at a number of our manufacturing locations,or may require us to seek alternative supply sources.Delays in obtaining supplies may result from a number of factors affecting our suppliers,including capacity constraints,regulatory changes,global logistics network challenges and cost increases,labor shortages and disputes,wage increases,rising inflation,suppliers' impaired financial condition,suppliers' allocations to other purchasers,weather emergencies,pandemics ~~(such as COVID- 19)~~ or acts of war or terrorism.Global logistics network challenges include shortages of shipping containers,ocean freight capacity constraints,international port delays,trucking and chassis shortages,railway and air freight capacity,rising inflation,wage increases and labor availability constraints,which have resulted in delays,shortages of key manufacturing components,increased order backlogs,and increased transportation costs. ~~We have~~ **While we** experienced **some supply chain improvements in 2023** , ~~and~~ **we could** in the future **again** ~~are likely to~~ experience ~~,~~ significant disruption of the supply of some of our parts,materials,components and final assemblies that we obtain from suppliers or subcontractors.We continue to actively monitor and mitigate our supply chain risk,but there can be no assurance that our mitigation plans will be effective.Any delay or disruptions in receiving supplies have resulted and could further result in manufacturing inefficiencies caused by us having to wait for parts to arrive on production lines,could impair our ability to deliver products to our customers and delay sales,and,accordingly,could have a material adverse effect on our business,results of operations,financial condition and / or **cash flows.In** addition, we purchase material and services from our suppliers on terms extended based on our overall credit rating. Deterioration in our credit rating may impact suppliers' willingness to extend terms and in turn accelerate cash requirements of our business. Consolidation within our customer base and suppliers may negatively impact our pricing and product margins. Over the last few years, some of our larger customers have been actively growing through acquisitions. This consolidation has increased the concentration of our largest customers, resulting in increased pricing pressure from our customers. Should our larger customers continue to grow through acquisitions, their buying influence may grow and negatively impact our negotiating leverage. Some of our suppliers have undergone a similar process of consolidation. The consolidation of our largest suppliers has resulted in limited sources of supply for certain parts and components and increased cost pressures from our suppliers. Any future consolidation of our customer base or our suppliers could negatively impact our business, financial condition, results of operations and cash flows. If this trend in customer and supplier consolidation continues, it could have an unfavorable impact on our pricing and product margins. **Our business may suffer if our equipment fails to perform as expected. If our equipment does not perform as expected or should we or any government safety regulator determine that a safety or other defect or noncompliance exists with respect to our equipment, we may receive warranty claims, need to perform a safety recall campaign, or need to delay product deliveries, the costs of which could become substantial. It could also lead to product liability, breach of warranty, and other claims. As a manufacturer of equipment, we must manage the cost and risk associated with product warranties, repairs and recalls, regulatory penalties, product liability, breach of warranty, and other claims with respect to our products.** We ~~are exposed~~ **establish warranty reserves that represent our estimate of the costs we expect** to ~~political, economic~~ **incur to fulfill our warranty obligations. We base our estimate for warranty reserves on our historical experience** and other ~~risks that arise~~ **related assumptions. If actual results materially differ** from ~~operating a multinational business. Our~~ **these estimates, our results of** operations **could be materially affected** are subject to a number of potential...... interpretations, tax rates and tax legislation . In addition, ~~many~~ - **any actual** ~~of the nations in which we operate have developing legal and economic systems adding greater uncertainty to our~~ - **or perceived** ~~operations in those countries than would be expected in North America, Western Europe and certain Asia Pacific markets. These factors may have an adverse effect~~ - **defect** ~~on our~~ - **or** ~~international operations~~ **quality issue** in ~~the future. We continue to focus on operational improvement in developing markets such as China, India, Latin America, the Middle East and Africa. These efforts will require us to hire, train and retain qualified personnel in countries where language, cultural or~~ **our** ~~regulatory barriers may exist. Any significant difficulties in continuing to improve or expand our operations in developing markets may divert management' s attention from our existing operations and require a greater level of resources than we plan to commit. Expansion into developing markets may require modification of~~ products **could lead** to **negative public perceptions about** ~~meet local requirements or preferences. Modification to~~ the ~~design~~ **safety** of our products ~~to meet local requirements and preferences may take longer or be more costly than we anticipate~~ and could **cause harm** ~~have a material adverse effect on our ability~~ to ~~achieve international sales growth~~ **our overall business, reputation, financial condition and operating results** . A material disruption to one of our significant manufacturing plants could adversely affect our ability to generate revenue. If operations at a significant facility were disrupted as a result of equipment failures, natural disasters, health epidemics, work stoppages, power outages or other reasons, our business, financial conditions and results of operations could be adversely affected. Interruptions in production could increase costs and delay delivery of units in production. Production capacity limits could cause us to reduce or delay sales efforts until production capacity is available. **Financial and General Economy Risks** Our business is sensitive to **general economic conditions,** government spending ~~. Many~~ **priorities and the cyclical nature** of **markets we serve. Demand for** our **products is affected by the general strength of the economies in which we sell our products,** customers ~~affected by the general strength of the economies in which we sell our products,customers~~ ' perceptions concerning the timing of economic **cycles,customers' replacement or repair** cycles,prevailing interest rates,residential and non- residential construction spending **,government spending priorities** ,capital expenditure allocations of our customers,the timing of regulatory standard changes,oil and gas related activity and other factors.The last several years have been marked by ~~the lingering effects of the COVID- 19 pandemic,~~ geopolitical instability,including the conflict between Russia and Ukraine **as well as Israel and Hamas** ,social concerns,supply chain and freight constraints, **pandemic,** labor shortages and wage increases,high inflation, ~~rising~~ **high** interest rates,foreign currency exchange volatility,and **continuing** concerns of possible recessions,all of which have increased ongoing economic uncertainty and instability in the global markets.This instability can make it extremely difficult for our customers,our suppliers and us to accurately forecast and plan future business activities **.Some of our customers also** depend substantially on government funding of highway construction, maintenance and other infrastructure projects ~~. In addition, we sell products to governments and government agencies in the U. S. and other nations~~ . Policies of governments attempting to address local deficit or structural economic issues could have a material impact on our customers and markets. **There is an expectation of significant infrastructure and government spending, including in relation to the Infrastructure Investment and Jobs Act, the Inflation Reduction Act and the CHIPS and Science Act.** Any decrease or delay in government funding of highway construction and maintenance, other infrastructure projects and overall government spending could cause our revenues and profits to decrease. Competition and Strategic Performance Risks The industry...... forecast and plan future business activities. While we ~~are expecting~~ --- **expect** ~~to experience~~ sales ~~growth~~ **to remain stable** in ~~2023~~ **2024** , we cannot provide any assurance that there will not be global economic weakness or a recession based on the above uncertainties **or** ~~. As discussed under the~~ **other** ~~risk~~ **unknown** ~~factor~~ **factors** ~~titled, " Changes in the availability and price of certain materials and components have resulted and could continue to result in significant disruptions to the supply chain causing manufacturing inefficiencies, increased costs, and lower profits, " the supply chain continues to be constrained and battling labor shortages, wage increases, freight constraints and heightened inflationary pressures~~ . If ~~we are not able to receive parts and components on a timely basis and at anticipated costs, we may not achieve the growth we expect in sales or profitability. If our customers are not successful in generating sufficient revenue or are precluded from securing financing or unable to meet higher interest rate payments, they may not be able to pay, or may delay payment of, receivables that are owed to us. Any inability of current and / or potential customers to pay us for our products will adversely affect our earnings and cash flow. Our sales depend in part upon our customers' replacement or repair cycles, which are impacted in part by historical purchase levels. We are in a period marked by high inflation levels, rising interest rates, global economic uncertainty, and if~~ economic conditions in the U. S. **, Europe** and other key markets do not show continued stability or improvement, we may experience negative impacts to our net sales, financial condition, profitability and cash flows, which could result in the need for us to record impairments. **Our** consolidated financial results are reported in U.S.dollars while certain assets and other reported items are denominated in the currencies of other countries,creating currency exchange and translation risk.Our Company operates in many areas of the world,involving transactions denominated in a variety of currencies.We are subject to currency exchange risk to the extent that our costs are denominated in currencies other than those in which the Company earns revenue.Additionally,the reporting currency for our consolidated financial statements is the U.S.dollar.Certain of our assets,liabilities,expenses,revenues and earnings are denominated in other countries' currencies,including the Euro,British Pound,Chinese Yuan,Indian Rupee,Australian Dollar and Mexican Peso.Those assets,liabilities,expenses,revenues and earnings are translated into U.S.dollars at the applicable foreign exchange rates to prepare our consolidated financial statements.Therefore,fluctuations in foreign exchange rates between the U.S.dollar and those other currencies affect the value of those items as reflected in our consolidated financial statements,even if their value remains unchanged in their original currency.Due to ~~continued~~ volatility of foreign exchange rates to the U.S.dollar,fluctuations in foreign exchange rates may have an impact on the accuracy of our financial guidance.Such fluctuations in foreign exchange rates relative to the U.S.dollar may cause our actual results to differ materially from those anticipated in our guidance and have a material adverse effect on our business or results of operations. We have a significant amount of debt outstanding and must comply with restrictive covenants in our debt agreements. Our credit agreement and other debt agreements contain financial and restrictive covenants that may limit our ability to, among other things, borrow additional funds or take advantage of business opportunities. As of December 31, ~~2022~~ **2023** , we are in compliance with the financial covenants. However, increases in our debt, increases in our interest expense or decreases in our earnings could cause us to fail to comply with these financial covenants. Failing to comply with such covenants could result in an event of default that, if not cured or waived, could result in the acceleration of all our indebtedness or otherwise have a material adverse effect on our financial position, results of operations and debt service capability. Our level of debt and the financial and restrictive covenants contained in our credit agreement could have important consequences on our financial position and results of operations, including increasing our vulnerability to increases in interest rates because debt under our credit agreement bears interest at variable rates ~~. In addition, due to the cessation of the London Interbank Offered Rate (" LIBOR "), we have entered into and may enter into financial transactions such as credit agreements, receivables, derivatives, and notes that use the Secured Overnight Financing Rate (" SOFR ") or the Sterling Overnight Index Average (" SONIA ") as interest rate benchmarks. SOFR and SONIA are calculated differently from LIBOR and have inherent differences, which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. The full effects of the transition to SOFR, SONIA, or other rates remain uncertain~~ . We may be unable to generate sufficient cash flow to service our debt obligations and operate our business. Servicing our debt requires a significant amount of cash. Our ability to generate sufficient cash depends on numerous factors beyond our control and our business may not generate sufficient cash flow from operating activities. Our ability to make payments on, and refinance, our debt and fund planned capital expenditures will depend on our ability to generate cash in the future. To some extent, this is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, including ~~rising~~ **high** interest rates. Lower sales, or uncollectible receivables, generally will reduce our cash flow. We cannot assure **that** our business will generate sufficient cash flow from operations, or future borrowings will be available to us under our credit facility or otherwise, in an amount sufficient to fund our liquidity needs. If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Our access to capital markets and borrowing capacity could be limited in certain circumstances. Our access to capital markets to raise funds through the sale of equity or debt securities is subject to various factors, including general economic and / or financial market conditions. Significant changes in market liquidity conditions could impact access to funding and associated funding costs, which could reduce our earnings and cash flows. If our consolidated cash flow coverage ratio is less than 2. 0 to 1. 0, we are subject to significant restrictions on the amount of indebtedness we can incur. Although our cash flow coverage ratio was greater than 2. 0 to 1. 0 at the end of ~~2022~~ **2023** , there can be no assurance this will continue to occur. Our access to debt financing at competitive risk- based interest rates is partly a function of our credit ratings. A downgrade to our credit ratings could increase our interest rates, could limit our access to public debt markets, could limit the institutions willing to provide us credit facilities, and could make any future credit facilities or credit facility amendments more costly and / or difficult to obtain. Although we believe the banks participating in our credit facility have adequate capital and resources, we can provide no assurance that all of these banks will continue to operate as a going concern in the future. If any of the banks in our lending group were to fail or be unwilling to renew our credit facility at or prior to its expiration, it is possible that the borrowing capacity under our current or any future credit facility would be reduced. If the availability under our credit facility was reduced significantly, we could be required to obtain capital from alternate sources to finance our capital needs. Our options for addressing such capital constraints would include, but not be limited to (i) obtaining commitments from the remaining banks in the lending group or from new banks to fund increased amounts under the terms of our credit facility, or (ii) accessing the public capital markets. If it becomes necessary to access additional capital, it is possible that any such alternatives in the current market could be on terms less favorable than under our existing credit facility terms, which could have a negative impact on our consolidated financial position, results of operations or cash flows. Some of our customers rely on financing with third parties to purchase our products. We rely on sales of our products to generate cash from operations. Significant portions of our sales are financed by third- party finance companies on behalf of our customers. The availability of financing by third parties is affected by general economic conditions, credit worthiness of our customers and estimated residual value of our equipment. Deterioration in credit quality of our customers or estimated residual value of our equipment could negatively impact the ability of our customers to obtain resources they need to purchase our equipment. **Some of our customers have been unable to obtain the credit they need to buy our equipment.** There can be no assurance third- party finance companies will continue to extend credit to our customers. **High** ~~Some of our customers have been unable to obtain the credit they need to buy our equipment. Rising~~ interest rates could have a dampening effect on the financial condition of some of our customers and their ability to repay credit obligations. As a result, some of our customers may need to cancel existing orders and some may be compelled to sell their equipment at less than fair value to raise cash, which could have a negative impact on residual values of our equipment. These economic conditions could have a material adverse effect on demand for our products and on our financial condition and operating results. We are exposed to losses from providing credit support to some of our customers. We may assist customers in their rental, leasing and acquisition of our products by facilitating financing transactions directly between (i) end- user customers, distributors and rental companies and (ii) third- party financial institutions, providing recourse in certain circumstances. The expectation of losses or non- performance is assessed based on consideration of historical customer assessments, current financial conditions, reasonable and supportable forecasts, equipment collateral value and other factors. Many of these factors, including the assessment of a customer' s ability to pay, are influenced by economic and market factors that cannot be predicted with certainty. Our maximum liability is generally limited to our customer' s remaining payments due to the third- party financial institutions at the time of default. In the event of a customer default, we are generally able to recover and dispose of the equipment at a minimum loss, if any, to us. During periods of economic weakness, collateral underlying our guarantees of indebtedness of customers can decline sharply, thereby increasing our exposure to losses. In the future, we may incur losses in excess of our recorded reserves if the financial condition of our customers were to deteriorate further or the full amount of any anticipated proceeds from the sale of the collateral supporting our customers' financial obligations is not realized. Historically, losses related to guarantees have been immaterial; however, there can be no assurance that our historical experience with respect to guarantees will be indicative of future results. We may experience losses in excess of our recorded reserves for receivables. We evaluate the collectability of our receivables based on consideration of a customer' s payment history, leverage, availability of third- party financing, political and foreign exchange risks, and other factors. Recorded reserves represent our estimate of current expected credit losses on existing receivables and are determined based on historical customer assessments, current financial conditions, and reasonable and supportable forecasts. An unexpected change in customer financial condition or future economic uncertainty could result in additional requirements for specific reserves, which could have a negative impact on our consolidated financial position. ~~Human Capital~~ **Competition and Strategic Performance** Risks ~~Competition and Strategic Performance Risks~~ The industry in which we operate is highly competitive ~~,~~ **and** subject to pricing pressure;if we fail to compete effectively **,both in product offerings and price** ,demand for our products may decrease and our business could suffer.Our industry is highly competitive.Our competitors include a variety of both domestic and foreign companies in all major markets.To compete successfully,our products must excel in terms of quality,reliability,durability,productivity,price,features,ease of use,safety and comfort,and we must provide excellent customer service **and support** .The greater financial resources of certain of our competitors may put us at a competitive disadvantage.Low- cost competition from China and other developing markets could also result in decreased demand for our products.If competition in our industry intensifies or if our current competitors lower their prices for competing products,we may lose sales or be required to lower the prices we charge for our products.One of our strategic initiatives is Innovate,which in part aims at the introduction of new or improved products,technologies and capabilities.If we are unable to continue to improve existing equipment products and technologies that meet our customers' expectations,or the industry' s expectations,including,but not limited to electrification options discussed below,the demand for our equipment could be substantially adversely affected.Our ability to match new product offerings to diverse global customers' anticipated preferences for different types and sizes of equipment and various equipment features and functionality,at affordable prices,is critical to our success.This requires a thorough understanding of our existing and potential customers on a global basis.Product development,improvements and introductions also require significant financial and technological resources,talent,research,planning,design,development,engineering and testing at the technological,product and manufacturing process levels.If competitors' new products arrive in the market before any of our similar new offerings arrive,or competitors offer more attractive features and functions prior to us,then demand for our equipment could be adversely affected or render our product obsolete.Any new products that we develop may also not receive market acceptance or otherwise generate meaningful net sales or profits for us relative to our expectations and our investments.Failure to compete effectively could result in lower revenues from our products and services,lower gross margins or cause us to lose market share.In response to changes in customer preferences concerning global climate changes **,sustainability** and related changes in regulations,we may continue to face greater pressure to develop products that generate less greenhouse gas emissions.Like many manufacturers,we foresee sales of electric- powered vehicles and ~~mobile~~ **hybrid** equipment becoming increasingly important and we ~~are~~ **continue to** actively ~~developing~~ --- **develop** and ~~offering~~ --- **offer** more electric powered **and lower emission** products **.** ~~,including our all- electric utility bucket truck launched in~~ We ~~rely~~ **are at risk of losing competitive advantages if we do not accurately predict, prepare for and respond to customer demands for new innovations with respect to electric- powered vehicles or mobile equipment and other technologies that minimize emissions, or if we are unable to do so** on **a cost- effective basis** ~~Company' s competitive position,financial condition,profitability and / or cash flows~~ .We may face limitations on our ability to integrate acquired businesses.From time to time,we may engage in strategic transactions involving risks,including the possible failure to successfully integrate and realize the expected benefits of such transactions.We ~~have~~ consummated ~~multiple~~ **a variety of** acquisitions in the ~~recent~~ past **three years** and anticipate making additional acquisitions in the future **including acquisitions that could be substantial in size** .Our ability to realize the anticipated benefits of any purchase,including the expected combination benefits,will depend,to a large extent,on our ability to integrate any acquired businesses.The risks associated with integrating acquired businesses include:• the business culture of the acquired business may not match well with our culture;• technological and product synergies,economies of scale and cost reductions may not occur as expected;• we may acquire or assume unexpected liabilities;• faulty assumptions may be made regarding the acquisition and integration process;• unforeseen difficulties may arise in integrating operations and systems;• we may fail to attract,retain,motivate and integrate key management and ~~skilled labor, and we may be unable to attract, develop, engage and retain qualified team members. We rely on the~~ **other** ~~management and leadership skills of our senior management team, particularly those of the Chief Executive Officer. The loss of the services of key~~ employees **of** ~~or senior officers, or the inability to identify, hire, develop and retain other~~ -- **the acquired** ~~highly qualified personnel in the future, could adversely affect the quality and profitability of our~~ business **; •** operations. Our ability to maintain or...... if we experience prolonged excessive turnover, we may experience **problems in** ~~declining sales, manufacturing delays, the loss of knowledge of departing employees or other inefficiencies, increased recruiting, hiring, onboarding and training~~ - **retaining customers; and • a large acquisition could stretch our** resources ~~, relocation costs~~ and **divert management' s attention from** ~~other~~ -- **the** ~~difficulties, and our~~ **existing operations. The successful integration of any newly acquired** business **also requires us to implement effective internal control processes** ~~, financial condition, results of operations and cash flows could be materially and adversely affected. Competition for qualified personnel remains intense and we may not be successful~~ in **these acquired** ~~attracting or retaining qualified personnel, which could negatively impact our business~~ **businesses** ~~. Additionally, while we strive to create an inclusive culture and a diverse workforce where all team members feel valued and respected, a failure, or perceived failure, to properly address inclusivity and diversity matters could result in reputational harm, reduced sales or an inability to attract and retain a talented workforce~~ . We **cannot ensure** ~~may be adversely impacted by work stoppages and other labor matters. As of December 31, 2022, we employed approximately 9, 300 people worldwide. While we have no reason to believe~~ that ~~we~~ **any newly acquired companies will operate profitably, that the intended beneficial effect from these acquisitions** will be **realized and** ~~impacted by work stoppages or other labor matters, we cannot assure that future issues with our team members or labor unions will be resolved favorably or~~ that we will not encounter **difficulties in implementing effective internal control processes in these acquired businesses,particularly when the acquired business operates in foreign jurisdictions and / or was privately owned.While our evaluation of any potential transaction includes business,legal,compliance and financial due diligence with the goal of identifying and evaluating the material risks involved,these due diligence reviews may not identify** all ~~- electric utility bucket truck launched in 2022.We are at risk~~ of **the issues necessary to** ~~losing competitive advantages if we do not~~ accurately ~~predict,prepare~~ **estimate the cost and potential risks of a particular acquisition** ~~for~~ - **or costs associated** ~~and respond to customer demands for new innovations~~ with ~~respect to electric- powered vehicles~~ **any quality issues with an acquisition target' s products** or ~~mobile equipment and~~ **services.Any of** ~~other~~ -- **the foregoing could adversely affect** ~~technologies that minimize emissions,or~~ **our business,financial condition and results of operations** ~~if we are unable to do so on a cost- effective basis~~ .The timing and amount of benefits from our strategic initiatives may not be as expected and our financial results could be adversely impacted.Each business in our Company is unique,but all businesses are managed to the " Execute,Innovate,Grow " operating framework.This is part of our continuing strategy to deliver long- term growth and earnings to our ~~shareholders~~ **stockholders** .We have made,and continue to make,significant investments in these strategic initiatives.However,we cannot provide any assurance that we will be able to realize the full anticipated benefits of these initiatives.Although " Execute,Innovate,Grow " is expected to improve ~~future operating margins and revenue growth,if we are unable to achieve expected benefits from these initiatives or are unable to complete them without material disruption to our businesses,the timing and amount of benefits may not be as expected and could adversely impact the Company~~ future ~~strikes~~ **operating margins and revenue growth** , **if we are unable to achieve expected benefits from** ~~further unionization efforts or other types of conflicts with labor unions or our team members. Any of~~ these ~~factors~~ **initiatives or are unable to complete them without material disruption to our businesses, the timing and amount of benefits** may ~~have~~ **not be as expected** ~~an~~ **and could** ~~adverse~~ **adversely** ~~effect on us or may limit~~ **impact the Company' s competitive position, financial condition, profitability and /** ~~our~~ - **or cash flows** ~~flexibility in dealing with our workforce~~ . Information Technology Risks Increased cybersecurity threats and more sophisticated computer crime **may** pose a risk to our systems, networks, products and services. We rely extensively on information technology systems and networks, some of which are 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 employees, customers and other business partners), and to manage or support a variety of critical business processes and activities. As technology continues to evolve, we anticipate that we will collect and store even more data in the future and that our systems will increasingly use remote communication. Operating these information technology systems and networks and processing and maintaining related data in a secure manner, is critical to our business operations and strategy. We continuously seek to maintain a robust program of information security and controls, but these systems may be damaged, disrupted or shut down due to attacks by computer hackers, computer viruses, employee error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. ~~A failure of or breach in information technology security, particularly through malicious cyber- attacks which continue to increase in both frequency and sophistication by both state and non- state actors, could expose us and our customers, distributors and suppliers to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions. In addition, such breaches in security could result in misstated financial information, regulatory action, fines and litigation, and other potential liabilities, as well as the costs and operational consequences of implementing further data protection measures, each of which could have a material adverse effect on our business or results of operations.~~ The current cyber threat environment continues to indicate increased risk for all companies ~~. In addition~~ , **with** ~~we could be impacted by~~ cyber **- attacks expanding in both frequency** ~~threats, disruptions or vulnerabilities of our customers~~ and ~~suppliers~~

sophistication . Like other global companies, we have experienced cyber threats and incidents in our systems and those of our third- party providers, and we have experienced viruses and attacks targeting our information technology systems and networks, although none have had a material adverse effect on our business or financial condition. Our information security efforts include programs designed to address security governance, identification and protection of critical assets, insider risk, third- party risk and cyber defense operations. While these measures are designed to reduce the risk of a breach or failure of our information technology systems, no security measures or countermeasures can guarantee that the Company will not experience a significant information security incident in the future. ~~Legal~~ **A failure of or breach in information technology security** , ~~Regulatory & Compliance~~ **particularly through malicious cyber- attacks, could expose us and our customers, distributors and suppliers to** ~~Risks~~ **risks** ~~Changes~~ **of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions. In addition, such breaches** in ~~import / export~~ **security could result in misstated financial information,** regulatory ~~regimes~~ **action** , **fines** ~~imposition of tariffs, escalation of global trade conflicts~~ and **litigation** ~~unfairly traded imports~~ , **reputational damage** ~~particularly from China~~ , ~~could continue to negatively impact our business. The U. S. government has imposed tariffs on certain foreign goods from a variety of countries~~ and ~~regions that it perceives as engaging in unfair trade practices, and previously raised the possibility of imposing additional tariff increases or expanding the tariffs to capture~~ other **potential liabilities** ~~types of goods. In response, many of these foreign governments have imposed retaliatory tariffs on goods that their countries import from the U. S. Changes in U. S. trade policy have resulted, and may continue to result, in one or more foreign governments adopting responsive trade policies that make it more difficult or costly for us to do business in or import our products from those countries. For example, tariffs on certain Chinese origin goods impact the cost of material and machines we import directly from our manufacturing operations in China~~ , as well as the ~~cost of material and components imported on our behalf by suppliers. The indirect impact of inflationary pressure on~~ costs ~~throughout the supply chain~~ and ~~the direct impact, for example, on costs for machines we import from our manufacturing operations~~ **operational consequences** ~~in China, is leading to higher input costs and lower margins on certain products we sell. In addition, tariffs imposed by the Chinese government on U. S. imports have made the cost~~ of ~~some~~ **implementing further data protection measures, each** of ~~our products more expensive for our Chinese customers. We cannot predict the extent to~~ which the U. S. or other......- compliance with such laws and regulations could have a material adverse effect on our business or results of operations. ~~No such incidents have occurred which required~~ **Increasing regulatory focus on privacy and data security issues and expanding laws could expose** us to ~~pay material amounts~~ **increased liability. The legislative and regulatory framework for privacy and data protection issues worldwide is rapidly evolving and is likely to continue to remain uncertain for the foreseeable future. We collect and transfer personal data as part of our business processes and activities. This data is subject to a variety of U. S., E. U. and other international laws and regulations, including oversight by various regulatory or other governmental bodies. Any inability, or perceived inability, to adequately address privacy and data protection concerns, even if unfounded, or** to comply with ~~such~~ **applicable** laws ~~and~~ **,** regulations ~~. Recently~~ , **policies, industry standards, contractual obligations, or** ~~there~~ - **other legal obligations (** ~~is an increased focus,~~ including ~~by governmental~~ **at newly acquired companies) could result in additional cost** and ~~non- governmental organizations~~ **liability to us or company officials** , **damage our reputation** ~~investors and other stakeholders~~ , **inhibit sales,** and ~~more attention~~ **otherwise adversely affect our business. Human Capital Risks We rely** on **key management** ~~ESG matters. Such matters include, but are not limited to, reducing greenhouse gas emissions~~ and **skilled labor** ~~climate- related risks; DEI; responsible sourcing and supply chain; human rights and social responsibility; and corporate governance and oversight. Given our commitment to ESG~~ , **and** we **may be unable** ~~actively manage all of these issues. We have a newly created senior vice president position with responsibility for ESG matters, additional dedicated employee resources, and cross- functional / business teams~~ to ~~further~~ **attract,** develop ~~and implement ESG related initiatives and requirements. In November 2022~~ , **engage** ~~we released our latest ESG report, which highlights ESG materiality assessment results, innovation of environmental friendly products~~ and ~~products supporting safe work practices, implementation of energy audits to achieve our carbon reduction journey and our goal of a 15 % reduction in greenhouse gas emissions and energy intensity, new injury prevention behaviors, reflecting our commitment to our Zero Harm Safety Culture, introducing nine affinity groups, supporting our DEI program, and the inclusion of four ESG reporting frameworks. Maintaining a strong reputation~~ ---- **retain** ~~with~~ **qualified** team members **. We rely on the management and leadership skills of our senior management team** , **particularly those of the Chief Executive Officer.The loss of the services of key employees or senior officers,or the inability to identify,hire,develop and retain other highly qualified personnel in the future,could adversely affect the quality and profitability of our business** operations.Our ability to maintain or expand our business depends on our ability to attract and hire qualified candidates with the requisite education,background,and experience as well as our ability to train,develop,engage,motivate and retain qualified team members with the skills necessary to understand and adapt to the continuously developing needs of our ~~customers.Efforts to attract talent to fill open roles in light of continued constrained labor availability and wage inflation may take more time than in the past and may continue to cost us significantly more than in past years.Moreover,the constrained labor conditions and wage~~ customers **. Efforts** ~~, investors, stakeholders and communities is critical~~ to ~~team members with the skills necessary to understand and adapt to the continuously developing needs of our customers.Efforts to~~ attract talent to fill open roles in light of continued constrained labor availability and wage inflation may take more time than in the past and may continue to cost us significantly more than in past years.Moreover,the constrained labor conditions and wage inflation pressures may mean that retention of existing talent may continue to require significant additional pay and incentives.If we fail to attract,hire,train,develop,engage,motivate and retain qualified personnel,or if we experience **prolonged excessive turnover,we may experience declining sales,manufacturing delays,the loss of knowledge of departing employees or** ~~the~~ **other** ~~success of~~ **inefficiencies, increased recruiting, hiring, onboarding and training resources, relocation costs and other difficulties, and** our business **, financial condition, results of operations and cash flows could be**

materially and adversely affected. Competition for qualified personnel remains intense and we may not be successful in attracting or retaining qualified personnel, which could negatively impact our business. Additionally, while we strive to create an inclusive culture and a diverse workforce where all team members feel valued and respected, a failure, or perceived failure, to properly address inclusivity and diversity matters could result in reputational harm, reduced sales or an inability to attract and retain a talented workforce . We **may be adversely impacted by work stoppages and other labor matters. As of December 31, 2023, we employed approximately 10, 200 team members worldwide and approximately one percent of our team members in the U. S. are represented by labor unions. While we** have ~~devoted and expect to have to continue to devote significant expenditures in designing and manufacturing new forms of equipment that satisfy new laws / regulations and market expectations related to greenhouse gas emission reductions. We devote significant time and resources to programs that are consistent with our corporate values and are designed to protect and preserve our reputation as a good corporate citizen. These goals, commitments, and targets reflect our current plans and are not~~ - **no** ~~guarantees~~ **reason to believe** that we will be **impacted by work stoppages** ~~able to achieve them. Any failure,~~ or **other labor matters** ~~perceived failure (whether or not valid)~~ , ~~to act responsibly~~ **we cannot assure that future issues** with ~~respect to the environment, to achieve our ESG goals, to maintain ESG practices, to comply with emerging ESG regulations, or~~ **our** ~~to meet investor or customer expectations related to ESG concerns, could harm our reputation, adversely impact our ability to attract and retain qualified and talented~~ team members ~~and customers, expose us to increased scrutiny from the investment community and enforcement authorities, reduce our~~ - **or** ~~stock price~~ **labor unions will be resolved favorably or that we will not encounter future strikes** , **further unionization efforts or other types of conflicts with labor unions or our team members. Any of these factors may** have an adverse effect on **us** ~~our~~ - **or may limit** ~~future financial results and cause harm to~~ our ~~business~~ **flexibility in dealing with our workforce** . **Legal, Regulatory & Compliance Risks** We face litigation and product liability claims and other liabilities. In our lines of business, numerous suits have been filed alleging damages for accidents that have occurred during use **, misuse** or operation of our products. We are self- insured, up to certain limits, for these product liability exposures, as well as for certain exposures related to general, workers' compensation and automobile liability. We obtain insurance coverage for catastrophic losses as well as those risks where insurance is required by law or contract. We do not believe that the outcome of such matters will have a material adverse effect on our consolidated financial position; however, any significant liabilities not covered by insurance could have an adverse effect on our financial condition. **the** U.S.or other countries will impose new or additional quotas,duties,tariffs,taxes or other similar restrictions upon the import or export of our products in the future,nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business.Tariffs and the possibility of an escalation or further developments of current trade conflicts,particularly between the U.S.and China,could continue to negatively impact global trade and economic conditions in many of the regions where we do business.This could result in continued significant increases in our material and component costs and the cost of machinery imported directly from our manufacturing operations in China.In addition,it may adversely impact demand for our products in China and elsewhere.We have been able to mitigate a portion of the effects of tariffs through the U.S.government' s duty draw- back mechanism and will further partially mitigate the impact through the U.S.Government' s tariff exclusion process,which has been extended through ~~May 31~~ **September 30** , ~~2024~~ **2023** ,on certain components.However,if we are unable to recover a substantial portion of increased costs from our customers and suppliers **,the extended exclusions** or duty draw- back,our business or results of operations could be adversely affected.The Coalition of American Manufacturers of Mobile Access Equipment,an alliance of mobile access equipment producers in the U.S.of which we are a member,pursued anti- dumping and countervailing cases against unfairly traded Chinese imports of mobile access equipment.The U.S.Department of Commerce has issued countervailing and anti- dumping duty rates on mobile access equipment from China.If these duties are not enough to offset the subsidies provided by the Chinese government to Chinese mobile access equipment manufacturers and / or if the duties are modified as a result of any appeal process,we may continue to operate at a disadvantage to Chinese manufacturers.This could result in reduced demand for our products in the U.S.and have an adverse effect on our business or results of operations. ~~Similarly,in 2023,the European Commission,began an anti- dumping investigation into imported mobile access equipment producers from China,following official complaint by several of our competitors.If duties are not granted as a result of such investigation,or if any duties granted are not sufficient,it could result in reduced demand for our products in the E.U.and have an adverse effect on our business or results of operation.~~ Compliance with environmental regulations could be costly and failure to meet ~~sustainability~~ **ESG** expectations or standards or achieve our ~~sustainability~~ **ESG** goals could adversely affect our reputation,business,results of operations,financial condition,or stock price.We generate hazardous and nonhazardous wastes in the normal course of our manufacturing operations.As a result,we are subject to a wide range of environmental laws and regulations.These laws and regulations govern actions that may have adverse environmental effects and require compliance with certain practices when handling and disposing of hazardous and nonhazardous wastes.Some environmental laws **impose strict,retroactive and joint and several liability for the remediation of the release of hazardous substances,which could subject us to liability without regard to whether we were negligent or at fault.Failure to comply with environmental laws could expose us to substantial fines or penalties and to civil and criminal liability.These liabilities,sanctions,damages and remediation efforts related to any non- compliance with such laws and regulations** We operate in many different jurisdictions and we could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act and similar worldwide anti- corruption laws. We must comply with all applicable laws, including the Foreign Corrupt Practices Act and other laws that prohibit engaging in corruption for the purpose of obtaining or retaining business. These anti- corruption laws prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. Our global activities and distribution model are subject to risk of corruption by our employees and in addition, our sales agents, distributors, dealers and other third parties that transact Terex business particularly because these parties are generally not subject to our control. We have an internal policy that expressly prohibits engaging in any commercial bribery and public corruption, including facilitation payments. We conduct ~~corruption~~ **compliance** risk **reviews and** assessments, have implemented training programs for our employees with respect to the Company' s prohibition against public corruption and commercial bribery, and perform reputational due diligence on certain third parties that transact Terex business. ~~In addition, we conduct transaction testing to assess compliance with our internal anti-corruption policy and procedures.~~ However, we cannot assure you that our policies, procedures and programs always will protect us from reckless or criminal acts committed by our employees or third parties that transact Terex business. We have a zero **-** tolerance policy for violations of anti- corruption laws and our anti- corruption policy. In the event we believe or have reason to believe our employees, agents, representatives, dealers or distributors or other third parties that transact Terex business have or may have violated our anti- corruption policy or applicable anti- corruption laws, we investigate or have outside counsel investigate relevant facts and circumstances. Although we have a compliance program in place designed to reduce the likelihood of potential violations of such laws, violations of anti- corruption laws could result in significant fines, criminal sanctions against us or our employees, prohibitions on the conduct of our business including our business with the U. S. government, an adverse effect on our reputation, business and results of operations and financial condition and a violation of our injunction or cease and desist order with the SEC. See Risk Factor entitled, " We must comply with an injunction and related obligations imposed by the SEC. " ~~Increasing regulatory focus on privacy and data security issues and expanding laws could expose us to increased liability. The legislative and regulatory framework for privacy and data protection issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. We collect and transfer personal data as part of our business processes and activities. This data is subject to a variety of U. S., E. U. and other international laws and regulations, including oversight by various regulatory or other governmental bodies. Any inability, or perceived inability, to adequately address privacy and data protection concerns, even if unfounded, or to comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations (including at newly acquired companies) could result in additional cost and liability to us or company officials, damage our reputation, inhibit sales, and otherwise adversely affect our business.~~ We and our directors, officers and employees are required to comply at all times with the terms of a 2009 settlement with the SEC that includes an injunction barring us from committing or aiding and abetting any future violations of the anti- fraud, books and records, reporting and internal control provisions of the federal securities laws and related SEC rules. In addition, regarding a separate and unrelated SEC matter, we consented to the entry of an administrative cease and desist order prohibiting future violations of certain provisions of the federal securities laws. As a result, if we commit or aid or abet any future violations of the anti- fraud, books and records, reporting and internal control provisions of the federal securities laws and related SEC rules, we are likely to suffer severe penalties, financial and otherwise, that could have a material negative impact on our business and results of operations.