



Winnebago Industries Announces First Quarter Fiscal 2016 Results

December 17, 2015

-- **Gross Margin Improved 90 Basis Points Year-over-Year** --

-- **Board of Directors Approved Quarterly Cash Dividend of \$0.10 Per Share** --



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FOREST CITY, IOWA, December 17, 2015 - Winnebago Industries, Inc. (NYSE:WGO), a leading United States recreation vehicle manufacturer, today reported financial results for the Company's first quarter of Fiscal 2016.

First Quarter Fiscal 2016 Results

Revenues for the Fiscal 2016 first quarter ended November 28, 2015, were \$214.2 million, a decrease of 4.5%, versus \$224.4 million for the Fiscal 2015 period. Operating income was \$12.8 million for the current quarter compared to \$14.4 million in the first quarter of last year. Fiscal 2016 first quarter net income was \$8.6 million, or \$0.32 per diluted share, versus \$9.9 million, or \$0.37 per diluted share, in the same period last year.

First quarter gross margin increased 90 basis points year-over-year due in part to improved motorized product mix, a greater contribution from towables, lower workers' compensation expense and the realization of cost-saving benefits related to the Company's strategic sourcing initiative. The improvement was partly offset by continued labor-related manufacturing inefficiencies and unfavorable trends in warranty expense.

Compared to Fiscal 2015, operating expenses increased in the Fiscal 2016 first quarter due mainly to \$1.4 million incremental general and administrative expenses associated with the Company's ERP implementation.

First quarter Fiscal 2016 consolidated revenues decreased due primarily to lower motorized unit shipments of 5.4%, driven by reduced throughput due to manufacturing inefficiencies and a heightened focus on quality. However, towable revenues grew 24.1%, due to higher towables unit volume of 49.5%, partly offset by lower average selling price (ASP) of 17.5%.

Year over year, motorhome retail registrations increased 3% in the Fiscal 2016 first quarter and 12% on a rolling 12-month basis, while towable retail registrations increased 10% in the Fiscal 2016 first quarter and 12% on a rolling 12-month basis, based on internally reported retail information.

Quarterly Cash Dividend

On December 16, 2015, the Company's board of directors approved a quarterly cash dividend of \$0.10 per share payable on January 27, 2016, to common stockholders of record at the close of business on January 13, 2016.

Management Comments

Chief Financial Officer Sarah Nielsen commented, "First quarter gross margin was our highest since the fourth quarter of Fiscal 2013. This increase is largely due to continued double-digit revenue growth and significantly higher margin within towables, along with improved motorized product mix. To improve labor capacity within our motorized group, we sold our bus division assets and are in the process of ceasing aluminum extrusion operations."

Nielsen concluded, "Our bookings were strong leading into the Louisville RVIA show, where we showcased new products and unveiled new floor plans. Further, we were very encouraged by the demand we received from our dealer partners at the event. During the show, we also announced our expansion to the West Coast for production of select, higher-end class A diesel products, which will ultimately improve our capacity in Forest City, Iowa for the production of class A gas and class C motorhomes."

Conference Call

Winnebago Industries, Inc. will conduct a conference call to discuss first quarter Fiscal 2016 results at 9:00 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 motor homes, travel trailers and fifth wheel products.

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://investor.wgo.net>.

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, any unexpected expenses related to ERP and strategic sourcing projects 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.