

OSHKOSH CORP  
Form 10-K  
November 21, 2017  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K

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

For the fiscal year ended September 30, 2017

or

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 54903-2566  
Oshkosh, Wisconsin

(Address of principal executive offices) (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
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Common Stock (\$.01 par value)	New York Stock Exchange
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Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

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.

Yes  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).

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

At March 31, 2017, the aggregate market value of the registrant’s Common Stock held by non-affiliates was \$5,130,156,538 (based on the closing price of \$68.59 per share on the New York Stock Exchange as of such date). As of November 14, 2017, 75,170,198 shares of the registrant’s Common Stock were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:**

Portions of the Proxy Statement for the 2018 Annual Meeting of Shareholders (to be filed with the Commission under Regulation 14A within 120 days after the end of the registrant’s fiscal year and, upon such filing, to be incorporated by reference into Part III).

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As used herein, the “Company,” “we,” “us” and “our” refers to Oshkosh Corporation and its consolidated subsidiaries. “Oshkosh” refers to Oshkosh Corporation, not including JLG Industries, Inc. and its wholly-owned subsidiaries (JLG), Oshkosh Defense, LLC and its wholly-owned subsidiary (Oshkosh Defense), Pierce Manufacturing Inc. (Pierce), McNeilus Companies, Inc. (McNeilus) and its wholly-owned subsidiaries, Oshkosh Airport Products, LLC (Airport Products), Kewaunee Fabrications, LLC (Kewaunee), Oshkosh Commercial Products, LLC (Oshkosh Commercial), Concrete Equipment Company, Inc. and its wholly-owned subsidiary (CON-E-CO), London Machinery Inc. and its wholly-owned subsidiary (London) and Iowa Mold Tooling Co., Inc. (IMT) or any other subsidiaries.

The “Oshkosh®,” “JLG®,” “Oshkosh Defense®,” “Pierce®,” “McNeilus®,” “Jerr-Dan®,” “Frontline™,” “CON-E-CO®,” “London®,” “IMT®,” “Command Zone™,” “TAK-PUK™,” “Hercules™,” “Husky™,” “Ascendant™,” “MSKY™,” “TrakPro®” and “Power Towers™” trademarks and related logos are trademarks or registered trademarks of the Company. All other product and service names referenced in this document are the trademarks or registered trademarks of their respective owners.

All references herein to earnings per share refer to earnings per share assuming dilution, unless noted otherwise. For ease of understanding, the Company refers to types of specialty vehicles for particular applications as “markets.” When the Company refers to “market” positions, these comments are based on information available to the Company concerning units sold by those companies currently manufacturing the same types of specialty vehicles and vehicle bodies as the Company and are therefore only estimates. Unless otherwise noted, these market positions are based on sales in the United States of America. There can be no assurance that the Company will maintain such market positions in the future.

Cautionary Statement About Forward-Looking Statements

The Company believes that certain statements in “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other statements located elsewhere in this Annual Report on Form 10-K are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this report, 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, including those under the captions “Executive Overview” and “Fiscal 2018 Outlook” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” are forward-looking statements. When used in this Annual Report on Form 10-K, words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “project” or “plan” 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 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; risks related to reductions in government expenditures in light of U.S. defense budget pressures, sequestration and an uncertain DoD tactical wheeled vehicle strategy; the impact of any DoD solicitation for competition for future contracts to produce military vehicles, including a future Family of Medium Tactical Vehicles (FMTV) production contract; the Company’s ability to increase prices to raise margins or offset higher input costs; increasing commodity and other raw material costs, particularly in a sustained economic recovery; 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; 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; 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; 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 factors that could cause actual results to differ materially from those in the forward-looking statements is contained in Item 1A of Part I of this report.

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All forward-looking statements, including those under the captions “Executive Overview” and “Fiscal 2018 Outlook” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” speak only as of November 21, 2017. The Company assumes no obligation, and disclaims any obligation, to update information contained in this Annual Report on Form 10-K. Investors should be aware that the Company may not update such information until the Company’s next quarterly earnings conference call, if at all.

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PART I

ITEM 1. BUSINESS

The Company

Oshkosh Corporation is a leading designer, manufacturer and marketer of a broad range of specialty vehicles and vehicle bodies. The Company partners with customers to deliver superior solutions that safely and efficiently move people and materials at work, around the globe, and around the clock. The Company began business in 1917 as an early pioneer of four wheel drive technology and, after 100 years, off road mobility remains one of its core competencies. The Company maintains four reportable segments for financial reporting purposes: access equipment, defense, fire & emergency and commercial, which comprised 44%, 27%, 15% and 14%, respectively, of the Company's consolidated net sales in fiscal 2017. These segments, in some way, all share common customers and distribution channels, leverage common components and suppliers, utilize common technologies and manufacturing processes and share employees and manufacturing and distribution facilities, which results in the Company being a different integrated global industrial. The Company made approximately 20%, 19% and 15% of its net sales for fiscal 2017, 2016 and 2015, respectively, to the U.S. government, a substantial majority of which were under multi-year contracts and programs in the defense vehicle market. See Note 22 of the Notes to Consolidated Financial Statements for financial information related to the Company's business segments.

JLG, a global manufacturer of aerial work platforms and telehandlers used in a wide variety of construction, industrial, institutional and general maintenance applications to position workers and materials at elevated heights, forms the base of the Company's access equipment segment. JLG's customer base includes equipment rental companies, construction contractors, manufacturing companies and home improvement centers. The access equipment segment also includes Jerr-Dan-branded tow trucks (wreckers) and roll-back vehicle carriers (carriers) sold to towing companies in the U.S. and abroad.

The Company's defense segment has manufactured and sold military tactical wheeled vehicles to the DoD for more than 90 years. In 1981, Oshkosh Defense was awarded the first Heavy Expanded Mobility Tactical Truck (HEMTT) contract for the DoD and thereafter developed into the DoD's leading supplier of severe-duty, heavy-payload tactical trucks. Since that time, Oshkosh Defense has broadened its product offerings to become the leading manufacturer of severe-duty, heavy- and medium-payload tactical trucks for the DoD, manufacturing vehicles that perform a variety of demanding tasks such as hauling tanks, missile systems, ammunition, fuel, troops and cargo for combat units. Most recently, Oshkosh Defense solidified its position in the light-payload tactical wheeled vehicle category through the successful effort to capture the DoD's Joint Light Tactical Vehicle (JLTV) program. The Company is currently in the low rate initial production phase of this eight-year \$6.7 billion contract awarded in 2015 for approximately 18,000 vehicles and sustaining services.

The Company's fire & emergency segment manufactures custom and commercial firefighting vehicles and equipment, aircraft rescue and firefighting (ARFF) vehicles, snow removal vehicles, simulators and other emergency vehicles primarily sold to fire departments, airports and other governmental units in the Americas and abroad and broadcast vehicles sold to broadcasters and television stations in the Americas and abroad.

The Company's commercial segment manufactures rear- and front-discharge concrete mixers, refuse collection vehicles, portable and stationary concrete batch plants and vehicle components sold to ready-mix companies and commercial and municipal waste haulers in North America and other international markets and field service vehicles and truck-mounted cranes sold to mining, construction and other companies in the Americas and abroad.

## Competitive Strengths

The following competitive strengths support the Company's business strategy:

**Strong Market Positions.** The Company has developed strong market positions and brand recognition in its core businesses, which it attributes to its reputation for quality products, advanced engineering, innovation, vehicle performance, reliability, customer service and low total product life cycle costs. The Company maintains leading market shares in all its businesses and is the sole-source supplier of a number of vehicles to the DoD.

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**Diversified Product Offering.** The Company believes its broad product offerings and target markets serve to diversify its sources of revenues, mitigate the impact of economic cycles and provide multiple platforms for potential organic growth and acquisitions. The Company's product offerings provide extensive opportunities for bundling of products for sale to customers, co-location of manufacturing, leveraging purchasing power and sharing technology within and between segments. For each of its target markets, the Company has developed or acquired a broad product line in an effort to become a single-source provider of specialty vehicles, vehicle bodies, parts and service and related products to its customers. In addition, the Company has established an extensive domestic and international distribution network for specialty vehicles and vehicle bodies tailored to each market.

**Quality Products and Customer Service.** The Company has developed strong brand recognition for its products as a result of its commitment to meet the stringent product quality and reliability requirements of its customers in the specialty vehicle and vehicle body markets it serves. The Company frequently achieves premium pricing due to the durability and low life cycle costs for its products. The Company also provides high quality customer service through its extensive parts and service support programs, which are generally available to customers 365 days a year in all product lines throughout the Company's distribution network.

**Innovative and Proprietary Components.** The Company's advanced design and engineering capabilities have contributed to the development of innovative and/or proprietary, severe-duty components that enhance vehicle performance, reduce manufacturing costs and strengthen customer relationships. The Company's advanced design and engineering capabilities have also allowed it to integrate many of these components across various segments and product lines, which enhances its ability to compete for new business and reduces its costs to manufacture its products compared to manufacturers who simply assemble purchased components.

**Flexible and Efficient Manufacturing.** The Company believes it has competitive advantages over larger vehicle manufacturers in its specialty vehicle markets due to its product quality, manufacturing flexibility, vertical integration, purchasing power in specialty vehicle components and tailored distribution networks. In addition, the Company believes it has competitive advantages over smaller vehicle and vehicle body manufacturers due to its relatively higher volumes of similar products that permit the use of moving assembly lines and allow it to leverage purchasing power and technology opportunities across product lines.

**Strong Management Team.** The Company is led by President and Chief Executive Officer Wilson R. Jones who has been employed by the Company since 2005. Mr. Jones is complemented by an experienced senior management team that has been assembled through internal promotions and external hires. The management team has successfully executed a strategic reshaping and expansion of the Company's business, which has positioned the Company to be a global leader in the specialty vehicle and vehicle body markets and transformed the Company into a different integrated global industrial.

## Business Strategy

The Company is focused on increasing its net sales, profitability and cash flow and maintaining a strong balance sheet by capitalizing on its competitive strengths and pursuing an integrated business strategy. The Company completed a comprehensive strategic planning process in fiscal 2011 with the assistance of a globally-recognized consulting firm that culminated in the creation of the Company's roadmap, named MOVE, to deliver outstanding long-term shareholder value. The Company reassessed the MOVE strategy in fiscal 2016 and concluded that opportunities remained for MOVE to continue to guide the Company's path forward.

The MOVE strategy consists of the following four key initiatives:

Market Leader Delighting Customers. This initiative focuses on growing profitability by maintaining intense focus on customer experience. By tapping into the voice of the customer, the Company aims to deliver superior products and services under this initiative. The Company drives consistent customer experience through the use of standard processes and tools throughout the organization. Customers derive value by working with a partner that provides total customer care throughout the product life cycle. The Company's goal is to delight its customers.

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**Optimize Cost and Capital Structure.** This initiative focuses on optimizing the Company's cost and capital structure to provide value for customers and shareholders by aggressively attacking its product, process and overhead costs and opportunistically using its expected free cash flow to return capital to shareholders or invest in acquisition opportunities. The Company utilizes a comprehensive lean enterprise focus to drive to be a low cost producer in all of its product lines while sustaining premium product features and quality and to deliver low product life cycle costs for its customers. Lean is a methodology used to eliminate non-value added work from a process stream. The Company also embraces organizational simplification by focusing on what drives value to customers and objectively allocating time and resources in these areas. As a result of its focus on cost optimization, the Company expects to more efficiently utilize its manufacturing facilities, increase inventory turns, reduce product, process and overhead costs, lower manufacturing lead times and new product development cycle times and increase its operating income margins.

**Value Innovation.** This initiative focuses on emphasizing the Company's new product development as it seeks to expand sales and margins by leading its core markets in the introduction of new or improved products and technologies. The Company primarily uses internal development but also uses licensing of technology and strategic acquisitions to execute multi-generational product plans in each of the Company's businesses. The Company actively seeks to commercialize emerging technologies that are capable of expanding customer uses of its products. The Company also strives to provide value to its customers by offering best in class aftermarket services and support.

**Emerging Market Growth.** This initiative focuses on the Company's continued expansion into those specialty vehicle and vehicle body markets globally where it has acquired or can acquire strong market positions over time and where it believes it can leverage synergies in purchasing, manufacturing, technology and distribution to increase sales and profitability. Business development teams actively pursue new customers in targeted developing countries in Asia, Eastern Europe, the Middle East, Latin America and Africa. In pursuit of this strategy, the Company has sales and service offices in Russia, India, Saudi Arabia, China, South Korea and Japan to pursue various opportunities in each of those countries. In addition, the Company continues to expand its sales and aftermarket footprint in multiple countries in Europe, Latin America, Asia and the Middle East. The Company would also consider selectively pursuing strategic acquisitions to enhance the Company's product offerings and expand its international presence in the specialty vehicle and vehicle body markets.

## Products

The Company is focused on the following core segments of the specialty vehicle and vehicle body markets:

**Access equipment segment.** JLG manufactures aerial work platforms and telehandlers used in a wide variety of construction, industrial, institutional and general maintenance applications to position workers and materials at elevated heights. In addition, through a long-term license with Caterpillar Inc. that extends through 2025, JLG produces Caterpillar-branded telehandlers for distribution through the worldwide Caterpillar Inc. dealer network. JLG also offers a broad range of parts and accessories, including technical support and training, and reconditioning services. Access equipment customers include equipment rental companies, construction contractors, manufacturing companies and home improvement centers. JLG's products are marketed worldwide through independent rental companies and distributors that purchase these products and then rent or sell them and provide service support, as well as through other sales and service branches or organizations.

JLG also arranges equipment financing and leasing solutions for its customers, primarily through third-party funding arrangements with independent financial companies, and occasionally provides credit support in connection with these financing and leasing arrangements. Financing arrangements that JLG offers or arranges through this segment include various types of rental fleet loans and leases, as well as floor plan and retail financing. Terms of these arrangements vary depending on the type of transaction, but typically range between 36 and 72 months and generally require the customer to be responsible for maintenance of the equipment and to bear the risk of damage to or loss of the

equipment.

The Company, through its Jerr-Dan brand, is a leading manufacturer and marketer of towing and recovery equipment in the U.S. The Company believes Jerr-Dan is recognized as an industry leader in quality and innovation. Jerr-Dan offers a complete line of both carriers and wreckers. In addition to manufacturing equipment, Jerr-Dan provides its customers with one-stop service for carriers and wreckers and generates revenue from the installation of equipment, as well as the sale of chassis and service parts.

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Defense segment. Oshkosh Defense has sold products to the DoD for over 90 years and also exports tactical wheeled vehicles to approved foreign customers. By successfully responding to the DoD's changing vehicle requirements, Oshkosh Defense has become the leading manufacturer of Heavy, Medium, and Light tactical wheeled vehicles and related service and sustainment for the DoD. Oshkosh Defense manufactures vehicles that perform a variety of demanding tasks such as hauling tanks, missile systems, ammunition, fuel, troops and cargo for a broad range of missions. Oshkosh Defense's proprietary product line of military heavy-payload tactical wheeled vehicles includes the HEMTT, the Heavy Equipment Transporter (HET), the Palletized Load System (PLS), and the Logistic Vehicle System Replacement (LVSR). Oshkosh Defense's proprietary medium-payload military tactical wheeled vehicles include the Medium Tactical Vehicle Replacement (MTVR). Oshkosh Defense's proprietary light-payload military tactical wheeled vehicles include the Mine Resistant Ambush Protected-All Terrain Vehicle (M-ATV), which was specifically designed with superior survivability as well as extreme off-road mobility for use in conditions similar to those encountered in the conflict in Afghanistan.

In June 2009, the DoD awarded Oshkosh Defense a sole source contract for M-ATVs and associated aftermarket parts packages. Since receiving the initial contract award Oshkosh Defense has delivered over 8,700 M-ATVs domestically and over 2,500 M-ATVs internationally.

In August 2009, the DoD awarded Oshkosh Defense a contract to be the sole producer of FMTVs under the U.S. Army's FMTV Rebuy program. Originally a five-year requirements contract, in fiscal 2015, the DoD extended the FMTV Rebuy program to allow for the delivery of vehicles and trailers through February 2017. In September 2016, the U.S. Army extended the FMTV contract with orders to produce FMTV trucks and trailers through July 2018. In September 2017, the DoD extended pricing for the contract through August 2019, and the DoD subsequently placed an order for over 1,000 FMTVs, extending the Company's FMTV backlog into the fourth quarter of fiscal 2019. Oshkosh Defense has submitted its bid and is actively pursuing a U.S. Army contract for the production of an upgraded fleet of FMTV vehicles after the expiration of the Company's current FMTV contract. A decision on the winner of the FMTV recompile contract is expected in the second quarter of fiscal 2018.

In June 2015, the DoD awarded Oshkosh Defense a new Family of Heavy Tactical Vehicles (FHTV) contract for the recapitalization of HEMTT, HET and PLS vehicles as well as associated logistics and configuration management support. The contract is a five-year requirements contract for the continued remanufacturing of FHTV vehicles through fiscal 2020. The contract is fixed-price incentive firm where the price paid to the Company is subject to adjustment based on actual costs incurred. The impact of pricing adjustments under fixed-price incentive firm contracts are generally shared by the Company and the customer.

In August 2015, the DoD awarded Oshkosh Defense an eight-year, fixed price JLTV contract valued at \$6.7 billion for production and delivery of approximately 18,000 vehicles and sustaining services. The JLTV program is expected to be a 20-year, \$30 billion program for the production of up to 55,000 vehicles, support services and engineering. The Company delivered its first production JLTV vehicles to the U.S. Army in September 2016. The contract remained in the low rate initial production phase during fiscal 2017. A decision on moving to full rate production is expected in fiscal 2019.

In addition to retaining its current defense truck contracts, the Company's objective is to continue to diversify into other areas of the U.S. and international defense vehicle markets by expanding applications, uses and vehicle body styles of its current tactical truck lines and growing aftermarket product and service offerings.

Fire & emergency segment. Through Pierce, the Company is the leading domestic manufacturer of fire apparatus assembled on custom chassis, designed and manufactured to meet the special needs of firefighters. Pierce also manufactures fire apparatus assembled on commercially available chassis, which are produced for multiple end-customer applications. Pierce's engineering expertise allows it to design its vehicles to meet stringent industry

guidelines and government regulations for safety and effectiveness. Pierce primarily serves domestic municipal customers, but also sells fire apparatus to the DoD, airports, universities and large industrial companies, and increasingly in international markets. Pierce's history of innovation and research and development in consultation with firefighters has resulted in a broad product line that features a wide range of innovative, high-quality custom and commercial firefighting equipment with advanced fire suppression capabilities. In an effort to be a single-source supplier for its customers, Pierce offers a full line of custom and commercial fire apparatus and emergency vehicles, including pumpers, aerial platform, ladder and tiller trucks, tankers, light-, medium- and heavy-duty rescue vehicles, wildland rough terrain response vehicles, mobile command and control centers, bomb squad vehicles, hazardous materials control vehicles and other emergency response vehicles.



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The Company, through Airport Products, is among the leaders in sales of ARFF vehicles to domestic and international airports. These highly-specialized vehicles are required to be in service at most airports worldwide to support commercial airlines in the event of an emergency. Many of the world's largest airports, including LaGuardia International Airport, O'Hare International Airport, Hartsfield-Jackson International Airport, Denver International Airport, Baltimore-Washington International Airport, Dallas/Fort Worth International Airport, Tampa International Airport, Philadelphia International Airport, and San Francisco International Airport in the U.S., are served by the Company's ARFF vehicles. The U.S. Government also maintains a fleet of ARFF vehicles that are used to support military operations throughout the world. Internationally, the Company's vehicles serve, among others, Beijing, China and more than thirty other airports in China; Singapore; Toronto and Quebec, Canada; Abu Dhabi, UAE; and Birmingham, Cardiff, Manchester and Liverpool, United Kingdom. The Company has recently delivered ARFF vehicles to multiple airports throughout Kuwait, Southeast Asia, Papua New Guinea, Mexico, Chile, Japan, Bolivia, Australia, Peru and Ghana. The Company believes that the performance and reliability of its ARFF vehicles contribute to the Company's strong position in this market.

The Company, through Airport Products, is a global leader in airport snow removal vehicles. The Company's specially designed airport snow removal vehicles are used by some of the largest airports in the world, including Dallas/Fort Worth International Airport, Hartsfield-Jackson International Airport, Minneapolis-St. Paul International Airport, O'Hare International Airport and Denver International Airport in the U.S. and Beijing, China; Incheon, South Korea; and Toronto and Montreal, Canada internationally. The Company believes that the reliability of its high-performance snow removal vehicles and the speed with which they clear airport runways contribute to its strong position in this market.

The Company, through its Frontline brand, is a leading manufacturer, system designer and integrator of broadcast and communication vehicles, including electronic field production trailers, satellite news gathering and electronic news gathering vehicles for broadcasters and command trucks for local and federal governments along with being a leading supplier of military simulator shelters and trailers. The Company's vehicles have been used worldwide to broadcast the NFL Super Bowl, the FIFA World Cup and the Olympics.

The Company offers three- to fifteen-year municipal lease financing programs to its fire & emergency segment customers in the U.S. through Oshkosh Equipment Finance, LLC, doing business as Pierce Financial Solutions. Programs include competitive lease financing rates, creative and flexible finance arrangements and the ease of one-stop shopping for customers' equipment and financing. The Company executes the lease financing transactions through a private label arrangement with an independent third-party finance company. The Company typically provides credit support in connection with these financing and leasing arrangements.

Commercial segment. Through Oshkosh Commercial, McNeilus, London and CON-E-CO, the Company is a leading manufacturer of front- and rear-discharge concrete mixers and portable and stationary concrete batch plants for the concrete ready-mix industry throughout the Americas. Through McNeilus, the Company is a leading manufacturer of refuse collection vehicles for the waste services industry throughout the Americas.

Through IMT, the Company is a leading North American manufacturer of field service vehicles and truck-mounted cranes for the construction, equipment dealer, building supply, utility, tire service, railroad and mining industries. The Company believes its commercial segment vehicles and equipment have a reputation for efficient, cost-effective, dependable and low maintenance operation.

The Company also arranges equipment financing and leasing solutions for its customers, primarily through third-party funding arrangements with independent financial companies, and occasionally provides credit support in connection with these financing and leasing arrangements.



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Marketing, Sales, Distribution and Service

The Company believes it differentiates itself from many of its competitors by tailoring its distribution to the needs of its specialty vehicle and vehicle body markets and with its national and global sales and service capabilities. Distribution personnel demonstrate to customers how to use the Company's vehicles and vehicle bodies properly. In addition, the Company's flexible distribution is focused on meeting customers on their terms, whether on a job site, in an evening public meeting or at a municipality's offices, compared to the showroom sales approach of the typical dealers of large vehicle manufacturers. The Company backs all products with same-day parts shipment, and its service technicians are available in person or by telephone to domestic customers 365 days a year. The Company believes its dedication to keeping its products in-service in demanding conditions worldwide has contributed to customer loyalty.

The Company provides its salespeople, representatives and distributors with product and sales training on the operation and specifications of its products. The Company's engineers, along with its product managers, develop operating manuals and provide field support at vehicle delivery.

U.S. dealers and representatives enter into agreements with the Company that allow for termination by either party generally upon 90 days' notice, subject to applicable laws. Dealers and representatives, except for those utilized by JLG and IMT, are generally not permitted to market and sell competitive products.

Access equipment segment. JLG's products are marketed across six continents through independent rental companies and distributors that purchase JLG products and then rent or sell them and provide service support, as well as through other Company owned sales and service branches. JLG maintains a broad worldwide internal sales force. Sales employees are dedicated to specific major customers, channels or geographic regions. JLG's international sales employees are spread among international sales and service offices throughout the world.

The Company markets its Jerr-Dan-branded carriers and wreckers through its extensive network of independent distributors.

Defense segment. Oshkosh Defense sells substantially all of its domestic defense products directly to principal branches of the DoD and has sold its defense products to numerous international militaries around the globe. Oshkosh Defense maintains a liaison office in Washington, D.C. to represent its interests with the U.S. Congress, the offices of the Executive Branch of the U.S. government, the Pentagon, as well as international embassies and government agencies. Oshkosh Defense locates its business development, consultants and engineering professionals near its customers' principal commands, both domestically and internationally. Oshkosh Defense also sells and services defense products to approved international governments as Direct Commercial Sales or Foreign Military Sales via U.S. government channels. Oshkosh Defense supports international sales through international sales offices, as well as through dealers, distributors and representatives.

In addition to marketing its current tactical wheeled vehicle offerings and competing for new contracts, Oshkosh Defense actively works with the U.S. Armed Services to develop new applications for its vehicles and expand its services.

Logistics services are increasingly important in the defense market. The Company believes that its proven worldwide logistics capabilities and internet-based ordering, invoicing and electronic payment systems have significantly contributed to the expansion of its defense parts and service business. Oshkosh Defense maintains a large parts distribution warehouse in Milwaukee, Wisconsin to fulfill stringent parts delivery schedule requirements, as well as satellite facilities near DoD bases in the U.S., Europe, Asia and the Middle East.

Fire & emergency segment. The Company believes the geographic breadth, size and quality of its Pierce fire apparatus sales and service organization are competitive advantages in a market characterized by a few large manufacturers and numerous small, regional competitors. Pierce's fire apparatus are sold through an extensive network of independent sales and service organizations with hundreds of sales representatives in the U.S. and Canada, which combine broad geographical reach with frequency of contact with fire departments and municipal government officials. These sales and service organizations are supported by product and marketing support professionals and contract administrators at Pierce. The Company believes frequency of contact and local presence are important to cultivate major, and typically infrequent, purchases involving the city or town council, fire department, purchasing, finance and mayoral offices, among others, that may participate in a fire apparatus bid and selection process. After the sale, Pierce's nationwide local parts and service capability is available to help municipalities maintain peak readiness for this vital municipal service.

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Pierce also sells directly to the DoD and other U.S. government agencies. Many of the Pierce fire apparatus sold to the DoD are placed in service at U.S. military bases, camps and stations overseas. Additionally, Pierce sells fire apparatus to international municipal and industrial fire departments through a network of international dealers.

The Company markets its Frontline-branded broadcast vehicles through sales representatives and its Frontline-branded command vehicles through both sales representatives and dealer organizations that are directed at government and commercial customers.

The Company markets its Oshkosh-branded ARFF vehicles through a combination of direct sales representatives domestically and an extensive network of representatives and distributors in international markets. Certain of these international representatives and distributors also handle Pierce products. The Company's snow removal business uses a combination of internal sales and service representatives and distributor locations to focus on the sale of snow removal vehicles, principally to airports, but also to municipalities, counties and other governmental entities in the U.S. and Canada. In addition, the Company maintains offices in Abu Dhabi, UAE; Beijing, China; Tonneins, France; and Singapore to support airport product vehicle sales and aftermarket sales and support in Europe, the Middle East, China and Southeast Asia.

Commercial segment. The Company operates a network of distribution centers with hundreds of in-house sales and service representatives in North America to sell and service refuse collection vehicles, rear- and front-discharge concrete mixers and concrete batch plants. These centers are in addition to sales and service activities at the Company's manufacturing facilities, and they provide sales, service and parts distribution to customers in their geographic regions. The Company also uses independent sales and service organizations to market its CON-E-CO-branded concrete batch plants. The Company believes this network represents one of the largest concrete mixer, concrete batch plant and refuse collection vehicle distribution networks in the U.S.

The Company believes its direct distribution to customers is a competitive advantage in concrete mixer and refuse collection vehicle markets, particularly in the U.S. waste services industry where principal competitors distribute through dealers and to a lesser extent in the ready mix concrete industry, where several competitors in part use dealers. The Company believes direct distribution permits a more focused sales force in the U.S. concrete mixer and refuse collection vehicle markets, whereas dealers frequently offer a very broad and mixed product line, and accordingly, the time dealers tend to devote to concrete mixer and refuse collection vehicle sales activities is limited.

The Company has also established an extensive network of representatives and dealers throughout the Americas for the sale of Oshkosh-, McNeilus-, CON-E-CO- and London-branded concrete mixers, concrete batch plants and refuse collection vehicles. The Company coordinates among its various businesses to respond to large international sales tenders with its most appropriate product offering for the tender.

IMT distributes its products through a wide network of dealers in over one hundred locations worldwide. International dealers are primarily located in Central and South America, Australia and Asia and are primarily focused on mining and construction markets.

## Manufacturing

The Company manufactures vehicles and vehicle bodies at 29 manufacturing facilities. To reduce production costs, the Company maintains a continuing emphasis on the development of proprietary components, self-sufficiency in fabrication, just-in-time inventory management, improvement in production flows, interchangeability and simplification of components among product lines, creation of jigs and fixtures to ensure repeatability of quality processes, utilization of robotics, and performance measurement to assure progress toward cost reduction targets. The

Company encourages employee involvement to improve production processes and product quality. The Company opened a new state of the art manufacturing facility in Leon, Mexico during fiscal 2015 that is designed to supply components to multiple Company businesses and is expected to contribute to the attainment of the Company's production initiatives.

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The Company uses a common Quality Management System globally to support the delivery of consistent, high quality products and services to customers. The Company educates and trains all employees at its facilities in quality principles. The Company requires employees at all levels to understand customer and supplier requirements, measure performance, develop systems and procedures to prevent nonconformance with requirements and continually improve all work processes. The Company utilizes quality gates in its manufacturing facilities to identify quality issues early in the process and to analyze root cause at the source, resulting in improved quality, fewer defects and less rework. The Company's Quality Management System is based on ISO 9001, a set of internationally-accepted quality system requirements established by the International Organization for Standardization. ISO 9001 certification indicates that a company has established and follows a rigorous set of requirements aimed at achieving customer satisfaction by following the process approach to identify process inputs, outputs, customers, critical processes and key performance indicators, and by continually improving these processes and sharing successful practices across the organization. The following brands are ISO 9001 certified: JLG, Oshkosh Defense, Pierce, McNeilus, Frontline, Jerr-Dan and Airport Products.

The Company has a team of employees dedicated to leading the implementation of the Oshkosh Continuous Improvement Management System (CIMS). The team is comprised of members with diverse backgrounds in quality, lean, finance, product and process engineering, and culture change management. CIMS is a business system that defines and seeks to enhance customers' experiences with the Company's products and services by empowering all employees to improve business processes and create a great customer experience. CIMS includes lean tools to eliminate waste and to provide better value for customers. CIMS also guides customer satisfaction assessment and helps to identify opportunities to improve the customer experience with Oshkosh. CIMS supports the execution of the Company's MOVE strategy, delivering value to both customers and shareholders. Within the Company's facilities, CIMS improvement projects have contributed to manufacturing efficiency gains, materials management improvements, steady quality improvements and reduction of lead times. CIMS improvement projects have also freed up manufacturing space, allowing the Company to pursue a program focused on increased vertical integration, further differentiating the Company as a different integrated global industrial.

### Engineering, Research and Development

The Company believes its extensive engineering, research and development capabilities have been key drivers of the Company's marketplace success. The Company maintains multiple facilities for new product development and testing with a staff of approximately 1,200 engineers and technicians who are dedicated to improving existing products, development and testing of new vehicles, vehicle bodies and components and sustaining its production activities. The Company prepares multi-year new product development plans for each of its markets and measures progress against those plans each month.

Virtually all of the Company's sales of fire apparatus and broadcast vehicles require some level of custom engineering to meet the customer's specifications and changing industry standards. Engineering is also a critical factor in defense vehicle markets due to the severe operating conditions under which the Company's vehicles are utilized, new customer requirements and stringent government documentation requirements. In the access equipment and commercial segments, product innovation is highly important to meet customers' changing requirements. Accordingly, in addition to new product development engineers and technicians, the Company maintains an additional permanent staff of engineers and engineering technicians to sustain its production activities.

For fiscal 2017, 2016 and 2015, the Company incurred research and development expenditures of \$98.0 million, \$103.1 million and \$147.9 million, respectively, portions of which were recoverable from customers, principally the U.S. government. Higher spending in fiscal 2015 was generally due to product design costs associated with Tier IV engine emissions requirements in the Company's access equipment segment and JLTV development costs in the defense segment.





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### Competition

In all of the Company's segments, competitors include smaller, specialized manufacturers as well as large, mass producers. The Company believes that, in its specialty vehicle and vehicle body markets, it has been able to effectively compete against large, mass producers due to its product quality, manufacturing flexibility, vertical integration, purchasing power in specialty vehicle components and tailored distribution systems. In addition, the Company believes it has competitive advantages over smaller vehicle and vehicle body manufacturers due to its relatively higher volumes of similar products that permit the use of moving assembly lines and which allow it to leverage purchasing power and technology opportunities across product lines. The Company believes that its competitive cost structure, strategic global purchasing capabilities, engineering expertise, product quality and global distribution and service systems have enabled it to compete effectively.

Certain of the Company's competitors have greater financial, marketing, manufacturing, distribution and governmental affairs resources than the Company. There can be no assurance that the Company's products will continue to compete effectively with the products of competitors or that the Company will be able to retain its customer base or improve or maintain its profit margins on sales to its customers, all of which could have a material adverse effect on the Company's financial condition, results of operations and cash flows.

Access equipment segment. JLG operates in the global construction, maintenance and industrial equipment markets. JLG's competitors range from some of the world's largest multi-national construction equipment manufacturers to small single-product niche manufacturers. Within this global market, competition for sales of aerial work platform equipment includes Genie Industries, Inc. (a subsidiary of Terex Corporation), Skyjack Inc. (a subsidiary of Linamar Corporation), Haulotte Group, Aichi Corporation (a subsidiary of Toyota Industries Corporation) and numerous other manufacturers. Global competition for sales of telehandler equipment includes J C Bamford Excavators Ltd., the Manitou Group, Merlo SpA, Genie Industries, Inc., Skyjack Inc. and numerous other manufacturers. In addition, JLG faces competition from numerous manufacturers of other niche products such as boom vehicles, cherry pickers, skid steer loaders, mast climbers, straight mast and vehicle-mounted fork-lifts, rough-terrain and all-terrain cranes, vehicle-mounted cranes, portable material lifts, various types of material handling equipment, scaffolding and the common ladder that offer functionality that is similar to or overlaps that of JLG's products. Principal methods of competition include brand awareness, product innovation and performance, price, quality, service and support, product availability and the extent to which a company offers single-source customer solutions. The Company believes its competitive strengths include: premium brand names; broad and single-source product offerings; product quality; product residual values that are generally higher than competitors units; worldwide distribution; safety record; service and support network; global procurement scale; extensive manufacturing capabilities; and cross-division synergies with other segments within Oshkosh Corporation.

The principal competitor for Jerr-Dan-branded products is Miller Industries, Inc. Principal methods of competition for carriers and wreckers include product quality and innovation, product performance, price and service. The Company believes its competitive strengths in this market include its high quality, innovative and high-performance product line and its low-cost manufacturing capabilities.

Defense segment. Oshkosh Defense produces heavy- and medium-payload, Mine Resistant Ambush Protected (MRAP) and light-payload tactical wheeled vehicles for the military and security forces around the world. Competition for sales of these vehicles includes, among others, Man Group plc, Mercedes-Benz (a subsidiary of Daimler AG), Navistar Defense LLC (a subsidiary of Navistar International Corporation), General Dynamics Corporation, Lockheed Martin, AM General, BAE Systems plc and Textron Inc. The principal method of competition in the defense segment involves a competitive bid that takes into account factors as determined by the customer, such as price, product performance, product life cycle costs, small and disadvantaged business participation, product quality, adherence to bid specifications, production capability, project management capability, past performance and

product support. Usually, the Company's vehicle systems must also pass extensive testing. The Company believes that its competitive strengths include: strategic global purchasing capabilities leveraged across multiple business segments; extensive pricing/costing and defense contracting expertise; a significant installed base of vehicles currently in use throughout the world; flexible and high-efficiency vertically-integrated manufacturing capabilities; patented and/or proprietary vehicle components such as TAK-4 family of independent suspension systems, Oshkosh power transfer cases and Command Zone integrated vehicle diagnostics; weapons and communications integration; ability to develop new and improved product capabilities responsive to the needs of its customers; product quality; and aftermarket parts sales and service capabilities.

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The Weapon Systems Acquisition Reform Act requires competition for defense programs in certain circumstances. Accordingly, it is possible that the U.S. Army and U.S. Marine Corps will conduct competitions for programs for which the Company currently has contracts upon the expiration of the existing contracts. Competition for these and other domestic programs could result in future contracts being awarded based upon different competitive factors than those described above and would primarily include price, production capability and past performance. Current economic conditions have also put significant pressure on the U.S. Federal budget. The overall military drawdowns in Iraq and Afghanistan and stated defense budget reductions have resulted in lower demand for tactical wheeled vehicles, and future program competitions could involve weighting price more heavily than the past competitive factors described above. In addition, the U.S. government has become more aggressive in seeking to acquire the design rights to the Company's current and potential future programs to facilitate competition for manufacturing our vehicles. The willingness of the bidders to license their design rights to the DoD was an evaluation factor in the JLTV contract competition. Certain of the Company's contracts with the DoD, including the JLTV contract, require that the Company effectively transfer the "technical know-how" necessary to produce and support the vehicles and/or other deliverables within the contract to the customer.

The Competition in Contracting Act requires competition for U.S. defense programs in most circumstances. Competition for DoD programs that we currently have could result in the U.S. government awarding future contracts to another manufacturer or the U.S. government awarding the contracts to us at lower prices and operating margins than we experience under current contracts. In particular, the DoD has begun a process to recompetete the FMTV program. In October 2016, the DoD issued requests for proposal to qualified bidders to submit a proposal to produce FMTVs for a five year period beginning in fiscal year 2021. The deadline for proposal submissions was May 2017, and a new FMTV production contract award to the successful bidder is expected in the second quarter of fiscal 2018.

Fire & emergency segment. The Company produces and sells custom and commercial firefighting vehicles in the U.S. and abroad under the Pierce brand and broadcast vehicles in the U.S. and abroad under the Frontline brand. Competitors for firefighting vehicles include Rosenbauer International AG; Emergency One, Inc., Ferrara Fire Apparatus, and Kovatch Mobile Equipment Corp. (all three owned by REV Group, Inc.); Spartan ERV (a division of Spartan Motors, Inc.); and numerous smaller, regional manufacturers. Principal methods of competition include brand awareness, ability to meet or exceed customer specifications, price, the extent to which a company offers single-source customer solutions, product innovation, product quality, dealer distribution, and service and support. The Company believes that its competitive strengths include: recognized, premium brand name; nationwide network of independent Pierce dealers; extensive, high-quality and innovative product offerings, which include single-source customer solutions for aeriels, pumpers and rescue units; large-scale and high-efficiency custom manufacturing capabilities; and proprietary technologies such as the PUC vehicle configuration, TAK-4 independent suspension system, Hercules and Husky foam systems, Command Zone electronics and the Ascendant 107' aerial fire truck utilizing a single rear axle, among other Ascendant configurations. The principal competition for broadcast vehicles is from Accelerated Media Technologies and Television Engineering Corporation.

Airport Products manufactures ARFF vehicles for sale in the U.S. and abroad. Oshkosh's principal competitor for ARFF vehicle sales is Rosenbauer International AG. Airport Products also manufactures snow removal vehicles, principally for U.S. and Canadian airports. The Company's principal competitors for snow removal vehicle sales are M-B Companies, Inc., Wausau-Everest LP (owned by Alamo Group, Inc.) and Overaasen AS. Principal methods of competition are product performance, price, service, product quality and innovation. The Company believes its competitive strengths in these airport markets include its high-quality, innovative products and strong dealer support network.

Commercial segment. The Company produces front- and rear-discharge concrete mixers and batch plants for the Americas under the Oshkosh, McNeilus, CON-E-CO and London brands. Competition for concrete mixer and batch plant sales includes Beck Industrial, Con-Tech Manufacturing, Inc., Terex Corporation, Kimble Mixer Company (a

division of Hines Specialty Vehicle Group, owned by Hines Corporation) and other regional competitors. Principal methods of competition are price, service, product features, product quality and product availability. The Company believes its competitive strengths include: strong brand recognition; large-scale and high-efficiency manufacturing; extensive product offerings; high product quality; ability to offer factory-installed compressed natural gas fuel systems; a significant installed base of concrete mixers in use in the marketplace; and its nationwide, Company-owned network of sales and service centers.

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McNeilus also produces refuse collection vehicles for North America and international markets. Competitors include The Heil Company (a subsidiary of Dover Corporation), Labrie Enviroquip Group, New Way (a subsidiary of Scranton Manufacturing Company, Inc.) and other regional competitors. The principal methods of competition are product quality, product performance, service and price. The Company competes for municipal business and large commercial business in the Americas, which is generally based on lowest qualified bid. The Company believes its competitive strengths in the Americas refuse collection vehicle markets include: strong brand recognition; comprehensive product offerings; a reputation for high-quality products; ability to offer factory-installed compressed natural gas fuel systems; large-scale and high-efficiency manufacturing; and an extensive network of Company-owned sales and service centers located throughout the U.S.

IMT is a manufacturer of field service vehicles and truck-mounted cranes for the construction, equipment dealer, building supply, utility, tire service, railroad and mining industries. IMT's principal field service vehicle competition is from Auto Crane Company (owned by Gridiron Capital), Stellar Industries, Inc., Maintainer Corporation of Iowa, Inc. and other regional companies. Competition in truck-mounted cranes comes primarily from European companies including Palfinger AG, Cargotec Corporation and Fassi Group SpA. Principal methods of competition are product quality, price and service. The Company believes its competitive strengths include its high-quality products, global distribution network and low-cost manufacturing capabilities.

## Customers and Backlog

Sales to the U.S. government comprised approximately 20% of the Company's net sales in fiscal 2017. No other single customer accounted for more than 10% of the Company's net sales for this period. A substantial majority of the Company's net sales are derived from the fulfillment of customer orders that are received prior to commencing production.

The Company's backlog as of September 30, 2017 increased 7.2% to \$3.79 billion compared to \$3.54 billion at September 30, 2016 due largely to strong order volumes in the non-defense segments. Access equipment segment backlog increased 152.2% to \$452.2 million at September 30, 2017 compared to \$179.3 million at September 30, 2016 primarily due to improved market conditions in North America and Europe. Defense segment backlog decreased 10.6% to \$2.09 billion at September 30, 2017 compared to \$2.33 billion at September 30, 2016 primarily due to the fulfillment of a large international contract for the delivery of M-ATVs. Fire & emergency segment backlog increased 9.2% to \$931.6 million at September 30, 2017 compared to \$852.9 million at September 30, 2016 due largely to favorable custom chassis mix and a higher mix of aerial orders. Commercial segment backlog increased 85.2% to \$321.0 million at September 30, 2017 compared to \$173.3 million at September 30, 2016. Unit backlog for concrete mixers as of September 30, 2017 was up 61.8% due to a lower production rate for concrete mixers as a result of a shift to increase refuse collection vehicle production. Unit backlog for refuse collection vehicles as of September 30, 2017 was up 103.5%, compared to September 30, 2016 due to improved market conditions.

Reported backlog excludes purchase options and announced orders for which definitive contracts have not been executed. Backlog information and comparisons thereof as of different dates may not be accurate indicators of future sales. Approximately 12% of the Company's September 30, 2017 backlog is not expected to be filled in fiscal 2018.

## Government Contracts

Approximately 20% of the Company's net sales for fiscal 2017 were made to the U.S. government, a substantial majority of which were under multi-year contracts and programs in the defense vehicle market. Accordingly, a significant portion of the Company's sales are subject to risks specific to doing business with the U.S. government, including uncertainty of economic conditions, changes in government policies and requirements that may reflect rapidly changing military and political developments, the availability of funds and the ability to meet specified

performance thresholds. Multi-year contracts may be conditioned upon continued availability of congressional appropriations and are being impacted by the uncertainty regarding the federal budget pressures. Variances between anticipated budget and congressional appropriations may result in a delay, reduction or termination of these contracts. In addition, continued weak economic conditions have put significant pressure on the U.S. federal budget. The U.S. government is currently operating under a continuing resolution budget that funds the federal government through December 8, 2017. The continuing resolution limits the DoD to funding caps set in the Budget Control Act of 2011. Absent a future budget agreement, the full effect of sequestration could return in the government's fiscal 2018 budget. Budgetary concerns could result in future defense vehicle contracts being awarded more on price than the past competitive factors described above.

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Oshkosh Defense's sales are substantially dependent upon periodic awards of new contracts, the purchase of base vehicle quantities and the exercise of options under existing contracts. The funding of U.S. government programs is subject to an annual congressional budget authorization and appropriation process. In years when the U.S. government has not completed its budget process before the end of its fiscal year, government operations are typically funded pursuant to a "continuing resolution," which allows federal government agencies to operate at spending levels approved in the previous budget cycle but does not authorize new spending initiatives. When the U.S. government operates under a continuing resolution, delays can occur in the procurement of the products, services and solutions that we provide and may result in new initiatives being delayed or canceled, or funds could be reprogrammed away from our programs to pay for higher priority operational needs. The U.S. government is currently operating under a continuing resolution budget that funds the federal government through December 8, 2017. In years when the U.S. government fails to complete its budget process or to provide for a continuing resolution, a federal government shutdown may result. This could in turn result in the delay or cancellation of key programs, which could have a negative effect on our cash flows and adversely affect our future results. In addition, payments to contractors for services performed during a federal government shutdown may be delayed, which would have a negative effect on our cash flows.

Defense contract awards that Oshkosh Defense receives may be subject to protests by competing bidders. These protests, if successful, could result in the DoD revoking part or all of any defense contract it awards to Oshkosh Defense and an inability of Oshkosh Defense to recover amounts it has expended during the protest period in anticipation of initiating work under any such contract.

Under firm, fixed-price contracts with the U.S. government, the price paid to the Company is generally not subject to adjustment to reflect the Company's actual costs, except costs incurred as a result of contract changes ordered by the U.S. government. However, under fixed-price incentive firm contracts with the U.S. government, the price paid to the Company is subject to adjustment based on the actual costs incurred. The impact of pricing adjustments under the fixed-price incentive firm contracts are generally shared by the Company and its customer. The Company generally attempts to negotiate with the U.S. government the amount of increased compensation to which the Company is entitled for government-ordered changes that result in higher costs. If the Company is unable to negotiate a satisfactory agreement to provide such increased compensation, then the Company may file an appeal with the Armed Services Board of Contract Appeals or the U.S. Claims Court. The Company has no such appeals pending. The Company seeks to mitigate risks with respect to fixed-price contracts by executing firm, fixed-price contracts with its suppliers of significant components for the duration of the Company's contracts.

U.S. government contracts generally permit the government to terminate a contract, in whole or part, at the government's convenience. If the U.S. government exercises its rights under this clause the contractor is entitled to payment for the allowable costs incurred and a reasonable profit on the work performed to date. The U.S. government can also terminate a contract for default. If a contract is terminated for default, the contractor is generally entitled to payment for work that has been accepted by the U.S. government. Termination for default may expose the Company to loss on work not yet accepted by the government and have a negative impact on the Company's ability to obtain future orders and contracts. The U.S. government's right to terminate its contracts has not had a material effect on the operations or financial condition of the Company.

The Company, as a U.S. government contractor, is subject to financial audits and other reviews by the U.S. government relating to the performance of, and the accounting and general practices relating to, U.S. government contracts. Like most large government contractors, the Company is audited and reviewed by the government on a continual basis. Costs and prices under such contracts may be subject to adjustment based upon the results of such audits and reviews. Additionally, such audits and reviews can lead to civil, criminal or administrative proceedings. Such proceedings could involve claims by the government for fines, penalties, compensatory and treble damages, restitution and/or forfeitures. Under government regulations, a company or one or more of its subsidiaries can also be suspended or debarred from government contracts, or lose its export privileges based on the results of such

proceedings. The Company believes that the outcome of all such audits and reviews that are now pending will not have a material effect on its financial condition, results of operations or cash flows.



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### Suppliers

The Company is dependent on its suppliers and subcontractors to meet commitments to its customers, and many components are procured or subcontracted on a sole-source basis with a number of domestic and foreign companies. Components for the Company's products are generally available from a number of suppliers, although the transition to a new supplier may require several months to conclude. The Company purchases chassis components, such as vehicle frames, engines, transmissions, radiators, axles, tires, drive motors, bearings and hydraulic components and vehicle body options, such as cranes, cargo bodies and trailers, from third-party suppliers. These body options may be manufactured specific to the Company's requirements; however, most of the body options could be manufactured by other suppliers or the Company itself. Through reliance on this supply network for the purchase of certain components, the Company is able to reduce many of the pre-production and fixed costs associated with the manufacture of these components and vehicle body options. The Company purchases a large amount of fabrications and outsources certain manufacturing services, each generally from small companies located near its facilities. While providing low-cost services and product surge capability, such companies often require additional management attention during difficult economic conditions or contract start-up. The Company also purchases complete vehicle chassis from truck chassis suppliers in its commercial segment and, to a lesser extent, in its fire & emergency and access equipment segments. Increasingly, the Company is sourcing components globally, which may involve additional inventory requirements and introduces additional foreign currency exposures. The Company maintains an extensive qualification, on-site inspection, assistance and performance measurement system to attempt to control risks associated with reliance on suppliers. The Company occasionally experiences problems with supplier and subcontractor performance and component, chassis and body availability and must identify alternate sources of supply and/or address related warranty claims from customers.

While the Company purchases many costly components such as chassis, engines and transmissions, it manufactures certain proprietary components and systems. These components include front drive steer axles, transfer cases, transaxles, cabs, the TAK-4 independent suspension system, Hercules and Husky compressed air foam systems, the Command Zone vehicle control system, body structures and many smaller parts that add uniqueness and value to the Company's products. The Company believes controlling the production of these components provides a significant competitive advantage and also serves to reduce the production costs of the Company's products. The Company intends to continue to pursue vertical integration opportunities to further increase its competitive advantage.

### Intellectual Property

Patents and licenses are important in the operation of the Company's business. One of management's objectives is developing proprietary components to provide the Company's customers with advanced technological solutions at attractive prices. The Company holds in excess of 800 active domestic and foreign patents. The Company believes patents for the TAK-4 independent suspension system, which expire between 2018 and 2029, provide the Company with a competitive advantage in the defense and fire & emergency segments. In the defense segment, the TAK-4 independent suspension system has been incorporated into the U.S. Marine Corps' MTRV and LVSR programs, the U.S. Army's PLS A1 program, the MRAP - Joint Program Office M-ATV program and the JLTV program. The Company believes the TAK-4 independent suspension system provided a performance and cost advantage that contributed to the Company winning these programs. In the fire & emergency segment, TAK-4 independent suspension systems are standard on all Pierce custom fire trucks, as well as Striker and Global Striker ARFF vehicles, which the Company believes brings a similar competitive advantage to these markets.

In 2012, the Company introduced the newest TAK-4 independent suspension system configuration, TAK-4i, where the "i" stands for "intelligent." The TAK-4i, which has been developed for rigorous military applications, provides 20 inches of wheel travel, a 25% improvement compared to the original TAK-4, and incorporates an adjustable ride height feature. The Company believes that the TAK-4i was a key factor in the Company's successful JLTV production

contract award.

The Company believes that patents for certain components of its ProPulse hybrid electric drive system and Command Zone electronics system offer potential competitive advantages to product lines across all its segments. To a lesser extent, other proprietary components provide the Company a competitive advantage in each of the Company's segments.

As part of the Company's long-term alliance with Caterpillar Inc., the Company acquired a non-exclusive, non-transferable worldwide license to use certain Caterpillar Inc. intellectual property through 2025 in connection with the design and manufacture of Caterpillar Inc.'s current telehandler products. Additionally, Caterpillar Inc. assigned to JLG certain patents and patent applications relating to the Caterpillar-branded telehandler products.

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The Company holds trademarks for “Oshkosh,” “Oshkosh Defense,” “TAK-4,” “ProPulse,” “JLG,” “SkyTrak,” “Pierce,” “McL” “Jerr-Dan,” “CON-E-CO,” “London” and “IMT” among others. These trademarks are considered to be important to the future success of the Company’s business.

### Employees

As of September 30, 2017, the Company had approximately 14,000 employees. The United Auto Workers union (UAW) represented approximately 2,000 production employees at the Company’s Oshkosh, Wisconsin facilities; the Boilermakers, Iron Shipbuilders, Blacksmiths and Forgers Union (Boilermakers) represented approximately 225 employees at the Company’s Kewaunee, Wisconsin facility; and the International Brotherhood of Teamsters Union (Teamsters) represented approximately 85 employees at the Company’s Garner, Iowa facility. The Company’s agreement with the UAW expires in September 2021. The Company’s five-year agreement with the Boilermakers extends through June 2022. The Company’s three-year agreement with the Teamsters expires in January 2018, and the Company is currently in negotiations with the Teamsters on a new agreement. In addition, the majority of the Company’s approximately 2,000 employees located outside of the U.S. are represented by separate works councils or unions. The Company has adopted a people first culture to build meaningful relationships with its employees and believes its relationship with its employee team members is satisfactory.

### Seasonal Nature of Business

In the Company’s access equipment and commercial segments, business tends to be seasonal with an increase in sales occurring in the spring and summer months that constitute the traditional construction season in the northern hemisphere. In addition, sales are generally lower in the first fiscal quarter in all segments due to the relatively high number of holidays in the United States which reduce available shipping days.

### Industry Segments

Financial information concerning the Company’s industry segments is included in Note 22 of the Notes to Consolidated Financial Statements contained in Item 8 of this Form 10-K.

### Foreign and Domestic Operations and Export Sales

The Company manufactures products in the U.S., the United Kingdom, Canada, Belgium, France, Australia, Romania, China and Mexico for sale throughout the world. Sales to customers outside of the U.S. were 25%, 24% and 21% of the Company’s consolidated sales for fiscal 2017, 2016 and 2015, respectively.

Financial information concerning the Company’s foreign and domestic operations and export sales is included in Note 22 of the Notes to Consolidated Financial Statements contained in Item 8 of this Form 10-K.

### Available Information

The Company maintains a website with the address [www.oshkoshcorporation.com](http://www.oshkoshcorporation.com). The Company is not including the information contained on the Company’s website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. The Company makes available free of charge (other than an investor’s own Internet access charges) through its website its Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after the Company electronically files such materials with, or furnishes such materials to, the Securities and Exchange Commission (SEC).



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ITEM 1A. RISK FACTORS

The Company's financial position, results of operations and cash flows are subject to various risks, many of which are not exclusively within the Company's control, which may cause actual performance to differ materially from historical or projected future performance. Investors should consider carefully information in this Annual Report on Form 10-K in light of the risk factors described below.

Our markets are highly cyclical. Declines in these markets could have a material adverse effect on our operating performance.

The high levels of sales in our defense segment between fiscal 2008 and 2013 were due in significant part to demand for defense tactical wheeled vehicles, replacement parts and services (including armoring) and vehicle remanufacturing arising from the conflicts in Iraq and Afghanistan. Events such as these are unplanned, as is the demand for our products that arises out of such events. Significantly lower U.S. involvement in those conflicts resulted in significant reductions in the level of defense funding. In addition, current economic and political conditions continue to put significant pressure on the U.S. federal budget, including the defense budget. Current and projected DoD budgets have significantly lower funding for our vehicles than we experienced during the height of the Iraq and Afghanistan conflicts. In addition, the Budget Control Act of 2011 contains an automatic sequestration feature that may require additional cuts to defense spending through fiscal 2023 if the budget caps within the agreement are exceeded. Absent a budget agreement, the full effect of sequestration could impact the government's fiscal 2018 budget. The U.S. government is currently operating under a continuing resolution budget that funds the federal government through December 8, 2017. The continuing resolution limits the DoD to funding caps set in the Budget Control Act of 2011. The magnitude of the adverse impact that federal budget pressures will have on future funding for our defense programs is unknown.

The access equipment market is highly cyclical and impacted (i) by the strength of economies in general, (ii) by residential and non-residential construction spending, (iii) by the ability of rental companies to obtain third-party financing to purchase revenue generating assets, (iv) by capital expenditures of rental companies in general, including the rate at which they replace aged rental equipment, which is impacted in part by historical purchase levels, including lower levels of purchasing during the Great Recession, which we believe contributed to a decrease in access equipment sales from fiscal 2015 to fiscal 2017, (v) by the timing of engine emissions standards changes, and (vi) by other factors, including oil and gas related activity. The ready-mix concrete market that we serve is highly cyclical and impacted by the strength of the economy generally, by the number of housing starts and by other factors that may have an effect on the level of concrete placement activity, either regionally or nationally. Refuse collection vehicle markets are also cyclical and impacted by the strength of economies in general, by municipal tax receipts and by the size and timing of capital expenditures, including replacement demand, by large waste haulers. Fire & emergency markets are cyclical later in an economic downturn and are impacted by the economy generally and by municipal tax receipts and capital expenditures.

Lower U.S. housing starts since fiscal 2008 have negatively impacted sales volumes for our concrete placement products as compared to historical levels. Despite continued modest U.S. construction growth, concrete mixer customers have maintained a cautious approach to fleet replacement/expansion, generally wanting to confirm that construction activity in the U.S. will support solid fleet utilization. A lack of sustained improvement in residential construction spending generally may result in our inability to achieve our sales expectations or cause future weakness in demand for our products. We cannot provide any assurance that the housing recovery will not progress even more slowly than what we or the market expect. If the housing recovery progresses more slowly than what we or the market expect, then there could be an adverse effect on our net sales, financial condition, profitability and/or cash flows.



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Our dependency on contracts with U.S. and foreign government agencies subjects us to a variety of risks that could materially reduce our revenues or profits.

We are dependent on U.S. and foreign government contracts for a substantial portion of our business. Approximately 20% of our sales in fiscal 2017 were to the DoD. That business is subject to the following risks, among others, that could have a material adverse effect on our operating performance:

Our business is susceptible to changes in the U.S. defense budget, which changes may reduce revenues that we expect from our defense business, especially in light of federal budget pressures, lower levels of U.S. ground troops deployed in foreign conflicts, sequestration and the level of defense funding that will be allocated to the DoD's tactical wheeled vehicle strategy generally.

The U.S. government may not budget for or appropriate funding that we expect for our U.S. government contracts, which may prevent us from realizing revenues under current contracts or receiving additional orders that we anticipate we will receive. The DoD could also seek to reprogram certain funds originally planned for the purchase of vehicles manufactured by us under the current defense budget allocations.

The funding of U.S. government programs is subject to an annual congressional budget authorization and appropriation process. In years when the U.S. government has not completed its budget process before the end of its fiscal year, government operations are typically funded pursuant to a "continuing resolution," which allows federal government agencies to operate at spending levels approved in the previous budget cycle but does not authorize new spending initiatives. When the U.S. government operates under a continuing resolution, delays can occur in the procurement of the products, services and solutions that we provide and may result in new initiatives being delayed or cancelled, or funds could be reprogrammed away from our programs to pay for higher priority operational needs. The U.S. government is currently operating under a continuing resolution budget that funds the federal government through December 8, 2017. Furthermore, in years when the U.S. government fails to complete its budget process or to provide for a continuing resolution, a federal government shutdown may result. This could in turn result in the delay or cancellation of key programs, which could have a negative effect on our cash flows and adversely affect our future results. In addition, payments to contractors for services performed during a federal government shutdown may be delayed, which would have a negative effect on our cash flows.

Certain of our government contracts for the U.S. Army and U.S. Marine Corps could be delayed or terminated, and all such contracts expire in the future and may not be replaced, which could reduce revenues that we expect under the contracts and negatively affect margins in our defense segment.

The Weapon Systems Acquisition Reform Act and the Competition in Contracting Act requires competition for U.S. defense programs in most circumstances. Competition for DoD programs that we currently have could result in the U.S. government awarding future contracts to another manufacturer or the U.S. government awarding the contracts to us at lower prices and operating margins than we experience under the current contracts. In particular, the DoD has begun a process to recompete the FMTV program. The U.S. government issued requests for proposal from interested parties in October 2016 to produce FMTVs for a five-year period starting in fiscal 2021. We submitted our proposal in May 2017, and we expect the U.S. government to award the new FMTV production contract to the successful bidder in the second quarter of fiscal 2018.

Competitions for the award of defense tactical wheeled vehicle contracts are intense, and we cannot provide any assurance that we will be successful in the defense tactical wheeled vehicle procurement competitions in which we participate. In addition, the U.S. government has become more aggressive in seeking to acquire the design rights to the Company's current and potential future programs to facilitate competition for manufacturing our vehicles. The willingness of bidders to license their design rights to the DoD was an evaluation factor in the JLTV contract competition and is expected to be an evaluation factor in the recompetes for the FMTV program.

Defense tactical wheeled vehicles contract awards that we receive may be subject to protests or lawsuits by competing bidders, which protests or lawsuits, if successful, could result in the DoD revoking part or all of any defense tactical wheeled vehicles contract it awards to us and our inability to recover amounts we have expended in anticipation of initiating production under any such contract.





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Most of our contracts with the DoD are multi-year firm, fixed-price contracts. These contracts typically contain annual sales price increases. Under the JLTV contract, we bear the risk of material, labor and overhead cost escalation for the full eight years of the contract, which is 3 to 5 years longer than has been the case under our other defense contracts. We attempt to limit the risk related to raw material price fluctuations on prices for major defense components by obtaining firm pricing from suppliers at the time a contract is awarded. However, if these suppliers do not honor their contracts, then we could face margin pressure. Furthermore, if our actual costs on any of these contracts exceed our projected costs, it could result in profits lower than historically realized or than we anticipate or net losses under these contracts.

We account for sales under certain DoD contracts, the largest of which is the JLTV contract, utilizing the cost-to-cost method of percentage-of-completion accounting, which requires the use of estimates. This accounting requires judgment relative to assessing risks, estimating revenues and costs and making assumptions for delivery schedule and technical issues. Due to the size and nature of the JLTV contract, the estimation of total revenues and cost at completion is complicated and subject to many variables. We must make assumptions regarding expected increases in wages and employee benefits, productivity and availability of labor, material costs and allocated fixed costs. Changes to model mix, production costs and rates, learning curve, supplier performance and/or certification issues can also impact these estimates. Any change in estimates relating to JLTV program costs may adversely affect future financial performance. Changes in underlying assumptions, circumstances or estimates could have a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

We must spend significant sums on product development and testing, bid and proposal activities, and pre-contract engineering, tooling and design activities in competitions to have the opportunity to be awarded these contracts.

Our defense products undergo rigorous testing by the customer and are subject to highly technical requirements. Our products are inspected extensively by the DoD prior to acceptance to determine adherence to contractual technical and quality requirements. The JLTV contract contains product testing requirements that are generally more rigorous than our other DoD contracts. Any failure to pass these tests or to comply with these requirements could result in unanticipated retrofit and rework costs, vehicle design changes, delayed acceptance of vehicles, late or no payments under such contracts or cancellation of the contract to provide vehicles to the U.S. government.

As a U.S. government contractor, our U.S. government contracts and systems are subject to audit and review by the Defense Contract Audit Agency and the Defense Contract Management Agency. These agencies review our performance under our U.S. government contracts, our cost structure and our compliance with laws and regulations applicable to U.S. government contractors. Systems that are subject to review include, but are not limited to, our accounting systems, estimating systems, material management systems, earned value management systems, purchasing systems and government property systems. If improper or illegal activities, errors or system inadequacies come to the attention of the U.S. government, as a result of an audit or otherwise, then we may be subject to civil and criminal penalties, contract adjustments and/or agreements to upgrade existing systems as well as administrative sanctions that may include the termination of our U.S. government contracts, forfeiture of profits, suspension of payments, fines and, under certain circumstances, suspension or debarment from future U.S. government contracts for a period of time. Whether or not illegal activities are alleged and regardless of materiality, the U.S. government also has the ability to decrease or withhold certain payments when it deems systems subject to its review to be inadequate. These laws and regulations affect how we do business with our customers and, in many instances, impose added costs on our business.

Our defense business may fluctuate significantly from time to time as a result of the start and completion of existing and new domestic and international contract awards that we may receive. Our defense tactical wheeled vehicle contracts are large in size and require significant personnel and production resources, and when our defense tactical wheeled vehicle customers allow such contracts to expire or significantly reduce their vehicle requirements under such contracts, we must make adjustments to personnel and production resources. The start and completion of existing and new contract awards that we may receive can cause our defense business to fluctuate significantly.

We face uncertainty regarding timing of funding or payments on key large international defense tactical wheeled vehicle contracts, including contracts for M-ATVs.

We periodically experience difficulties with sourcing sufficient vehicle carcasses from the U.S. military to maintain our defense tactical wheeled vehicles remanufacturing schedule, which can create uncertainty and inefficiencies for this area of our business.

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We may not be able to execute on our MOVE strategy.

During our September 2016 Analyst Day, we announced our evolved MOVE strategy, which is our strategy to deliver long-term growth and earnings for our shareholders. We cannot provide any assurance we will be able to successfully execute our MOVE strategy, which is subject to a variety of risks, including the following:

- Our inability to adopt the use of standard processes and tools to drive improved customer satisfaction;
- Our inability to expand our aftermarket parts and service availability;
- Our inability to improve our product quality;
- Our inability to improve margins through simplification actions;
- Our failure to realize product, process and overhead cost reduction targets;
- Our inability to design new products that meet our customers' requirements and bring them to market;
- Higher costs than anticipated to launch new products or delays in new product launches; and
- Slow adoption of our products in emerging markets and/or our inability to successfully execute our emerging market growth strategy.

We expect to incur costs and charges as a result of restructuring of facilities or operations that we expect will reduce on-going costs. These actions may be disruptive to our business and may not result in anticipated cost savings.

Periodically we restructure facilities and operations in an effort to make our business more efficient. During the fourth quarter of fiscal 2016 we announced our plan to outsource aftermarket parts warehousing in the access equipment segment to a third party logistics company. In January 2017, we announced plans to close our access equipment manufacturing plant and pre-delivery inspection facilities in Belgium, streamline telehandler product offerings to a reduced range in Europe, transfer remaining European telehandler manufacturing to our facility in Romania and reduce engineering staff supporting European telehandlers, including the closure of a UK-based engineering facility. The announced plans also included the move of North American telehandler production from Ohio to facilities in Pennsylvania. We expect implementation costs for these actions to be approximately \$50 million. We recognized \$43 million of restructuring-related costs in fiscal 2017 and expect to recognize the remaining costs to implement these actions in fiscal 2018. In the future, we may incur additional costs, asset impairments and restructuring charges in connection with such consolidations, workforce reductions and other cost reduction measures that have adversely affected, and to the extent incurred in the future would adversely affect, our future earnings and cash flows. Such actions may be disruptive to our business. This may result in production inefficiencies, product quality issues, late product deliveries or lost orders as we begin production at consolidated facilities or outsource activities to third parties, which would adversely impact our sales levels, operating results and operating margins. Furthermore, we may not realize the cost savings that we expect to realize as a result of such actions.

Raw material price fluctuations may adversely affect our results.

We purchase, directly and indirectly through component purchases, significant amounts of steel, aluminum, petroleum-based products and other raw materials annually. Steel, aluminum, fuel and other commodity prices have historically been highly volatile. For example, U.S. steel prices increased almost 45% between March 2016 and March 2017, and have remained at those elevated levels. Costs for these items may increase, or remain at increased levels, in the future due to one or more of the following: a sustained economic recovery, the level of tariffs imposed on imported steel or a weakening U.S. dollar. Increases in commodity costs negatively impact the profitability of orders in backlog as prices on those orders are usually fixed. If we are not able to recover commodity cost increases through price increases to our customers on new orders, then such increases will have an adverse effect on our financial condition, profitability and/or cash flows. Additionally, if commodity costs decrease and we are unable to negotiate timely component cost decreases commensurate with any decrease in commodity costs, then our higher component prices could put us at a material disadvantage as compared to our competition which could have a material adverse effect on our net sales, financial condition, profitability and/or cash flows.



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A disruption or termination of the supply of parts, materials, components and final assemblies from third-party suppliers could delay sales of our vehicles and vehicle bodies.

We have experienced, and may in the future experience, significant disruption or termination of the supply of some of our parts, materials, components and final assemblies that we obtain from sole source suppliers or subcontractors. We may also incur a significant increase in the cost of these parts, materials, components or final assemblies. These risks are increased in a weak economic environment and when demand increases coming out of an economic downturn. Such disruptions, terminations or cost increases have resulted and could further result in manufacturing inefficiencies due to us having to wait for parts to arrive on the production line, could delay sales and could result in a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

We are subject to fluctuations in exchange rates associated with our non-U.S. operations that could adversely affect our results of operations and may significantly affect the comparability of our results between financial periods.

Approximately 25% of our net sales in fiscal 2017 were attributable to products sold outside of the United States, of which approximately 73% involved export sales from the United States. The majority of export sales are denominated in U.S. dollars. Sales that originate outside the United States are typically transacted in the local currencies of those countries. Fluctuations in foreign currency, as we experienced during fiscal 2015 and 2016, can have an adverse impact on our sales and profits as amounts that are measured in foreign currency are translated back to U.S. dollars. We have sales of inventory denominated in U.S. dollars to certain of our subsidiaries that have functional currencies other than the U.S. dollar. The exchange rates between many of these currencies and the U.S. dollar have fluctuated significantly in recent years and may fluctuate significantly in the future. In June 2016, the United Kingdom held a referendum in which a majority of voters voted for the United Kingdom to exit the European Union (Brexit), the announcement of which resulted in a significant devaluation of the British pound sterling. Such fluctuations, in particular those with respect to the Euro, the Chinese renminbi, the Canadian dollar, the Mexican peso, the Brazilian real, the Australian dollar and the British pound sterling, may have a material effect on our net sales, financial condition, profitability and/or cash flows and may significantly affect the comparability of our results between financial periods. In addition, any appreciation in the value of the U.S. dollar in relation to the value of the local currency of those countries where our products are sold will increase our costs of goods in our foreign operations, to the extent such costs are payable in U.S. dollars, and impact the competitiveness of our product offerings in international markets.

We may experience losses in excess of our recorded reserves for doubtful accounts, finance receivables, notes receivable and guarantees of indebtedness of others.

As of September 30, 2017, we had consolidated gross receivables of \$1.35 billion. In addition, we were subject to obligations to guarantee customer indebtedness to third parties of \$568.2 million, under which we estimate our maximum exposure to be \$101.9 million. We evaluate the collectibility of open accounts, finance receivables, notes receivable and our guarantees of indebtedness of others based on a combination of factors and establish reserves based on our estimates of potential losses. In circumstances where we believe it is probable that a specific customer will have difficulty meeting its financial obligations, we record a specific reserve to reduce the net recognized receivable to the amount we expect to collect, and/or we recognize a liability for a guarantee we expect to pay, taking into account any amounts that we would anticipate realizing if we are forced to repossess the equipment that supports the customer's financial obligations to us. We also establish additional reserves based upon our perception of the quality of the current receivables, the current financial position of our customers and past collections experience. Prolonged or more severe economic weakness may result in additional requirements for specific reserves. During periods of economic weakness, the collateral underlying our guarantees of indebtedness of customers or receivables can decline sharply, thereby increasing our exposure to losses. We also face a concentration of credit risk as the access equipment segment's ten largest debtors at September 30, 2017 represented approximately 25% of our consolidated gross

receivables. Some of these customers are highly leveraged. We may incur losses in excess of our recorded reserves if the financial condition of our customers were to deteriorate or the full amount of any anticipated proceeds from the sale of the collateral supporting our customers' financial obligations is not realized. Our cash flows and overall liquidity may be materially adversely affected if any of the financial institutions that finance our customer receivables become unable or unwilling, due to unfavorable economic conditions, a weakening of our or their financial position or otherwise, to continue providing such credit.

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An impairment in the carrying value of goodwill and other indefinite-lived intangible assets could negatively affect our operating results.

We have a substantial amount of goodwill and other indefinite-lived intangible assets on our balance sheet as a result of acquisitions we have completed. At September 30, 2017, approximately 90% of these intangibles were concentrated in the access equipment segment. We evaluate goodwill and indefinite-lived intangible assets for impairment at least annually, or more frequently if potential interim indicators exist that could result in impairment. Events and conditions that could result in impairment include a prolonged period of global economic weakness, a decline in economic conditions or a slow, weak economic recovery, a sustained decline in the price of our common stock, adverse changes in the regulatory environment, adverse changes in the market share of our products, adverse changes in interest rates, or other factors leading to reductions in the long-term sales or profitability that we expect. Determination of the fair value of a reporting unit includes developing estimates which are highly subjective and incorporate calculations that are sensitive to minor changes in underlying assumptions. Management's assumptions change as more information becomes available. Changes in these events and conditions or other assumptions could result in an impairment charge in the future, which could have a significant adverse impact on our reported earnings.

Financing costs and restrictive covenants in our current debt facilities could limit our flexibility in managing our business and increase our vulnerability to general adverse economic and industry conditions.

Our credit agreement contains financial and restrictive covenants which, among other things, require us to satisfy quarter-end financial ratios, including a leverage ratio, a senior secured leverage ratio and an interest coverage ratio. Our ability to meet the financial ratios in such covenants may be affected by a number of risks or events, including the risks described in this Report on Form 10-K and events beyond our control. The indentures governing our senior notes also contain restrictive covenants. Any failure by us to comply with these restrictive covenants or the financial and restrictive covenants in our credit agreement could have a material adverse effect on our financial condition, results of operations and debt service capability.

Our access to debt financing at competitive risk-based interest rates is partly a function of our credit ratings. Our current long-term credit ratings are BB+ with “positive” outlook from S&P Global Ratings and Ba2 with “positive” outlook from Moody's Investors Service. A downgrade to our credit ratings could increase our interest rates, could limit our access to public debt markets, could limit the institutions willing to provide us credit facilities, and could make any future credit facilities or credit facility amendments more costly and/or difficult to obtain. In addition, an increase in general interest rates, like increases currently being contemplated by the United States Federal Reserve, would also increase our cost of borrowing under our credit agreement.

We had \$838 million of debt outstanding as of September 30, 2017, which consisted primarily of a \$335 million term loan under our credit agreement maturing in March 2019 and \$500 million of senior notes, \$250 million of which mature in March 2022 and \$250 million of which mature in March 2025. Our ability to make required payments of principal and interest on our debt will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, political and other factors, some of which are beyond our control. As we discussed above, our dependency on contracts with U.S. and foreign government agencies subjects us to a variety of risks that, if realized, could materially reduce our revenues, profits and cash flows. Accordingly, conditions could arise that could limit our ability to generate sufficient cash flows or access borrowings to enable us to fund our liquidity needs, further limit our financial flexibility or impair our ability to obtain alternative financing sufficient to repay our debt at maturity.

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The covenants in our credit agreement and the indentures governing our senior notes, our credit rating, our current debt levels and the current credit market conditions could have important consequences for our operations, including:

- Render us more vulnerable to general adverse economic and industry conditions in our highly cyclical markets or economies generally;
- Require us to dedicate a portion of our cash flow from operations to interest costs or required payments on debt, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, research and development, share repurchases, dividends and other general corporate activities;
- Limit our ability to obtain additional financing in the future to fund growth working capital, capital expenditures, new product development expenses and other general corporate requirements;
- Make us vulnerable to increases in interest rates as our debt under our credit agreement is at variable rates;
- Limit our flexibility in planning for, or reacting to, changes in our business and the markets we serve; and
- Limit our ability to pursue strategic acquisitions that may become available in our markets or otherwise capitalize on business opportunities if we had additional borrowing capacity.

Security breaches and other disruptions could compromise our information and expose us to liability, which could cause our business and reputation to suffer.

We use our information systems to collect and store confidential and sensitive data, including information about our business, our customers and our employees. As technology continues to evolve, we anticipate that we will collect and store even more data in the future and that our systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of our value relative to our competitors is derived from our confidential business information, including vehicle designs, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, we may lose our competitive advantage and our vehicle sales may suffer.

We also collect, retain and use personal information, including data we gather from customers for product development and marketing purposes, and data we obtain from employees. In the event of a breach in security that allows third parties access to this personal information, we are subject to a variety of ever-changing laws on a global basis that require us to provide notification to the data owners, and that subject us to lawsuits, fines and other means of regulatory enforcement. Depending on the function involved, a breach in security may lead to customers purchasing vehicles from our competitors, subject us to lawsuits, fines and other means of regulatory enforcement or harm employee morale.

Our objective is to expand international operations and sales, the conduct of which subjects us to risks that may have a material adverse effect on our business.

Expanding international operations and sales is a significant part of our growth strategy. International operations and sales are subject to various risks, including political, religious and economic instability, local labor market conditions, the imposition of foreign tariffs and other trade barriers, the impact of foreign government regulations and the effects of income and withholding taxes, sporadic order patterns, governmental expropriation, uncertainties or delays in collection of accounts receivable and differences in business practices. We may incur increased costs, including increased supply chain costs, and experience delays or disruptions in production schedules, product deliveries or payments in connection with international manufacturing and sales that could cause loss of revenues and earnings. Among other things, there are additional logistical requirements associated with international sales, which increase the amount of time between the completion of vehicle production and our ability to recognize related revenue. In addition, expansion into foreign markets requires the establishment of distribution networks and may require modification of products to meet local requirements or preferences. Establishment of distribution networks or modification to the design of our products to meet local requirements and preferences may take longer or be more costly than we anticipate and could have a material adverse effect on our ability to achieve international sales growth. Some of these



international sales require financing to enable potential customers to make purchases. Availability of financing to non-U.S. customers depends in part on the U.S. Export-Import Bank. If U.S. Export-Import Bank authorization financing is not secured for certain transactions, we may not be able to effectively compete for international sales against foreign competitors who are able to benefit from direct or indirect financial support from governments where they have operations. In addition, our entry into certain markets that we wish to enter may require us to establish a joint venture. Identifying an appropriate joint venture partner and creating a joint venture could be more time consuming, more costly and more difficult than we anticipate.

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As a result of our international operations and sales, we are subject to the Foreign Corrupt Practices Act (FCPA) and other laws that prohibit improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business. Our international activities create the risk of unauthorized payments or offers of payments in violation of the FCPA by one of our employees, consultants, sales agents or distributors, because these parties are not always subject to our control. Any violations of the FCPA could result in significant fines, criminal sanctions against us or our employees, and prohibitions on the conduct of our business, including our business with the U.S. government. We are also increasingly subject to export control regulations, including, without limitation, the United States Export Administration Regulations and the International Traffic in Arms Regulations. Unfavorable changes in the political, regulatory or business climate could have a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

Our results could be adversely affected by severe weather, natural disasters, and other events in the locations in which we or our customers or suppliers operate.

We have manufacturing and other operations in locations prone to severe weather and natural disasters, including earthquakes, hurricanes or tsunamis that could disrupt our operations. Our suppliers and customers also have operations in such locations. Severe weather or a natural disaster that results in a prolonged disruption to our operations, or the operations of our customers or suppliers could delay delivery of parts, materials or components to us or sales to our customers and could have a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

Concrete mixer and access equipment sales also are seasonal with the majority of such sales occurring in the spring and summer months, which constitute the traditional construction season in the Northern hemisphere. The timing of orders for the traditional construction season in the Northern hemisphere can be impacted by weather conditions.

Changes in the tax regimes and related government policies and regulations in the countries in which we operate could adversely affect our results and our effective tax rate.

As a multinational corporation, we are subject to various taxes in both U.S. and non-U.S. jurisdictions. Due to economic and political conditions, tax laws, regulations and rates in these various jurisdictions may be subject to significant change. Our future effective income tax rate could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets or changes in tax laws or their interpretation. Recent developments, including potential U.S. tax reform discussions, the European Commission's investigations of illegal state aid as well as the Organisation for Economic Co-operation and Development project on Base Erosion and Profit Shifting may result in changes to long-standing tax principles, which could adversely affect our effective tax rate or result in higher cash tax liabilities. Increases in our effective tax rate or tax liabilities could have a material adverse effect on our financial condition, profitability and/or cash flows.

Changes in regulations could adversely affect our business.

Both our products and the operation of our manufacturing facilities are subject to statutory and regulatory requirements. These include environmental requirements applicable to manufacturing and vehicle emissions, government contracting regulations and domestic and international trade regulations. A significant change to these regulatory requirements could substantially increase manufacturing costs or impact the size or timing of demand for our products, all of which could make our business results more variable.

In particular, many scientists, legislators and others attribute climate change to increased levels of greenhouse gases, including carbon dioxide, which has led to significant legislative and regulatory efforts to limit greenhouse gas

emissions. Congress has previously considered and may in the future implement restrictions on greenhouse gas emissions through a cap-and-trade system under which emitters would be required to buy allowances to offset emissions of greenhouse gas. In addition, several states, including states where we have manufacturing plants, are considering various greenhouse gas registration and reduction programs. Our manufacturing plants use energy, including electricity and natural gas, and certain of our plants emit amounts of greenhouse gas that may be affected by these legislative and regulatory efforts. Greenhouse gas regulation could increase the price of the electricity we purchase, increase costs for our use of natural gas, potentially restrict access to or the use of natural gas, require us to purchase allowances to offset our own emissions or result in an overall increase in our costs of raw materials, any one of which could increase our costs, reduce our competitiveness in a global economy or otherwise negatively affect our business, operations or financial results.

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SEC disclosure requirements impose inquiry, diligence and disclosure obligations with respect to “conflict minerals,” defined as tin, tantalum, tungsten and gold, that are necessary to the functionality of a product manufactured, or contracted to be manufactured, by an SEC reporting company. Certain of these minerals are used extensively in components manufactured by our suppliers (or in components incorporated by our suppliers into components supplied to us) for use in our vehicles or other products. Our supply chain is very complex and multifaceted. We have encountered significant difficulty in determining the country of origin or the source and chain of custody for all “conflict minerals” used in our products. We may face reputational challenges if we are unable to verify the country of origin or the source and chain of custody for all “conflict minerals” used in our products or if we are unable to disclose that our products are “conflict free.” Implementation of these rules may also affect the sourcing and availability of some minerals necessary to the manufacture of our products and may affect the availability and price of “conflict minerals” capable of certification as “conflict free.” Accordingly, we may incur significant costs as a consequence of these rules, which may adversely affect our business, financial condition or results of operations. Other laws or regulations impacting our supply chain, such as the UK Modern Slavery Act, may have similar consequences.

Our financial statements are subject to changes in accounting standards that could adversely impact our profitability or financial position.

Our financial statements are subject to the application of generally accepted accounting principles in the United States of America, which are periodically revised and/or expanded. Accordingly, from time to time, we must adopt new or revised accounting standards that recognized authoritative bodies, including the Financial Accounting Standards Board, have issued. Recently, accounting standard setters issued new guidance that further interprets or seeks to revise accounting pronouncements related to revenue recognition and lease accounting and issued new standards expanding disclosures. We discuss the impact of accounting pronouncements that have been issued but not yet implemented in our annual and quarterly reports on Form 10-K and Form 10-Q. We do not provide an assessment of proposed standards, as such proposals are subject to change through the exposure process and, therefore, we cannot meaningfully assess their effects on our financial statements. It is possible that accounting standards we must adopt in the future could change the current accounting treatment that we apply to our consolidated financial statements and that such changes could have a material adverse effect on our reported results of operations and/or financial condition.

Disruptions within our dealer network could adversely affect our business.

Although we sell the majority of our products directly to the end user, we market, sell and service products through a network of independent dealers in the fire & emergency segment and in a limited number of markets for the access equipment and commercial segments. As a result, our business with respect to these products is influenced by our ability to establish and manage new and existing relationships with dealers. While we have relatively low turnover of dealers, from time to time, we or a dealer may choose to terminate the relationship as a result of difficulties that our independent dealers experience in operating their businesses due to economic conditions or other factors, or as a result of an alleged failure by us or an independent dealer to comply with the terms of our dealer agreement. We do not believe our business is dependent on any single dealer, the loss of which would have a sustained material adverse effect upon our business. However, disruption of dealer coverage within a specific state or other geographic market could cause difficulties in marketing, selling or servicing our products and have an adverse effect on our business, operating results or financial condition.

In addition, our ability to terminate our relationship with a dealer is limited due to state dealer laws, which generally provide that a manufacturer may not terminate or refuse to renew a dealer agreement unless it has first provided the dealer with required notices. Under many state laws, dealers may protest termination notices or petition for relief from termination actions. Responding to these protests and petitions may cause us to incur costs and, in some instances, could lead to litigation resulting in lost opportunities with other dealers or lost sales opportunities, which may have an

adverse effect on our business, operating results or financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

The Company has no unresolved staff comments regarding its periodic or current reports from the staff of the SEC that were issued 180 days or more preceding September 30, 2017.

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## ITEM 2. PROPERTIES

The Company believes its equipment and buildings are well maintained and adequate for its present and anticipated needs. As of September 30, 2017 the Company operated in 29 manufacturing facilities. The locations of the Company's principal manufacturing facilities are provided in the table below:

Segment	Location (# of facilities)	Segment	Location (# of facilities)	
Access Equipment	McConnellsburg, Pennsylvania (3)	Fire & Emergency	Appleton, Wisconsin (2)	
	Orville, Ohio (1)		Bradenton, Florida (1)	
	Shippensburg, Pennsylvania (1)		Kewaunee, Wisconsin (1)	
	Greencastle, Pennsylvania (1)		Clearwater, Florida (1) <sup>(a)</sup>	
	Medias, Romania (1) <sup>(a)</sup>		Neenah, Wisconsin (1) <sup>(a)</sup>	
	Maasmechelen, Belgium (1) <sup>(a)</sup>			
	Tianjin, China (1)		Commercial	Dodge Center, Minnesota (1)
	Tonneins, France (1) <sup>(a)</sup>			Garner, Iowa (1)
	Port Macquarie, Australia (1)			Blair, Nebraska (1)
	Leicester, United Kingdom (1)			Riceville, Iowa (1)
Defense	Oshkosh, Wisconsin (4)		Audubon, Iowa (1)	
			London, Canada (1) <sup>(a)</sup>	
Corporate	Leon, Mexico (1)			

<sup>(a)</sup> These facilities are leased.

The Company's manufacturing facilities generally operate five days per week on one or two shifts, except for seasonal shutdowns for one- to three-week periods. The Company believes its manufacturing capacity could be significantly increased with limited capital spending by operating an additional shift at each facility.

The Company also performs contract maintenance services out of multiple warehousing and service facilities owned and/or operated by the U.S. government and third parties, including locations in the U.S., Japan and multiple other countries in Europe and the Middle East.

In addition to sales and service activities at the Company's manufacturing facilities, the Company maintains a network of sales and service centers in the U.S. The Company uses these facilities primarily for sales and service of concrete mixers and refuse collection vehicles. The access equipment segment also leases a number of small distribution, engineering, administration or service facilities throughout the world.

## ITEM 3. LEGAL PROCEEDINGS

The Company is subject to environmental matters and legal proceedings and claims, including patent, antitrust, product liability, warranty and state dealership regulation compliance proceedings that arise in the ordinary course of

business. Although the final results of all such matters and claims cannot be predicted with certainty, the Company believes that the ultimate resolution of all such matters and claims will not have a material effect on the Company's financial condition, results of operations or cash flows.

Personal injury actions and other. At September 30, 2017, the estimated net liabilities for product and general liability claims totaled \$39.1 million. Although the final results of all such matters and claims cannot be predicted with certainty, the Company believes that the ultimate resolution of all such matters and claims, after taking into account the liabilities accrued with respect to all such matters and claims, will not have a material effect on the Company's financial condition, results of operations or cash flows. Actual results could vary, among other things, due to the uncertainties involved in litigation.

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## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information as of November 21, 2017 concerning the Company's executive officers. All of the Company's executive officers serve terms of one year and until their successors are elected and qualified.

Name	Age	Title
Wilson R. Jones	56	President and Chief Executive Officer
Ignacio A. Cortina	46	Executive Vice President, General Counsel and Secretary
James W. Johnson	52	Executive Vice President and President, Fire & Emergency Segment
Joseph H. Kimmitt	67	Executive Vice President, Government Operations and Industry Relations
Frank R. Nerenhausen	53	Executive Vice President and President, Access Equipment Segment
Mark M. Radue	53	Executive Vice President and Chief Strategy Officer
David M. Sagehorn	54	Executive Vice President and Chief Financial Officer
Robert H. Sims	55	Executive Vice President and Chief Human Resources Officer
John J. Bryant	59	Senior Vice President and President, Defense Segment
Marek W. May	48	Senior Vice President, Operations
Robert S. Messina	47	Senior Vice President, Engineering and Technology
Colleen R. Moynihan	57	Senior Vice President, Quality & Continuous Improvement
Bradley M. Nelson	48	Senior Vice President and President, Commercial Segment
Tina R. Schonert	50	Senior Vice President and Chief Procurement Officer

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Wilson R. Jones. Mr. Jones joined the Company in 2005 as Vice President and General Manager of the Company's airport products business. He served as President, Pierce; Executive Vice President and President, Fire & Emergency Segment from 2008 to 2010, Executive Vice President and President, Access Equipment Segment from 2010 to 2012 and most recently President and Chief Operating Officer of the Company from 2012 to 2016. Effective January 1, 2016, Mr. Jones assumed the position of President and Chief Executive Officer. Mr. Jones is also a director of the Company. Mr. Jones is a director of Thor Industries, Inc.

Ignacio A. Cortina. Mr. Cortina joined the Company in 2006 with the acquisition of JLG. He has held various roles of increasing responsibility, serving as the Company's Vice President and Deputy General Counsel from 2011 to 2015 and Senior Vice President, General Counsel and Secretary from 2015 to 2016. Prior to joining the Company, he spent seven years in private practice in the Washington, D.C. area. He was appointed to his current position of Executive Vice President, General Counsel and Secretary in November 2016.

James W. Johnson. Mr. Johnson joined the Company in 2007 as Director of Dealer Development for Pierce. He was appointed to Senior Vice President of Sales and Marketing for Pierce in 2009 and was appointed to his current position of Executive Vice President and President, Fire & Emergency Segment in 2010.

Joseph H. Kimmitt. Mr. Kimmitt joined the Company in 2001 as Vice President, Government Operations and was appointed to his current position of Executive Vice President, Government Operations and Industry Relations in 2006.



Frank R. Nerenhausen. Mr. Nerenhausen joined the Company in 1986 and has served in various assignments, including Vice President of Concrete & Refuse Sales & Marketing for McNeilus from 2008 to 2010 and Executive Vice President and President, Commercial Segment from 2010 to 2012. He was appointed to his current position of Executive Vice President and President, Access Equipment Segment in 2012.

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Mark M. Radue. Mr. Radue joined the Company in 2005 as Senior Director of Financial Analysis and Controls. He served as Senior Vice President, Business Development from 2011 to 2016 prior to being appointed to his current position of Executive Vice President and Chief Strategy Officer in November 2016.

David M. Sagehorn. Mr. Sagehorn joined the Company in 2000 as Senior Manager - Mergers & Acquisitions and has served in various assignments, including Director - Business Development, Vice President - Defense Finance, Vice President - McNeilus Finance, Vice President - Business Development and Vice President and Treasurer. He was appointed to his current position of Executive Vice President and Chief Financial Officer in 2007.

Robert H. Sims. Mr. Sims joined the Company in August 2016 as Executive Vice President and Chief Human Resources Officer. He previously served as a Senior Vice President Human Resources Officer at Eaton Corporation, a global power management company, from 2009 to August 2016. Prior to Eaton Corporation, Mr. Sims served in a variety of executive human resources roles with a number of major consumer brand companies.

John J. Bryant. Mr. Bryant joined the Company in 2010 as Vice President and General Manager of Marine Corps Programs - Defense segment. He served as Vice President of Programs - Defense segment from 2013 until his appointment to his current position of Senior Vice President and President, Defense Segment in June 2016. Prior to joining Oshkosh Defense, he served as a Professor of Program Management at the Defense Acquisition University. Mr. Bryant retired from the U.S. Marine Corps with the rank of Colonel in 2008.

Marek W. May. Mr. May joined the Company in 2009 as Director of Operations - Defense Segment and served as Senior Director of Operations - Defense Segment from June 2010 to September 2010 and Vice President of Manufacturing Operations - Defense Segment from September 2010 to 2013. He was appointed to his current position of Senior Vice President, Operations in 2013.

Robert S. Messina. Mr. Messina joined the Company in 2009 as Chief Engineer, Advanced Products and served in various assignments, including Vice President Engineering - Defense Segment from 2011 to 2013 and the Vice President Engineering - Access Equipment Segment from 2013 to February 2015. He was appointed to his current position of Senior Vice President, Engineering and Technology in February 2015.

Colleen R. Moynihan. Ms. Moynihan joined the Company in 2011 as Senior Vice President, Quality & Continuous Improvement. She previously served as Director of Global Quality & Manufacturing Engineering at Caterpillar Inc. from 2007 to 2011.

Bradley M. Nelson. Mr. Nelson joined the Company in 2011 as Global Vice President of Marketing for JLG and was appointed to his current position of Senior Vice President and President, Commercial Segment in 2013. He previously served as Vice President of Global Marketing and Communications from 2007 to 2011 at Eaton Corporation.

Tina R. Schoner. Ms. Schoner joined the Company in November 2017 as Senior Vice President and Chief Procurement Officer. She previously served as the Executive Director, Global Operations Management and Strategy at United Technologies Corporation, a global technology products and services company that serves the building systems and aerospace industries, from 2015 to November 2017. Prior to that, Ms. Schoner served in positions of increasing responsibility at Rockwell Collins Inc., a worldwide leader in commercial and military aviation, most recently as Director of Enterprise Sourcing from 2012 to 2014.

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## PART II

ITEM MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND  
5. ISSUER PURCHASES OF EQUITY SECURITIES

The information relating to dividends included in Note 24 of the Notes to Consolidated Financial Statements contained herein under Item 8 and the information relating to dividends per share contained herein under Item 6 are hereby incorporated by reference in answer to this item.

## Common Stock Repurchases

On August 31, 2015, the Company's Board of Directors increased the Company's authorization to repurchase shares of the Company's Common Stock by 10,000,000 shares, taking the authorized number of shares of Common Stock available for repurchase to 10,299,198 as of that date. As of September 30, 2017, the Company had repurchased 2,786,624 shares of Common Stock under this authorization. As a result, 7,512,574 shares of Common Stock remained available for repurchase under the repurchase authorization at September 30, 2017. The Company can use this authorization at any time as there is no expiration date associated with the authorization. From time to time, the Company may enter into a Rule 10b5-1 trading plan for the purpose of repurchasing shares under this authorization. The Company did not repurchase any Common Stock under the authorization during the fourth quarter of fiscal 2017.

## Dividends and Common Stock Price

On October 31, 2014, the Company's Board of Directors increased the Company's quarterly dividend from \$0.15 per share of Common Stock to \$0.17 per share. On October 29, 2015, the Company's Board of Directors increased the Company's quarterly dividend from \$0.17 per share of Common Stock to \$0.19 per share. On November 1, 2016, the Company's Board of Directors increased the Company's quarterly dividend from \$0.19 per share of Common Stock to \$0.21 per share. On October 31, 2017, the Company's Board of Directors increased the Company's quarterly dividend from \$0.21 per share of Common Stock to \$0.24 per share.

The Company intends to declare and pay dividends on a regular basis. However, the payment of future dividends is at the discretion of the Company's Board of Directors and will depend upon, among other things, future earnings and cash flows, capital requirements, the Company's general financial condition, general business conditions and other factors. In addition, the Company's credit agreement limits the amount of dividends and other distributions, including repurchases of shares of Common Stock, the Company may pay on or after March 3, 2010 to (i) 50% of the consolidated net income of the Company and its subsidiaries (or if such consolidated net income is a deficit, minus 100% of such deficit), accrued on a cumulative basis during the period beginning on January 1, 2010 and ending on the last day of the fiscal quarter immediately preceding the date of the applicable proposed dividend or distribution; plus (ii) 100% of the aggregate net proceeds received by the Company subsequent to March 3, 2010 either as a contribution to its common equity capital or from the issuance and sale of its Common Stock. The Company's indentures for its senior notes due 2022 and senior notes due 2025 also contain restrictive covenants that may limit the Company's ability to repurchase shares of its Common Stock or make dividends and other types of distributions to shareholders. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" for further discussion about the Company's financial covenants under its credit agreement and indenture.

The Company's Common Stock is listed on the New York Stock Exchange (NYSE) under the symbol OSK. As of November 14, 2017, there were 1,045 holders of record of the Common Stock. The following table sets forth prices reflecting actual sales of the Common Stock as reported on the NYSE for the periods indicated.

Fiscal 2017	Fiscal 2016
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Quarter Ended	High	Low	High	Low
September 30	\$83.49	\$64.14	\$57.75	\$45.19
June 30	75.00	61.74	49.71	38.47
March 31	74.16	64.66	41.54	29.59
December 31	71.99	52.00	44.13	35.08

Item 12 of this Annual Report on Form 10-K contains certain information relating to the Company's equity compensation plans.

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The following information in this Item 5 is not deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 (Exchange Act) or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such a filing. The SEC requires the Company to include a line graph presentation comparing cumulative five year Common Stock returns with a broad-based stock index and either a nationally recognized industry index or an index of peer companies selected by the Company. The Company has chosen to use the Standard & Poor’s MidCap 400 market index as the broad-based index and the companies currently in the Standard Industry Classification Code 371 Index (motor vehicles and equipment) (the SIC Code 371 Index) as a more specific comparison.

The comparisons assume that \$100 was invested on September 30, 2012 in each of: the Company’s Common Stock, the Standard & Poor’s MidCap 400 market index and the SIC Code 371 Index. The total return assumes reinvestment of dividends and is adjusted for stock splits. The fiscal 2017 return listed in the charts below is based on closing prices per share on September 30, 2017. On that date, the closing price for the Company’s Common Stock was \$82.54.

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\* \$100 invested on September 30, 2012 in stock or index, including reinvestment of dividends.

	September 30,				
	2013	2014	2015	2016	2017
Oshkosh Corporation	\$178.56	\$162.86	\$136.03	\$213.60	\$318.70
S&P MidCap 400 market index	127.68	142.77	144.76	166.95	196.19
SIC Code 371 Index	161.92	168.54	169.15	190.31	251.19

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## ITEM 6. SELECTED FINANCIAL DATA

(In millions, except per share amounts)	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
<b>Income Statement Data:</b>					
Net sales	\$6,829.6	\$6,279.2	\$6,098.1	\$6,808.2	\$7,665.1
Gross income	1,174.4	1,055.8	1,039.2	1,182.7	1,191.8
Asset impairment charges	—	26.9	—	—	9.0
Depreciation	81.5	73.3	64.9	65.3	65.3
Amortization of purchased intangibles, deferred financing costs and stock-based compensation <sup>(1)</sup>	71.2	74.2	81.0	86.5	85.9
Operating income <sup>(2)</sup>	463.0	364.0	398.6	503.3	505.7
Income (loss) attributable to Oshkosh Corporation common shareholders:					
From continuing operations	285.6	216.4	229.0	308.1	314.3
From discontinued operations <sup>(3)</sup>	—	—	—	—	1.7
Net income	285.6	216.4	229.0	308.1	316.0
Income (loss) attributable to Oshkosh Corporation common shareholders per share assuming dilution:					
From continuing operations	\$3.77	\$2.91	\$2.90	\$3.61	\$3.53
From discontinued operations <sup>(3)</sup>	—	—	—	—	0.02
Net income	3.77	2.91	2.90	3.61	3.55
Dividends per share	\$0.84	\$0.76	\$0.68	\$0.60	\$—
<b>Balance Sheet Data:</b>					
Cash and cash equivalents	\$447.0	\$321.9	\$42.9	\$313.8	\$733.5
Total assets	5,098.9	4,513.8	4,552.7	4,503.2	4,688.9
Net working capital	1,356.7	1,049.9	919.0	1,006.4	1,105.1
Long-term debt (including current maturities)	830.9	846.2	927.8	882.7	945.6
Shareholders' equity	2,307.4	1,976.5	1,911.1	1,985.0	2,107.8
<b>Other Financial Data:</b>					
Expenditures for property, plant and equipment	\$85.8	\$92.5	\$131.7	\$92.2	\$46.0
Backlog	3,791.0	3,537.9	2,607.4	1,891.0	2,838.0
Book value per share	\$30.76	\$26.74	\$25.33	\$24.86	\$24.36

<sup>(1)</sup> Includes amortization of deferred financing costs of \$3.0 million in fiscal 2017, \$3.0 million in fiscal 2016, \$6.4 million in fiscal 2015, \$6.2 million in fiscal 2014 and \$4.9 million in fiscal 2013.

<sup>(2)</sup> Includes \$35.8 million of restructuring costs in the access equipment segment in fiscal 2017. Includes costs incurred by the Company in connection with an unsolicited tender offer for the Company's Common Stock and a threatened proxy contest of \$16.3 million in fiscal 2013.

<sup>(3)</sup> In fiscal 2013, the Company discontinued production of ambulances, which the Company sold under the Medtec brand name.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The Company is a leading designer, manufacturer and marketer of a wide range of specialty vehicles and vehicle bodies, including access equipment, defense trucks and trailers, fire & emergency vehicles, concrete mixers and refuse collection vehicles. The Company is a leading global manufacturer of aerial work platforms under the "JLG" brand name. The Company is among the worldwide leaders in the manufacturing of telehandlers under the "JLG" and "SkyTrak" brand names. Under the "Jerr-Dan" brand name, the Company is a leading domestic manufacturer and marketer of towing and recovery equipment. The Company manufactures defense trucks under the "Oshkosh" brand name and is a leading manufacturer of severe-duty, tactical wheeled vehicles for the DoD. Under the "Pierce" brand name, the Company is among the leading global manufacturers of fire trucks assembled on both custom and commercial chassis. Under the "Frontline" brand name, the Company is a leading domestic manufacturer and marketer of broadcast vehicles. The Company manufactures aircraft rescue and firefighting and airport snow removal vehicles under the "Oshkosh" brand name. Under the "McNeilus," "Oshkosh," "London" and "CON-E-CO" brand names, the Company manufactures rear- and front-discharge concrete mixers and portable and stationary concrete batch plants. Under the "McNeilus" brand name, the Company manufactures a wide range of automated, rear, front, side and top loading refuse collection vehicles. Under the "IMT" brand name, the Company is a leading domestic manufacturer of field service vehicles and truck-mounted cranes.

Major products manufactured and marketed by each of the Company's business segments are as follows:

Access equipment — aerial work platforms and telehandlers used in a wide variety of construction, industrial, institutional and general maintenance applications to position workers and materials at elevated heights, as well as carriers and wreckers. Access equipment customers include equipment rental companies, construction contractors, manufacturing companies, home improvement centers and towing companies in the U.S. and abroad.

Defense — tactical trucks, trailers and supply parts and services sold to the U.S. military and to other militaries around the world.

Fire & emergency — custom and commercial firefighting vehicles and equipment, ARFF vehicles, snow removal vehicles, simulators and other emergency vehicles primarily sold to fire departments, airports and other governmental units, and broadcast vehicles sold to broadcasters and TV stations in the U.S. and abroad.

Commercial — concrete mixers, refuse collection vehicles, portable and stationary concrete batch plants and vehicle components sold to ready-mix companies and commercial and municipal waste haulers in the Americas and other international markets and field service vehicles and truck-mounted cranes sold to mining, construction and other companies in the U.S. and abroad.

All estimates referred to in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" refer to the Company's estimates as of November 21, 2017.

Executive Overview

The Company delivered strong financial results in fiscal 2017, the Company's 100th year in business. Consolidated net sales increased \$550.4 million, or 8.8%, to \$6.83 billion, consolidated operating income increased \$99.0 million, or 27.2%, to \$463.0 million, and diluted earnings per share increased \$0.86 per share, or 29.6%, to \$3.77 per share. The significant improvement in fiscal 2017 results was achieved in spite of incurring \$0.25 per share higher

restructuring-related and asset impairment charges than in fiscal 2016. Fiscal 2017 results were negatively impacted by \$0.48 per share of restructuring-related charges. Fiscal 2016 results were negatively impacted by \$0.23 per share related to asset impairment and workforce reduction charges. The Company also announced an increase in its quarterly dividend rate of approximately 14%, to \$0.24 per share beginning in November 2017. This was the Company's fourth straight year of double digit percentage increases in its dividend rate.



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The \$550.4 million sales increase was primarily the result of higher sales volumes in the defense segment, as the Company increased production under the JLTV program and sold approximately 400 more M-ATVs under an international contract than it sold in fiscal 2016, along with improved fire & emergency segment sales. Market conditions in the Company's non-defense segments were generally positive and year-end order backlog in these segments was higher as compared to September 30, 2016. Rental rates, fleet utilization percentages and used equipment values, all key to the access equipment segments rental company customers, strengthened over the past year, leading to stronger demand for access equipment than the Company expected entering fiscal 2017. In addition, construction data in the U.S. continued to be generally positive. While the U.S. fire apparatus market remained about 20% below pre-recession levels in fiscal 2017, it was stable compared to fiscal 2016. Fire apparatus fleet ages continued to grow and municipal tax receipts, which help fund the purchase of fire apparatus, were stable or up slightly in fiscal 2017 compared to fiscal 2016. The domestic refuse collection vehicle market increased mid- to high-single digits in fiscal 2017 and recently exceeded pre-recession levels. The concrete mixer market remained 20% - 25% below pre-recession levels in fiscal 2017 and fleets continued to age, which should lead to improved market demand after fiscal 2018. Although defense segment backlog was down at September 30, 2017 compared to September 30, 2016 on lower international orders, this segment made great progress on the JLTV program during fiscal 2017 and the Company expects the segment to deliver sales in fiscal 2018 approximately equivalent to fiscal 2017 levels.

Consolidated operating income increased to \$463.0 million, or 6.8% of sales, in fiscal 2017 compared to \$364.0 million, or 5.8% of sales, in fiscal 2016. The increase in operating income was driven by higher gross margin associated with higher consolidated sales, improved performance in the fire & emergency and defense segments as well as lower start-up costs of a corporate-led shared manufacturing facility in Mexico, offset in part by lower performance in the commercial segment. Both the defense and fire & emergency segments achieved operating income margins of more than 10.0% and if not for the restructuring-related charges in the access equipment segment, this segment would have also achieved this higher level of performance. The Company believes these strong results are a testament to the power of the Company's MOVE strategy. The commercial segment was challenged in fiscal 2017 with atypical market dynamics which led to significant production schedule volatility and related inefficiencies. The Company believes that the implementation of simplification strategies in the commercial segment, which started late in fiscal 2017, will lead to improved results starting later in fiscal 2018.

In January 2017, the Company announced its intention to rationalize operations in the access equipment segment. These plans included the closure of its manufacturing plant and pre-delivery inspection facilities in Belgium, the streamlining of telehandler product offerings to a reduced range in Europe, the transfer of remaining European telehandler manufacturing to the Company's facility in Romania and reductions in engineering staff supporting European telehandlers, including the closure of a UK-based engineering facility. The announced plans also included the move of North American telehandler production from Ohio to facilities in Pennsylvania. The Company has largely completed the domestic portion of its actions. The Company's activities in Europe are progressing, and the Company expects to substantially complete these actions in the first quarter of fiscal 2018. In total, the Company expects these actions will result in ongoing savings of \$20 million to \$25 million per year. The Company continues to expect to realize \$15 million to \$20 million of benefits in fiscal 2018 before achieving full run rate savings in fiscal 2019. The Company now expects the pre-tax cost of implementing these actions will be approximately \$50 million, of which \$43 million was recognized in fiscal 2017.

The Company is expecting another strong year in fiscal 2018. The Company believes consolidated net sales will be \$6.9 billion to \$7.1 billion, an approximate 1% to 4% increase compared to fiscal 2017. The Company expects sales to grow in all non-defense segments and defense segment sales to be approximately flat compared to fiscal 2017. As a result of the expected increase in sales, anticipated improved operational performance in each of the non-defense segments and an expected adverse product mix in the defense segment, the Company expects fiscal 2018 consolidated operating income will be in the range of \$510 million to \$560 million, resulting in earnings per share of \$4.20 to

\$4.60. The Company expects to incur approximately \$5 million in pre-tax restructuring-related charges in connection with plans announced in January 2017 to rationalize operations in the access equipment segment. Excluding expected access equipment segment restructuring-related charges, the Company expects fiscal 2018 adjusted consolidated operating income will be in the range of \$515 million to \$565 million, resulting in adjusted earnings per share of \$4.25 to \$4.65.

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## Results of Operations

## Consolidated Net Sales — Three Years Ended September 30, 2017

The following table presents net sales (see definition of net sales contained in Note 2 of the Notes to Consolidated Financial Statements) by business segment (in millions):

	Fiscal Year Ended September 30,		
	2017	2016	2015
Net sales:			
Access equipment	\$3,026.4	\$3,012.4	\$3,400.6
Defense	1,820.1	1,351.1	939.8
Fire & emergency	1,030.9	953.3	815.1
Commercial	970.3	979.2	978.0
Intersegment eliminations and other	(18.1 )	(16.8 )	