OSHKOSH CORP Form 10-Q April 30, 2014 Table of Contents

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

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

For the quarterly period ended March 31, 2014

or

o 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

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 April 22, 2014, 84,938,946 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

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OSHKOSH CORPORATION

Condensed Consolidated Statements of Income (In millions, except per share amounts; unaudited)

	Three Months Ended March 31,		Six Months Ended		
			March 31,		
	2014	2013	2014	2013	
Net sales	\$1,677.9	\$1,984.4	\$3,208.1	\$3,734.2	
Cost of sales	1,386.7	1,681.0	2,661.8	3,184.8	
Gross income	291.2	303.4	546.3	549.4	
Operating expenses:					
Selling, general and administrative	158.0	154.3	302.7	305.6	
Amortization of purchased intangibles	13.8	14.5	27.7	28.9	
Total operating expenses	171.8	168.8	330.4	334.5	
Operating income	119.4	134.6	215.9	214.9	
Other income (expense):					
Interest expense	(27.0	(16.4)	(43.2)	(32.8)	
Interest income	0.5	1.7	1.0	4.2	
Miscellaneous, net	0.5	0.1	(1.2)	0.4	
Income from continuing operations before income taxes and equity in earnings of unconsolidated affiliates	93.4	120.0	172.5	186.7	
Provision for income taxes	22.9	34.8	47.6	55.8	
Income from continuing operations before equity in earnings of unconsolidated affiliates	70.5	85.2	124.9	130.9	
Equity in earnings of unconsolidated affiliates	1.0	0.7	1.5	1.3	
Income from continuing operations, net of tax	71.5	85.9	126.4	132.2	
Income from discontinued operations, net of tax		0.6	_	0.8	
Net income	\$71.5	\$86.5	\$126.4	\$133.0	
Earnings per share attributable to common shareholders-basic:					
From continuing operations	\$0.84	\$0.98	\$1.49	\$1.48	
From discontinued operations	_	0.01	_	0.01	
	\$0.84	\$0.99	\$1.49	\$1.49	
Earnings per share attributable to common shareholders-diluted:					
From continuing operations	\$0.83	\$0.96	\$1.47	\$1.46	
From discontinued operations	<u> </u>	0.01	-	0.01	
	\$0.83	\$0.97	\$1.47	\$1.47	
Cash dividends on Common Stock	\$0.15	\$—	\$0.30	\$—	

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 Months Ended			Six Months Ended		
	March 31,		March 31,			
	2014	2013		2014	2013	
Net income	\$71.5	\$86.5		\$126.4	\$133.0	
Other comprehensive income (loss), net of tax:						
Employee pension and postretirement benefits	0.3	1.0		0.5	2.0	
Currency translation adjustments	2.5	(10.0)	6.2	(1.4)
Total other comprehensive income (loss), net of tax	2.8	(9.0)	6.7	0.6	
Comprehensive income	\$74.3	\$77.5		\$133.1	\$133.6	

The accompanying notes are an integral part of these financial statements

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OSHKOSH CORPORATION

Condensed Consolidated Balance Sheets

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

	March 31, 2014	September 30, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$420.0	\$733.5
Receivables, net	986.3	794.3
Inventories, net	913.1	822.0
Deferred income taxes, net	65.2	67.6
Prepaid income taxes	61.5	100.4
Other current assets	31.6	35.6
Total current assets	2,477.7	2,553.4
Investment in unconsolidated affiliates	22.7	20.9
Property, plant and equipment, net	369.4	362.2
Goodwill	1,044.3	1,041.0
Purchased intangible assets, net	687.4	714.7
Other long-term assets	82.5	73.5
Total assets	\$4,684.0	\$4,765.7
Liabilities and Shareholders' Equity		
Current liabilities:	0150	Φ.6 7 .0
Revolving credit facility and current maturities of long-term debt	\$15.0	\$65.0
Accounts payable	608.2	531.7
Customer advances	317.6	294.4
Payroll-related obligations	119.1	146.9
Accrued warranty	94.3	101.3
Deferred revenue	17.4	23.8
Other current liabilities	142.8	217.6
Total current liabilities	1,314.4	1,380.7
Long-term debt, less current maturities	885.0	890.0
Deferred income taxes, net	118.5	143.0
Other long-term liabilities	253.3	244.2
Commitments and contingencies		
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 and		
92,101,465 shares issued, respectively)	0.9	0.9
Additional paid-in capital	740.8	725.6
Retained earnings	1,682.5	1,581.5
Accumulated other comprehensive loss	(7.9) (14.6
Common Stock in treasury, at cost (7,452,119 and 5,566,890 shares, respectively)	(303.5) (14.6
Total shareholders' equity	2,112.8	2,107.8
Total liabilities and shareholders' equity	\$4,684.0	\$4,765.7
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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 Shareholders' Equity (In millions, except per share amounts; unaudited)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	•	Total
Balance at September 30, 2012	\$0.9	\$703.5	\$1,263.5	\$ (101.4)	\$(13.0)	\$1,853.5
Net income			133.0		_	133.0
Employee pension and postretirement benefits, net of tax of \$1.1	_	_	_	2.0		2.0
Currency translation adjustments, net	_	_		(1.4)	_	(1.4)
Repurchases of Common Stock					(125.1)	(125.1)
Exercise of stock options		(1.1)		_	16.8	15.7
Stock-based compensation expense		10.8		_	_	10.8
Tax shortfall related to stock-based compensation	_					