US ENERGY CORP
Form SC 13G/A
February 10, 2017

CUSIP No: 911805208

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT

TO § 240.13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED

PURSUANT TO § 240.13d-2.

(Amendment No. 1)*

U.S. Energy Corp.

(Name of Issuer)

Common Stock, $.01 par value per share

(Title of Class of Securities)

911805208

(CUSIP Number)

December 31, 2016

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

o Rule 13d-1(b)
x Rule 13d-1(c)
o Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No: 911805208

(1) Names of Reporting Persons
CVI Investments, Inc.

(2) Check the Appropriate Box if a Member of a Group (See Instructions)
(a) o
(b) o

(3) SEC Use Only

(4) Citizenship or Place of Organization
Cayman Islands

Number of Shares Beneficially Owned by Each Reporting Person With	(5)	Sole Voting Power 0
	(6)	Shared Voting Power ** 370,200
	(7)	Sole Dispositive Power 0
	(8)	Shared Dispositive Power ** 370,200

(9) Aggregate Amount Beneficially Owned by Each Reporting Person
370,200

(10) Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o

(11) Percent of Class Represented by Amount in Row (9)
6.0%

(12) Type of Reporting Person (See Instructions)
CO

** Heights Capital Management, Inc. is the investment manager to CVI Investments, Inc. and as such may exercise voting and dispositive power over these shares.

CUSIP No: 911805208

(1)	Names of Reporting Persons Heights Capital Management, Inc.
(2)	Check the Appropriate Box if a Member of a Group (See Instructions) (a) o (b) o
(3)	SEC Use Only
(4)	Citizenship or Place of Organization Delaware

Number of Shares Beneficially Owned by Each Reporting Person With	(5)	Sole Voting Power 0
	(6)	Shared Voting Power ** 370,200
	(7)	Sole Dispositive Power 0
	(8)	Shared Dispositive Power ** 370,200

(9)	Aggregate Amount Beneficially Owned by Each Reporting Person 370,200
(10)	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o
(11)	Percent of Class Represented by Amount in Row (9) 6.0%
(12)	Type of Reporting Person (See Instructions) CO

** Heights Capital Management, Inc. is the investment manager to CVI Investments, Inc. and as such may exercise voting and dispositive power over these shares.

CUSIP No: 911805208

Item 1.

(a) Name of Issuer

U.S. Energy Corp. (the Company)

(b) Address of Issuer s Principal Executive Offices

4643 S. Ulster St., Suite 970, Denver, CO 80237

Item 2 (a). Name of Person Filing

This statement is filed by the entities listed below, who are collectively referred to herein as Reporting Persons, with respect to the shares of Common Stock of the Company, $.01 par value per share (the Shares).

(i) CVI Investments, Inc.

(ii) Heights Capital Management, Inc.

Item 2 (b). Address of Principal Business Office or, if none, Residence

The address of the principal business office of CVI Investments, Inc. is:

P.O. Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

KY1-1104

Cayman Islands

The address of the principal business office of Heights Capital Management, Inc. is:

101 California Street, Suite 3250

San Francisco, California 94111

Item 2 (c). Citizenship

	Citizenship is set forth in Row 4 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person.		
Item 2 (d)	Title of Class of Securities Common Stock, $.01 par value per share		
Item 2 (e)	CUSIP Number 911805208		

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a)	o	Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
(b)	o	Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
(c)	o	Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
(d)	o	Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
(e)	o	An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
(f)	o	An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
(g)	o	A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
(h)	o	A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
(i)	o	A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
(j)	o	A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J);
(k)	o	Group, in accordance with Rule 13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J), please specify the type of institution:____________________________

CUSIP No: 911805208

Item 4. **Ownership**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1. The information required by Items 4(a) (c) is set forth in Rows 5 11 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person.

The Company s Prospectus Supplement (to Prospectus dated July 17, 2015, Registration No. 333-204350), filed on December 20, 2016, indicates there were 6,134,506 Shares outstanding as of the completion of the offering of the Shares referred to therein.

Heights Capital Management, Inc., which serves as the investment manager to CVI Investments, Inc., may be deemed to be the beneficial owner of all Shares owned by CVI Investments, Inc. Each of the Reporting Persons hereby disclaims any beneficial ownership of any such Shares, except for their pecuniary interest therein.

Item 5. **Ownership of Five Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: o

Item 6. **Ownership of More than Five Percent on Behalf of Another Person**

Not applicable.

Item 7. **Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person**

Not applicable.

Item 8. **Identification and Classification of Members of the Group**

Not Applicable

Item 9. **Notice of Dissolution of Group**

Not applicable.

CUSIP No: 911805208

Item 10. **Certification**

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: February 10, 2017

CVI INVESTMENTS, INC.

By: Heights Capital Management, Inc.
pursuant to a Limited Power of Attorney, a copy of which is attached as Exhibit I to the original filing on Schedule 13G.

By: /s/ Brian Sopinsky
Name: Brian Sopinsky
Title: Secretary

HEIGHTS CAPITAL MANAGEMENT, INC.

By: /s/ Brian Sopinsky
Name: Brian Sopinsky

Title: Secretary

CUSIP No: 911805208

EXHIBIT INDEX

EXHIBIT	**DESCRIPTION**
I	Limited Power of Attorney*
II	Joint Filing Agreement*

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*Previously filed.

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	August 31,	
($ in thousands)	2018	2017
Deferred tax assets:		
Allowance for doubtful accounts	$947	$2,084
Accrued expenses	8,142	12,459
Warranty	1,648	2,957
Defined benefit pension plan	1,528	2,666
Inventory	1,935	1,923
Share-based compensation	925	1,578
Vacation	797	1,422
Net operating loss and capital loss carry forwards	2,868	1,420
Deferred revenue	536	793
Other	665	964
Gross deferred tax assets	19,991	28,266
Valuation allowance	(3,562)	(2,804)
Net deferred tax assets	$16,429	$25,462
Deferred tax liabilities:		
Intangible assets	$(6,648)	$(15,422)
Property, plant, and equipment	(4,219)	(5,920)
Total deferred tax liabilities	$(10,867)	$(21,342)
Net deferred tax assets	$5,562	$4,120

In assessing the ability to realize deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Because the Company has a recent history of generating cumulative losses in a certain foreign tax jurisdiction, management did not consider projections of future taxable income as persuasive evidence for the recoverability of deferred tax assets in that jurisdiction. Therefore, the Company recorded a valuation allowance of $2.9 million as of August 31, 2015, which has decreased to $2.4 million as of August 31, 2018 for the certain foreign tax jurisdiction. Additionally, in fiscal 2018 the Company sold its filtration business, generating a $5.1 million capital loss. The Company believes it is more likely than not that the benefit from the capital loss will not be realized. Therefore, the Company recorded a valuation allowance of $1.2 million as of August 31, 2018.

The Company does not intend to, and has not historically, repatriated earnings of its foreign subsidiaries. Thus, the Company has not provided a deferred income tax liability on these undistributed earnings that are indefinitely reinvested. The Company would recognize a deferred income tax liability if the Company were to determine that such earnings were no longer indefinitely reinvested. During fiscal year 2018, U.S. Tax Reform was enacted, requiring companies to pay a one-time deemed repatriation tax on certain unrepatriated earnings of foreign subsidiaries, and generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries. There are other taxes that may be incurred if the Company would repatriate earnings of its foreign subsidiaries. It is not practicable to estimate the amount of income taxes that would be incurred if the Company would repatriate earnings of its foreign subsidiaries.

The Company recognizes tax benefits only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. Unrecognized tax benefits are tax benefits claimed in the Company’s tax returns that do not meet these recognition and measurement standards.

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A reconciliation of changes in unrecognized tax benefits is as follows:

($ in thousands)	August 31, 2018	2017
Unrecognized tax benefits at September 1	$1,498	$1,260
Increases for positions taken in current year	117	371
Increases for positions taken in prior years	43	129
Decreases for positions taken in prior years	(21)	—
Reduction resulting from lapse of applicable statute of limitations	(38)	(224)
Decreases for settlements with tax authorities	(200)	(38)
Unrecognized tax benefits at August 31	$1,399	$1,498

The net amount of unrecognized tax benefits at both August 31, 2018 and 2017 that, if recognized, would impact the Company's effective tax rate was $1.1 million. Recognition of these tax benefits would have a favorable impact on the Company's effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. Total accrued liabilities for interest and penalties included in the unrecognized tax benefits liability were $1.0 million and $0.8 million for the years ended August 31, 2018 and 2017, respectively.

While it is expected that the amount of unrecognized tax benefits will change in the next twelve months as a result of the expiration of statutes of limitations, the Company does not expect this change to have a significant impact on its results of operations or financial position.

The Company files income tax returns in the United States and in state, local, and foreign jurisdictions. The U.S. Internal Revenue Service ("IRS") began an income tax audit for fiscal year 2016 in the fall of 2017. At August 31, 2018, the Company does not believe the outcome of the IRS examination is likely to be material to our consolidated financial statements. Other major jurisdictions where we conduct business generally have statutes of limitations ranging from three to five years.

Note 7 - Inventories

($ in thousands)	August 31, 2018	2017
Raw materials and supplies	$36,316	$31,158
Work in process	9,176	7,113

Finished goods and purchased parts	40,197	52,382
Total inventory value before LIFO adjustment	85,689	90,653
Less adjustment to LIFO value	(6,456)	(4,498)
Inventories, net	$79,233	$86,155

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Note 8 – Property, Plant, and Equipment

($ in thousands)	August 31, 2018	2017
Operating property, plant, and equipment:		
Land	$2,799	$4,869
Buildings	37,220	49,977
Machinery and equipment	75,635	80,442
Furniture and fixtures	22,727	24,547
Construction in progress	6,733	3,004
Total operating property, plant, and equipment	145,114	162,839
Accumulated depreciation	(98,191)	(99,912)
Total operating property, plant, and equipment, net	$46,923	$62,927
Property held for lease:		
Machines	$8,214	$7,833
Barriers	18,122	18,468
Total property held for lease	26,336	26,301
Accumulated depreciation	(16,011)	(14,730)
Total property held for lease, net	$10,325	$11,571
Property, plant, and equipment, net	$57,248	$74,498

Depreciation expense was $12.5 million, $12.2 million, and $12.2 million for fiscal 2018, 2017, and 2016, respectively.

Note 9 – Goodwill and Other Intangible Assets

The carrying amount of goodwill by reportable segment for the year ended August 31, 2018 and 2017 is as follows:

($ in thousands)	Irrigation	Infrastructure	Total
Balance as of August 31, 2016	$60,942	$ 15,861	$76,803
Foreign currency translation	36	292	328
Balance as of August 31, 2017	$60,978	$ 16,153	$77,131
Divestiture of businesses	(12,294)	—	(12,294)
Foreign currency translation	(93)	(73)	(167)
Balance as of August 31, 2018	$48,591	$ 16,080	$64,671

The components of the Company's identifiable intangible assets at August 31, 2018 and 2017 are included in the table below.

	August 31, 2018			2017		
($ in thousands)	Weighted average years	Gross carrying amount	Accumulated amortization	Weighted average years	Gross carrying amount	Accumulated amortization
Amortizable intangible assets:						
Patents and developed technology	3.2	$26,831	$ (19,656)	5.1	$34,038	$ (21,581)
Customer relationships	5.2	16,459	(8,668)	5.8	19,975	(10,419)
Non-compete agreements	0.4	1,137	(1,048)	1.6	2,354	(1,806)
Other	1.1	110	(85)	8.8	210	(84)
Unamortizable intangible assets:						
Tradenames	N/A	12,297	—	N/A	20,121	—
Total	3.7	$56,834	$ (29,457)	5.1	$76,698	$ (33,890)

Amortization expense for amortizable intangible assets was $4.0 million, $4.4 million, and $4.7 million for fiscal 2018, 2017, and 2016, respectively.

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Future estimated amortization of intangible assets for the next five years is as follows:

Fiscal years	$ in thousands
2019	$ 2,919
2020	2,513
2021	1,875
2022	1,699
2023	1,595
Thereafter	4,479
	$ 15,080

The Company updated its impairment evaluation of goodwill and intangible assets with indefinite useful lives at August 31, 2018. No impairment losses were indicated as a result of the annual impairment testing for fiscal 2018, 2017 and 2016.

Note 10 – Other Current Liabilities

	August 31,	
($ in thousands)	2018	2017
Other current liabilities:		
Compensation and benefits	$17,850	$18,926
Warranties	7,109	8,411
Deferred revenues	6,337	6,166
Dealer related liabilities	3,057	3,500
Customer deposits	2,591	4,096
Tax related liabilities	1,293	2,813
Accrued environmental liabilities	1,264	2,095
Other	7,434	9,112
Total other current liabilities	$46,935	$55,119

Note 11 – Credit Arrangements

Senior Notes. The Company has outstanding $115.0 million in aggregate principal amount of Senior Notes, Series A (the "Senior Notes"). The entire principal of the Senior Notes is due and payable on February 19, 2030. Interest on the Senior Notes is payable semi-annually at a fixed annual rate of 3.82 percent and borrowings under the Senior Notes are unsecured. The Company used the proceeds of the sale of the Senior Notes for general corporate purposes, including acquisitions and dividends.

Revolving Credit Facility. The Company has outstanding a $50.0 million unsecured Amended and Restated Revolving Credit Facility (the "Revolving Credit Facility") with Wells Fargo Bank, National Association ("Wells Fargo") expiring May 31, 2020. The Company intends to use borrowings under the Revolving Credit Facility for working capital purposes and to fund acquisitions. At August 31, 2018 and August 31, 2017, the Company had no outstanding borrowings under the Revolving Credit Facility. The amount of borrowings available at any time under the Revolving Credit Facility is reduced by the amount of standby letters of credit issued by Wells Fargo then outstanding. At August 31, 2018, the Company had the ability to borrow up to $44.6 million under the Revolving Credit Facility, after consideration of outstanding standby letters of credit of $5.4 million. Borrowings under the Revolving Credit Facility bear interest at a variable rate equal to LIBOR plus 90 basis points (3.01 percent at August 31, 2018), subject to adjustment as set forth in the loan documents for the Revolving Credit Facility. Interest is paid on a monthly to quarterly basis depending on loan type. The Company also pays an annual commitment fee of 0.25 percent on the unused portion of the Revolving Credit Facility.

Borrowings under the Revolving Credit Facility have equal priority with borrowings under the Company's Senior Notes. Each of the credit arrangements described above include certain covenants relating primarily to the Company's financial condition. These financial covenants include a funded debt to EBITDA leverage ratio and an interest coverage ratio. Upon the occurrence of any event of default of these covenants, including a change in control of the Company, all amounts outstanding thereunder may be declared to be immediately due and payable. At August 31, 2018 and August 31, 2017, the Company was in compliance with all financial loan covenants contained in its credit arrangements in place as of each of those dates.

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Series 2006A Bonds. Elecsys International Corporation, a wholly owned subsidiary of the Company, has outstanding $1.8 million in principal amount of industrial revenue bonds that were issued in 2006 (the "Series 2006A Bonds"). Principal and interest on the Series 2006A Bonds are payable monthly through maturity on September 1, 2026. The interest rate is adjustable every five years based on the yield of the 5-year United States Treasury Notes, plus 0.45 percent (1.92 percent as of August 31, 2018). This rate was adjusted on September 1, 2016 in accordance with the terms of the bonds, and the adjusted rate will be in force until September 1, 2021. The obligations under the Series 2006A Bonds are secured by a first priority security interest in certain real estate.

Long-term debt consists of the following:

	August 31,	
($ in thousands)	2018	2017
Senior Notes	$115,000	$115,000
Revolving Credit Facility	—	—
Series 2006A Bonds	1,775	1,976
Total debt	116,775	116,976
Less current portion	(205)	(201)
Total long-term debt	$116,570	$116,775

Principal payments due on the debt are as follows:

Due within	$ in thousands
1 year	$205
2 years	209
3 years	213
4 years	217
5 years	221
Thereafter	115,710
	$116,775

Note 12 – Financial Derivatives

Fair values of derivative instruments are as follows:

		August 31,	
($ in thousands)	Balance sheet location	2018	2017
Derivatives designated as hedging instruments:			
Foreign currency forward contracts	Other current assets	$775	$—

Foreign currency forward contracts	Other current liabilities	—	(1,633)
Total derivatives designated as hedging instruments		$775	$(1,633)
Derivatives not designated as hedging instruments:			
Foreign currency forward contracts	Other current assets	$123	$9
Foreign currency forward contracts	Other current liabilities	(12)	(114)
Total derivatives not designated as hedging instruments		$111	$(105)

Accumulated other comprehensive income included realized and unrealized after-tax gains of $5.0 million, $3.9 million, and $5.6 million at August 31, 2018, 2017, and 2016, respectively, related to derivative contracts designated as hedging instruments.

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Net Investment Hedging Relationships

The amount of loss recognized in OCI on derivatives is as follows:

	For the years ended August 31,		
($ in thousands)	2018	2017	2016
Foreign currency forward contracts, net of tax expense (benefit) of $498, ($927), and $52	$(1,103)	$1,710	$(204)

During fiscal 2018, 2017, and 2016, the Company settled Euro foreign currency forward contracts resulting in an after-tax net loss of $0.5 million and $0.9 million, and an after-tax net gain of $0.3 million, respectively, which were included in OCI as part of a currency translation adjustment. There were no amounts recorded in the consolidated statement of operations related to ineffectiveness of Euro foreign currency forward contracts for the years ended August 31, 2018, 2017, and 2016.

At August 31, 2018 and 2017, the Company had outstanding Euro foreign currency forward contracts to sell 32.7 million Euro and 32.8 million Euro, respectively, at fixed prices to settle during the next fiscal quarter. At August 31, 2018 and 2017, the Company also had an outstanding foreign currency forward contract to sell 43.0 million South African rand at fixed prices to settle during the next fiscal quarter. The Company's foreign currency forward contracts qualify as hedges of a net investment in foreign operations.

Derivatives Not Designated as Hedging Instruments

In order to reduce exposures related to changes in foreign currency exchange rates, the Company, at times, may enter into forward exchange or option contracts for transactions denominated in a currency other than the functional currency for certain of the Company's operations. This activity primarily relates to economically hedging against foreign currency risk in purchasing inventory, sales of finished goods, and future settlement of foreign denominated assets and liabilities. The Company may choose whether or not to designate these contracts as hedges. For those contracts not designated, changes in fair value are recognized currently in the income statement. At August 31, 2018 and 2017, the Company had $5.0 million, respectively, of U.S. dollar equivalent of foreign currency forward contracts outstanding.

Note 13 – Fair Value Measurements

The following table presents the Company's financial assets and liabilities measured at fair value, based upon the level within the fair value hierarchy in which the fair value measurements fall, as of August 31, 2018 and 2017, respectively:

($ in thousands)	August 31, 2018 Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$160,787	$—	$ —	$160,787
Derivative assets	—	898	—	$898
Derivative liabilities	—	(12)	—	$(12)

($ in thousands)	August 31, 2017 Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$121,620	$—	$ —	$121,620
Derivative assets	—	9	—	9
Derivative liabilities	—	(1,747)	—	(1,747)

The carrying value of long-term debt (including current portion) was $116.8 million and $117.0 million at August 31, 2018 and 2017, respectively. The fair value of this debt was estimated to be $107.3 million and $113.3 million as of August 31, 2018 and 2017, based on current market rates as of the respective year-ends.

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Note 14 – Commitments and Contingencies

In the ordinary course of its business operations, the Company enters into arrangements that obligate it to make future payments under contracts such as lease agreements. Additionally, the Company is involved, from time to time, in commercial litigation, employment disputes, administrative proceedings, business disputes and other legal proceedings. The Company has established accruals for certain proceedings based on an assessment of probability of loss. The Company believes that any such currently-pending proceedings are either covered by insurance or would not have a material effect on the business or its consolidated financial statements if decided in a manner that is unfavorable to the Company. Such proceedings are exclusive of environmental remediation matters which are discussed separately below.

Infrastructure Products Litigation

The Company is currently defending a number of product liability lawsuits involving the Company's X-Lite® end terminal. Despite the September 2018 reversal of a sizable judgment against a competitor, the Company expects that the significant attention brought to the infrastructure products industry by the original judgment may lead to additional lawsuits being filed against the Company and others in the industry.

The Company intends to vigorously defend each of these allegations. The Company maintains insurance to mitigate the impact of adverse judgment exposures in the current product liability cases. Based on the information currently available to the Company, the Company does not believe that a loss is probable in any of these lawsuits; therefore, no accrual has been included in the Company's consolidated financial statements. Because of the complexity and early stage of these lawsuits, the Company is unable to estimate a range of possible loss.

Environmental Remediation

In 1992, the Company entered into a consent decree with the U.S. Environmental Protection Agency (the "EPA") in which the Company committed to remediate environmental contamination of the groundwater that was discovered from 1982 through 1990 at and adjacent to its Lindsay, Nebraska facility (the "site"). The site was added to the EPA's list of priority superfund sites in 1989. Between 1993 and 1995, remediation plans for the site were approved by the EPA and fully implemented by the Company. Since 1998, the primary remaining contamination at the site has been the presence of volatile organic compounds in the soil and groundwater. To date, the remediation process has consisted primarily of drilling wells into the aquifer and pumping water to the surface to allow these contaminants to be removed by aeration.

In fiscal 2012, the Company undertook an investigation to assess further potential site remediation and containment actions. In connection with the receipt of preliminary results of this investigation and other evaluations, the Company estimated that it would incur $7.2 million in remediation of source area contamination and operating costs and accrued that undiscounted amount. In addition to this source area, the Company determined that volatile organic compounds also existed under one of the manufacturing buildings on the site. Due to the location, the Company had not yet determined the extent of these compounds or the extent to which they were contributing to groundwater contamination. Based on the uncertainty of the remediation actions that might be required with respect to this affected area, the Company believed that meaningful estimates of costs or range of costs could not be made and accordingly were not accrued.

In December 2014, the EPA requested that the Company prepare a feasibility study related to the site, including the area covered by the building, which resulted in a revision to the Company's remediation timeline. In the first quarter of fiscal 2015, the Company accrued $1.5 million of incremental operating costs to reflect its updated timeline.

The Company began soil and groundwater testing in preparation for developing this feasibility study during the first quarter of fiscal 2016. During the second quarter of fiscal 2016, the Company completed its testing which clarified the extent of contamination, including the identification of a source of contamination near the manufacturing building that was not part of the area for which reserves were previously established. The Company, with the assistance of third-party environmental experts, developed and evaluated remediation alternatives, a proposed remediation plan, and estimated costs. Based on these estimates of future remediation and operating costs, the Company accrued an additional $13.0 million in the second quarter of fiscal 2016 and included the related expenses in general and administrative expenses in the consolidated statement of operations.

The current estimated aggregate accrued cost of $16.6 million is based on consideration of several remediation options that would use different technologies, each of which the Company believes could be successful in meeting the long-term regulatory requirements of the site. The Company participated in a preliminary meeting with the EPA and the Nebraska Department of Environmental Quality (the “NDEQ”) during the third quarter of fiscal 2016 to

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review remediation alternatives and proposed plans for the site and submitted its remedial alternatives evaluation report to the EPA in August 2016. The proposed remediation plan is preliminary and has not been approved by the EPA or the NDEQ. Based on guidance from third-party environmental experts and the preliminary discussions with the EPA, the Company anticipates that a definitive plan will not be agreed upon until fiscal 2019 or later.

The Company accrues the anticipated cost of investigation and remediation when the obligation is probable and can be reasonably estimated. While the Company believes the current accrual is a good faith estimate of the long-term cost of remediation at this site based on preliminary analysis available at this time, the estimate of costs and their timing could change as a result of a number of factors, including (1) EPA and NDEQ input on the proposed remediation plan and any changes which they may subsequently require, (2) refinement of cost estimates and length of time required to complete remediation and post-remediation operations and maintenance, (3) effectiveness of the technology chosen in remediation of the site as well as changes in technology that may be available in the future, and (4) unforeseen circumstances existing at the site. As a result of these factors, the actual amount of costs incurred by the Company in connection with the remediation of contamination of its Lindsay, Nebraska site could exceed the amounts accrued for this expense at this time. While any revisions could be material to the operating results of any fiscal quarter or fiscal year, the Company does not expect such additional expenses would have a material adverse effect on its liquidity or financial condition.

The following table summarizes the undiscounted environmental remediation liability classifications included in the balance sheet as of August 31, 2018 and 2017:

($ in thousands)	August 31,	
Balance sheet location	2018	2017
Other current liabilities	$1,264	$2,095
Other noncurrent liabilities	15,319	15,937
Total environmental remediation liabilities	$16,583	$18,032

Leases

The Company leases land, buildings, machinery, equipment, and computer equipment under various non-cancelable operating lease agreements. At August 31, 2018, future minimum lease payments under non-cancelable operating leases were as follows:

Fiscal years	$ in thousands
2019	$ 3,964
2020	3,996
2021	3,971
2022	3,831
2023	3,318
Thereafter	20,059
	$ 39,138

Lease expense was $5.0 million, $5.1 million, and $5.0 million for fiscal 2018, 2017, and 2016, respectively.

Note 15 – Retirement Plans

The Company has defined contribution profit sharing plans covering substantially all of its full-time U.S. employees. Participants may voluntarily contribute a percentage of compensation, but not in excess of the maximum allowed under the Internal Revenue Code. The plans provide for a matching contribution by the Company. The Company's total contributions charged to expense under the plans were $1.7 million, $1.7 million, and $1.5 million for the years ended August 31, 2018, 2017, and 2016, respectively.

A supplementary non qualified, non funded retirement plan for five former executives is also maintained. Plan benefits are based on the executive's average total compensation during the three highest compensation years of employment. This unfunded supplemental retirement plan is not subject to the minimum funding requirements of ERISA. While the plan is unfunded, the Company has purchased life insurance policies on certain former executives named in this supplemental retirement plan to provide funding for this liability. The cash surrender value of these insurance policies are recorded as other noncurrent assets.

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As of August 31, 2018 and 2017, the funded status of the supplemental retirement plan was recorded in the consolidated balance sheets. The Company utilizes an August 31 measurement date for plan obligations related to the supplemental retirement plan. As this is an unfunded retirement plan, the funded status is equal to the benefit obligation.

The funded status of the plan and the net amount recognized in the accompanying balance sheets as of August 31 is as follows:

	August 31,	
($ in thousands)	2018	2017
Change in benefit obligation:		
Benefit obligation at beginning of year	$6,825	$7,426
Interest cost	243	236
Actuarial (gain) loss	(134)	(287)
Benefits paid	(530)	(550)
Benefit obligation at end of year	$6,404	$6,825

Amounts recognized in the statement of financial position consist of:

	August 31,	
($ in thousands)	2018	2017
Other current liabilities	$530	$530
Pension benefit liabilities	5,874	6,295
Net amount recognized	$6,404	$6,825

The before-tax amounts recognized in accumulated other comprehensive loss consists of:

	August 31,	
($ in thousands)	2018	2017
Net actuarial loss	$(3,561)	$(3,901)

For the years ended August 31, 2018 and 2017, the Company assumed a discount rate of 4.00 percent and 3.70 percent, respectively, for the determination of the liability. The assumptions used to determine benefit obligations and costs are selected based on current and expected market conditions. The discount rate is based on a hypothetical portfolio of long-term corporate bonds with cash flows approximating the timing of expected benefit payments.

For the years ended August 31, 2018, 2017, and 2016, the Company assumed a discount rate of 3.70 percent, 3.30 percent, and 4.10 percent, respectively, for the determination of the net periodic benefit cost. The components of the net periodic benefit cost for the supplemental retirement plan are as follows:

	For the years ended August 31,		
($ in thousands)	2018	2017	2016
Interest cost	$243	$236	$281
Net amortization and deferral	206	241	209
Total	$449	$477	$490

The estimated actuarial loss for the supplemental retirement plan that will be amortized, on a pre-tax basis, from accumulated other comprehensive loss into net periodic benefit cost during fiscal 2019 will be $0.2 million.

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The Company's future annual contributions to the supplemental retirement plan will be equal to expected net benefit payments since the plan is unfunded. The following net benefit payments are expected to be paid:

Fiscal years	$ in thousands
2019	$ 518
2020	511
2021	504
2022	496
2023	487
Thereafter	3,889
	$ 6,404

Note 16 - Warranties

Product Warranties

The Company generally warrants its products against certain manufacturing and other defects. These product warranties are provided for specific periods and/or usage of the product. The accrued product warranty costs are for a combination of specifically identified items and other incurred, but not identified, items based primarily on historical experience of actual warranty claims. This reserve is classified within other current liabilities.

The following tables provide the changes in the Company's product warranties:

	For the years ended August 31,	
($ in thousands)	2018	2017
Product warranty accrual balance, beginning of period	$8,411	$7,443
Liabilities accrued for warranties during the period	5,228	6,914
Warranty claims paid during the period	(5,848)	(6,312)
Changes in estimates	141	366
Transfers to liabilities held-for-sale and divested businesses	(823)	—
Product warranty accrual balance, end of period	$7,109	$8,411

Warranty costs were $5.4 million, $7.3 million, and $5.4 million for fiscal 2018, 2017, and 2016, respectively.

Note 17 – Industry Segment Information

The Company manages its business activities in two reportable segments: Irrigation and Infrastructure. The accounting policies of the two reportable segments are the same as those described in Note 1, Description of Business and Significant Accounting Policies. The Company evaluates the performance of its reportable segments based on segment sales, gross profit, and operating income, with operating income for segment purposes excluding unallocated corporate general and administrative expenses, interest income, interest expense, other income and expenses, and income taxes. Operating income for segment purposes does include general and administrative expenses, selling expenses, engineering and research expenses and other overhead charges directly attributable to the segment. There are no inter-segment sales included in the amounts disclosed.

Irrigation

This reporting segment includes the manufacture and marketing of center pivot, lateral move, and hose reel irrigation systems, as well as various innovative technology solutions such as GPS positioning and guidance, variable rate irrigation, wireless irrigation management, M2M communication technology, and smartphone applications. The irrigation reporting segment consists of one operating segment.

Infrastructure

This reporting segment includes the manufacture and marketing of moveable barriers, specialty barriers, crash cushions and end terminals, and road marking and road safety equipment; the manufacturing and selling of large diameter steel tubing and railroad signals and structures; and providing outsourced manufacturing and production services. The infrastructure reporting segment consists of one operating segment.

The Company has no single major customer representing ten percent or more of its total revenues during fiscal 2018, 2017, or 2016.

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Summarized financial information concerning the Company’s reportable segments is shown in the following tables:

($ in thousands)	2018	2017	2016
Operating revenues:			
Irrigation	$439,858	$418,041	$421,641
Infrastructure	107,847	99,944	94,770
Total operating revenues	$547,705	$517,985	$516,411
Operating income:			
Irrigation	$41,933	$42,774	$49,232
Infrastructure	23,857	20,131	18,535
Corporate	(27,227)	(22,704)	(33,392)
Total operating income	38,563	40,201	34,375
Interest and other income (expense), net	(4,710)	(4,486)	(5,087)
Earnings before income taxes	$33,853	$35,715	$29,288
Total capital expenditures:			
Irrigation	$9,259	$6,313	$8,375
Infrastructure	938	1,562	2,977
Corporate	857	988	144
	$11,054	$8,863	$11,496
Depreciation and amortization:			
Irrigation	$11,412	$11,840	$11,774
Infrastructure	4,611	4,452	4,648
Corporate	491	386	459
	$16,514	$16,678	$16,881
Total assets:			
Irrigation	$277,712	$337,446	$332,294
Infrastructure	69,919	80,187	81,160
Corporate	152,625	88,399	74,061
	$500,256	$506,032	$487,515

Summarized financial information concerning the Company’s geographical areas is shown in the following tables.

	For the years ended August 31,					
($ in thousands)	2018		2017		2016	
	Revenues	% of total	Revenues	% of total	Revenues	% of total
United States	$321,698	59	$297,261	57	$321,554	62
International	226,007	41	220,724	43	194,857	38
Total revenues	$547,705	100	$517,985	100	$516,411	100

($ in thousands)	For the years ended August 31, 2018 Long-lived tangible assets	% of total	2017 Long-lived tangible assets	% of total	2016 Long-lived tangible assets	% of total
United States	$39,290	69	$54,199	73	$58,098	75
International	17,958	31	20,299	27	19,529	25
Total long-lived assets	$57,248	100	$74,498	100	$77,627	100

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Note 18 – Share-Based Compensation

Share-Based Compensation Program

Share-based compensation is designed to reward employees for their long-term contributions to the Company and provide incentives for them to remain with the Company. The number and frequency of share grants are based on competitive practices, operating results of the Company, and individual performance. As of August 31, 2018, the Company's share-based compensation plan was the 2015 Long-Term Incentive Plan (the "2015 Plan"). The 2015 Plan was approved by the shareholders of the Company, and became effective on January 26, 2015, and replaced the Company's 2010 Long Term Incentive Plan. At August 31, 2018, the Company had share-based awards outstanding under its 2010 and 2015 Long-Term Incentive Plans.

The 2015 Plan provides for awards of stock options, restricted shares, restricted stock units, stock appreciation rights, performance shares and performance stock units to employees and non-employee directors of the Company. The maximum number of shares as to which stock awards may be granted under the 2015 Plan is 626,968 shares, exclusive of any forfeitures from the 2010 Long Term Incentive Plan. At August 31, 2018, 466,505 shares of common stock (including forfeitures from prior plans) remained available for issuance under the 2015 Plan. All stock awards will be counted against the 2015 Plan in a 1 to 1 ratio. If options, restricted stock units or performance stock units awarded under the 2010 Plan terminate without being fully vested or exercised, those shares will be available again for grant under the 2015 Plan. The 2015 Plan also limits the total awards that may be made to any individual.

Share-Based Compensation Information

The following table summarizes share-based compensation expense for fiscal 2018, 2017, and 2016:

	For the years ended August 31,		
($ in thousands)	2018	2017	2016
Share-based compensation expense included in cost of operating revenues	$113	$231	$207
Research and development	150	162	140
Sales and marketing	461	397	455
General and administrative	3,169	2,807	2,258
Share-based compensation expense included in operating expenses	3,780	3,366	2,853
Total share-based compensation expense	3,893	3,597	3,060
Tax benefit	(1,090)	(1,338)	(1,138)
Share-based compensation expense, net of tax	$2,803	$2,259	$1,922

As of August 31, 2018, there was $6.6 million pre-tax of total unrecognized compensation cost related to non-vested share-based compensation arrangements which is expected to be recognized over a weighted average period of 2.1 years.

Stock Options – Stock option awards have an exercise price equal to the closing price on the date of grant, expire no later than ten years from the date of grant and vest over a four-year period at 25 percent per year. The fair value of stock option awards is estimated using the Black-Scholes option pricing model. The table below shows the annual weighted average assumptions used for valuation purposes.

	Grant year	
	Fiscal 2018	Fiscal 2017
Risk-free interest rate	2.2 %	1.5 %
Dividend yield	1.3 %	1.5 %
Expected life (years)	7	7
Volatility	33.9 %	36.5 %
Weighted average grant-date fair value of options granted	$30.72	$26.25

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant; the dividend yield is calculated as the ratio of dividends paid per share of common stock to the stock price on the date of grant; the

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expected life is based on historical and expected exercise behavior; and volatility is based on the historical volatility of the Company's stock price over the expected life of the option.

The following table summarizes information about stock options outstanding as of and for the years ended August 31, 2018, 2017, and 2016:

	Number of stock options	Average exercise price	Average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Stock options outstanding at August 31, 2016	127,286	$ 71.24	7.4	$ 521
Granted	47,223	$ 78.23		
Exercised	(43,556)	$ 69.33		$ 681
Forfeited / cancelled	(8,434)	$ 73.90		
Stock options outstanding at August 31, 2017	122,519	$ 74.43	7.5	$ 1,487
Granted	46,306	$ 91.52		
Exercised	(37,651)	$ 74.02		$ 538
Forfeited / cancelled	(54,371)	$ 78.49		
Stock options outstanding at August 31, 2018	76,803	$ 82.06	7.7	$ 1,053
Exercisable at August 31, 2016	57,250	$ 68.57	6.1	$ 362
Exercisable at August 31, 2017	36,348	$ 71.37	5.8	$ 553
Exercisable at August 31, 2018	25,469	$ 72.70	5.5	$ 587

There were 27,811, 25,285, and 23,164 outstanding stock options that vested during fiscal 2018, 2017, and 2016, respectively. Additional information regarding stock option exercises is summarized in the table below.

	For the years ended August 31,		
($ in thousands)	2018	2017	2016
Intrinsic value of stock options exercised	$538	$681	$181
Cash received from stock option exercises	$2,788	$3,020	$113
Tax benefit realized from stock option exercises	$151	$254	$67
Aggregate grant-date fair value of stock options vested	$31.37	$35.79	$37.70

Restricted stock units - The restricted stock units have a grant-date fair value equal to the fair market value of the underlying stock on the grant date less present value of expected dividends. The restricted stock units granted to employees vest over a three-year period at approximately 33 percent per year. The restricted stock units granted to non-employee directors generally vest over a nine-month period.

The following table summarizes information about restricted stock units as of and for the years ended August 31, 2018, 2017, and 2016:

	Number of restricted stock units	Weighted average grant-date fair value
Restricted stock units outstanding at August 31, 2016	67,054	$ 69.11
Granted	44,647	74.75
Vested	(34,312)	69.89
Forfeited / Cancelled	(8,366)	70.51
Restricted stock units outstanding at August 31, 2017	69,023	$ 72.25
Granted	79,550	87.80
Vested	(34,857)	72.82
Forfeited / Cancelled	(23,107)	76.99
Restricted stock units outstanding at August 31, 2018	90,609	$ 84.38

Restricted stock units are generally settled with the issuance of shares with the exception of certain restricted stock units awarded to internationally-based employees that are settled in cash. At August 31, 2018, 2017, and 2016, outstanding restricted stock units included 6,474, 6,709, and 6,155 units, respectively, that will be settled in cash.

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The fair value of restricted stock units that vested during the period was $3.2 million and $2.4 million for each of the years ended August 31, 2018 and 2017, respectively.

Performance stock units - The performance stock units have a grant-date fair value equal to the fair market value of the underlying stock on the grant date less present value of expected dividends. The performance stock units granted to employees cliff vest after a three-year period and a specified number of shares of common stock will be awarded under the terms of the performance stock units, if performance measures relating to revenue growth and a return on net assets are achieved.

The table below summarizes the status of the Company’s performance stock units as of and for the year ended August 31, 2018, 2017, and 2016:

	Number of performance stock units	Weighted average grant-date fair value
Performance stock units outstanding at August 31, 2016	38,148	$ 72.20
Granted	15,902	74.80
Forfeited / cancelled	(15,361)	74.10
Performance stock units outstanding at August 31, 2017	38,689	$ 72.52
Granted	15,524	88.02
Forfeited / cancelled	(34,261)	74.61
Performance stock units outstanding at August 31, 2018	19,952	80.99

In connection with the performance stock units, the performance goals are based upon revenue growth and a return on net assets during the performance period. The awards actually earned will range from zero to two hundred percent of the targeted number of performance stock units and will be paid in shares of common stock. Shares earned will be distributed upon vesting on the first day of November following the end of the three-year performance period. The Company is accruing compensation expense based on the estimated number of shares expected to be issued utilizing the most current information available to the Company at the date of the financial statements. If defined performance goals are not met, no compensation cost will be recognized and any previously recognized compensation expense will be reversed. In fiscal 2018 and 2017, no performance stock units vested.

Note 19 – Share Repurchases

The Company’s Board of Directors authorized a share repurchase program of up to $250.0 million of common stock with no expiration date. Under the program, shares may be repurchased in privately negotiated and/or open market transactions as well as under formalized trading plans in accordance with the guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. There were no shares repurchased during the twelve months ended August 31, 2018 and 2017. During the twelve months ended August 31, 2016, the Company repurchased 688,790 shares of common stock for an aggregate purchase price of $48.3 million. The remaining amount available under the repurchase program was $63.7 million as of August 31, 2018.

Note 20 – Quarterly Results of Operations (Unaudited)

($ in thousands, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year ended August 31, 2018				
Operating revenues	$124,526	$130,339	$169,571	$123,269
Cost of operating revenues	$92,129	$95,023	$118,093	$90,998
Earnings before income taxes	$4,792	$5,676	$17,445	$5,940
Net earnings	$3,185	$1,735	$10,379	$4,978
Diluted net earnings per share	$0.30	$0.16	$0.96	$0.46
Year ended August 31, 2017				
Operating revenues	$110,390	$124,125	$151,533	$131,937
Cost of operating revenues	$82,016	$91,184	$105,627	$94,146
Earnings before income taxes	$1,335	$7,636	$16,197	$10,547
Net earnings	$873	$5,012	$10,952	$6,342
Diluted net earnings per share	$0.08	$0.47	$1.02	$0.59

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ITEM 9 — Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

ITEM 9A — Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in enabling the Company to record, process, summarize and report information required to be included in the Company's periodic SEC filings within the required time period.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of August 31, 2018, based on the criteria for effective internal control described in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its assessment, management concluded that the Company's internal control over financial reporting was effective as of August 31, 2018.

The Audit Committee has engaged KPMG LLP, the independent registered public accounting firm that audited the consolidated financial statements included in this Annual Report on Form 10-K, to attest to and report on management's evaluation of the Company's internal control over financial reporting. The report of KPMG LLP is included herein.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Lindsay Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Lindsay Corporation's (the Company) internal control over financial reporting as of August 31, 2018, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2018, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of August 31, 2018 and 2017, the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended August 31, 2018, and the related notes and financial statement schedule (collectively, the consolidated financial statements), and our report dated October 23, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Omaha, Nebraska
October 23, 2018

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Changes in Internal Control over Financial Reporting

There were no changes in the Company’s internal controls over financial reporting that occurred during the year ended August 31, 2018, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

ITEM 9B — Other Information

None.

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PART III

ITEM 10 — Directors, Executive Officers and Corporate Governance

The Company will file with the Securities and Exchange Commission a definitive Proxy Statement for its 2019 Annual Meeting of Stockholders (the "Proxy Statement") not later than 120 days after the close of its fiscal year ended August 31, 2018. Information about the Board of Directors required by Items 401 and 407 of Regulation S K is incorporated by reference to the discussion responsive thereto under the captions "Board of Directors and Committees" and "Corporate Governance" in the Proxy Statement.

Please see the information concerning our executive officers contained in Item 1 of Part I herein, under the caption "Executive Officers" as required by Item 401(b) of Regulation S-K.

Section 16(a) Beneficial Ownership Reporting Compliance Item 405 of Regulation S K calls for disclosure of any known late filing or failure by an insider to file a report required by Section 16 of the Securities Exchange Act. The information required by Item 405 is incorporated by reference to the discussion responsive thereto under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement.

Code of Ethics – Item 406 of Regulation S-K calls for disclosure of whether the Company has adopted a code of ethics applicable to the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Company has adopted a code of ethics applicable to the Company's principal executive officer and senior financial officers known as the Code of Ethical Conduct (Principal Executive Officer and Senior Financial Officers). The Code of Ethical Conduct (Principal Executive Officer and Senior Financial Officers) is available on the Company's website. In the event that the Company amends or waives any of the provisions of the Code of Ethical Conduct applicable to the principal executive officer and senior financial officers, the Company intends to disclose the same on the Company's website at www.lindsay.com. No waivers were provided for the fiscal year ended August 31, 2018.

ITEM 11 — Executive Compensation

The information required by this Item is incorporated by reference to the discussion responsive thereto under the captions "Executive Compensation," "Compensation Discussion and Analysis," "Pension Benefits," "Nonqualified Deferred Compensation," "Report of the Compensation Committee on Executive Compensation," "Compensation of Directors," and "Compensation Committee Interlocks and Insider Participation" in the Proxy Statement.

ITEM 12 — Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item relating to security ownership of certain beneficial owners and management is incorporated by reference to the discussion responsive thereto under the caption "Voting Securities and Beneficial Ownership Thereof by Principal Stockholders, Directors and Officers" in the Proxy Statement.

Equity Compensation Plan Information - The following equity compensation plan information summarizes plans and securities approved by security holders as of August 31, 2018 (there were no equity compensation plans not approved by security holders as of August 31, 2018):

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted-average exercise price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1) (2)	180,890	$ 82.06	466,505
Total	180,890	$ 82.06	466,505

(1) Plans approved by stockholders include the Company's 2010 and 2015 Long-Term Incentive Plans. While certain share-based awards remain outstanding under the Company's 2010 Long-Term Incentive Plan, no future equity compensation awards may be granted under such plan.

(2) Column (a) includes (i) 19,952 shares that could be issued under performance stock units ("PSU") outstanding at August 31, 2018, and (ii) 84,135 shares that could be issued under restricted stock units ("RSU") outstanding at August 31, 2018. The PSUs are earned and Common

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Stock issued if certain predetermined performance criteria are met. Actual shares issued may be equal to, less than or greater than (but not more than 200 percent of) the number of outstanding PSUs included in column (a), depending on actual performance. The RSUs vest and are payable in Common Stock after the expiration of the time periods set forth in the related agreements. Column (b) does not take these PSU and RSU awards into account because they do not have an exercise price.

ITEM 13 — Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference to the discussion responsive thereto under the captions “Corporate Governance” and “Corporate Governance – Related Party Transactions” in the Proxy Statement.

ITEM 14 — Principal Accounting Fees and Services

The information required by this Item is incorporated by reference to the discussion responsive thereto under the caption “Ratification of Appointment of Independent Registered Public Accounting Firm” in the Proxy Statement.

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PART IV

ITEM 15 — Exhibits, Financial Statement Schedules

(a)(1) Financial Statements.

The following financial statements of Lindsay Corporation and Subsidiaries are included in Part II Item 8.

Financial statements and schedules other than those listed are omitted for the reason that they are not required, are not applicable or that equivalent information has been included in the financial statements or notes thereto.

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(a)(2) Financial Statement Schedules.

Lindsay Corporation and Subsidiaries

VALUATION AND QUALIFYING ACCOUNTS

Years ended August 31, 2018, 2017, and 2016

(in thousands)	Balance at beginning of period	Additions Charges to costs and expenses	Charged to other accounts	Deductions	Balance at end of period
Year ended August 31, 2018:					
Deducted in the balance sheet from the assets to which they apply:					
Allowance for doubtful accounts [1]	$ 7,447	$ 744	$ —	$ 4,606	$ 3,585
Deferred tax asset valuation allowance [2]	2,804	758	—	—	3,562
Year ended August 31, 2017:					
Deducted in the balance sheet from the Valuation					
Allowance for doubtful accounts [1]	$ 8,312	$ 483	$ —	$ 1,348	$ 7,447
Deferred tax asset valuation allowance [2]	2,825	—	—	21	2,804
Year ended August 31, 2016:					
Deducted in the balance sheet from the assets to which they apply:					
Allowance for doubtful accounts [1]	$ 9,706	$ 800	$ —	$ 2,194	$ 8,312
Deferred tax asset valuation allowance [2]	2,949	—	—	124	2,825

(1) Deductions consist of uncollectible items reserved, less recoveries of items previously reserved.
(2) Additions and deductions consist of changes to deferred tax assets not expected to be realized.
(a)(3) Exhibits. The list of the Exhibits in the Exhibit Index is incorporated into this item by reference.

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EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated November 4, 2014, by and between Lindsay Corporation, Matterhorn Merger Sub, Inc. and Elecsys Corporation, incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on November 4, 2014.
3.1	Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 14, 2006.
3.2	Amended and Restated By Laws of the Company, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on October 19, 2018.
4.1	Specimen Form of Common Stock Certificate incorporated by reference to Exhibit 4(a) to the Company's Quarterly Report on Form 10 Q for the fiscal quarter ended November 30, 2006.
10.1	Lindsay Corporation 2015 Long-Term Incentive Plan and forms of award agreements, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2015.†
10.2	Lindsay Corporation 2010 Long-Term Incentive Plan and forms of award agreements, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2011.†
10.3	Lindsay Corporation Management Incentive Umbrella Plan, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2014.†
10.4**	Lindsay Corporation Management Incentive Plan (MIP), 2018 Plan Year, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2017.†
10.5	Form of Indemnification Agreement between the Company and its Officers and Directors, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 19, 2018.†
10.6	Employment Agreement between the Company and Richard W. Parod effective March 8, 2000, incorporated by reference to Exhibit 10(a) to the Company's Report on Form 10 Q for the fiscal quarter ended May 31, 2000.†
10.7	First Amendment to Employment Agreement, dated May 2, 2003, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10 (a) of Amendment No. 1 to the Company's Report on Form 10-Q for the fiscal quarter ended May 31, 2003.†
10.8	Second Amendment to Employment Agreement, dated December 22, 2004, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10(a) to the Company's Current Report on Form 8 K filed on December 27, 2004.†
10.9	Third Amendment to Employment Agreement, dated March 20, 2007, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 22, 2007.†
10.10	Fourth Amendment to Employment Agreement, dated December 22, 2008, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on January 30, 2009.†
10.11	Fifth Amendment to Employment Agreement, dated January 26, 2009, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on January 30, 2009.†
10.12	

	Restated Sixth Amendment, effective February 25, 2010, by and between the Company and Richard W. Parod, incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2010.†
10.13	Seventh Amendment to Employment Agreement, dated January 31, 2011, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on February 3, 2011.†
10.14	Eighth Amendment to Employment Agreement, dated November 29, 2012, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on December 4, 2012. †
10.15	Ninth Amendment to Employment Agreement, dated January 26, 2015, between the Company and Richard W. Parod, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on January 27, 2015. †

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Exhibit Number	Description
10.16	Employment Agreement dated February 19, 2009, by and between the Company and David B. Downing, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on February 25, 2009.†
10.17	Separation Agreement and General Release, dated January 10, 2018, by and between the Company and David B. Downing, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2018.†
10.18	Amended and Restated Revolving Credit Agreement, dated February 18, 2015, by and between the Company and Wells Fargo Bank, National Association, incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 20, 2015.
10.19	First Amendment to Amended and Restated Revolving Credit Agreement, dated February 28, 2017, by and between the Company and Wells Fargo Bank, National Association, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 1, 2017.
10.20	Note Purchase Agreement, dated as of February 19, 2015, by and among the Company and the purchasers named therein, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 20, 2015.
10.21	Lindsay Corporation Policy on Payment of Directors Fees and Expenses, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2016.
10.22	Employment Agreement, dated May 9, 2016, between the Company and Randy A. Wood, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2016.†
10.23	Employment Agreement, dated April 5, 2016, between the Company and Brian L. Ketcham, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on April 5, 2016.†
10.24	Employment Agreement, dated July 17, 2017, between the Company and Timothy Hassinger, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 21, 2017.†
10.25	Employment Agreement, dated May 25, 2018, between the Company and J. Scott Marion, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2018.†
21*	Subsidiaries of the Company
23*	Consent of KPMG LLP
24*	The Power of Attorney authorizing Timothy Hassinger to sign the Annual Report on Form 10 K for fiscal 2018 on behalf of non-management directors.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.
32*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.
101*	Interactive Data Files.

†Management contract or compensatory plan or arrangement required to be filed as an exhibit hereto pursuant to Item 15(b) of Form 10-K.
*Filed herein.
**

Certain confidential portions of this Exhibit were omitted by means of redacting a portion of the text. This Exhibit has been filed separately with the Secretary of the Commission with the redacted text pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

ITEM 16 — Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 23rd day of October, 2018.

LINDSAY CORPORATION

By:	/s/ BRIAN L. KETCHAM
Name:	Brian L. Ketcham
Title:	Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on this 23rd day of October, 2018.

/s/ TIMOTHY L. HASSINGER Timothy L. Hassinger		Director, President and Chief Executive Officer (Principal Executive Officer)
/s/ BRIAN L. KETCHAM Brian L. Ketcham		Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Michael C. Nahl Michael C. Nahl	(1)	Chairman of the Board of Directors
/s/ Robert E. Brunner Robert E. Brunner	(1)	Director
/s/ Michael N Christodolou Michael N. Christodolou	(1)	Director
/s/ W. Thomas Jagodinski W. Thomas Jagodinski	(1)	Director
/s/ CONSUELO E. MADERE Consuelo E. Madere	(1)	Director
/s/ David B. Rayburn David B. Rayburn	(1)	Director

/s/ Michael D.Walter Michael D. Walter	(1) Director
/s/ William F. Welsh II William F. Welsh II	(1) Director

(1) By: /s/ TIMOTHY L. HASSINGER
Timothy L. Hassinger, Attorney In Fact

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