

Risk Factors Comparison 2024-12-18 to 2023-12-20 Form: 10-K

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

The following are material risk factors known to us that could materially adversely affect our business, reputation, operating results, industry, financial position, or future financial or operational performance. The risks described below are not the only risks we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business, reputation, operating results, industry, financial position, or future financial or operational performance. Risk Factor Summary This summary is not complete and should be read in conjunction with the more detailed risk factors set forth below. Economic and Operational Risks • Our net sales and earnings have been and will likely continue to be adversely affected by economic conditions and outlook in the locations in which we conduct business. • If we are unable to enhance existing products and develop and market new products, demand for our products may decrease adversely impacting our net sales and earnings. • Disruption and / or shortages in commodities, components, parts, or accessories has adversely affected and could continue to adversely affect our business. • Weather conditions, including conditions exacerbated by global climate change, present chronic and acute physical risks, and have previously impacted, and may continue to impact, demand for some of our products and / or cause disruptions in our operations. • Our Professional segment net sales are dependent on several factors, including **changes to the golf, infrastructure grounds, irrigation, and construction activity markets**. • Our Residential segment net sales are dependent on several factors, including product placement, consumer confidence and spending levels and changing customer buying patterns. • Changes in our product mix have adversely impacted and could continue to adversely impact our operating results. • We face intense competition, which could harm our business and operating results. • Increases in the cost of commodities, components, parts, and accessories have adversely affected and could continue to adversely affect our profit margins. • We are dependent upon our facilities and those of our suppliers and other third parties. • We are dependent upon a strong, effective labor force. • Our net sales and other operating results are dependent upon us and our channel customers maintaining appropriate inventory levels. • We are dependent upon our channel customers. • We are dependent upon the availability and terms of credit offered to our customers. • We are dependent upon effective information systems. • Our international operations involve risk. • We experience disruptions to our operations from time to time as result of facility changes and renovations. • **There are risks associated with the recent U. S. presidential election, including the imposition, or threat of imposition, of additional tariffs.** Strategic Risks • Our strategy to pursue acquisitions and alliances, strong customer relations, and new joint ventures, investments, and partnerships and our recent activities in this regard involve risk and may prove to be unsuccessful. • **Climate, environmental, health and safety laws and regulations as well as the impact of increased increased scrutiny regarding on our environmental, social and governance (“ ESG ”) practices , our ability to meet our ESG company goals, and public perceptions that our products are not environmentally friendly or that our practices are not sustainable** could impact our reputation . • **Stock price volatility, including in response to the risks described herein or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our customers, competitors or suppliers regarding their own performance, as well as industry or general economic conditions, and other factors beyond our control. • There are risks associated with our ability to achieve our financial projections and other business initiatives, including our Amplifying Maximum Productivity (“ AMP ”) initiative, in the time periods that we anticipate or at all** . Financial Risks • We incur impairment, restructuring, and other charges from time to time which harm our operating results. • Foreign currency exchange rate fluctuations may harm our operating results. • We are dependent upon the availability and cost of our credit arrangements and any downgrade in our credit ratings could adversely affect our access to and increase the cost of such arrangements. • Changes in accounting or tax standards and policies and / or assumptions underlying estimates could harm our results of operations. Legal, Regulatory, and Compliance Risks • Our patents, trademarks, and contractual provisions may be insufficient to protect our proprietary rights , or we may infringe the proprietary rights of others. • Our business, which is subject to extensive regulation, involves legal and regulatory risks. • We are subject to product quality issues, product liability claims, and other litigation from time to time. General Risk Factors • We may not achieve our financial projections or other business and productivity initiatives, which could have an adverse effect on our business, operating results, and financial condition. • If we are unable to attract and retain key executive and other talent or successfully implement key employee transitions, we may be unable to meet strategic objectives and our business could suffer. Our net sales and earnings have been and could continue to be adversely affected by economic conditions and outlook in the locations in which we conduct business. Adverse economic conditions and outlook in the U. S. and in other countries in which we conduct business have and could continue to impact our net sales and earnings. These adverse economic conditions include, but are not limited to, business closures, slowdowns, suspensions or delays of production and commercial activity; recessionary conditions; slow or negative economic growth rates; slowdowns or reductions in levels of interest in the game of golf or golf course activity, development, renovation, and improvement; golf course closures; reduced governmental or municipal spending; reduced levels of home ownership, construction, and sales; home foreclosures; negative consumer confidence; reduced consumer spending levels; increased or prolonged high unemployment rates; higher costs, longer lead times, and reduced availability of commodities, components, parts, and accessories, including as a result of transportation-related costs, inflation, changing prices, foreign currency fluctuations, tariffs, and / or duties; inflationary or deflationary pressures; reduced infrastructure spending; the impact of U. S. federal debt, state debt, and sovereign debt defaults and austerity measures by certain European countries; reduced credit availability or unfavorable credit terms for our distributors, dealers, and end- user customers; higher short- term, mortgage, and other interest rates; government shutdowns; and general economic and

political conditions and expectations. In the past, some of these factors have caused and may continue to cause our distributors, dealers, and end- user customers to reduce spending and delay or forego purchases of our products, which has had an adverse effect on our net sales and earnings. If we are unable to continue to enhance existing products and develop and market new products, demand for our products may decrease. One of our strategies is to develop innovative, customer- valued and high- quality products to generate revenue and earnings growth. In the past, our sales from new products, which we define as those introduced in the current and previous two fiscal years, have represented a significant portion of our net sales and are expected to continue to represent a significant portion of our future net sales. We may not be able to compete as effectively and ultimately satisfy the needs and preferences of our customers, unless we can continue to enhance existing products and develop new and innovative products, including by incorporating new, emerging, and / or disruptive technologies that may become preferred by our customers. For example, we have the transition risk of developing and marketing electric and alternative fuel products to meet market demands for less greenhouse gas intensive products. Product development, improvement, and introductions require significant financial and technological resources, talent, research, planning, design, development, engineering, and testing at the technological, product, and manufacturing process levels, and we may not be able to timely develop and introduce new products, technologies or product improvements. New and innovative competitive products may beat our products to market; be higher quality or more reliable; be more effective, have more features, and / or be less expensive than our products; incorporate new, emerging, and / or disruptive technologies; obtain better market acceptance; or render our products obsolete. Any new products that we develop may not receive market acceptance or otherwise generate any meaningful net sales or profits for us relative to our expectations based on, among other things, investments in manufacturing capacity and commitments to fund advertising, sales incentive and promotion programs, and research and development. Disruption and / or shortages in the availability of commodities, components, parts, or accessories has, and could continue to, adversely affect our business. Global supply chain disruptions, natural disasters, antidumping and countervailing duty petitions regarding certain engines imported into the U. S. from China, and other tariffs have, to various and differing degrees, impacted the availability of commodities, components, parts, and accessories used in our products. In addition, while most of our commodities, components, parts, or accessories are generally commercially available from a number of sources, certain items are sourced from single suppliers, which has limited, and could continue to limit, the availability of commodities, components, parts, and accessories when such suppliers are unable to meet our production requirements and we are unable to source such items from an alternative supplier in a timely manner to meet our production needs. This occurred at times during the past couple of years. Any continued or new disruption or shortages in the availability of commodities, components, parts, or accessories, including as a result of labor staffing, workforce shortage, or other challenges that our suppliers may experience as a result of financial hardship, pandemics and / or epidemics, natural disasters, and adverse weather, the frequency and intensity of which may be exacerbated by climate change, or other events, our inability to timely or otherwise obtain substitutes for such items, or any deterioration in our relationships with, the financial viability or quality of, or the personnel relationships at, our suppliers, could adversely affect our business and operating results. Weather conditions in particular geographic regions have adversely impacted, and will likely in the future, adversely affect the sales, demand, and field inventory levels and seasonality trends of some of our products. Weather conditions also have disrupted our own manufacturing and distribution facilities and our supply chain, which has impacted our ability to manufacture product to fulfill customer demand, and such disruptions may occur in the future. For example, drought or unusually wet conditions have had, and may continue to have, an adverse effect on sales of certain Residential and Professional mowing equipment products. Unusually rainy weather or severe drought conditions that result in watering bans, or otherwise, have had, and may continue to have, an adverse effect on sales of our irrigation products, and lower snowfall accumulations in key markets have had, and may continue to have, an adverse effect on sales of our Residential snow thrower products and products of our Professional snow and ice management business. Similarly, adverse weather conditions in one season may negatively impact customer purchasing patterns and net sales for some of our products in another season. For example, lower snowfall accumulations may result in lower winter season revenues for landscape contractor professionals, causing such customers to forego or postpone spring purchases of our mowing equipment products. Further, our facilities and other operations and those of our channel customers and suppliers have incurred losses and experienced disruptions as a result of certain weather conditions and such losses or disruption may continue due to additional natural disasters, inclement weather, and / or climate change- related events, such as tornadoes, hurricanes, earthquakes, floods, tsunamis, typhoons, drought, fire, other extreme weather conditions, and other natural disasters and events that occur as a result of such events, such as water or other natural resource shortages, rising sea levels, power outages or shortages, or telecommunications failures. Our insurance coverage with respect to natural disasters and other disruptions is limited and is subject to deductibles and coverage limits. Such coverage may not be adequate, or may not continue to be available at commercially reasonable rates and terms. The occurrence of any such events could negatively impact our business and operating results. Global climate change may exacerbate the frequency and intensity of unfavorable weather conditions, such as fires, hurricanes, tornadoes, drought, water shortages, rainfall, unseasonably warm winter months, or other weather events, many of which have increased in severity in recent years, in geographic areas where our products are manufactured, distributed, sold, and used and where our supply chains are located, and our sales and operating results may be affected to a greater degree than we have previously experienced. Such weather conditions could pose physical risks to our facilities and critical infrastructure in the U. S. and abroad, disrupt the operation of our supply chain and third- party vendors, and may impact our operational results. Additionally, increased frequency and intensity of weather events due to climate change could lead to lost sales as customers prioritize basic needs. Our Professional segment includes a variety of products that depend on certain and varied factors. Our Professional segment includes a variety of products that are sold by distributors or dealers, or directly to government customers, rental ~~companies, construction~~ companies, professional and other users, including homeowners, engaged in maintaining and creating properties and landscapes, such as golf courses, sports fields, residential and commercial properties and landscapes, and governmental and municipal properties. Any one or a combination of

the following factors, among others, have in the past resulted and could in the future result in a decrease in spending and demand for our products, resulting in an adverse effect on our Professional segment net sales and earnings: • reduced revenue for golf courses resulting from a reduction in the level of interest in the game of golf and / or a decrease in rounds played, memberships, and / or food and beverage sales, as applicable; • reduced investment in golf course renovations and improvements; • the level of new golf course development and golf course closures; • reduced consumer and business spending on property maintenance, such as lawn care and snow and ice removal activities; • low or reduced levels of infrastructure improvements and other construction activities; • decreased oil and gas construction activities **for oil, gas, telecommunication, and other utility distribution systems**; • a decline in acceptance of, and demand for, ag- irrigation solutions for agricultural production; • availability of cash or credit on acceptable terms for our customers to finance new product purchases; and • customer and / or government budgetary constraints resulting in reduced spending for grounds maintenance or construction equipment. Our Residential segment net sales depend on several factors, including product placement, consumer confidence and spending levels, changing buying patterns of customers, and the impact of significant sales or promotional events. The elimination, reduction, or changes in the placement of shelf space assigned to our Residential segment products at mass retailers and home centers have in the past adversely affected and, in the future, could adversely affect our Residential segment net sales. Our Residential segment net sales also depend upon the buying patterns of consumers and changes to buying patterns could result in reduced sales. ~~For example, after the COVID-19 pandemic, consumers have shifted more of their spending away from home related products, including our Residential segment products, and back to other areas, compared to the historic levels of home related spending we experienced during the heights of the pandemic, which has adversely affected and may continue to adversely affect our Residential net sales.~~ In addition, as consumers purchase products at home centers and mass retailers that typically offer broader and lower price points than dealers, demand for and sales of our Residential segment products purchased at mass retailers and home centers, as compared to dealers and hardware retailers, have increased, adversely affecting our margins. We believe that our diverse distribution channels and customer base should reduce the long- term impact on us if we were to lose any substantial customer, but the loss of any such customer, a significant reduction in sales to such customers, our inability to maintain adequate product placement at mass retailers and home centers or our inability to respond to future changes in buying patterns of consumers or new distribution channels could have a material adverse impact on our business and operating results. Furthermore, our quarterly or annual results have in the past and could in the future be impacted as a result of the timing of significant sales or promotional events for our Residential products. Changes in product mix could adversely impact our financial performance, including profit margins and net earnings. Our Professional segment products generally have higher profit margins than our Residential segment products. Accordingly, our financial performance, including our profit margins and net earnings, have been and will continue to be impacted depending on the mix of products we sell during a given period. For example, if we experience lower sales of our Professional segment products that generally carry higher profit margins than our Residential segment products, our financial performance, including profit margins and net earnings, have been and could continue to be negatively impacted. Similarly, within each reportable segment, if we experience lower sales of products that generally carry higher profit margins, our financial performance, including profit margins and net earnings, have been and could continue to be negatively impacted. Our products are sold in highly competitive markets throughout the world and as a result, we compete with many U. S. and non- U. S. companies across our various markets, industries, and product offerings. These competitors and the degree of competition vary widely by industry, product line, end market, geographic scope and / or geographic location. The principal competitive factors in our industries and markets include product innovation; quality and reliability; pricing and sales promotion and incentive programs; product support and customer service; warranty; brand awareness; reputation; distribution, shelf space, and product placement and availability; and financing options. Some of our competitors have substantially larger operations and greater financial resources than us, and some have smaller operations offering various and / or more specialized capabilities to customers, and they may be able to adapt more quickly to new or emerging technologies and changes in customer preferences, or devote greater or more specialized resources to the development, promotion, and sale of their products or disruptive new products or technologies than we can. In addition, competition could increase if new companies enter the market, existing competitors combine or consolidate their operations or if existing competitors expand their product lines or intensify efforts within existing product lines. Our current products, products and technologies under development, and our ability to develop new and improved products and technologies may be insufficient to enable us to compete effectively with our competitors. Our Residential segment products generally face a higher volume of competition than our Professional segment products given the low barriers to entry resulting in numerous other manufacturers selling products that compete directly with our products. Internationally, our Residential segment products typically face more competition than in the U. S. because many foreign competitors design, manufacture, market, and sell products in their respective countries. In addition, fluctuations in the value of the U. S. dollar may affect the price of our products in foreign markets, thereby impacting their competitiveness. Competitors may move manufacturing operations to low cost countries for significant cost and price reductions, and we may not be able to compete, which could harm our business and operating results. Increases in the cost of commodities, components, parts, and accessories or our other costs of doing business, have, and could continue to, adversely affect our profit margins and businesses. We purchase commodities, components, parts, and accessories for use in our manufacturing process and end- products or to be sold as stand- alone end- products, such as steel, aluminum, petroleum and natural gas- based resins, linerboard, copper, lead, rubber, engines, transmissions, transaxles, hydraulics, electrification components, and other commodities, components, parts and accessories. Increased costs and / or inflation, increased tariff, duties, or other charges as a result of changes to U. S. or international trade policies or trade agreements, trade regulation and / or industry activity, or antidumping and countervailing duty petitions on certain products imported from foreign countries, including certain engines imported into the U. S. from China, or the inability of suppliers to continue operations or otherwise remain in business, have affected our profit margins, operating results and businesses and

could continue to result in declines in our profit margins, operating results and businesses. Historically, we have mitigated commodity, component, parts, or accessories cost increases, in part, by increasing prices on some of our products and executing on our strategic productivity initiatives, which include, but are not limited to, collaborating with suppliers, reviewing alternative sourcing options, substituting materials, utilizing Lean methods, and engaging in internal cost reduction efforts, all as appropriate. However, during the past couple of years, we experienced higher material, **manufacturing, and freight and manufacturing** costs, which adversely affected our margins, and we may not be able to fully offset increased commodity, component, parts, or accessories costs in the future. Further, if our price increases are not accepted by our customers and the market, our net sales, profit margins, earnings, and market share could be adversely affected. We are dependent upon the efficient operation of our facilities and those of our suppliers, channel customers, mass retailers, and home centers where our products are sold. Production downtime and / or the inability to produce products at our facilities, and those of our suppliers, or other disruptions have occurred, and could continue to occur, as a result of several factors, including supply chain challenges, labor shortages, natural disasters, inclement weather, man-made disasters or other external events, such as terrorist acts or acts of war, pandemics and / or epidemics, boycotts and sanctions, widespread criminal activities, or protests and / or social unrest, or other events, at or in proximity to any of our facilities or in our manufacturing or other operations, or those of our channel customers, mass retailers or home centers where our products are sold, or suppliers. A work slowdown, strike, or similar action could occur at any one of our facilities, or the facilities of our channel customers and suppliers, and such facilities could fail to renew or enter into new collective bargaining agreements or may have to enter into a new collective bargaining agreement at a facility not currently covered by an agreement. Furthermore, we shift production between our manufacturing facilities from time to time, and open new manufacturing and / or distribution facilities, to align production capacity with production goals. Such events and disruptions could make it difficult or impossible to manufacture or to deliver products to our customers, produce or maintain sufficient inventory of our products, receive commodities, components, parts or accessories from our suppliers, or perform critical functions, which could adversely affect our business globally or in certain regions. Such events also may result in shortages of commodities, components, parts, or accessories; higher fuel, transportation, and commodity costs; and delays in shipments to our channel customers. Any failure by us, or our suppliers or channel partners, to hire and / or retain an adequate labor force could adversely affect our business, operating results, and reputation. Our labor needs, and those of our suppliers and channel partners, fluctuate throughout the year and by region. During periods of peak manufacturing activity it is often necessary to sharply increase the number of production staff by utilizing new hires and temporary labor. Production staff hired during such periods of peak manufacturing activity may not have the same level of training, competency, experience, or commitment as regular production employees. In addition, due to limited workforce populations in areas around the locations where we, or our suppliers and channel partners, manufacture products or conduct business, or other factors, we, or our suppliers and channel partners, may not have a sufficient pool of individuals with the right skills and experience available to fulfill labor requirements on a cost-effective basis or otherwise. **For example, our labor needs and those of our suppliers and channel partners were negatively impacted by COVID-19, which exacerbated the challenges in retaining and maintaining an adequate production staff.** If we, or our suppliers and channel partners, are unable to hire, train, and / or retain a labor force to adequately staff manufacturing operations, perform service or warranty work, or other necessary activities, we could experience disruptions in our manufacturing and other processes, which have in the past adversely impacted, and could continue to adversely impact, our business, operating results, and reputation. Our net sales and / or working capital are negatively impacted when we underestimate or overestimate demand for our products or do not maintain appropriate inventory levels. Our ability to manage our inventory levels to meet our customers' demand for our products and fulfill existing and future sales order backlog is important for our business. Our production levels and inventory management goals for our products are based on estimates of demand for our products, **considering taking into account** production capacity, timing of shipments, existing sales order backlog, and field inventory levels. Managing inventory levels during an uncertain macroeconomic environment is particularly difficult as a result of demand volatility; changes to production operations, locations and schedule; and supply chain challenges limiting our ability to source an adequate supply of commodities, components, parts, and accessories to meet our production requirements. These factors have resulted in, and could continue to result in, manufacturing inefficiencies and related unfavorable manufacturing variances that have negatively impacted, and could continue to impact, our financial results. Our net sales, margins, net earnings, and / or working capital are negatively impacted when we underestimate or overestimate channel or retail demand for our products, we are not able to manufacture product to fulfill customer demand and existing and future sales order backlog, and / or we do not produce or maintain appropriate inventory levels. Furthermore, such impacts hinder our ability to meet customer demand, result in the loss of customers, and could cause us to incur charges associated with inventory valuation adjustments for excess and obsolete inventories. Our business and operating results are subject to the inventory management decisions of our channel customers. We are subject to risks relating to the inventory management decisions and operational and sourcing practices of our distribution network. Our channel customers carry inventories of our products as part of their ongoing operations and adjust those inventories based on their assessments of future needs, including anticipated end-customer demand. Such adjustments have impacted our inventory management and working capital goals as well as operating results, and such adjustments may impact us in the future. Changes in composition of, financial viability of, and the relationships with, our channel customers could negatively impact our business and operating results. If we fail to maintain an effective network of channel partners, including distributors, dealers, mass retailers, and home centers, for our products, we may not have adequate market coverage for the optimal level of sales of our products. Additionally, our channel customers may not commit the necessary resources to market and sell our products as we would expect, and / or they may not be successful in marketing and ultimately selling our products. Any weak demand for, or quality issues with, our products may cause our channel customers to reduce or terminate their relationships with us or adversely affect our ability to engage new dealers and distributors or maintain or obtain shelf space at mass retailers and home centers. Changes in the ownership or control of our channel

customers could also adversely affect our relationships with them. If we are not able to maintain effective distribution channels, if our channel customers are not successful in marketing and selling our products, or if we experience a significant reduction or cancellation or change in the size and timing of orders from our channel customers, our sales could decline and have an adverse effect on our business and operating results. In addition, if adverse economic conditions, business conditions or other events cause a decline in sales by our channel customers or weakens their financial condition, our net sales and earnings could be adversely affected. Such situation could adversely affect the ability of such customers to pay amounts owed, which could require us to repurchase financed product. We are a party to various floor plan arrangements in order to provide reliable, competitive floor plan financing to certain of our distributors and dealers primarily in the U. S. and Canada to support their businesses and improve our working capital for our other strategic purposes. As a result, we depend on such arrangements for our inventory financing programs. The availability of financing from our floor plan arrangements is affected by many factors, including, among others, the overall credit markets, the credit worthiness of our dealers and distributors, and regulations that may affect such financing providers. Any material ~~change~~ **change changes** in the availability or terms of credit offered to our customers by our floor plan financing providers, challenges or delays in transferring new distributors and dealers from any business we might acquire or otherwise to our available financing platforms, any termination or disruption of our floor plan arrangements, or any delay in securing replacement credit sources could adversely affect our sales and operating results. We are dependent upon the effective operation of our information systems, software, or information security practices and those of our business partners or third- party service providers. We have many information systems and other software that are critical to our business and certain of our products, some of which are managed by third parties. These information systems and software are used to record, process, summarize, transmit, and store electronic information, and to manage or support a variety of business processes and activities, including, among other things, our accounting and financial functions; our manufacturing and supply chain processes; managing personal data or other data relating to our customers, suppliers, and employees; and the data related to our research and development efforts. We may be unable to enhance our existing information systems and software or implement new information systems or software when necessary; may experience unanticipated delays, complications, or expenses in implementing, integrating, and operating our systems; and / or require substantial expenditures or interruptions in operations in connection with any system changes we might pursue, including as may be necessary during the integration of acquisitions. The failure of our information systems or software or those of our business partners or third- party service providers to perform properly, or difficulties encountered in the development of or transfer over to new systems or the modification or upgrade of existing systems, could disrupt our business and harm our reputation, which may result in decreased sales, increased overhead costs, excess or obsolete inventory, and product shortages, causing our business, reputation, financial condition, and operating results to suffer. As we continue to develop internet- connected products and other new, emerging, and / or disruptive technologies, similar risks may also be present in the systems, technology, and software installed within such products. Additionally, we take steps to secure our information systems and software and any access provided by our business partners or third- party service providers, including our computer systems, intranet and internet sites, email and other telecommunications and data networks. However, the security measures we have implemented may not be effective and our systems may be vulnerable to theft, loss, damage, and interruption from a number of potential sources and events, including unauthorized access or security breaches, data privacy breaches, natural or man- made disasters, cyber attacks, computer viruses, malware, phishing, denial of service attacks, power loss, or other disruptive events. Information technology security threats have been increasing in frequency and sophistication. Cyber attacks may be random, coordinated, or targeted, including sophisticated computer crime threats. These threats pose a risk to the security of our systems and networks including those that may be used by our products, and those of our business partners and third- party service providers, and to the confidentiality, availability, and integrity of our data or data of our customers, suppliers or employees. Our business, reputation, operating results, and financial condition could be adversely affected if a significant cyber event or other event, disrupts or shuts down our operations; our confidential, proprietary information or data of our customers, suppliers, or employees is stolen or disclosed; our intranet and internet sites are compromised; data is manipulated or destroyed; we incur costs, are required to pay fines or face other regulatory enforcement actions, or our customers lose confidence in our ability to adequately protect their information in connection with stolen or disclosed customer, employee, or other confidential or sensitive information; we must dedicate significant resources to system repairs or increase cyber security protection; or we otherwise incur significant litigation or other costs. As a result of **the** ~~a new~~ SEC rule on cybersecurity disclosure, we are required to disclose, on a current basis pursuant to new Item 1. 05 of SEC Form 8- K, any cybersecurity incident that we determine to be material and describe the material aspects of the nature, scope, and timing of the incident, as well as the material impact or reasonably likely material impact of the incident on us, including our financial condition and results of operations. We will also be required to describe, on a periodic basis, our processes, if any, for the assessment, identification, and management of material risks from cybersecurity threats, and describe whether any risks from cybersecurity threats have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition, our board' s oversight of risks from cybersecurity threats and management' s role in assessing and managing material risks from cybersecurity threats. We have incurred significant costs in an effort to detect and prevent security breaches and incidents, and we may face increased costs and requirements to expend substantial resources in the event of an actual or perceived security breach or incident and to comply with ~~the this new~~ SEC cybersecurity rule. Our insurance policies may not be adequate to compensate us for the potential losses arising from any such disruption ~~;-or~~ **failure or security breach or incident**. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and could have high deductibles in any event, and defending a suit, regardless of its merit, could be costly and divert management attention. We may incorporate traditional and generative artificial intelligence (AI) solutions into our information systems, products, offerings, services and features, and these solutions may become important in our operations over time. The ever- increasing use and evolution of technology, including cloud-

based computing and AI, creates opportunities for the potential loss or misuse of personal data that forms part of any data set and was collected, used, stored, or transferred to run our business, and unintentional dissemination or intentional destruction of confidential information stored in our or our third party providers' systems, portable media or storage devices, which may result in significantly increased business and security costs, a damaged reputation, administrative penalties, or costs related to defending legal claims. If the content, analyses, or recommendations that AI programs assist in producing are or are alleged to be deficient, inaccurate, or biased, our business, financial condition, and results of operations and our reputation may be adversely affected. AI programs may be costly and require significant expertise to develop, may be difficult to set up and manage, and require periodic upgrades. There is also a risk that we may not have access to the technology and qualified AI personnel resources to adequately incorporate ongoing advancements into our AI initiatives, including access to the licensing of key intellectual property from third parties. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Our competition may have access to greater financial and technological resources, giving them a competitive advantage in recruiting, motivating, and retaining sought- after AI professionals. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, will require significant resources to develop, test and maintain our platform, offerings, services, and features to help us implement AI ethically in order to minimize unintended, harmful impact. In addition, our information technology systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems. This enables us to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards, the increasing need to protect employee and customer information, changes in the techniques used to obtain unauthorized access to data and information systems, and the information technology needs associated with our evolving products. There can be no assurance that our efforts (including, but not limited to, consolidating, protecting, upgrading, and expanding our systems and capabilities, continuing to build security into the design of our products, and developing new systems to keep pace with continuing changes in information processing technology, including, but not limited to, generative AI platforms) will be successful or that additional systems issues will not arise in the future. **For additional information regarding the company's cybersecurity risk management, strategy, and governance, refer to Item 1C. Cybersecurity.** Our international operations require significant management attention and financial resources, expose us to difficulties presented by international economic, political, legal, regulatory, accounting, and business factors, and may not be successful or produce desired levels of net sales and earnings. International markets have been, and will continue to be, a strategic focus area for revenue growth, both organically and through acquisitions. We currently manufacture our products and maintain sales offices in the U. S. and other countries for sale throughout the world. Our net sales outside the U. S. were 20.1 percent, 20.8 percent, and 19.5 percent, and 20.9 percent of our total consolidated net sales for fiscal years 2024, 2023, and 2022, and 2021, respectively. We believe many opportunities exist in the international markets, and over time, we intend for international net sales to comprise a larger percentage of our total consolidated net sales; however, expanding our existing international operations and entering into additional international markets requires significant management attention and financial resources. Several factors, including the implications of withdrawal by the U. S. from, or revisions to, international trade agreements, foreign trade or other policy changes between the U. S. and other countries, weakened international economic conditions, the impact of sovereign debt defaults by certain European countries, and current wars and related sanctions and other geopolitical tensions could adversely affect our international net sales. Many of the countries in which we manufacture or sell our products, or in which we otherwise have a presence are, to some degree, subject to political, economic, and / or social instability. As a result, our international operations expose us and our representatives, agents, and channel customers to risks inherent in operating in foreign jurisdictions. These risks include: • weakened economic conditions; • pandemics and / or epidemics; • increased costs of customizing products for foreign countries; • difficulties in managing and staffing international operations and increases in infrastructure costs including legal, tax, accounting, and information technology; • the imposition of additional U. S. and foreign governmental controls or regulations; • new or enhanced trade restrictions and restrictions on the activities of foreign agents, representatives, and channel customers; • withdrawal from or revisions to international trade policies or agreements and the imposition or increases in import and export licensing and other compliance requirements, customs duties and tariffs, import and export quotas and other trade restrictions, license obligations, other non- tariff barriers to trade; • the imposition of U. S. and / or international sanctions against a country, company, person, or entity with whom we do business that would restrict or prohibit our business with the sanctioned country, company, person, or entity; • international pricing pressures; • foreign trade or other policy changes between the U. S. and other countries, trade regulation, and / or industry activity that favors domestic companies, including antidumping and countervailing duty petitions on certain products imported from foreign countries, including certain engines imported into the U. S. from China; • adverse currency exchange rate fluctuations; • longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; • potentially higher tax rates and adverse tax consequences, including restrictions on repatriating cash and / or earnings to the U. S.; • fluctuations in our operating performance based on our geographic mix of sales; • transportation delays and interruptions; • national and international conflicts, including the war between Ukraine and Russia, the war between Israel and Hamas, geopolitical tensions and foreign policy changes, acts of war or terrorist acts; • difficulties in protecting, enforcing or defending intellectual property rights; and • multiple, changing, and often inconsistent enforcement of laws, rules, regulations and standards, including rules relating to taxes, environmental, health and safety matters. Our international operations may not produce desired levels of net sales or, among other things, the factors listed above may harm our business and operating results. Any material decrease in our international sales or profitability could also adversely impact our operating results. We are renovating and expanding certain office, manufacturing, and other facilities and could experience disruptions to our operations in connection with such efforts. We are continually renovating and, where

appropriate or necessary, expanding our facilities, primarily driven by the growth of our business and the need to expand our manufacturing capacity. We have historically financed, and expect to continue to finance, such efforts with cash on hand and cash from operating activities. Expanding and renovating our facilities could disrupt our business operations, and such effects could include but are not limited to potential interruption in manufacturing processes, delivery of raw materials, shipping finished goods, and data flow; unforeseen construction, scheduling, engineering, environmental, or geological problems; and unanticipated cost increases. Our strategy to pursue acquisitions and alliances, strong customer relations, and new joint ventures, investments, and partnerships and our recent activities in this regard involve risk and may not prove to be successful. One of our strategies is to drive growth in our businesses and expand our global presence through targeted acquisitions and alliances, strong customer relations, and new joint ventures, investments, and partnerships that add value and complement our existing brands and product portfolio. For example, in ~~January 2022, we acquired the Intimidator Group, and in~~ September 2023, we announced a strategic partnership with Lowe's. Our continued ability to grow through acquisitions will depend, in part, on the availability of suitable target candidates at acceptable prices, terms, and conditions; our ability to compete effectively for acquisition candidates; and the availability of capital and personnel resources to complete such acquisitions and operate and integrate the acquired business effectively. Any acquisition, alliance, joint venture, investment, or partnership could impair our business, financial condition, reputation, and operating results. For instance, the benefits of an acquisition, or new alliance, joint venture, investment, or partnership may take more time than expected to achieve, or may not develop at all. Acquisitions, alliances, joint ventures, investments, and partnerships may involve a number of risks, the occurrence of which could adversely affect our business, reputation, financial condition, and operating results, including:

- diversion of management's attention to manage and integrate the acquired business;
- disruption to our existing operations and plans;
- inability to effectively manage our expanded operations;
- difficulties, delays, or unanticipated costs in integrating and assimilating information and financial systems, internal controls, operations, manufacturing processes and products or in realizing projected efficiencies, growth prospects, cost savings, and other synergies;
- inability to successfully integrate or develop a distribution channel for acquired product lines;
- loss of key employees, customers, distributors, or dealers of the acquired businesses or adverse effects on existing business relationships with suppliers, customers, distributors, and dealers;
- write-off of significant amounts of goodwill, other indefinite-lived intangible assets, and / or long-lived assets because of deterioration in the performance of an acquired business or product line, adverse market conditions, changes in the competitive landscape, changes in laws or regulations that restrict activities of an acquired business or product line, or other circumstances;
- delays or challenges in transitioning distributors and dealers of acquired businesses to available floor plan financing arrangements;
- violation of confidentiality, intellectual property, and non-compete obligations or agreements by employees of an acquired business or lack of or inadequate formal intellectual property protection mechanisms in place at an acquired business;
- adverse impact on overall profitability if our expanded operations do not achieve, or are delayed in achieving, the growth prospects, net sales, net earnings, cost and / or revenue synergies, or other financial results projected in our valuation models;
- reallocation of amounts of capital from other operating initiatives and / or an increase in our leverage and debt service requirements to pay acquisition purchase prices or other business venture investment costs, which could restrict our ability to access additional capital when needed, result in a decrease in our credit rating, or limit our ability to pursue other important elements of our business strategy;
- failure by acquired businesses or other business ventures to comply with applicable international, federal, and state product safety or other regulatory standards;
- infringement by acquired businesses or other business ventures of valid intellectual property rights of others;
- inaccurate assessment of additional post-acquisition or business venture investments, undisclosed, contingent or other liabilities or problems, unanticipated costs associated with an acquisition or other business venture, and despite the existence of representations, warranties and indemnities in any definitive agreement and / or a representation and warranty insurance policy, if applicable, an inability to recover or manage such liabilities and costs; and
- impacts as a result of purchase accounting adjustments, incorrect estimates made in the accounting for acquisitions, occurrence of non-recurring charges, or other potential financial accounting or reporting impacts.

For example, **during at the end of** the third quarter of fiscal 2023, we recorded non-cash impairment charges of \$ 18. 0 million related to the indefinite-lived Spartan ® trade name intangible asset and \$ 133. 3 million related to ~~the Intimidator~~ goodwill ~~of the Intimidator reporting unit~~. These impairment charges resulted in a \$ 36. 7 million income tax benefit (deferred tax asset) associated with the remaining tax deductible basis in goodwill and other intangible assets. In addition, we need effective internal controls to provide reliable and accurate financial reports and to effectively prevent fraud. Integrating acquired businesses may make our systems and controls more complex and difficult to manage. We devote significant resources and time to comply with the internal control over financial reporting requirements of the Sarbanes-Oxley Act of 2002. However, we cannot be certain that these measures will ensure that we design, implement, and maintain adequate control over our financial processes and reporting in the future, particularly in the context of acquisitions of other businesses, regardless of whether such acquired business was previously privately or publicly held. Any difficulties in the assimilation of acquired businesses into our internal control framework could harm our operating results or cause us to fail to meet our financial reporting obligations. Also, some acquisitions may require the consent of the lenders under our credit agreements. We cannot predict whether such approvals would be forthcoming or the terms on which the lenders would approve such acquisitions. These risks, among others, could be heightened if we complete a large acquisition or other business venture or multiple transactions within a relatively short period of time. Failure to successfully complete divestitures or other restructuring activities could negatively affect our operations. From time to time, we may divest of all or a portion of certain businesses and / or facilities, joint venture or minority equity investment interests, subsidiaries, distributorships, or product categories. Divestitures involve risk, including, potential increased expense associated with the divestitures, and potential issues with the acquirers, customers or suppliers of the divested business, or products. Occasionally, we may wind down certain business activities and / or facilities, product lines, and / or perform other organizational restructuring projects in an effort to reduce costs and streamline operations. Such activities involve risks as they may divert management's attention from our core businesses,

increase expenses on a short - term basis and lead to potential issues with employees, customers, or suppliers. If we do not complete these activities in a timely manner, or do not realize anticipated cost savings, synergies and efficiencies, business disruption occurs during or following such activities, or we incur unanticipated charges, this may negatively impact our business, financial condition, operating results, and cash flows. **Increased scrutiny regarding our ESG practices could impact our reputation.** Increasing governmental and societal attention to ESG matters, including expanding mandatory and voluntary reporting, and disclosure topics such as climate change, sustainability, natural resources, waste reduction, energy, human capital, and risk oversight could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. We strive to deliver shared value through our business and our diverse stakeholders expect us to make progress in certain ESG priority issue areas. To address this growing set of matters, we have taken several actions, including hiring a new executive officer with responsibility for sustainability in July 2023, devoting additional dedicated employee resources, and creating a cross- functional / business sustainability leadership team to further develop and implement an enterprise- wide sustainability strategy. In June 2023, we released our sustainability report for fiscal 2022, which highlights certain aspirations and goals related to ESG matters, such as goals to increase battery and hybrid product sales, plans to reduce certain GHG emissions over time, and goals to increase the number of women and racial and ethnic minorities in leadership positions. No assurance can be provided that we will achieve our new sustainability goals. It is possible that we may be unsuccessful in the achievement of our ESG goals, on a timely basis or at all, or that the costs to achieve those goals become prohibitively expensive. Furthermore, our stakeholders may not be satisfied with our initiatives or efforts or the speed at which we are progressing towards any such aspirations and goals. Additionally, organizations that inform investors on ESG matters have developed rating systems for evaluating companies on their approach to ESG. Unfavorable ratings may lead to negative investor sentiment, which could negatively impact our stock price. Any failure, or perceived failure, to respond to ESG concerns could harm our business and reputation. Certain challenges we face in the achievement of our ESG objectives are also captured within our ESG reporting in our sustainability report for fiscal 2022, which is not incorporated by reference into and does not form any part of this report. We incurred non- cash impairment charges during the third quarter of fiscal 2023 which adversely affected our third quarter and full year fiscal 2023 operating results and we may be required to incur additional future impairment and other charges, which could adversely affect our operating results. In connection with our acquisitions and other business combinations, **including our January 2022 acquisition of Intimidator**, applicable accounting standards require the net tangible and intangible assets of the acquired business to be recorded on our consolidated balance sheet at their fair values as of the date of acquisition and any excess in the purchase price paid by us over the fair value of net tangible and intangible assets of any acquired business to be recorded as goodwill. Goodwill and indefinite- lived intangible assets are not amortized, but are tested at least annually for impairment or more frequently as events and circumstances dictate. Goodwill is tested for impairment at the reporting unit level, which is generally an operating segment or underlying business component. Indefinite- lived intangible assets are tested for impairment at the individual indefinite- lived intangible asset or asset group level, as appropriate. Finite- lived intangible assets other than goodwill considered long- lived assets for impairment testing purposes, are tested for impairment as events and circumstances dictate, and are required to be amortized over their estimated useful lives and this amortization expense may be significant to our ongoing financial results. If we determine that the anticipated future cash flows from our reporting units, indefinite- lived intangible assets or asset groups, or long- lived asset groups may be less than their respective carrying values, our goodwill, indefinite- lived intangible assets, and / or long- lived assets may be deemed to be impaired. If this occurs, applicable accounting rules may require us to write down the value of the goodwill, indefinite- lived intangible assets, and / or long- lived assets on our balance sheet to reflect the extent of any such impairment. Any such write- down of goodwill, indefinite- lived intangible assets, and / or long- lived assets would generally be recognized as a non- cash expense in our Consolidated Statements of Earnings for the accounting period during which any such write down occurs. For example, **during at the end of** the third quarter of fiscal 2023, we recorded non- cash impairment charges of \$ 18. 0 million related to the indefinite- lived Spartan trade name intangible asset and \$ 133. 3 million related to **the Intimidator** goodwill **of the Intimidator reporting unit**. These impairment charges resulted in a \$ 36. 7 million income tax benefit (deferred tax asset) associated with the remaining tax deductible basis in goodwill and other intangible assets. As of October 31, **2023-2024**, we had goodwill of \$ 450. **8-3** million, which is maintained in various reporting units, and indefinite- lived intangible assets of \$ 271. **5-6** million, which together comprise **19-20. 8-1** percent of our total assets as of October 31, **2023-2024**. Any future impairment charges could be significant and could adversely affect our future consolidated operating results and financial condition. Fluctuations in foreign currency exchange rates have adversely affected and could continue to adversely affect our operating results. Because the functional currency of most of our foreign operations is the applicable local currency, but our financial reporting currency is the U. S. dollar, we are required to translate the assets, liabilities, expenses, and revenues of our foreign operations into U. S. dollars at the applicable exchange rate in preparing our Consolidated Financial Statements. Accordingly, we face foreign currency exchange rate risk arising from transactions in the normal course of business, such as sales and loans to wholly owned subsidiaries, sales to third- party customers, purchases from suppliers, and bank lines of credit with creditors denominated in foreign currencies. Foreign currency exchange rates have affected our net sales, net earnings, and operating results in the past and could affect them in the future, in some cases materially. Currency exchange rate fluctuations may also affect the comparative prices between products we sell and products our foreign competitors sell in the same market, which may decrease demand for our products. Substantial exchange rate fluctuations as a result of the strengthening of the U. S. dollar or otherwise, may have an adverse effect on our operating results, financial condition, and cash flows, as well as the comparability of our Consolidated Financial Statements between reporting periods. While we actively manage our foreign currency market risk in the normal course of business by entering into various derivative instruments to hedge against such risk, these derivative instruments involve risks and may not effectively limit our underlying exposure to foreign currency exchange rate fluctuations or minimize our net earnings and cash volatility associated with foreign currency exchange rate changes.

Further, the failure of one or more counterparties to our foreign currency exchange rate contracts to fulfill their obligations to us could adversely affect our operating results. We are subject to financial and operating restrictions and counterparty risk as a result of our credit arrangements. Our credit arrangements, including our revolving credit facility, term loan and senior notes, and the indentures governing our senior notes and debentures, include a number of financial and operating restrictions. For example, our credit arrangements contain financial covenants that, among other things, require us to maintain a maximum leverage ratio. Our credit arrangements and / or indentures also contain provisions that restrict our ability, subject to specified exceptions, to, among other things, create liens or other encumbrances on our assets; dispose of assets; engage in mergers or consolidations; and pay dividends that are significantly higher than those currently being paid, make other distributions to our shareholders, or redeem shares of our common stock. These provisions may limit our ability to conduct our business, take advantage of business opportunities, and respond to changing business, market, and economic conditions. They may also competitively disadvantage us relative to other companies that may be subject to fewer, if any, restrictions or may otherwise adversely affect our business. Potential important opportunities or transactions, such as significant acquisitions, may require the consent of our lenders, which consent may be withheld or granted subject to conditions that may affect the attractiveness or viability of the transaction. Additionally, market deterioration or other factors could jeopardize the counterparty obligations of one or more of the banks participating in our revolving credit facility, which could have an adverse effect on our business if we are not able to replace such revolving credit facility or find other sources of liquidity on acceptable terms. If we do not comply with the terms of our credit arrangements and indentures, they could be terminated and amounts thereunder could become due and payable. We cannot assure that we will be able to comply with all of the terms of our credit arrangements and indentures, particularly the financial covenants. Our ability to comply with such terms depends on the success of our business and our operating results, as well as various risks, uncertainties, and events beyond our control. If we fail to comply with any covenant required by our credit arrangements following any applicable cure periods, the banks could terminate their commitments unless we could negotiate a covenant waiver. The banks could condition such waiver on terms that may be unfavorable to us. In addition, any amounts outstanding pursuant to our credit arrangements and indentures could become due and payable if we were unable to obtain a covenant waiver or refinance our debt under such arrangements. A downgrade in our credit ratings could increase our cost of funding and / or adversely affect our access to funding. Our credit ratings are important to our cost and availability of capital. The major rating agencies routinely evaluate our credit profile and assign credit ratings to us. This evaluation is based on a number of factors, which include financial strength, business and financial risk, transparency with rating agencies, and timeliness of financial reporting. Further leveraging our capital structure could result in a downgrade to our credit ratings. For instance, if our credit rating falls below investment grade and / or our leverage ratio rises above 1.50, the interest rate we currently pay on outstanding debt under our revolving credit facility could increase. As such, failure to maintain investment grade credit ratings could adversely affect our cost of funding and our liquidity by limiting the access to capital markets or the availability of funding from a variety of lenders. Changes in accounting or tax standards and policies and / or assumptions utilized in determining accounting or tax estimates could adversely affect our results of operations and financial condition. In preparing the Consolidated Financial Statements in conformity with U. S. generally accepted accounting principles (" GAAP"), we must make decisions that impact our results of operations and / or financial condition, including selecting the appropriate accounting and / or tax principles to be applied and the assumptions on which to base accounting and tax estimates. In reaching such decisions, we apply judgments based on our understanding and analysis of the relevant circumstances, historical experience, and actuarial and other independent external third- party specialist valuations, all as appropriate. As a result, actual amounts could differ from those estimated at the time the Consolidated Financial Statements are prepared. In addition, various authoritative accounting or regulatory entities, including the Financial Accounting Standards Board, Public Company Accounting Oversight Board, and the SEC may amend, expand, and / or eliminate the financial accounting or reporting standards or tax positions that govern the preparation of our Consolidated Financial Statements or could reverse their previous interpretations or positions on how various financial accounting and / or reporting standards or tax positions should be applied. We disclose the impact of accounting pronouncements that have been issued but not yet adopted within our annual and quarterly reports on Form 10- K and Form 10- Q, respectively. However, we do not provide an assessment of proposed accounting pronouncements, as such proposals are subject to change through the exposure process and therefore, we cannot meaningfully assess their effects on our Consolidated Financial Statements. Future changes to accounting or tax standards could modify the accounting or tax policies and procedures that we currently use to prepare our Consolidated Financial Statements. Such changes may be difficult to predict and implement and could impact how we prepare and report our Consolidated Financial Statements, results of operations, and financial condition. For additional information regarding our accounting policies and new accounting pronouncements, refer to Part II, Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations," in the section entitled " Critical Accounting Policies and Estimates" and Note 1, Summary of Significant Accounting Policies and Related Data, of the Notes to Consolidated Financial Statements included in Part II, Item 8, " Financial Statements and Supplementary Data, " of this Annual Report on Form 10- K. Our patents, trademarks, and contractual provisions may be insufficient to protect our proprietary rights and intellectual property from others who may sell similar products and our products may infringe the valid proprietary rights of others. We hold patents and trademarks relating to various aspects of our products and business and believe that proprietary technical know- how is important to our business. The loss of such intellectual property could have a material adverse effect on our business and operating results. Proprietary rights relating to our products are protected from unauthorized use by third -parties only to the extent that they are covered by valid and enforceable patents or are maintained in confidence as trade secrets. We cannot be certain that we will be issued any patents from any pending or future patent applications owned by or licensed to us, or that the claims allowed under any issued patents will be sufficiently broad to protect our technology. Without enforceable patent protection, we may be vulnerable to competitors who attempt to copy our products or gain access to our trade secrets and know- how. We also cannot be certain that our products

or technologies have not infringed or will not infringe the valid proprietary rights of others. Others may initiate litigation to challenge the validity of our patents, allege that we infringe their patents, or use their resources to design comparable products that do not infringe our patents. Additionally, we may initiate proceedings to protect our proprietary rights. Any litigation, whether initiated by us or others, may cause us to incur substantial costs and possible damages. If the outcome of any such litigation is unfavorable to us, our business, operating results, and financial condition could be adversely affected. We could also be forced to develop an alternative that could be costly and time-consuming, or acquire a license, which we might not be able to do on terms favorable to us, or at all. We rely on trade secrets and proprietary know-how that we seek to protect, in part, by confidentiality agreements with our employees, suppliers, consultants, and others. These agreements may be breached, and we may not have adequate remedies for any such breach. Even if these confidentiality agreements are not breached, our trade secrets may otherwise become known or be independently developed by competitors. We are subject to extensive laws, rules, policies, and regulations, with which our compliance is costly and not guaranteed. We are subject to numerous international, federal, state, municipal and other governmental laws, rules, policies, regulations, and orders ("Laws") relating to, among other things; climate change; emissions to air, including engine emission requirements; discharges to water; restrictions placed on water usage and water availability; product and associated packaging; use of certain chemicals; restricted substances, including "conflict minerals" disclosure rules; import and export compliance, including country of origin certification requirements; worker and product user health and safety; energy efficiency; product life-cycles; outdoor noise laws; the generation, use, handling, labeling, collection, management, storage, transportation, treatment, and disposal of hazardous substances, wastes, and other regulated materials; and the registration of certain technologies with various government agencies throughout the world and operation of those technologies within the limits imposed by those agencies, including but not limited to radio frequency, broadband or other wireless technologies and technologies within the airspace of commercial airplanes, such as unmanned aerial systems. In addition, Laws may adversely affect our operating results, including, (i) to address health and safety requirements, (ii) taxation and tax policy changes, tax rate changes, new tax laws, or revised tax law interpretations or guidance, which individually or in combination may cause our effective tax rate to increase or result in tax charges, (iii) changes to, or adoption of new, healthcare laws or regulations, or (iv) changes to U. S. or international trade policies or agreements, or trade regulation and / or industry activity, including antidumping and countervailing duty petitions on certain products imported from foreign countries, including certain engines imported in the U. S. from China, that could result in additional tariffs, duties or other charges on commodities, components, parts or accessories that we import and / or use in our products. Although we believe that we are in substantial compliance with currently applicable Laws, we are unable to predict the ultimate impact of adopted or future Laws on our company, business, properties, or products. Any of these Laws may cause us to incur significant expenses to achieve or maintain compliance, require us to modify our products, adversely affect the price of, or demand for, some of our products or manufacturing processes, and ultimately affect the way we conduct our operations. Failure to comply with any of these Laws could harm our reputation and / or lead to fines and other penalties, including restrictions on the importation of our products into, and the sale of our products in, one or more jurisdictions. In addition, our competitors may adopt strategies with respect to compliance with any such Laws that differ significantly from ours. This may change customer preferences and our markets in unanticipated ways which may adversely affect market demand for our products and our net sales and financial results. Other Laws impacting our supply chain, such as the United Kingdom Modern Slavery Act, or data privacy requirements, such as the EU' s General Data Protection Regulation, the California Consumer Privacy Act, and other emerging domestic and global data privacy and cybersecurity laws, may have similar consequences. Climate change legislation, regulations, accords, mitigation efforts, or other legislation may adversely impact our operations and could impact the competitive landscape within our markets and affect demand for our products. We are currently subject to rules limiting exhaust and other emissions and other climate-related rules and regulations in certain jurisdictions where we operate. Concern over climate change has resulted in, and could continue to result in, new legal or regulatory requirements designed to reduce or mitigate the effects of greenhouse gases. An example of such legislation is California' s AB 1346, which will require requires that most new sales of small off- road engines, such as those installed in certain of our products, including leaf blowers and lawnmowers, sold in the state of California on or after January 1, 2024 to must be zero- emission. We may become subject to additional legislation, regulations, or accords regarding climate change, and compliance with any new rules could be difficult and costly as a result of increased energy, environmental, and other costs and capital expenditures to comply with any such legislation, regulation, or accord or could otherwise decrease demand for our products. Due to uncertainty in the regulatory and legislative processes and the negotiation and adoption of international climate change accords, as well as the scope of such requirements and initiatives, we cannot currently determine the effect any such legislation, regulation, or accord may have on our products and operations. Additionally, inconsistency of regulations in the states and countries in which we operate may affect the costs of compliance with such requirements. If such laws or regulations are more stringent than current legal or regulatory requirements, we may be subject to curtailment or reduced access to resources or experience increased compliance burdens and costs to meet the regulatory obligations, which may adversely affect our business and operating results. Additionally, various other legislative proposals, if enacted, could put us in a competitively advantaged or disadvantaged position and affect customer demand for our products. For example, any fiscal- stimulus or other legislation that inordinately impacts the lawn and garden, outdoor power equipment, or irrigation industries generally by promoting the purchase of certain types of products that we sell, such as through customer rebate or other incentive programs, could impact us positively or negatively, depending on whether we manufacture products that meet the specified legislative criteria, including in areas such as fuel efficiency, alternative energy or water usage. Such legislation may also cause customers to perceive our product offerings to be more or less attractive than our competitors' product offerings. We cannot currently predict whether any such legislation will be enacted, the specific terms and conditions of such legislation, such legislation' s impact on the competitive landscape within our markets, or how, if at all, any such legislation might ultimately affect customer demand for our products or our operating results. Our compliance with applicable

environmental laws is costly and not guaranteed. Because we own and lease real property, various environmental laws may impose liability on us for the costs of cleaning up and responding to hazardous substances that may have been released on our property, including releases unknown to us. These environmental laws and regulations could also require us to pay for environmental remediation and response costs at third- party locations where we disposed of or recycled hazardous substances. We are currently involved in the evaluation and clean- up of a limited number of properties we either currently or previously owned. Although we do not expect that these current matters will have a material adverse effect on our financial condition or operating results, our future costs of complying with the various environmental requirements, as they now exist or may be altered in the future, could adversely affect our financial condition and operating results. We are subject to product quality issues, product liability claims, and other litigation from time to time that could adversely affect our business, reputation, operating results, or financial condition. The manufacture, sale, and use of our products expose us to significant risks associated with product quality issues and product liability claims and other litigation from time to time. If a product liability claim, other claim or series of claims is brought against us for liabilities exceeding our insurance coverage, and it is ultimately determined that we are liable, our business could suffer. While we believe that we appropriately instruct and warn our customers on the proper usage of our products, we cannot ensure that they will implement our instructions accurately or completely. If our products are defective or used incorrectly by our customers, injury may result and this could give rise to product quality issues and / or product liability claims against us, which could result in losses or damages or adversely affect our brand reputation and the marketability of our products, which may negatively impact our business and operating results. Product defects can occur through our own product development, design, and manufacturing processes or through our reliance on third- parties for certain component design and manufacturing activities. Some of our products or product improvements were developed or modified relatively recently and defects or risks that we have not yet identified, such as quality issues or unanticipated use of our products, may give rise to warranty or other quality claims and / or product liability claims. Additionally, we could experience a material design, testing, or manufacturing failure in our products, a quality system failure, failures in our products and other challenges that are associated with our inability to properly manage changes in the suppliers and components that we use in our products, insufficient testing procedures, other safety issues, or heightened regulatory scrutiny that could warrant a recall of some of our products. A recall of some of our products could also result in increased product liability claims. Unforeseen product quality and / or product liability problems in the development and production of new and existing products could also result in loss of market share, decreased demand, reduced sales, rework costs, and higher warranty expense. We are also subject to other litigation from time to time that could adversely affect our business, reputation, operating results or financial condition. We operate in many different jurisdictions and we could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act (" FCPA") and similar worldwide anti- corruption laws. The U. S. FCPA and similar worldwide anti- corruption laws generally prohibit companies and their intermediaries from making certain improper payments for the purpose of obtaining or retaining business. The continued expansion of our international operations could increase the risk of violations of these laws. Significant violations of these laws, or allegations of such violations, could harm our reputation, disrupt our business, and result in significant fines and penalties that could have a material adverse effect on our operating results or financial condition. We may not achieve our financial projections, sustainability goals, or other business and productivity initiatives, which could have an adverse effect on our business, operating results, and financial condition. We generally provide financial projections such as our expected revenue growth and adjusted diluted earnings per share. These financial projections are based on management' s assumptions and expectations at the time made. Failure to achieve our financial projections could have an adverse effect on our business, operating results, and financial condition. We have set certain aspirations and goals related to ESG matters, such as goals to increase battery and hybrid product sales, plans to reduce certain GHG emissions over time, and goals to increase the number of women and racial and ethnic minorities in leadership positions. We also set goals and objectives for the timing of certain accomplishments, initiatives and milestones regarding our business or operating results, including without limitation our ~~recently announced~~ " Amplifying Maximum Productivity" or AMP initiative, which is a multi- year **productivity** initiative intended to result in annualized cost savings of more than \$ 100 million by fiscal 2027, driven by sustainable supply- base, design- to- value, and route- to- market **, and operational efficiency** transformation. Whether we achieve our goals and objectives of such initiatives can vary due to ~~several a number of~~ **several** a number of factors, including the risk factors described in this Annual Report on Form 10- K. It is possible that we may be unsuccessful in the achievement of our goals, on a timely basis or at all. A delay, failure or perceived failure or delay to achieve such goals and objectives in the time periods that we anticipate, or at all, could have an adverse effect on our business, operating results and financial condition, and the public perception of our business. We are dependent upon our ability to attract and retain key executive and employees and successfully implement key employee transitions. Our ability to meet our strategic objectives and otherwise profitably grow our business will depend to a significant extent on the continued contributions of our leadership team and our ability to identify, attract, engage, develop, and retain other highly qualified employees worldwide. Competition for these individuals is intense, and we may not succeed in identifying, attracting, or retaining qualified employees. Our executive management team and board of directors have undergone significant changes during the past ~~two three~~ **two three** years. Losing executive officers or other key employees, failure to identify, attract, or retain qualified leaders in the future, ineffective executive officer or other employee transitions, delays or the inability to hire necessary and qualified office or production employees due to employment conditions or otherwise, or any employee work slowdowns, strikes, or similar actions could make it difficult for us to conduct and manage our business and meet key objectives, which could harm our business, financial condition, and results of operations.