

Risk Factors Comparison 2025-01-29 to 2024-01-24 Form: 10-K

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

Our business, results of operations and financial condition are subject to numerous risks and uncertainties. In connection with any investment decision with respect to our securities, you should carefully consider the following risk factors, as well as the other information contained in this report and our other filings with the SEC. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. Should any of these risks materialize, our business, results of operations, financial condition and future prospects could be negatively impacted, which in turn could affect the trading value of our securities. Industry and Economic Risks Challenging economic conditions and the occurrence of unforeseen or catastrophic events, including public health crises and epidemics, have in the past adversely impacted, and may in the future adversely impact, us, our customers or our suppliers and in turn adversely affect our business, revenues and operating results. Our business has been and may in the future be adversely affected by economic conditions in the United States and globally. A worsening of economic conditions, in particular with respect to North American construction and industrial activities, could cause weakness in our end- markets and adversely affect our revenues and operating results, **the effect of which could be exacerbated due to end- market concentration**. Our general rental equipment and specialty equipment are used in connection with private non- residential construction and industrial activities. In the past, weakness in our end- markets has led to a decrease in the demand for our equipment and in the rates we realized. Such decreases have adversely affected our operating results by causing our revenues to decline and, because certain of our costs are fixed, our operating margins to be reduced. In addition, the following factors, among others, could adversely impact us, our customers or our suppliers and in turn adversely affect our revenues and operating results: • a decrease in expected levels of infrastructure spending; • a lack of availability of credit; • excess fleet in the equipment rental industry; • a decrease in the level of exploration, development, production activity and capital spending by oil and natural gas companies; • an increase in costs, including the cost of construction materials, as a result of inflation, **tariffs** or other factors; • an increase in interest rates; • instability in macroeconomic conditions; • adverse weather conditions, which may temporarily affect a particular region; • a prolonged shutdown of the U. S. government; • public health crises and epidemics (or concerns over the possibility of such a health crisis or epidemic), such as COVID- 19; • supply chain disruptions; • terrorism or hostilities involving the United States, Canada, Europe, Australia or New Zealand; • geopolitical conflicts, such as Russia’ s invasion of Ukraine and the conflict in the Middle East, and the resultant sanctions and other measures imposed in response; or • other unforeseen or catastrophic events. These factors have in the past **resulted**, and could in the future **result, in**, among other things, ~~cause~~ weakness in our end- markets and ~~impact~~, **reduced** customer demand for equipment rentals, ~~reduce~~ **reduced** the availability and productivity of our employees, ~~increase~~ **increased** our costs, ~~result in~~ delayed payments from our customers and uncollectible accounts, ~~impact~~ **impacts to** previously announced strategic plans or ~~impact~~ **impacts to** our ability to access funds from financial institutions and capital markets on terms favorable to us, or at all. Our industry is highly competitive, and competitive pressures have in the past led, and could lead again in the future, to a decrease in our market share or in the prices that we can charge. The equipment rental industry is highly fragmented and competitive. Our competitors include small, independent businesses with one or two rental locations, regional competitors that operate in one or more states, national and global companies or divisions of national and global companies, and equipment vendors and dealers who both sell and rent equipment directly to customers. We may in the future encounter increased competition from our existing competitors or from new competitors. Competitive pressures have in the past adversely affected, and could again in the future adversely affect, our revenues and operating results by, among other things, decreasing our rental volumes, depressing the prices that we can charge or increasing our costs to retain employees. Trends in oil and natural gas prices **have in the past adversely affected, and** could **again in the future** adversely affect, the level of exploration, development and production activity of certain of our customers and the demand for our services and products. Demand for our services and products is sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies, including national oil companies, regional exploration and production providers, and related service providers. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile. Prices for oil and natural gas are subject to potentially large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, and a variety of other economic factors that are beyond our control. Any prolonged reduction in oil and natural gas prices will depress the immediate levels of exploration, development and production activity, which could have an adverse effect on our business, results of operations and financial condition. Even the perception of longer- term lower oil and natural gas prices by oil and natural gas companies and related service providers can similarly reduce or defer major expenditures by these companies and service providers given the long- term nature of many large- scale development projects. Additionally, potential climate change regulation, ~~including a potential carbon tax,~~ could adversely affect the level of exploration, development and production activity of certain of our customers and the demand for our services and products. See “ Operational Risks – **Severe weather events** ~~Climate change, climate change regulations and greenhouse effects~~ **other natural occurrences** may materially adversely impact our operations and markets. ” **Our industry is highly competitive, and..... increasing our costs to retain employees.** Increases in fuel costs or reduced supplies of fuel have in the past harmed, and could in the future again harm, our business. We believe that one of our competitive advantages is the mobility of our fleet. Accordingly, our business in the past has been, and in the future could be, adversely affected by limitations on fuel supplies or significant increases in fuel prices that result in higher costs to us for transporting equipment from one branch to another branch.

Although we have used, and may continue to use, futures contracts to hedge against fluctuations in fuel prices, a significant or protracted price fluctuation or disruption of fuel supplies could have a material adverse effect on our financial condition and results of operations. Additionally, potential climate change regulation, ~~including a potential carbon tax,~~ could increase the overall cost of fuel to us and have a material adverse effect on us. See “Operational Risks – **Severe weather events** ~~Climate change, climate change regulations and greenhouse effects~~ **other natural occurrences** may materially adversely impact our operations and markets.” Risks Related to our Indebtedness and Liquidity Our significant indebtedness exposes us to various risks. At December 31, ~~2023~~ **2024**, our total indebtedness was \$ ~~11.54~~ **13.54** billion **(which is expected to increase by approximately \$ 4.9 billion in connection with the pending acquisition of H & E that is discussed in note 19 to the consolidated financial statements, which is expected to close in the first quarter of 2025)**. Our significant indebtedness could adversely affect our business, results of operations and financial condition in a number of ways by, among other things: • increasing our vulnerability to, and limiting our flexibility to plan for, or react to, adverse economic, industry or competitive developments; • making it more difficult to pay or refinance our debts as they become due during periods of adverse economic, financial market or industry conditions; • requiring us to devote a substantial amount of our cash flow to debt service, reducing the funds available for other purposes, including funding working capital, capital expenditures, acquisitions, execution of our growth strategy and other general corporate purposes, or otherwise constraining our financial flexibility; • restricting our ability to move operating cash flows to Holdings. URNA’s payment capacity is restricted under the covenants in our senior secured asset-based revolving credit facility (“ABL facility”), our senior secured term loan credit facility (“term loan facility”) and the indentures governing URNA’s outstanding senior notes; • affecting our ability to obtain additional financing for working capital, acquisitions or other purposes, particularly since substantially all of our assets are subject to security interests relating to existing indebtedness; • decreasing our profitability or cash flow; • causing us to be less able to take advantage of significant business opportunities, such as acquisition opportunities, and to react to changes in market or industry conditions; • causing us to be disadvantaged compared to competitors with less debt and lower debt service requirements; • resulting in a downgrade in our credit rating or the credit ratings of any of the indebtedness of our subsidiaries, which could increase the cost of further borrowings; • requiring our debt to become due and payable upon a change in control; and • limiting our ability to borrow additional monies in the future to fund working capital, capital expenditures and other general corporate purposes. A portion of our indebtedness bears interest at variable rates that are linked to changing market interest rates. As a result, increases in market interest rates increase our interest expense and our debt service obligations. At December 31, ~~2023~~ **2024**, we had \$ ~~4.36~~ **4.36** billion of indebtedness that bore interest at variable rates. As of December 31, ~~2023~~ **2024**, our variable rate indebtedness represented ~~31~~ **32** percent of our total indebtedness. See Item 7A — Quantitative and Qualitative Disclosures ~~About~~ **about** Market Risk for additional information related to interest rate risk. To service our indebtedness, we ~~will~~ require a significant amount of cash and our ability to generate cash depends on many factors beyond our control. We depend on cash on hand and cash flows from operations to make scheduled debt payments. To a significant extent, our ability to do so is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations to repay our indebtedness when it becomes due and to meet our other cash needs. If we are unable to service our indebtedness and fund our operations, we will have to adopt an alternative strategy that may include: • reducing or delaying capital expenditures; • limiting our growth; • seeking additional capital; • selling assets; or • restructuring or refinancing our indebtedness. Even if we adopt an alternative strategy, the strategy may not be successful and we may continue to be unable to service our indebtedness and fund our operations. We may not be able to refinance our indebtedness on favorable terms, or at all. Our inability to refinance our indebtedness could materially and adversely affect our liquidity and our ongoing results of operations. Our ability to refinance indebtedness will depend in part on our operating and financial performance, which, in turn, is subject to prevailing economic conditions and to financial, business, legislative, regulatory and other factors beyond our control. In addition, prevailing interest rates or other factors at the time of refinancing could increase our interest expense. A refinancing of our indebtedness could also require us to comply with more onerous covenants and further restrict our business operations. Our inability to refinance our indebtedness or to do so upon attractive terms could materially and adversely affect our business, prospects, results of operations, financial condition and cash flows, and make us vulnerable to adverse industry and general economic conditions. We may be able to incur substantially more debt and take other actions that could diminish our ability to make payments on our indebtedness when due, which could further exacerbate the risks associated with our current level of indebtedness. Despite our indebtedness level, we may be able to incur substantially more indebtedness in the future and such indebtedness may be secured indebtedness. The indentures and other agreements governing our current indebtedness permit us to recapitalize our debt or take a number of other actions, any of which could diminish our ability to make payments on our indebtedness when due and further exacerbate the risks associated with our current level of indebtedness. If new debt is added to our or any of our existing and future subsidiaries’ current debt, the related risks that we now face could intensify and we may not be able to meet all of our debt obligations. If we are unable to satisfy the financial covenant or comply with other covenants in certain of our debt agreements, our lenders could elect to terminate the agreements and require us to repay the outstanding borrowings, or we could face other substantial costs. We rely on our ABL facility and accounts receivable securitization facility to provide liquidity for our business, including to fund capital expenditures, acquisitions, operating expenses and other liquidity needs. The only financial covenant that currently exists under the ABL facility is the fixed charge coverage ratio. Subject to certain limited exceptions specified in the ABL facility, the fixed charge coverage ratio covenant under the ABL facility will only apply in the future if specified availability under the ABL facility falls below 10 percent of the maximum revolver amount under the ABL facility. When certain conditions are met, cash and cash equivalents and borrowing base collateral in excess of the ABL facility size may be included when calculating specified availability under the ABL facility. As of December 31, ~~2023~~ **2024**, specified availability under the ABL facility exceeded the required threshold and, as a result, this financial covenant was inapplicable. Under our accounts receivable

securitization facility, we are required, among other things, to maintain certain financial tests relating to: (i) the default ratio, (ii) the delinquency ratio, (iii) the dilution ratio and (iv) days sales outstanding. The accounts receivable securitization facility also requires us to comply with the fixed charge coverage ratio under the ABL facility, to the extent the ratio is applicable under the ABL facility. If we are unable to satisfy the financial covenant under the ABL facility or the financial tests under the accounts receivable securitization facility or comply with any of the other relevant covenants under the applicable agreement, the lenders could elect to terminate the ABL facility and / or the accounts receivable securitization facility and require us to repay outstanding borrowings. In such event, unless we are able to refinance the indebtedness coming due and replace the ABL facility and / or the accounts receivable securitization facility, we would likely not have sufficient liquidity for our business needs and would be forced to adopt an alternative strategy. Even if we adopt an alternative strategy, the strategy may not be successful and we may not have sufficient liquidity to service our debt and fund our operations. Future debt arrangements we enter into may contain similar financial covenant provisions. Restrictive covenants in certain of the agreements and instruments governing our indebtedness may adversely affect our financial and operational flexibility. In addition to the financial covenant and other financial tests, various other covenants in the ABL facility, term loan facility, accounts receivable securitization facility and the other agreements governing our debt impose significant operating and financial restrictions on us and our restricted subsidiaries. Such covenants include, among other things, limitations on: (i) liens; (ii) indebtedness; (iii) mergers, consolidations and acquisitions; (iv) sales, transfers and other dispositions of assets; (v) loans and other investments; (vi) dividends and other distributions, stock repurchases and redemptions and other restricted payments; (vii) dividends, other payments and other matters affecting subsidiaries; (viii) transactions with affiliates; and (ix) issuances of preferred stock of certain subsidiaries. Future debt agreements we enter into may include similar provisions. These restrictions may cause us to suspend or cease the payment of dividends. These restrictions may also make more difficult or discourage a takeover of us, whether favored or opposed by our management and / or our Board of Directors. Our ability to comply with these covenants may be affected by events beyond our control, and any material deviations from our forecasts could require us to seek waivers or amendments of covenants or alternative sources of financing, or to reduce expenditures. We cannot guarantee that such waivers, amendments or alternative financing could be obtained or, if obtained, would be on terms acceptable to us. A breach of any of the covenants or restrictions contained in these agreements would result in an event of default. Such a default could allow our debt holders to accelerate repayment of the related debt, as well as any other debt to which a cross- acceleration or cross- default provision applies, and / or to declare all borrowings outstanding under these agreements to be due and payable. If our debt is accelerated, our assets may not be sufficient to repay such debt. The amount of borrowings permitted under our ABL facility **and the accounts receivable securitization facility** may fluctuate significantly, which may adversely affect our liquidity, results of operations and financial position. The amount of borrowings permitted at any time under our ABL facility **and the accounts receivable securitization facility** is limited to a periodic borrowing base valuation of the collateral thereunder. As a result, our access to credit under our ABL facility **and the accounts receivable securitization facility** is potentially subject to significant fluctuations depending on the value of the borrowing base of eligible assets as of any measurement date, **as well as and, in the case of the ABL facility,** certain discretionary rights of the agent in respect of the calculation of such borrowing base value. The inability to borrow under our ABL facility **and / or the accounts receivable securitization facility**, or limitations on the amounts we can borrow under our ABL **facility and / or the accounts receivable securitization** facility, may adversely affect our liquidity, results of operations and financial position. We rely on available borrowings under the ABL facility and the accounts receivable securitization facility for cash to operate our business, which subjects us to market and counterparty risk, some of which is beyond our control. In addition to cash we generate from our business, our principal existing sources of cash are borrowings available under the ABL facility and the accounts receivable securitization facility. If our access to such financing was unavailable or reduced, or if such financing were to become significantly more expensive for any reason, we may not be able to fund daily operations, which would cause material harm to our business or could affect our ability to operate our business as a going concern. In addition, if certain of our lenders experience difficulties that render them unable to fund future draws on the facilities, we may not be able to access all or a portion of these funds, which could have similar adverse consequences. If we are unable to obtain additional capital as required, we may be unable to fund the capital outlays required for the success of our business. If the cash that we generate from our business, together with cash that we may borrow under the ABL facility and accounts receivable securitization facility, is not sufficient to fund our capital requirements, we will require additional debt and / or equity financing. However, we may not succeed in obtaining the requisite additional financing or such financing may include terms that are not satisfactory to us. We may not be able to obtain additional debt financing as a result of prevailing interest rates or other factors, including the presence of covenants or other restrictions under the ABL facility and / or other agreements governing our debt. In the event we seek to obtain equity financing, our stockholders may experience dilution as a result of the issuance of additional equity securities. This dilution may be significant depending upon the amount of equity securities that we issue and the prices at which we issue such securities. If we are unable to obtain sufficient additional capital in the future, we may be unable to fund the capital outlays required for the success of our business, including those relating to purchasing equipment, growth plans and refinancing existing indebtedness. Risks Related to our Strategic Transactions and Investments Our growth strategies may be unsuccessful if we are unable to identify and complete future acquisitions and successfully integrate acquired businesses or assets. We have historically achieved a significant portion of our growth through acquisitions and we will continue to consider potential acquisitions on a selective basis. From time to time we have also approached, or have been approached by, other public companies or large privately- held companies to explore consolidation opportunities. **The pending acquisition of H & E that is discussed in note 19 to the consolidated financial statements, which is expected to close in the first quarter of 2025, is an example of our strategy of growth through acquisitions.** There can be no assurance that we will be able to identify suitable acquisition opportunities in the future or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Acquisitions, **including the pending acquisition**

of H & E, entail certain risks, including: • unrecorded liabilities of acquired companies and unidentified issues with acquired companies or acquired assets that we fail to discover during our due diligence investigations or that are not subject to indemnification or reimbursement by the seller; • greater than expected expenses, such as the need to obtain additional debt or equity financing for any transaction; • unfavorable accounting treatment and unexpected increases in taxes; • adverse effects on our ability to maintain relationships with customers, employees and suppliers; • inherent risk associated with entering a geographic area or line of business in which we have no or limited experience; • difficulty in assimilating the operations and personnel of an acquired company, or acquired assets, within our existing operations, including the consolidation of corporate and administrative functions; • difficulty in integrating marketing, information technology and other systems; • difficulty in conforming standards, controls, procedures and policies, business cultures and compensation structures; • difficulty in identifying and eliminating redundant and underperforming operations and assets; • loss of key employees of the acquired company; • operating inefficiencies that have a negative impact on profitability; • impairment of goodwill or other acquisition-related intangible assets; • failure to achieve anticipated synergies or receiving an inadequate return of capital; and • strains on management and other personnel time and resources to evaluate, negotiate and integrate acquisitions. Our failure to address these risks or other problems encountered in connection with any past or future **acquisitions, including the pending acquisition of H & E**, could cause us to fail to realize the anticipated benefits of the acquisitions over the timeframe we expect, or at all, cause us to incur unanticipated liabilities or harm our existing operations or our business generally. In addition, if we are unable to successfully integrate our acquisitions with our existing business, we may not obtain the advantages that the acquisitions were intended to create, which may materially and adversely affect our business, results of operations, financial condition, cash flows, our ability to introduce new services and products and the market price of our stock. We would expect to pay for any future acquisitions using cash, capital stock, net proceeds from the issuance of notes, borrowings under our credit facilities and / or assumption of indebtedness. **For example, financing for our pending acquisition of H & E may include the issuance of debt securities and / or term loan borrowings, in addition to borrowings under our existing ABL facility.** To the extent that our existing sources of cash are not sufficient, we would expect to need additional debt or equity financing, which involves its own risks, such as the dilutive effect on shares held by our stockholders if we financed acquisitions by issuing convertible debt or equity securities, or the risks associated with debt incurrence. If we determine that our goodwill has become impaired, we may incur impairment charges, which would negatively impact our operating results. At December 31, ~~2023~~ **2024**, we had \$ ~~5.6~~ **9** billion of goodwill on our consolidated balance sheet. Goodwill represents the excess of cost over the fair value of net assets acquired in business combinations. We assess potential impairment of our goodwill at least annually. Impairment may result from significant changes in the manner of use of the acquired assets, negative industry or economic trends and / or significant underperformance relative to historic or projected operating results. For a discussion of our goodwill impairment testing, see “ Critical Accounting Policies- Evaluation of Goodwill Impairment ” in Part II, Item 7- Management’ s Discussion and Analysis of Financial Condition and Results of Operations. Risks Related to our Securities Our operating results may fluctuate, which could affect the trading value of our securities. Our revenues and operating results may fluctuate from quarter to quarter or over the longer term due to a number of factors, which could adversely affect the trading value of our securities. These factors, in addition to general economic conditions and the factors discussed above under “ Cautionary Statement Regarding Forward-Looking Statements ”, include, but are not limited to: • the seasonal rental patterns of our customers, with rental activity tending to be lower in the winter; • changes in the size of our rental fleet and / or in the rate at which we sell our used equipment; • changes in private non- residential construction spending or government funding for infrastructure and other construction projects; • changes in demand for, or utilization of, our equipment or in the prices we charge due to changes in economic conditions, including rising inflation, competition or other factors; • changes in customer, fleet, geographic and segment mix; • commodity price pressures and the resultant increase in the cost of fuel and steel to our equipment suppliers, which can result in increased equipment costs for us; • cost increases as a result of inflation; • other cost fluctuations, such as costs for employee-related compensation and healthcare benefits; • labor shortages and / or disputes, work stoppages or other labor difficulties; • potential enactment of new legislation affecting our operations or labor relations; • supply chain or other disruptions that impact our ability to obtain equipment and other supplies for our business from our key suppliers on acceptable terms or at all; • completion of acquisitions, divestitures or recapitalizations; • increases in interest rates **or the aggregate principal amount of our outstanding indebtedness**, and related increases in our interest expense and our debt service obligations; • the possible need, from time to time, to record goodwill impairment charges or other write- offs or charges due to a variety of occurrences, such as the adoption of new accounting standards, the impairment of assets, rental location divestitures, dislocation in the equity and / or credit markets, consolidations or closings, restructurings, the refinancing of existing indebtedness or the buy- out of equipment leases; and • currency risks and other risks associated with international operations. Our common stock price has fluctuated significantly and may continue to do so in the future. Our common stock price has fluctuated significantly and may continue to do so in the future for a number of reasons, including: • fluctuations in the results of our operations and general conditions in the economy, our market, and the markets served by our customers; • announcements of developments related to our business; • market perceptions of any proposed merger or acquisition and the likelihood of our involvement in other merger and acquisition activity; • variations in our revenues, gross margins, earnings or other financial results from investors’ expectations; • departure of key personnel; • purchases or sales of large blocks of our stock by institutional investors or transactions by insiders; • investor perceptions of the equipment rental industry in general and our Company in particular; • fluctuations in the prices of oil and natural gas; • expectations regarding our share repurchase ~~programs~~ **program**; • changes in our dividend policy; and • the operating and stock performance of comparable companies or related industries. In addition, prices in the stock market have been volatile over the past few years. In certain cases, the fluctuations have been unrelated to the operating performance of the affected companies. As a result, the price of our common stock could fluctuate in the future without regard to our operating performance. We cannot guarantee that we will repurchase our common stock pursuant to our

share repurchase programs- program or that our share repurchase programs- program will enhance long- term stockholder value. Share repurchases could also increase the volatility of the price of our common stock and could diminish our cash reserves. In ~~October~~ **January 2022-2024**, our Board of Directors authorized a share repurchase program -, **Under under which the program**, we are authorized to repurchase shares of common stock for an aggregate purchase price not to exceed \$ 1. ~~25~~ **5** billion, excluding fees, commissions and other ancillary expenses. We have completed \$ 1. ~~0-25~~ billion of repurchases under the program as of December 31, ~~2023-2024~~, **and expect to complete**. **We have paused repurchases under the program due to our pending acquisition of H & E. As discussed in note 19 to the consolidated financial statements, on January 13, 2025, we entered into a definitive merger agreement to acquire H & E, which is expected to close** in the first quarter of ~~2024~~ **2025**. **We currently intend to complete the** On January 24, 2024, our Board of Directors authorized a new \$ 1. 5 billion share repurchase program -**We plan**; however, we will re- evaluate the timing over which we expect to begin repurchases under **do so as we integrate H & E and assess the other potential uses** new program following the planned completion of the existing \$ ~~1~~ **capital, including paying down debt**. ~~25 billion~~ **Although the Board of Directors has authorized the** share repurchase program in the first quarter of 2024, and intend to purchase \$ 1. 25 billion under the new program in 2024 and then complete the program by the end of the first quarter of 2025. Although the Board of Directors has authorized the share repurchase programs- **program does**, the share repurchase programs do not obligate **us** the Company to repurchase any specific dollar amount or to acquire any specific number of shares. The timing and amount of repurchases, if any, will depend upon several factors, including market and ~~business~~ **legislative** conditions, the trading price of the Company's common stock and the nature of other investment opportunities. **For example** In August 2022, Congress passed the Inflation Reduction Act -, which imposes a one percent tax on stock repurchases, subject to certain adjustments, ~~after December 31, 2022~~ by publicly traded U. S. companies, including us, **which and** may also impact our decision to engage in share repurchases. Also, our ability to repurchase shares of stock may be limited by restrictive covenants in our debt agreements. The repurchase programs- **program** may be limited, suspended or discontinued at any time without prior notice. In addition, repurchases of our common stock pursuant to our share repurchase programs- **program** could affect our stock price and increase its volatility. The existence of a share repurchase program could cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our stock. Additionally, our share repurchase programs- **program** could diminish our cash reserves, which may impact our ability to finance future growth, to continue to pay a dividend and to pursue possible future strategic opportunities and acquisitions. There can be no assurance that any share repurchases will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchased shares of stock. Although our share repurchase programs- **program are is** intended to enhance long- term stockholder value, there is no assurance that **they it** will do so and short- term stock price fluctuations could reduce the program's effectiveness. Our charter provisions, as well as other factors, may affect the likelihood of a takeover or change of control of the Company. We have in place certain charter provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control or management of the Company that are not approved by our Board, including transactions in which our stockholders might otherwise receive a premium for their shares over then- current market prices. We are also subject to Section 203 of the Delaware General Corporation Law which, under certain circumstances, restricts the ability of a publicly held Delaware corporation to engage in a business combination, such as a merger or sale of assets, with any stockholder that, together with affiliates, owns 15 percent or more of the corporation's outstanding voting stock, which similarly could prohibit or delay the accomplishment of a change of control transaction. In addition, under each of the ABL facility and the term loan facility, a change of control (as defined in the applicable credit agreement) constitutes an event of default, entitling our lenders to terminate the ABL facility or the term loan facility, as applicable, and require us to repay outstanding borrowings. A change of control (as defined in the applicable agreement) is also a termination event under our accounts receivable securitization facility and under certain circumstances would require us to offer to repurchase our outstanding senior notes. As a result, the provisions of the agreements governing our debt also may affect the likelihood of a takeover or other change of control. We cannot make any guarantees with respect to payment of dividends on our common stock. The Board of Directors will regularly evaluate our capital allocation strategy and dividend policy, and any future determination to continue to pay dividends, and the amount of such dividends, will be at the discretion of the Board of Directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and contractual restrictions, including the requirements of the agreements governing our indebtedness. No assurance can be given that cash dividends will continue to be declared and paid, and, if declared and paid, the amount of such dividends. If we are unable to collect on contracts with customers, our operating results would be adversely affected. One of the reasons some of our customers find it more attractive to rent equipment than own that equipment is the need to deploy their capital elsewhere. However, some of our customers may have liquidity issues and ultimately may not be able to fulfill the terms of their rental agreements with us. If we are unable to manage credit risk issues adequately, or if a large number of customers have financial difficulties at the same time, our credit losses could increase above historical levels and our operating results would be adversely affected. Further, a worsening of economic conditions would be expected to result in increased delinquencies and credit losses, which could exacerbate adverse impacts on our business and operating results. Turnover of members of our management and our ability to attract and retain key personnel may adversely affect our ability to efficiently manage our business and execute our strategy. Our success is dependent, in part, on the experience and skills of our management team, and competition in our industry and the business world for top management talent is generally significant. Although we believe we generally have competitive pay packages, we can provide no assurance that our efforts to attract and retain our senior management staff will be successful. Moreover, in the past, we have experienced volatility in our stock price, and we may experience such volatility again in the future, which may make it more difficult and expensive to recruit and retain employees, particularly senior management, through grants of stock or **restricted** stock **options units**. This, in turn, could place greater pressure on the Company to increase the cash component of its compensation packages,

which may adversely affect our operating results. If we are unable to fill and keep filled all of our senior management positions, or if we lose the services of any key member of our senior management team and are unable to find a suitable replacement in a timely fashion, we may be challenged to effectively manage our business and execute our strategy. In addition, we must continue to identify, hire, train and retain key personnel who maintain relationships with our customers and who provide technical skills required for our Company's growth. There is a shortage of qualified personnel in these fields, and we compete with other companies for the limited pool of talent. The failure to recruit and retain necessary key personnel could cause disruption, harm our business and hamper our ability to grow our Company. Our operational and cost reduction strategies may not generate the improvements and efficiencies we expect. We have been pursuing a general strategy of optimizing our field operations in order to address potential labor shortages, improve servicing capabilities, improve sales force effectiveness, and focus our sales force's efforts on increasing ~~revenues~~ **revenue per from our national account and other large customers**. We also continue to pursue strategies to improve productivity. The extent to which these efforts and strategies will achieve our desired efficiencies and goals in **2024-2025** and beyond is uncertain, as their success depends on a number of factors, some of which are beyond our control. Even if we carry out these strategies in the manner we currently expect, we may not achieve the efficiencies or savings we anticipate, or on the timetable we anticipate, and there may be unforeseen productivity, revenue or other consequences resulting from our strategies that may adversely affect us. Therefore, there can be no guarantee that our strategies will prove effective in achieving the desired level of profitability, margins or returns to stockholders. We are dependent on our relationships with key suppliers to obtain equipment and other supplies for our business on acceptable terms. Our centralization of equipment and non-equipment purchases has resulted in us depending on, and being exposed to, the credit risk of a group of key suppliers. While we make every effort to evaluate our counterparties prior to entering into long-term and other significant procurement contracts, we cannot predict the impact on our suppliers of the economic environment and other developments in their respective businesses. Insolvency, financial difficulties, **consolidation among our suppliers**, or other factors may result in our suppliers not being able to fulfill the terms of their agreements with us. Further, such factors may render suppliers unwilling to extend contracts that provide favorable terms to us, or may force them to seek to renegotiate existing contracts with us. The termination of our relationship with any of our key suppliers could have a material adverse effect on our business, financial condition or results of operations in the unlikely event that we were unable to obtain adequate equipment or supplies from other sources in a timely manner, at a reasonable cost or at all. ~~Disruptions in our supply chain could result in adverse effects on our results of operations and financial performance. Supply chain disruptions could impact our ability to obtain equipment and other supplies for our business from our key suppliers on acceptable terms or at all. To date, our supply chain disruptions have been limited, but we may experience more severe supply chain disruptions in the future or supplier inability to manufacture or deliver equipment or parts. Any suspension or delay in our suppliers' ability to provide us adequate equipment or supplies, or in our ability to procure equipment or supplies from other sources in a timely manner or at all, could impair our ability to meet customer demand and therefore could have a material adverse effect on our business, financial condition or results of operations.~~ If our rental fleet ages, our operating costs may increase, we may be unable to pass along such costs, and our earnings may decrease. The costs of new equipment we use in our fleet have increased, and may continue to increase, requiring us to spend more for replacement equipment or preventing us from procuring equipment on a timely basis. If our rental equipment ages, the costs of maintaining such equipment, if not replaced within a certain period of time, will likely increase. The costs of maintenance may materially increase in the future and could lead to material adverse effects on our results of operations. The cost of new equipment for use in our rental fleet has increased, and could continue to increase in the future, due to increased material costs for our suppliers (including tariffs on raw materials) or other factors beyond our control. Such increases could materially adversely impact our financial condition and results of operations in future periods. Furthermore, changes in customer demand could cause certain of our existing equipment to become obsolete and require us to purchase new equipment at increased costs. Disruptions in our **or our third-party vendors'** information technology ~~systems or a compromise of security with respect to our~~ systems could adversely affect our operating results by limiting our ability to effectively monitor and control our operations, adjust to changing market conditions, implement strategic initiatives or support our online ordering system. We rely on **the continuous and uninterrupted performance of our and our third-party vendors'** information technology systems to be able to monitor and control our operations, adjust to changing market conditions, implement strategic initiatives and support our online ordering system. **These systems may be subject to interruptions due to technological errors, bugs, defects or vulnerabilities, system capacity constraints, human errors, computer or communications failures, power loss, disruptions during upgrades or replacements of software or hardware or integrations of acquired businesses systems, adverse acts of nature and other unexpected events. Disruptions to our customers' information technology systems could also adversely impact us.** Any disruptions in these systems or the failure of these systems to operate as expected have in the past adversely affected, and could in the future adversely affect, our ability to access and use certain applications and could, depending on the nature and magnitude of the problem, adversely affect our operating results by limiting our ability to effectively monitor and control our operations, adjust to changing market conditions, implement strategic initiatives and service online orders. Although such disruptions and failures have not been material to date, we cannot guarantee that they will not be material in the future. ~~In addition~~ **Our financial performance and our reputation could be adversely affected, and we could be subject to legal liability or regulatory enforcement actions, if we are unable to protect against, or effectively respond to, cyberattacks or other cyber incidents. We depend on the security of measures we employ to protect our and our third-party vendors' information technology systems have in the past not detected to support numerous business processes and activities, including or our prevented, and may in online ordering system. There are numerous cybersecurity risks to the these future not detect or prevent, all attempts to hack our systems, including individual and group criminal hackers, industrial espionage, man-in-the-middle and denial-of-service attacks, viruses, malicious software (malware), employee error or malfeasance, and phishing attacks.** ~~We also face security cybersecurity~~

risks due to our reliance on internet technology and hybrid work arrangements, which could strain our technology resources or create additional opportunities for cybercriminals to exploit vulnerabilities. Cyber threats are constantly evolving, especially given the advances in, and the rise of the use of, artificial intelligence, thereby increasing the difficulty of preventing, detecting and successfully defending against them. Successful breaches could, among disruptions during the process of upgrading or replacing computer software or hardware or integrating systems of acquired businesses or assets or other things, attacks and similar disruptions, disrupt that may our operations, jeopardize the security of information stored in or transmitted by the sites, networks and systems that we otherwise maintain, which include cloud-based networks and data center storage, or result in the unauthorized disclosure, theft and misuse of company, customer, and employee sensitive and confidential information. If this were to occur, we could be in violation of applicable privacy, data security and other laws, subjected to regulatory enforcement actions and private litigation, and our reputation and financial performance may be adversely affected. Although we employ security measures to protect our data and systems, and, to our knowledge, so do our third-party vendors, these measures have in the past not detected or prevented, and may in the future not detect or prevent, all attempts to infiltrate our systems. We have, from time to time, experienced threats to and breaches of our data and systems, including malware and computer virus attacks, which have led, and could in the future lead to, disruptions in our online ordering or other systems, or the unauthorized release of confidential or otherwise protected information or corruption of data. We are continuously developing, develop and enhancing enhance our controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage, vulnerabilities or unauthorized access. This continued development and enhancement requires us to expend significant resources. However, we may not anticipate or combat all types of future attacks until after they have been launched, and there is no guarantee that the measures we take will be adequate to safeguard against all threats. If any of these breaches of security occur or are anticipated in the future, we could be required to expend additional capital and other resources, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants. Our response to attacks, and our investments in our technology and our controls, processes and practices, may not be sufficient to shield us from significant losses or liability. Further, given the increasing sophistication of bad actors and complexity of the techniques used to obtain unauthorized access or disable systems, a breach or attack could potentially persist for an extended period of time before being detected. As a result, we may not be able to anticipate the attack or respond adequately or timely, and the extent of a particular incident, and the steps that we may need to take to investigate the incident, may not be immediately clear. It could take a significant amount of time before an investigation can be completed and full, reliable information about the incident becomes known. During an investigation, it is possible we may not necessarily know the extent of the harm or how to remediate it, which could further adversely impact us, and new regulations could result in us being required to disclose information about a material cybersecurity incident before it has been mitigated or resolved, or even fully investigated. We Certain of our software applications are also face-hosted by third parties who provide outsourced administrative functions, which may increase the risk of a cybersecurity incident. Any compromise or breach of our systems could result in adverse publicity, harm our reputation, lead to claims against us and affect our relationships with our customers and employees, any of which could have a material adverse effect on our business. Although we maintain insurance coverage for various cybersecurity risks due to, there can be no guarantee that all costs our- or reliance on internet technology-losses incurred will be fully insured. Failure to comply with data privacy and protection laws and regulations hybrid work arrangements, which could strain our technology resources or create additional opportunities for cybercriminals to exploit vulnerabilities. In addition, because our systems sometimes contain information about individuals and businesses, our failure to appropriately maintain the security of the data we hold, whether as a result of our own error or the malfeasance or errors of others, have led, and could in the future lead, to disruptions in our online ordering system or other data systems, and could lead to unauthorized release of confidential or otherwise protected information or corruption of data. Our failure to appropriately maintain the security of the data we hold could also violate applicable privacy, data security and other laws and subject us to legal liability lawsuits, fines and other means of regulatory enforcement adversely affect our reputation and our financial performance. Regulators have been imposing new We collect, use, process, and store proprietary information and personal, sensitive, or confidential data relating to our business, customers, and employees. privacy Privacy laws and security similar regulations in many jurisdictions where we do business require that we take significant steps to safeguard that information, and these laws and regulations continue to evolve. New laws may add a broad array of requirements on how we handle or use information, including increase our compliance obligations and impose new and greater monetary fines for privacy violations. For example, the European Union's ("EU") General Data Protection Regulation (Regulation (EU) 2016 / 679) (the "GDPR") has stringent data protection requirements and provides for significant penalties. Non-compliance with the GDPR could lead to lower revenues, increased costs (including fines, which could be significant) and other material adverse effects on our results of operations. In addition, countries Countries such as the United Kingdom (the "UK") have implemented the GDPR through their own legislation, and other other countries in which we operate, including the U. S., have proposed or adopted their own data protection legislation. In addition, in the United States, a growing number of states have enacted different laws regarding personal information and privacy that impose significant new requirements on consumer personal information. Although we monitor and assess the impact of these laws and regulations, and regularly update our systems to protect our data and comply with these laws, their interpretation and enforcement are uncertain and subject to change, and may require substantial costs to monitor and implement. Failure to comply with data privacy and protection laws and regulations could also result in government enforcement actions (which could include substantial civil and / or criminal penalties) and private litigation, which could adversely affect our reputation and financial performance. These laws and regulations are broad in scope, complex, and subject to evolving interpretations and increasing enforcement, and we have incurred costs to monitor compliance and have

altered our practices, and may have to do so again in the future. Moreover, certain new and existing data privacy laws and regulations could diverge and conflict with each other in certain respects, which makes compliance increasingly difficult. Complying with new regulatory requirements has in the past required, and could in the future require, us to incur substantial expenses or require us to change our business practices, either of which could harm our business. As regulators have become increasingly focused on information security, data collection and use and privacy, we may be required to devote significant additional resources to modify and enhance our information security controls and to identify and remediate vulnerabilities, which could adversely impact our results of operations and profitability. **Severe weather events** Any compromise or breach of our **or systems services**. Additionally, as severe weather events become increasingly common, our or our customers' operations may be disrupted, which could result in increased operational costs or reduced demand for our products and services, and **climate change** the increased incidence of severe weather and other natural occurrences may also reduce the availability or increase the cost of insurance for such **weather-related** events. In addition, **climate change** severe weather events and other natural occurrences may impact the global economy, including as a result of disruptions to supply chains. While we have invested in the administration of programs and physical loss prevention improvements to mitigate the risk of natural disasters causing disruption to our ability to serve our customers and communities in times of need, extended periods of **disruptions could** could result in adverse publicity, harm our reputation, lead to claims against us and affect our relationships with our customers and employees, **and subject us to legal and operational risks**, any of which could have a material adverse effect on our business. We Certain of our software applications are **subject to** also utilized by third parties who provide outsourced administrative functions, which may increase the risk of a cybersecurity incident. Although we maintain insurance coverage for various cybersecurity risks **related to**, there can be no guarantee that all costs or **our ability to meet our aspirational sustainability** losses incurred will be fully insured. Climate change and its association with **safety goals, including our** greenhouse gas **intensity reduction goal** emissions is receiving increased attention from the scientific and political communities. The U. S. federal government, **which** certain U. S. states and certain other countries and regions have adopted or are considering legislation or regulation imposing overall caps or taxes on greenhouse gas emissions from certain sectors or facility categories. Such new laws or regulations, **if not achieved** or stricter enforcement of existing laws and regulations, could **damage** increase the costs of operating our businesses, reduce the demand for our products and services and impact the prices we charge our customers, any or all of which could adversely affect our results of operations. Failure to comply with any legislation or regulation could potentially result in substantial fines, criminal sanctions or operational changes. Moreover, even without such legislation or regulation, the perspectives of our customers, stockholders, employees and other stakeholders regarding climate change are continuing to evolve, and increased awareness of, or any adverse publicity regarding, the effects of greenhouse gases could harm our reputation or reduce customer demand for our products and services. Additionally, as severe weather..... need, extended periods of disruptions could have an adverse effect on our **financial performance** results of operations. We anticipate that climate change-related risks will increase over time. We are subject to risks related to our ability to meet our environmental and social goals, including our greenhouse gas intensity reduction goal. Although we have announced **environmental aspirational sustainability** and **social safety** goals, including our greenhouse gas intensity reduction goal, our efforts to provide more low- and zero- emissions equipment to our customers and our efforts to provide customers with tools to monitor and manage their environmental impacts, there can be no assurance that our shareholders and other stakeholders will agree with our goals and strategies or be satisfied with our efforts to attain such goals. Moreover, any perception, whether or not valid, that we have failed to act responsibly with respect to such matters, **failed (or may fail)** to achieve our goals or **failed** to effectively respond to new or additional legal or regulatory requirements **regarding climate change**, could adversely affect our business and, reputation. **Execution of our environmental and social exposure to legal risks. Our ability to execute on our aspirational sustainability and safety** goals is subject to numerous risks and uncertainties, many of which are outside of our control, including, but not limited to, our ability to achieve our goals within the expected timeframes and the currently projected cost ranges; the availability and cost of renewable energy; the availability and cost of low- and zero- emissions equipment and vehicles for our rental fleet; the availability and cost of low- and zero- emissions vehicles for our sales, service and delivery non- rental fleet; compliance with global and regional regulations, taxes, charges, mandates or requirements relating to greenhouse gas emissions, carbon costs or climate- related goals; adapting products to customer preferences and customer acceptance of low- and zero- emissions equipment; the accuracy of the assumptions used to estimate customers' emissions in our emissions tracking tool in Total Control ®; and the actions of competitors and competitive pressures. As a result, there is no assurance that we will be able to successfully achieve our **environmental aspirational sustainability** and **social safety** goals, which could damage our reputation and customer and other stakeholder relationships and have an adverse effect on our business, results of operations and financial condition. Our growing specialty reportable segment, as well as our tools and onsite services offerings, presents new and expanded risks, which may increase as we engage in new activities and provide new services. Our specialty reportable segment has accounted for an increasing portion of our business and revenues in recent years. Specialty segment revenues constituted **25-29.4-3** percent of our revenues for the year ended December 31, **2023-2024**, as compared to 7.3 percent of our revenues for the year ended December 31, 2013. In connection with the expansion of the specialty segment, we have expanded the scope of services we provide to **clients customers**; for example, we advise **clients customers** on the compatibility of our equipment with various applications, collaborate and consult with **clients customers** on certain aspects of civil construction projects, design and erect scaffolding, and design electrical pump systems. To the extent we engage in those and other similar activities, we have faced, and will continue to face, increased legal, reputational and operational risks. These new or expanded business activities also expose us to new or different types of risks, including risks related to spills, unauthorized use of equipment, system failure, ineffectiveness of the solutions and products we provide, and hazardous material issues and interference. We have been, and may in the future be, subject to various claims in connection with these activities and services, and the associated risks may be

difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time, particularly as we engage in new business activities where we do not have historical experience. Although we have insurance to protect ourselves against claims in connection with these activities, we cannot guarantee that any insurance coverage will be sufficient or that we will continue to be able to obtain such coverage at reasonable rates or at all. See also “ We are exposed to a variety of claims relating to our business, and our insurance may not fully cover them. ” Our rental fleet is subject to residual value risk upon disposition and may not sell at the prices or in the quantities we expect. The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including: • the market price for new equipment of a like kind; • wear and tear on the equipment relative to its age and the performance of preventive maintenance; • the time of year that it is sold; • the supply of used equipment on the market; • the existence and capacities of different sales outlets; • the age of the equipment at the time it is sold; • worldwide and domestic demand for used equipment; and • general economic conditions. We include in income from operations the difference between the sales price and the depreciated value of an item of equipment sold. Changes in our assumptions regarding depreciation could change our depreciation expense, as well as the gain or loss realized upon disposal of equipment. Sales of our used rental equipment at prices that fall significantly below our projections and / or in lesser quantities than we anticipate will have a negative impact on our results of operations and cash flows. We have operations outside the United States, in Canada, Europe, Australia and New Zealand. As a result, we may incur losses from the impact of foreign currency fluctuations and have higher costs than we otherwise would have due to the need to comply with foreign laws. Our operations in Canada, Europe, Australia and New Zealand are subject to the risks normally associated with international operations. These include **the need to** (i) ~~the need to~~ convert currencies, which could result in a gain or loss depending on fluctuations in exchange rates and (ii) ~~the need to~~ comply with foreign laws and regulations, as well as U. S. laws and regulations, applicable to our operations in foreign jurisdictions. Changes in such laws or regulations, or any material failure to comply with any applicable laws or regulations, can increase our costs, affect our reputation, limit our business, drain management time and attention and otherwise impact our operations in adverse ways. In addition, laws or regulations or the interpretations thereof can conflict among jurisdictions, and compliance in one jurisdiction could result in legal or reputational risks in another jurisdiction. See Item 7A — Quantitative and Qualitative Disclosures **About about** Market Risk for additional information related to currency exchange risk. We have a holding company structure and depend in part on distributions from our subsidiaries to pay amounts due on our indebtedness. Certain provisions of law or contractual restrictions could limit distributions from our subsidiaries. We derive substantially all of our operating income from, and hold substantially all of our assets through, our subsidiaries. The effect of this structure is that we depend in part on the earnings of our subsidiaries, and the payment or other distribution to us of these earnings, to meet our obligations under our outstanding debt. Provisions of law, such as those requiring that dividends be paid only from surplus, could limit the ability of our subsidiaries to make payments or other distributions to us. Furthermore, these subsidiaries could in certain circumstances agree to contractual restrictions on their ability to make distributions. Distributions from our subsidiaries may also be limited by restrictive covenants in our debt agreements.

Legal and Regulatory Risks In the ordinary course of our business operations, we are exposed to a variety of potential claims. These claims include those relating to personal injuries or property damage arising from: (i) the use and / or operation of our rented or sold equipment, (ii) motor vehicle accidents involving our vehicles and our employees, and (iii) employment- related claims. Currently, we carry a broad range of insurance for the protection of our assets and operations **and we also self- insure for certain types of claims**. However, such **insurance and self-** insurance may not fully cover these claims for a number of reasons, including: • our insurance policies, reflecting a program structure that we believe reflects market conditions for companies of our size, are often subject to significant deductibles or self- insured retentions; • our director and officer liability insurance policy has no deductible for individual non- indemnifiable loss, but is subject to a deductible for company reimbursement coverage; • we do not currently maintain Company- wide stand- alone first party coverage for environmental liability (other than legally required and third -party site pollution coverage), since we believe the cost for such coverage is high relative to the benefit it provides; and • certain types of claims, such as claims for punitive damages or for damages arising from intentional misconduct, which are often alleged in third -party lawsuits, might not be covered by our insurance. We establish and evaluate our loss reserves on a semi- annual basis to address casualty claims, or portions thereof, not covered by our insurance policies **or self- insurance**. To the extent that we are subject to a higher frequency of claims, are subject to more serious claims or insurance coverage is not available, we could have to significantly increase our reserves, and our liquidity and operating results could be materially and adversely affected. It is also possible that some or all of the insurance that is currently available to us **from third parties** will not be available in the future on economically reasonable terms or at all. We are subject to numerous environmental and safety regulations. If we are required to incur compliance or remediation costs that are not currently anticipated, our liquidity and operating results could be materially and adversely affected. Our operations are subject to numerous laws and regulations governing environmental protection and occupational health and safety matters. These laws regulate issues such as wastewater, storm water, solid and hazardous waste, storage of hazardous materials, and air quality. Under these laws, we may be liable for, among other things: (i) the costs of investigating and remediating any contamination at our sites as well as sites to which we send hazardous waste for disposal or treatment, regardless of fault; and (ii) fines and penalties for non- compliance. While our operations generally do not raise significant environmental risks, we use hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and wastewater from equipment washing, and store and dispense petroleum products from above- ground storage tanks located at certain of our locations. We cannot be certain as to the potential financial impact on our business if new adverse environmental conditions are discovered. If we are required to incur environmental compliance or remediation costs that are not currently anticipated, our liquidity and operating results could be materially and adversely affected, depending on the magnitude of such costs. In addition, as environmental and safety regulations have tended to become stricter, we could incur additional costs in complying with requirements that are

promulgated in the future. These include climate change regulation, which could materially affect our operating results through increased compliance costs. We have operations throughout the United States, which exposes us to multiple state and local regulations, in addition to federal law and requirements as a government contractor. Changes in applicable law, regulations or requirements, or our material failure to comply with any of them, can increase our costs and have other negative impacts on our business. Our 1, ~~357~~ **433** branch locations in the United States are located in 49 states, and Puerto Rico, which exposes us to a host of different state and local regulations, in addition to federal law and regulatory and contractual requirements we face as a government contractor. These laws and requirements address multiple aspects of our operations, such as employee safety, consumer rights, privacy, employee benefits and more. In addition, there are often different and potentially conflicting requirements in different jurisdictions. Changes in these requirements, or any material failure by our branches to comply with them, can increase our costs, affect our reputation, limit our business, drain management time and attention and otherwise impact our operations in adverse ways. **Changes to income tax laws or regulations in the U. S. and other jurisdictions where we operate could increase our tax liability and adversely impact our financial results. We are subject to income taxes in the U. S. and other jurisdictions where we operate. Changes to income tax laws and regulations in any of the jurisdictions where we operate could adversely affect our overall tax liability and adversely impact our financial results. In addition, we are subject to tax audits in the various jurisdictions in which we operate. Given the complexity of the current and changing tax laws and regulations, tax authorities may disagree with certain positions we have taken, or may in the future take, and assess additional taxes, which could have a material impact on our effective tax rate and adversely impact our financial results and cash flows.** Our collective bargaining agreements and our relationship with our union- represented employees could disrupt our ability to serve our customers, lead to higher labor costs or the payment of withdrawal liability. We currently have approximately 1, 800 employees who are represented by unions and covered by collective bargaining agreements and approximately ~~24~~ **26**, ~~500~~ **100** employees who are not represented by unions. Various unions occasionally seek to organize certain of our nonunion employees. Union organizing efforts or collective bargaining negotiations could potentially lead to work stoppages and / or slowdowns or strikes by certain of our employees, which could adversely affect our ability to serve our customers. Further, settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements can have unknown effects on our labor costs, productivity and flexibility. Under the collective bargaining agreements that we have signed, we are obligated to contribute to several multiemployer pension plans on behalf of some of our unionized employees. A multiemployer pension plan is a plan that covers the union- represented workers of various unrelated companies. Under the Employee Retirement Income Security Act, a contributing employer to an underfunded multiemployer plan is liable, generally upon withdrawal from a plan, for its proportionate share of the plan's unfunded vested liability. We currently have no intention of withdrawing from any multiemployer plan. However, there can be no assurance that we will not withdraw from one or more multiemployer plans in the future and be required to pay material amounts of withdrawal liability if one or more of those plans are underfunded at the time of withdrawal. **22**