



Oshkosh Corporation (OSK)

Updated May 5th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	\$89	5 Year CAGR Estimate:	21.7%	Market Cap:	\$5.8 B
Fair Value Price:	\$146	5 Year Growth Estimate:	9.0%	Ex-Dividend Date:	05/16/25
% Fair Value:	61%	5 Year Valuation Multiple Estimate:	10.4%	Dividend Payment Date:	05/30/25
Dividend Yield:	2.3%	5 Year Price Target	\$225	Years Of Dividend Growth:	12
Dividend Risk Score:	A	Sector:	Industrials	Rating:	Buy

Overview & Current Events

Founded in 1917, Oshkosh Corporation is a leader in designing, manufacturing, and servicing a broad range of access equipment, commercial, fire & emergency, military and specialty vehicles and vehicle bodies. Brands under the corporate umbrella include Oshkosh, JLG, Pierce, McNeilus, Jerr-Dan, Frontline, CON-E-CO, London and IMT. The company operates in three segments – Access Equipment, Defense, and Vocational – with products offered in over 150 countries. The \$5.8 billion market cap company employs approximately 18,000 people.

On January 30th, 2025, Oshkosh declared a \$0.51 quarterly dividend, which represented an 11% increase.

On April 30th, 2025, Oshkosh reported first quarter 2024 results. (The company changed their fiscal year to a calendar year beginning on January 1st and ending on December 31st, effective in 2022). For the quarter, the company recorded sales of \$2.31 billion, down 9% compared to Q1 2024. Sales were mixed across the company's segments, with Access, and Defense seeing decreases of 23% and 9%, respectively, while Vocational increased by 12%. Adjusted net income equaled \$125 million, or \$1.92 per share, compared to adjusted net income of \$191 million, or \$2.89 per share in Q1 2024.

In Q1 2025, the corporation repurchased \$28.7 million worth of its common shares.

The company updated its guidance. It expects the new tariffs will negatively impact 2025 EPS by approximately \$1.00, but it could partly offset this impact by about \$0.50 per share through cost reductions. We now expect adjusted earnings-per-share of \$10.45 per share for the full year.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$3.02	\$3.13	\$4.24	\$6.38	\$8.31	\$4.94	\$5.48	\$3.59	\$9.98	\$11.74	\$10.45	\$16.08
DPS	\$0.68	\$0.76	\$0.84	\$0.96	\$1.08	\$1.20	\$1.32	\$1.48	\$1.64	\$1.84	\$2.04	\$3.14
Shares¹	75	74	75	72	71	69	69	66	66	66	65.0	60.0

Oshkosh has had a somewhat volatile earnings-per-share record – posting a loss in 2009 along with declines in three of the last ten years. The company has produced an EPS CAGR of 16.3% and 17.4% for the trailing nine and five years.

During the great financial crisis, dilutive action (issuing shares) was required, in addition to eliminating the dividend. This was not warranted through the COVID-19 pandemic, but we have baked in a bit of caution as it relates to future share repurchases.

The company maintains good visibility in its Access, Defense and Vocational segments, with backlogs of \$1.8 billion, \$6.4 billion, and \$6.3 billion, respectively. Oshkosh's total backlog at the end of Q1 2025 amounted to \$14.6 billion compared to annual sales of \$10.76 billion in 2024.

We are forecasting \$10.45 in earnings-per-share for fiscal 2025 to go along with a 9.0% intermediate term growth rate. Electric vehicle adoption is a tailwind to the company's growth, and Oshkosh has recently signed multiple key electric

¹ In millions.

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vehicle contracts in its Vocational segment. It also began low-rate production of its Next Generation Delivery Vehicles (NGDV) for USPS in Q2 2024.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	14.9	13.8	16	12.6	8.8	15.7	19.3	25.8	21.0	10.9	8.6	14.0
Avg. Yld.	1.5%	1.8%	1.2%	1.2%	1.5%	1.5%	1.2%	1.5%	1.7%	1.6%	2.3%	1.4%

Over the last decade, shares of Oshkosh have traded hands with an average P/E ratio of about 16 times earnings. We find this to be just above our reasonable starting place for a fair value estimate, taking into consideration the average operating history along with the recent improvements made in the business. With shares currently trading at 8.6 times our earnings estimate, this implies the potential for a meaningful valuation tailwind.

While the current dividend yield is uninspiring, the manageable payout ratio allows for strong growth in the years ahead.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	23%	24%	20%	15%	13%	24%	24%	41%	16%	16%	20%	20%

Oshkosh’s dividend received a fresh start after being slashed from \$0.40 in 2008 to zero by 2010. Since then, it appears the company is taking a cautious approach to ensure that this payment does not become too cumbersome once again. We believe this prudence is warranted, but also leaves plenty of growth runway ahead.

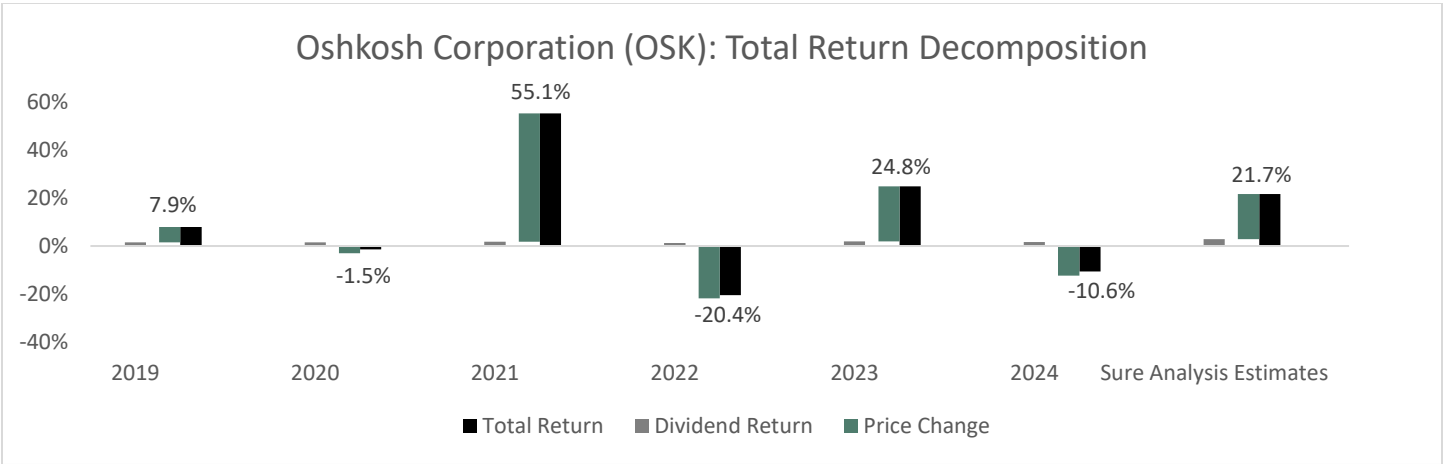
Oshkosh holds a competitive advantage in its niche and has essential offerings for a variety of industries such as aerial work platforms, fire truck ladders and refuse collection bodies. The company has leading brands, with a reputation for reliability and longevity, to go along with a comprehensive product line. That being said, the company did post a loss in the Great Recession and is susceptible to cyclicity in its industries.

As of the most recent report the company held \$210 million in cash, \$4.9 billion in current assets and \$9.8 billion in total assets against \$2.7 billion in current liabilities and \$5.5 billion in total liabilities. Long-term debt stood at \$1.1 billion.

Final Thoughts & Recommendation

Oshkosh’s share price has cratered by 21% in the last one year, largely due to the negative impact of tariffs on its business, and vastly underperformed the S&P 500 Index, which has grown by 12%. Shares of OSK can still offer 21.7% annual total return potential, stemming from 9.0% growth, a 2.3% yield, and 10.4% P/E multiple expansion. OSK maintains its buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	6,098	6,279	6,830	7,706	8,382	6,857	7,737	8,282	9,658	10,760
Gross Profit	1,039	1,056	1,181	1,359	1,517	1,120	1,221	1,054	1,681	1,969
Gross Margin	17.0%	16.8%	17.3%	17.6%	18.1%	16.3%	15.8%	12.7%	17.4%	18.3%
SG&A Exp.	587	612	665	664	684	621	667	663	810	852
D&A Exp.	125	129	130	121	115	104	104	108	160	200
Operating Profit	399	391	470	656	797	489	545	380	838	1,062
Operating Margin	6.5%	6.2%	6.9%	8.5%	9.5%	7.1%	7.0%	4.6%	8.7%	9.9%
Net Profit	230	216	286	472	579	325	473	174	598	681
Net Margin	3.8%	3.4%	4.2%	6.1%	6.9%	4.7%	6.1%	2.1%	6.2%	6.3%
Free Cash Flow	-67	457	133	336	394	197	1107	322	274	269
Income Tax	99	92	127	124	171	113	25	98	190	210

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,553	4,514	5,099	5,294	5,566	5,816	6,892	7,729	9,129	9,484
Cash & Equivalents	43	322	447	455	448	583	1,376	806	125	205
Accounts Receivable	965	1,022	1,306	1,286	1,082	858	1,017	1,162	1,316	1,255
Inventories	1,302	980	1,198	1,228	1,249	1,505	1,267	1,866	2,132	2,266
Goodwill & Int. Ass.	1,608	1,557	1,521	1,477	1,428	1,428	1,519	1,499	2,247	2,188
Total Liabilities	2,642	2,537	2,792	2,781	2,967	2,965	3,644	4,543	5,424	5,332
Accounts Payable	553	466	651	777	796	578	860	1,129	1,214	1,143
Long-Term Debt	928	846	831	818	819	823	819	605	773	962
Shareholder's Equity	1,911	1,977	2,307	2,514	2,600	2,851	3,248	3,186	3,705	4,152
LTD/E Ratio	0.49	0.43	0.36	0.33	0.32	0.29	0.25	0.19	0.21	0.23

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.0%	4.8%	5.9%	9.1%	10.7%	5.7%	7.4%	2.4%	7.1%	7.3%
Return on Equity	11.8%	11.1%	13.3%	19.6%	22.7%	11.9%	15.5%	5.4%	17.4%	17.3%
ROIC	8.0%	7.6%	9.6%	14.6%	17.2%	9.2%	12.2%	4.4%	14.5%	14.2%
Shares Out.	75	74	75	72	71	69	69	66	66	66
Revenue/Share	77.21	84.36	90.11	102.76	118.80	99.68	111.80	125.23	146.63	163.38
FCF/Share	-0.84	6.13	1.76	4.48	5.59	2.87	15.99	4.86	4.17	4.09

Notes: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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