

Risk Factors Comparison 2025-02-07 to 2024-02-09 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 Financial and Operational General Economy Risks The imposition** We are exposed to political, economic and other risks that arise from operating a multinational business. Our operations are subject to a number of **new** potential risks. Such risks principally include: • uncertainties and instability in global and regional economic conditions, including changes related to market conditions caused by 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 **increased** anticipated military or political conflicts; • terrorist activities and the U. S. and international response thereto; • wage inflation, labor shortages and labor unrest; • trade protection measures and currency exchange controls; • changes in tax laws or interpretations, tax rates and tax legislation; • export duties and quotas; • domestic and foreign customs and tariffs ; • **current and changing regulatory environments..... certain Asia Pacific markets. These factors may have an adverse effect on our international..... more costly than we anticipate and could have a material adverse effect on our ability to achieve business, financial condition and results of operations. Rising international sales growth. Changes in tariffs, including any tariffs applied to goods traded between the availability U. S. and price China, the U. S. and Mexico and the U. S. and Canada, could materially and adversely affect our business and results of operations. The U. S. government has previously and now again recently imposed tariffs on certain foreign goods** materials and components have resulted and could 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. 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 **countries** other commodities and fabricated or manufactured items **regions that it perceives as engaging in unfair trade practices** . **Foreign governments** The cost and availability of these materials, components and final assemblies have varied significantly **imposed, and may impose in the future, retaliatory tariffs on goods that the their countries import from** past several years. While we have seen improvements in certain areas of the supply **U. S. Such changes** chain -- **can , make it difficult or costly for us** is still not operating at optimal levels and additional fluctuations and disruptions are possible due to demand changes **do business in , or import our products from** , geopolitical and economic uncertainty, regulatory and policy instability, the **those** imposition of duties and **countries** . For example, tariffs (including on certain Chinese origin goods) **impact the cost of material and trade agreements / barriers machines we import directly from our manufacturing operations in China , freight availability as well as the cost of material and components imported on our behalf by suppliers. The indirect impact of inflationary pressure on costs , wage increases throughout the supply chain and labor shortages the direct impact, for example, on costs for machines we import from our manufacturing operations in China, leads to higher input costs and lower margins on certain products we sell . In an effort addition, tariffs imposed by the Chinese government on U. S. imports have made the cost of some of our products more expensive for our Chinese customers. We have been able to mitigate some effects** this, the Company has increased the prices of 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 **U. S. government ’ s duty draw- back mechanism, tariff exclusion process, footprint utilization, and prudent sourcing. However, with certain tariff exclusions ending and with any new tariffs, it could further negatively impact global trade and economic conditions in many of the regions where we do business. Such tariffs may result in significant increases in our material and component costs and the cost of machinery imported directly from our international manufacturing operations, which may make our products less cost competitive and the Company is reduce gross margins. It may also adversely impact demand for our products in certain locations. It may be time- consuming and costly for us to modify our business operations to adapt to or comply with such tariffs. If we become** unable to recover a substantial portion of **any** increased **tariff related costs from , the recent our- or suppliers, or through duty draw- back / exclusions, or otherwise offset the increased international tariffs** costs, then continued or increased fluctuations in costs of materials or inflation generally and continued supply chain challenges could have a material **materially and** adverse **adversely effect affect our business** on the Company’ s results of operation , profitability, free cash flows, and financial condition . In the absence of labor strikes or other unusual circumstances, substantially all materials and **components are normally available from multiple suppliers..... material adverse effect on our business, results of operations , financial condition and / or cash flows- . In addition, we purchase material and..... available. Financial and General Economy Risks** Our business is sensitive to general economic conditions, government spending 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’ 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 geopolitical instability, including the conflict between Russia and Ukraine as well as Israel and Hamas, social concerns, supply chain and freight constraints, a pandemic, labor shortages and wage increases, high inflation, 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. 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. **Recent channel adjustments reflect macro uncertainty** While we expect sales to remain stable in 2024, we **high interest rates, geopolitical uncertainties, and shorter delivery lead times. We** cannot provide any assurance that there will not be **continued, increased** global economic weakness **and or a recession recessions** based on the above uncertainties or other **unknown** factors. **The imposition of tariffs by the United States could trigger the adoption of tariffs by other countries as well. Any resulting escalation of trade tensions, including a trade war, could have a significant adverse effect on world trade and the world economy.** If economic conditions in the U. S., Europe and other key markets **weaken** do not show **continued stability or improvement**, we may experience **further** 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..... 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 On October 8, 2024, we entered into an Incremental Assumption, Borrowing Subsidiary Agreement and Amendment No. 2 to our credit agreement which (i) increased the size of our existing revolving credit facilities to \$ 800 million and extended the maturity of our existing revolving credit facilities to expire on October 8, 2029, and (ii) provided for a new seven- year term loan facility in an aggregate principal amount of \$ 1, 250 million with a maturity date of October 8, 2031. We also issued an additional \$ 750 million of senior unsecured notes on October 8, 2024, which will mature in 2032. Following the acquisition of ESG our debt levels have now increased significantly. Our ability to make required payments of principal and interest on our increased debt levels will depend on future performance of our combined businesses, which, to a certain extent, is subject to general economic, financial, competitive and other debt factors that are beyond our control. In addition, our credit agreements-- agreement contain contains** financial and restrictive covenants that may limit our ability to, among other things, borrow additional funds or take advantage of business opportunities. **While** As of December 31, 2023, we are **currently** 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 Our failure** 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-- operation** and debt service capability. Our **increased** 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. 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 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 **2023-2024**, 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. 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 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. 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 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.

Competition and Strategic Performance Risks The industry in which we operate is..... on a cost-effective basis. We may be unable to face limitations on our ability to successfully integrate acquired businesses, including ESG. We may not realize the anticipated benefits of such acquisitions, including the acquisition of ESG. 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 many a variety of acquisitions in the past three years and anticipate making additional acquisitions in the future including acquisitions that could be substantial in size. On October 8, 2024, we acquired ESG for \$ 2 billion. Our ability to realize the anticipated benefits of any purchase-the acquisition, including the expected combination-tax benefits and synergies, will depend, to a large extent, on our ability to integrate the any acquired-businesses of both companies. Management will be required to devote significant attention and resources to the integration process, which may disrupt business and, if implemented ineffectively, could preclude realization of the full benefits we expect. The risks associated with integrating acquired-businesses the ESG acquisition and our other past or future acquisitions 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 other employees of the acquired business ; • higher than expected finance costs may arise due to unforeseen changes in tax, trade, environmental, labor, safety, payroll or pension policies in any jurisdiction in which the acquired business conducts its operations ; • we may experience problems in retaining customers and integrating customer bases ; and • a large acquisition could stretch our resources and divert management’s attention from the existing operations. The successful integration of any previously acquired or newly acquired business also requires us to implement effective internal control processes in these acquired businesses. We While we believe we have successfully integrated acquisitions to date, we cannot ensure that any previously acquired or newly acquired companies , including ESG, will operate profitably, that the intended beneficial effect from these acquisitions will be realized and 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 . See Risk Factor entitled “ We must comply with an injunction and related obligations resulting from the settlement of an SEC investigation ” for additional consequences if we were to commit a violation of the reporting and internal control provisions of the federal securities laws . 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 of the issues necessary to accurately estimate the cost and potential risks of a particular acquisition or costs associated with any quality issues with an acquisition target’s products or services. In addition, to the extent that we seek or make acquisitions in machinery and industrial businesses that are significantly different from our existing operations, there will be added risks and challenges for managing and integrating these businesses. Further, we may need to consolidate or restructure our acquired or existing facilities, which may require expenditures related to reductions in workforce and other charges resulting from the consolidations or restructurings, such as the write- down of inventory and lease termination costs. Any of the foregoing could adversely affect our business and results of operations. Many of these factors will be outside our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management’s time and energy. If we are unable to close or fail to successfully integrate acquired businesses, this could have an adverse effect on our business , financial condition and results of operations. We also may not realize the expected benefits of any newly acquired business, including expected synergies. For instance, if we are unable to realize expected synergies from the ESG acquisition, or the cost to achieve these synergies is greater than expected, then the anticipated benefits of the acquisition may not be realized fully or at all or may take longer to realize than expected. Further, we may be unable to achieve or maintain our long- term net leverage targets which could result in an event of default under our outstanding debt obligations. See Risk Factor entitled, “ We have a significant amount of debt outstanding and must comply with covenants in our debt agreements. ” 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 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’s competitive position, financial condition, profitability and / or cash flows –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 more electric powered and lower emission products,the demand for our equipment could be substantially adversely impacted-affected .Our ability to predict and 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 loss-lose of market share. Manufacturing In response to changes in customer preferences concerning global climate changes,sustainability and Operational Risks-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 hybrid equipment becoming increasingly important and we continue to actively develop

and offer more electric powered and lower emission products. We are exposed to political at risk of losing competitive advantages if we do not accurately predict, economic-prepare for and respond to customer demands for new innovations with respect to electric- powered vehicles or mobile equipment and other risks-technologies that minimize emissions,or if we arise-- are from operating-unable to do so on a multinational business-cost- effective basis. Our operations are subject to a number of potential risks. Such risks principally include: • uncertainties and instability in global and regional economic conditions,including changes related to market conditions caused by heightened inflation,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; • domestic and foreign customs. 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. The current cyber threat environment continues to indicate increased risk for all companies, with cyber- attacks expanding in both frequency and sophistication. **These threats may also be further enhanced in frequency or intensity through threat actors' use of artificial intelligence technologies, which are becoming more rapidly developed and adopted.** 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. **We are also utilizing artificial intelligence technologies to help detect and defend against cyber threats.** 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. A failure of or breach in information technology security, particularly through malicious cyber- attacks, 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, reputational damage, 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. **Issues related to the development, deployment and use of artificial intelligence technologies in our business operations, information systems, products and services, could result in reputational harm, financial harm, regulatory action or legal liability, and any failure to adapt to such technological developments or industry trends could adversely affect the competitiveness of our business or financial results.** The use of artificial intelligence technologies to improve our business operations, information systems, products, services and features may continue to become more important, but poses risks and challenges. The use of artificial intelligence technologies can pose risks from an intellectual property, confidential data leakage, data protection and privacy perspective, as well as raise ethical concerns, compliance issues, and security risks. **As artificial intelligence technologies rapidly develop and evolve, and become subject to dynamic and evolving regulatory requirements, the safe and responsible integration of such may be challenging and may impose significant costs, expertise personnel requirements and risk management burdens on the Company.** There is also no guarantee that our use of artificial intelligence will enhance our technologies, benefit our business operations, or produce products and services that are preferred by our customers. Any artificial intelligence technologies that we do develop or utilize may ultimately be deficient, inaccurate, biased, incomplete or flawed, which could result in competitive harm, regulatory penalties, legal liability, brand or reputational harm and financial harm. Further, a failure to timely and effectively use or deploy artificial intelligence technologies and integrate such into new product offerings and services could negatively impact our competitiveness. Our competitors may be more successful in incorporating artificial intelligence into their business operations, information systems, products and services, or developing superior products and services with the aid of artificial intelligence technology, which could impair our ability to compete effectively and adversely affect our results of operations. 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 continue **continues** to **evolve** 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. **Human Capital Risks** We rely on key management and skilled labor, and we may be

unable to attract, develop, engage and retain 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 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 other 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 no reason to believe that we will be 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 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 or may limit our 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.

Changes in import/export regulatory regimes, imposition of tariffs, escalation of global trade conflicts and unfairly traded imports, 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 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 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 of our products more expensive for our Chinese customers. We cannot predict the extent to which 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, 2024, on certain components. However, if we are unable to recover a substantial portion of increased costs from our customers and suppliers 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 requirements or expectations or standards or achieve our sustainability 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 could have a material adverse effect on our business or results of operations. No such incidents have occurred which required us to pay material amounts to comply with such laws and regulations. **Concerns regarding** Recently, there is an increased focus, including by governmental and non-governmental organizations, investors and other stakeholders, and more attention on sustainability matters. Such matters **have resulted, and may continue to result, in new legal and regulatory requirements, include including**, but are not limited to, reducing greenhouse gas emissions and climate-related risks; DEI; responsible sourcing and supply chain; human rights and social responsibility; and corporate governance and oversight. Given our commitment to sustainability, we actively manage all of these issues. We have a senior vice president position with responsibility for sustainability matters, additional dedicated employee resources, and cross-functional / business teams to further develop and implement sustainability related initiatives and requirements. In October 2023, we released our latest sustainability report, which provides expanded coverage and case studies of our sustainability commitment to team members, customers, investors, and the community at large. It details how sustainability is integral to our strategic business priorities, including product innovation and solutions that enable our customers to operate in safe and sustainable ways, and the practices that we have implemented at our locations that reduce negative impacts on the environment, as well as our goal of a 15 % reduction in greenhouse gas emissions and energy intensity by year-end 2024. Concern over climate change and sustainability also continues to result in new legal and regulatory requirements designed to mitigate the effects of climate change on the environment, including the European Union's European Sustainability Reporting Standards and **under the** Corporate Sustainability Reporting Directive, **and** California's Climate Corporate Data Accountability Act and Climate Related Financial Risk Act, **and similar regulations under consideration by the SEC. Sustainability is integral** We are experiencing, and expect to continue to experience **our strategic business priorities**, increased compliance burdens **including product innovation** and associated costs **solutions that enable our customers** to meet the new regulatory obligations **operate in safe and sustainable ways**. We have devoted and expect to have to continue to devote significant expenditures **in and resources toward** 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 complying** resources to programs that are consistent with **sustainability reporting obligations** our corporate values and are designed to protect and preserve our reputation as a good corporate citizen. These **Any sustainability** goals, commitments, and targets reflect our current plans and **are do** not **guarantee** - **guarantee** that we will be able to achieve them. Maintaining a strong reputation with team members, customers, investors, stakeholders and communities is critical to the success of our business. **Any A** failure, or perceived failure (whether or not valid), to act responsibly with respect to the environment, **to achieve our sustainability goals, to maintain sustainability practices, to comply with emerging sustainability regulations, or to meet investor or customer** expectations related to sustainability concerns, could harm our reputation, adversely impact our ability to attract and retain **customers and** qualified and talented team members **and customers, expose us to increased scrutiny from the investment community and enforcement authorities, reduce our stock price**, have an adverse effect on our future financial results **and or** cause harm to our business. 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 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. However, we cannot assure you that our policies, procedures and programs **will** 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 **occur and 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. " 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. **Human Capital Risks We rely on key management and skilled labor, and we may be unable to attract, develop, engage and retain 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 for such roles in the future, could adversely affect the quality and profitability of our business operations. Additionally, our ability to maintain or expand our business depends on our ability to attract, hire, train, develop, engage, motivate and retain qualified team members with the requisite education, background, experience and skills necessary to understand and adapt to the continuously developing needs of our customers. Efforts to attract talent to fill open roles with labor availability constraints and wage inflation can take more time and cost us significantly more. Moreover, 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 other 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. We may be adversely impacted by work stoppages and other labor matters. As of December 31, 2024, we employed approximately 11,400 team members worldwide and approximately one percent of our team members in the U. S. are represented by labor unions. While we have no reason to believe that we will be 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 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 or may limit our flexibility in managing our workforce.**