OSHKOSH CORP Form 10-O July 29, 2014 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM 10-Q

Ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014

or

0 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 1-31371

Oshkosh Corporation (Exact name of registrant as specified in its charter)

Wisconsin	39-0520270
(State or other jurisdiction	(I.R.S. Employer
of incorporation or organization)	Identification No.)
P.O. Box 2566 Oshkosh, Wisconsin (Address of principal executive offices)	54903-2566 (Zip Code)

Registrant's telephone number, including area code: (920) 235-9151

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ý Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

ý Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer x Accelerated filer o

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Non-accelerated filer o

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). o Yes ý No

As of July 22, 2014, 85,013,940 shares of the registrant's Common Stock were outstanding.

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PART I - FINANCIAL INFORMATION

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ITEM 1. FINANCIAL STATEMENTS

1

OSHKOSH CORPORATION

Condensed Consolidated Statements of Income

(In millions, except per share amounts; unaudited)

	Three Months Ended June 30,			Nine Months Ended June 30,			
	2014		2013		2014		2013
Net sales	\$1,932.4		\$2,204.4		\$5,140.5		\$5,938.6
Cost of sales	1,585.5		1,818.9		4,247.3		5,003.7
Gross income	346.9		385.5		893.2		934.9
Operating expenses:							
Selling, general and administrative	158.7		146.0		461.4		451.6
Amortization of purchased intangibles	13.9		13.9		41.6		42.8
Total operating expenses	172.6		159.9		503.0		494.4
Operating income	174.3		225.6		390.2		440.5
Other income (expense):							
Interest expense	(14.1)	(16.6)	(57.3)	(49.4
Interest income	0.4		3.1		1.4		7.3
Miscellaneous, net	0.8		(4.7)	(0.4)	(4.3
Income from continuing operations before income taxes and equity in earnings (losses) of unconsolidated affiliates	161.4		207.4		333.9		394.1
Provision for income taxes	56.0		59.9		103.6		115.7
Income from continuing operations before equity in earnings (losses) of unconsolidated affiliates	105.4		147.5		230.3		278.4
Equity in earnings (losses) of unconsolidated affiliates	(0.3)	0.9		1.2		2.2
Income from continuing operations, net of tax	105.1		148.4		231.5		280.6
Income from discontinued operations, net of tax			0.3				1.1
Net income	\$105.1		\$148.7		\$231.5		\$281.7
Earnings per share attributable to common shareholders-basic:							
From continuing operations	\$1.24		\$1.69		\$2.72		\$3.16
From discontinued operations	ψ1.24 —		φ1.0 <i>)</i>		φ2.72		0.01
rom discontinued operations	\$1.24		\$1.69		\$2.72		\$3.17
	ψ1 . <u></u>		φ1.07		φ 2.72		<i>Q</i> 0111
Earnings per share attributable to common shareholders-diluted:							
From continuing operations	\$1.22		\$1.67		\$2.68		\$3.12
From discontinued operations							0.01
· · · · · · · · · · · ·	\$1.22		\$1.67		\$2.68		\$3.13
Cash dividends per share on Common Stock	\$0.15		\$—		\$0.45		\$—

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The accompanying notes are an integral part of these financial statements

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OSHKOSH CORPORATION

Condensed Consolidated Statements of Comprehensive Income (In millions; unaudited)

	Three Mo June 30,	onths Ended	Nine Mo June 30,	nths Ended
	2014	2013	2014	2013
Net income	\$105.1	\$148.7	\$231.5	\$281.7
Other comprehensive income (loss), net of tax:				
Employee pension and postretirement benefits	(4.1) 1.2	(3.6) 3.2
Currency translation adjustments	(0.6) (3.4) 5.6	(4.8)
Total other comprehensive income (loss), net of tax	(4.7) (2.2) 2.0	(1.6)
Comprehensive income	\$100.4	\$146.5	\$233.5	\$280.1

The accompanying notes are an integral part of these financial statements 1

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OSHKOSH CORPORATION

Condensed Consolidated Balance Sheets

(In millions, except share and per share amounts; unaudited)

	June 30, 2014	September 30, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$525.7	\$733.5
Receivables, net	1,034.3	794.3
Inventories, net	929.2	822.0
Deferred income taxes, net	72.0	67.6
Prepaid income taxes	18.0	100.4
Other current assets	34.7	35.6
Total current assets	2,613.9	2,553.4
Investment in unconsolidated affiliates	22.2	20.9
Property, plant and equipment, net	373.4	362.2
Goodwill	1,043.7	1,041.0
Purchased intangible assets, net	673.5	714.7
Other long-term assets	84.6	73.5
Total assets	\$4,811.3	\$4,765.7
Liabilities and Shareholders' Equity		
Current liabilities:		
Revolving credit facility and current maturities of long-term debt	\$20.0	\$65.0
Accounts payable	\$20.0 592.9	531.7
Customer advances	302.3	294.4
Payroll-related obligations	136.5	146.9
Accrued warranty	94.6	101.3
Deferred revenue	17.6	23.8
Other current liabilities	174.0	217.6
Total current liabilities	1,337.9	1,380.7
Long-term debt, less current maturities	880.0	890.0
Deferred income taxes, net	106.0	143.0
Other long-term liabilities	266.4	244.2
Commitments and contingencies	200.1	211.2
Shareholders' equity:		
Preferred Stock (\$.01 par value; 2,000,000 shares authorized; none issued and		
outstanding)	_	_
Common Stock (\$.01 par value; 300,000,000 shares authorized; 92,101,465 shares	0.9	0.9
issued)		
Additional paid-in capital	751.0	725.6
Retained earnings	1,774.9	1,581.5
Accumulated other comprehensive loss	(12.6) (14.6)
Common Stock in treasury, at cost (7,098,125 and 5,566,890 shares, respectively)	(293.2) (185.6)
Total shareholders' equity	2,221.0	2,107.8
Total liabilities and shareholders' equity	\$4,811.3	\$4,765.7

The accompanying notes are an integral part of these financial statements

OSHKOSH CORPORATION

Condensed Consolidated Statements of Shareholders' Equity (In millions, except per share amounts; unaudited)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensiv Income (Loss)	2	Total
Balance at September 30, 2012	\$0.9	\$703.5	\$1,263.5	\$ (101.4)	\$(13.0)	\$1,853.5
Net income			281.7			281.7
Employee pension and postretirement benefits, net of tax of \$1.9		_		3.2		3.2
Currency translation adjustments, net			_	(4.8)		(4.8)
Repurchases of Common Stock			_		(169.0)	(169.0)
Exercise of stock options		(1.5)	—		21.4	19.9
Stock-based compensation expense	—	15.3	—			15.3
Tax shortfall related to stock-based compensation	_	(0.9				