



Winnebago Industries Announces Fourth Quarter and Fiscal 2014 Results

October 16, 2014



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Full-Year Revenues Increased 18% and Earnings Per Share Increased 45% Board of Directors Approved Quarterly Cash Dividend of \$0.09 Per Share

FOREST CITY, IOWA, October 16, 2014 - Winnebago Industries, Inc. (NYSE:WGO), a leading United States recreation vehicle manufacturer, today reported financial results for the Company's fourth quarter and Fiscal 2014.

Fourth Quarter Fiscal 2014 Results

Revenues for the Fiscal 2014 fourth quarter ended August 30, 2014 were \$245.9 million, an increase of 14.8%, versus \$214.2 million for the Fiscal 2013 fourth quarter. Comparing the Fiscal 2014 fourth quarter to the same period of Fiscal 2013, operating income rose 19.2% to \$18.3 million, net income grew 21.8% to \$12.9 million and diluted earnings per share increased 26.3% to \$0.48 from \$0.38.

Fourth quarter earnings improved year over year primarily as a result of higher motorhome unit sales, a significant improvement in towables profitability and operating expense leverage. Motorhome revenue grew 15.0% driven by motorhome unit growth of 25.1%, partially offset by lower motorhome average selling prices (ASP) of 8.4% as a result of product mix. Towables operating income improved by \$1.4 million and was positively impacted by towables revenue growth of 8.6%, comprised of a 9.9% improvement in ASP and a 0.8% increase in units.

Operating expenses as a percentage of revenues were favorably leveraged during the quarter and contributed 50 basis points to the improvement in operating income margin.

Compared to the same periods of last year, the Company's motorhome retail registrations increased 17% in the Fiscal 2014 fourth quarter and 28% on a rolling 12-month basis, based on internally reported retail information.

Full-Year Fiscal 2014 Results

Revenues for the 52-weeks of Fiscal 2014 were \$945.2 million, an increase of 17.7%, from \$803.2 million for the 53-weeks of Fiscal 2013. Comparing Fiscal 2014 to Fiscal 2013, operating income rose 43.9% to \$63.9 million, net income grew 41.0% to \$45.1 million, and diluted earnings per share increased 45.1% to \$1.64 from \$1.13.

Reinstatement of Quarterly Cash Dividend

As announced on October 15, the Company's board of directors approved a quarterly cash dividend of \$0.09 per share. The first quarterly dividend of \$0.09 per share will be paid on November 26, 2014, to common stockholders of record at the close of business on November 12, 2014.

Management Comments

Chairman, CEO and President Randy Potts commented, "Demand for our products resulted in industry-leading unit volume growth and market share gains for Winnebago motorized products through the first seven months of calendar 2014 according to Statistical Surveys. The motorized growth and profitability within our towables business contributed to an outstanding fiscal year for the company resulting in year over year earnings per share growth of 45%. With a strong product lineup and increasing confidence in our towables group, we believe we are well positioned to leverage future growth opportunities."

Chief Financial Officer Sarah Nielsen added, "We generated \$13.0 million in operating cash flow during the fourth quarter of Fiscal 2014 primarily as a result of improved profitability. We did experience an increase in receivables of \$13.4 million in the fourth quarter due to a greater level of units in transit, however, this was offset by non-cash expenses and other changes in working capital. With no debt and nearly \$58 million in cash, our balance sheet is very strong, supporting future growth opportunities as well as potential stock repurchases and our recently announced quarterly cash dividend."

Conference Call

Winnebago Industries, Inc. will conduct a conference call to discuss fourth-quarter and Fiscal 2014 results at 9 a.m. Central Time today. Members of the news media, investors and the general public are invited to access a live broadcast of the conference call via the Investor Relations page of the Company's website at <http://www.wgo.net/investor.html>. The event will be archived and available for replay for the next 90 days.

About Winnebago Industries

Winnebago Industries, Inc., "The Most Recognized Name in Motor Homes®", is a leading U.S. manufacturer of recreation vehicles, which are used primarily in leisure travel and outdoor recreation activities. The Company builds quality motor homes, travel trailers, fifth wheel products, and transit buses. Winnebago Industries has received the Quality Circle Award from the Recreation Vehicle Dealers Association every year since 1996. The Company's common stock is listed on the New York and Chicago Stock Exchanges 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://www.wgo.net/investor.html>.

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 increases in interest rates, availability of credit, low consumer confidence, availability of labor, significant increase in repurchase obligations, inadequate liquidity or capital resources, availability and price of fuel, a slowdown in the economy, increased material and component costs, availability of chassis and other key component parts, sales order cancellations, slower than anticipated sales of new or existing products, new product introductions by competitors, the effect of global tensions, integration of operations relating to mergers and acquisitions activities and other factors. 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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