

## **Item 1A. Risk Factors**

Our business faces significant risks. Set forth below are all risks that we believe are material at this time. Our business, financial condition and results of operations could be materially adversely affected by any of these risks. These risks should be read in conjunction with the other information in this Annual Report on Form 10-K.

### **COVID-19 Pandemic Risk**

*We have been and expect to continue to be adversely affected by the COVID-19 pandemic.*

The COVID-19 pandemic continues to affect nearly all regions around the world. Governments around the world have taken preventative measures to contain or mitigate the COVID-19 outbreak, including travel restrictions, border closings, restrictions on public gatherings, shelter-in-place restrictions and limitations on business. This has affected, and is continuing to affect, the global economy, the United States economy and the global financial markets. The outbreak and resulting preventative measures have disrupted our operations and affected our business, and we expect this to continue. The impacts include, but are not limited to, the following:

- We have experienced, and may experience in the future, temporary facility closures in response to government mandates in certain jurisdictions in which we operate. We may also be required to close certain of our facilities for the safety of our employees in response to positive diagnoses for COVID-19. Even in facilities that are not closed, we could be affected by reductions in employee availability and effectiveness, changes in operating procedures, and increased costs.
- Our customers have been, and may continue to be, affected by COVID-19 and the business slowdown caused by preventative measures, resulting in decreased demand for our products and services, delayed payments from customers and uncollectable accounts.
- We have experienced, and may experience in the future, disruptions to our supply chain, logistics, and service providers. If we are unable to secure raw materials and supplies for our facilities, our operations could be materially adversely affected.
- Significant disruption of global financial markets could have a negative impact on our ability to access capital in the future.

We cannot predict the degree to which, or the time period that, global economic conditions and our business, sales, liquidity, financial condition and results of operations will continue to be affected by the COVID-19 pandemic and the resulting preventative measures. The extent to which we are affected will depend on future developments, including the duration of the outbreak and the significance of new variants of COVID-19, travel restrictions, business and workforce disruptions, and the effectiveness of vaccination and other actions taken to contain and treat the disease. The effects on our business, sales, liquidity, financial condition and results of operations could be material.

### **Industry and Market Risks**

*Worldwide general economic, business, and industry conditions may have an adverse effect on the Company's results.*

The global economic instability caused by the COVID-19 pandemic has caused and may continue to cause, among other things, declining consumer and business confidence, volatile raw material prices, instability in credit markets, high unemployment, fluctuating interest and exchange rates, and other challenges in the countries in which we operate. The Company's business and operating results could be adversely affected by these global economic conditions. The Company's customers and potential customers may experience deterioration of their businesses, cash flow shortages, and difficulty obtaining financing. As discussed below, the industries we serve have in the past been adversely affected by the uncertain global economic climate due to the cyclical nature of their businesses. As a result, existing or potential customers may reduce or delay their growth and investments and their plans to purchase products and may not be able to fulfill their obligations in a timely fashion. Further, suppliers could experience similar conditions, which could affect their ability to fulfill their obligations to the Company. Adversity within capital markets may also impact the Company's results of operations by negatively affecting the amount of expense the Company records for its pension and other postretirement benefit plans. Actuarial valuations used to calculate income or expense for the plans reflect assumptions about financial market and other economic conditions – the most significant of which are the discount rate and the expected long-term rate of return on plan assets. Such actuarial valuations may change based on changes in key economic indicators. Global economic markets remain uncertain, and there can be no assurance that market conditions will improve in the near future. Future weakness in the global economy could materially and adversely affect our business and operating results.