



WINNEBAGO INDUSTRIES SHARES ADDITIONAL BUSINESS UPDATES RELATED TO COVID-19

April 3, 2020

FOREST CITY, Iowa, April 03, 2020 (GLOBE NEWSWIRE) -- Winnebago Industries, Inc. (NYSE:WGO) today announced additional actions and support activities in response to the COVID-19 pandemic.

"As the COVID-19 situation continues to evolve, we are prioritizing the health and safety of our employees and other stakeholders, while taking additional steps to maintain the Company's financial flexibility," said Winnebago Industries President and CEO Michael Happe. "Following the previously announced temporary suspension of production within our organization, we are implementing additional cost saving measures including reductions to the compensation of the Executive Leadership Team and the Board of Directors. The underlying fundamentals of our business are strong, the Company has a healthy balance sheet and liquidity, and these proactive measures will help us manage through this crisis while continuing to support our dealer partners and consumers. We remain disciplined in our approach to financial management and confident that we are taking the right actions to emerge from this crisis even stronger than before."

Cost Containment and Financial Management Update

As previously announced, on March 23, 2020, the Company announced the temporary suspension of most production activities at its Winnebago, Grand Design RV, Newmar, and Chris-Craft facilities. As market demand continues to shift due to the COVID-19 pandemic, Winnebago Industries is making the following temporary compensation adjustments for its Board of Directors and Executive Leadership team:

- CEO Michael Happe will reduce his salary by 25% for the remainder of Fiscal 2020 as well as forgo his entire Fiscal 2020 financial based annual incentive.
- The Winnebago Industries Board of Directors will reduce their cash compensation by 25% for the remainder of Fiscal 2020.
- The Executive Leadership Team's cash compensation will be materially reduced for the remainder of fiscal 2020.

The Company will continue to carefully review executive and director compensation, as well as other salaried personnel costs, to identify other potential cost saving opportunities.

Additional cost containment and financial management measures the Company is taking include:

- Delaying certain capital expenses and reducing or eliminating non-critical business expenses.
- Implementing temporary hiring freezes in all locations for non-critical salaried positions.
- Postponing merit increases for salaried employees until the end of the fiscal year.
- Continually engaging with our strategic banking partners regarding appropriate options relative to future financial liquidity.
- Engaging proactively with dealers and suppliers to better understand market conditions and consumer sentiment.
- Communicating with inventory finance entities on their support of the dealer community.

Maintaining Financial Flexibility

Winnebago Industries is operating from a strong liquidity and financial position, with \$123 million of cash available on its balance sheet at the end of the Company's second quarter Fiscal 2020. The Company also has access to a \$193 million ABL credit facility.

Additionally, the Company has no significant debt maturities until November of 2023, and as of our most recent quarter end the company was well within our term loan covenant which requires a leverage ratio (net secured debt to TTM EBITDA) under 3.25.

Community Impact

As the health crisis has evolved, Winnebago Industries has focused its efforts on determining how it can best use the Company's resources to provide support in overall relief efforts, especially in its local communities. To date, Winnebago Industries is producing medical masks and face shield parts and donating vital PPE materials. Furthermore, The Winnebago Industries Foundation provided timely funding to support COVID-19 response and recovery across its communities in Iowa, Indiana, Minnesota, Florida and Oregon, to address immediate needs such as hunger and childcare for healthcare workers and to plan for longer term impacts. The Company remains engaged with community stakeholders and supports employee-initiated volunteer efforts.

"I want to recognize the hard work, flexibility and steadfast commitment our employees have shown to make these vital community support activities a reality. I have never been prouder to lead our team as we all come together to help one another in these challenging times," concluded Happe.

About Winnebago Industries

Winnebago Industries, Inc. is a leading U.S. manufacturer of recreation vehicles under the Winnebago, Grand Design, Newmar and Chris-Craft brands, which are used primarily in leisure travel and outdoor recreation activities. The Company builds quality motorhomes, travel trailers, fifth wheel products and boats. Winnebago Industries has multiple facilities in Iowa, Indiana, Oregon, Minnesota and Florida. The Company's common stock is listed on the New York Stock Exchange and traded under the symbol WGO. For access to Winnebago Industries' investor relations material or to add your name to an automatic email list for Company news releases, visit <http://investor.wgo.net>.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the anticipated duration of the suspension of the Company's operations. Investors are cautioned that forward-looking statements are inherently uncertain. A number of factors could cause actual results to differ materially from these statements, including, but not limited to developments regarding the coronavirus situation and its impact on the Company's employees, communities and other stakeholders. Additional information concerning certain risks and uncertainties that could cause actual results to differ materially from that projected or suggested is contained

in the Company's filings with the Securities and Exchange Commission ("SEC") over the last 12 months, copies of which are available from the SEC or from the Company upon request. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this release or to reflect any changes in the Company's expectations after the date of this release or any change in events, conditions or circumstances on which any statement is based, except as required by law.

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