

# Oshkosh Corporation to Acquire AeroTech Business from JBT Corporation, Adding Market Leader in Attractive Air Transportation Support Sector

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*Purchase price of \$800 million; \$720 million net of expected tax benefits*

*Enhances growth and margin profile*

*~\$20 million in annual run-rate synergies expected by year three*

*Broadens end markets and increases recurring revenue base*

*Expected to be EPS accretive within first year with ROIC<sup>1</sup> in excess of 10% by year three*

*Oshkosh to host investor call at 9:00 a.m. EDT today*

OSHKOSH, Wis.--(BUSINESS WIRE)-- Oshkosh Corporation (NYSE: OSK), a leading innovator of purpose-built vehicles and equipment, today announced that it has entered into a definitive agreement to acquire the AeroTech business (“AeroTech”) from JBT Corporation (NYSE: JBT) in an \$800 million all-cash transaction. When adjusted for the present value of expected tax benefits of approximately \$80 million, the purchase price is \$720 million. This represents approximately 9x earnings before interest, taxes, depreciation and amortization (EBITDA)<sup>1</sup> based on the expected 2023 second half run-rate or approximately 7.2x EBITDA including expected run-rate synergies. Upon close, AeroTech will become part of the Oshkosh Vocational segment.

AeroTech is a leading provider of aviation ground support products, gate equipment and airport services to commercial airlines, airports, air-freight carriers, ground handling and military customers. Like Oshkosh, AeroTech offers products that make a difference in people’s lives by supporting those in our communities who do some of the toughest work. They own many of the most trusted brands in the air transportation industry with systems in the field that serve approximately 75% of air travelers at U.S. airports and load approximately 70% of the world’s overnight express packages.

AeroTech’s purpose-built products are closely aligned with Oshkosh’s technology focus areas including electrification, autonomy & active safety and intelligent, connected products. With AeroTech, Oshkosh will enter the attractive air transportation support market, which is in the early stages of an investment cycle and supported by secular tailwinds related to increasing air travel demand, commercial airline investments and infrastructure improvement.

The acquisition is expected to be accretive to Oshkosh’s growth and margins and deliver solid recurring revenue from its aftermarket parts and services offerings. AeroTech’s recurring revenue, together with the distinct investment cycle and demand dynamics of its end markets, are expected to further enhance Oshkosh’s overall business through market cycles.

“This transaction supports our ‘Innovate. Serve. Advance.’ business strategy as we enter the attractive air transportation support space with a market-leading portfolio of purpose-built products and comprehensive service offerings. AeroTech meets all the criteria of our M&A priorities, and we believe it will enhance the financial profile of our Vocational segment, further strengthening this growing segment and enabling it to move beyond our goal of \$3 billion-plus annual revenue with double-digit margins. We look forward to working with the AeroTech team to integrate the business and unlock value for our customers and shareholders,” said John Pfeifer, president and chief executive officer of Oshkosh Corporation.

### **Compelling Strategic and Financial Benefits**

- **Unites complementary commercial and technology capabilities to drive innovation:** AeroTech’s highly engineered product offerings together with the strength of Oshkosh’s portfolio and technology ecosystem aligned to electrification, autonomy and connectivity will create significant opportunities for product innovation, positioning AeroTech to enhance and expand its suite of products to serve customers.
- **Increases resilience of portfolio with healthy mix of aftermarket parts and services:** Oshkosh expects AeroTech’s large installed base and service contracts to drive meaningful recurring revenue and create a platform to enhance these capabilities across Oshkosh's portfolio.
- **Enhances growth and margin profile:** AeroTech has a strong financial profile underpinned by favorable secular trends. Oshkosh expects to deliver approximately \$20 million in annual run-rate synergies by year three and expects AeroTech to be accretive to Oshkosh’s earnings per share within the first year following close. The acquisition is expected to deliver return on invested capital (ROIC) in excess of 10% by the third year following close.
- **Broadens end markets:** AeroTech is a market leader in the air transportation support sector with significant growth tailwinds resulting from increasing air travel demand and infrastructure spending.
- **Advances sustainability initiatives:** AeroTech will add electric ground support equipment and automation features in mobile and fixed equipment systems to continue advancing Oshkosh’s mission to reduce the environmental footprint of its products while improving safety, quality, efficiency and longevity.

### **Timing and Financing**

The acquisition is expected to close in the third quarter of 2023, subject to regulatory approval and customary closing conditions.

Oshkosh expects to fund the transaction through a combination of cash on hand and capacity under its current revolver. Following the close of the transaction, Oshkosh expects a debt/EBITDA leverage ratio<sup>1</sup> of approximately 1.5x, a ratio that remains under its target of 2x debt/EBITDA.

### **Advisors**

Goldman Sachs & Co. LLC is serving as exclusive financial advisor and Cravath, Swaine & Moore LLP is acting as legal advisor to Oshkosh.

### **Conference Call**

Oshkosh will host a conference call today, May 30, 2023, at 9:00 a.m. EDT to discuss the transaction. Slides for the call will be available on Oshkosh’s website before the call starts.

A listen-only webcast of the conference call will be broadcast live and can be accessed through Oshkosh's website at: [oshkoshcorp.com](http://oshkoshcorp.com). The conference call may be accessed by dialing 877.709.8150 (domestic) or +1 201.689.8354 (international). Due to an anticipated high number of participants, listeners are encouraged to join the webcast unless they intend to ask questions. Those joining by phone should dial in at least 10 minutes prior to the start of the call. An audio replay of the call and related question & answer session will be available for 12 months at this website.

## **Forward Looking Statements**

This news release contains statements that Oshkosh believes to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including, without limitation, statements regarding Oshkosh's future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations, are forward-looking statements. When used in this news release, words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “project” or “plan” or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond Oshkosh's control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the possibility that the parties will fail to obtain necessary regulatory approvals or to satisfy any of the other conditions to the proposed transaction; failure to realize the expected benefits of the transaction, including expected tax benefits, or expected synergies; difficulties in predicting results of operations of an acquired business; the cyclical nature of Oshkosh's access equipment, fire apparatus and refuse collection markets, which are particularly impacted by the strength of U.S. and European economies and construction seasons; risks related to Oshkosh's ability to successfully execute on its strategic road map and meet its long-term financial goals; and other risks, uncertainties, assumptions and other factors impacting future results of Oshkosh. Additional information concerning these and other factors is contained in Oshkosh's filings with the Securities and Exchange Commission (SEC). All forward-looking statements speak only as of the date of this news release. Oshkosh assumes no obligation, and disclaims any obligation, to update information contained in this news release. Investors should be aware that Oshkosh may not update such information until Oshkosh's next quarterly earnings conference call, if at all.

## **About Oshkosh Corporation**

At Oshkosh (NYSE: OSK), we make innovative, mission-critical equipment to help everyday heroes advance communities around the world. Headquartered in Wisconsin, Oshkosh Corporation employs approximately 15,000 team members worldwide, all united behind a common cause: to make a difference in people's lives. Oshkosh products can be found in more than 150 countries under the brands of JLG®, Hinowa, Pierce®, MAXIMETAL, Oshkosh® Defense, McNeilus®, IMT®, Jerr-Dan®, Frontline™, Oshkosh® Airport Products and Pratt Miller. For more information, visit [oshkoshcorp.com](http://oshkoshcorp.com).

®, ™ All brand names referred to in this news release, except for JBT and AeroTech, are trademarks of Oshkosh Corporation or its subsidiary companies.

<sup>1</sup> **Non-GAAP Financial Measures** - This news release includes the following non-GAAP measures, as defined under SEC rules, which are defined below:

- Return on Invested Capital (ROIC) is: (AeroTech earnings before interest, taxes and amortization, or “EBITA” - tax rate \* (EBITA – amortization)) / purchase price of AeroTech

- EBITDA is: earnings before interest, taxes, depreciation and amortization
- Leverage ratio is: debt/EBITDA

Reconciliations of forward-looking operating income to forward-looking EBITDA appear below.

As to forward-looking ROIC and leverage ratio, Oshkosh is not providing estimates of any comparable forward-looking GAAP measures and is similarly unable to provide forward-looking quantitative reconciliation of these forward-looking non-GAAP financial measures to any GAAP measures because Oshkosh is unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items are uncertain, depend on various factors and could have a material impact on GAAP reported results for the relevant periods. These forward-looking non-GAAP financial measures reflect management's current expectations and beliefs regarding the potential benefits of the proposed transaction. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.

<b>Operating income to EBITDA reconciliation for 2nd half of 2023 (in millions) (estimated)</b>		
AeroTech operating income	~\$	18
Depreciation & Amortization	~\$	22
AeroTech EBITDA (non-GAAP)	~\$	40
<b>Operating income to EBITDA reconciliation for 2024 (in millions) (estimated)</b>		
AeroTech operating income	~\$	50
Depreciation & Amortization	~\$	45
AeroTech EBITDA (non-GAAP)	~\$	95
<b>Operating income to EBITDA reconciliation for July 1, 2023 to June 30, 2024 (in millions) (estimated)</b>		
AeroTech operating income	>\$	36
Depreciation & Amortization	~\$	44
AeroTech EBITDA (non-GAAP)	>\$	80
Expected year three synergies (full run-rate)	~\$	20
AeroTech EBITDA with expected synergies at full run-rate (non-GAAP)	>\$	100

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