


Winnebago Industries Announces Third Quarter Fiscal 2015 Results

June 25, 2015

WINNEBAGO INDUSTRIES ANNOUNCES THIRD QUARTER FISCAL 2015 RESULTS

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-- Strong Quarterly Operating Cash Flow Generation of \$52.6 Million --
-- Board of Directors Approve Quarterly Cash Dividend of \$0.09 Per Share --

FOREST CITY, IOWA, June 25, 2015 - Winnebago Industries, Inc. (NYSE:WGO), a leading United States recreation vehicle manufacturer, today reported financial results for the Company's third quarter of Fiscal 2015.

Third Quarter Fiscal 2015 Results

Revenues for the Fiscal 2015 third quarter ended May 30, 2015, were \$266.5 million, an increase of 7.6%, versus \$247.7 million for the Fiscal 2014 period. Operating income was \$16.1 million for the current quarter compared to \$15.6 million in the third quarter of last year. Fiscal 2015 third quarter net income was \$11.5 million, or \$0.43 per diluted share, versus \$11.4 million, or \$0.42 per diluted share, in the same period last year.

Gross margin improved on a sequential quarter basis as motorized manufacturing inefficiencies moderated. However, on a year-over-year basis gross margin was slightly lower, a result of costs related to inefficiencies, partly offset by improved towable results. Operating expenses increased in the third quarter of Fiscal 2015 compared to the third quarter of Fiscal 2014 and included \$0.8 million of incremental general and administrative expenses associated with two previously disclosed strategic initiatives related to Enterprise Resource Planning (ERP) implementation and strategic sourcing, as well as \$0.5 million for the impairment of fixed assets in relation to the Company's corporate plane, which is being held for sale. Additionally, the Fiscal 2014 third quarter included a gain on life insurance of \$0.7 million.

Compared to the same period of last year, motorhome revenues increased 7.4% in the Fiscal 2015 third quarter, primarily a result of motorhome unit shipment growth of 11.4%, partly offset by lower average selling price (ASP) of 3.1%. In the Fiscal 2015 period, motorized unit volume growth was partly attributable to a greater level of units recognized as revenue from the Apollo rental program compared to the Fiscal 2014 third quarter, as the 2015 rental program did not impose a repurchase obligation on Winnebago. In the Fiscal 2014 third quarter, a majority of the Apollo rental units were recognized as operating leases due to the repurchase obligation. Year over year, in the Fiscal 2015 third quarter, towable revenue grew 15.9%, comprised of a 12.4% increase in ASP and 2.1% growth in unit shipments.

First Nine Months Fiscal 2015 Results

Revenues for the first nine months of Fiscal 2015 were \$725.5 million, an increase of 3.8%, from \$699.2 million for the same period of Fiscal 2014. The sales growth was primarily comprised of motorhome unit growth of 5.3% and towable ASP and unit growth of 11.6% and 6.0%, respectively. Net income in the Fiscal 2015 first nine months was \$29.5 million, or \$1.09 per diluted share, versus \$32.1 million, or \$1.16 per diluted share, last year. Winnebago motorhome retail registrations increased 12% on a trailing 12-month basis, while Winnebago towable retail registrations increased 8% on a trailing 12-month basis, based on internally reported retail information.

Quarterly Cash Dividend

On June 17, 2015, the Company's board of directors approved a quarterly cash dividend of \$0.09 per share payable on August 5, 2015 to common stockholders of record at the close of business on July 22, 2015.

Management Comments

Chairman, CEO and President Randy Potts commented, "Year over year, third quarter results came in quite strong, despite costs related to our two strategic initiatives, an impairment charge and the absence of the life insurance gain from last year. Our continued investment in an ERP system and strategic sourcing project are progressing on schedule, and while they have an impact on our near-term earnings, we anticipate they will benefit us in the future through improved efficiencies. We also made additional investments to expand motorized capacity through the purchase of a facility in Waverly, Iowa. In addition, to further our commitment to our towables business, we purchased our previously leased towables assembly facilities in Middlebury, Indiana.

"We are pleased with growth of 11% in our motorized bookings over the trailing twelve months, which is aligned with our retail registration growth over the same period. We are also pleased with the continued impressive performance by our towables group

where we experienced six consecutive quarters of profitability, including growth in both revenues and operating income. With our lineup of industry leading recreation vehicles, coupled with favorable consumer demand and RVIA's current projection for further industry growth through calendar 2016, we believe we are well positioned to generate improved financial results."

Chief Financial Officer Sarah Nielsen added, "By using \$34 million of cash from operations in the first six months of Fiscal 2015, primarily through investments in inventory and receivables, we were able to generate strong operating cash flow of \$52.6 million in the third quarter resulting in cash provided by operating activities of \$18.6 million year to date compared to \$10.2 million this time last year. Meanwhile, notwithstanding \$9.0 million of capital expenditures during the third quarter largely attributable to the purchase of facilities in Indiana and Iowa, we ended the quarter with no debt and a cash position of \$49.2 million. We remain on target for planned capital expenditures of \$15 to \$20 million for this fiscal year."

Conference Call

Winnebago Industries, Inc. will conduct a conference call to discuss third quarter Fiscal 2015 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://investor.wgo.net>. 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 motorhomes, 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 merger and acquisition activities, unexpected expenses related to ERP and Strategic Sourcing projects, compliance with environmental or other regulatory requirements 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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