

# Oshkosh Corporation

2020 AEM Investor Conference  
at CONEXPO-CON/AGG

John Pfeifer – Executive Vice President and Chief Operating Officer  
March 11, 2020



**OSHKOSH™**

# Forward-looking statements

This presentation contains statements that the Company believes to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including, without limitation, statements regarding the Company’s future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations, are forward-looking statements. When used in this presentation, words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “project” or “plan” or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond the Company’s control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the cyclical nature of the Company’s access equipment, commercial and fire & emergency markets, which are particularly impacted by the strength of U.S. and European economies and construction seasons; the Company’s estimates of access equipment demand which, among other factors, is influenced by customer historical buying patterns and rental company fleet replacement strategies; the strength of the U.S. dollar and its impact on Company exports, translation of foreign sales and the cost of purchased materials; the expected level and timing of U.S. Department of Defense (DoD) and international defense customer procurement of products and services and acceptance of and funding or payments for such products and services; the Company’s ability to predict the level and timing of orders for indefinite delivery/indefinite quantity contracts with the U.S. federal government; risks related to reductions in government expenditures in light of U.S. defense budget pressures and an uncertain DoD tactical wheeled vehicle strategy; the impact of any DoD solicitation for competition for future contracts to produce military vehicles; risks related to facilities expansion, consolidation and alignment, including the amounts of related costs and charges and that anticipated cost savings may not be achieved; projected adoption rates of work at height machinery in emerging markets; the impact of severe weather or natural disasters that may affect the Company, its suppliers or its customers; performance issues with suppliers or subcontractors; risks related to the collectability of receivables, particularly for those businesses with exposure to construction markets; the cost of any warranty campaigns related to the Company’s products; risks associated with international operations and sales, including compliance with the Foreign Corrupt Practices Act; risks that a trade war and related tariffs could reduce the competitiveness of the Company’s products; the Company’s ability to comply with complex laws and regulations applicable to U.S. government contractors; cybersecurity risks and costs of defending against, mitigating and responding to data security threats and breaches; the Company’s ability to successfully identify, complete and integrate acquisitions and to realize the anticipated benefits associated with the same; and risks related to the Company’s ability to successfully execute on its strategic road map and meet its long-term financial goals. Additional information concerning these and other factors is contained in the Company’s filings with the Securities and Exchange Commission, including the Form 8-K filed January 29, 2020. All forward-looking statements speak only as of the date of this presentation. The Company assumes no obligation, and disclaims any obligation, to update information contained in this presentation. Investors should be aware that the Company may not update such information until the Company’s next quarterly earnings conference call, if at all.

# Global impact

**15K+**

team members globally

**23**

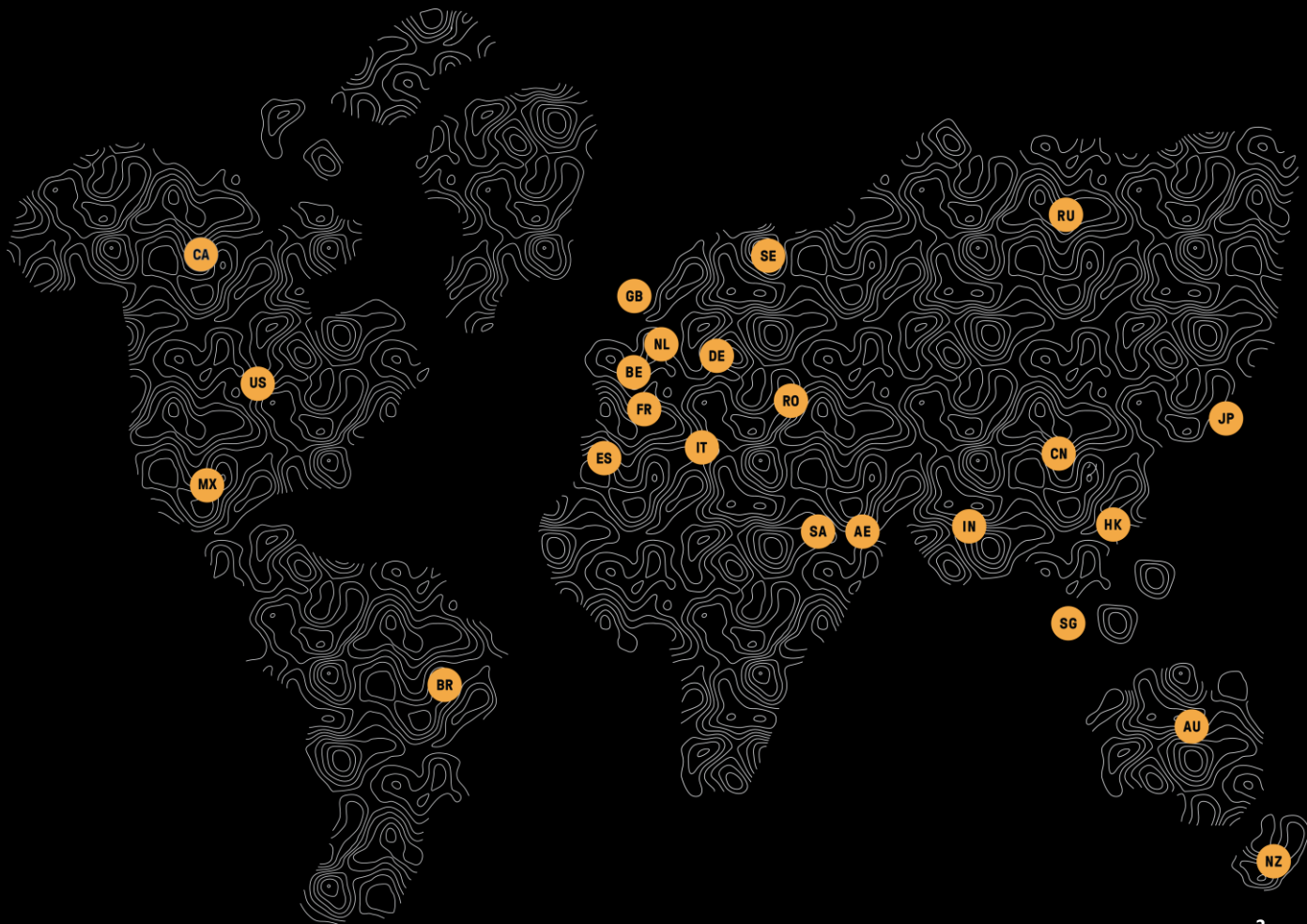
countries

**150**

worldwide locations

**\$8.4**

billion in revenue – FY2019



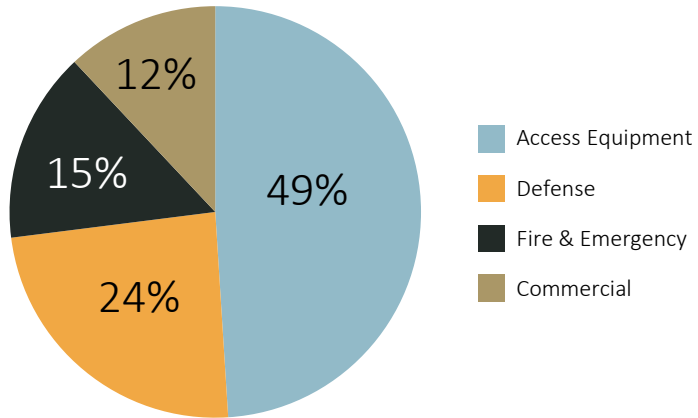
# Oshkosh Corporation key messages

- A different integrated global industrial
- Committed to disciplined capital allocation
- Positioned for long-term success

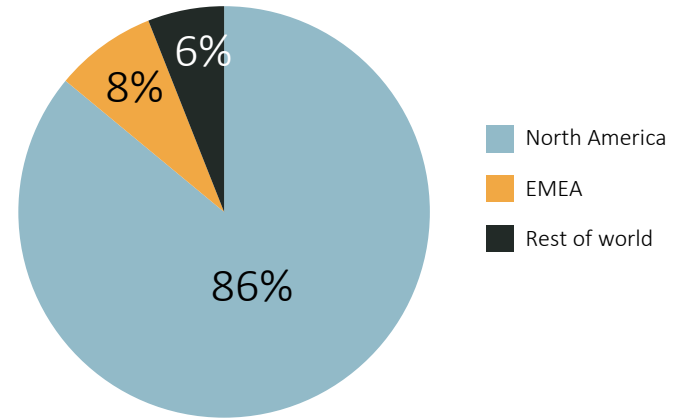


# Oshkosh Corporation profile – FY19

## Revenue by segment

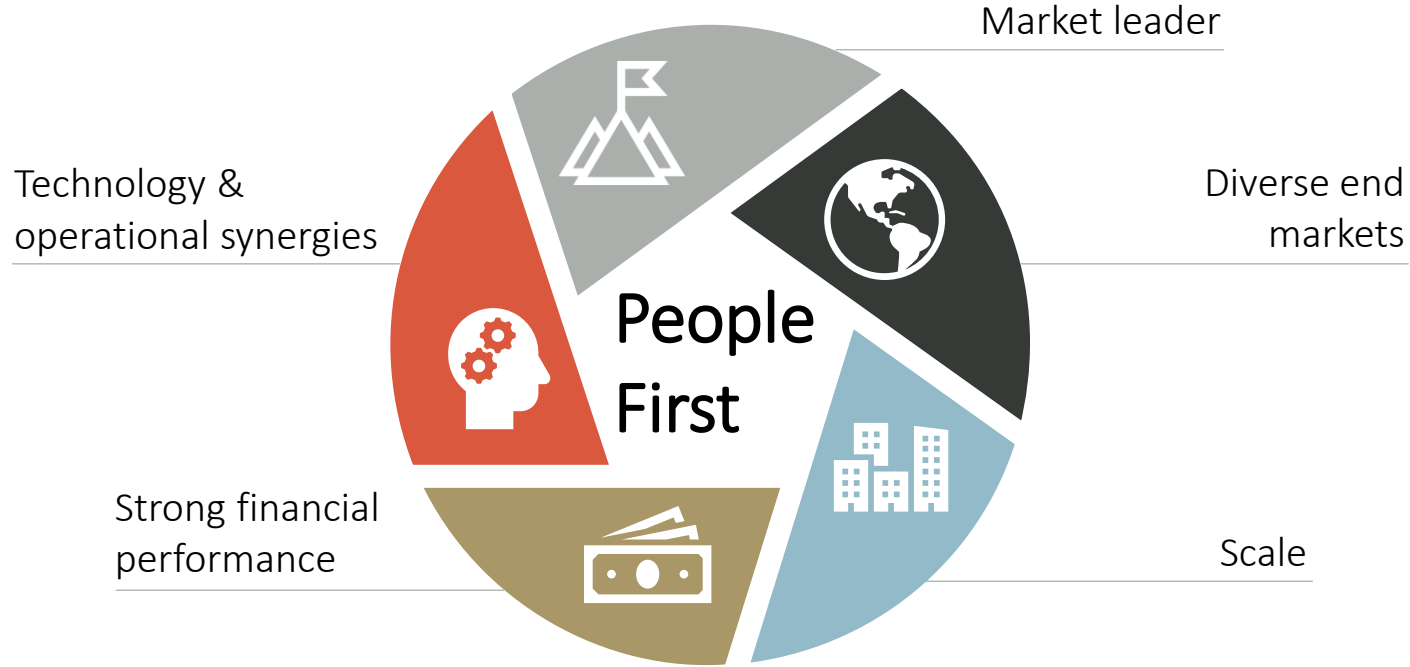


## Revenue by geography



Broad end market exposure provides solid foundation

# A Different Integrated Global Industrial



Integrated approach reinforces Oshkosh value proposition

# Strong and improving culture

Driving team member engagement

Industry data says



## People First at Oshkosh

- Engage. Develop. Connect.
- Maturing the concept
- Driving better results



# Recognized leader in making a difference

## Customers

- Innovation and quality drive market leadership
- Received Magnus Hendrickson award for innovative achievement in vehicle dynamics
- Earned Navy's Bravo Zulu Award for delivering JLTVs ahead of schedule & below budget

## Shareholders

- Long-term focus on generating attractive returns
- Three-year Adj. Operating Income\* CAGR of +26% and +38% Adj. EPS\* CAGR

## Ethics and Compliance

- Ethisphere Institute's 2020 World's Most Ethical Companies list (5<sup>th</sup> consecutive year)

## Sustainability

- Named as a member the Dow Jones Sustainability™ World Index in 2019
- #37 in Barron's "Top 100 Most Sustainable Companies" (3rd consecutive year on the list)



\* FY16 – FY19; Non-GAAP results. See appendix for reconciliation to GAAP results.



Ten leading brands.  
One unified business.



**JERR-DAN**

**JLG**

**FRONTLINE**  
COMMUNICATIONS

**OSHKOSH**  
DEFENSE

*Pierce*

**IMT**



**McNeilus**


**LONDON**

**OSHKOSH**  
AIRPORT  
PRODUCTS

**CON-E-CO**

# Broad industry leadership

Global		Rank (1)
	Aerial work platforms & telehandlers	#1
	Military tactical wheel vehicles	#1

North America		Rank (1)
	Fire apparatus	#1
	Airport products (ARFF/Snow removal)	#1
	Refuse collection vehicles	#1
	Concrete mixers & batch plants	#1
	Wreckers & carriers	#2

Strong Brands → Value Creation

(1) Company estimates

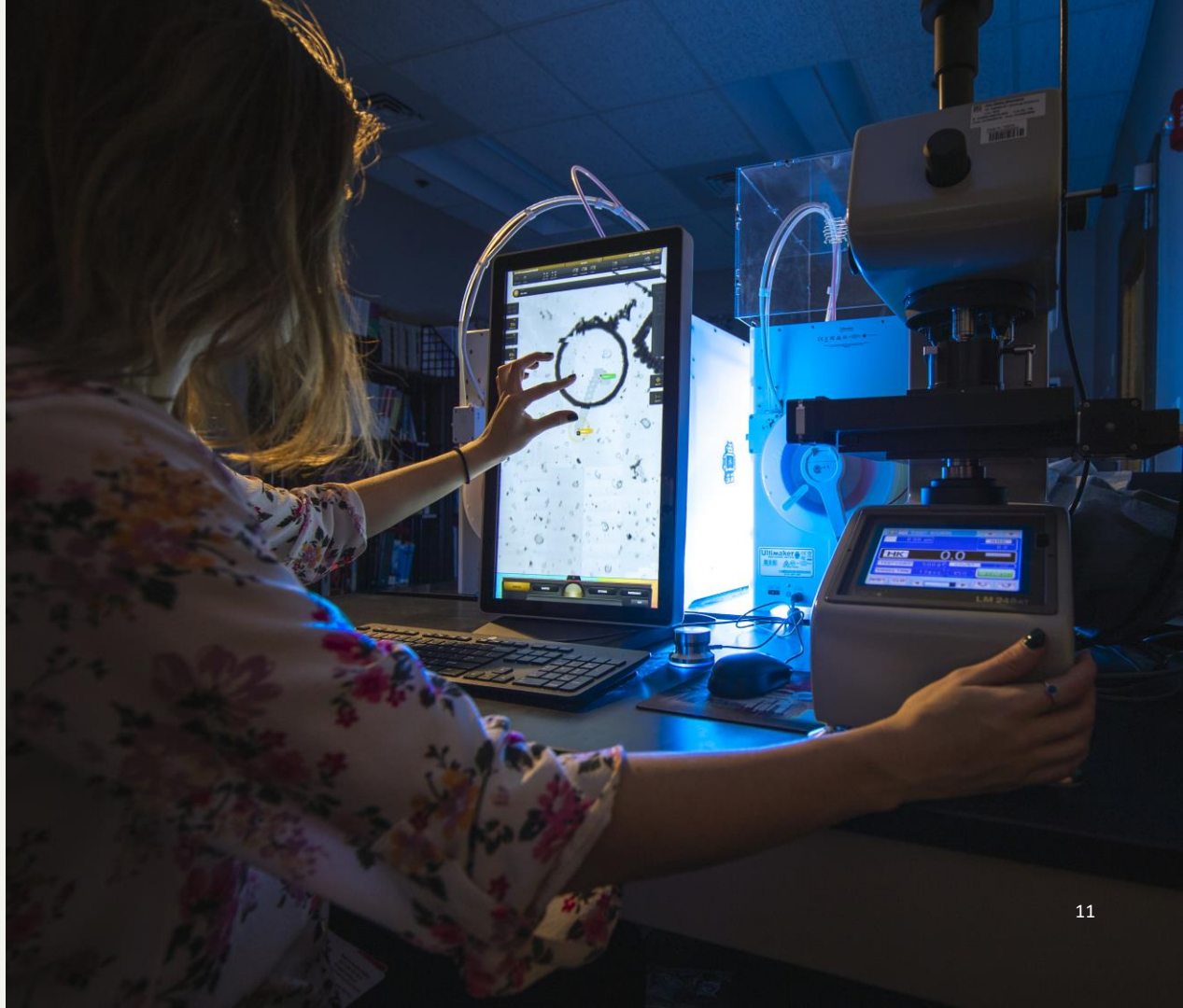
# Innovation across our portfolio

## 858

patents for new  
product innovations

## 1350

global product  
developers



# Leveraging strengths with disruptive technologies



Powertrain, Hybrid & Electrification



Mobility Systems & Advanced Suspensions



Telematics & Data Analytics



Autonomy



Active Safety



Digital Manufacturing



# Operational excellence

Quality

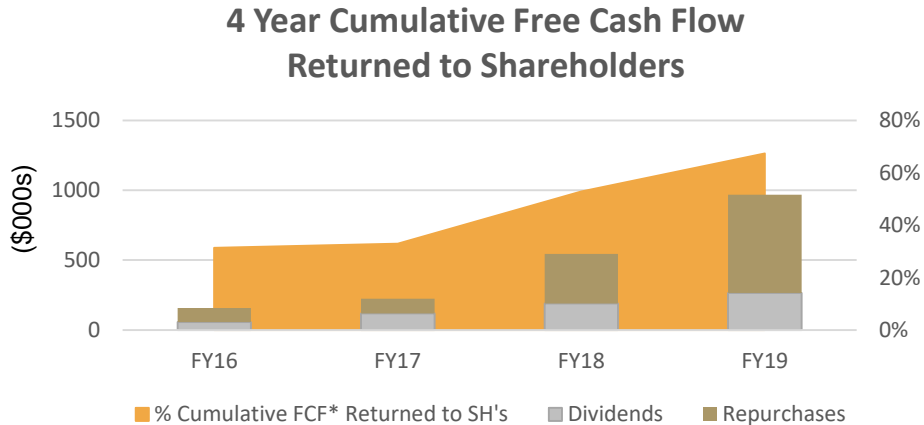
Simplicity

Technology



# Disciplined Capital Allocation

Target > 50% free cash flow\* returned to shareholders over the cycle



## FY20 capital allocation priorities

- Invest to innovate and grow
- Target returning ~50% of FCF\* to shareholders
- Grow dividend
- Opportunistically evaluate potential acquisitions

Maintain strong and flexible balance sheet

\*Non-GAAP results. See appendix for reconciliation to GAAP results

# Well positioned for success

Favorable market dynamics and benefits of MOVE position OSK to deliver solid results

- Attractive End Markets
  - Defense
  - Fire trucks
  - Refuse collection
- Secular Tailwinds
  - Population growth
  - Urbanization
  - Household formation
- Strong free cash flow over the cycle
  - Growth optionality
  - Ensures strong balance sheet
- Integrated approach to cost containment
  - MOVE Strategy
  - Simplification

Positive long-term outlook

# Contacts:

Patrick N. Davidson

Senior Vice President, Investor Relations

[pdavidson@oshkoshcorp.com](mailto:pdavidson@oshkoshcorp.com)

920-966-5939

Jeffrey D. Watt

Director, Investor Relations

[jwatt@oshkoshcorp.com](mailto:jwatt@oshkoshcorp.com)

920-233-9406





# Appendix: Oshkosh FY20 expectations – as of January 29, 2020

- Revenues of \$7.9 - \$8.2 billion
- Operating income of \$690 to \$765 million
- EPS of \$7.30 to \$8.10

## Additional expectations

- Corporate expenses of \$150 - \$155 million
- Tax rate of ~21.25% - 21.5%
- CapEx of ~\$150 million
- Free Cash Flow\* of ~\$450 million
- Share count of ~69 million\*\*

## Q2 expectations

- Flattish sales
  - Higher defense and lower access equipment
- Modestly lower EPS
  - Negative mix impact of higher defense/lower access equipment sales

Segment information				
Measure	Access Equipment	Defense	Fire & Emergency	Commercial
Sales (billions)	\$3.5 – \$3.75	~\$2.2	~\$1.2	~\$1.05
Operating Income Margin	11.25% – 12.5%	~9.0%	14.5% – 15.0%	~7.0%

\* Non-GAAP results. See appendix for reconciliation to GAAP results

\*\* Assumes 50% of free cash flow returned to shareholders through share repurchases and dividends

# Appendix: GAAP to Non-GAAP reconciliation

The table below presents a reconciliation of the Company's presented GAAP measures to the most directly comparable non-GAAP measures (in millions):

	Fiscal Year ended September 30,			
	2019	2018	2017	2016
• Net cash flows provided by operating activities	\$ 568.3	\$ 436.3	\$ 246.5	\$ 583.9
• Additions to property, plant and equipment, net	(144.5)	(89.6)	(85.0)	(92.4)
• (Additions) Proceeds from sale of equipment held for rental, net	<u>(14.6)</u>	<u>1.0</u>	<u>22.1</u>	<u>5.4</u>
• Free cash flow	\$ 409.2	\$ 347.7	\$ 183.6	\$ 496.9

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	Fiscal Year ended September 30,			
	2019	2018	2017	2016
• Consolidated operating income (GAAP)*	\$ 797.0	\$ 656.0	\$ 470.3	\$ 368.9
• Costs and inefficiencies related to restructuring actions	-	35.4	43.3	0.9
• Litigation settlement	-	(19.0)	-	-
• Business interruption insurance proceeds	-	1.4	-	-
• Loss on sale of a small product line	-	-	-	26.9
• Long-lived asset impairment charge	\$ 797.0	\$ 667.2	\$ 513.6	\$ 396.7
• Adjusted consolidated operating income (non-GAAP)				

\*As restated for the adoption of ASU 2017-07

# Appendix: GAAP to Non-GAAP reconciliation

The table below presents a reconciliation of the Company's presented GAAP measures to the most directly comparable non-GAAP measures (in millions, except per share amounts):

	Fiscal Year ended September 30,			
	2019	2018	2017	2016
• Earnings per share-diluted (GAAP)	\$ 8.21	\$ 6.29	\$ 3.77	\$ 2.91
• Costs and inefficiencies related to restructuring actions, net of tax	-	0.37	0.48	0.01
• Impairment charge, net of tax	-	-	-	0.22
• Litigation settlement gain, net of tax	-	(0.21)	-	-
• Business interruption insurance proceeds, net of tax	-	(0.07)	-	-
• Loss on sale of a small product line, net of tax	-	0.01	-	-
• Debt extinguishment costs, net of tax	-	0.10	-	-
• Revaluation of net deferred tax liabilities	-	(0.39)	-	-
• Repatriation tax	0.10	0.26	-	-
• Adjusted earnings per share-diluted (non-GAAP)	\$ 8.31	\$ 6.36	\$ 4.25	\$ 3.14

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The table below presents a reconciliation of the Company's presented GAAP measures to the most directly comparable non-GAAP measures (in millions):

	FY20 expectations
• Net cash flows provided by operating activities	\$ 600.0
• Additions to property, plant and equipment, net	<u>(150.0)</u>
• Free cash flow	\$ 450.0

# Appendix: Commonly used acronyms

ARFF	Aircraft Rescue and Firefighting	L-ATV	Light Combat Tactical All-Terrain Vehicle
AWP	Aerial Work Platform	LRIP	Low Rate Initial Production
AMPS	Aftermarket Parts & Service	LVSR	Logistic Vehicle System Replacement
APAC	Asia Pacific	M-ATV	MRAP All-Terrain Vehicle
ASC	Accounting Standards Codification	MRAP	Mine Resistant Ambush Protected
CapEx	Capital Expenditures	MSVS	Medium Support Vehicle System (Canada)
CNG	Compressed Natural Gas	NDAA	National Defense Authorization Act
DGE	Diesel Gallon Equivalent	NOL	Net Operating Loss
DoD	Department of Defense	NPD	New Product Development
EMD	Engineering & Manufacturing Development	NRC	National Rental Company
EAME	Europe, Africa & Middle East	OCO	Overseas Contingency Operations
EPS	Diluted Earnings Per Share	OH	Overhead
FAST Act	Fixing America's Surface Transportation Act	OI	Operating Income
FDIC	Fire Department Instructors Conference	OPEB	Other Post-Employment Benefits
FHTV	Family of Heavy Tactical Vehicles	PLS	Palletized Load System
FMS	Foreign Military Sales	PUC	Pierce Ultimate Configuration
FMTV	Family of Medium Tactical Vehicles	R&D	Research & Development
FRP	Full Rate Production	RCV	Refuse Collection Vehicle
FYDP	Future Years Defense Program	RFP	Request for Proposal
GAAP	U.S. Generally Accepted Accounting Principles	ROW	Rest of World
GAO	Government Accountability Office	SMP	Standard Military Pattern (Canadian MSVS)
HEMTT	Heavy Expanded Mobility Tactical Truck	TACOM	Tank-automotive and Armaments Command
HET	Heavy Equipment Transporter	TDP	Technical Data Package
HMMWV	High Mobility Multi-Purpose Wheeled Vehicle	TPV	Tactical Protector Vehicle
IRC	Independent Rental Company	TWV	Tactical Wheeled Vehicle
IT	Information Technology	UCA	Unfinalized Contract Action
JLTV	Joint Light Tactical Vehicle	UIK	Underbody Improvement Kit (for M-ATV)
JPO	Joint Program Office	UK	United Kingdom
JROC	Joint Requirements Oversight Council	ZR	Zero Radius
JUONS	Joint Urgent Operational Needs Statement	3PL	Third Party Logistics