

Risk Factors Comparison 2024-10-21 to 2023-10-23 Form: 10-K

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The following risks and uncertainties, as well as other factors described elsewhere in this report or in **our** other SEC filings by ~~the Company~~, could **materially harm our** ~~adversely affect the Company's~~ business, financial condition and results of operations. **The risks and uncertainties we have described are not the only ones we face.** Additional risks and uncertainties ~~that are not currently known to us the Company or that we are not currently deem~~ **believed by the Company to be material** ~~immaterial~~ may also harm ~~our~~ **the Company's** business, financial condition and results of operations. Global economic conditions may negatively impact our financial condition and results of operations. Adverse developments in the global economy or a reduction in industrial outputs, consumer spending or confidence could significantly decrease purchases of our products by our customers and end users. Consumer purchases of discretionary items, which could include our maintenance products and homecare and cleaning products, may decline during periods where disposable income is reduced or there is economic uncertainty, which would negatively impact our financial condition and results of operations. During unfavorable or uncertain economic times, end users may also increase purchases of lower- priced or non- branded products and our competitors may increase their level of promotional activities to maintain sales volumes, both of which may negatively impact our financial condition and results of operations. In addition, our sales and operating results may be affected by uncertain or changing economic and market conditions, including **recession**, inflation, deflation, prolonged weak consumer demand, political instability, public health crises or other changes that may affect the principal markets, trade channels, and industrial segments in which we conduct our business. ~~Public health crises, including epidemics or pandemics, may affect the principal markets, trade channels, and industrial segments in which we conduct our business. For example, the impact of the COVID-19 pandemic caused significant disruptions that impacted global financial markets and supply chains for an extended period of time. Supply chains globally continue to be strained due to increased competition for production line capacity, freight and logistics resources, as well as labor shortages, and shortages of certain materials. These constraints periodically impacted the ability of our third-party manufacturers to procure certain raw materials needed to manufacture our products and impacted our ability to meet the demand for our products at certain times. In addition the past~~, global supply chain issues and other macroeconomic factors ~~have resulted in an inflationary environment that has led to increased raw material costs and other input costs. The additional costs resulting from this an~~ **inflationary environment and the constraints in our supply chain and distribution networks may** ~~continue to unfavorably impact~~ **impacted** our gross margin and operating results **and may do so in the future if periods for as long as such constraints and challenges exist-recur**. The severity and duration of ~~the current any recession or~~ inflationary environment **remain are** uncertain and it is not possible to predict the extent to which ~~these such~~ **such** conditions will impact our financial results and operations in ~~the future periods~~. It is also uncertain how **such** changes in **recessionary or** inflationary conditions ~~will could~~ impact demand from our customers and end ~~users~~. ~~If A decrease in demand from our customers and end users decreases in future periods, this could would harm~~ **adversely impact** our financial results. If economic or market conditions in certain of our key global markets deteriorate, we may experience material adverse effects on our business, financial condition and results of operations. Adverse economic and market conditions could also harm our business by negatively affecting the parties with whom we do business, including our customers, retailers, distributors and wholesalers, and third- party contract manufacturers and suppliers. Such conditions could impair the ability of our customers to pay for products they have purchased from us. As a result, allowances for credit losses and write- offs of accounts receivable from our customers may increase. In addition, our third- party contract manufacturers and their suppliers may experience financial difficulties or business disruptions that could negatively affect their operations and their ability to supply us with finished goods and the raw materials, packaging, and components required for our products. Global operations outside the U.S. expose us to uncertain conditions, foreign currency exchange rate risk and other risks in international markets. Our sales outside of the U.S. were approximately ~~61-65~~ **65** % of consolidated net sales in fiscal year ~~2023-2024~~. As a result, our ability to execute our strategic ~~initiatives framework~~ will continue to face substantial risks associated with having increased global operations outside the U.S., including **,but not limited to**: • economic or political instability in any of our global markets; • challenges associated with conducting business in foreign jurisdictions, including those related to our understanding of and compliance with business laws and regulations in such foreign jurisdictions; • increasing tax complexity or changes in tax law associated with operating in multiple tax jurisdictions; • a dispersed employee base and requirements for compliance with varied employment regulations and labor laws, including health and safety regulations and wage and hour laws, in countries outside the U.S.; • varying and complex privacy laws in foreign jurisdictions; and • the imposition of tariffs or trade restrictions and costs, burdens and restrictions associated with other governmental actions. These risks could have a significant impact on our ability to sell our products on a competitive basis in global markets outside the United States. In addition, continued developments in global political climates have introduced greater uncertainty with respect to tax policies, trade relations, tariffs and government regulations affecting trade between the U.S. and other countries. For example, ~~on in~~ **in** February 24, 2022, Russian forces launched significant military action against Ukraine, which ~~has resulted in conflict and disruption in the region since that time~~. ~~In response to this action taken by Russia, the U.S. and other countries immediately imposed~~ various economic sanctions **levied** against Russia **as a result, and increased volatility in the prices of certain specialty chemicals used in our products, among other supply chain disruptions**. These geopolitical tensions have continued, and it is uncertain when conditions will improve or whether additional governmental sanctions will be enacted in ~~the future periods~~. **In addition, the recent hostilities in the Middle East have disrupted** ~~The direct and indirect impacts of this evolving situation and its effect on global economies in future periods are~~

difficult to predict. We suspended selling our products to markets in Russia and Belarus beginning in March 2022, which has had an unfavorable impact on sales. As a result of this any number of events including military conflicts, geopolitical developments, and war on terrorism. These disruptions could lead to delays in supply and manufacturing which could damage our current and prospective customer relationships. Commodity markets remain subject to heightened levels of volatility, especially as they relate to the price of certain specialty chemicals, crude oil, which increased significantly in the immediate aftermath of the sanctions against Russia. The volatility in crude oil prices could unfavorably impact the cost of our products, as well as the cost of the transportation and distribution of our products. The duration and severity of such increases in the price of crude oil, certain specialty chemicals are highly unpredictable and may unfavorably impact our cost of goods sold for as long as these conditions exist. These developments, as well as the risks outlined above, could have a material adverse effect on our business, financial condition and results of operations. Approximately 46-50% of our revenues in fiscal year 2023-2024 were generated in currencies other than the U.S. Dollar, which is our reporting currency. In addition, all our foreign operating subsidiaries have functional currencies other than the U.S. Dollar, and our largest subsidiary is in the U.K. and generates significant sales in Euros and Pounds Sterling and Euros. As a result, we are exposed to foreign currency exchange rate risk with respect to our sales, expenses, profits, cash and cash equivalents, other assets and liabilities denominated in currencies other than the U.S. Dollar. Our financial results are negatively impacted when the foreign currencies in which our subsidiary offices operate weaken relative to the U.S. Dollar. Although we use instruments to hedge certain foreign currency risks, primarily those associated with our U.K. subsidiary and net assets denominated in non-functional currencies, we are not fully protected against foreign currency fluctuations and, therefore, our reported earnings may be affected by changes in foreign currency exchange rates. Moreover, any favorable impacts to profit margins or financial results from fluctuations in foreign currency exchange rates are likely to be unsustainable over time. Additionally, our global operations outside the U.S. are subject to risks relating to appropriate compliance with legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations, potentially higher incidence of fraud or corruption, credit risk of local customers and distributors and potentially adverse tax consequences. As we further develop and grow our business operations outside the U.S., we are exposed to additional complexities and risks, particularly in China, Mexico, Brazil and other emerging markets. In many foreign countries, particularly in those with developing economies, business practices that are prohibited by the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act or other applicable anti-corruption laws and regulations may be prevalent. Evolving privacy and anti-trust laws and regulations in Europe, the U.S. and other jurisdictions present additional risks. Any failure to comply with these laws, even if inadvertent, could result in significant penalties or otherwise harm our reputation and business. Although we have adopted policies and contract terms to mandate compliance with these laws, there can be no assurance that all our employees, contractors and agents will comply with our requirements. Violations of these laws could be costly and disrupt our business, which could have a material adverse effect on our business, financial condition and results of operations. Our business and financial results could suffer if we are unable to attract, retain and motivate talented employees, including senior management, and maintain our corporate culture's relevance to our strategic plan. Our success depends on our continuing ability to attract, engage and develop highly qualified people who are committed to our culture. We may be unable to attract, hire, develop and deploy talented employees in new markets and at the scale required by the growth of our business. Our future performance depends in significant part on maintaining high levels of employee engagement and nurturing our values and culture. We believe that our company culture is a critical driver of our success and we invest substantial time and resources in building, maintaining and evolving our culture. Any failure to preserve and evolve our culture to maintain its relevance to our strategy could negatively affect our future success, including our ability to recruit, engage and retain and recruit employees. Our success also depends on the continued service of our executive officers, key employees and other talented people. Further, our ability to successfully execute organizational changes, including succession planning and the transition of our executive officers and key employees, is critical to the continued success of our business. The unexpected loss of the services of key employees or executive officers could have a material adverse effect on our business and prospects. In addition, current certain economic conditions have led to an unusually competitive pressures in labor market markets in which experienced personnel are in high demand. Since the competition for such talent is intense there can be no assurance that we can retain our key employees or attract, assimilate and retain employees who are fully engaged in the future. If we are unable to implement and successfully manage the initiatives associated with our strategic framework in accordance with our business plans, our business and financial results could be adversely affected. Moreover, there is no certainty that the implementation of the initiatives associated with our strategic framework will advance our business or financial results as intended. If the success and reputation of one or more of our leading brands erodes, our business, financial condition and results of operations could be negatively impacted. Our financial success is directly dependent on the success and reputation of our brands, particularly our WD-40 Brand. The success and reputation of our brands can suffer if marketing plans or product development and improvement initiatives, including the release of new products or innovative packaging, do not have the desired impact on the brands' image or do not attract customers as intended. Our brands can also be adversely impacted due to the activities and pressures placed on them by our competitors. Further, our business, financial condition and results of operations could be negatively impacted if one of our leading brands suffers damage to its reputation due to real or perceived quality or safety issues. Quality issues, which can lead to large scale recalls of our products, can be due to causes such as product contamination, regulatory non-compliance, packaging errors, incorrect ingredients or components in our product or low-quality ingredients in our products due to suppliers delivering items that do not meet our specifications. Product quality issues, which could include lower product efficacy due to formulation changes attributable to regulatory requirements, could also result in decreased customer confidence in our brands resulting in lower sales and a decline in product quality could result in product liability claims. In addition, our brand value depends on our ability to maintain a positive consumer perception of our corporate

integrity and brand culture. Negative claims or publicity involving us **or our brand influencers**, our products, or any of our key employees could damage our reputation and brand image, regardless of whether such claims have merit. This risk is compounded by the increasing use of social and digital media and networking sites by consumers, and the speed by which information and opinions are disseminated. If we are unable to anticipate or respond to various challenges in the marketplace, including trends in the market and changing consumer demands and sentiment, our financial results may be negatively impacted. Although we dedicate significant resources to **brand protection in an effort to** prevent **or minimize** brand erosion and ~~preserve~~ **maintain and enhance** our reputation and the reputation of our brands, there can be no assurance that such efforts will be successful. **than might otherwise have been appropriate.** We face competition in our markets which could lead to reduced sales and profitability. We encounter competition from similar and alternative products, many of which are produced and marketed by major national or multinational companies. In addition, we frequently discover products in certain markets that are ~~infringing or~~ counterfeit reproductions of our **WD- 40** products **as well as products otherwise bearing an infringing trade dress.** The availability of counterfeits and other infringing products, particularly in China and other emerging markets, could adversely impact our sales and potentially damage the value and reputation of our brands. Our products generally compete on the basis of brand recognition, product performance, price, quality or other benefits to consumers and meeting end users' needs. Advertising, promotions, merchandising and packaging also have a significant impact on consumer purchasing decisions. A newly introduced consumer product, whether improved or recently developed, usually encounters intense competition requiring substantial expenditures for advertising, sales and consumer promotion. **If a Product product gains** adoption or consumer acceptance ~~often,~~ **it normally** requires ~~sustained~~ **continued** advertising, promotional support and product improvements in order to maintain ~~or gain~~ its relative market position. ~~Some companies with products that compete against our homecare and cleaning products have financial,~~ Sales unit volume growth may be difficult to achieve. Our ability to achieve sales volume growth will depend on our ability to (i) execute the initiatives associated with our strategic framework, (ii) drive growth in new **geographic and market channels, including digital commerce**, (iii) drive growth within our existing markets through innovation, renovation and enhanced merchandising and marketing of our established brands, and (iv) capture market share from our competitors. It is more difficult for us to achieve sales volume growth in developed markets where our products are widely used as compared to developing or emerging markets where our products ~~are have been~~ newly introduced or are not as well known by consumers. To protect our existing market share or capture additional market share from our competitors, we may need to increase our ~~investments~~ **expenditure** related to promotions and advertising or introduce and establish new products or product lines. In addition, we periodically implement sales price increases within certain markets or for certain product lines in response to increased costs associated with components, raw materials, manufacturing and distribution. For example, we implemented significant sales price increases during fiscal years 2022 and 2023 in response to significant increases in our cost of ~~goods~~ **products** sold caused by the ~~current~~ inflationary environment **during that time.** Sales price increases may slow sales volume growth or create declines in volume in the short term as customers and end users adjust to sales price increases or purchase alternative products at lower prices. We may lose a portion of our consumer base with steep price actions. In addition, the continued ~~prominence~~ **popularity** and growth of the online retail sales channel ~~has presented~~ **presents** both us and our customers that sell our products online with the challenge of balancing online and physical store retailing methods. Alternative retail channels could ~~potentially~~ become more prevalent than the traditional retailers upon whom we rely for the majority of our business and operating profit. As a result of changes in end- user preference, ~~some~~ sales are **increasingly** shifting ~~more~~ to these online retail sales channels, and this **shift** may present a challenge in our markets where we have a less developed e- commerce business. Although we are engaged in e- commerce with respect to our products, if we are not successful in expanding sales in such alternative retail channels or we experience challenges with operating in such channels, our financial condition and results of operations may be negatively impacted. In addition, a change in the strategies of our existing customers, including shelf simplification, the discontinuation of certain product offerings or the shift in shelf space to competitors' products could reduce our sales and potentially offset sales volume increases achieved as a result of other sales growth initiatives. If we are unable to increase market share in our existing product lines by developing product improvements, investing adequately in our existing brands, building usage among **existing and** new customers, developing, acquiring or successfully launching new products or product line extensions, or successfully penetrating emerging and developing markets and sales channels globally, we may not achieve our sales volume growth objectives. Cost volatility in finished goods, components, raw materials, transportation and other supplies or services could harm our financial condition and results of operations. Volatility in the cost of finished goods, which may be driven by cost volatility for components, raw materials and third- party manufacturing fees, as well as volatility in the cost of transportation and other supplies or services may harm our financial condition and results of operations. Specialty chemicals and aerosol cans, which constitute a significant portion of the costs for many of our maintenance products, have experienced significant price volatility in the past, and may ~~continue to~~ do so in the future. In particular, volatility in the price of oil impacts the cost of specialty chemicals, many of which are indexed to the price of regional crude oil or related refined products. Fluctuations in oil and diesel fuel prices ~~have also historically impacted the cost of transporting our products,~~ **compounded recently by** increased regulations imposed on the freight industry, **and higher demand for transportation services as e- commerce grows have impacted the cost of transporting our products, the loss of low- cost trucking companies (particularly in the U. S.) that provide ground transport for our aerosol products,** and additional macroeconomic factors which have resulted in increased freight costs. **Our business operations could be adversely affected by labor disputes, strikes, or lockouts involving our employees or the employees of our suppliers and contractors. Any such disruptions could lead to delays in production, increased costs, and potential loss of revenue.** For example, the COVID- 19 pandemic resulted in global supply chain constraints and transportation disruptions that led to increased competition for freight resources, higher fees charged by our third- party manufacturers, increased raw material costs and other input costs that negatively impacted our results of operations. In ~~addition~~ **the past**, other

macroeconomic factors have resulted in an inflationary environment that has compounded these impacts and led to further increases in raw material costs, manufacturing and distribution costs, and other input costs. When there are significant increases in the costs of components, raw materials, third-party manufacturing fees and other expenses, and we are not able to increase the prices of our products or achieve other cost savings to an extent that they will offset such cost increases, our gross margin and operating results will be negatively impacted. In addition, if we increase our sales prices in response to increases in the cost of such raw materials, and those raw material costs later decline significantly, we may not be able to sustain our sales prices at these higher levels. As component and raw material costs are the principal contributors to the cost of goods sold for all of our products, any significant fluctuation in the costs of components and raw materials could have a material impact on the gross margins realized on our products. Sustained increases in the cost of raw materials, components, fees from our third-party contract packagers, transportation and other necessary supplies or services, or significant volatility in such costs, could have a material adverse effect on our financial condition and results of operations. **Global operations outside the U. S..... financial condition and results of operations.** Reliance on a limited base of third-party contract manufacturers, logistics providers and suppliers of raw materials and components may result in disruption to our business and this could adversely affect our financial condition and results of operations. We rely on a limited number of third-party contract manufacturers, logistics providers and suppliers, including single or sole source suppliers for certain raw materials, packaging, product components and other supplies. We do not have direct control over the management or business of these third parties, except indirectly through terms negotiated in service or supply contracts. As a result, we face substantial risks associated with our reliance on third-party manufacturers, suppliers, and / or logistics providers, including but not limited to the following areas: • changes to the terms of doing business with these providers or the production capacity they allocate to our products; • disagreements or the inability to maintain good relationships with these providers, including the failure of these providers to be aligned with our company values ; • **inability to successfully implement new manufacturing processes associated with new facilities or new product lines; • concentration of inventory increasing exposure to risks associated with fire, natural disasters, theft and logistics disruptions to customer order fulfillment;** • financial difficulties experienced by these providers; • consolidation of third-party packagers, which could reduce competition in the industry and increase our costs for their services or result in the **acquiring surviving** company declining to manufacture **or store** our products; • significant disruptions in the production or transportation of our products due to events having regional or global impacts on economic activity, such as public health emergencies, natural disasters or extreme weather conditions; **or** • significant disruptions in the production or transportation of our products due to competition for materials, components, labor or services from third-party vendors ; • **concentration of inventory increasing exposure to risks associated with fire, natural disasters, theft and logistics disruptions to customer order fulfillment; or • inability to successfully implement new manufacturing processes associated with new facilities or new product lines.** In addition, if we are unable to contract with third-party manufacturers or suppliers for the quantity and quality levels needed for our business, we could experience disruptions in production and our financial results could be adversely affected. In particular, the COVID- 19 pandemic, extreme weather events and other macroeconomic factors have resulted in significant supply chain constraints and transportation disruptions at times. Some of the challenges that we have experienced **historically** include general aerosol-related production capacity constraints and competition for such capacity by other companies who utilize the same third-party manufacturers for their aerosol production. These challenges have periodically resulted in us not being able to meet the demand for our products by customers and end-users in certain markets where demand for aerosols has, for certain products, outpaced the available production capacity in the region. We **monitor** have been actively working on various initiatives in partnership **partnerships** with our third-party manufacturers and we have identified and onboarded new third-party manufacturers in recent years in order to increase the capacity and resilience of our supply chain to meet strong end-user demand. When we onboard new third-party manufacturers, it comes with **if necessary, in order to allow for capacity and flexibility of our supply chain. Onboarding new third-party manufacturers involves** inherent risks **and that can include delays in setting up production** the current economic environment, it also **testing and potentially -- potential** comes with **rework to ensure production quality, and** higher costs. In addition, actions we have taken **in the past** to increase inventory levels of certain raw materials and finished goods **to mitigate** , given the current challenges within supply chain and increased lead times required by suppliers, have led to higher transportation, storage and distribution costs. **We are** **It is not able possible** to estimate the degree of the impact or the costs associated with potential future disruptions within our supply chain and distribution networks as **these such** supply chain issues are being resolved will continue to be derived from this limited number of customers, our largest individual customer contributed to less than 10 % of our consolidated net sales in fiscal year **2024 2023**. However, changes in the strategies of our largest customers may have an adverse impact on our sales. Such changes in customer strategy may include, but are not limited to: **demands for more liberal return rights**, a reduction in willingness to transport and store goods of certain hazardous material ratings, a reduction in the number of brands they carry, or a shift in shelf space in favor of “ private label ” or competitors’ products. The loss of, or reduction in, orders **or a higher volume of returns** from any of our most significant customers could have a material adverse effect on our brand values, business, financial condition and results of operations. Large customers may seek price reductions, **price protection**, added support, **non-compliance fees** or promotional concessions. If we agree to such customer demands and / or requests, it could negatively impact our ability to maintain existing profit margins. In addition, our business is **based** primarily **based** upon individual sales orders, and we typically do not enter into long-term contracts with our customers. Accordingly, these customers could reduce their purchasing levels or cease buying products from us at any time and for any reason. We are also subject to changes in customer purchasing patterns or the level of promotional activities. These types of changes may result from changes in the manner in which customers purchase and manage inventory levels, or display and promote products within their stores. Other potential factors such as customer disputes regarding shipments, fees, merchandise condition or related matters may also impact operating results. If we cease doing business with a significant customer or if sales of **our products to a significant customer materially decrease, our business, financial**

condition and results of operations may be harmed. Malfunctions or implementation issues related to the critical information systems that we use for the daily operations of our business, cyberattacks and data breaches could adversely affect our ability to conduct business. To conduct our business, we **extensively** rely ~~extensively~~ on information technology systems, networks and services, many of which are managed, hosted and provided by third- party service providers. ~~We cannot~~ **There is no** guarantee that our security measures will prevent cyberattacks resulting in breaches of our own or our third- party service providers' databases and systems. Techniques used in these attacks change frequently and may be difficult to detect for periods of time. Although we have policies and procedures in place governing (i) the timely investigation of cybersecurity incidents, (ii) the timely disclosure of any related material nonpublic information resulting from a material cybersecurity incident, and (iii) the safeguarding against insider trading ~~of by~~ directors, officers, and other corporate insiders between the period of investigation and the public disclosure of such an incident; cybersecurity incidents themselves, such as the release of sensitive data from our databases and systems, could adversely affect our business, financial condition and results of operations. The increasing number of information technology security threats and the development of more sophisticated cyberattacks, including ransomware, pose a potential risk to the security of our information technology systems and networks, as well as to the confidentiality, availability and integrity of our data. In addition, the increased use of remote work infrastructures also increases ~~the possible~~ cybersecurity risks. Further, such incidents could also materially increase the costs that we ~~already~~ incur to protect against such risks. ~~While~~ **Although** we maintain cyber insurance, our coverage may not be adequate for ~~liabilities or costs actually~~ **actual losses** incurred, and ~~we cannot be certain that any~~ **an** insurer **may** will not deny coverage of a future claim. ~~There is no~~ **We also cannot be certain** **certainty** that such insurance will continue to be available to us on economically reasonable terms, if at all, in ~~the~~ future periods. In addition, system failure, malfunction or loss of data that is housed in our critical information systems or our third- party service providers' critical information systems could disrupt our ability to timely and accurately process transactions and produce key financial reports, including information on our operating results, financial position and cash flows. Our information systems could be damaged or cease to function properly due to a number of other reasons ~~as well~~, including catastrophic events and power outages. Although we have ~~certain~~ business continuity plans in place to address such service interruptions, there is no guarantee that these business continuity plans will provide alternative processes in a timely manner. As a result, we may experience interruptions in our ability to manage our daily operations ~~and this~~, **which** could **harm** adversely affect our business, financial condition and results of operations. We are currently implementing new information systems within our enterprise resource planning framework at certain of our offices. ~~If we encounter difficulties in executing a phased manner. The first~~ and completing the **most significant phase**, implementation of ~~in these~~ **the** critical information systems ~~U. S. is complete~~ or if the implementation takes longer than intended, we may experience interruptions in our ability to manage our daily operations and report financial results timely and we may experience significant incremental costs, which could adversely affect our business, financial condition and results of operations. We are **strategically** implementing these new information systems ~~for at~~ certain **other** of our offices **to better align with the new U. S. system environment and** because the system they are currently using is not widely **commonly** used by other companies. In addition, the company that owns and supports ~~this application~~ **the legacy system used at these other offices** may not be able to provide the same level of support as that of larger information systems companies. If the company that owns and supports ~~this application in the~~ **legacy system** ~~U. S. were to cease its~~ operations or were unable to provide support for this application prior to the implementation of our new ~~critical~~ information systems, it could adversely affect our daily operations or **our business, financial condition and results of operations. If we encounter difficulties in executing and completing the implementation of these new critical information systems at our other offices, or if the implementation takes longer than intended, we may experience interruptions in our ability to manage our daily operations and report financial results timely and we may experience significant incremental costs, which could adversely affect** our business, financial condition and results of operations. Our ability to achieve our environmental, social and governance and sustainability initiatives are subject to emerging risks and the outcomes may not achieve the anticipated benefits or align with new regulations and stakeholders' expectations. There has been an increasing focus from stakeholders and regulators related to environmental, social and governance ("ESG") matters across all industries in recent years. ESG standard setting and stakeholder expectations continue to evolve. Criteria used to evaluate ESG practices and metrics may change rapidly at any time, which could result in increased expectations of public companies and may cause us to undertake costly initiatives to satisfy any new requirements. Non- compliance with these emerging regulations or a failure to address **various** stakeholder ~~and societal~~ expectations may result in ~~potential~~ cost increases, litigation, fines, penalties, production and sales restrictions, brand or reputational damage, loss of customers, failure to retain and attract talent, lower valuation and ~~higher~~ investor activism ~~activities~~. The increased attention directed towards publicly traded companies surrounding ESG matters includes the ~~recent~~ release of ~~proposed~~ rules by the SEC that ~~could~~ require companies to enhance and standardize disclosures related to climate change, ~~specifically~~ **which rules are currently stayed due to pending litigation. The standardized disclosures include** those associated with physical risks and ~~transitional~~ **transition** risks. Physical risks include acute risks associated with extreme weather events or chronic risks associated with gradual shifts in climate or weather. Transition risks are the risks that may arise from the adoption of climate- related regulatory policies, including those that may be necessary to achieve the national climate goals in the ~~United States~~ **U. S.** and other countries, or risks associated with changing stakeholder expectations and demands. Any failure or perceived failure, whether or not valid, to pursue and fulfill our ESG initiatives and objectives or to satisfy various ESG reporting standards **in a** timely **manner** could negatively impact our financial condition and results of operations. ~~In~~ **On** January 5, 2023, the European Commission' s Corporate Sustainability Reporting Directive ("CSRD") became effective. The CSRD expands the number of companies required to publicly report ESG- related information and defines the ESG- related information that companies are required to report in accordance with European Sustainability Reporting Standards ("**ESRS**"). While CSRD rules are prescriptive for the types of data to be reported, the standards to quantify and qualify such data are still evolving and uncertain, ~~and~~ **may** will impose increased costs

on us related to complying with our reporting obligations. **In 2023, California enacted Senate Bill (“ SB ”) 253 and increase SB 261, which require large businesses to report on greenhouse gas emissions and climate- related financial risks of in accordance with the Task Force non- on Climate - compliance-Related Financial Disclosures framework. We expect to be subject to these regulations in the future, which will result in cost increases. Failure to comply with such ESRS and the CSRD. We are closely monitoring the rules and regulations could negatively related to CSRD and its impact , if any, on us our financial condition and results of operations .** Government laws and regulations, including environmental laws and regulations, could result in material costs or otherwise adversely affect our financial condition and results of operations. The manufacturing, chemical composition, packaging, storage, distribution and labeling of our products and the way our business operations operates are conducted must comply with an extensive array of state, federal and international laws and regulations. If we are do not successful in complying --- comply with the requirements of all such laws and regulations, we could be fined or other actions could be taken against us by the applicable governing body, including the possibility of a required product recall. Any such regulatory action could adversely affect our financial condition and results of operations. **It is also possible that governments Governments and regulatory agencies will may increase regulation, including the adoption of further regulations relating to the transportation, storage or use of certain chemicals, to enhance homeland security or protect the environment , and such increased regulation could negatively impact our ability to obtain raw materials, components and / or finished goods or could result in increased costs. Some of our products have chemical compositions that are controlled by various state, federal and international laws and regulations that are subject to change .We are required to comply with these laws and regulations and we seek to anticipate regulatory developments that could impact our ability to continue to produce and market our products. We invest in research and development to maintain product formulations that comply with such laws and regulations .** There can be no assurance that we will not be required to alter the chemical composition of one or more of our products in a way that will have an adverse effect upon the product’ s efficacy or , marketability or cost . A delay or other inability on our part to complete product research and development and successfully reformulate our products in response to any such regulatory requirements could have a material adverse effect on our business, financial condition and results of operations. We are subject to an SEC rule mandated by Section 1502 of the Dodd- Frank Wall Street Reform and Consumer Protection Act that requires management to conduct annual due diligence to determine whether certain minerals and metals, known as “ conflict minerals ”, are contained in our products and, if so, whether they originate from the Democratic Republic of Congo or adjoining countries. Although we have concluded that our current products do not contain such “ conflict minerals ” in our annual evaluations to date, if we were to conclude that these materials exist within our products in the future periods , we may have difficulty verifying the origin of such materials for purposes of disclosures required by the SEC rules. We are also subject to numerous environmental laws and regulations that impose various environmental controls on our business operations, including, among other things, the discharge of pollutants into the air and water, the handling, use, treatment, storage and clean- up of solid and hazardous wastes and the investigation and remediation of soil and groundwater affected by hazardous substances. Such laws and regulations may otherwise relate to various health and safety matters that impose burdens upon our operations. These laws and regulations also impose strict, retroactive and joint and several liability for the costs of, and damages resulting from, cleaning up current sites, past spills, disposals and other releases of hazardous substances. **The We believe that our expenditures related to environmental matters have not had, and are not currently expected to have, a material adverse effect on our financial condition, results of operations or cash flows. However, the environmental laws under which we operate are complicated, may become more stringent and may be applied retroactively. Accordingly, there can be no assurance that we could will not be required to incur additional expenditures to remain in or to achieve compliance with environmental laws , which could in the future or that any such additional expenditures will not** have a material adverse effect on our business, financial condition or results of operations. In addition, certain countries and other jurisdictions in which we operate have data protection and anti- trust laws that impose strict regulations on us. Non- compliance with any of these regulations may result in significant penalties being imposed on us. Many international and local governmental authorities are considering increased legislative and regulatory requirements concerning protection of personal data which may impact us and increase our costs to comply with these requirements in the future periods . Additional laws and regulations require that we carefully manage our supply chain for the production, distribution and sale of goods. Our failure to comply with any of these regulations or our inability to adequately predict the way these local regulations are interpreted and applied to our business by the applicable enforcement agencies could have a materially adverse effect on our business, financial condition and results of operations. Failure to maximize or to successfully assert our intellectual property rights or our infringement on the intellectual property rights of others could impact our competitiveness or otherwise adversely affect our financial condition and results of operations. We rely on trademark, trade secret protection, patent and copyright laws to protect our intellectual property rights. Although we maintain a global enforcement program to protect our intellectual property rights, there can be no assurance that these intellectual property rights will be maximized or that they can be successfully asserted. If other companies or entities infringe on our intellectual property rights or engage take part in counterfeiting activities, they may dilute the value of our brands in the marketplace, which could diminish the value that consumers associate with our brands and , harm our sales . **There is a risk , or divert sales of product that we will not would ordinarily capture in the absence of infringing or counterfeit products. We may be able unable** to obtain and protect our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions or product lines dependent upon such licensed rights. **We cannot be certain that these These** rights, if obtained, **could will not** be withdrawn, invalidated, circumvented or challenged in the future , and we could incur significant costs in connection with legal actions to defend and preserve our intellectual property rights. In addition, even if such rights are obtained in the U. S. , the laws of some of the other countries ’ laws in which our products are or may be sold might not protect intellectual property rights to the same extent as the laws of the United States U. S. , or they may be difficult or costly to enforce. Our failure to protect or successfully assert our intellectual property rights or failure to protect our other

proprietary information could make us less competitive and this, which could have a material adverse effect on our business, financial condition and results of operations. Trade secret protection, particularly for our most valuable product formulation for the WD- 40 Multi- Use Product, requires specific agreements, policies and procedures to assure-ensure the secrecy of information classified as a trade secret. If such agreements, policies and procedures are not effective-enough to maintain the secrecy of our trade secrets or if chemical disclosure regulations do not allow for continued protection of essential elements of our trade secret formulations, the loss of trade secret protection could have a material adverse effect on our business, financial condition or results of operations. If we are found to have violated the trademark, copyright, patent or other intellectual property rights of others, such a finding could result in the need to cease the use of a trademark, trade secret, copyrighted work or patented invention in our business and an obligation to pay a substantial amount for past infringement. It could also be necessary to pay a substantial amount-royalty in the future if the holders of such rights are willing to permit us to continue to use the intellectual property rights. Either having to cease use or pay such amounts could make us less competitive and could have a material adverse impact on our business, financial condition and results of operations. Our operating results and financial performance may not meet expectations, which could adversely affect our stock price. Our-We cannot be sure that our operating results and financial performance, which include sales, net income, earnings per common share, gross margin and cash flows, will-may not meet expectations. If our assumptions and estimates are incorrect or if we do not achieve all of our key goals outlined in or our strategic initiatives-framework, then our actual performance could materially vary-materially from our internal expectations and those of the market. Failure to meet or exceed these expectations could cause the market price of our stock to decline. In addition, the trading market for our common stock is influenced by the research and reports that securities analysts, industry analysts and other third parties publish about us or our business. We do-not have any-no control over these reports or analysts. If securities or industry analysts adversely change their recommendations regarding our common stock or if any of these analysts cease coverage of us in their reports, our stock price and trading volume could decline. Our operating results and financial performance may be negatively influenced by several factors, many of which are discussed in this Item 1A “ Risk Factors ”. In addition, sales volume growth, whether due to acquisitions or internal-organic growth, can place burdens on management resources and financial controls that, in turn, can have a negative impact on our operating results and financial condition. To some extent, we plan our expense levels in anticipation of future revenues ;-if, If actual revenues fall short of these expectations, operating results may be adversely affected by, such as reduced operating margins or operating profits because due to actual expense levels that are higher than might otherwise have been appropriate..... product improvements in order to maintain its relative market position. Some of the competitors for our homecare and cleaning products are larger and have financial resources greater than ours. These competitors may be able to projected spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions than us. Competitive activity may require us to increase our investment in marketing or reduce our sales prices and this may lead to reduced profit margins, a loss of market share or loss of distribution, each of which could have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that we will be able to compete successfully against current and future competitors or that competitive pressures faced by us or the infringement of our products and brands will not have a material adverse effect on our business, financial condition and results of operations. Dependence on key customers could adversely affect our business, financial condition and results of operations. We sell our products through a network of domestic and international mass retail, trade supply and consumer retailers as well as through industrial distributors and suppliers. The retail industry has historically been the subject of consolidation, and as a result, the development of large chain stores has taken place. Today, the retail channel is comprised of several of these large chain stores that capture the bulk of the market share. Since many of our customers have been part of consolidations in the retail industry, these limited customers account for a large percentage of our net sales. Although we expect that a significant portion of our revenues will continue to be derived from this..... and results of operations may be harmed. We may not successfully develop, introduce and / or establish new products and line extensions. Our future performance and growth depend, in part, on our ability to successfully develop, introduce and / or establish new products as both brand extensions and / or line extensions. We cannot be-There is no certain-certainty that we will successfully achieve those goals. We compete in several product categories where there are frequent introductions of new products and line extensions and such product introductions often require significant investment-expenditure and support. Our ability to understand end user needs and preferences is key to maintaining and improving the competitiveness of our product offerings. The development and introduction of new products, as well as the renovation of current products and product lines, require substantial and effective research, development and marketing expenditures-expenditure, which we may be unable to recoup if the new or renovated products do not gain widespread market acceptance. There are inherent risks associated with new product development and marketing efforts, including product development or launch delays, product performance issues during development, changing regulatory frameworks that affect the new products in development and the availability of key raw materials included in such products. These inherent risks could result in the failure of new products and product line extensions to achieve anticipated levels of market acceptance, additional costs resulting from failed product introductions and the product not being first to market. As we continue to focus on innovation and renovation of our products, our business, financial condition or results of operations could be materially adversely affected if we are not able to effectively develop and introduce new or renovated products and line or brand extensions. If we are unable to successfully identify, complete or realize the benefits from strategic business developments, acquisitions, divestitures, joint ventures or investments, our financial results could be materially adversely affected. We may increase growth through business development activities such as acquisitions, joint ventures, licensing and / or other strategic partnerships in the U. S. and internationally. However-For example, if on March 4, 2024, we acquired all of the issued and outstanding capital stock of our Brazilian distributor, and began direct distribution within Brazil. If we are not able to identify, acquire and successfully integrate acquired products or companies or successfully manage joint ventures or other

strategic partnerships, we may not be able to maximize these opportunities. The failure to properly manage business development activities because of difficulties in the assimilation of operations and products, the diversion of management's attention from other business concerns, the loss of key employees or other factors could have a material adverse effect on our business, financial condition and results of operations. In addition, there can be no assurance that our business development activities will be profitable ~~at their inception~~ or that they will achieve sales levels ~~and~~, profitability **or synergies** that justify the investments made. Future acquisitions, joint ventures or strategic partnerships could also result in the incurrence of debt, potentially dilutive issuances of equity securities, contingent liabilities, amortization expenses related to certain intangible assets, unanticipated regulatory complications and / or increased operating expenses, all of which could materially adversely affect our results of operations and financial condition. In addition, to the extent that the economic benefits associated with any of our business development activities **not materialize or** diminish in the future, we may be required to record impairments to goodwill, intangible assets or other assets associated with such activities, which could also materially adversely affect our business, financial condition and results of operations. In addition, we may consider divesting ~~of~~ businesses or brands that do not meet our strategic objectives or do not meet our growth or profitability targets. **For example, we are considering the sale of certain of our homecare and cleaning product brands.** We may not be able to complete desired divestitures **or close divestiture transactions** on terms favorable to us ~~, if at all~~. If we do complete such desired divestitures, gains or losses on the sales of, or lost operating income from, those businesses or brands may ~~affect~~ **harm** our profitability and margins. **We may not be able to effectively deploy the proceeds from a divestiture in a manner that is accretive to our earnings. If we are unable to identify and execute on suitable investment opportunities, or if the investments we make do not perform as expected, our financial condition and results of operations could be adversely affected. Additionally, the failure to effectively reinvest such proceeds could result in lower returns on investment and diminished stockholder value.** Changes in marketing distributor relationships that are not managed successfully by us could result in a disruption in the affected markets. We distribute our products throughout the world in one of two ways: the direct distribution model, in which products are sold directly by us to wholesalers and retailers in the U. S., Canada, Mexico, **Brazil**, Australia, China, the U. K. and a number of other countries, including those throughout Europe; and the marketing distributor model, in which products are sold to marketing distributors who in turn sell to wholesalers and retailers. The marketing distributor model is generally used in countries where we do not have direct Company- owned operations. Instead, we ~~partner~~ **work** with local companies who perform the sales, marketing and distribution functions. We invest time and resources into these relationships. Should our relationship with new or existing marketing distributors be unsuccessful, our sales within such a marketing distributor's territory could be adversely impacted until such time as a suitable replacement can be found and our key marketing strategies are implemented. There is a risk that changes in such marketing distributor relationships, including a change in key marketing distributor personnel or a transition to the direct distribution model, if not managed successfully, could result in a disruption in the affected markets and that such disruption could have a material adverse effect on our business, financial condition and results of operations. Additionally, in some countries, local laws may require substantial payments to terminate existing marketing distributor relationships, which could also have a material adverse effect on our business, financial condition and results of operations. Product liability claims and other litigation and / or regulatory action could adversely affect our sales and operating results. The use of our products may expose us to liability claims resulting from such use and potential enforcement actions, including the risk of recall. Claims could be based on allegations that, among other things, our products are improperly labeled or that statements we make on our labels are not accurate, contain contaminants, provide inadequate instructions regarding their use or inadequate warnings concerning their use or interactions with other substances. Product liability claims could result in negative publicity that could harm our sales and operating results. We maintain product liability insurance to protect us from loss attributable to product liability claims, but the extent of such loss could exceed available limits of insurance or could arise out of circumstances under which such insurance coverage is unavailable. Other business activities may also expose us to litigation risks, including risks that may not be covered by insurance such as contract disputes. If successful claims are asserted by regulatory agencies or third parties against us for non-compliance or uninsured liabilities or liabilities more than applicable limits of insurance coverage, our business, financial condition and results of operations may be adversely affected. If one of our products were determined to be ~~defective~~ **noncompliant or mislabeled**, we could be required to recall the product, which could result in significant expenses, adverse publicity and loss of revenues. Even if we are successful in defending against such claims, litigation could result in substantial cost and be a distraction to our management and employees. Additionally, our products may be associated with competitor products or other products in the same category that may be alleged to have caused harm to consumers. As a result of this association, we may be named in unwarranted legal actions. The potential costs to defend such claims may materially affect our business, financial condition and results of operations. Resolution of income tax matters may impact our financial condition and results of operations. Significant judgment is required in determining our effective income tax rate and in evaluating tax positions, particularly those related to uncertain tax positions. We provide **liabilities** for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement ~~standards~~ **requirements** prescribed by the ~~specific~~ **accounting standard standards** for uncertain tax positions. Changes in uncertain tax positions or other adjustments resulting from tax audits and settlements with taxing authorities, including related interest and penalties, impact our effective tax rate. When ~~particular~~ tax matters arise, a number of years may elapse before such matters are audited and resolved, or the statute of limitations expires resulting in the release of the liability. Resolution of such matters or the expiration of the statute of limitations would be recognized as a reduction to our effective tax rate in the year of resolution. Any resolution of a tax matter may require the adjustment of tax assets or tax liabilities or the use of cash in the year of resolution. For additional information on such matters, see Part IV – Item 15, “Exhibits, Financial Statement Schedules” Note ~~13-14~~ **Income Taxes**, in this report. Changes in tax rules may also materially affect our future financial results or the way we conduct our business. ~~The~~ **For example, the** “Tax Cuts and Jobs Act” (the “Tax Act”), **which**

became effective beginning January 1, 2018. ~~The Tax Act~~ significantly changed U. S. tax law and tax rates, as well as mandated the application of a one-time “ toll tax ” on unremitted foreign earnings, among other things. International tax changes that occur in the locations where we operate can also materially affect future financial results or operations. For example, we have significant operations in Europe that are subject to income tax rates and laws in multiple jurisdictions. A significant portion of our European income is subject to taxation in the U. K. because our European subsidiary is headquartered in the U. K. In June of 2021, an Act of Parliament received Royal Assent, changing the U. K. corporate tax rate from 19 % to 25 % effective on April 1, 2023, resulting in an increase in our effective tax rate. The Tax Act and Inflation Reduction Act have authorized the U. S. Department of the Treasury to issue regulations with respect to the new provisions. We cannot predict how subsequent changes in the Tax **Act, the Inflation Reduction** Act, regulations, or other guidance issued under each, including conforming or non-conforming state tax rules, might affect our business, financial condition and results of operations. In addition, there can be no assurance that U. S. tax laws, including the corporate income tax rate, will not undergo significant additional changes in the future. Goodwill and intangible assets are subject to impairment risk. We assess the potential impairment of our goodwill during the second quarter of each fiscal year and ~~otherwise~~ when events or changes in circumstances indicate that an impairment condition may exist. We also assess our definite-lived intangible assets for potential impairment when events and circumstances indicate that the carrying amount of the asset may not be recoverable or its estimated remaining useful life may no longer be appropriate. Indicators such as underperformance relative to historical or projected future operating results, changes in our strategy for our overall business or use of acquired assets, unexpected negative industry or economic trends, decline in our stock price for a sustained period, decreased market capitalization relative to net book values, unanticipated technological change or competitive activities, loss of key distribution, change in consumer demand, loss of key personnel and acts by governments and courts may signal that an asset has become impaired. The assessment for possible impairment of our goodwill and intangible assets involves judgments on several significant estimates and assumptions, including macroeconomic conditions, overall category growth rates, sales growth rates, cost containment and margin expansion and expense levels for advertising and promotions and general overhead, all of which are developed from a market participant standpoint. We may be required to record a significant charge in our consolidated financial statements during the period in which any impairment of our goodwill or intangible assets is identified ~~and this~~, **which** could materially adversely affect our financial condition and results of operations. Strategic divestitures of certain businesses or brands could negatively impact our profitability as a result of a reduction in sales and operating income, ~~or a decrease in our~~ cash flows, **or cause us** ~~subject to such divestiture. It may be necessary to recognize impairment charges as a result of a divestiture.~~ Changes in management estimates and assumptions as they relate to valuation of goodwill and intangible assets could affect our financial condition or results of operations in the future. ~~Our review of events and circumstances during fiscal year 2023 included consideration of the current inflationary environment and the impact of Russian military action in Ukraine.~~ For additional information, see Part IV – Item 15, “ Exhibits, Financial Statement Schedules ” Note ~~5-6~~ – Goodwill and Other Intangible Assets, in this report. We may not have sufficient cash to service our indebtedness or to pay cash dividends. Our debt consists of fixed rate senior notes and a revolving credit facility. We use income from operations to make interest and principal payments on our debt. **Borrowings under our credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even if the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will decrease.** Our borrowing agreements include covenants to maintain certain financial ratios and to comply with other financial terms and conditions. Although we have historically paid out a large part of our earnings to stockholders in ~~the form of regular~~ quarterly cash dividends, we may not have sufficient cash to do so in the future. We may incur substantial debt in the future for general business and development activities. In addition, we may continue to use available cash balances to execute share repurchases under approved share buy-back plans. To the extent that we are required to seek additional financing to support certain of these activities, such financing may not be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to obtain such financing or to service our existing or future debt with our operating income, or if available cash balances are affected by future business performance, unstable global economic conditions, liquidity, capital needs, alternative investment opportunities or debt covenants, we could be required to reduce, suspend or eliminate our dividend payments to our stockholders. We may also ~~elect to~~ **reduce or** suspend share repurchases depending on available **or projected** cash balances ~~or concerns that we may have on future cash balances.~~