UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported) **November 8, 2019**

Winnebago Industries, Inc.
(Exact Name of Registrant as Specified in its Charter)

Iowa	**001-06403**	**42-0802678**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

P.O. Box 152, Forest City, Iowa	**50436**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code **641-585-3535**

(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.50 par value per share	WGO	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 2.01 Completion of Acquisition or Disposition of Assets.

Stock Purchase Agreement

On November 8, 2019, Winnebago Industries, Inc. (“Winnebago”), pursuant to the terms of a previously announced Stock Purchase Agreement (the “Purchase Agreement”), dated September 15, 2019, by and among Winnebago, Octavius Corporation (the “Buyer” and, together with Winnebago, the “Buyer Entities”), Newmar Corporation (“Newmar”), Dutch Real Estate Corp. (“Dutch”), New-Way Transport Corp. (“New-Way Transport”), New-Serv, Inc. (“New-Serv”) (Newmar, Dutch, New-Way Transport, New-Serv and Newmar Risk Management, Inc., a wholly-owned subsidiary of Newmar, the “Acquired Companies”), the shareholders of Newmar, Dutch, New-Way Transport and New-Serv (the “Sellers”) and the sellers agent, consummated the acquisition of the Acquired Companies (the “Transaction”).

The consideration paid by the Buyer Entities to the Sellers pursuant to the terms of the Purchase Agreement was approximately $270.0 million in cash, subject to purchase price adjustments as stipulated in the Purchase Agreement, and 2,000,000 shares of Winnebago common stock that were valued at a price per share based on the volume weighted average share price of Winnebago’s common stock for the five trailing days prior to the closing of the Transaction. The cash portion of the purchase price of the Transaction and certain transaction expenses were funded through the previously announced private placement of $300.0 million in aggregate principal amount of 1.50% convertible senior notes due 2025 that Winnebago issued to certain initial purchasers on November 1, 2019.

Ancillary Agreements

In connection with the closing of the Transaction, Winnebago and the Sellers have entered into certain ancillary agreements previously disclosed. Each of the Sellers has agreed to certain covenants pursuant to the terms of a standstill agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. The standstill agreement provides that, subject to certain limited exceptions, for up to one year after closing of the Transaction each Seller is prohibited from taking certain hostile actions with respect to Winnebago. Each of the Sellers has also entered into a lock-up letter agreement that, subject to certain limited exceptions, restricts such Sellers from transferring their shares of Winnebago common stock for one year from closing of the Transaction. A copy of the lock-up letter agreement is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The Purchase Agreement and ancillary agreements are described herein to provide investors with information regarding the terms of the Transaction. The foregoing descriptions of the Purchase Agreement and the ancillary agreements are not complete and are each subject to and qualified in their respective entirety by reference to the Purchase Agreement and the ancillary agreements that are filed herewith and incorporated herein by reference.

Item 3.02 Unregistered Sale of Equity Securities.

The information reported above under Item 2.01 of this Current Report on Form 8-K regarding the 2,000,000 shares of Winnebago common stock that the Sellers received in connection with the closing of the Transaction is incorporated herein by reference.

Item 8.01 Other Events.

On November 8, 2019, Winnebago issued a press release announcing the closing of the Transaction. A copy of that press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The required financial statements of Newmar required by Item 9.01(a) of Form 8-K are attached hereto as Exhibits 99.2 and 99.3 to this Form 8-K and are incorporated herein by reference.

(b) Pro Forma Financial Information

The required pro forma financial information required by Item 9.01(b) of Form 8-K is attached hereto as Exhibit 99.4 to this Form 8-K and is incorporated herein by reference.

(d) Exhibits

Exhibit Number	Description
2.1	Stock Purchase Agreement dated as of September 15, 2019, by and among Winnebago Industries, Inc., Octavius Corporation, Newmar Corporation, Dutch Real Estate Corp., New-Way Transport Corp., New-Serv, Inc., the shareholders of Newmar Corporation, Dutch Real Estate Corp., New-Way Transport Corp. and New-Serv, Inc. and Matthew Miller, as Sellers Agent*
10.1	Standstill Agreement dated as of September 15, 2019, by and among Winnebago Industries, Inc. and each of the investors named on the signature pages thereto.
10.2	Lock-Up Letter Agreement dated September 15, 2019, by and among Winnebago Industries, Inc. and each of the parties named on the signature pages thereto.
23.1	Consent of Crowe LLP.
99.1	Press release dated November 8, 2019
99.2	Unaudited balance sheet of Newmar as of June 30, 2019, the related statements of income, members' equity (deficit), and cash flows for the trailing twelve months ended June 30, 2019, and the related notes thereto.
99.3	Audited balance sheet of Newmar as of December 31, 2018, the related statements of income, members' equity (deficit), and cash flows for the year then ended, and the related notes thereto.
99.4	Unaudited Pro Forma Condensed Combined Financial Information.

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* Incorporated by reference to the exhibit number in Winnebago's Current Report on Form 8-K dated September 16, 2019.

Cautionary Statement Regarding Forward-Looking Information

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 risks inherent in the achievement of expected financial results and cost synergies for the Transaction and the timing thereof, 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, business interruptions, any unexpected expenses related to our Enterprise Resource Planning System, risks related to compliance with debt covenants and leverage ratios, 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.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	WINNEBAGO INDUSTRIES, INC.	
Date: November 8, 2019	By:	*/s/ Stacy L. Bogart*
	Name:	Stacy L. Bogart
	Title:	Vice President, General Counsel and Corporate Secretary

Exhibit 10.1

STANDSTILL AGREEMENT

THIS STANDSTILL AGREEMENT (this "**Agreement"**), dated as of September 15, 2019 (the "Closing Date"), is entered into by and among each of the undersigned investors named on the signature page hereof (each individually, an "**Investor**" and collectively the "**Investors**" or "**Investor Group**") and Winnebago Industries, Inc., an Iowa corporation ("**Parent"**). Capitalized terms used but not defined in this Agreement shall have the respective meanings set forth in the Purchase Agreement (as defined below).

WHEREAS, unless otherwise provided herein, references herein to the Investor Group shall mean the members of such group jointly and severally;

WHEREAS, this Agreement is made by the undersigned pursuant to that certain Stock Purchase Agreement dated September 15, 2019, by and among Octavius Corporation, a Delaware Corporation, Parent, Newmar Corporation, an Indiana corporation, Dutch Real Estate Corp., an Indiana corporation, New-Way Transport Corp., an Indiana corporation, New-Serv, Inc., an Indiana corporation, the "Sellers" identified therein, and Matthew Miller solely in his capacity as Sellers Agent thereunder (the "**Purchase Agreement**");

WHEREAS, pursuant to, and in accordance with, the Purchase Agreement, each Investor will receive a portion of the Closing Stock Consideration on the Closing Date; and

WHEREAS, as a condition to the willingness of Parent to enter into the transactions described above, and as an inducement and in consideration thereof, Parent has required that the Investors each agree, and the Investors have agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. <u>Certain Definitions</u>.

(a) The terms "**Affiliate**" and "**Associate**" have the respective meanings set forth in Rule 12b-2 promulgated under the Exchange Act of 1934, as amended (the "**Exchange Act**"), and shall include all persons that at any time during the term of this Agreement become Affiliates or Associates of any person referred to in this Agreement.

(b) The terms "**beneficial owner"** and "**beneficial ownership**" shall have the respective meanings as set forth in Rule 13d-3 promulgated under the Exchange Act.

(c) The "**Standstill Period**" means as to each Investor the period, from the Closing Date until the earlier of (i) the first anniversary of the Closing Date; and (ii) such date, if any, as the Investor Group, their Affiliates and any Group of which any of them are a member, taken collectively, cease to beneficially own at least five percent (5%) of the issued and outstanding Parent Stock.

(d) The term "**Group**" shall have the meaning set forth in Section 13(d)(3) of the Exchange Act.

(e) "**Parent Stock**" means the common stock, $0.50 par value per share of Parent.

(f) The terms "**person**" or "**persons**" shall mean any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization or other entity of any kind or nature, including a Group.

(g) "**SEC**" means the U.S. Securities and Exchange Commission.

(h) The terms "**solicitation,**" "**proxy**," and "**participant**" shall have the respective meanings ascribed to them under Rule 14a-1 promulgated under the Exchange Act or otherwise under Schedule 14A under the Exchange Act.

2. Investors Standstill. Each of the members of the Investor Group agrees that, except as expressly provided by this Agreement, during the Standstill Period, he will not, and he will cause each of such person's Affiliates, Associates or agents or other persons acting on his behalf not to:

(a) (i) nominate any person for election at any meeting of shareholders of Parent or make a request of any director of Parent for such director's resignation or make a request of Parent to seek the resignation of any of its directors, (ii) submit any proposal for consideration at, or bring any other business before any meeting of shareholders of Parent, directly or indirectly, or (iii) initiate, encourage or participate in any "withhold" or similar campaign with respect to any meeting of shareholders, directly or indirectly;

(b) form, join in or in any other way participate in a Group with respect to the Parent Stock (other than as members of the Investor Group or a Group consisting solely of members of the Investor Group, their Affiliates or Associates or any Group that may be deemed to exist or arise solely by virtue of this Agreement) or deposit any shares of Parent Stock in a voting trust or similar arrangement or subject any shares of Parent Stock to any voting agreement or pooling arrangement with any person other than any of the Investors;

(c) solicit proxies or written consents of shareholders, or otherwise conduct any nonbinding referendum with respect to any shares of Parent Stock, or make, or in any way participate in, any solicitation of any proxy to vote, or advise, encourage or influence any person with respect to voting, any shares of Parent Stock with respect to any matter, or become a participant in any solicitation, including any contested solicitation for the election of directors of Parent;

(d) seek to call, or to request the call of, a special meeting of the shareholders of Parent, or seek to make, or make, a shareholder proposal at any meeting of the shareholders of Parent or make a request for a list of Parent's shareholders (or otherwise induce or encourage any other person to initiate such proposal or request) or otherwise acting alone, or in concert with others, seek to control or influence or change the management, Board of Directors, governance or policies of Parent;

(e) effect or seek to effect (including, without limitation, by entering into any discussions, negotiations, agreements or understandings with any person), offer or propose (whether publicly or otherwise) to effect, or cause or participate in, or in any way instigate, support, encourage, assist or facilitate any other person to effect or seek, offer or propose (whether publicly or otherwise) to effect or participate in (i) any acquisition of any material assets or businesses of Parent or any of its subsidiaries, (ii) any tender offer or exchange offer, merger, acquisition or other business combination involving Parent or any of its subsidiaries, or (iii) any recapitalization, change in capital structure, dividend or distribution, sale or transfer of assets or securities, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the capital structure of Parent or any of its subsidiaries; provided that this Section 2(e) shall not prohibit any member of the Investor Group from voting his Parent Stock at any meeting of the shareholders of Parent or from participating as a shareholder of Parent, on the same basis as other shareholders, in a transaction described in clauses (i), (ii) or (iii) approved by or recommended by the Board of Directors of Parent;

(f) publicly disclose, or cause or facilitate the public disclosure (including without limitation the filing of any document or report with the SEC or any other governmental agency or any disclosure to any journalist, member of the media or securities analyst) of any intent, purpose, plan or proposal to obtain any waiver, or consent under, or any amendment of, any of the provisions of this Section 2, or otherwise seek in any manner that would require public disclosure by Parent or any of its Affiliates to obtain any waiver, consent under, or any amendment of, any provision of this Agreement;

(g) advise, encourage, support or influence any person (except other members of the Investor Group) with respect to any of the foregoing;

(h) enter into any arrangements, understandings or agreements (whether written or oral) with, or advise, finance, assist or encourage, any other person for the purpose of engaging, or offering or proposing to engage, in any of the foregoing; or

(i) take or cause or induce any other person to take any action inconsistent with any of the foregoing.

The provisions of this Section 2 will be of no further force and effect in the event that (I) any person or Group shall have acquired more than 50% of the outstanding voting equity securities of Parent or all or substantially all of the assets of Parent or (II) if Parent is subject to a voluntary proceeding or, if not dismissed within 30 days of filing, involuntary proceeding for bankruptcy, insolvency, reorganization or liquidation and dissolution.

3. <u>Representations and Warranties of Investor Group</u>. Each member of the Investor Group, individually with respect to itself-only, and not jointly and severally, hereby represents and warrants as follows:

(a) The Parent Stock beneficially owned by such member consists solely of the Closing Stock Consideration issued to the such member at the Closing and assuming the accuracy of the representations and warranties, and compliance with the agreements, or Parent pursuant to the Purchase Agreement such Parent Stock is free and clear of all liens, pledges, security interests, charges, claims, encumbrances, agreements, options, voting trusts, proxies and other arrangements or restrictions of any kind, other than those imposed by this Agreement or the Lock-Up Letter ("**Encumbrances**"). Such party has sole voting and dispositive power over all of the Parent Stock beneficially owned by him, and sole power and authority to agree to all of the matters set forth in this Agreement, with no limitations, qualification or restrictions on such rights, subject to applicable federal securities laws and the terms of this Agreement.

(b) Other than the Closing Stock Consideration issued to such Investor at the Closing, such member does not have, and does not have any right to acquire, any interest in any Parent Stock or other securities of Parent or any rights, options or other securities convertible into or exercisable or exchangeable (whether or not convertible, exercisable or exchangeable immediately or only after the passage of time or the occurrence of a specified event) for such securities or any obligations measured by the price or value of any securities of Parent, including any swaps or other derivative arrangements designed to produce economic benefits and risks that correspond to the ownership of Parent Stock, whether or not any of the foregoing would give rise to beneficial ownership and whether or not to be settled by delivery of Parent Stock, payment of cash or by other consideration, and without regard to any short position under any such contract or arrangement.

4. Communications and Filings. Each member of the Investor Group shall promptly file (and may choose to file collectively) a Schedule 13D reporting ownership of the Parent Stock and the entry into this Agreement, responding to applicable items to conform to their obligations hereunder, and appending or incorporating by reference this Agreement as an exhibit thereto. Investor shall provide to Parent a reasonable opportunity to review such Schedule 13D in advance of filing, and shall consider in good faith any reasonable comments of Parent. Notwithstanding the foregoing, nothing in this Agreement shall require any member of the Investor Group to report beneficial ownership of Parent Stock beneficially owned by any other member of the Investor Group. Each member of the Investor Group does not, by entering into this Agreement, admit that such member is a member of any Group with respect to Parent Stock.

5. Not Applicable to Bona Fide Management Activities. Notwithstanding any other provision of this Agreement, nothing in this Agreement restricts in any way any action or omission taken in good faith by an individual Investor solely in his capacity as a director or executive officer of Parent or any of its subsidiaries and not as a shareholder of Parent.

6. Incorporation of Purchase Agreement Provisions. The provisions of Section 8.3(a) (Specific Performance), Section 9.1 (Notices), Section 9.3 (Interpretation; Construction), Section 9.5 (Governing Law), Section 9.6 (Jurisdiction, Venue and Waiver of Jury Trial), Section 9.9 (Severability; Blue-Pencil) and Section 9.10 (Counterparts) of the Purchase Agreement shall apply to this Agreement as if fully set forth herein, *mutatis mutandis*.

7. Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal successors, executors, legal representatives, and permitted assigns. No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties hereto. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any person (other than, in the case of Parent, their respective successors and assigns and, in the case of the Investor Group, the members of the Investor Group and their respective successors, assigns, heirs, executors and administrators) any rights, remedies, obligations or liabilities under or by reason of this Agreement.

8. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by the parties hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Parent alone may waive any restriction set forth in Section 2 of this Agreement with respect to any member of the Investor Group without the consent of other members of the Investor Group and such waiver need not apply to other members of the Investor Group. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof.; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

9. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

10. Effectiveness of this Agreement. Notwithstanding the earlier execution and delivery of this Agreement, the effectiveness of this Agreement is conditioned on the Closing of the transactions contemplated by the Purchase Agreement. If the Closing shall occur, this Agreement shall become effective concurrently with the Closing on the Closing Date. If the Purchase Agreement is terminated for any reason in accordance therewith, this Agreement shall be null and void *ab initio.*

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

PARENT COMPANY:

Winnebago Industries, Inc.

By: /s/ Michael J. Happe
Name: Michael J. Happe
Its: President and CEO

[Signature Page to Standstill]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Joseph Shoemaker
Joseph Shoemaker

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Joyce Helmuth
Joyce Helmuth

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Keith Weirich
Keith Weirich

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Kevin Bogan
Kevin Bogan

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Kirk Bates

Kirk Bates

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Lauranna Miller
Lauranna Miller

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Linda Mast

Linda Mast

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Lucretia Hochstetler
Lucretia Hochstetler

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Mahlon Miller
Mahlon Miller

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Marcus Miller

Marcus Miller

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Matthew McQuown

Matthew McQuown

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Matthew Miller

Matthew Miller

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Matthew Utley

Matthew Utley

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Ronald Stichter

Ronald Stichter

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ Gary Shuder

Gary Shuder

[signatures continue on following page]

[Signature Page to Standstill Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Standstill Agreement on the date first written above.

INVESTOR GROUP:

/s/ John Sammut

John Sammut

[signatures continue on following page]

[Signature Page to Standstill Agreement]

LOCK-UP LETTER AGREEMENT

September 15, 2019

Winnebago Industries, Inc.
13200 Pioneer Trial, Suite 150
Eden Prairie, Minnesota 55347

Re: Shares of Winnebago Industries, Inc.

Ladies and Gentlemen:

This letter agreement (this "**Agreement**") is made by the undersigned pursuant to that certain Stock Purchase Agreement dated September 15, 2019, by and among Octavius Corporation, a Delaware Corporation, Winnebago Industries, Inc., an Iowa corporation ("**Parent**"), Newmar Corporation, an Indiana corporation, Dutch Real Estate Corp., an Indiana corporation, New-Way Transport Corp., an Indiana corporation, New-Serv, Inc., an Indiana corporation, the "Sellers" identified therein, and Matthew Miller solely in his capacity as Sellers Agent thereunder (the "**Purchase Agreement**"). Capitalized terms used but not defined in this Agreement shall have the respective meanings set forth in the Purchase Agreement.

Pursuant to the Purchase Agreement, the undersigned will receive a portion of the Closing Stock Consideration on the Closing Date. In recognition of the benefits that the Purchase Agreement will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with Parent that:

1. Definitions. As used in this Agreement, the following capitalized terms have the following respective meanings:

   a. "Immediate Family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin.

   b. "Lock-Up Shares" shall mean the Closing Stock Consideration issued to the undersigned at the Closing and any shares of capital stock of Parent issued (or issuable upon the conversion or exercise of any warrant, right or other security) which is issued by Parent as a dividend or other distribution with respect to or in exchange for or in replacement of such Closing Stock Consideration.

   c. "Restricted Period" shall mean the period of time from and after the Closing Date until the one (1) year anniversary of the Closing Date.

   d. "Transfer" shall mean (i) any direct or indirect sale, assignment, disposition or other transfer, either voluntary or involuntary, of any capital stock or interest in any capital stock or (ii) in respect of any capital stock or interest in any capital stock, to enter into any swap or other agreement, transaction or series of transactions, in each case that has an exercise or conversion privilege or a settlement or payment mechanism determined with reference to or derived from the value of the capital stock of Parent and that hedges or transfers in whole of in part, directly or indirectly, the economic consequences of such capital stock or interest in such capital stock, whether any such transaction, swap or series of transactions is to be settled by delivery of securities, in cash or otherwise; provided, that no Transfer shall be deemed to have occurred as a result of the entry into, modification of or existence of any bona fide pledge of the Lock-Up Shares in connection with a secured borrowing transaction, the pledgee with respect to which is a financial institution in the business of engaging in secured lending and similar transactions and which has entered into such transaction in the ordinary course of business.

2. Restriction. During the Restricted Period, the undersigned will not, without the prior written consent of Parent, Transfer any of the Lock-Up Shares.

3. Full Shareholder Rights. Nothing in this Agreement limits the rights of the undersigned as a shareholder of Parent, including, but not limited to, the right to vote and receive dividends on the Lock-Up Shares.

4. Exceptions. Notwithstanding Section 2, the undersigned may Transfer the Lock-Up Shares during the Restricted Period with the prior written consent of Parent or may Transfer the Lock-Up Shares without Parent's consent: (i) as a bona fide gift or gifts, (ii) to any trust or family limited partnership or similar entity for the direct or indirect benefit of the undersigned and/or the Immediate Family of the undersigned and/or bona fide charities, or (iii) (a) if the undersigned is a corporation, the corporation may Transfer the Lock-Up Shares to any wholly owned subsidiary or stockholder of the undersigned; (b) if the undersigned is a partnership or limited partnership, the partnership or limited partnership may Transfer the Lock-Up Shares to its partners or limited partners, as the case may be; and (c) if the undersigned is a limited liability company, the limited liability company may Transfer the Lock-Up Shares to its members; *provided, however*, that in the case of any such Transfer, it shall be a condition to the Transfer that (A) the donee, trustee, general partner of the family limited partnership, shareholder, partner, limited partner, member or other transferee agree to be bound in writing by the restrictions set forth herein; (B) such transferee shall execute an agreement stating that the transferee is receiving and holding the Lock-Up Shares subject to the provisions of this Agreement; and (C) there shall be no further Transfer of such Lock-Up Shares by such transferee except in accordance with this Agreement.

5. Transfers in Violation. Any Transfer or attempted Transfer of Lock-Up Shares in violation of this Agreement shall, to the fullest extent permitted by law be null and void *ab initio*), and Parent shall not, and shall instruct its transfer agent and other third parties not to, record or recognize any such purported transaction on the share register of Parent,

6. Implementation of Restrictions. The undersigned agrees and consents to the entry of stop transfer instructions with Parent's transfer agent and registrar against the Transfer of the Lock-Up Shares except in compliance with this Agreement. In furtherance of the foregoing, Parent and its transfer agent are hereby authorized to decline to make any Transfer of securities if such Transfer would constitute a violation or breach of this Agreement. Additionally, Parent's transfer agent is hereby authorized to note the

restrictions against Transfer of the Lock-Up Shares of this Agreement in its book entry records and, if any of the Lock-Up Shares are issued in certificated form, Parent's transfer agent is authorized to place a legend upon such certificate stating the restrictions of this Agreement.

7. Incorporation of Purchase Agreement Provisions. The provisions of Section 8.3(a) (Specific Performance), Section 9.1 (Notices), Section 9.3 (Interpretation; Construction), Section 9.5 (Governing Law), Section 9.6 (Jurisdiction, Venue and Waiver of Jury Trial), Section 9.9 (Severability; Blue-Pencil) and Section 9.10 (Counterparts) of the Purchase Agreement shall apply to this Agreement as if fully set forth herein, *mutatis mutandis*.

8. Authority; Assigns. The undersigned represents and warrants that the undersigned has full power and authority to enter into this Agreement and sole power and authority to agree to all of the matters set forth in this Agreement, with no limitations, qualifications or restrictions on such rights, subject to applicable federal securities laws and the terms of this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, executors, legal representatives, and permitted assigns. The undersigned may not assign any of its rights or obligations hereunder without the prior written consent of Parent.

9. Amendment and Modification, Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by the parties hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

10. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

11. Effectiveness of this Agreement. Notwithstanding the earlier execution and delivery of this Agreement the effectiveness of this Agreement is conditioned on the Closing of the transactions contemplated by the Purchase Agreement. If the Closing shall occur, this Agreement shall become effective concurrently with the Closing on the Closing Date. If the Purchase Agreement is terminated for any reason in accordance therewith this Agreement shall be null and void *ab initio*.

Very truly yours,

/s/ Matthew Utley

Matthew Utley

Very truly yours,

/s/ Ronald Stichter

Ronald Stichter

Signature Page to Lock Up Letter

Very truly yours,

/s/ Gary Shuder

Gary Shuder

Very truly yours,

/s/ John Sammut

John Sammut

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Joseph Shoemaker

Joseph Shoemaker

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Joyce Helmuth

Joyce Helmuth

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Keith Weirich

Keith Weirich

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Kevin Bogan

Kevin Bogan

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Kirk Bates

Kirk Bates

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Lauranna Miller

Lauranna Miller

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Linda Mast
Linda Mast

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Lucretia Hochstetler
Lucretia Hochstetler

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Mahlon Miller

Mahlon Miller

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Marcus Miller
Marcus Miller

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Matthew McQuown

Matthew McQuown

[Signature Page to Lock-Up Agreement]

Very truly yours,

/s/ Matthew Miller

Matthew Miller

[Signature Page to Lock-Up Agreement]

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITOR

We consent to the incorporation by reference in Registration Statements No. 333-31595, No. 333-47123, No. 333-113246, No. 333-194854, No. 333-222261 and No. 333-232220 on Form S-8 and No. 333-215641 on Form S-3 of Winnebago Industries, Inc. of our report dated January 29, 2019, except Note 11, as to which the date is October 25, 2019, on the consolidated financial statements of Newmar Corporation and Subsidiaries, which is included in this Current Report on Form 8-K.

/s/ Crowe LLP
Crowe LLP

South Bend, Indiana
November 8, 2019

Winnebago Industries Completes Acquisition of Newmar

FOREST CITY, IA, November 8, 2019 — Winnebago Industries, Inc. (NYSE: WGO), a leading outdoor lifestyle product manufacturer, today announced that it has completed the previously announced acquisition of Newmar Corporation (“Newmar”), a leading manufacturer of Class A and Super C motorized recreation vehicles (RVs). Consideration paid included $270 million in cash plus two million shares of Winnebago Industries common stock.

“The acquisition of Newmar further strengthens our core RV Platform and enhances the scale and profitability of our overall motorhome business,” said Winnebago Industries President and Chief Executive Officer, Michael Happe. “We are excited to welcome Newmar into our premium portfolio and look forward to working with their dedicated and talented team and high-quality dealer network to drive new growth opportunities and significant value creation for our employees, customers, and shareholders.”

Goldman Sachs & Co. LLC acted as financial advisor to Winnebago Industries and Faegre Baker Daniels LLP served as legal advisor.

About Winnebago Industries

Winnebago Industries, Inc. is a leading U.S. manufacturer of outdoor lifestyle products 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.

About Newmar Corporation

Established in 1968, Newmar is an innovator and leader in the RV manufacturing industry. Newmar has an industry leading portfolio of premium motorhomes in the Class A Diesel, Class A Gas and Super C categories sold through a nationwide dealer network in the US and Canada. Newmar is well known for its product quality and unique customer service model. Newmar is located in Nappanee, Indiana and has manufacturing and customer service operations there. A nationwide network of 55 dealer service centers provides customer service and support.

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 and involve potential risks and uncertainties. A number of factors could cause actual results to differ materially from these statements, including, but not limited to competition and new product introductions by competitors, our ability to attract and retain qualified personnel, increases in market compensation rates, business or production disruptions, sales order cancellations, risk related to the terms of our credit agreement and compliance with debt covenants and leverage ratios, stock price volatility and share dilution, disruptions or unanticipated costs from facility expansions, availability of labor, a slowdown in the economy, low consumer confidence, the effect of global tensions, increases in interest rates, availability of credit, availability of financing for RV and marine dealers, impairment of good will, risk related to cyclicality and seasonality of our business, slower than anticipated sales of new or existing products, integration of operations relating to merger and acquisition activities generally, the possibility that the Newmar acquisition may not perform as expected or may not result in earnings growth, difficulties and expenses related to integrating Newmar into our business, possible unknown liabilities of Newmar, significant costs related to the Newmar acquisition, increased focus of management attention and resources on the Newmar Acquisition, inadequate liquidity or capital resources, inventory and distribution channel management, our ability to innovate, our reliance on large dealer organizations, significant increase in repurchase obligations, availability and price of fuel, availability of chassis and other key component parts, increased material and component costs, exposure to warranty claims, ability to protect our intellectual property, exposure to product liability claims, dependence on information systems and web applications, any unexpected expenses related to the implementation of our Enterprise

Resource Planning system, risk related to data security, governmental regulation, including for climate change and risk related to anti-takeover provisions applicable to us. 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.

Steve Stuber - Investor Relations - 952-828-8461 - srstuber@wgo.net

Media Contact: Sam Jefson - Public Relations Specialist - 641-585-6803 - sjefson@wgo.net

Exhibit 99.2

NEWMAR CORPORATION AND SUBSIDIARIES

FINANCIAL STATEMENTS (unaudited)
June 30, 2019

CONTENTS

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (Unaudited)
June 30, 2019

ASSETS		
Current assets		
Cash and cash equivalents	$	5,753,291
Certificates of deposit		4,210,000
Accounts receivable (after allowance for doubtful accounts of $100,000)		42,166,218
Inventories, net		70,477,004
Prepaid show fees		660,509
Prepaid insurance and other current assets		2,331,819
Total current assets		125,598,841
Property, plant and equipment		
Leasehold improvements		7,100,636
Service center building		6,525,766
Machinery and equipment		12,188,401
Transportation equipment		621,081
Office furniture and equipment		2,648,624
Molds		3,893,586
Construction-in-process		1,475,650
		34,453,744
Accumulated depreciation		(19,457,292)
		14,996,452
	$	140,595,293
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accrued dealer incentive bonuses	$	1,583,000
Accrued dealer promotions		1,125,735
Accounts payable		17,424,110
Salaries and wages payable		7,147,807
Other taxes payable		1,061,545
Accrued warranty claims		15,860,000
Accrued profit sharing		560,556
Accrued group insurance		569,749
Accrued repurchase obligation		305,000
Lease payable — short term		511,378
Other current liabilities		416,255
Total current liabilities		46,565,135
Line of credit		8,000,000
Shareholder notes payable		3,689,820
Lease payable — long term		5,584,416
Total long-term liabilities		17,274,236
Redeemable common stock		123,740,227
Shareholders' equity		
Common stock, no par value; voting		—
Common stock, no par value; nonvoting		—
Paid-in capital		7,723
Accumulated deficit		(46,992,028)
		(46,984,305)
	$	140,595,293

See accompanying notes to consolidated financial statements.

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
Six months ended June 30, 2019 and 2018

	2019	2018
Sales	$ 330,021,521	$ 287,824,645
Cost of goods sold	289,956,966	251,508,094
Gross margin	40,064,555	36,316,551
Selling, general and administrative expenses	20,753,739	18,975,275
Operating income	19,310,816	17,341,276
Interest expense, net	524,937	143,779
Net income	$ 18,785,879	$ 17,197,497

See accompanying notes to consolidated financial statements.

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
Six months ended June 30, 2019 and 2018

	Common Stock	Paid-In Capital	Accumulated Deficit	Total
Balances at January 1, 2018	$ —	$ 7,723	$ (14,201,151)	$ (14,193,428)
Net income	—	—	17,197,497	17,197,497
Change in redemption value of redeemable common stock	—	—	(50,618,172)	(50,618,172)
Dividends declared	—	—	(16,801,968)	(16,801,968)
Balances at June 30, 2018	$ —	$ 7,723	$ (64,423,794)	$ (64,416,071)
Balances at January 1, 2019	$ —	$ 7,723	$ (52,753,743)	$ (52,746,020)
Net income	—	—	18,785,879	18,785,879
Dividends declared	—	—	(13,024,164)	(13,024,164)
Balances at June 30, 2019	$ —	$ 7,723	$ (46,992,028)	$ (46,984,305)

See accompanying notes to consolidated financial statements.

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
Six months ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Net income	$ 18,785,879	$ 17,197,497
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	1,452,992	844,718
Gain on sale of fixed assets	(1,000)	—
Change in assets and liabilities		
Accounts receivable	(5,495,420)	12,635
Inventories	(5,634,199)	(14,618,895)
Prepaid assets	(1,395,418)	(984,370)
Accrued dealer incentive bonuses	68,500	202,100
Accrued dealer promotions	82,000	32,000
Accounts payable	6,902,420	10,235,992
Salaries and wages payable	5,379,193	5,756,838
Other taxes payable	382,190	(194,248)
Accrued warranty claims	290,000	1,360,600
Accrued profit sharing	(518,448)	(469,190)
Accrued group insurance	36,259	(18,009)
Other current liabilities	306,745	(97,409)
Net cash from operating activities	20,641,693	19,260,259
Cash flows from investing activities		
Capital expenditures	(1,275,614)	(1,568,108)
Proceeds from sale of fixed assets	1,000	—
Advances to shareholder	—	(1,000,000)
(Purchases) proceeds of certificates of deposit, net	(1,025,000)	200,000
Net cash from investing activities	(2,299,614)	(2,368,108)
Cash flows from financing activities		
(Payments) borrowings under bank revolving line of credit agreement, net	(3,000,000)	2,000,000
Payments on lease payable	(246,504)	—
Dividends paid	(13,024,164)	(16,801,968)
Net cash from financing activities	(16,270,668)	(14,801,968)
Net change in cash and cash equivalents	2,071,411	2,090,183
Cash and cash equivalents at beginning of period	3,681,880	2,237,612
Cash and cash equivalents at end of period	$ 5,753,291	$ 4,327,795
Supplemental disclosures of cash flow information		
Cash paid during the period for Interest	$ 524,937	$ 143,779
Supplemental disclosures of non-cash flow information		
Building acquired through financing obligation	$ —	$ 6,525,766

See accompanying notes to consolidated financial statements.

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: Newmar Corporation and Subsidiaries is a recreational vehicle manufacturer operating from facilities in Nappanee, Indiana. The Company sells primarily to dealers throughout the United States and select foreign countries. Substantially all of the Company's products are sold to dealers who utilize floor plan arrangements with lending institutions (Note 10). Newmar Risk Management, Inc. (NRM) is a captive insurance company providing commercial property and various liability insurance to Newmar Corporation. NRM is a participant in a certain reinsurance agreement with other captive insurance companies. Newmar Corporation International, Inc. is an interest charge domestic international sales corporation that collects tax deductible commissions from Newmar Corporation.

Basis of Reporting: These financial statements include the financial position and results of operations of Newmar Corporation and its wholly owned subsidiaries Newmar Corporation International, Inc. and Newmar Risk Management, Inc. (collectively, the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents: As of June 30, 2019, the Company maintains cash deposits with two financial institutions. Each of the institutions are insured by an agency of the U.S. Government up to $250,000 and at times, deposits may be in excess of federally insured limits. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Certificates of Deposit: Investments consists of certificates of deposit. The certificates of deposits are carried at amortized cost, which approximates fair value at June 30, 2019.

Accounts Receivable: The Company accounts for trade receivables based on the amounts billed to customers. Most billings and past due receivables are determined based on contractual terms. The Company does not charge interest on any of its trade receivables.

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Company's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable, records an allowance for specific customers based on current circumstances, and charges off uncollectible receivables when all attempts to collect have failed.

Inventories, Net: Inventories are valued at the lower of cost (first-in first-out method) or net realizable value.

Property, Plant and Equipment and Depreciation: Assets are recorded at cost less accumulated depreciation. Repairs and maintenance are expensed as incurred; additions and betterments are capitalized. As assets are sold or disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in current earnings.

Leasehold improvements are amortized over the shorter of the lease term or the asset's useful life, generally over 5 years. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows: machinery and equipment, 7 years; transportation equipment, 5 years; office furniture and equipment, 5 to 7 years; service center

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

building, 10 years; molds, 3 years. Depreciation expense for the six month periods ended June 30, 2019 and 2018 was $1,452,992 and $844,718, respectively.

Accrued Dealer Incentive Bonuses: Estimated dealer incentive bonuses are accrued for at the time of the sale of recreational vehicles and are charged against sales.

Accrued Dealer Promotions: Estimated dealer promotions, such as advertisement, show assistance, and sales incentives, are accrued for at the time of the sale of recreational vehicles and are charged against sales.

Accrued Warranty Claims: The Company provides limited warranties on recreational vehicles for a period of one year from the time the retail customer takes delivery of the vehicle. An estimated warranty cost liability is provided for at the time of the sale. Provisions are accrued for future warranty costs based on the Company's historical experience.

Redeemable Common Stock: The Company reports common stock subject to redemption features that are outside the control of the Company separately from permanent shareholders' equity. See Note 11.

Revenue Recognition: Revenue from the sale of recreational vehicles is recognized at the time the products are shipped. The shipping terms are free on board ("FOB") shipping point and title and risk of ownership are transferred to the independent dealers at that time.

Advertising: Advertising costs consist primarily of trade shows and literature. Sale materials for literature including brochures and catalogs are accounted for as prepaid supplies until they are used or no longer expected to be used, in which case their cost is expensed. Trade shows are expensed in the period in which the show occurs. Other advertising costs are expensed when incurred. Advertising expense for the six month periods ended June 30, 2019 and 2018 was $2,685,609 and $1,267,006, respectively.

Shipping and Handling Costs: The Company records freight billed to customers as sales. Costs incurred related to shipping and handling of products are reported as cost of sales.

Use of Estimates and Assumptions: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions may change in the near future resulting in different actual results. Estimates associated with the allowance for doubtful accounts, accrued warranty claims, insurance loss reserve, and accrued repurchase obligations are particularly susceptible to material change in the near term.

Provision for Income Taxes: Effective January 1, 1990, the Company elected, with the consent of its shareholders, to be taxed as an S corporation under Section 1362 of the Internal Revenue Code and a similar section of the state income tax laws where available which provides that, in lieu of corporate income taxes, the shareholders will be taxed on their proportionate share of the Company's taxable income. Due to its pass through status (or tax-exempt status); the Company is

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

not subject to U.S. federal income tax. The Company files in various states in which it has a franchise/excise tax or where the Company has elected or is required to file as a regular corporation under those state statutes and these income taxes are included in operating expenses with franchise taxes and gross receipts taxes since the amount of income taxes is not significant.

Newmar Risk Management, Inc. has elected to be taxed under Section 831(b) of the Internal Revenue Code. Pursuant to Section 831(b), if gross premiums do not exceed $2,300,000, then Newmar Risk Management, Inc. is taxed solely on its investment income.

The Company follows guidance issued by the Financial Accounting Standards Board with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

The Company recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Company has no amounts accrued for interest or penalties as of June 30, 2019 and 2018. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Company’s major tax jurisdictions are the United States government and various state governments for which management believes that with few exceptions, the Company is no longer subject to income tax examinations by these tax authorities for years prior to 2015.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2019 to determine the need for any adjustments to and/or disclosures within the financial statements for the period ended June 30, 2019. Management has performed their analysis through October 25, 2019, the date the financial statements were available to be issued.

Recently Issued Accounting Standards Not Yet Effective: The Company has not yet adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which establishes a comprehensive five-step model for recognition of revenue from contracts with customers that will replace most of the accounting guidance currently effective and used in determining amounts and timing of revenue recognition. The effective date for this standard is for annual reporting periods beginning after December 15, 2018, which includes the Company’s current year end period for 2019. This standard does not apply to the interim period ended June 30, 2019. Based on an analysis of the Company’s historical internal accounting procedures and revenue recognition policies, the Company does not expect a material impact to its consolidated financial statements upon the adoption of this standard.

The Company has not yet adopted ASU 2016-02, Leases (Topic 842), which requires the Company to recognize both assets and liabilities arising from financing and operating leases for annual reporting periods beginning after December 15, 2019. This standard does not apply to the Company’s current year end period or the interim period ended June 30, 2019. There could be a material impact to the presentation of the manufacturing and office space lease between the

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Company and Dutch Real Estate Corp. An analysis on this specific lease has not been completed at this time. By the end of the year 2020, the Company could be required to record an approximate $19,000,000 asset and corresponding liability related to the present value of these lease payments. The company does not anticipate any other leases would result in a material impact on the consolidated financial statements at this time, including the current lease with Air Investments, LLC accounted for under the financing method.

The Company has not yet adopted ASU 2016-13, Financial Instruments — Credit Losses: Measurement of Credit Losses on Financial Instruments, which amends certain provisions accounting standards and changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held to maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. Additionally, entities will have to disclose more information with respect to credit quality indicators, including information used to track credit quality by year of origination for most financing receivables. The effective date for this standard is for annual reporting periods beginning after December 15, 2019. This standard does not apply to the Company’s current year end period or the interim period ended June 30, 2019. The Company does not expect a material impact to its consolidated financial statements upon adoption of this standard.

NOTE 2 — INVENTORIES

Inventories at June 30, 2019 consist of the following:

Chassis	$ 13,101,050
Raw materials	18,110,448
Work in process	8,864,039
Finished goods	32,108,467
	72,184,004
Inventory reserves	(1,707,000)
	$ 70,477,004

NOTE 3 — LINE OF CREDIT

During 2019, the Company amended its revolving credit agreement with 1st Source Bank, increasing the maximum available amount from $17,000,000 to $20,000,000 at June 30, 2019 and extending maturity through June 30, 2021. Interest is payable monthly at a floating rate per annum equal to one-month LIBOR rate plus 2.30% (effective interest rate of 4.70% at June 30, 2019). The line is secured by substantially all assets of the Company. The agreement also contains various financial covenants, with which the Company was in compliance at June 30, 2019. Borrowings on the line of credit at June 30, 2019 were $8,000,000.

NOTE 4 — RELATED PARTY TRANSACTIONS

At June 30, 2019, the Company had outstanding notes payable to a shareholder of $3,689,820. These notes are secured by the Company's assets and accrue interest at the prime rate minus 1% (effective rate of 4.50% at June 30, 2019) until maturity at December 31, 2022, when the principal and accrued interest are due. Interest expense related to these notes was $82,339 and $66,998 for the six month periods ended June 30, 2019 and June 30, 2018, respectively.

The Company had a non-interest bearing demand advance receivable of $1,000,000 with one of its shareholders. The receivable was short-term in nature and was paid back to the Company in full subsequent to the six month period ended June 30, 2018.

At June 30, 2019, the Company had miscellaneous receivable balances from related parties of $118,213, which take place in the normal course of business and are reimbursed to the Company. The majority of this amount is due from shareholders ($67,538) for miscellaneous shop supplies. At June 30, 2019, there is a receivable from an entity affiliated through common ownership, New-Serv Inc., for a mobile service truck in the amount of $49,682 that was paid for by the Company. Any remaining amount relates to New-Way Transport Corp. and is described below.

At June 30, 2019, the Company contracted with an entity affiliated through common ownership, New-Way Transport Corp., to deliver certain units throughout its dealer network. Transportation costs paid to New-Way Transport Corp. for the six months ended June 30, 2019 and June 30, 2018 were $1,897,215 and $1,601,810, respectively. The Company did not owe New-Way Transport Corp. for any delivery services rendered as of June 30, 2019. At June 30, 2019, New-Way Transport Corp. owed the Company $993 for miscellaneous office supplies and fees paid for by the Company. New-Way Transport Corp. also owes the Company for unbilled services of approximately $151,630 at June 30, 2019 for related administration and dispatch services performed by the Company's employees.

The Company leases its office and manufacturing facilities from a related party, Dutch Real Estate Corp., as referenced in *Note 7 — Lease Commitments*.

NOTE 5 — COMMON STOCK

The Company is authorized to issue a total of 200,000 shares of no par value, voting common stock and 6,000,000 shares of no par value, non-voting common stock.

The total voting and non-voting common shares issued and outstanding at June 30, 2019 were as follows:

	Voting	Non-Voting
Shareholders' equity	21	20,121
Redeemable common stock	52,698	2,518,161
	52,719	2,538,282

NOTE 6 — ACCRUED WARRANTY CLAIMS

The activity in accrued warranty claims for the six month periods ended June 30, 2019 and 2018 is as follows:

	2019	2018
Balance at beginning of period	$ 15,570,000	$ 13,121,500
Claims paid	(8,480,450)	(7,058,955)
Accrued warranty expense	8,770,450	8,419,555
Balance at end of period	$ 15,860,000	$ 14,482,100

NOTE 7 — LEASE COMMITMENTS

The Company leases its office and manufacturing facilities from Dutch Real Estate Corp., an entity affiliated through common ownership, on a month-to-month basis. The monthly payments varied during the period and are $358,620 as of June 30, 2019. The Company intends to lease all of the facilities for at least five years.

The Company leased a service facility from an unrelated party through March 2018, and the lease was modified as described below.

All of the leases obligate the Company to pay property taxes, insurance, maintenance, and utilities on the respective facilities.

Total rental expense was $2,401,858 and $2,148,919 for the six month periods ended June 30, 2019 and 2018, of which $2,151,720 and $1,953,540 was paid to related parties. Future intended minimum rental payments over the next five years based on the month to month terms of the leases are as follows:

	Related Party
2019 (6-month period)	$ 2,151,720
2020	4,303,440
2021	4,303,440
2022	4,303,440
2023	4,303,440
2024 (6-month period)	2,151,720
	$ 21,517,200

On March 26, 2018, the Company entered into a modified lease agreement (Lease) with Air Investments, LLC for a lease of the service center building that it has been leasing. Under this Lease, Air Investments, LLC is adding a large expansion to the service center building and the Company is agreeing to lease the expanded facility for 10 years through June 30, 2028. Because the lease modification exposed the Company to substantial construction risks through its obligation to fund certain cost overruns, the Company was deemed the accounting owner of the entire facility as of the date of the lease modification. As the deemed accounting owner, the Company recognized the facility on its consolidated balance sheet at the estimated cost of the facility, and

NOTE 7 — LEASE COMMITMENTS (Continued)

recognized an accompanying financing obligation, which is included in lease payable in the consolidated balance sheet.

In addition, the Lease was determined to not qualify for sale-leaseback accounting treatment due to the Company's continued involvement in the facility through its option to purchase the facility under the terms of the Lease. As a result, the Lease is accounted for under the financing method, under which the Company recognizes the facility on its consolidated balance sheet and depreciates it over the shorter of the facility's estimated life or the lease term. The related financing obligation is being amortized over the life of the Lease term based on the minimum lease payments required under the Lease of $68,450 per month and the Company's incremental borrowing rate of 5.27%.

The following is a summary of property held under the lease arrangement at June 30, 2019:

		2019
Service center building	$	6,525,766
Accumulated depreciation		(450,053)
Total	$	6,075,713

At June 30, 2019, the lease payable balance is $6,095,794. The current portion of the lease payable is $511,378, and the long-term portion of the lease payable is $5,584,416. As of June 30, 2019, the future minimum finance lease payments are as follows:

Year		
2019 (6- month period)	$	412,969
2020		821,000
2021		821,000
2022		821,000
2023		831,600
2024 (6-month period)		415,800
Thereafter		3,592,260
Total		7,715,629
Amount representing interest		(1,619,835)
Present value of net minimum lease payments	$	6,095,794

NOTE 8 — EMPLOYEE SAVINGS AND PROFIT SHARING PLAN

The Company has a qualified savings and profit sharing 401(k) plan covering substantially all employees. Company regular and employee matching contributions to the plan are discretionary. For the six month periods ended June 30, 2019 and 2018, the Company accrued and expensed estimated matching contributions for the 2019 and 2018 plan years of $560,556 and $508,962, respectively.

NOTE 9 — INSURANCE PLANS

The Company has a high deductible plan for health insurance. The Company is responsible for the first $125,000 of each individual claim on the health insurance plan. The approximate aggregate loss exposure for the Company is $7,000,000, after which the stop loss insurance coverage is effective. Insurance expense under the plan was approximately $793,229 and $1,590,056 for the six month periods ended June 30, 2019 and 2018, respectively.

NOTE 10 — CONTINGENCIES

In connection with the wholesale floor-plan financing of recreational vehicles, the Company has entered into repurchase agreements with lending institutions of approximately $300,000,000 and $210,000,000 at June 30, 2019 and 2018, respectively. The terms of the repurchase obligations vary based upon the terms of the floor plan arrangements. The majority of these terms are 18 months or less and the expected terms of the financing under the agreements are considerably shorter because floor plan financing arrangements require payment upon sale of the unit by the dealer.

The agreements require the Company to repurchase its product from lending institutions in the event of dealer default. Such agreements are customary in the recreational vehicle industry and while the Company’s maximum exposure to loss under such agreements is the aforementioned amount, the actual exposure is limited by the resale value of the inventory which is required to be repurchased. In addition, since these obligations relate to numerous dealers and lenders, the risk of loss to the Company is mitigated.

The Company accounts for the guarantee under its repurchase agreements of its dealers’ financing by deferring a portion of the related product sale that represents the estimated fair value of the guarantee. The estimated fair value takes into account the estimate of losses the Company might incur upon resale of any repurchases. This estimate is based on recent historical experience supplemented by management’s assessment of current economic conditions affecting the Company’s dealers. The Company has recorded a repurchase reserve of $305,000 and $219,000 at June 30, 2019 and 2018, respectively. There were no losses on repurchases recorded during the six month periods ended June 30, 2019 and 2018.

The Company is the defendant in certain litigation arising in the ordinary course of business, primarily related to product warranty and product liability claims. In certain of these cases, a loss is reasonably possible, but an estimate of loss cannot be made. In the opinion of management, such items are adequately covered by insurance or their ultimate outcome will not have a material impact on the financial position, results of operations and cash flows of the Company.

NOTE 11 — REDEEMABLE COMMON STOCK

The Company has a shareholder agreement with certain Officer/Shareholders. No Officer/Shareholder is permitted to transfer shares to any person other than to the Company or existing Officer/Shareholders. The agreement allows these Officer/Shareholders to voluntarily offer shares for sale. In certain cases, including demotion, retirement, voluntary or involuntary termination, death or disability, the Officer/Shareholder is deemed to have offered their shares for sale. In the event an Officer/Shareholder offers their shares for sale, certain shareholders have the first option to

NOTE 11 — REDEEMABLE COMMON STOCK (Continued)

purchase these shares, the Company has the second option to purchase these shares, and the other existing Officer/Shareholders have the last option to purchase these shares. If the certain shareholders or other existing Officer/Shareholders do not purchase the offered shares, then the Company is required to purchase these shares at a price determined by all shareholders as periodically adjusted.

The Company also has a shareholder agreement with six shareholders collectively referred to as "Shareholders". The agreement allows these Shareholders to voluntarily sell their shares at any time, with the Company and non-selling Shareholders having exclusive rights to accept the offer for a defined period of time. In case of the death of a Shareholder, the Company is required to purchase the shares held by the Shareholder's or surviving spouse's estate at a price determined by all shareholders as periodically adjusted.

The Company's required redemption of the shares subject to agreements with Officer/Shareholders and Shareholders is outside the control of the Company. As a result, all shares subject to these agreements are presented separately from permanent equity as redeemable common stock. Shares of redeemable common stock are measured at fair value upon issuance and subsequently measured at redemption value at each reporting date, which is the amount that would be paid if settlement were to occur on those dates. The redemption value of redeemable common stock was $123,740,227 at June 30, 2019. Changes to redemption value during the reporting periods are reported in retained earnings (accumulated deficit). There were no changes in the number of shares reported as redeemable common stock during the six-month periods ended June 30, 2019 and 2018. In May 2018, the shareholders approved an increase in the redemption price per share, which resulted in an increase in redemption value of redeemable common stock of $50,618,172 and a corresponding charge to accumulated deficit for the six month period ended June 30, 2018. Per the terms of the agreement with Shareholders, if the Company does not have sufficient retained earnings to settle the redemption amount, the other Shareholders are required to contribute additional capital based on their proportional ownership in an amount sufficient to complete the settlement. The redemption amount related to the agreement with Shareholders is $115,180,277 at June 30, 2019 and is included in the total redemption amounts reported as redeemable common stock.

NOTE 12 — SUBSEQUENT EVENT

On September 15, 2019, the shareholders of the Company entered into a definitive agreement to sell the Company to Winnebago Industries, Inc. The sale is expected to close in Winnebago's first quarter of fiscal year ending August 31, 2020 and is subject to regulatory approvals and other closing conditions.

On October 11, 2019, the board of directors approved the dissolution of NRM and that any proceeds from the dissolution be remitted to a seller escrow account for the benefit of the shareholders of the Company. The final dissolution of NRM is pending.

On October 14, 2019, the Company dissolved Newmar Corporation International, Inc.

NEWMAR CORPORATION AND SUBSIDIARIES

FINANCIAL STATEMENTS
December 31, 2018

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Newmar Corporation and Subsidiaries
Nappanee, Indiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Newmar Corporation and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2018 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Newmar Corporation and Subsidiaries as of

December 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Crowe LLP

Crowe LLP

South Bend, Indiana
January 29, 2019, except for Note 11,
as to which the date is October 25, 2019

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
December 31, 2018

ASSETS		
Current assets		
Cash and cash equivalents	$	3,681,880
Certificates of deposit		3,185,000
Accounts receivable (after allowance for doubtful accounts of $100,000)		36,670,798
Inventories		64,842,805
Prepaid show fees		982,281
Prepaid insurance and other current assets		614,629
Total current assets		109,977,393
Property, plant and equipment		
Leasehold improvements		6,596,607
Service center building		6,525,766
Machinery and equipment		11,944,450
Transportation equipment		648,301
Office furniture and equipment		2,648,624
Molds		3,893,586
Construction-in-process		948,016
		33,205,350
Accumulated depreciation		(18,031,520)
		15,173,830
	$	125,151,223
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accrued dealer incentive bonuses	$	1,514,500
Accrued dealer promotions		1,043,735
Accounts payable		10,521,690
Salaries and wages payable		1,768,614
Other taxes payable		679,355
Accrued warranty claims		15,570,000
Accrued profit sharing		1,079,004
Accrued group insurance		533,490
Accrued repurchase obligation		305,000
Lease payable — short term		499,040
Other current liabilities		109,510
Total current liabilities		33,623,938
Line of credit		11,000,000
Shareholder notes payable		3,689,820
Lease payable — long term		5,843,258
Total long-term liabilities		20,533,078
Redeemable common stock		123,740,227
Shareholders' equity		
Common stock, no par value; voting		—
Common stock, no par value; nonvoting		—
Paid-in capital		7,723
Accumulated deficit		(52,753,743)
		(52,746,020)
	$	125,151,223

See accompanying notes to consolidated financial statements.

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
Year ended December 31, 2018

Sales	$	618,913,254
Cost of goods sold		541,325,082
Gross margin		77,588,172
Selling, general and administrative expenses		35,929,178
Operating income		41,658,994
Interest expense, net		466,801
Net income	$	41,192,193

See accompanying notes to consolidated financial statements.

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Year ended December 31, 2018

	Common Stock	Paid-In Capital	Accumulated Deficit	Total
Balances at January 1, 2018	$ —	$ 7,723	$ (14,201,151)	$ (14,193,428)
Net income	—	—	41,192,193	41,192,193
Change in redemption value of redeemable common stock	—	—	(50,618,172)	(50,618,172)
Dividends declared	—	—	(29,126,613)	(29,126,613)
Balances at December 31, 2018	$ —	$ 7,723	$ (52,753,743)	$ (52,746,020)

See accompanying notes to consolidated financial statements.

NEWMAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2018

Cash flows from operating activities		
Net income	$	41,192,193
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization		1,656,082
Loss on sale of fixed assets		2,448
Change in assets and liabilities		
Accounts receivable		(9,222,669)
Inventories		(15,073,806)
Prepaid assets		(165,697)
Accrued dealer incentive bonuses		325,100
Accrued dealer promotions		130,005
Accounts payable		4,285,784
Salaries and wages payable		489,617
Other taxes payable		185,694
Accrued warranty claims		2,448,500
Accrued profit sharing		100,852
Accrued group insurance		(41,434)
Accrued repurchase obligation		86,000
Other current liabilities		(61,056)
Net cash from operating activities		26,337,613
Cash flows from investing activities		
Capital expenditures		(3,679,583)
Proceeds from sale of fixed assets		57,200
Proceeds from certificates of deposit, net		90,000
Net cash from investing activities		(3,532,383)
Cash flows from financing activities		
Borrowings under bank revolving line of credit agreement, net		8,000,000
Payments on lease payable		(183,468)
Dividends paid		(29,126,613)
Issuance of redeemable common stock		497,484
Redemption of redeemable common stock		(548,365)
Net cash from financing activities		(21,360,962)
Net change in cash and cash equivalents		1,444,268
Cash and cash equivalents at beginning of year		2,237,612
Cash and cash equivalents at end of year	$	3,681,880
Supplemental disclosures of cash flow information		
Cash paid during the year for Interest	$	531,814
Supplemental disclosures of non-cash flow information		
Building acquired through financing obligation	$	6,525,766

See accompanying notes to consolidated financial statements.

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: Newmar Corporation and Subsidiaries is a recreational vehicle manufacturer operating from facilities in Nappanee, Indiana. The Company sells primarily to dealers throughout the United States and select foreign countries. Substantially all of the Company's products are sold to dealers who utilize floor plan arrangements with lending institutions (Note 10). Newmar Risk Management, Inc. (NRM) is a captive insurance company providing commercial property and various liability insurance to Newmar Corporation and certain affiliated entities. NRM is a participant in a certain reinsurance agreement with other captive insurance companies. Newmar Corporation International is an interest charge domestic international sales corporation that collects tax deductible commissions from Newmar Corporation.

Basis of Reporting: These financial statements include the financial position and the results of operations of Newmar Corporation and its wholly owned subsidiaries Newmar Corporation International and Newmar Risk Management, Inc. (collectively, the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents: As of December 31, 2018, the Company maintains cash deposits with two financial institutions. Each of the institutions are insured by an agency of the U.S. Government up to $250,000 and at times, deposits may be in excess of federally insured limits. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Certificates of Deposit: Investments consists of certificates of deposit. The certificates of deposits are carried at amortized cost, which approximates fair value at December 31, 2018.

Accounts Receivable: The Company accounts for trade receivables based on the amounts billed to customers. Most billings and past due receivables are determined based on contractual terms. The Company does not accrue interest on any of its trade receivables.

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Company's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable, records an allowance for specific customers based on current circumstances, and charges off uncollectible receivables when all attempts to collect have failed.

Inventories: Inventories are valued at the lower of cost (first-in first-out method) or net realizable value.

Property, Plant and Equipment and Depreciation: Assets are recorded at cost less accumulated depreciation. Repairs and maintenance are expensed as incurred; additions and betterments are capitalized. As assets are sold or disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in current earnings.

Leasehold improvements are amortized over the shorter of the lease term or the asset's useful life, generally over 5 years. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows: machinery and equipment, 7 years; transportation equipment, 5 years; office furniture and equipment, 5 to 7 years; service center

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

building, 10 years; molds, 3 years. Depreciation expense for the year ended December 31, 2018 was $1,656,082.

Accrued Dealer Incentive Bonuses: Estimated dealer incentive bonuses are accrued for at the time of the sale of recreational vehicles and are charged against sales.

Accrued Dealer Promotions: Estimated dealer promotions, such as advertisement, show assistance, and sales incentives, are accrued for at the time of the sale of recreational vehicles and are charged against sales.

Accrued Warranty Claims: The Company provides limited warranties on recreational vehicles for a period of one year from the time the retail customer takes delivery of the vehicle. An estimated warranty cost liability is provided for at the time of the sale. Provisions are accrued for future warranty costs based on the Company's historical experience.

Redeemable Common Stock: The Company reports common stock subject to redemption features that are outside the control of the Company separately from permanent shareholders' equity. See Note 11.

Revenue Recognition: Revenue from the sale of recreational vehicles is recognized at the time the products are shipped. The shipping terms are free on board ("FOB") shipping point and title and risk of ownership are transferred to the independent dealers at that time.

Advertising: Advertising costs consist primarily of trade shows and literature. Sale materials for literature including brochures and catalogs are accounted for as prepaid supplies until they are used or no longer expected to be used, in which case their cost is expensed. Trade shows are expensed in the period in which the show occurs. Other advertising costs are expensed when incurred. Advertising expense for the year ended December 31, 2018 was $2,710,779.

Shipping and Handling Costs: The Company records freight billed to customers as sales. Costs incurred related to shipping and handling of products are reported as cost of sales.

Use of Estimates and Assumptions: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions may change in the near future resulting in different actual results. Estimates associated with the allowance for doubtful accounts, accrued warranty claims, insurance loss reserve, and accrued repurchase obligations are particularly susceptible to material change in the near term.

Provision for Income Taxes: Effective January 1, 1990, the Company elected, with the consent of its shareholders, to be taxed as an S corporation under Section 1362 of the Internal Revenue Code and a similar section of the state income tax laws where available which provides that, in lieu of corporate income taxes, the shareholders will be taxed on their proportionate share of the Company's taxable income. Due to its pass through status (or tax-exempt status); the Company is not subject to U.S. federal income tax. The Company files in various states in which it has a

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

franchise/excise tax or where the Company has elected or is required to file as a regular corporation under those state statutes and these income taxes are included in operating expenses with franchise taxes and gross receipts taxes since the amount of income taxes is not significant.

Newmar Risk Management, Inc. has elected to be taxed under Section 831(b) of the Internal Revenue Code. Pursuant to Section 831(b), if gross premiums do not exceed $2,300,000, then Newmar Risk Management, Inc. is taxed solely on its investment income.

The Company follows guidance issued by the Financial Accounting Standards Board with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

The Company recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Company has no amounts accrued for interest or penalties as of December 31, 2018. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Company’s major tax jurisdictions are the United States government and various state governments for which management believes that with few exceptions, the Company is no longer subject to income tax examinations by these tax authorities for years prior to 2015.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2018 to determine the need for any adjustments to and/or disclosures within the financial statements for the year ended December 31, 2018. Management has performed their analysis through January 29, 2019, the date the financial statements were available to be issued.

Recently Issued Accounting Standards Not Yet Effective: The Company has not yet adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which establishes a comprehensive five-step model for recognition of revenue from contracts with customers that will replace most of the accounting guidance currently effective and used in determining amounts and timing of revenue recognition. The effective date for this standard is for annual reporting periods beginning after December 15, 2018. This standard does not apply to the year ended December 31, 2018. Based on an analysis of the Company’s historical internal accounting procedures and revenue recognition policies, the Company does not expect a material impact to its consolidated financial statements upon the adoption of this standard.

The Company has not yet adopted ASU 2016-02, Leases (Topic 842), which requires the Company to recognize both assets and liabilities arising from financing and operating leases for annual reporting periods beginning after December 15, 2019. This standard does not apply to the year ended December 31, 2018. There could be a material impact to the presentation of the manufacturing and office space lease between the Company and Dutch Real Estate Corp. An analysis on this specific lease has not been completed at this time. By the end of the year 2020, the Company could be required to record an approximate $19,000,000 asset and corresponding

NOTE 1 — NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

liability related to the present value of these lease payments. The company does not anticipate any other leases would result in a material impact on the consolidated financial statements at this time, including the current lease with Air Investments, LLC accounted for under the financing method.

The Company has not yet adopted ASU 2016-13, Financial Instruments — Credit Losses: Measurement of Credit Losses on Financial Instruments, which amends certain provisions accounting standards and changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held to maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowances for losses. Additionally, entities will have to disclose more information with respect to credit quality indicators, including information used to track credit quality by year of origination for most financing receivables. The effective date for this standard is for annual reporting periods beginning after December 15, 2019. This standard does not apply to the year ended December 31, 2018. The Company does not expect a material impact to its consolidated financial statements upon adoption of this standard.

NOTE 2 — INVENTORIES

Inventories at December 31, 2018 consist of the following:

Chassis	$	10,578,422
Raw materials		17,040,904
Work in process		9,478,194
Finished goods		29,119,285
		66,216,805
Inventory reserves		(1,374,000)
	$	64,842,805

NOTE 3 — LINE OF CREDIT

During 2018, the Company amended its revolving credit agreement with 1st Source Bank, increasing the maximum available amount to $17,000,000 and extending maturity through June 30, 2020. Interest is payable monthly at a floating rate per annum equal to one-month LIBOR rate plus 2.30% (effective interest rate of 4.65% at December 31, 2018). The line is secured by substantially all assets of the Company. The agreement also contains various financial covenants, with which the Company was in compliance at December 31, 2018. Borrowings on the line of credit at December 31, 2018 were $11,000,000.

NOTE 4 — RELATED PARTY TRANSACTIONS

At December 31, 2018, the Company had outstanding notes payable to a shareholder of $3,689,820. These notes are secured by the Company's assets and accrue interest at the prime rate minus 1% (effective rate of 4.50% at December 31, 2018) until maturity at December 31, 2019, when the principal and accrued interest are due. Interest expense related to these notes was

NOTE 4 — RELATED PARTY TRANSACTIONS (Continued)

$144,105 for the year ended December 31, 2018. Effective January 21, 2019, these notes payable were modified to extend the maturity dates to December 31, 2022.

During 2018, the Company had a non-interest bearing demand advance receivable of $1,000,000 with one of its shareholders. The receivable was short-term in nature and was borrowed and paid back to the Company in full during the year ended December 31, 2018.

At December 31, 2018 the Company has a receivable from an entity affiliated through common ownership, New-Serv Inc., for a mobile service truck in the amount of $46,139 that was paid for by the Company.

At December 31, 2018, the Company contracted with an entity affiliated through common ownership, New-Way Transport Corp., to deliver certain units throughout its dealer network. Transportation costs paid to New-Way Transport Corp. for the year ended December 31, 2018 was $3,319,101. The Company owed New-Way Transport Corp. $44,618 for delivery services rendered as of December 31, 2018. During 2018 New-Way Transport Corp. paid the Company $257,000 for administration and dispatch services performed by the Company's employees.

The Company leases its office and manufacturing facilities from a related party, Dutch Real Estate Corp., as referenced in *Note 7 — Lease Commitments.*

NOTE 5 — COMMON STOCK

The Company is authorized to issue a total of 200,000 shares of no par value, voting common stock and 6,000,000 shares of no par value, non-voting common stock.

The total voting and non-voting common shares issued and outstanding at December 31, 2018 were as follows:

	Voting	Non-Voting
Shareholders' equity	21	20,121
Redeemable common stock	52,698	2,518,161
	52,719	2,538,282

NOTE 6 — ACCRUED WARRANTY CLAIMS

The activity in accrued warranty claims for the year ended December 31, 2018 is as follows:

Balance at beginning of year	$ 13,121,500
Claims paid	(14,126,964)
Accrued warranty expense	16,575,464
Balance at end of year	$ 15,570,000

NOTE 7 — LEASE COMMITMENTS

The Company leases its office and manufacturing facilities from Dutch Real Estate Corp., an entity affiliated through common ownership, on a month-to-month basis. The monthly payments varied during the year and are $325,950 as of December 31, 2018. The monthly rental payments increased to $358,620 as of January 2019. The Company intends to lease all of the facilities for at least five years.

The Company leased service facilities from an unrelated party through March 2018, and the lease was modified as described below.

All of the leases obligate the Company to pay property taxes, insurance, maintenance, and utilities on the respective facilities.

Total annual rental expense was $4,206,162 for the year ended December 31, 2018, of which $3,911,400 was paid to related parties. Future intended minimum rental payments over the next five years based on the month to month terms of the leases are as follows (unaudited):

	Related Party
2019	$ 4,303,440
2020	4,303,440
2021	4,303,440
2022	4,303,440
2023	4,303,440
	$ 21,517,200

On March 26, 2018, the Company entered into a modified lease agreement (Lease) with Air Investments, LLC for a lease of the service center building that it has been leasing. Under this Lease, Air Investments, LLC is adding a large expansion to the service center building and the Company is agreeing to lease the expanded facility for 10 years through June 30, 2028. Because the lease modification exposed the Company to substantial construction risks through its obligation to fund certain cost overruns, the Company was deemed the accounting owner of the entire facility as of the date of the lease modification. As the deemed accounting owner, the Company recognized the facility on its consolidated balance sheet at the estimated cost of the facility, and recognized an accompanying financing obligation, which is included in lease payable in the consolidated balance sheet.

In addition, the Lease was determined to not qualify for sale-leaseback accounting treatment due to the Company's continued involvement in the facility through its option to purchase the facility under the terms of the Lease. As a result, the Lease is accounted for under the financing method, under which the Company recognizes the facility on its consolidated balance sheet and depreciates it over the shorter of the facility's estimated life or the lease term. The related financing obligation is being amortized over the life of the Lease term based on the minimum lease payments required under the Lease of $68,450 per month and the Company's incremental borrowing rate of 5.27%.

NOTE 7 — LEASE COMMITMENTS (Continued)

The following is a summary of property held under the lease arrangement at December 31, 2018:

Service center building	$	6,525,766
Accumulated depreciation		(112,513)
Total	$	6,413,253

At December 31, 2018, the lease payable balance is $6,342,298. The current portion of the lease payable is $499,040 and the long-term portion of the lease payable is $5,843,258. As of December 31, 2018, the future minimum finance lease payments are as follows:

Year		
2019	$	821,400
2020		821,400
2021		821,400
2022		821,400
2023		831,600
Thereafter		4,008,060
Total		8,125,260
Amount representing interest		(1,782,962)
Present value of net minimum lease payments	$	6,342,298

NOTE 8 — EMPLOYEE SAVINGS AND PROFIT SHARING PLAN

The Company has a qualified savings and profit sharing 401(k) plan covering substantially all employees. Company regular and employee matching contributions to the plan are discretionary. The Company's Board of Directors authorized contributions of $1,079,004 for the year ended December 31, 2018.

NOTE 9 — INSURANCE PLANS

The Company has a high deductible plan for health insurance. The Company is responsible for the first $125,000 of each individual claim on the health insurance plan. The approximate aggregate loss exposure for the Company is $6,000,000, after which the stop loss insurance coverage is effective. Insurance expense under the plan was approximately $3,234,639 for the year ended December 31, 2018.

NOTE 10 — CONTINGENCIES

In connection with the wholesale floor-plan financing of recreational vehicles, the Company has entered into repurchase agreements with lending institutions of approximately $242,000,000 at December 31, 2018. The terms of the repurchase obligations vary based upon the terms of the floor plan arrangements. The majority of these terms are 18 months or less and the expected terms of

NOTE 10 — CONTINGENCIES (Continued)

the financing under the agreements are considerably shorter because floor plan financing arrangements require payment upon sale of the unit by the dealer.

The agreements require the Company to repurchase its product from lending institutions in the event of dealer default. Such agreements are customary in the recreational vehicle industry and while the Company’s maximum exposure to loss under such agreements is the aforementioned amount, the actual exposure is limited by the resale value of the inventory which is required to be repurchased. In addition, since these obligations relate to numerous dealers and lenders, the risk of loss to the Company is mitigated.

The Company accounts for the guarantee under its repurchase agreements of its dealers’ financing by deferring a portion of the related product sale that represents the estimated fair value of the guarantee. The estimated fair value takes into account the estimate of losses the Company might incur upon resale of any repurchases. This estimate is based on recent historical experience supplemented by management’s assessment of current economic conditions affecting the Company’s dealers. The Company has recorded a repurchase reserve of $305,000 at December 31, 2018. There were no losses on repurchases recorded during the year ended December 31, 2018.

The Company is the defendant in certain litigation arising in the ordinary course of business. In the opinion of management, such items are adequately covered by insurance or their ultimate outcome will not have a material impact on the financial position of the Company.

NOTE 11 — REDEEMABLE COMMON STOCK

The Company adopted financial reporting guidance related to redeemable securities for the preparation of these financial statements to comply as to form and content with Regulation S-X of the Securities and Exchange Commission (“Regulation S-X”). Such guidance requires the Company to report common stock subject to redemption features that are outside the control of the Company separately from permanent shareholders’ equity, as further described in the paragraphs below. The Company previously issued 2018 financial statements that were not required to comply with Regulation S-X.

This change in accounting principle was applied retrospective to January 1, 2018 and had no effect on net income as previously reported. The effect of the change on total shareholders’ equity as previously reported is as follows:

	As Previously Reported	Reclassification To Redeemable Common Stock	As Reported
Total shareholders’ equity, January 1, 2018	$ 58,979,508	$ (73,172,936)	$ (14,193,428)
Total shareholders’ equity, December 31, 2018	70,994,207	(123,740,227)	(52,746,020)

The Company has a shareholder agreement with certain Officer/Shareholders. No Officer/Shareholder is permitted to transfer shares to any person other than to the Company or existing Officer/Shareholders. The agreement allows these Officer/Shareholders to voluntarily offer shares for

NOTE 11 — REDEEMABLE COMMON STOCK (Continued)

sale. In certain cases, including demotion, retirement, voluntary or involuntary termination, death or disability, the Officer/Shareholder is deemed to have offered their shares for sale. In the event an Officer/Shareholder offers their shares for sale, certain shareholders have the first option to purchase these shares, the Company has the second option to purchase these shares, and the other existing Officer/Shareholders have the last option to purchase these shares. If the certain shareholders or other existing Officer/Shareholders do not purchase the offered shares, then the Company is required to purchase these shares at a price determined by all shareholders as periodically adjusted.

The Company also has a shareholder agreement with six shareholders collectively referred to as “Shareholders”. The agreement allows these Shareholders to voluntarily sell their shares at any time, with the Company and non-selling Shareholders having exclusive rights to accept the offer for a defined period of time. In case of the death of a Shareholder, the Company is required to purchase the shares held by the Shareholders’ or surviving spouse’s estate at a price determined by all shareholders as periodically adjusted.

The Company’s required redemption of the shares subject to agreements with Officer/Shareholders and Shareholders is outside the control of the Company. As a result, all shares subject to these agreements are presented separately from permanent equity as redeemable common stock. Shares of redeemable common stock are measured at fair value upon issuance and subsequently measured at redemption value at each reporting date, which is the amount that would be paid if settlement were to occur on those dates. The redemption value of redeemable common stock was $123,740,227 at December 31, 2018. Changes to redemption value during the reporting periods are reported in retained earnings (accumulated deficit). During the year ended December 31, 2018, the Company redeemed 100 voting shares and 11,300 nonvoting shares for $5,061 and $543,304, respectively, and issued 10,347 non-voting shares for $497,484 In May 2018, the shareholders approved an increase in the redemption price per share, which resulted in an increase in redemption value of redeemable common stock of $50,618,172 and a corresponding charge to accumulated deficit for the year ended December 31, 2018. Per the terms of the agreement with Shareholders, if the Company does not have sufficient retained earnings to settle the redemption amount, the other Shareholders are required to contribute additional capital based on their proportional ownership in an amount sufficient to complete the settlement. The redemption amount related to the agreement with Shareholders is $115,180,277 at December 31, 2018 and is included in the total redemption amounts reported as redeemable common stock.

Exhibit 99.4

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On September 15, 2019, Winnebago Industries, Inc. (the “Company” or “Winnebago”), through its wholly owned subsidiary Octavius Corporation, entered into a Stock Purchase Agreement (the “Purchase Agreement”) by and among the Company, Newmar Corporation (“Newmar Corporation”), Dutch Real Estate Corp. (“Dutch”), New-Way Transport Corp. (“New-Way Transport”), and New-Serv, Inc. (“New-Serv”) (Newmar Corporation, Dutch, New-Way Transport, New-Serv, and Newmar Risk Management, as defined below, collectively “Newmar Acquired Companies”), the shareholders of Newmar Corporation, Dutch, New-Way Transport and New-Serv (the “Sellers”), and the sellers agent, regarding the proposed acquisition of the Newmar Acquired Companies by Winnebago (the “Transaction”).

Newmar Corporation owns all of the issued and outstanding Capital Stock of Newmar Risk Management, Inc. (“Newmar Risk Management”) and Newmar Corporation International (“Newmar International”) (together, “Newmar Corporation and Subsidiaries”). Dutch, New-Way Transport, and New-Serv are related entities of Newmar Corporation (“Newmar Related Entities”).

The Purchase Agreement provides that Winnebago will acquire all of the equity interests of the Newmar Acquired Companies. Following the Transaction, each of the Newmar Acquired Companies will be an indirect wholly-owned subsidiary of Winnebago.

Subject to the terms and conditions of the Purchase Agreement, as consideration for the acquisition of the Newmar Acquired Companies, Winnebago will, at the close of the Transaction, (i) pay in cash to the Sellers $270.0 million, subject to an upward adjustment (the “Base Cash Amount”) and (ii) transfer to the Sellers an aggregate of 2,000,000 shares of common stock of Winnebago, par value $0.50 per share, valued at a price per share based on the volume weighted average share price of Winnebago of the 5 trailing business days prior to the closing date of the Transaction (the “Closing Stock Consideration”). If the aggregate value of the Closing Stock Consideration is not sufficient for the sum of the Base Cash Amount and the aggregate value of the Closing Stock Consideration to equal at least $330.0 million at the closing, then the amount of cash included in the Base Cash Amount shall be increased so that the sum of the Base Cash Amount and the Closing Stock Consideration is equal to $330.0 million. The Purchase Agreement also calls for a floor to Winnebago stock price of $20 per share, at which point Winnebago has a right to terminate the Transaction.

The unaudited pro forma condensed combined financial information is presented to illustrate the estimated effects of the Transaction and the other activities contemplated by the Purchase Agreement based on the historical financial position and results of operations of Winnebago and Newmar Corporation and Subsidiaries. In addition, the unaudited pro forma condensed combined financial information gives pro forma effect to the issuance of $300.0 million in aggregate principal amount of convertible notes in a private placement. The unaudited pro forma condensed combined financial information gives effect to the Transaction and the debt issuance as if they had been completed on August 31, 2019, for balance sheet purposes and August 26, 2018, for statement of income purposes.

The fiscal year end of Newmar Acquired Companies, which is December 31, has been conformed to the fiscal year end of Winnebago, which is the last Saturday in August, for the purpose of presenting the unaudited pro forma condensed combined financial statements, pursuant to Rule 11-02(c) (3) of Regulation S-X, because the fiscal year ends differed by more than 93 days.

The unaudited pro forma condensed combined financial information is presented as follows:

- the unaudited pro forma condensed combined balance sheet as of August 31, 2019, prepared based on (i) the historical audited consolidated balance sheet of Winnebago as of August 31, 2019 and (ii) the historical unaudited consolidated balance sheet of Newmar Corporation and Subsidiaries as of June 30, 2019; and

- the unaudited pro forma condensed combined statement of income for the year ended August 31, 2019 prepared based on (i) the historical audited consolidated statement of income of Winnebago for the year ended August 31, 2019 and (ii) the historical unaudited consolidated statement of income of Newmar Corporation and Subsidiaries for the trailing twelve months ended June 30, 2019 (see Note 2).

This unaudited pro forma condensed combined financial information was derived from and should be read in conjunction with the separate (i) audited consolidated financial statements and accompanying notes of Winnebago as of and for the year ended August 31, 2019 included in Winnebago's Annual Report on Form 10-K that Winnebago filed with the SEC on October 23, 2019, (ii) Newmar Corporation and Subsidiaries' unaudited consolidated financial statements as of and for the six months ended June 30, 2019 and 2018, and (iii) Newmar Corporation and Subsidiaries' audited consolidated financial statements as of and for the year ended December 31, 2018.

The pro forma adjustments presented in the unaudited pro forma condensed combined financial statements also include adjustments for the pro forma impact of the Newmar Related Entities, which are not included in the historical Newmar Corporation and Subsidiaries' financial statements (see Notes 6A and 7A). As part of the Transaction, the Company acquired three related entities (Newmar Related Entities) that are not included in the audited financial statements of Newmar Corporation and Subsidiaries, but which provided services to the entities reflected in the consolidated financial statements. The assets and operations of Newmar Related Entities were not material to the Company or the overall acquisition. The assets of these entities are primarily related to real estate associated with Newmar Corporation's manufacturing facilities. The majority of the activities of these entities would have been eliminated in consolidation had these entities been included in financial statements of Newmar Corporation on a combined basis. These entities are reflected in the pro forma financial statements and the assets have been fair valued in arriving at the pro forma balance sheet and income statements. Newmar Related Entities account for less than two percent of the assets and operations of the combined total Company post-acquisition and are not material to the pro forma information or the ongoing financial position or operations of the Company.

The Transaction will be accounted for using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, "Business Combinations," ("ASC 805") with Winnebago being designated as the accounting acquirer of Newmar Acquired Companies. The unaudited pro forma condensed combined financial information set forth below primarily gives effect to the following:

- the alignment of accounting policies and financial statement classifications of Newmar Acquired Companies to those of Winnebago;

- application of the acquisition method of accounting in connection with the Transaction; and

- new debt financing in an aggregate principal amount of $300 million in connection with the Transaction.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only and is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the Transaction been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company. The accompanying unaudited pro forma condensed combined statement of income does not include any pro forma adjustments to reflect certain expected financial benefits of the Transaction, such as tax savings, cost synergies, revenue synergies or restructuring actions which may be achievable, the anticipated costs to achieve these benefits, including the cost of integration activities, or the impact of any non-recurring activity and one-time transaction related costs.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under existing United States generally accepted accounting principles ("U.S. GAAP"), which are subject to change. Winnebago will be deemed the acquirer for accounting purposes and Newmar Acquired Companies will be treated as the acquiree, based on a number of factors considered at the time of preparation, such as the legal form of the Transaction, relative size (assets, revenues, or earnings), terms of the exchange, relative voting rights in the combined company after the business combination, etc. The acquisition accounting is dependent upon certain valuations and other studies that have yet to progress to a stage where there is sufficient information for a definitive measurement. Winnebago intends to complete the valuations and other studies upon completion of the Transaction and will finalize the purchase price allocation as soon as practicable within the measurement period, but in no event later than one year following the closing date of the Transaction. The assets and liabilities of Newmar Acquired Companies have been measured based on various preliminary estimates using assumptions that Winnebago believes are reasonable, based on information that is currently available. Accordingly, the valuations are preliminary and have been made solely for the purpose of providing pro forma condensed combined financial information prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Differences between these preliminary estimates and the final acquisition accounting will occur, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial information and the combined company's future results of operations and financial position.

The unaudited pro forma condensed combined financial information has been compiled in a manner consistent with the accounting policies adopted by Winnebago in all material aspects. Upon completion of the Transaction, Winnebago will perform a detailed review of Newmar Acquired Companies' accounting policies. As a result of that review, Winnebago may identify additional differences between the accounting policies of the two companies that, when conformed, could have an impact on the financial statements of the combined company.

Additionally, certain financial information of Newmar Corporation and Subsidiaries as presented in its historical financial statements has been reclassified to conform to the historical presentation in Winnebago's financial statements for purposes of preparation of the unaudited pro forma condensed combined financial information (see Note 8). There were no transactions between Winnebago and the Newmar Acquired Companies during the period presented in the unaudited pro forma condensed combined financial information.

Winnebago Industries, Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
August 31, 2019

(In thousands, except per share data)	Winnebago Industries, Inc.	(Note 8) Newmar Corporation and Subsidiaries	Pro Forma Adjustments	Note	Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 37,431	$ 9,963	$ (9,963)	6A,6B	$
			254,000	6B	
			(280,869)	6B	10,562
Receivables, less allowance for doubtful accounts	158,049	42,166	(51)	6A	200,164
Inventories	201,126	70,477	3,854	6C	275,457
Prepaid expenses and other assets	14,051	2,993	—		17,044
Total current assets	410,657	125,599	(33,029)		503,227
Property, plant, and equipment, net	127,572	14,996	15,155	6A	
			7,197	6D	164,920
Other assets:					
Goodwill	274,931	—	83,387	6E	358,318
Other intangible assets, net	256,082	—	175,500	6F	431,582
Investment in life insurance	26,846	—	—		26,846
Other assets	8,143	—	—		8,143
Total assets	$ 1,104,231	$ 140,595	$ 248,210		$ 1,493,036
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 81,635	$ 17,424	$ (82)	6A	$ 98,977
Income taxes payable	—	1,061	7	6A	1,068
Accrued expenses:					
Accrued compensation	20,328	7,709	—		28,037
Product warranties	44,436	15,860	—		60,296
Self-insurance	13,820	570	—		14,390
Promotional	10,896	2,709	—		13,605
Accrued interest	4,059	—	—		4,059
Other	13,678	1,232	—		14,910
Current maturities of long-term debt	8,892	—	—		8,892
Total current liabilities	197,744	46,565	(75)		244,234
Non-current liabilities:					
Long-term debt, less current maturities	245,402	11,690	(11,690)	6G	
			197,248	6G	442,650
Deferred income taxes	12,032	—	5,084	6H	17,116
Unrecognized tax benefits	3,591	—	—		3,591
Deferred compensation benefits, net of current portion	12,878	—	—		12,878
Other	372	5,584	—		5,956
Total non-current liabilities	274,275	17,274	190,642		482,191
Contingent liabilities and commitments					
Redeemable common stock	—	123,740	(123,740)	6I	—
Stockholders' equity:					
Preferred stock, par value $0.01:					
Authorized-10,000 shares; Issued-none	—	—	—		—
Common stock, par value $0.50:					
Authorized-60,000 shares; Issued-51,776 shares	25,888	—	1,000	6J	26,888
Additional paid-in capital	91,185	8	144,260	6J	235,453
Retained earnings	866,886	(46,992)	36,123	6J	856,017
Accumulated other comprehensive loss	(491)	—	—		(491)
Treasury stock, at cost: 20,262 shares	(351,256)	—	—		(351,256)
Total stockholders' equity	632,212	(46,984)	181,383		766,611
Total liabilities and stockholders' equity	$ 1,104,231	$ 140,595	$ 248,210		$ 1,493,036

Winnebago Industries, Inc.
Unaudited Pro Forma Condensed Combined Statement of Income
Year Ended August 31, 2019

(in thousands, except per share data)	Winnebago Industries, Inc.	(Note 8) Newmar Corporation and Subsidiaries	Pro Forma Adjustments	Note	Pro Forma Combined
Net revenues	$ 1,985,674	$ 661,110	$ —		$ 2,646,784
Cost of goods sold	1,678,477	579,774	131	7A	
			252	7B	2,258,634
Gross profit	307,197	81,336	(383)		388,150
Selling, general, and administrative expenses	142,295	36,968	(3,829)	7A	
			(265)	7B	
			(652)	7C	174,517
Amortization of intangible assets	9,635	—	5,533	7D	15,168
Total operating expenses	151,930	36,968	787		189,685
Operating income	155,267	44,368	(1,170)		198,465
Interest expense	17,939	848	20,134	7E	38,921
Non-operating income	(1,581)	—	—		(1,581)
Income before income taxes	138,909	43,520	(21,304)		161,125
Provision for income taxes	27,111	740	4,702	7F	32,553
Net income	$ 111,798	$ 42,780	$ (26,006)		$ 128,572
Income per common share:					
Basic	$ 3.55	—	—		$ 3.83
Diluted	$ 3.52	—	—		$ 3.81
Weighted average common shares outstanding:					
Basic	31,536	—	2,000	7G	33,536
Diluted	31,721	—	2,000	7G	33,721

Note 1. Description of the Transaction

Purchase Agreement

On September 15, 2019, Winnebago entered into the Purchase Agreement by and among Winnebago, Newmar Acquired Companies and the Sellers, pursuant to which Winnebago will acquire Newmar Acquired Companies.

Subject to the terms and conditions of the Purchase Agreement, as consideration for the acquisition of Newmar Acquired Companies, Winnebago will, at the close of the Transaction, (i) pay in cash to the Sellers $270 million, subject to an upward adjustment, referred to as the Base Cash Amount and (ii) transfer to the Sellers an aggregate of 2,000,000 shares of common stock of Winnebago, par value $0.50 per share, valued at a price per share based on the volume weighted average share price of Winnebago of the 5 trailing business days prior to the closing date of the Transaction, which is referred to as the Closing Stock Consideration.

If the aggregate value of the Closing Stock Consideration is not sufficient for the sum of the Base Cash Amount and the aggregate value of the Closing Stock Consideration to equal at least $330 million at the closing, then the amount of cash included in the Base Cash Amount shall be increased so that the sum of the Base Cash Amount and the Closing Stock Consideration is equal to $330 million.

Each of the Sellers have also agreed to a lock-up letter agreement that, subject to certain limited exceptions, restricts such Sellers from transferring their shares of Winnebago common stock for one year from closing.

The Purchase Agreement contains certain termination rights, including that either Winnebago or the Sellers may terminate the Purchase Agreement if the Transaction is not completed by January 31, 2020. The Purchase Agreement also provides that Winnebago may terminate the Purchase Agreement if the Company’s stock price falls below $20.00 per share, in which case Winnebago will pay the Sellers a termination fee of $5.0 million. The acquisition is not subject to approval by Winnebago’s shareholders.

Convertible Notes

To finance the acquisition consideration, Winnebago issued $300.0 million aggregate principal amount of convertible notes. The convertible notes will accrue interest at a fixed rate, payable semi-annually, and mature on April 1, 2025, the maturity date. The convertible notes will be convertible, at the holders’ option, in certain circumstances and during specified periods. Conversions of the notes will be settled in cash, shares of Winnebago common stock or a combination of cash and shares of Winnebago common stock (together with cash in lieu of any fractional share, if applicable), at Winnebago’s election. The conversion rate will be subject to adjustment upon the occurrence of certain events. Winnebago cannot redeem the convertible notes at its option prior to the maturity date.

Note 2. Basis of Pro Forma Presentation

The accompanying unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X and has been derived from the audited and unaudited financial statements of Winnebago and Newmar Corporation and Subsidiaries. The financial information has been adjusted in the accompanying unaudited pro forma condensed combined financial information to give effect to pro forma events that are (1) directly attributable to the Transaction, (2) factually supportable and (3) with respect to the unaudited pro forma condensed combined statement of income, expected to have a continuing impact on the combined results of operations of Winnebago.

The fiscal year end of Newmar Acquired Companies, which is December 31, has been conformed to the fiscal year end of Winnebago, which is the last Saturday in August, for the purpose of presenting pro forma condensed combined financial statements, pursuant to Rule 11-02(c)(3) of Regulation S-X, as the fiscal years differed by more than 93 days. The historical statement of income of Newmar Corporation and Subsidiaries used in the unaudited pro forma condensed combined statement of income for the year ended August 31, 2019 was derived by adding the results from the unaudited consolidated statement of income for the six months ended June 30, 2019 to the results from the audited consolidated statement of income for the year ended December 31, 2018 and removing the results from the unaudited consolidated statement of income for the six months ended June 30, 2018.

The historical balance sheet of Newmar Corporation and Subsidiaries used in the unaudited pro forma condensed combined balance sheet as of August 31, 2019 was the unaudited consolidated balance sheet as of June 30, 2019.

In addition, certain amounts from the historical financial statements of Newmar Corporation and Subsidiaries were reclassified to conform their presentation to that of Winnebago (see Note 8).

The unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting in accordance with ASC 805, which requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. The acquisition method of accounting, in accordance with ASC 805, uses the fair value concepts defined in ASC 820, "*Fair Value Measurement*" ("ASC 820").

ASC 820 defines fair value, establishes the framework for measuring fair value for any asset acquired or liability assumed under GAAP, expands disclosures about fair value measurements, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measurements. Fair value is defined in ASC 820 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." This is an exit price concept for the valuation of an asset or liability. Market participants are assumed to be buyers or sellers in the most advantageous market for the asset or liability. Fair value measurement for an asset assumes the highest and best use by these market participants, and as a result, assets may be required to be recorded which are not intended to be used or sold. Additionally, the fair value may not reflect management's intended use for those assets.

Fair value measurements can be highly subjective and it is possible the application of reasonable judgment could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

The allocation of the aggregate transaction consideration, as well as certain amounts relating to the issuance of the convertible notes and the use of proceeds therefrom, used in the unaudited pro forma condensed combined financial information is based on preliminary estimates. The estimates and assumptions are subject to change as of the effective time of the closing of the Transaction. The final determination of the allocation of the aggregate transaction consideration will be based on the actual tangible and intangible assets and the liabilities of Newmar Acquired Companies at the effective time of the Transaction (see Note 5).

Newmar Acquired Companies' assets acquired and liabilities assumed will be recorded at their fair value at the transaction date. ASC 805 establishes that the consideration transferred shall be measured at the closing date of the Transaction at the then-current market price. This particular requirement will likely result in a per share equity component that is different from the amount assumed in this unaudited pro forma condensed combined financial information. The preliminary purchase price allocation assumes a common stock price of $49.24, the price at market close on October 23, 2019. The fair value of the Closing Stock Consideration also includes an approximate 5% discount for lack of marketability to reflect the one-year lock-up period on the Closing Stock Consideration. If the price of the Company's common stock increases or decreases by 10%, the purchase price would increase or decrease by $9.3 million and could impact the purchase price allocation.

The unaudited pro forma condensed combined financial information is presented solely for informational purposes and is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the future results of the combined company. The unaudited pro forma condensed combined financial information has not been adjusted to give effect to certain expected financial benefits of the Transaction, such as tax savings, cost synergies or revenue synergies, or the anticipated costs to achieve these benefits, including the cost of integration activities. Also, the unaudited pro forma condensed combined financial information does not reflect possible adjustments related to restructuring or integration activities that have yet to be determined or transaction or other costs following the combination that are not expected to have a continuing impact on the business of the combined company. Further, one-time Transaction-related expenses anticipated to be incurred prior to, or concurrent with, the closing of the Transaction are not included in the unaudited pro forma condensed combined statement of income. For the year ended August 31, 2019, such acquisition-related expenses were $0.7 million. Management has identified an additional $10.9 million of acquisition-related expenses, not yet incurred.

Note 3: Accounting Policies

Winnebago has completed a preliminary review of significant accounting policies for purposes of the unaudited pro forma condensed combined financial information. None of the accounting policy differences that have been identified and quantified to date are material.

Winnebago adopted the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) on August 26, 2018, utilizing the modified retrospective transition method, whereas Newmar Acquired Companies, as a private company, had not adopted Topic 606 prior to the closing of the Transaction. For the purposes of the unaudited condensed combined pro forma financial statements, the Company did an assessment of Topic 606 and determined that no material adjustments were necessary.

Winnebago will adopt ASU 2016-02, Leases (Topic 842) in the first quarter of Fiscal 2020 using the modified retrospective basis. Newmar Acquired Companies, as a private company, has not adopted Topic 842. As neither Winnebago nor Newmar Acquired Companies have adopted Topic 842, it has not been reflected in the unaudited pro forma condensed combined financial statements.

Upon completion of the Transaction, Winnebago will perform a detailed review of Newmar Acquired Companies' accounting policies. As a result of that review, Winnebago may identify differences between the accounting policies of the two companies that, when conformed, could have an impact on the consolidated financial statements of the combined company.

Note 4: Estimated Transaction Consideration

The estimated consideration is calculated as follows (in thousands):

Fair value of Closing Stock Consideration	$	93,600
Cash consideration		270,000
Total consideration	**$**	**363,600**

The estimate of consideration expected to be transferred and reflected in this unaudited pro forma condensed combined financial information does not purport to represent what the actual consideration transferred will be when the Transaction is completed. For purposes of these unaudited pro forma condensed combined financial statements, the market price of Winnebago common stock based on the October 23, 2019 market close of $49.24 was used to calculate the estimate of consideration expected to be transferred. The fair value of the Closing Stock Consideration also includes an approximate 5% discount for lack of marketability to reflect the one-year lock-up period on the Closing Stock Consideration.

Note 5: Purchase Accounting Adjustments

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by Winnebago in the Transaction, reconciled to estimated Transaction consideration (in thousands):

	Amounts as of Acquisition Date	
Book value of net assets acquired at August 31, 2019:		
Newmar Corporation and Subsidiaries	$	76,756
Newmar Related Entities		19,629
Total book value of net assets acquired		96,385
Adjusted for:		
Elimination of cash not acquired(1)		(14,413)
Elimination of debt not assumed(1)		11,690
Adjusted book value of net assets acquired		**93,662**
Adjustments to:		
Inventories		3,854
Property, plant, and equipment, net		7,197
Other intangible assets, net		175,500
Goodwill		83,387
Estimate of consideration expected to be transferred	**$**	**363,600**

(1) In accordance with the provisions of the Purchase Agreement, Winnebago will not acquire the historical cash or assume the historical debt of Newmar Acquired Companies. As such, cash and debt were removed from the adjusted book value of net assets acquired.

Note 6: Balance Sheet Adjustments

The following represents an explanation of the various adjustments to the unaudited pro forma condensed combined balance sheet.

A — Newmar Related Entities

Represents the adjustment to include the assets and liabilities of Newmar Related Entities, net of related entity eliminations, in the unaudited pro forma condensed combined balance sheet.

B — Cash and cash equivalents (in thousands):

Proceeds from new Winnebago debt issuance(1)	$	300,000
Net cash paid for the convertible notes call spread overlay(1)		(36,000)
Cash paid for debt issuance costs(1)		(10,000)
Net cash impact of debt issuance		**254,000**
Cash paid by Winnebago to Sellers		(270,000)
Cash paid for acquisition expenses(2)		(10,869)
Net cash impact of the Transaction		**(280,869)**
Cash from Newmar Related Entities		4,450
Elimination of Newmar Acquired Companies cash not acquired		(14,413)
Net elimination of Newmar Acquired Companies cash		**(9,963)**
Total pro forma adjustment to cash and cash equivalents	**$**	**(36,832)**

(1) Refer to Note 6G.

(2) Refer to Note 2.

C — Inventories

Represents an adjustment of $3.9 million to increase the carrying value of Newmar Acquired Companies' inventories, for the preliminary estimated fair value, which is based on the expected selling price of inventory to customers and adjusted for related costs of disposal and a reasonable profit allowance for the post-acquisition selling effort. The fair value adjustment to inventories is expected to be recognized in the combined company's statement of income within 90 days following the consummation of the Transaction.

D — Property, plant, and equipment, net

Represents the adjustment in carrying value of Newmar Acquired Companies' property, plant, and equipment, net from its recorded net book value to its preliminary estimated fair value. The estimated fair value is expected to be depreciated over the estimated useful lives, generally on a straight-line basis. The preliminary amounts assigned to property, plant, and equipment, net are as follows (in thousands):

	Estimated Life in Years(1)	Historical Carrying Amount	Newmar Related Entities(2)	Fair Value Adjustment	Estimated Fair Value
Land	N/A	$ —	$ 3,091	$ 859	$ 3,950
Buildings and leasehold improvements	15 - 19	8,444	9,846	4,520	22,810
Machinery and equipment	6	3,806	—	1,606	5,412
Transportation equipment	5	150	42	83	275
Office furniture and equipment	3 - 9	1,120	420	129	1,669
Construction-in-process	N/A	1,476	1,756	—	3,232
Total property, plant, and equipment, net		**$ 14,996**	**$ 15,155**	**$ 7,197**	**$ 37,348**

(1) Represents preliminary estimated life of assets to be acquired.

(2) Certain assets acquired in the Transaction are owned by Newmar Related Entities and are included in the preliminary estimated fair value.

The final determination of fair value of property, plant, and equipment, as well as estimated useful lives, remains subject to change. The finalization may have a material impact on the valuation of property, plant, and equipment and the purchase price allocation, which is expected to be finalized subsequent to the closing of the Transaction.

The preliminary estimate of fair value of Newmar Acquired Companies' property, plant, and equipment was determined using either a direct cost approach analysis for the real property, or an indirect depreciated replacement cost method for the personal property, which is also a form of the "cost approach," using currently available information, such as Newmar Acquired Companies' balance sheet, fixed asset registers, or other physical characteristics information of the assets. This method applies asset class specific inflationary / deflationary factors to the original capitalized cost of the personal property assets or construction cost data for the real property assets being valued. The inflationary / deflationary factors and construction cost data used were derived from published sources. The estimated cost was then adjusted for physical depreciation calculated on a straight-line basis, considering the economic useful life and physical age of the assets being valued, for all asset classes.

The estimated useful lives used to calculate the physical depreciation reflect the weighted average remaining utility of each asset group based upon the relationship of preliminary value to replacement cost while considering each asset group's estimated total economic life. The estimate of fair value and estimated useful lives is preliminary and subject to change once Winnebago has sufficient information as to the specific types, nature, age, condition, and location of Newmar Acquired Companies' property, plant, and equipment.

E — Goodwill

Goodwill represents the excess of the purchase price over the preliminary fair value of the underlying net tangible and identifiable intangible assets net of liabilities. Goodwill acquired in the Transaction is estimated to be $83.4 million. The estimated goodwill to be recognized is attributable primarily to expected synergies, expanded market opportunities, and other benefits that Winnebago believes will result from combining its operations with the operations of Newmar Acquired Companies.

F — Other intangible assets, net

Represents adjustments to record the preliminary estimated fair value of intangibles of approximately $175.5 million.

Identified intangible assets expected to be acquired consist of the following (in thousands):

	Estimated Useful Life in Years(1)		Estimated Fair Value
Trade name	Indefinite	$	98,000
Dealer network	12.0		64,000
Backlog	0.7		12,500
Non-compete agreements	5.0		1,000
Estimated fair value of identified other intangible assets, net		**$**	**175,500**

The fair value estimate for all identifiable intangible assets is preliminary and is based on assumptions that market participants would use in pricing an asset, based on the most advantageous market for the asset (i.e., its highest and best use). This preliminary fair value estimate could include assets that are not intended to be used, may be sold, or are intended to be used in a manner other than their best use. The final determination of fair value of intangible assets, as well as estimated useful lives, remains subject to change. The finalization may have a material impact on the valuation of intangible assets and the purchase price allocation, which is expected to be finalized subsequent to the Transaction.

Management relied on methods under the income approach — specifically the relief-from-royalty method for trade names and multi-period excess earnings method for backlog. For the dealer network, management utilized a cost to recreate method.

The preliminary estimated fair value allocated to indefinite-lived intangible assets consists primarily of trademarks. The assumption that these intangibles will not be amortized and will have indefinite remaining useful lives is based on many factors and considerations, including brand awareness and the assumption of the continued use of the Newmar brand as part of the marketing strategy of the combined company. These assumptions and adjustments are preliminary. The actual adjustment may differ materially based on the final determination of fair value and is subject to change.

G — Long-term debt, less current maturities (in thousands):

		Estimated Amounts as of Acquisition Date
New Winnebago debt		
Principal amount of convertible notes	$	300,000
Estimated debt discount on convertible notes(1)		(92,752)
Estimated debt issuance costs on convertible notes		(10,000)
Net new Winnebago debt		**197,248**
Elimination of existing Newmar Acquired Companies debt		(11,690)
Total pro forma adjustments to long-term debt, less current maturities	**$**	**185,558**

(1) In accordance with the applicable accounting guidance, the convertible notes are expected to be subject to separate accounting for their liability and equity components, with the initial liability component determined by estimating the fair value of a similar liability instrument that does not have an associated equity component conversion feature, with the difference recognized as the equity component (see Note 6J). The equity component and the initial value of the debt discount have been approximated based on estimates, including the expected terms of the convertible notes, conversion premium of 30%, comparable non-convertible interest of 9% and market and other factors. Accordingly, the actual financial statement presentation of the convertible notes, if they are issued, may differ from that presented above.

H — Deferred income taxes

Represents an estimate of net deferred income tax liabilities of $5.1 million related to the issuance of the convertible notes and the call spread overlay.

I — Redeemable common stock

Represents the elimination of $123.7 million of Newmar Acquired Companies redeemable common stock.

J — Stockholders' equity

Represents the elimination of Newmar Acquired Companies capital and retained earnings, as well as adjustments to reflect the capital structure of the combined company (in thousands):

	Estimated Amounts as of Acquisition Date
Issuance of Winnebago common stock at par value as Closing Stock Consideration(1)	$ 1,000
Common stock	**1,000**
Issuance of Winnebago common stock in excess of par value as Closing Stock Consideration(2)	92,600
Elimination of historical Newmar Acquired Companies additional paid-in capital	(8)
Estimated equity component of convertible notes, net of deferred tax liabilities of $22,724(3)	70,028
Estimated net cost of convertible notes call spread overlay, net of deferred tax assets of $17,640	(18,360)
Additional paid-in capital	**144,260**
Elimination of historical Newmar Acquired Companies retained earnings	46,992
Estimate of transaction expenses(4)	(10,869)
Retained earnings	**36,123**
Total adjustments to stockholders' equity	**$ 181,383**

(1) Represents the issuance of 2,000,000 shares $0.50 par value per share, of common stock. (See Note 4.)

(2) Represents the fair value of Closing Stock Consideration in excess of par value. (See Note 4.)

(3) See Note 6G.

(4) Represents Transactions-related expenses, not yet incurred as of the pro forma balance sheet dated August 31, 2019. Refer to Note 2.

Note 7: Statement of Income Adjustments

The following represents an explanation of the various adjustments to the unaudited pro forma condensed combined statement of income.

A — Newmar Related Entities

Represents the adjustment to include the income and expenses of Newmar Related Entities, net of related entity eliminations, in the unaudited pro forma condensed combined statement of income.

B — Depreciation of property, plant, and equipment

Represents estimated depreciation expense related to the pro forma adjustment to property, plant, and equipment (see Note 6D). Pro forma depreciation has been estimated on a preliminary basis as follows (in thousands):

		Year Ended August 31, 2019
Estimated depreciation for acquired property, plant, and equipment	$	2,710
Historical Newmar Acquired Companies depreciation expense		(2,723)
Total pro forma adjustment related to depreciation	**$**	**(13)**
Pro forma depreciation adjustment to cost of goods sold	$	252
Pro forma depreciation adjustment to selling, general, and administrative expenses		(265)
Total pro forma adjustment related to depreciation	**$**	**(13)**

For each 10% increase or decrease in the fair value of buildings and leasehold improvements, the annual depreciation expense would increase or decrease by $0.1 million. If the useful life for buildings and leasehold improvements were to increase or decrease by 1 year, the annual depreciation expense will decrease or increase by $0.1 million.

For 10% increase or decrease in the fair value of machinery and equipment, the annual depreciation expense would increase or decrease by $0.1 million. If the useful life for machinery and equipment increases or decreases by 1 year, the annual depreciation expense will decrease or increase by $0.2 million.

If the fair value of all other assets combined increases or decreases by 10% in value, the annual depreciation expense would increase or decrease by $0.1 million. If the useful life for all other assets combined increases or decreases by 1 year, the annual depreciation expense will decrease or increase by $0.1 million.

C — Transaction costs

Represents the elimination of $0.7 million of non-recurring transaction-related costs directly attributable to the Transaction recorded within selling, general, and administrative expenses.

D — Amortization of intangible assets

Represents estimated amortization expense related to the pro forma adjustment to other intangible assets, net (see Note 6F). Pro forma amortization has been estimated on a preliminary basis as follows (in thousands):

		Estimated Fair Value	Estimated Useful Life in Years		Amortization Expense Year Ended August 31, 2019
Trade name	$	98,000	Indefinite	$	—
Dealer network		64,000	12.0		5,333
Backlog		12,500	0.7		12,500
Non-compete agreements		1,000	5.0		200
Total	**$**	**175,500**			**18,033**
Less: Backlog which does not have a continuing impact					12,500
Pro forma adjustment to amortization of intangible assets				**$**	**5,533**

For each $1 million increase or decrease in the fair value of dealer network, the amortization expense would increase or decrease by $0.1 million. If the useful life for dealer network increases or decreases by 1 year, the annual amortization expense will decrease or increase by $0.4 million.

E — Interest expense

The increase in interest expense is comprised of the following (in thousands):

	Year Ended August 31, 2019
Cash interest on convertible notes(1)	$ 5,250
Non-cash interest:	
Amortization of debt discount of convertible notes	13,704
Amortization of debt issuance costs	1,818
Removal of interest expense related to Newmar Acquired Companies debt not acquired	(638)
Total interest expense adjustment	**$ 20,134**

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(1) For purposes of the pro forma financial information, the interest rate for the convertible notes is assumed to be 1.75% per annum for the year ended August 31, 2019. An increase or decrease in the interest rate assumed above of 0.125% would result in an aggregate increase or decrease to cash interest expense of approximately $0.4 million for the year ended August 31, 2019.

The convertible notes will recognize non-cash interest expense, through accretion of the debt discount and issuance costs over the life of the convertible notes.

F — Income taxes

Reflects the income tax effect on pro forma adjustments and on Newmar Acquired Companies' historical income of $4.7 million based on the estimated blended federal and state statutory rate of 24.5%. Newmar Acquired Companies, as an S-Corporation, was an entity that passed-through its taxable income to its owners and accordingly, recorded no tax expense on its statements of income. Therefore, this adjustment included the estimated tax that Newmar Acquired Companies would have incurred had it not been a pass-through entity. The tax rate does not reflect the expected effective tax rate, which will include other tax charges and benefits, and does not take into account any historical or possible future tax events that may impact the combined entity.

G — Earnings per Share

The Pro Forma statements reflect the increase in the weighted average shares in connection with the issuance of 2,000,000 common shares to the Sellers.

The convertible notes are convertible to cash, shares of our common stock or a combination of cash and shares, at our election.

It is management's intent, upon conversion of the notes, to settle the conversion value in cash up to their principal amount and in shares for any excess over their principal amount. The Company utilizes the treasury stock method to calculate the effects of the notes on diluted earnings per share. However, as the common stock of the Company has not traded above the conversion price of the notes, the application of the treasury stock method for the notes would prove anti-dilutive in calculating diluted earnings per share and should therefore be excluded from its calculation.

Note 8: Reclassifications

Winnebago has completed a preliminary review of the financial statement presentation of Newmar Corporation and Subsidiaries for purposes of the unaudited pro forma condensed combined financial information. During this review, the following financial statement reclassifications were performed in order to align the presentation of Newmar Corporation and Subsidiaries' financial information with that of Winnebago (in thousands):

Newmar Corporation and Subsidiaries Presentation		Presentation Reclassification		Winnebago Presentation August 31, 2019	
Assets					**Assets**
Current assets					Current assets:
Cash and cash equivalents	$ 5,753	$ 4,210	a	$ 9,963	Cash and cash equivalents
Certificates of deposit	4,210	(4,210)	a	—	
Accounts receivable (after allowance for doubtful accounts)	42,166	—		42,166	Receivables, less allowance for doubtful accounts
Inventories, net	70,477	—		70,477	Inventories
Prepaid show fees	661	(661)	b	—	
Prepaid insurance and other current assets	2,332	661	b	2,993	Prepaid expenses and other assets
Total current assets	125,599	—		125,599	Total current assets
Property, plant and equipment, net	14,996	—		14,996	Property, plant, and equipment, net
					Other assets:
		—		—	Goodwill
		—		—	Other intangible assets, net
		—		—	Investment in life insurance
		—		—	Other assets
	$ 140,595	$ —		$ 140,595	Total assets
Liabilities and Shareholders' Equity					**Liabilities and Stockholders' Equity**
Current liabilities					Current liabilities:
Accounts payable	$ 17,424	$ —		$ 17,424	Accounts payable
Other taxes payable	1,061	—		1,061	Income taxes payable
					Accrued expenses:
Salaries and wages payable	7,148	561	c	7,709	Accrued compensation
Accrued profit sharing	561	(561)	c	—	
Accrued warranty claims	15,860	—		15,860	Product warranties
Accrued group insurance	570	—		570	Self-insurance
Accrued dealer incentive bonuses	1,583	(1,583)	d	—	
Accrued dealer promotions	1,126	1,583	d	2,709	Promotional
		—		—	Accrued interest
Accrued repurchase obligation	305	(305)	e	—	
Lease payable — short term	511	(511)	f	—	
Other current liabilities	416	816	e, f	1,232	Other
		—		—	Current maturities of long-term debt
Total current liabilities	46,565	—		46,565	Total current liabilities
					Non-current liabilities:
Line of credit	8,000	3,690	g	11,690	Long-term debt, less current maturities
Shareholder notes payable	3,690	(3,690)	g	—	
Lease payable — long term	5,584	(5,584)	h	—	
		—		—	Deferred income taxes
		—		—	Unrecognized tax benefits
		—		—	Deferred compensation benefits, net of current portion
		5,584	h	5,584	Other
Total long-term liabilities	17,274	—		17,274	Total non-current liabilities
Redeemable common stock	123,740	—		123,740	Redeemable common stock
Shareholders' equity					Stockholders' equity:
Common stock, no par value; voting	—	—		—	Preferred stock, par value $0.01: Authorized-10,000 shares; Issued-none
Common stock, no par value; nonvoting	—	—		—	Common stock, par value $0.50: Authorized-60,000 shares; Issued-51,776 shares
Paid-in capital	8	—		8	Additional paid-in capital
Retained earnings	(46,992)	—		(46,992)	Retained earnings
		—		—	Accumulated other comprehensive loss
		—		—	Treasury stock, at cost: 20,262 shares
Total shareholders' equity	(46,984)	—		(46,984)	Total stockholders' equity
Total liabilities and shareholders' equity	$ 140,595	$ —		$ 140,595	Total liabilities and stockholders' equity

Presentation reclassification notes:

(a) Reclassification of $4.2 million of "Certificates of deposit" to "Cash and cash equivalents"

(b) Reclassification of $0.7 million of "Prepaid show fees" to "Prepaid expenses and other assets"

(c) Reclassification of $0.6 million of "Accrued profit sharing" to "Accrued compensation"

(d) Reclassification of $1.6 million of "Accrued dealer incentive bonuses" to "Promotional"

(e) Reclassification of $0.3 million of "Accrued repurchase obligation" to "Other" (current liabilities)

(f) Reclassification of $0.5 million of “Lease payable — short term” to “Other” (current liabilities)

(g) Reclassification of $3.7 million of “Shareholder notes payable” to “Long-term debt, less current maturities”

(h) Reclassification of $5.6 million of “Lease payable — long term” to “Other” (non-current liabilities)

Newmar Corporation and Subsidiaries Presentation		Presentation Reclassification			Winnebago Presentation Year ended August 31, 2019
Sales	$ 661,110	$ —		$ 661,110	Net revenues
Cost of goods sold	579,774	—		579,774	Cost of goods sold
Gross margin	81,336	—		81,336	Gross profit
Selling, general and administrative expenses	37,708	(740)	a	36,968	Selling, general, and administrative expenses
		—		—	Amortization of intangible assets
	37,708	(740)		36,968	Total operating expenses
Operating income	43,628	740		44,368	Operating income
Interest expense, net	848	—		848	Interest expense
		—		—	Non-operating income
		740		43,520	Income before income taxes
		740	a	740	Provision for income taxes
Net income	$ 42,780	$ —		$ 42,780	Net income

Presentation reclassification notes:

(a) Reclassification of income tax expense from “Selling, general and administrative expenses” to “Provision for income taxes”