



Winnebago Industries Announces Strategic Manufacturing Transition for Diesel Motorhome Business

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Manufacturing Shift to Deliver Operational Efficiencies and Increased Profitability within Diesel Motorhome Business

FOREST CITY, Iowa, Feb. 04, 2019 (GLOBE NEWSWIRE) -- Winnebago Industries, Inc. (NYSE: WGO), a leading outdoor lifestyle products manufacturer, announced plans today to shift Winnebago-branded Class A diesel motorhome manufacturing from its Junction City, Oregon plant to its manufacturing campus in Forest City, Iowa. The strategic manufacturing transition consolidates and centralizes product development, supply chain, and assembly operations for the Company's diesel motorhome business to a single location. This decision will enable the Winnebago Motorhome business to improve its ability to efficiently and consistently supply dealers and end customers with a stronger line-up of high-quality, innovative diesel products.

In the fall of 2015, Winnebago Industries acquired the assets of a dormant diesel motorhome manufacturer, Country Coach. The purchase included the Country Coach brand, product drawings, and various assembly and service facilities in Junction City, Oregon. Excluding its Forza brand, Winnebago Industries moved the rest of its diesel line-up from Forest City, Iowa to the Junction City campus, began production late in 2016, and continued to operate the factory service center as well. The 2018 RV of the Year, Horizon, is one of the products currently being produced in Oregon.

"While the strategic purpose of the Company's decision to move diesel manufacturing to Junction City years ago was well intended as a means to acquire additional motorhome assembly capacity and tap into an experienced RV workforce in the Northwest, we have not achieved our targeted operating efficiency and profitability goals," said Brian Hazelton, Vice President and General Manager, Winnebago Motorhome Business. "This difficult decision to relocate diesel manufacturing back to Forest City, Iowa and centralize our diesel business value chain geographically is necessary. It will enable more effective product development, enhance profitability through increased manufacturing efficiency and sourcing savings, and most importantly result in being a more reliable supplier to our diesel dealers and end customers."

The Company expects to begin the transition process immediately and complete the manufacturing start-up of a new diesel assembly line in Forest City during the fourth quarter of its 2019 fiscal year. Related expenses will negatively impact both third and fourth quarter fiscal earnings per share by approximately \$.02, respectively. The transition is expected to be accretive to EPS in Fiscal 2020 and generate an incremental operating income benefit of approximately \$4 million in annualized, run-rate efficiencies by fiscal 2021.

Following the transition, the Junction City, Oregon service operation will continue to operate as one of Winnebago Industries' aftermarket and RV parts support facilities. The Company will determine its plans for the vacant assembly space in the near future. There are approximately 250 positions currently at the Junction City facility. It is anticipated following the transition, approximately 30 positions will remain at the Oregon campus. The additional assembly presence in Forest City, Iowa will result in a projected increase of 175 positions at that site by the end of fiscal year 2020.

About Winnebago Industries

Winnebago Industries, Inc. is a leading U.S. manufacturer of outdoor lifestyle products under the Winnebago, Grand Design 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. Options for the Company's common stock are traded on the Chicago Board Options Exchange. 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>.

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