

# Oshkosh Corporation

Second Quarter 2024

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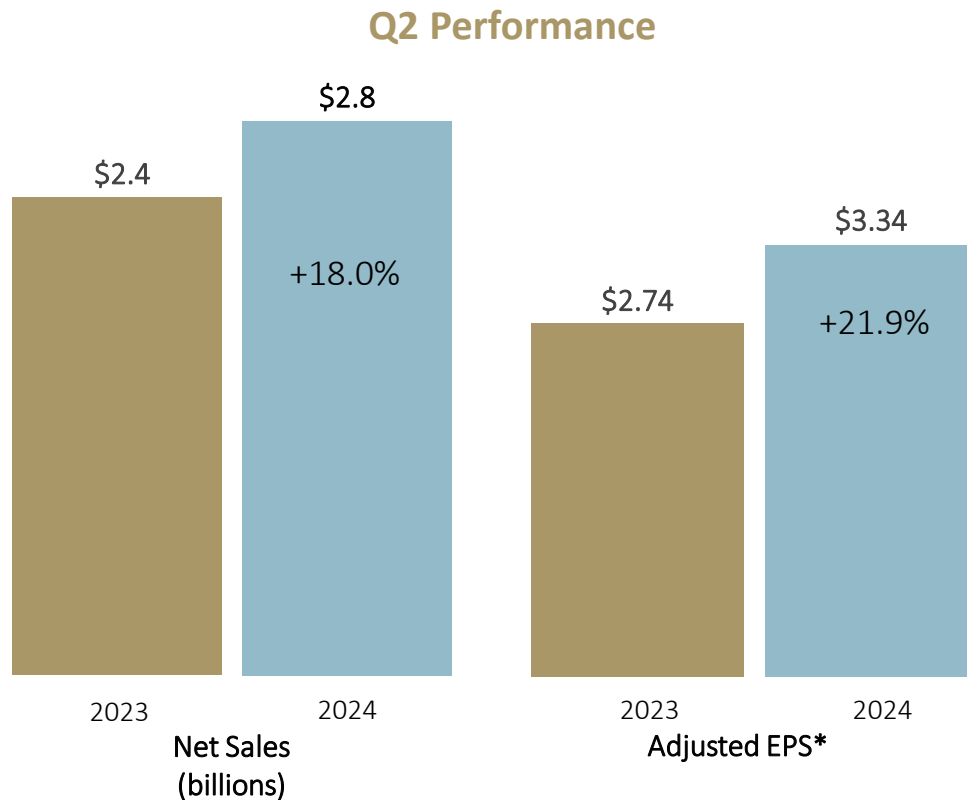
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# Forward-looking statements

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,” “confident” 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, fire apparatus, refuse collection and air transportation equipment 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 historical customer buying patterns and rental company fleet replacement strategies; the impact of orders and costs on the U.S. Postal Service contract; the impact of severe weather, war, natural disasters or pandemics that may affect the Company, its suppliers or its customers; the Company’s ability to increase prices to raise margins or to offset higher input costs, including increased raw material, labor, freight and overhead costs; the Company’s ability to accurately predict future input costs associated with Defense contracts; the Company’s ability to attract and retain production labor in a timely manner; the Company’s ability to successfully integrate the AeroTech acquisition and to realize the anticipated benefits associated with the same; the strength of the U.S. dollar and its impact on Company exports, translation of foreign sales and the cost of purchased materials; the Company’s ability to predict the level and timing of orders for indefinite delivery/indefinite quantity contracts with the U.S. federal government; budget uncertainty for the U.S. federal government, including risks of future budget cuts, the impact of continuing resolution funding mechanisms and the potential for shutdowns; the impact of any U.S. Department of Defense solicitation for competition for future contracts to produce military vehicles; 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 impacting the Company; the Company’s ability to successfully identify, complete and integrate other 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 today. 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.

# Q2 highlights

- Strong performance continues with adj. EPS\* of \$3.34
  - Revenue growth of 18%
  - Adj. operating margin\* of 11.5%
- Expect investments in new products and technology to support future growth
- Began initial NGDV shipments for U.S. Postal Service
- Raising 2024 expectations for adj. EPS\* to be in the range of \$11.75



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

# Access

- Strong Q2 results with 17.7% adj. operating margin\*
- Significant investments in new products, technologies and production capacity
- Lower Q2 orders as expected; reflects normalizing of market conditions
- Continue to expect low orders in Q3, but expect a significant increase in Q4
- Announced acquisition of Spanish equipment maker AUSA; expected to close in back half of 2024

600S Telescopic Boom Lift



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

# Defense

- Launched production of NGDV in South Carolina facility
- Domestic JLTV production winding down in early 2025, while NGDV is ramping up
- Expect NGDV revenues to more than offset the decline of JLTV revenues in 2025
- Working on new 5-year FHTV contract and FMTV contract extension
- Strategic move of Pratt Miller to better leverage innovation capabilities across the company

Next Generation Delivery Vehicle (NGDV)



# Vocational

- Strong year-over-year revenue growth of 44% in Q2; excluding AeroTech, revenues grew 11%\*
- Strong backlog for Pierce fire trucks
- Refuse and recycling collection vehicles
  - Customer pleased with early field testing of Volterra ZSL, purpose-built zero-emission electric pilot trucks
  - Transitioning distribution to a dealer network for non-fleet sales, expect more comprehensive coverage
- Positive integration progress with AeroTech

Pierce® Ascendant® 100' Heavy-Duty Aerial Tower



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

# Consolidated results

Dollars in millions, except per share amounts

Three months ended June 30	2024	2023
Net Sales	\$ 2,846.9	\$ 2,413.1
% Change	18.0%	16.8%
Adjusted operating income*	\$ 328.2	\$ 241.1
% Change	36.1%	204.8%
% Margin	11.5%	10.0%
Adjusted EPS*	\$ 3.34	\$ 2.74
% Change	21.9%	426.9%

## Q2 comments

- Sales impacted by:
  - + Higher organic volume
  - + AeroTech sales of \$192 million
  - + Improved pricing
- Adjusted EPS\* impacted by:
  - + Favorable price/cost
  - + Higher organic sales volume
  - Higher interest expense
  - Higher engineering investments
  - Higher operating expenses

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

# Updated 2024 Outlook

## Expectations in the range of:

- Revenues of ~\$10.7 billion
- Adj. operating income\* of ~\$1.14 billion
- Adjusted EPS\* of ~\$11.75

## Additional expectations

- Corporate and other of ~\$190 million
- Tax rate of ~24.0%
- CapEx of ~\$300 million
- Free Cash Flow\* of ~\$375 million
- Share count of ~65.8 million

## Q3 expectations

- Adjusted EPS\* of ~\$3.00
- Sales up ~10% vs. prior year

Segment information			
Measure	Access	Defense	Vocational
Sales (billions)	~\$5.3	~\$2.1	~\$3.2
Adjusted Operating Income Margin*	~16.5%	~2.25%	~12.75%

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



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Oshkosh AeroTech Ranger™ Cargo Loader



# Appendix: Access

Dollars in millions

Three months ended June 30	2024	2023
Net Sales	\$ 1,406.9	\$ 1,328.3
% Change	5.9%	35.9%
Adjusted operating income*	\$ 248.8	\$ 214.0
% Change	16.3%	194.0%
% Margin	17.7%	16.1%

## Q2 comments

- Sales impacted by:
  - + Higher North American volume
- Adjusted operating income\* impacted by:
  - + Higher sales volume
  - + Favorable price/cost dynamics
  - + Improved sales mix
  - Higher operating expenses
- Backlog down 25.2% vs. prior year to \$3.3 billion

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

# Appendix: Defense

Dollars in millions

Three months ended June 30	2024	2023
Net Sales	\$ 598.7	\$ 498.1
% Change	20.2%	(7.6)%
Adjusted operating Income*	\$ 13.1	\$ 7.5
% Change	74.7%	41.5%
% Margin	2.2%	1.5%

## Q2 comments

- Sales impacted by:
  - + Higher FMTV volume
  - + Start of NGDV production
  - + Higher aftermarket sales
- Adjusted operating income\* impacted by:
  - + Higher sales volume
  - NGDV start-up costs
  - Manufacturing inefficiencies
- Backlog down 4.8% vs. prior year to \$6.4 billion

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

# Appendix: Vocational

Dollars in millions

Three months ended June 30	2024	2023
Net Sales	\$ 843.1	\$ 587.5
% Change	43.5%	6.5%
Adjusted operating income*	\$ 118.5	\$ 63.2
% Change	87.5%	54.1%
% Margin	14.1%	10.8%

## Q2 comments

- Sales impacted by:
  - + AeroTech acquisition
  - + Improved pricing
  - + Higher organic volume
- Adjusted operating income\* impacted by:
  - + Improved price/cost dynamics
  - + AeroTech acquisition
  - + Higher organic sales volume
- Backlog up 47.4% vs. prior year to \$5.7 billion
  - Includes \$784 million from AeroTech

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

# Appendix: GAAP to Non-GAAP reconciliation

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

	Three months ended June 30,			
	2024		2023	
Access segment operating income (GAAP)	\$ 246.5	17.5%	\$ 211.7	15.9%
Amortization of purchased intangibles	2.3	0.2%	2.3	0.2%
Adjusted Access segment operating income (non-GAAP)	<u>\$ 248.8</u>	<u>17.7%</u>	<u>\$ 214.0</u>	<u>16.1%</u>
Defense segment operating income (loss) (GAAP)	\$ (39.9)	-6.7%	\$ 6.3	1.3%
Amortization of purchased intangibles	1.4	0.3%	1.2	0.2%
Intangible asset impairments	51.6	8.6%	-	-
Adjusted Defense segment operating income (non-GAAP)	<u>\$ 13.1</u>	<u>2.2%</u>	<u>\$ 7.5</u>	<u>1.5%</u>
Vocational segment operating income (GAAP)	\$ 106.5	12.6%	\$ 60.5	10.3%
Amortization of purchased intangibles	12.0	1.5%	0.7	0.1%
Acquisition costs	-	-	1.3	0.3%
Restructuring costs	-	-	0.7	0.1%
Adjusted Vocational segment operating income (non-GAAP)	<u>\$ 118.5</u>	<u>14.1%</u>	<u>\$ 63.2</u>	<u>10.8%</u>
Consolidated operating income (GAAP)	\$ 260.9	9.2%	\$ 234.9	9.7%
Amortization of purchased intangibles	15.7	0.5%	4.2	0.2%
Intangible asset impairments	51.6	1.8%	-	-
Acquisition costs	-	-	1.3	0.1%
Restructuring costs	-	-	0.7	0.0%
Adjusted consolidated operating income (non-GAAP)	<u>\$ 328.2</u>	<u>11.5%</u>	<u>\$ 241.1</u>	<u>10.0%</u>

	Three months ended June 30,		
	2024	2023	
Earnings per share-diluted (GAAP)	\$ 2.56	\$	2.67
Amortization of purchased intangibles	0.24		0.06
Intangible asset impairments	0.78		-
Acquisition costs	-		0.02
Restructuring costs	-		0.01
Income tax effects of adjustments	(0.24)		(0.02)
Adjusted earnings per share-diluted (non-GAAP)	<u>\$ 3.34</u>	<u>\$</u>	<u>2.74</u>

	Three months ended June 30,		
	2024	2023	% change
Vocational Net Sales (GAAP)	\$ 843.1	\$ 587.5	43.5%
Less: AeroTech Sales	192.0	-	
Organic Vocational Sales (Non-GAAP)	<u>\$ 651.1</u>	<u>\$ 587.5</u>	10.8%

# Appendix: GAAP to Non-GAAP reconciliation

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

2024 Expectations	
Three months ended September 30,	
Earnings per share-diluted (GAAP)	\$ 2.85
Amortization of purchased intangibles, net of tax	<u>0.15</u>
Adjusted earnings per share-diluted (non-GAAP)	<u>\$ 3.00</u>
Twelve months ended December 31,	
Earnings per share-diluted (GAAP)	\$ 10.45
Amortization of purchased intangibles, net of tax	0.70
Intangible asset impairments, net of tax	<u>0.60</u>
Adjusted earnings per share-diluted (non-GAAP)	<u>\$ 11.75</u>

2024 Expectations	
Net cash provided by operating activities	\$ 675
Additions to property, plant and equipment, net	<u>(300)</u>
Free cash flow	<u>\$ 375</u>
Consolidated operating income (GAAP)	\$ 1,025
Amortization of purchased intangibles	63
Intangible asset impairments	<u>52</u>
Adjusted consolidated operating income (non-GAAP)	<u>\$ 1,140</u>

2024 Expectations	
Access segment operating income margin (GAAP)	16.25%
Amortization of purchased intangibles	<u>0.25%</u>
Adjusted Access segment operating income margin (non-GAAP)	<u>16.50%</u>
Vocational segment operating income margin (GAAP)	11.25%
Amortization of purchased intangibles	<u>1.50%</u>
Adjusted Vocational segment operating income margin (non-GAAP)	<u>12.75%</u>

# Appendix: Commonly used acronyms

ARFF	Aircraft Rescue and Firefighting	JLTV	Joint Light Tactical Vehicle
AWP	Aerial Work Platform	JPO	Joint Program Office
AMPS	Aftermarket Parts & Service	LRIP	Low Rate Initial Production
APAC	Asia Pacific	LVAD	Low Velocity Airdrop
ASC	Accounting Standards Codification	LVSR	Logistic Vehicle System Replacement
B&P	Bid & Proposal	M-ATV	MRAP All-Terrain Vehicle
BEV	Battery Electric Vehicle	MCWS	Medium Caliber Weapons System
CapEx	Capital Expenditures	NDAA	National Defense Authorization Act
CCA	Cumulative Catch-up Adjustments	NGDV	Next Generation Delivery Vehicle
CNG	Compressed Natural Gas	NOL	Net Operating Loss
DFW	Dallas Fort Worth International Airport	NPD	New Product Development
DJSI	Dow Jones Sustainability Indices	NRC	National Rental Company
DoD	Department of Defense	OH	Overhead
EAME	Europe, Africa & Middle East	OI	Operating Income
E-HETS	Enhanced Heavy Equipment Transporter System	OPEB	Other Post-Employment Benefits
EMD	Engineering & Manufacturing Development	PLS	Palletized Load System
EPS	Diluted Earnings Per Share	PPI	Producer Price Index
eRCV	Electric Refuse Collection Vehicle	R&D	Research & Development
ESG	Environmental, Social, and Governance	RCV	Robotic Combat Vehicle program or Refuse Collection Vehicle
EV	Electric Vehicle	RDM	Rear Discharge Mixer
FDIC	Fire Department Instructors Conference	RFP	Request for Proposal
FHTV	Family of Heavy Tactical Vehicles	ROGUE Fires	Remotely Operated Ground Unit for Expeditionary Fires
FMS	Foreign Military Sales	ROW	Rest of World
FMTV	Family of Medium Tactical Vehicles	TACOM	Tank-automotive and Armaments Command
FRP	Full Rate Production	TDP	Technical Data Package
FYDP	Future Years Defense Program	TWV	Tactical Wheeled Vehicle
GAAP	U.S. Generally Accepted Accounting Principles	UK	United Kingdom
GAO	Government Accountability Office	USMC	United States Marine Corps
HEMTT	Heavy Expanded Mobility Tactical Truck	USPS	United States Postal Service
HET	Heavy Equipment Transporter	ZR	Zero Radius
ICE	Internal Combustion Engine	ZSL	Zero Radius Side Loader
IRC	Independent Rental Company		

