

## Key Facts

Business address: **Lisle, Illinois, United States**  
 Industry: **Heavy Duty Truck Manufacturing** (NAICS 336120)  
 SEC filer status: **Large Accelerated Filer** as of Jan 2020  
 Index member: **Russell 2000**  
 Market Cap: **\$2.54b** as of May 28, 2020  
 Annual revenue: **\$11.3b** as of Oct 31, 2019

## Corporate Governance

CEO: **Troy A. Clarke** since 2013  
 CFO: **Walter G. Borst** since 2013 1st level

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Board Chairman: **Troy A. Clarke** since 2017  
 Audit Committee Chair: **Stephen R. D'Arcy** 2nd level

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Auditor: **KPMG LLP** since 2006  
 Outside Counsel (most recent): **Latham & Watkins LLP**  
**Morgan Lewis & Bockius LLP**  
**Coolidge Wall Co LPA** 3rd level

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SEC Reviewer: **Melissa Feider Raminpour** 4th level

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How to analyze this company's Watchdog Report? [Skip to the last page](#)

Information in this report is effective May 29, 2020 and is taken from the company's public financial and regulatory filings. Latest filing 10-Q filed 03/04/2020. Over 75 accounting and data analysts scrutinize and review crucial information, footnotes, disclosures, etc., from these filings. Material facts are captured and processed using our proprietary methods which identify key risk factors our readers need to know. Each Watchdog Report represents 30 or more hours of analysis and processing.

Accounting and financial disclosure data from [Audit Analytics](#).  
 Executive compensation data from [Shore Group and Intrinio](#).  
 Data from [Sharadar](#).  
[Data from Barchart via Quandl](#).  
[Data from Exchange Data International via Quandl](#).

May 29, 2020 Jan 1, 2019 Jan 1, 2015

RECENT PERIOD HISTORICAL PERIOD

10-Q filed on Mar 4, 2020 for period ending Jan 2020

### Reporting Irregularities

RECENT		HISTORICAL
✓	Financial Restatements	✓
✓	Revisions	!
✓	Out of Period Adjustments	!
✓	Late Filings	✓
✓	Impairments	!
!	Changes in Accounting Estimates	!
✓	Disclosure Controls	!
✓	Internal Controls	!
!	Critical / Key Audit Matters	✓

### Anomalies in the Numbers

RECENT		HISTORICAL
!	Benford's Law	✓
✓	Beneish M-Score	!
✓	Accounting Disclosure Complexity	!

### Securities & Exchange Commission Concerns

RECENT		HISTORICAL
✓	SEC Oversight	✓
✓	SEC Letters to Management	!
✓	Revenue Recognition	✓
✓	Non-GAAP Measures	✓

### Litigation & External Pressures

RECENT		HISTORICAL
✓	Significant Litigation	!
✓	Class Actions	!
✓	Securities Law	!
!	Shareholder Activism	✓
✓	Cybersecurity	✓

### Management Review

RECENT		HISTORICAL
✓	CEO Changes	✓
✓	CFO Changes	✓
!	Insider Sales	!
✓	Mergers & Acquisitions	✓
✓	Sales of Assets	✓

### Auditor Assessment

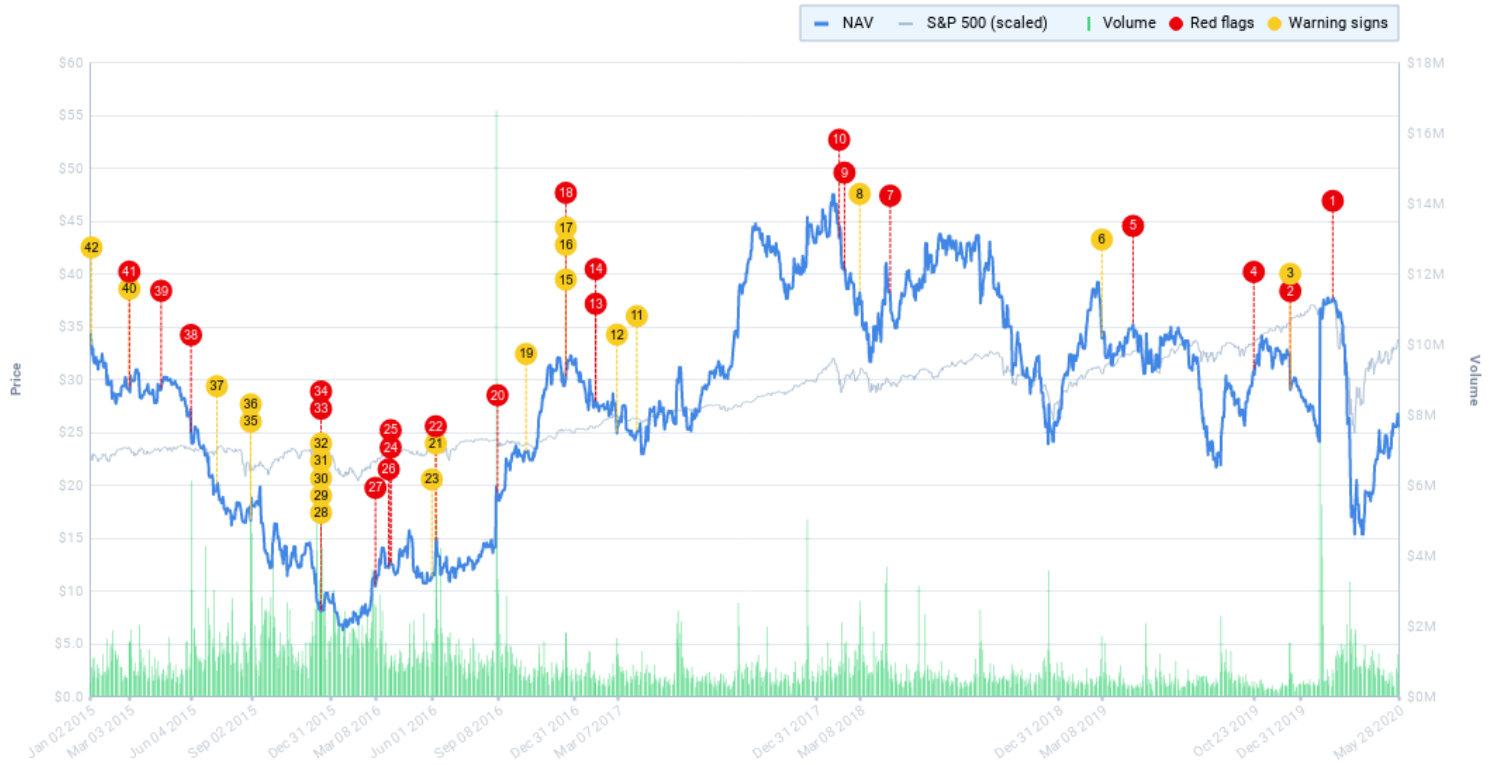
RECENT		HISTORICAL
✓	Auditor Changes	✓
✓	Auditor Experience	✓
✓	Auditor Tenure	✓
!	Audit Fees	!
✓	Non-Audit Fees	✓



## Overview

### Price and Volume History

This graph shows the price and trading history for Navistar. Warning signs and red flags are marked on the graph according to their disclosure dates.



- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li><span style="color: red;">●</span> 1 Feb 19, 2020 - Insider Sale</li> <li><span style="color: red;">●</span> 2 Dec 17, 2019 - Critical / Key Audit Matters</li> <li><span style="color: yellow;">●</span> 3 Dec 17, 2019 - Critical / Key Audit Matters</li> <li><span style="color: red;">●</span> 4 Oct 23, 2019 - Insider Sale</li> <li><span style="color: red;">●</span> 5 Apr 24, 2019 - Insider Sale</li> <li><span style="color: yellow;">●</span> 6 Mar 8, 2019 - Change in Accounting Estimates</li> <li><span style="color: red;">●</span> 7 Apr 23, 2018 - Insider Sale</li> <li><span style="color: yellow;">●</span> 8 Mar 8, 2018 - Change in Accounting Estimates</li> <li><span style="color: red;">●</span> 9 Feb 13, 2018 - Insider Sale</li> <li><span style="color: red;">●</span> 10 Feb 5, 2018 - Insider Sale</li> <li><span style="color: yellow;">●</span> 11 Apr 6, 2017 - Lawsuit: Miller v. Navistar Inc</li> <li><span style="color: yellow;">●</span> 12 Mar 7, 2017 - Change in Accounting Estimates</li> <li><span style="color: red;">●</span> 13 Feb 3, 2017 - Insider Sale</li> <li><span style="color: red;">●</span> 14 Feb 3, 2017 - Insider Sale</li> <li><span style="color: yellow;">●</span> 15 Dec 20, 2016 - Revisions</li> <li><span style="color: yellow;">●</span> 16 Dec 20, 2016 - Impairment</li> <li><span style="color: yellow;">●</span> 17 Dec 20, 2016 - Impairment</li> <li><span style="color: red;">●</span> 18 Dec 20, 2016 - Disclosure Controls</li> <li><span style="color: yellow;">●</span> 19 Oct 21, 2016 - Lawsuit: Krzyziak et al v. Navistar International Corporation et al</li> </ul> | <ul style="list-style-type: none"> <li><span style="color: red;">●</span> 20 Sep 8, 2016 - Disclosure Controls</li> <li><span style="color: yellow;">●</span> 21 Jun 7, 2016 - Change in Accounting Estimates</li> <li><span style="color: red;">●</span> 22 Jun 7, 2016 - Disclosure Controls</li> <li><span style="color: yellow;">●</span> 23 Jun 1, 2016 - Lawsuit: Polar Express School Bus Inc et al v. Navistar Inc et al</li> <li><span style="color: red;">●</span> 24 Mar 31, 2016 - Lawsuit: United States Securities and Exchange Commission v. Ustian</li> <li><span style="color: red;">●</span> 25 Mar 31, 2016 - Securities Law Lawsuit: United States Securities and Exchange Commis...</li> <li><span style="color: red;">●</span> 26 Mar 28, 2016 - SEC letters to management</li> <li><span style="color: red;">●</span> 27 Mar 8, 2016 - Disclosure Controls</li> <li><span style="color: yellow;">●</span> 28 Dec 17, 2015 - Out of Period Adjustments</li> <li><span style="color: yellow;">●</span> 29 Dec 17, 2015 - Impairment</li> <li><span style="color: yellow;">●</span> 30 Dec 17, 2015 - Impairment</li> <li><span style="color: yellow;">●</span> 31 Dec 17, 2015 - Change in Accounting Estimates</li> <li><span style="color: yellow;">●</span> 32 Dec 17, 2015 - Change in Accounting Estimates</li> <li><span style="color: red;">●</span> 33 Dec 17, 2015 - Disclosure Controls</li> <li><span style="color: red;">●</span> 34 Dec 17, 2015 - Internal Controls</li> <li><span style="color: yellow;">●</span> 35 Sep 2, 2015 - Change in Accounting Estimates</li> <li><span style="color: yellow;">●</span> 36 Sep 2, 2015 - Disclosure Controls</li> <li><span style="color: yellow;">●</span> 37 Jul 13, 2015 - Lawsuit: United States v. Navistar Inc et al</li> <li><span style="color: red;">●</span> 38 Jun 4, 2015 - Disclosure Controls</li> </ul> |
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## Notifications

Important notifications related to the company are listed here. Notifications may come from the SEC, exchanges such as the NYSE or NASDAQ, or Watchdog Research. Examples of notifications include announcements of bankruptcy proceedings, company name changes, and noncompliance with SEC regulations or exchange rules.

**There are no notifications for Navistar at least since 2015.**

## Peer Group

Peer groups are used by companies to benchmark executive compensation and performance. Each company identifies its own peer group. Peer groups vary from company to company.

### Peer Group

Company	Ticker	Market Cap
Illinois Tool Works Inc.	ITW	\$53.3b
Paccar Inc.	PCAR	\$25.6b
Cummins Inc.	CMI	\$23.5b
Parker Hannifin Corp.	PH	\$23b
Aptiv PLC	APTV	\$18.8b
Dover Corp.	DOV	\$14.2b
Textron Inc.	TXT	\$7.06b
BorgWarner Inc.	BWA	\$6.39b
Lear Corp.	LEA	\$5.9b
Navistar International Corp.	NAV	\$2.54b

### Companies Who Named Navistar as a Peer

Company	Ticker	Market Cap
Sempra Energy	SRE	\$37.3b
Paccar Inc.	PCAR	\$25.6b
Cummins Inc.	CMI	\$23.5b
FirstEnergy Corp.	FE	\$23.1b
DTE Energy Co.	DTE	\$20b
Wabtec Corporation	WAB	\$12.2b
BorgWarner Inc.	BWA	\$6.39b
Reliance Steel & Aluminum Co.	RS	\$6.22b
Lear Corp.	LEA	\$5.9b
Navistar International Corp.	NAV	\$2.54b



## Peer Flag Comparison

The return to a company's stock is not the only measure of executive performance. Ethics matter, and growth can quickly reverse and gains evaporate if a company's accounting and financial reporting processes are not fundamentally sound and trustworthy. How does Navistar's accounting quality compare to its peer group?

	NAV	PEERGROUP FLAGS		
<b>Reporting Irregularities</b>				
Financial Restatements	✓	8		1
Revisions	!	8	1	
Out of Period Adjustments	!	9		
Impairments	!	2	7	
Changes in Accounting Estimates	!	3	6	
Disclosure Controls	!	3	6	
Internal Controls	!	9		
Critical / Key Audit Matters	!		6	3
<b>Anomalies in the Numbers</b>				
Benford's Law	!	3		6
Beneish M-Score	!	9		
Accounting Disclosure Complexity	!	5	4	
<b>Securities &amp; Exchange Commission Concerns</b>				
SEC Oversight	✓	8		1
SEC Letters to Management	!	3	5	1
Revenue Recognition	✓	8	1	
Non-GAAP Measures	✓	9		

	NAV	PEERGROUP FLAGS		
<b>Litigation &amp; External Pressures</b>				
Significant Litigation	!	2	3	4
Class Actions	!	5		4
Securities Law	!	7		2
Shareholder Activism	!	9		
Cybersecurity	✓	9		
<b>Management Review</b>				
CEO Changes	✓	4	4	1
CFO Changes	✓	3	5	1
Insider Sales	!	1	3	5
Mergers & Acquisitions	✓	4	4	1
Sales of Assets	✓	9		
<b>Auditor Assessment</b>				
Auditor Changes	✓	9		
Auditor Experience	✓	9		
Auditor Tenure	✓	7	2	
Audit Fees	!	3	6	
Non-Audit Fees	✓	6	3	



## About Watchdog Research, Inc.

Watchdog Research, Inc. is an independent research provider and publisher of Watchdog Reports. Watchdog Reports identify red flags, issues, and other anomalies in financial reporting. Our reports contain warning signs, red flags, material disclosures, and peer analysis for use in valuation, risk analysis, due diligence research, and idea generation.

Watchdog Reports are designed to assist investment professionals fulfill their fiduciary or suitability obligations and to help investors, executives, board members, regulators and educators learn what they need to know about publicly traded companies.

The company is headquartered in Ave Maria, FL. Watchdog Research, Inc. utilizes over 75 specialists and analysts to provide accurate and timely information to our readers.

### Our management team is:

**CEO: Brian Lawe.** Brian has been part of the corporate staff at The New York Times Company and IBM. He has created and operated several technology companies including MyStoreCredit, OnPage Ideas and HelloCampus. He holds an MBA from Harvard Business School and a BBA from Texas Christian University. He and his wife have four children and live in the Naples, FL area.

**CTO: Radu Cugut.** Radu has led the award-winning technology team that developed the Watchdog Report and services. He, his wife and son split their time between his home in Ave Maria, FL and his home in Timisoara, Romania where he oversees five talented development professionals. Radu has a bachelors in Computer Science and a masters in Banking and Financial Information Systems, both from the West University of Timisoara.

**Chief Content Officer: Joseph Burke, Ph.D.** is responsible for the content development, analysis, and quality control for the Watchdog Report. Joseph worked previously as a professor of economics at Ave Maria University. He received his Ph.D. from the University of Wisconsin-Madison and resides with his family in the Naples area.

**Director of Research and Associate General Counsel: John Cheffers.** John is responsible for writing our blogs and for our press relationships. He received his bachelors from Washington University in St. Louis, and has worked for Audit Analytics and Ave Maria University. He graduated Ave Maria University School of Law where his research was selected for publication in the Law Review. He currently lives in Pennsylvania with his wife and two children.



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