**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

# FORM 10-K

(Mark One)
☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934** for the fiscal year ended August 25, 2018;
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934** for the transition period from _____ to _____

Commission File Number 001-06403

# WINNEBAGO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Iowa | 42-0802678 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. 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
Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---|---|
| Common Stock ($.50 par value) | The New York Stock Exchange, Inc.<br>Chicago Stock Exchange, Inc. |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Aggregate market value of the common stock held by non-affiliates of the registrant: $1,122,564,545 (26,952,330 shares at the closing price on the New York Stock Exchange of $41.65 on February 23, 2018).

Common stock outstanding on October 15, 2018: 31,629,704 shares.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement relating to the registrant's 2018 Annual Meeting of Shareholders, scheduled to be held December 11, 2018, are incorporated by reference into Part II and Part III of this Annual Report on Form 10-K where indicated.

**Winnebago Industries, Inc.**
**Fiscal 2018 Form 10-K**
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**WINNEBAGO INDUSTRIES, INC.**
FORM 10-K
Report for the Fiscal Year Ended August 25, 2018

**Forward-Looking Information**

Certain of the matters discussed in this Annual Report on Form 10-K are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve 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, business or production disruptions, sales order cancellations, risk related to compliance with debt covenants and leverage ratios, stock price volatility, availability of labor, a slowdown in the economy, low consumer confidence, the effect of global tensions, increases in interest rates, availability of credit, risk related to cyclicality and seasonality, slower than anticipated sales of new or existing products, integration of operations relating to merger and acquisition activities generally, 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, risk related to anti-takeover provisions applicable to us, and other factors which may be disclosed throughout this Annual Report on Form 10-K. Although we believe that the expectations reflected in the "forward-looking statements" are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Undue reliance should not be placed on these "forward-looking statements," which speak only as of the date of this report. We undertake no obligation to publicly update or revise any "forward-looking statements," whether as a result of new information, future events, or otherwise, except as required by law or the rules of the New York Stock Exchange. We advise you, however, to consult any further disclosures made on related subjects in future quarterly reports on Form 10-Q and current reports on Form 8-K that are filed or furnished with the U.S. Securities and Exchange Commission ("SEC").

**PART I**

**Item 1. Business.**

**General**

The "Company," "Winnebago Industries," "we," "our," and "us" are used interchangeably to refer to Winnebago Industries, Inc. and its wholly-owned subsidiaries, as appropriate in the context.

Winnebago Industries, Inc., headquartered in Forest City, Iowa, is a leading U.S. manufacturer with a diversified portfolio of recreation vehicles ("RV"s) and marine products used primarily in leisure travel and outdoor recreation activities. We produce our motorhomes in manufacturing facilities in Iowa and Oregon; our travel trailer and fifth wheel trailers in Indiana; and our marine products in Florida. We distribute our RV and marine products primarily through independent dealers throughout the U.S. and Canada, who then retail the products to the end consumer. We also distribute our marine products internationally through independent dealers, who then retail the products to the end consumer.

We were incorporated under the laws of the state of Iowa on February 12, 1958, and adopted our present name on February 28, 1961. Our executive offices are located at 605 West Crystal Lake Road in Forest City, Iowa. Our telephone number is (641) 585-3535.

**Available Information**

Our website, located at www.wgo.net, provides additional information about us. On our website, you can obtain, free of charge, this and prior year Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all of our other filings with the SEC. Our recent press releases are also available on our website. Our website also contains important information regarding our corporate governance practices. Information contained on our website is not incorporated into this Annual Report on Form 10-K.

**Principal Products**

Beginning in the fourth quarter of Fiscal 2018, we have five operating segments: 1) Winnebago motorhomes, 2) Winnebago towables, 3) Grand Design towables, 4) Winnebago specialty vehicles, and 5) Chris-Craft marine. We evaluate performance based on each operating segment's Adjusted EBITDA, as defined within Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, of this Annual Report on Form 10-K, which excludes certain corporate administration expenses and non-operating income and expense.

Our two reportable segments include: 1) Motorhome (comprised of products that include a motorized chassis as well as other related manufactured products and services) and 2) Towable (comprised of products which are not motorized and are generally towed by another vehicle as well as other related manufactured products and services), which is an aggregation of the Winnebago towables and Grand Design towables operating segments.

The Corporate / All Other category includes the Winnebago specialty vehicles and Chris-Craft marine operating segments as well as expenses related to certain corporate administration expenses for the oversight of the enterprise. These expenses include items such as corporate leadership and administration costs. Previously, these expenses were allocated to each operating segment.

Prior year segment information has been reclassified to conform to the current reportable segment presentation. The reclassifications included removing the corporate administration expenses from both the Motorhome and Towable reportable segments and removing Winnebago specialty vehicles from the Motorhome reportable segment, as we begin to dedicate leadership and focus on these operations separately from our Winnebago motorhomes operations.

*Motorhome*

A motorhome is a self-propelled mobile dwelling used primarily as temporary living quarters during vacation and camping trips, or to support active and mobile lifestyles. The Recreation Vehicle Industry Association ("RVIA") classifies motorhomes into three types, all of which we manufacture and sell under the Winnebago brand name, which are defined as follows:

| Type | Description | Winnebago products offerings |
|---|---|---|
| Class A (gas and diesel) | Conventional motorhomes constructed directly on medium- and heavy-duty truck chassis, which include the engine and drivetrain components. The living area and driver's compartment are designed and produced by the motorhome manufacturer. | Gas: Adventurer, Intent(1), Sightseer, Suncruiser, Sunova, Sunstar, Sunstar LX, Vista, Vista LX<br>Diesel: Forza, Grand Tour, Horizon(1), Journey, Tour, Via |
| Class B (gas and diesel) | Panel-type vans to which sleeping, kitchen, and/or toilet facilities are added. These models may also have a top extension to provide more headroom. | Winnebago Touring Coach (Era, Paseo, Revel(1), Travato) |
| Class C (gas and diesel) | Motorhomes built on van-type chassis onto which the motorhome manufacturer constructs a living area with access to the driver's compartment. | Aspect, Cambria, Fuse, Minnie Winnie, Navion, Outlook(1), Spirit, Trend, View |

(1) New product offerings introduced in Fiscal 2018.

Our Class A, B, and C motorhomes are sold by dealers in the retail market with manufacturer's suggested retail prices ranging from approximately $80,000 to $520,000, depending on size and model, plus optional equipment and delivery charges. Our motorhomes range in length from 21 to 44 feet.

Unit sales of our motorhomes for the last three fiscal years were as follows:

| | Year Ended (1) | | | | | |
|---|---|---|---|---|---|---|
| Units | August 25, 2018 | | August 26, 2017 | | August 27, 2016 | |
| Class A | 2,997 | 31.4% | 3,182 | 34.4% | 2,925 | 31.4% |
| Class B | 2,012 | 21.1% | 1,541 | 16.6% | 1,239 | 13.3% |
| Class C | 4,539 | 47.5% | 4,537 | 49.0% | 5,143 | 55.3% |
| Total motorhomes | 9,548 | 100.0% | 9,260 | 100.0% | 9,307 | 100.0% |

(1) Percentages may not add due to rounding differences.

Motorhome parts and service activities represent revenues generated by service work we perform for retail customers at our Forest City, Iowa and Junction City, Oregon facilities as well as revenues from sales of RV parts. Our competitive strategy is to provide proprietary manufactured parts through our dealer network, which we believe increases customer satisfaction and the value of our motorhomes.

*Towable*

A towable is a non-motorized vehicle that is designed to be towed by automobiles, pickup trucks, SUVs, or vans and is used as temporary living quarters for recreational travel. The RVIA classifies towables in four types: conventional travel trailers, fifth wheels, folding camper trailers, and truck campers. We manufacture and sell conventional travel trailers and fifth wheels under the Winnebago and Grand Design brand names, which are defined as follows:

| Type | Description | Winnebago product offerings | Grand Design product offerings |
|---|---|---|---|
| Travel trailer | Conventional travel trailers are towed by means of a hitch attached to the frame of the vehicle. | Micro Minnie, Minnie, Minnie Drop, Minnie Plus | Imagine, Reflection, Transcend(1) |
| Fifth wheel | Fifth wheel trailers are constructed with a raised forward section that is connected to the vehicle with a special fifth wheel hitch. | Minnie Plus | Momentum, Reflection, Solitude |

(1) New product offerings introduced in Fiscal 2018.

Our travel trailer and fifth wheel towables are sold by dealers in the retail market with manufacturer's suggested retail prices ranging from approximately $15,000 to $110,000, depending on size and model, plus optional equipment and delivery charges.

Unit sales of our towables for the last three fiscal years were as follows:

| | Year Ended [1] | | | | | |
|---|---|---|---|---|---|---|
| **Units** | **August 25, 2018** | | **August 26, 2017** | | **August 27, 2016** | |
| Travel trailer | 22,360 | 61.1% | 13,650 | 60.7% | 3,613 | 86.0% |
| Fifth wheel | 14,229 | 38.9% | 8,824 | 39.3% | 586 | 14.0% |
| Total towables | 36,589 | 100.0% | 22,474 | 100.0% | 4,199 | 100.0% |

(1) Percentages may not add due to rounding differences.

On November 8, 2016, we closed on our acquisition of Grand Design RV, LLC ("Grand Design"), a fast-growing towables manufacturer in Middlebury, Indiana. Grand Design manufactures travel trailers and fifth wheel products. With this acquisition, we have a broader and more balanced portfolio of motorized and towable products and intend to capitalize on the opportunities across the RV market and to drive improved profitability and long-term value for shareholders.

*Winnebago Specialty Vehicles*

We also manufacture other specialty commercial vehicles primarily custom designed for the buyer's specific needs and requirements, such as law enforcement command centers, mobile medical clinics, and mobile office space. These specialty commercial vehicles are manufactured in Forest City, Iowa and sold through our dealer network. In addition, we also provide commercial vehicles as bare shells to third-party upfitters for conversion at their facilities.

*Chris-Craft*

On June 4, 2018, we acquired 100% of the ownership interests of Chris-Craft USA, Inc. ("Chris-Craft"), a privately-owned company based in Sarasota, Florida. As a result of this acquisition, we manufacture and sell premium quality boats in the recreational powerboat industry through an established global network of independent authorized dealers.

**Production**

We generally produce motorhomes and towables to stock for dealers. We have some ability to increase our capacity by scheduling overtime and/or hiring additional production employees or to decrease our capacity through the use of shortened work weeks and/or reducing head count. We have long been known as an industry leader in innovation as each year we introduce new or redesigned products. These changes generally include new floor plans and sizes as well as design and decor modifications. Most of our raw materials such as steel, aluminum, fiberglass, and wood products are obtainable from numerous sources.

Our motorhomes are primarily produced in the state of Iowa at four different campuses. Beginning in Fiscal 2016, we also began assembling Class A diesel motorhomes in our Junction City, Oregon facility. Our Motorhome business utilizes vertically integrated supply streams, with the principal exceptions being chassis, engines, generators, and appliances that we purchase from reputable manufacturers. Certain parts, especially motorhome chassis, are available from a small group of suppliers. In Fiscal 2018, we had two chassis suppliers, that each individually accounted for more than 10% of our Motorhome raw material purchases.

Our towables are produced at two assembly campuses located in Middlebury, Indiana. The majority of components are comprised of frames, appliances, and furniture, and are purchased from suppliers. In Fiscal 2018, we had one supplier that accounted for more than 10% of our Towable raw material purchases.

**Backlog**

We strive to balance timely order fulfillment to our dealers with the lead times suppliers require to efficiently source materials and manage costs. Production facility constraints at peak periods also lead to fluctuations in backlog orders which we manage closely. The approximate revenue of our Motorhome backlog was $157.6 million and $122.1 million as of August 25, 2018 and August 26, 2017, respectively. The approximate revenue of our Towable backlog was $244.9 million and $229.7 million as of August 25, 2018 and August 26, 2017, respectively. A more detailed description of our Motorhome and Towable order backlog is included in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operation*s, of this Annual Report on Form 10-K.

**Distribution and Financing**

We market our products on a wholesale basis to a diversified independent dealer network located throughout the U.S. and, to a limited extent, in Canada, Africa, Asia, Europe, Australia, and South America. Foreign sales were 10.0% or less of net revenues during each of the past three fiscal years.

As of August 25, 2018, our RV dealer network in the U.S. and Canada included approximately 550 Motorhome and Towable physical dealer locations, many of which carry both products. One of our dealer organizations, La Mesa RV Center, Inc., accounted

for 9.8% of our consolidated net revenue for Fiscal 2018, as this dealer sold our products in 11 dealership locations across four U.S. states.

We have sales and service agreements with dealers which are subject to annual review. Many of the dealers are also engaged in other areas of business, including the sale of automobiles, trailers, or boats, and most dealers carry one or more competitive lines of RVs. We continue to place high emphasis on the capability of our dealers to provide complete service for our products. Dealers are obligated to provide full service for owners of our products or, in lieu thereof, to secure such service from other authorized providers.

We advertise and promote our products through national trade magazines, the distribution of product brochures, the Go RVing national advertising campaign sponsored by RVIA, direct-mail advertising campaigns, various national promotional opportunities, and on a local basis through trade shows, television, radio, and newspapers, primarily in connection with area dealers.

Sales to dealers are made on cash terms. Most dealers are financed on a "floorplan" basis under which a bank or finance company lends the dealer all, or substantially all, of the purchase price, collateralized by a security interest in the merchandise purchased. As is customary in our industries, we typically enter into a repurchase agreement with a lending institution financing a dealer's purchase of our product upon the lending institution's request and after completion of a credit check of the dealer involved. Our repurchase agreements provide that, for up to 18 months after an RV unit is financed and up to 24 months after a marine unit is financed, in the event of default by the dealer on the agreement to pay the lending institution and repossession of the unit(s) by the lending institution, we will repurchase the financed merchandise from the lender at the amount then due, which is often less than dealer invoice. Our maximum exposure for repurchases varies significantly from time to time, depending upon the level of dealer inventory, general economic conditions, demand for our products, dealer location, and access to and the cost of financing. See Note 11, *Contingent Liabilities and Commitments*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

**Competition**

The RV and marine markets are highly competitive with many other manufacturers selling products which compete directly with our products. Some of our competitors are much larger than us, most notably in the towable RV market, which may provide these competitors additional purchasing power. The competition in our industry is based upon design, price, quality, and service of the products. We believe our principal competitive advantages are our brand strength, product quality, and our service after the sale. We also believe that our motorhome products have historically commanded a price premium as a result of these competitive advantages.

**Seasonality**

The primary use of RVs and marine products for leisure travel and outdoor recreation has historically led to a peak retail selling season concentrated in the spring and summer months and lower sales during winter months. Our sales are generally influenced by this pattern in retail sales, but sales can also be affected by the level of dealer inventory. As a result, our RV sales are historically lowest during our second fiscal quarter, which ends in February.

**Governmental Regulations**

We are subject to a variety of federal, state, local, and, to a limited extent, international laws and regulations, including the federal Motor Vehicle Act ("MVA"), under which the National Highway Traffic Safety Administration ("NHTSA") may require manufacturers to recall RVs that contain safety-related defects, and numerous state consumer protection laws and regulations relating to the operation of motor vehicles, including so-called "Lemon Laws." The Boat Safety Act of 1971 has similar safety-related recall requirements for marine units. In addition, marine units sold in the U.S. and Europe must meet the certification standards of the U.S. Coast Guard and the European Community, respectively.

We are also subject to regulations established by the Occupational Safety and Health Administration ("OSHA"). Our facilities are periodically inspected by federal and state agencies, such as OSHA. We are a member of RVIA, a voluntary association of RV manufacturers which promulgates RV safety standards. We place an RVIA seal on each of our RVs to certify that the RVIA standards have been met. We believe that our products and facilities comply in all material respects with the applicable vehicle safety, consumer protection, RVIA. and OSHA regulations and standards.

Our operations are subject to a variety of federal and state environmental laws and regulations relating to the use, generation, storage, treatment, emission, labeling, and disposal of hazardous materials and wastes, and noise pollution. We believe that we are currently in compliance with applicable environmental laws and regulations in all material aspects.

**Trademarks**

We have several domestic and foreign trademark registrations associated with our products which include: Winnebago, Adventurer, Affinity, Airlie, Aspect, Benchmark, Brave, Bryon, Cambria, Chalet, Chris-Craft (logo), Commander, Cottesloe, County Coach, Destination, Dynomax, Ellipse, Era, Forza, Fuse, Glide & Dine, Gowinnebago, Grand Design, Grand Design Recreational

Vehicles, Grand Design RV, Horizon, Imagine, Inlounge, Inspire, Instinct, Intable, Intent, Itasca, Intrigue, Journey, Latitude, Maxum Chassis, Meridian, Micro Minnie, Minnie, Minnie Drop, Minnie Winnie, Navion, 0ne Place, Momentum, Reflection, Powerline Energy Management System and Design, Rest Easy, Revel, Rialta, Roamer, Scorpion, Sightseer, Solei, Solitude, Spirit, Storemore and Design, Suncruiser, Sunova, Sunstar, The most recognized name in motorhomes, Thermo-Panel, Transcend, Travato, Trend, Tribute, True Air, Via, View, Vista, Viva!, Voyage, W, Flying W (logo), WIT Club, Winnie Drop, Winnebago Ind (logo), Winnebagolife, Winnebago Minnie, Winnebago Towables (logo), Winnebago Touring Coach, and Winnebago trade dress (three dimensional design of the front roof panel, front grill panel, and front body panel of motor homes). We believe that our trademarks and trade names are significant assets to our business. and we have in the past and will in the future vigorously protect them against infringement by third parties. We are not dependent upon any patents or technology licenses of others for the conduct of our business.

**Human Resources**

At the end of Fiscal 2018, 2017, and 2016, we employed approximately 4,700, 4,060, and 3,050 persons, respectively. None of our employees are covered under a collective bargaining agreement. We believe our relations with our employees are good.

**Item 1A. Risk Factors.**

Described below are certain risks that we believe apply to our business and the industry in which we operate. The following risk factors should be considered carefully in addition to the other information contained in this Annual Report on Form 10-K. The risks and uncertainties highlighted represent the most significant risk factors that we believe may adversely affect our business, financial condition, results of operations, cash flows, liquidity or access to sources of financing, and, consequently, the market value of our common stock. The risks and uncertainties discussed in this report are not exclusive and other risk factors that we may consider immaterial or do not anticipate may emerge as significant risks and uncertainties.

**Competition**

The markets for RVs and marine products are very competitive. Competitive factors in the industry include price, design, value, quality, service, brand awareness, and reputation. There can be no assurance that existing or new competitors will not develop products that are superior to our products or that achieve better consumer acceptance, thereby adversely affecting our market share, sales volume, and profit margins. Some of our competitors are much larger than we are and this size advantage provides these competitors with more financial resources and access to capital, additional purchasing power, and greater leverage with the dealer networks. In addition, competition could increase if new companies enter the market, existing competitors consolidate their operations, or if existing competitors expand their product lines or intensify efforts within existing product lines. Our current products, products under development, and our ability to develop new and improved products may be insufficient to enable us to compete effectively with our competitors. These competitive pressures may have a material adverse effect on our results of operations.

**Hiring Constraints and Retaining Key Employees**

Our ability to meet our strategic objectives and otherwise grow our business will depend to a significant extent on the continued contributions of our leadership team. Our future success will also depend in large part on our ability to identify, attract, and retain other highly qualified managerial, technical, sales and marketing, operations, and customer service personnel. Competition for these individuals in our manufacturing markets is intense and supply is limited. We may not succeed in identifying, attracting, or retaining qualified personnel on a cost-effective basis. The loss or interruption of services of any of our key personnel, inability to identify, attract, or retain qualified personnel in the future, delays in hiring qualified personnel, or any employee work slowdowns, strikes, or similar actions could make it difficult for us to conduct and manage our business and meet key objectives, which could harm our business, financial condition, and operating results.

**Production Disruptions**

We currently manufacture most of our products in northern Iowa and northern Indiana. These facilities may be affected by natural or man-made disasters and other external events. In the event that one of our manufacturing facilities was affected by a disaster or other event, we could be forced to shift production to one of our other manufacturing facilities or to cease operations. Although we maintain insurance for damage to our property and disruption of our business from casualties, such insurance may not be sufficient to cover all of our potential losses. Any disruption in our manufacturing capacity could have an adverse impact on our ability to produce sufficient inventory of our products or may require us to incur additional expenses in order to produce sufficient inventory, and therefore, may adversely affect our net sales and operating results. Any disruption or delay at our manufacturing facilities could impair our ability to meet the demands of our customers, and our customers may cancel orders or purchase products from our competitors, which could adversely affect our business and operating results.

**The terms of our Credit Agreement could adversely affect our operating flexibility and pose risks of default under our Credit Agreement**

We incurred substantial indebtedness to finance the acquisition of Grand Design. We entered into new asset-based revolving credit ("ABL") and term loan ("Term Loan") agreements (collectively, the "Credit Agreement") with JPMorgan Chase. Under the terms of the Credit Agreement, we have a $165.0 million ABL credit facility, which includes a $10.0 million letter of credit facility, and a $300.0 million term loan as of September 21, 2018.

The Credit Agreement is secured by certain assets, primarily cash, inventory, accounts receivable, and certain machinery and equipment. The Credit Agreement contains certain requirements, including affirmative and negative financial covenants. If we are unable to comply with these requirements and covenants, we may be restricted in our ability to pay dividends or engage in certain other business transactions, the lender may obtain control of our cash accounts, and we may experience an event of default. If a default occurs, the lenders under the Credit Agreement may elect to declare all of their respective outstanding debt, together with accrued interest and other amounts payable thereunder, to be immediately due and payable. Under such circumstances, we may not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed on our ability to incur additional debt and to take other corporate actions might significantly impair our ability to obtain other financing.

Borrowing availability under the Credit Agreement is limited to the lesser of the facility total and the calculated borrowing base, which is based on stipulated loan percentages applied to our eligible trade accounts receivable and eligible inventories plus a defined amount related to certain machinery and equipment. Should the borrowing base decline, our ability to borrow to fund future operations and business transactions could be limited. In addition, the Credit Agreement contains certain restrictions on our ability to undertake certain types of transactions. Therefore, we may need to seek permission from our lenders in order to engage in certain corporate actions. Through the Credit Agreement, we were required to enter into a hedging arrangement that fixed certain interest rates as defined in the Credit Agreement. To satisfy this requirement, an interest rate swap contract was entered into during the second quarter of Fiscal 2017. The results of the Swap Contract could create quarterly fluctuations in operating results. When we repriced our Credit Agreements during the second quarter of Fiscal 2018, the requirement to hedge a portion of the debt was removed.

In addition, the additional indebtedness could:

- Make us more vulnerable to general adverse economic, regulatory, and industry conditions;
- Limit our flexibility in planning for, or reacting to, changes and opportunities in the markets in which we compete;
- Place us at a competitive disadvantage compared to our competitors that have less debt or could require us to dedicate a substantial portion of our cash flow to service our debt; and
- Restrict us from making strategic acquisitions or exploiting other business opportunities.

**Our Stock Price is Subject to Volatility**

Our stock price may fluctuate based on many factors. Our acquisition of Grand Design, for example, provided important strategic positioning and earnings growth potential, but to partially finance the transaction we issued $124.1 million worth of common stock to the owners of Grand Design and registered these shares for resale after the transaction closed. Any future stock issuance by us or liquidation of stock holding by the former owners of Grand Design may cause dilution of earnings per share or put selling pressure on our share price. Changing credit agreements and leverage ratios may also impact stock price. In general, analysts' expectations and our ability to meet those expectations quarterly may cause stock price fluctuations. If we fail to meet expectations related to future growth, profitability, debt repayment, dividends, share issuance or repurchase, or other market expectations, our stock price may decline significantly.

**Facility Expansion**

We are expanding our production capabilities within our Towable segment. The expansion and renovation entails risks that could cause disruption in the operations of our business and unanticipated cost increases. Should we experience production variances, quality, or safety issues as we ramp up these operations, our business and operating results could be adversely affected.

**Adverse Effects of Union Activities**

Although none of our employees are currently represented by a labor union, unionization could result in higher employee costs and increased risk of work stoppages. We are, directly or indirectly, dependent upon companies with unionized work forces, such as parts suppliers and trucking and freight companies, and work stoppages or strikes organized by such unions could have a material adverse impact on our business, financial condition, or operating results. If a work stoppage occurs, it could delay the manufacture and sale of our products and have a material adverse effect on our business, prospects, operating results, or financial condition.

**General Economic Conditions and Certain Other External Factors**

Companies within the RV and marine industries are subject to volatility in operating results due primarily to general economic conditions because the purchase of an RV or marine products is often viewed as a consumer discretionary purchase. Demand for discretionary goods in general can fluctuate with recessionary conditions, slow or negative economic growth rates, negative

consumer confidence, reduced consumer spending levels resulting from tax increases or other factors, prolonged high unemployment rates, higher commodity and component costs, fuel prices, inflationary or deflationary pressures, reduced credit availability or unfavorable credit terms for dealers and end-user customers, higher short-term interest rates, and general economic and political conditions and expectations. Specific factors affecting the RV and marine industries include:

- Overall consumer confidence and the level of discretionary consumer spending;
- Employment trends;
- The adverse impact of global tensions on consumer spending and travel-related activities; and
- The adverse impact on margins due to increases in raw material costs, which we are unable to pass on to customers without negatively affecting sales.

**Goodwill and Trade Name Impairment**

Goodwill and indefinite-lived intangible assets, such as our trade names, are recorded at fair value at the time of acquisition and are not amortized but are reviewed for impairment at least annually or more frequently if impairment indicators arise. Our determination of whether goodwill impairment has occurred is based on a comparison of each of our reporting units' fair value with its carrying value. Significant and unanticipated changes in circumstances, such as significant and long-term adverse changes in business climate, unanticipated competition, and/or changes in technology or markets, could require a provision for impairment in a future period that could negatively impact our results of operations.

**Dependence on Credit Availability and Interest Rates to Dealers and Retail Purchasers**

Our business is affected by the availability and terms of the financing to dealers. Generally, RV and marine dealers finance their purchases of inventory with financing provided by lending institutions. One financial flooring institution held 54.8% of our total financed dealer inventory dollars that were outstanding at August 25, 2018. In the event that this lending institution limits or discontinues dealer financing, we could experience a material adverse effect on our results of operations.

Our business is also affected by the availability and terms of financing to retail purchasers. Retail buyers purchasing one of our products may elect to finance their purchase through the dealership or a financial institution of their choice. Substantial increases in interest rates or decreases in the general availability of credit for our dealers or for the retail purchaser may have an adverse impact upon our business and results of operations.

**Cyclicality and Seasonality**

The RV and marine industries have been characterized by cycles of growth and contraction in consumer demand, reflecting prevailing economic and demographic conditions, which affect disposable income for leisure-time activities. Consequently, the results for any prior period may not be indicative of results for any future period.

Seasonal factors, over which we have no control, also have an effect on the demand for our products. Demand in the RV and marine industries generally declines over the winter season, while sales are generally highest during the spring and summer months. Also, unusually severe weather conditions in some markets may impact demand.

**Managing Growth Opportunities**

One of our growth strategies is to drive growth through targeted acquisitions and alliances, stronger customer relations, and new joint ventures and partnerships that contribute profitable growth while supplementing our existing brands and product portfolio. Our ability to grow through acquisitions will depend, in part, on the availability of suitable candidates at acceptable prices, terms, and conditions, our ability to compete effectively for acquisition candidates, and the availability of capital and personnel to complete such acquisitions and run the acquired business effectively. Any acquisition, alliance, joint venture, or partnership could impair our business, financial condition, reputation, and operating results. The benefits of an acquisition or new alliance, joint venture, or partnership may take more time than expected to develop or integrate into our operations, and we cannot guarantee that previous or future acquisitions, alliances, joint ventures, or partnerships will, in fact, produce any benefits. Such acquisitions, alliances, joint ventures, and partnerships may involve a number of risks, including:

- Diversion of management's attention;
- Disruption to our existing operations and plans;
- Inability to effectively manage our expanded operations;
- Difficulties or delays in integrating and assimilating information and financial systems, operations, and products of an acquired business or other business venture or in realizing projected efficiencies, growth prospects, cost savings, and synergies;
- Inability to successfully integrate or develop a distribution channel for acquired product lines;
- Potential loss of key employees, customers, distributors, or dealers of the acquired businesses or adverse effects on existing business relationships with suppliers, customers, distributors, and dealers;
- Adverse impact on overall profitability, if our expanded operations do not achieve the financial results projected in our valuation model;

- Inaccurate assessment of additional post-acquisition or business venture investments, undisclosed, contingent or other liabilities or problems, unanticipated costs associated with an acquisition or other business venture, and an inability to recover or manage such liabilities and costs; and
- Incorrect estimates made in the accounting for acquisitions, occurrence of non-recurring charges, and write-off of significant amounts of goodwill or other assets that could adversely affect our operating results.

**Demand Forecasting and Inventory Management**

Our ability to manage our inventory levels to meet our customer's demand for our products is important for our business. For example, certain dealers are focused on the rental market which spikes over the summer vacation period while other dealers are focused on direct sales to the consumer at various price points. Our production levels and inventory management are based on demand estimates six to twelve months forward taking into account supply lead times, production capacity, timing of shipments, and dealer inventory levels. If we overestimate or underestimate demand for any of our products during a given season, we may not maintain appropriate inventory levels, which could negatively impact our net sales or working capital, hinder our ability to meet customer demand, or cause us to incur excess and obsolete inventory charges.

**Distribution Channel Management**

We sell many of our products through distribution channels and are subject to risks relating to their inventory management decisions and operational and sourcing practices. Our distribution channel customers carry inventories of our products as part of their ongoing operations and adjust those inventories based on their assessments of future needs. Such adjustments may impact our inventory management and working capital goals as well as operating results. If the inventory levels of our distribution channel customers are higher than they desire, they may postpone product purchases from us, which could cause our sales to be lower than the end-user demand for our products and negatively impact our inventory management and working capital goals as well as our operating results.

**Responsiveness to Market Changes**

One of our growth strategies is to develop innovative, customer-valued products to generate revenue growth. We may not be able to compete as effectively with our competitors, and ultimately satisfy the needs and preferences of our customers, unless we can continue to enhance existing products and develop new innovative products for the markets in which we compete. Product development requires significant financial, technological, and other resources. Product improvements and new product introductions also require significant research, planning, design, development, engineering, and testing at the technological, product, and manufacturing process levels, and we may not be able to timely develop and introduce product improvements or new products. Our competitors' new products may beat our products to market, be higher quality or more reliable, be more effective with more features and/or less expensive than our products, obtain better market acceptance, or render our products obsolete. Any new products that we develop may not receive market acceptance or otherwise generate any meaningful net sales or profits for us relative to our expectations based on, among other things, existing and anticipated investments in manufacturing capacity and commitments to fund advertising, marketing, promotional programs, and research and development.

**Potential Loss of a Large Dealer Organization**

One of our dealer organizations accounted for 9.8% of our net revenue for Fiscal 2018. A second dealer organization, accounted for 9.0% of our net revenue for Fiscal 2018. The loss of either or both of these dealer organizations could have a significant adverse effect on our business. In addition, deterioration in the liquidity or creditworthiness of either or both of these dealers could negatively impact our sales and could trigger repurchase obligations under our repurchase agreements.

**Potential Repurchase Liabilities**

In accordance with customary practice in our industries, upon request we enter into formal repurchase agreements with lending institutions financing a dealer's purchase of our products. In these repurchase agreements we agree, in the event of a default by an independent dealer in its obligation to a lender and repossession of the unit(s) by the lending institution, to repurchase units at declining prices over the term of the agreements, which can last up to 24 months. The difference between the gross repurchase price and the price at which the repurchased product can then be resold, which is typically at a discount to the gross repurchase price, represents a potential expense to us. In certain instances, we also repurchase inventory from our dealers due to state law or regulatory requirements that govern voluntary or involuntary terminations. If we are obligated to repurchase a substantially larger number of units in the future than we estimate, this would increase our costs and could have a material adverse effect on our results of operations, financial condition, and cash flows.

**Dependence on Suppliers**

Most of our RV and marine components are readily available from numerous sources. However, a few of our components are produced by a small group of suppliers. In the case of motorhome chassis, Ford Motor Company, Mercedes-Benz (USA and Canada), and Freightliner Custom Chassis Corporation are our major suppliers. Our relationship with our chassis suppliers is similar to our other supplier relationships in that no specific contractual commitments are engaged in by either party. This means

that we do not have minimum purchase requirements, and our chassis suppliers do not have minimum supply requirements. Our chassis suppliers also supply to our competitors. Historically, chassis suppliers resort to an industry-wide allocation system during periods when supply is restricted. These allocations have been based on the volume of chassis previously purchased, which could mean our larger competitors could receive more chassis in a time of scarcity. Sales of motorhomes rely on chassis supply and are affected by shortages from time to time. Decisions by our suppliers to decrease production, production delays, or work stoppages by the employees of such suppliers, or price increases could have a material adverse effect on our ability to produce motorhomes and ultimately, on our results of operations, financial condition, and cash flows. In Fiscal 2018, none of our manufacturers individually accounted for more than 10% of our raw material purchases.

**Raw Material Costs**

We purchase raw materials such as steel, aluminum, and other commodities, and components, such as chassis, refrigerators, and televisions, for use in our products. In addition, we are a purchaser of components and parts containing various commodities, including steel, aluminum, copper, lead, rubber, and others that are integrated into our end products. To the extent that commodity prices increase and we do not have firm pricing from our suppliers, or our suppliers are not able to honor such prices, increases in the cost of such raw materials and components and parts may adversely affect our profit margins if we are unable to pass along to our customers these cost increases in the form of price increases or otherwise reduce our cost of goods sold. In addition, increases in other costs of doing business may also adversely affect our profit margins and businesses. For example, an increase in fuel costs may result in an increase in our transportation costs, which also could adversely affect our operating results and businesses. Historically, we have mitigated cost increases, in part, by collaborating with suppliers, reviewing alternative sourcing options, substituting materials, engaging in internal cost reduction efforts, and increasing prices on some of our products, all as appropriate. However, we may not be able to fully offset such increased costs in the future. Further, if our price increases are not accepted by our customers and the market, our net sales, profit margins, earnings, and market share could be adversely affected.

**Warranty Claims**

We receive warranty claims from our dealers in the ordinary course of our business. Although we maintain reserves for such claims, which to date have been adequate, there can be no assurance that warranty expense levels will remain at current levels or that such reserves will continue to be adequate. A significant increase in warranty claims exceeding our current warranty expense levels could have a material adverse effect on our results of operations, financial condition, and cash flows.

In addition to the costs associated with the contractual warranty coverage provided on our products, we also occasionally incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Although we estimate and reserve for the cost of these service actions, there can be no assurance that expense levels will remain at current levels or such reserves will continue to be adequate.

**Protection of our Brand**

We believe that one of the strengths of our business is our brands, which are widely known around the world. We vigorously defend our brands and our other intellectual property rights against third parties on a global basis. We have, from time to time, had to bring claims against third parties to protect or prevent unauthorized use of our brand. If we are unable to protect and defend our brands or other intellectual property, it could have a material adverse effect on our results of operations or financial condition.

**Product Liability**

We are subject, in the ordinary course of business, to litigation including a variety of warranty, "Lemon Law" and product liability claims typical in the RV and marine industries. Although we have an insurance policy with a $50.0 million limit covering product liability, we are self-insured for the first $2.5 million of product liability claims on a per occurrence basis, with a $6.0 million aggregate per policy year. We cannot be certain that our insurance coverage will be sufficient to cover all future claims against us, which may have a material adverse effect on our results of operations and financial condition. Any increase in the frequency and size of these claims, as compared to our experience in prior years, may cause the premium that we are required to pay for insurance to rise significantly. Product liability claims may also cause us to pay punitive damages, not all of which are covered by our insurance. In addition, if product liability claims rise to a level of frequency or size that are significantly higher than similar claims made against our competitors, our reputation and business may be harmed.

**Information Systems and Web Applications**

We rely on our information systems and web applications to support our business operations, including but not limited to procurement, supply chain, manufacturing, distribution, warranty administration, invoicing, and collection of payments. We use information systems to report and audit our operational results. Additionally, we rely upon information systems in our sales, marketing, human resources, and communication efforts. Due to our reliance on our information systems, our business processes may be negatively impacted in the event of substantial disruption of service. Further, misuse, leakage, or falsification of information could result in a violation of privacy laws and damage our reputation which could, in turn, have a negative impact on our results.

In addition to our general reliance on information systems, we began implementation of a new enterprise resource planning system at the end of fiscal year 2015. Though we perform planning and testing to reduce risks associated with such a complex, enterprise-wide systems change, failure to meet requirements of the business could disrupt our business and harm our reputation, which may result in decreased sales, increased overhead costs, excess or obsolete inventory, and product shortages, causing our business, reputation, financial condition, and operating results to suffer.

**Data Security**

We have security systems in place with the intent of maintaining the physical security of our facilities and protecting our customers', clients', and suppliers' confidential information and information related to identifiable individuals against unauthorized access through our information systems or by other electronic transmission or through the misdirection, theft, or loss of physical media. These include, for example, the appropriate encryption of information. Despite such efforts, we are subject to breach of security systems which may result in unauthorized access to our facilities or the information we are trying to protect. Because the technologies used to obtain unauthorized access are constantly changing and becoming increasingly more sophisticated and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement sufficient preventative measures. If unauthorized parties gain physical access to one of our facilities or electronic access to our information systems or such information is misdirected, lost, or stolen during transmission or transport, any theft or misuse of such information could result in, among other things, unfavorable publicity, governmental inquiry and oversight, difficulty in marketing our services, allegations by our customers and clients that we have not performed our contractual obligations, litigation by affected parties, and possible financial obligations for damages related to the theft or misuse of such information, any of which could have a material adverse effect on our business.

**Government Regulation**

We are subject to numerous federal, state, and local regulations and the following summarizes some, but not all, of the laws and regulations that apply to us.

Federal Motor Vehicle Safety Standards govern the design, manufacture and sale of our RV products, which standards are promulgated by the NHTSA. NHTSA requires manufacturers to recall and repair vehicles which are non-compliant with a Federal Motor Vehicle Safety Standard or contain safety defects. In addition, the U.S. Coast Guard maintains certification standards for the manufacture of our marine products, and the safety of recreational boats in the U.S. is subject to federal regulation under the Boat Safety Act of 1971, which requires boat manufacturers to recall products for replacement of parts or components that have demonstrated defects affecting safety. Any major recalls of our products, voluntary or involuntary, could have a material adverse effect on our results of operations, financial condition, and cash flows. While we believe we are substantially in compliance with the foregoing laws and regulations as they currently exist, amendments to any of these regulations or the implementation of new regulations could significantly increase the cost of testing, manufacturing, purchasing, operating, or selling our products and could have a material adverse effect on our results of operations, financial condition, and cash flows. In addition, our failure to comply with present or future regulations could result in federal fines being imposed on us, potential civil and criminal liability, suspension of sales or production, or cessation of operations.

We are also subject to federal and numerous state consumer protection and unfair trade practice laws and regulations relating to the sale, transportation, and marketing of motor vehicles, including so-called "Lemon Laws." Federal and state laws and regulations also impose upon vehicle operators various restrictions on the weight, length, and width of motor vehicles, including motorhomes that may be operated in certain jurisdictions or on certain roadways. Certain jurisdictions also prohibit the sale of vehicles exceeding length restrictions.

Failure to comply with the New York Stock Exchange and SEC laws or regulations could also have an adverse impact on our business. Additionally, amendments to these regulations and the implementation of new regulations could increase the cost of manufacturing, purchasing, operating, or selling our products and therefore could have an adverse impact on our business.

Finally, federal and state authorities also have various environmental control standards relating to air, water, noise pollution, and hazardous waste generation and disposal that affect us and our operations. Failure by us to comply with present or future laws and regulations could result in fines being imposed on us, potential civil and criminal liability, suspension of production or operations, alterations to the manufacturing process, or costly cleanup or capital expenditures, any or all of which could have a material adverse effect on our results of operations.

**Climate Change and Related Regulation**

There is growing concern from members of the scientific community and the general public that an increase in global average temperatures due to emissions of greenhouse gases ("GHG") and other human activities have or will cause significant changes in weather patterns and increase the frequency and severity of natural disasters. We are currently subject to rules limiting emissions and other climate related rules and regulations in certain jurisdictions where we operate. In addition, we may become subject to additional legislation and regulation regarding climate change, and compliance with any new rules could be difficult and costly. Concerned parties, such as legislators, regulators, and non-governmental organizations, are considering ways to reduce GHG emissions. Foreign, federal, state, and local regulatory and legislative bodies have proposed various legislative and regulatory

measures relating to climate change, regulating GHG emissions, and energy policies. If such legislation is enacted, we could incur increased energy, environmental, and other costs and capital expenditures to comply with the limitations. Climate change regulation combined with public sentiment could result in reduced demand for our products, higher fuel prices, or carbon taxes, all of which could materially adversely affect our business. Due to uncertainty in the regulatory and legislative processes, as well as the scope of such requirements and initiatives, we cannot currently determine the effect such legislation and regulation may have on our products and operations.

**Anti-takeover Effect**

Provisions of our articles of incorporation, by-laws, the Iowa Business Corporation Act, and provisions in our credit agreements and certain of our compensation programs that we may enter into from time to time could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial by our shareholders.The combination of these provisions effectively inhibits a non-negotiated merger or other business combination, which, in turn, could adversely affect the market price of our common stock.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

Our principal manufacturing, maintenance, and service operations are conducted in multi-building complexes owned or leased by us. The following sets forth our material facilities as of August 25, 2018:

| Location | Facility Type/Use | Reportable Segment | # of Buildings | Owned or Leased | Square Footage |
|---|---|---|---|---|---|
| Forest City, IA | Manufacturing, maintenance, service, and office | Motorhome | 33 | Owned | 1,546,772 |
| Forest City, IA | Warehouse | Motorhome | 3 | Owned | 459,136 |
| Charles City, IA | Manufacturing | Motorhome | 2 | Owned | 160,950 |
| Waverly, IA | Manufacturing | Motorhome | 1 | Owned | 33,400 |
| Junction City, OR | Manufacturing, service, and office | Motorhome | 10 | Owned | 304,962 |
| Middlebury, IN | Manufacturing and office | Towable | 4 | Owned | 444,830 |
| Lake Mills, IA | Manufacturing | Motorhome | 1 | Leased(1) | 98,546 |
| Middlebury, IN | Manufacturing, service, and office | Towable | 10 | Leased(2) | 1,044,950 |
| Eden Prairie, MN | Corporate | Motorhome | 1 | Leased(3) | 30,068 |
| Sarasota, FL | Manufacturing and office | Corporate / All Other | 7 | Owned | 188,779 |
| | | | 72 | | 4,312,393 |

(1) In November 2013, we entered into a five-year lease with the city of Lake Mills, IA for a manufacturing plant with two options to renew for five years each. We are currently evaluating whether to renew the lease or purchase the facility.
(2) In November 2016 as part of our acquisition of Grand Design, we assumed leases to two properties which hold their current principal facilities and facilities under construction for expansion.
(3) In January 2017, we entered into a six-year lease, expiring in 2023, for an office facility in Eden Prairie, MN.

The facilities that we own in Forest City, Charles City, and Waverly are located on a total of approximately 320 acres of land. The facilities that we own in Junction City, Oregon are located on approximately 42 acres of land. The facilities that we own in Middlebury, Indiana are located on approximately 60 acres of land. The facilities that we own in Sarasota, Florida are located on approximately 19 acres of land. Most of our buildings are of steel or steel and concrete construction and are protected from fire with high-pressure sprinkler systems, dust collector systems, automatic fire doors, and alarm systems. We believe that our facilities and equipment are well maintained and suitable for the purposes for which they are intended.

Under terms of our Credit Agreement, we have encumbered substantially all of our real property for the benefit of the lender under such facility. For additional information, see Note 9, *Long-Term Debt*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

**Item 3. Legal Proceedings.**

For a description of our legal proceedings, see Note 11, *Contingent Liabilities and Commitments*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

**Item 4. Mine Safety Disclosure.**

Not Applicable.

**Executive Officers of the Registrant**

| Name | Office (Year First Elected an Officer) | Age |
|---|---|---|
| Michael J. Happe | President and Chief Executive Officer (2016) | 47 |
| Ashis N. Bhattacharya | Vice President, Strategic Planning and Development (2016) | 55 |
| Stacy Bogart | Vice President, General Counsel and Secretary (2018) | 54 |
| Donald J. Clark | President of Grand Design RV; Vice President of Winnebago Industries (2016) | 58 |
| S. Scott Degnan | Vice President and General Manager, Towables Business (2012) | 53 |
| Brian D. Hazelton | Vice President and General Manager, Motorhome Business (2016) | 52 |
| Bryan L. Hughes | Vice President, Chief Financial Officer (2017) | 49 |
| Jeff D. Kubacki | Vice President, Information Technology, Chief Information Officer (2016) | 60 |
| Christopher D. West | Vice President, Operations (2016) | 46 |
| Bret A. Woodson | Vice President, Administration (2015) | 48 |

Officers are elected annually by the Board of Directors and hold office until their successors are chosen and qualify or until their death or resignation. There are no family relationships between or among any of the Executive Officers or Directors of the Company.

Mr. Happe joined Winnebago Industries in January 2016 as President and Chief Executive Officer. Prior to joining Winnebago, he had been employed by The Toro Company, a provider of outdoor maintenance and beautification products, from 1997 to 2016. He served as Executive Officer and Group Vice President of Toro's Residential and Contractor businesses from March 2012 to December 2015. From August 2010 to March 2012, he served as Vice President, Residential and Landscape Contractor Businesses. Prior to that he held a series of senior leadership positions throughout his career across a variety of Toro's domestic and international divisions.

Mr. Bhattacharya joined Winnebago Industries in May 2016 as Vice President, Strategic Planning and Development. Prior to joining Winnebago, Mr. Bhattacharya served at Honeywell International, Inc., a software industrial company, as Vice President, Strategy, Alliances & Internet of Things for the Sensing and Productivity Solutions division from 2010 to 2016. Prior to that, he was employed with Moog, Motorola, and Bain & Company in a variety of roles.

Ms. Stacy Bogart joined Winnebago Industries in January 2018 as Vice President, General Counsel and Secretary. Prior to joining Winnebago Industries, Ms. Bogart was Senior Vice President, General Counsel and Compliance Officer, Corporate Secretary at Polaris Industries Inc., a manufacturer and marketer of powersports products, where she joined in November 2009. Previously, Ms. Bogart was General Counsel of Liberty Diversified International; Assistant General Counsel and Assistant Secretary at The Toro Company; and a Senior Attorney for Honeywell International, Inc.

Mr. Clark, President of Grand Design RV; Vice President of Winnebago Industries, became an officer of Winnebago Industries in November 2016 in accordance with terms of the Grand Design acquisition. He co-founded Grand Design RV, LLC in 2012 and built the team at Grand Design RV. Mr. Clark has over 30 years of successful RV industry experience.

Mr. Degnan joined Winnebago Industries in May 2012 as Vice President of Sales and Product Management. He became Vice President and General Manager, Towables Business in 2016. Prior to joining Winnebago, Mr. Degnan served as Vice President of Sales for Riverside, California's MVP RV from 2010 to 2012. He also previously served in management and sales positions with Coachmen RV from 2008 to 2010, with National RV from 2007 to 2008, and Fleetwood Enterprises from 1987 to 2007.

Mr. Hazelton joined Winnebago Industries in August 2016 as Vice President and General Manager, Motorhome Business. He previously was CEO of Schwing America, Inc., a manufacturer of concrete pumps and truck mixers, from 2009 to 2016. Prior to his employment with Schwing, he worked for Terex Corporation and Detroit Diesel Corporation in various executive roles.

Mr. Hughes joined Winnebago Industries in April 2017 and was appointed Vice President, Chief Financial Officer of the Company in May 2017. Mr. Hughes joined Winnebago Industries from Ecolab, Inc., where he served as Senior Vice President and Corporate Controller from 2014 to 2017, as Vice President of Finance from 2008 to 2014 and in various management positions from 1996 to 2008. Prior to his employment with Ecolab, Inc., a water technologies and services company, he worked for Ernst & Young, a public accounting firm.

Mr. Kubacki joined Winnebago Industries in November 2016 as Vice President, Information Technology, Chief Information Officer. He previously was Vice President and Chief Information Officer at Westinghouse Electric Company, a global provider of nuclear power plant products and services, in 2016. Prior to his employment with Westinghouse, he worked as Chief Information Officer at

Alliant Techsystems, a defense, aerospace, sporting goods, and retail markets company, from 2010 to 2015, and at Kroll, a global risk consulting firm, from 2007 to 2010. He also held various IT roles with Ecolab, Inc.

Mr. West joined Winnebago Industries in September 2016 as Vice President, Operations. He previously was Vice President of Global Supply Chain for Joy Global, a worldwide equipment manufacturer, from 2014 to 2016, and Operations Director from 2012 to 2014. Mr. West served as Director of Manufacturing for AGCO Corporation, an agricultural equipment manufacturer, from 2008 to 2012 and as Director of Operations and in other management positions for the Nordam Group, a manufacturer of aircraft interiors, from 1999 to 2009.

Mr. Woodson joined Winnebago Industries in January 2015 as Vice President, Administration. Prior to joining Winnebago, Mr. Woodson was Vice President of Human Resources at Corbion N.V., a food and biochemicals company, from 2007 to 2014 and Director, Human Resources at Sara Lee Corporation from 1999 to 2007. Mr. Woodson has over 24 years of business and human resources experience.

**PART II**

**Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities.**

**Market Information**

Our common stock is listed on the New York and Chicago Stock Exchanges with the ticker symbol of WGO.

**Holders**

Shareholders of record as of October 15, 2018: 2,593

**Dividends Paid Per Share**

On August 15, 2018, our Board of Directors declared a quarterly cash dividend of $0.10 per share, totaling $3.2 million, paid on September 26, 2018 to common stockholders of record at the close of business on September 12, 2018. The Board currently intends to continue to pay quarterly cash dividends payments in the future; however, declaration of future dividends, if any, will be based on several factors including our financial performance, outlook, and liquidity.

Our Credit Agreement, as further described in Note 9, *Long-Term Debt*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K, contains restrictions that may limit our ability to pay dividends, if we fail to maintain certain financial covenants.

**Issuer Purchases of Equity Securities**

Our Credit Agreement contains restrictions that may limit our ability to make distributions or payments with respect to purchases of our common stock without consent of the lenders, except for limited purchases of our common stock from employees, in the event of a significant reduction in our EBITDA or in the event of a significant borrowing on our credit agreement ("ABL"), which was increased from $125.0 million to $165.0 million on September 21, 2018. See additional information on our ABL in Note 9, *Long-Term Debt*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

On December 19, 2007, our Board of Directors authorized the repurchase of outstanding shares of our common stock, depending on market conditions, for an aggregate consideration of up to $60.0 million. On October 18, 2017, our Board of Directors authorized a share repurchase program in the amount of $70.0 million. There is no time restriction on either authorization. During Fiscal 2018, we repurchased 134,803 shares of our common stock at a cost of $5.0 million. An additional 33,560 shares of our common stock at a cost of $1.5 million were repurchased to satisfy tax obligations on employee equity awards as they vested. We continually evaluate if share repurchases reflect a prudent use of our capital and, subject to compliance with our Credit Agreement, we may purchase shares in the future. As of August 25, 2018, there was approximately $66.0 million remaining on our board repurchase authorization.

Purchases of our common stock during each fiscal month of the fourth quarter of Fiscal 2018 were:

| | Total Number of Shares Purchased[1] | Average Price Paid per Share | Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1] | Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs[2] |
|---|---|---|---|---|
| 05/27/18 - 06/30/18 | — | $ — | — | $ 65,989,000 |
| 07/01/18 - 07/28/18 | — | $ — | — | $ 65,989,000 |
| 07/29/18 - 08/25/18 | — | $ — | — | $ 65,989,000 |
| Total | — | $ — | — | $ 65,989,000 |

(1) Shares not purchased as part of a publicly announced program were repurchased from employees who vested in Company shares and elected to pay their payroll tax via the value of shares delivered as opposed to cash.

(2) Pursuant to a combined $130.0 million share repurchase program authorized by our Board of Directors. On December 18, 2007, $60.0 million was approved, and on October 18, 2017, $70.0 million was approved. There is no time restriction on either authorization.

**Equity Compensation Plan Information**

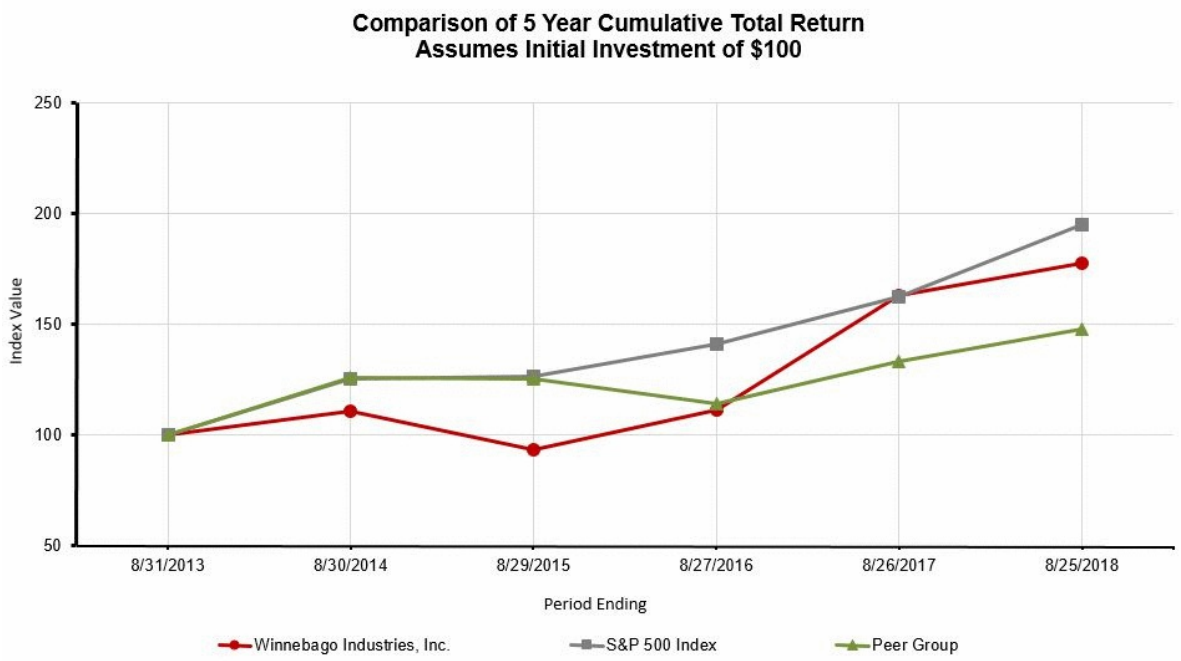
The following table provides information as of August 25, 2018 with respect to shares of our common stock that may be issued under our existing equity compensation plans:

| | (a) | (b) | (c) |
|---|---|---|---|
| **Plan Category** | **Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights** | **Weighted Average Exercise Price of Outstanding Options, Warrants and Rights(1)** | **Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in (a))** |
| Equity compensation plans approved by shareholders - 2004 Plan | 9,000 (2) | — | — |
| Equity compensation plans approved by shareholders - 2014 Plan | 469,704 (3) | 36.68 | 1,677,481 (4) |
| Equity compensation plans not approved by shareholders(5) | 47,366 (6) | — | — (7) |
| Total | 526,070 | 36.68 | 1,677,481 |

(1) This number represents the weighted average exercise price of outstanding stock options only. Restricted share awards do not have an exercise price so weighted average is not applicable.
(2) This number represents unvested share awards granted under the 2004 Plan. No new grants may be made under the 2004 Plan.
(3) This number represents stock options and unvested stock awards granted under the 2014 Omnibus Equity, Performance Award, and Incentive Compensation Plan, as amended ("2014 Plan"). The 2014 Plan replaced the 2004 Plan effective January 1, 2014.
(4) This number represents stock options available for grant under the 2014 Plan as of August 25, 2018.
(5) Our sole equity compensation plan not previously submitted to our shareholders for approval is the Directors' Deferred Compensation Plan, as amended ("Directors' Plan"). The Board of Directors may terminate the Directors' Plan at any time. If not terminated earlier, the Directors' Plan will automatically terminate on June 30, 2023. For a description of the key provisions of the Directors' Plan, see the information in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 11, 2018 under the caption "Director Compensation," which information is incorporated by reference herein.
(6) Represents shares of common stock issued to a trust which underlie stock units, payable on a one-for-one basis, credited to stock unit accounts as of August 25, 2018 under the Directors' Plan.
(7) The table does not reflect a specific number of stock units which may be distributed pursuant to the Directors' Plan. The Directors' Plan does not limit the number of stock units issuable thereunder. The number of stock units to be distributed pursuant to the Directors' Plan will be based on the amount of the director's compensation deferred and the per share price of our common stock at the time of deferral.

**Performance Graph**

The following graph compares our five-year cumulative total shareholder return (including reinvestment of dividends) with the cumulative total return on the Standard & Poor's 500 Index and a peer group. The peer group companies consisting of Thor Industries, Inc., Polaris Industries, Inc., and Brunswick Corporation were selected by us as they also manufacture recreation products. It is assumed in the graph that $100 was invested in our common stock, in the Standard & Poor's 500 Index and in the stocks of the peer group companies on August 31, 2013 and that all dividends received within a quarter were reinvested in that quarter. In accordance with the guidelines of the SEC, the shareholder return for each entity in the peer group index has been weighted on the basis of market capitalization as of each annual measurement date set forth in the graph.




| | Base Period | | | | | |
|---|---|---|---|---|---|---|
| **Company/Index** | **August 31, 2013** | **August 30, 2014** | **August 29, 2015** | **August 27, 2016** | **August 26, 2017** | **August 25, 2018** |
| Winnebago Industries, Inc. | 100.00 | 111.05 | 93.25 | 111.33 | 163.06 | 177.65 |
| S&P 500 Index | 100.00 | 125.25 | 126.89 | 141.45 | 162.65 | 195.09 |
| Peer Group | 100.00 | 125.80 | 125.54 | 114.31 | 133.51 | 147.90 |

*Source: Zacks Investment Research, Inc.*

**Item 6. Selected Financial Data.**

| (In thousands, except per share data) | Fiscal Years Ended August 25, 2018 | August 26, 2017[1] | August 27, 2016 | August 29, 2015 | August 30, 2014 |
|---|---|---|---|---|---|
| Income statement data: | | | | | |
| Net revenues | $ 2,016,829 | $ 1,547,119 | $ 975,226 | $ 976,505 | $ 945,163 |
| Net income | 102,357 | 71,330 | 45,496 | 41,210 | 45,053 |
| | | | | | |
| Per share data: | | | | | |
| Net income - basic | 3.24 | 2.33 | 1.69 | 1.53 | 1.64 |
| Net income - diluted | 3.22 | 2.32 | 1.68 | 1.52 | 1.64 |
| Dividends declared and paid per common share | 0.40 | 0.40 | 0.40 | 0.36 | — |
| | | | | | |
| Balance sheet data: | | | | | |
| Total assets | 1,051,805 | 902,512 | 390,718 | 362,174 | 358,302 |
| Long-term liabilities | 313,175 | 293,680 | 29,410 | 59,601 | 65,835 |

(1) Includes Grand Design operations from the date of its acquisition on November 8, 2016.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. Our MD&A is presented in six sections:

- Overview
- Results of Operations
- Analysis of Financial Condition, Liquidity, and Capital Resources
- Contractual Obligations and Commercial Commitments
- Critical Accounting Estimates
- New Accounting Pronouncements

Our MD&A should be read in conjunction with the Consolidated Financial Statements and related Notes included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

**Overview**

Winnebago Industries, Inc. is one of the leading U.S. manufacturers with a diversified portfolio of recreation vehicles ("RV"s) and marine products used primarily in leisure travel and outdoor recreation activities. We produce our motorhomes in manufacturing facilities in Iowa and Oregon; our towable units in Indiana; and our marine products in Florida. We distribute our RV and marine products primarily through independent dealers throughout the U.S. and Canada, who then retail the products to the end consumer. We also distribute our marine products internationally through independent dealers, who then retail the products to the end consumer.

**Non-GAAP Reconciliation**

This MD&A includes financial information prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"), as well as certain adjusted or non-GAAP financial measures such as EBITDA and Adjusted EBITDA. EBITDA is defined as net income before interest expense, provision for income taxes, and depreciation and amortization expense. Adjusted EBITDA is defined as net income before interest expense, provision for income taxes, depreciation and amortization expense, and other adjustments made in order to present comparable results from period to period. These non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, have been provided as information supplemental and in addition to the financial measures presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented herein. The non-GAAP financial measures presented may differ from similar measures used by other companies.

Refer to the Consolidated Results of Operations-Fiscal 2018 Compared to Fiscal 2017 and the Consolidated Results of Operations-Fiscal 2017 Compared to Fiscal 2016 for a detailed reconciliation of items that impacted EBITDA and Adjusted EBITDA. We have included this non-GAAP performance measure as a comparable measure to illustrate the effect of non-recurring transactions occurring during the year and improve comparability of our results from period to period. We believe Adjusted EBITDA provides meaningful supplemental information about our operating performance because this measure excludes amounts that we do not consider part of our core operating results when assessing our performance. Examples of items excluded from Adjusted EBITDA include the postretirement health care benefit income from terminating the plan and transaction costs related to acquisitions. These types of adjustments are also specified in the definition of certain measures required under the terms of our

Credit Agreement. For additional information, see Note 9, *Long-Term Debt*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

Management uses these non-GAAP financial measures (a) to evaluate our historical and prospective financial performance and trends as well as our performance relative to competitors and peers; (b) to measure operational profitability on a consistent basis; (c) in presentations to the members of our board of directors to enable our board of directors to have the same measurement basis of operating performance as is used by management in its assessments of performance and in forecasting and budgeting for our company; (d) to evaluate potential acquisitions; and (e) to ensure compliance with covenants and restricted activities under the terms of our Credit Agreement. We believe these non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties to evaluate companies in our industry.

**Business Combinations**

On June 4, 2018, we acquired 100% of the ownership interests of Chris-Craft, a privately-owned company based in Sarasota, Florida. Chris-Craft manufactures and sells premium quality boats in the recreational powerboat industry through an established global network of independent authorized dealers.

On November 8, 2016, we closed on the acquisition of all the issued and outstanding capital stock of towable RV manufacturer Grand Design RV, LLC ("Grand Design") for an aggregate purchase price of $520.5 million. This acquisition was funded from our cash on hand, $353.0 million from asset-based revolving and term loan credit facilities, as well as stock consideration as is more fully described in Note 2, *Business Combinations*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K. We purchased Grand Design to significantly expand our existing towable RV product offerings and dealer base and acquire additional talent in the RV industry.

**Reportable Segments**

Beginning in the fourth quarter of Fiscal 2018, we have five operating segments: 1) Winnebago motorhomes, 2) Winnebago towables, 3) Grand Design towables, 4) Winnebago specialty vehicles, and 5) Chris-Craft marine. We evaluate performance based on each operating segment's Adjusted EBITDA, as defined above, which excludes certain corporate administration expenses and non-operating income and expense.

Our two reportable segments include: 1) Motorhome (comprised of products that include a motorized chassis as well as other related manufactured products and services) and 2) Towable (comprised of products which are not motorized and are generally towed by another vehicle as well as other related manufactured products and services), which is an aggregation of the Winnebago towables and Grand Design towables operating segments.

The Corporate / All Other category includes the Winnebago specialty vehicles and Chris-Craft marine operating segments as well as expenses related to certain corporate administration expenses for the oversight of the enterprise. These expenses include items such as corporate leadership and administration costs. Previously, these expenses were allocated to each operating segment.

Prior year segment information has been reclassified to conform to the current reportable segment presentation. The reclassifications included removing the corporate administration expenses from both the Motorhome and Towable reportable segments and removing Winnebago specialty vehicles from the Motorhome reportable segment, as we begin to dedicate leadership and focus on these operations separately from our Winnebago motorhomes operations.

**Industry Trends**

Key reported statistics for the North American RV industry are as follows:

- Wholesale unit shipments: RV product delivered to the dealers, which is reported monthly by the Recreation Vehicle Industry Association ("RVIA")
- Retail unit registrations: consumer purchases of RVs from dealers, which is reported by Stat Surveys

We track RV Industry conditions using these key statistics to monitor trends and evaluate and understand our performance relative to the overall industry. The rolling twelve months shipment and retail information for 2018 and 2017, as noted below, illustrates that the RV industry continues to grow at the wholesale and retail level. We believe retail demand is the key driver to continued growth in the industry.

| | US and Canada Industry | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Wholesale Unit Shipments per RVIA Rolling 12 Months through August | | | | Retail Unit Registrations per Stat Surveys Rolling 12 Months through August | | | |
| (In units) | 2018 | 2017 | Increase | % Change | 2018 | 2017 | Increase | % Change |
| Towable[1] | 443,572 | 402,258 | 41,314 | 10.3% | 417,013 | 383,248 | 33,765 | 8.8% |
| Motorhome[2] | 62,095 | 59,891 | 2,204 | 3.7% | 58,452 | 56,187 | 2,265 | 4.0% |
| Combined | 505,667 | 462,149 | 43,518 | 9.4% | 475,465 | 439,435 | 36,030 | 8.2% |

(1) Towable: Fifth wheel and travel trailer products.
(2) Motorhome: Class A, B and C products.

The most recent RVIA wholesale shipment forecasts for calendar year 2019, as noted in the table below, indicate that industry shipments are most likely expected to decline slightly in 2019. The RV sales outlook is based on anticipated increases in inflation and interest rates and rising costs of production, partially offset by strong job and wage growth.

| | Calendar Year | | | |
|---|---|---|---|---|
| Wholesale Unit Shipment Forecast per RVIA[1] | 2019 Forecast | 2018 Actual | Unit Change | % Change |
| Aggressive | 510,600 | 505,900 | 4,700 | 0.9 % |
| Most likely | 497,100 | 505,900 | (8,800) | (1.7)% |
| Conservative | 485,900 | 505,900 | (20,000) | (4.0)% |

(1) Prepared by Dr. Richard Curtin of the University of Michigan Consumer Survey Research Center for RVIA and reported in the Roadsigns RV Fall 2018 Industry Forecast Issue.

**Market Share**

Our retail unit market share, as reported by Stat Surveys based on state records, is illustrated below. Note that this data is subject to adjustment and is continuously updated.

| | Rolling 12 Months Through August | | Calendar Year | | |
|---|---|---|---|---|---|
| US and Canada | 2018 | 2017[1] | 2017[1] | 2016 | 2015 |
| Motorhome A, B, C | 15.7% | 16.4% | 16.2% | 18.0% | 20.5% |
| Travel trailer and fifth wheels | 7.4% | 5.2% | 6.1% | 1.7% | 0.9% |

(1) Includes retail unit market share for Grand Design since acquisition on November 8, 2016.

**Facility Expansion**

During Fiscal 2017, our Board of Directors approved two large facility expansion projects to increase production capacity in the fast growing Towable segment. The Grand Design expansion project consisted of two new production facilities. The first facility was completed in the second quarter of Fiscal 2018, and the second was completed in the third quarter of Fiscal 2018. Both facilities have resulted in an increase in units produced. The facility expansion in the Winnebago towables division is expected to be completed in the first half of Fiscal 2019.

**Enterprise Resource Planning System**

In the second quarter of Fiscal 2015, our Board of Directors approved the strategic initiative of implementing an enterprise resource planning ("ERP") system to replace our legacy business applications. The new ERP platform will provide better support for our changing business needs and plans for future growth. Our initial cost estimates have grown for additional needs of the business, such as the opportunity to integrate the ERP system with additional manufacturing systems. The project includes software, external implementation assistance, and increased internal staffing directly related to this initiative. We anticipate that approximately 40% of the cost will be expensed in the period incurred and 60% will be capitalized and depreciated over its useful life.

The following table illustrates the cumulative project costs:

| (In thousands) | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 | Cumulative Investment | |
|---|---|---|---|---|---|---|
| Capitalized | $ 5,941 | $ 1,881 | $ 7,798 | $ 3,291 | $ 18,911 | 59% |
| Expensed | 2,107 | 2,601 | 5,930 | 2,528 | 13,166 | 41% |
| Total | $ 8,048 | $ 4,482 | $ 13,728 | $ 5,819 | $ 32,077 | 100% |

**Consolidated Results of Operations**

**Fiscal 2018 Compared to Fiscal 2017**

The following is an analysis of changes in key items included in the statements of operations for the fiscal year ended August 25, 2018 compared to the fiscal year ended August 26, 2017:

| | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| (In thousands, except percent and per share data) | August 25, 2018 | % of Revenues[1] | August 26, 2017 | % of Revenues[1] | Increase (Decrease) | % Change |
| Net revenues | $ 2,016,829 | 100.0 % | $ 1,547,119 | 100.0 % | $ 469,710 | 30.4 % |
| Cost of goods sold | 1,716,993 | 85.1 % | 1,324,542 | 85.6 % | 392,451 | 29.6 % |
| Gross profit | 299,836 | 14.9 % | 222,577 | 14.4 % | 77,259 | 34.7 % |
| | | | | | | |
| Selling | 49,850 | 2.5 % | 35,668 | 2.3 % | 14,182 | 39.8 % |
| General and administrative | 78,089 | 3.9 % | 55,347 | 3.6 % | 22,742 | 41.1 % |
| Postretirement health care benefit income | — | — % | (24,796) | (1.6)% | (24,796) | (100.0)% |
| Transaction costs | 2,177 | 0.1 % | 6,592 | 0.4 % | (4,415) | (67.0)% |
| Amortization of intangible assets | 9,328 | 0.5 % | 24,660 | 1.6 % | (15,332) | (62.2)% |
| Total general and administrative | 89,594 | 4.4 % | 61,803 | 4.0 % | 27,791 | 45.0 % |
| Total selling, general, and administrative expenses ("SG&A") | 139,444 | 6.9 % | 97,471 | 6.3 % | 41,973 | 43.1 % |
| | | | | | | |
| Operating income | 160,392 | 8.0 % | 125,106 | 8.1 % | 35,286 | 28.2 % |
| Interest expense | 18,246 | 0.9 % | 16,837 | 1.1 % | 1,409 | 8.4 % |
| Non-operating income | (494) | — % | (330) | — % | 164 | 49.7 % |
| Income before income taxes | 142,640 | 7.1 % | 108,599 | 7.0 % | 34,041 | 31.3 % |
| Provision for taxes | 40,283 | 2.0 % | 37,269 | 2.4 % | 3,014 | 8.1 % |
| Net income | $ 102,357 | 5.1 % | $ 71,330 | 4.6 % | $ 31,027 | 43.5 % |
| | | | | | | |
| Diluted income per share | $ 3.22 | | $ 2.32 | | $ 0.90 | 38.8 % |
| Diluted average shares outstanding | 31,814 | | 30,766 | | 1,048 | 3.4 % |

(1) Percentages may not add due to rounding differences.

Consolidated net revenues increased in Fiscal 2018 compared to Fiscal 2017 primarily due to organic volume growth in our Towable segment and acquisition-related growth.

Gross profit as a percentage of revenue increased in Fiscal 2018 compared to Fiscal 2017 driven by a favorable mix due to the accelerated growth in the Towable segment.

Selling expenses increased in Fiscal 2018 compared to Fiscal 2017 primarily due to volume growth in our Towable segment.

Total general and administrative expenses increased in Fiscal 2018 compared to Fiscal 2017 due primarily to the $24.8 million benefit recorded in Fiscal 2017 associated with the termination of the postretirement health care plan, investments in our business, and incentives related to the growth in our business. The increase was partially offset by the reduction of amortization of definite-lived intangible assets, driven by the Grand Design acquisition in Fiscal 2017.

Interest expense increased in Fiscal 2018 compared to Fiscal 2017, which was related to our Credit Agreements associated with the acquisition of Grand Design. See Analysis of Financial Condition, Liquidity, and Resources and Note 9, *Long-Term Debt*, of the

Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K for further information.

The overall effective income tax rate for Fiscal 2018 was 28.2% compared to the effective income tax rate of 34.3% for Fiscal 2017. The decrease in the tax rate from Fiscal 2017 to Fiscal 2018 was primarily due to the decrease in the Federal statutory rate as part of the enactment of the Tax Cuts and Jobs Act ("Tax Act") on December 22, 2017. The decrease was partially offset by the required remeasurement of our net deferred tax assets due to the change in the Federal statutory tax rate.

Net income and diluted income per share increased in Fiscal 2018 compared to Fiscal 2017 primarily due to the sales increase in the Towable segment, the increased gross profit rate, and the lower effective income tax rate. These increases were partially offset by an increase in the SG&A rate driven primarily by the termination of the postretirement health care plan, which lowered expense in Fiscal 2017.

**Non-GAAP Reconciliation**

The following table reconciles net income to consolidated Adjusted EBITDA for Fiscal 2018 and Fiscal 2017.

| | Year Ended | |
|---|---|---|
| **(In thousands)** | **August 25, 2018** | **August 26, 2017** |
| Net income | $ 102,357 | $ 71,330 |
| Interest expense | 18,246 | 16,837 |
| Provision for income taxes | 40,283 | 37,269 |
| Depreciation | 9,849 | 7,315 |
| Amortization | 9,328 | 24,660 |
| EBITDA | 180,063 | 157,411 |
| Postretirement health care benefit income | — | (24,796) |
| Transaction costs | 2,177 | 6,592 |
| Non-operating income | (494) | (330) |
| Adjusted EBITDA | $ 181,746 | $ 138,877 |

**Segment Results of Operations**

The following is an analysis of key changes in our Motorhome segment for Fiscal 2018 compared to Fiscal 2017.

| **Motorhome** | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| **(In thousands, except units)** | **August 25, 2018** | **% of Revenue** | **August 26, 2017** | **% of Revenue** | **Increase (Decrease)** | **% Change** |
| Net revenues | $ 860,675 | | $ 853,360 | | $ 7,315 | 0.9 % |
| Adjusted EBITDA | 35,508 | 4.1% | 56,518 | 6.6% | (21,010) | (37.2)% |

| **Unit deliveries** | **August 25, 2018** | **Product Mix % (1)** | **August 26, 2017** | **Product Mix % (1)** | **Increase (Decrease)** | **% Change** |
|---|---|---|---|---|---|---|
| Class A | 2,997 | 31.4% | 3,182 | 34.4% | (185) | (5.8)% |
| Class B | 2,012 | 21.1% | 1,541 | 16.6% | 471 | 30.6 % |
| Class C | 4,539 | 47.5% | 4,537 | 49.0% | 2 | — % |
| Total Motorhome | 9,548 | 100.0% | 9,260 | 100.0% | 288 | 3.1 % |
| Motorhome average selling price ("ASP") | $ 89,879 | | $ 91,759 | | $ (1,880) | (2.0)% |

| | As Of | | | |
|---|---|---|---|---|
| **Backlog (2)** | **August 25, 2018** | **August 26, 2017** | **Increase** | **% Change** |
| Units | 1,693 | 1,293 | 400 | 30.9 % |
| Dollars | $ 157,554 | $ 122,142 | $ 35,412 | 29.0 % |
| **Dealer Inventory** | | | | |
| Units | 4,620 | 4,282 | 338 | 7.9 % |

(1) Percentages may not add due to rounding differences.

(2) We include in our backlog all accepted orders from dealers to generally be shipped within the next six months. Orders in backlog can be cancelled or postponed at the option of the dealer at any time without penalty and, therefore, backlog may not necessarily be an accurate measure of future sales.

Motorhome net revenues increased in Fiscal 2018 as compared to Fiscal 2017 primarily due to an increase in the number of units sold, partially offset by product mix.

Motorhome unit deliveries grew slower than recent industry growth in Fiscal 2018 compared to Fiscal 2017. Our overall Motorhome market share moved to 15.7% from 16.4% when comparing shipments during the twelve-month trailing periods ended August 2018 and August 2017 due to a mix change from our Class A-diesel products to our Class B products.

Motorhome Adjusted EBITDA decreased in Fiscal 2018 as compared to Fiscal 2017 due to increased material costs and investments in our business, including higher costs and lower productivity associated with a new facility that produces our Class A diesel product line.

The following is an analysis of key changes in our Towable segment for Fiscal 2018 compared to Fiscal 2017.

| Towable | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| (In thousands, except units) | August 25, 2018 | % of Revenue | August 26, 2017 | % of Revenue | Increase | % Change |
| Net revenues | $ 1,127,723 | | $ 685,197 | | $ 442,526 | 64.6 % |
| Adjusted EBITDA | 157,010 | 13.9% | 89,734 | 13.1% | 67,276 | 75.0 % |

| Unit deliveries | August 25, 2018 | Product Mix % (1) | August 26, 2017 | Product Mix % (1) | Increase | % Change |
|---|---|---|---|---|---|---|
| Travel trailer | 22,360 | 61.1% | 13,650 | 60.7% | 8,710 | 63.8 % |
| Fifth wheel | 14,229 | 38.9% | 8,824 | 39.3% | 5,405 | 61.3 % |
| Total Towable | 36,589 | 100.0% | 22,474 | 100.0% | 14,115 | 62.8 % |
| | | | | | | |
| Towable ASP | 30,941 | | 30,571 | | 370 | 1.2 % |

| | As Of | | | |
|---|---|---|---|---|
| Backlog (2) | August 25, 2018 | August 26, 2017 | (Decrease) Increase | % Change |
| Units | 7,651 | 8,001 | (350) | (4.4)% |
| Dollars | $ 244,854 | $ 229,706 | $ 15,148 | 6.6 % |
| | | | | |
| **Dealer Inventory** | | | | |
| Units | 14,877 | 9,545 | 5,332 | 55.9 % |

(1) Percentages may not add due to rounding differences.
(2) We include in our backlog all accepted orders from dealers to generally be shipped within the next six months. Orders in backlog can be cancelled or postponed at the option of the dealer at any time without penalty and, therefore, backlog may not necessarily be an accurate measure of future sales.

Towable net revenues increased in Fiscal 2018 as compared to Fiscal 2017 primarily due to organic volume growth as well as the annualization of net revenues related to the Fiscal 2017 acquisition of Grand Design.

Towable unit deliveries grew in Fiscal 2018 as compared to Fiscal 2017 primarily due to Towable growth in excess of recent industry trends and due to the acquisition of Grand Design. With the addition of Grand Design in the first quarter of Fiscal 2017, our Towable market share increased to 7.4% from 5.2% when comparing shipments during the twelve-month trailing periods ended August 2018 and August 2017.

Towable Adjusted EBITDA increased in Fiscal 2018 as compared to Fiscal 2017 due to the favorable impact of organic growth as well as the annualization of net revenues related to the Fiscal 2017 acquisition of Grand Design. We achieved strong results in our Towable segment, where shipments grew much faster than the industry as a result of greater penetration of our new products and further expansion of our distribution base, as well as higher gross profit from cost savings initiatives and pricing, which more than offset escalating cost inputs.

**Fiscal 2017 Compared to Fiscal 2016**

The following is an analysis of changes in key items included in the statements of operations for the fiscal year ended August 26, 2017 compared to the fiscal year ended August 27, 2016:

| | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| **(In thousands, except percent and per share data)** | **August 26, 2017** | **% of Revenues[1]** | **August 27, 2016** | **% of Revenues[1]** | **Increase (Decrease)** | **% Change** |
| Net revenues | $ 1,547,119 | 100.0 % | $ 975,226 | 100.0 % | $ 571,893 | 58.6 % |
| Cost of goods sold | 1,324,542 | 85.6 % | 862,577 | 88.4 % | 461,965 | 53.6 % |
| Gross profit | 222,577 | 14.4 % | 112,649 | 11.6 % | 109,928 | 97.6 % |
| | | | | | | |
| Selling | 35,668 | 2.3 % | 19,823 | 2.0 % | 15,845 | 79.9 % |
| General and administrative | 55,347 | 3.6 % | 33,209 | 3.4 % | 22,138 | 66.7 % |
| Postretirement health care benefit income | (24,796) | (1.6)% | (6,124) | (0.6)% | 18,672 | 304.9 % |
| Transaction costs | 6,592 | 0.4 % | — | — % | 6,592 | — % |
| Amortization of intangible assets | 24,660 | 1.6 % | — | — % | 24,660 | — % |
| Total general and administrative | 61,803 | 4.0 % | 27,085 | 2.8 % | 34,718 | 128.2 % |
| Total SG&A | 97,471 | 6.3 % | 46,908 | 4.8 % | 50,563 | 107.8 % |
| | | | | | | |
| Operating income | 125,106 | 8.1 % | 65,741 | 6.7 % | 59,365 | 90.3 % |
| Interest expense | 16,837 | 1.1 % | — | — % | 16,837 | 100.0 % |
| Non-operating income | (330) | — % | (457) | — % | (127) | (27.8)% |
| Income before income taxes | 108,599 | 7.0 % | 66,198 | 6.8 % | 42,401 | 64.1 % |
| Provision for taxes | 37,269 | 2.4 % | 20,702 | 2.1 % | 16,567 | 80.0 % |
| Net income | $ 71,330 | 4.6 % | $ 45,496 | 4.7 % | $ 25,834 | 56.8 % |
| | | | | | | |
| Diluted income per share | $ 2.32 | | $ 1.68 | | $ 0.64 | 38.0 % |
| Diluted average shares outstanding | 30,766 | | 27,033 | | 3,733 | 13.8 % |

(1) Percentages may not add due to rounding differences.

Consolidated net revenues increased in Fiscal 2017 over Fiscal 2016 primarily due to the acquisition of Grand Design, which added revenues of $559.7 million in Fiscal 2017. Winnebago-branded towables products increased $36.1 million in Fiscal 2017. Growth in Towable revenues was partially offset by a $28.0 million decrease in Motorhome revenues caused mainly by the consumer trend towards smaller RVs with a lower ASP. In addition, we exited the aluminum extrusion operation in Fiscal 2016, which caused a reduction of $6.1 million in Fiscal 2017 net revenue.

Cost of goods sold was 85.6% of net revenues for Fiscal 2017 compared to 88.4% of net revenues for Fiscal 2016 due to the following:

- Total variable costs (materials, direct labor, variable overhead, delivery expense, and warranty), as a percent of net revenues, decreased to 81.2% from 83.2% primarily due to a higher proportion of Towable revenue as the Towable segment operates at a higher gross profit rate. Also, improvement in Towable segment material efficiency and purchasing synergies reduced costs as a percent of net revenue. Finally, improvement in the Towable segment margin was partially offset by margin pressure in the Motorhome segment due in part to the ramp up of the Junction City, Oregon production facility.
- Fixed overhead (manufacturing support labor, depreciation, and facility costs) and engineering-related costs were lower at 4.5% of net revenues compared to 5.2% in the prior year due mainly to a higher proportion of Towable revenue that operates at a lower fixed cost per unit.
- All factors considered, gross profit increased from 11.6% to 14.4% of net revenues.

Selling expenses were 2.3% and 2.0% of net revenues in Fiscal 2017 and Fiscal 2016, respectively. Selling expenses are largely variable and remained proportional to revenues in Fiscal 2017.

General and administrative expenses were 4.0% and 2.8% of net revenues in Fiscal 2017 and Fiscal 2016, respectively. General and administrative expenses increased in Fiscal 2017 due to the addition of $13.9 million of general and administrative expenses related to the acquired Grand Design operation, an increase of $6.6 million in transaction related expenses, and the addition of $24.7 million in intangible amortization. In addition, Fiscal 2016 results of operations were impacted by $3.4 million in favorable

legal settlements. These increases were partially offset in Fiscal 2017 by the increased benefit of $18.7 million associated with the termination of the postretirement health care plan and reduced ERP implementation expenses.

Non-operating income decreased $0.1 million, in Fiscal 2017, primarily due to lower proceeds from company-owned life insurance ("COLI") policies than we received in Fiscal 2016.

The effective tax rate for Fiscal 2017 was 34.3% compared to 31.3% in Fiscal 2016. The increase in the effective tax rate is primarily due to the increased income attributable to the Grand Design acquisition without a proportionate increase in tax credits and other favorable permanent items that provide a benefit to the tax rate.

Net income and diluted income per share were $71.3 million and $2.32 per share, respectively, for Fiscal 2017. In Fiscal 2016, net income was $45.5 million and diluted income per share was $1.68.

**Non-GAAP Reconciliation**

The following table reconciles net income to consolidated Adjusted EBITDA for Fiscal 2017 and Fiscal 2016

| | Year Ended | |
|---|---|---|
| **(In thousands)** | **August 26, 2017** | **August 27, 2016** |
| Net income | $ 71,330 | $ 45,496 |
| Interest expense | 16,837 | — |
| Provision for income taxes | 37,269 | 20,702 |
| Depreciation | 7,315 | 5,745 |
| Amortization | 24,660 | — |
| EBITDA | 157,411 | 71,943 |
| Postretirement health care benefit income | (24,796) | (6,124) |
| Legal settlement | — | (3,400) |
| Transaction costs | 6,592 | 355 |
| Non-operating income | (330) | (457) |
| Adjusted EBITDA | $ 138,877 | $ 62,317 |

**Segment Results of Operations**

The following is an analysis of key changes in our Motorhome segment for Fiscal 2017 compared to Fiscal 2016.

| **Motorhome** | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| | **August 26, 2017** | **% of Revenue** | **August 27, 2016** | **% of Revenue** | **Decrease** | **% Change** |
| Net revenues | $ 853,360 | | $ 881,363 | | $ (28,003) | (3.2)% |
| Adjusted EBITDA | 56,518 | 6.6% | 66,127 | 7.5% | (9,609) | (14.5)% |

| **Unit deliveries** | **August 26, 2017** | **Product Mix % (1)** | **August 27, 2016** | **Product Mix % (1)** | **Increase (Decrease)** | **% Change** |
|---|---|---|---|---|---|---|
| Class A | 3,182 | 34.4% | 2,925 | 31.4% | 257 | 8.8 % |
| Class B | 1,541 | 16.6% | 1,239 | 13.3% | 302 | 24.4 % |
| Class C | 4,537 | 49.0% | 5,143 | 55.3% | (606) | (11.8)% |
| Total Motorhome | 9,260 | 100.0% | 9,307 | 100.0% | (47) | (0.5)% |
| | | | | | | |
| Motorhome ASP | $ 91,759 | | $ 93,116 | | $ (1,357) | (1.5)% |

| | As Of | | | |
|---|---|---|---|---|
| **Backlog (2)** | **August 26, 2017** | **August 27, 2016** | **Increase (Decrease)** | **% Change** |
| Units | 1,293 | 1,139 | 154 | 13.5 % |
| Dollars | $ 122,142 | $ 107,621 | $ 14,521 | 13.5 % |
| | | | | |
| **Dealer Inventory** | | | | |
| Units | 4,282 | 4,345 | (63) | (1.4)% |

(1) Percentages may not add due to rounding differences.

(2) We include in our backlog all accepted orders from dealers to generally be shipped within the next six months. Orders in backlog can be cancelled or postponed at the option of the dealer at any time without penalty and, therefore, backlog may not necessarily be an accurate measure of future sales.

Motorhome net revenues decreased 3.2% in Fiscal 2017 as compared to Fiscal 2016. This was primarily due to a decline in Class C sales, a lower ASP on the mix of units sold, and the $6.1 million reduction in sales to aluminum extrusion customers as we have ceased those operations.

Motorhome unit deliveries decreased by 0.5% in Fiscal 2017, most notably in our Class C products. The unit growth we have generated has been in our Class A and Class B products. The shift in product mix has been towards Class B products, which have a lower ASP. Though total Motorhome unit deliveries were down for Fiscal 2017, we saw an increase in the backlog volumes by 13.5% as of August 26, 2017 versus the prior period.

Motorhome segment Adjusted EBITDA decreased due to lower revenues as described above, lower pricing, and additional costs associated with the investment in and shift of production to our Junction City, Oregon production facility. Higher personnel expenses were partially offset by a decrease in ERP expenses.

The following is an analysis of key changes in our Towable segment for Fiscal 2017 compared to Fiscal 2016.

| Towable | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| | August 26, 2017 | % of Revenue | August 27, 2016 | % of Revenue | Increase | % Change |
| Net revenues | $ 685,197 | | $ 89,412 | | $ 595,785 | 666.3% |
| Adjusted EBITDA | 89,734 | 13.1% | 1,721 | 1.9% | 88,013 | 5,114.1% |

| Unit deliveries | August 26, 2017 | Product Mix % (1) | August 27, 2016 | Product Mix % (1) | Increase | % Change |
|---|---|---|---|---|---|---|
| Travel trailer | 13,650 | 60.7% | 3,613 | 86.0% | 10,037 | 277.8% |
| Fifth wheel | 8,824 | 39.3% | 586 | 14.0% | 8,238 | 1,405.8% |
| Total Towable | 22,474 | 100.0% | 4,199 | 100.0% | 18,275 | 435.2% |
| | | | | | | |
| Towable ASP | 30,571 | | 21,322 | | 9,249 | 43.4% |

| | As Of | | | |
|---|---|---|---|---|
| Backlog (2) | August 26, 2017 | August 27, 2016 | Increase | % Change |
| Units | 8,001 | 492 | 7,509 | 1,526.2% |
| Dollars | $ 229,706 | $ 8,420 | $ 221,286 | 2,628.1% |
| | | | | |
| **Dealer Inventory** | | | | |
| Units | 9,545 | 2,156 | 7,389 | 342.7% |

(1) Percentages may not add due to rounding differences.
(2) We include in our backlog all accepted orders from dealers to generally be shipped within the next six months. Orders in backlog can be cancelled or postponed at the option of the dealer at any time without penalty and, therefore, backlog may not necessarily be an accurate measure of future sales.

Towable net revenues increased 666.3% in Fiscal 2017 as compared to Fiscal 2016. This was primarily due to the acquisition of Grand Design, which added revenues of $559.7 million in Fiscal 2017. In addition, Winnebago-branded towable revenues rose $36.1 million or 40.4% in Fiscal 2017.

Towable unit deliveries grew by 435.2% in Fiscal 2017 primarily due to the acquisition of Grand Design and also due to Towable segment growth in excess of recent industry trends. With the addition of Grand Design in November 2016, our towables market share increased from 1.1% to 5.1% when comparing shipments during the twelve month trailing periods ended August 2016 and August 2017. The addition of Grand Design has also resulted in a higher ASP due to a greater proportion of higher-priced fifth wheel units sold in Fiscal 2017 compared to Fiscal 2016. Strong increases in backlog and the dealer inventory turn ratio in Fiscal 2017 resulted primarily from the acquisition of Grand Design.

Towable segment Adjusted EBITDA excludes the costs associated with the acquisition and as such increased $88.0 million. This increase illustrates the favorable impact of Grand Design and the organic growth of Winnebago-branded towables. We achieved strong results in our Towable segment, where shipments grew much faster than the industry as a result of greater penetration of our new products and further expansion of our distribution base and higher gross profit on new products. In addition to the growth in our Towable segment, profitability has increased due to material efficiencies and the leverage of higher volume on the fixed cost components of our business.

**Analysis of Financial Condition, Liquidity, and Resources**

**Cash Flows**

The following table summarizes our cash flows from total operations for Fiscal 2018, 2017, and 2016:

| | Year Ended | | |
|---|---|---|---|
| **(In thousands)** | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| Total cash provided by (used in): | | | |
| Operating activities | $ 83,346 | $ 97,127 | $ 52,746 |
| Investing activities | (111,761) | (405,385) | (23,392) |
| Financing activities | (5,188) | 258,620 | (14,010) |
| (Decrease) increase in cash and cash equivalents | $ (33,603) | $ (49,638) | $ 15,344 |

*Operating Activities*

Cash provided by operating activities decreased in Fiscal 2018 compared to Fiscal 2017 due to an increase in inventory to support organic growth, partially offset by growth in net income.

Cash provided by operating activities increased in Fiscal 2017 compared to Fiscal 2016 due to net income and changes in non-cash charges (e.g., amortization of debt issuance costs, depreciation, LIFO, stock-based compensation, deferred income taxes, postretirement benefits).

*Investing Activities*

Cash used in investing activities for Fiscal 2018 consisted primarily of the acquisition of Chris-Craft and capital expenditures related to the capacity expansions taking place in our Towable segment. In Fiscal 2017, cash used in investing activities consisted of the acquisition of Grand Design for which we paid cash of $392.5 million, net of cash acquired, in addition to issuing Winnebago stock with a value of $124.1 million at closing. In Fiscal 2016, cash used in investing activities was primarily due to capital spend.

*Financing Activities*

Cash used in financing activities for Fiscal 2018 consisted of payments on the Credit Agreement, dividend payments, and share repurchases; these were partially offset by cash proceeds on the Credit Agreement. Cash provided by financing activities for Fiscal 2017 consisted of cash proceeds from the Credit Agreement, partially offset by payments on the Credit Agreement, payment of debt issuance costs, and dividend payments. Cash used in financing for Fiscal 2016 was primarily due to dividend payments and share repurchases.

**Debt and Capital**

As described in Note 9, *Long-Term Debt*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K, effective December 8, 2017, our Credit Agreement consists of a $300.0 million loan agreement ("Term Loan") and a $125.0 million asset-based revolving credit agreement ("ABL") (collectively, the "Credit Agreement") with JPMorgan Chase. The requirement to hedge a portion of the Term Loan floating rate interest exposure was removed from the ABL on December 8, 2017, which provided greater flexibility under the Credit Agreement. The ABL was increased to a $165.0 million revolving credit agreement as of September 21, 2018.

We filed a Registration Statement on Form S-3, which was declared effective by the SEC on April 25, 2016. Subject to market conditions, this registration provides for the ability to offer and sell up to $35.0 million of our common stock in one or more offerings pursuant to the Registration Statement. The Registration Statement will be available for use for three years from its effective date. We currently have no plans to offer and sell the common stock registered under this Registration Statement; however, it does provide another potential source of liquidity to raise capital if we need it, in addition to the alternatives already in place.

**Other Financial Measures**

Working capital at August 25, 2018 and August 26, 2017 was $167.8 million and $147.0 million, respectively. We currently expect cash on hand, funds generated from operations, and the borrowing available under our Credit Agreement to be sufficient to cover both short-term and long-term operating requirements.

**Capital Expenditures**

We anticipate capital expenditures in Fiscal 2019 of approximately $40.0 million to $50.0 million. We will continue to invest in our ERP system as well as expand our towable and marine facilities and make improvements to our motorhome facilities.

**Share Repurchases and Dividends**

We repurchase our common stock and pay dividends pursuant to programs approved by our Board of Directors. Our long-term capital allocation strategy is to first fund operations and investments in growth, maintain a debt leverage ratio within our targeted zone, maintain reasonable liquidity, and then return excess cash over time to shareholders through dividends and share repurchases.

On December 19, 2007, our Board of Directors authorized the repurchase of outstanding shares of our common stock, depending on market conditions, for an aggregate consideration of up to $60.0 million. On October 18, 2017, our Board of Directors authorized a share repurchase program in the amount of $70.0 million. There is no time restriction on either authorization. During Fiscal 2018, we repurchased 134,803 shares of our common stock at a cost of $5.0 million. An additional 33,560 shares of our common stock at a cost of $1.5 million were repurchased to satisfy tax obligations on employee equity awards as they vested. We continually evaluate if share repurchases reflect a prudent use of our capital and, subject to compliance with our Credit Agreement, we may purchase shares in the future. At August 25, 2018, we have $66.0 million remaining on our board repurchase authorization.

On August 15, 2018, our Board of Directors declared a quarterly cash dividend of $0.10 per share, totaling $3.2 million, paid on September 26, 2018 to common stockholders of record at the close of business on September 12, 2018.

**Contractual Obligations and Commercial Commitments**

Our principal contractual obligations and commercial commitments as of August 25, 2018 were as follows:

| | Payments Due By Period | | | | |
|---|---|---|---|---|---|
| **(In thousands)** | **Total** | **Fiscal 2019** | **Fiscal 2020-2021** | **Fiscal 2022-2023** | **More than 5 Years** |
| ABL[(1)(7)] | $ 38,532 | $ — | $ — | $ — | $ — |
| Term loan[(2)] | 260,000 | — | 25,250 | 234,750 | — |
| Interest at variable rate[(3)] | 72,313 | 10,016 | 20,032 | 20,032 | 22,233 |
| Net swap payments[(4)] | 8,266 | 2,068 | 3,707 | 2,344 | 147 |
| Deferred compensation obligations[(5)] | 18,496 | 3,214 | 6,092 | 4,862 | 4,328 |
| Operating leases[(6)] | 16,463 | 2,700 | 4,794 | 4,928 | 4,041 |
| Contracted services | 5,574 | 2,846 | 2,433 | 295 | — |
| Unrecognized tax benefits[(7)] | 1,745 | — | — | — | — |
| Total contractual cash obligations | $ 421,389 | $ 20,844 | $ 62,308 | $ 267,211 | $ 30,749 |

| | Expiration By Period | | | | |
|---|---|---|---|---|---|
| **(In thousands)** | **Total** | **Fiscal 2019** | **Fiscal 2020-2021** | **Fiscal 2022-2023** | **More than 5 Years** |
| Contingent repurchase obligations [(6)] | $ 878,989 | $ 815,704 | $ 63,285 | $ — | $ — |

(1) As of August 25, 2018, we had $38.5 million in borrowings under our ABL. Borrowings and repayments are expected to fluctuate over the term.
(2) As of August 25, 2018, we had $260.0 million outstanding under our Term Loan that matures on November 8, 2023. The contractual principal payments are included in the table. Additional principal payments are potentially due annually on a formula based on excess cash flow and the leverage ratio at that time as defined in the Credit Agreement. No amounts for this contingency are included in the above table.
(3) The Term Loan is at a variable rate and the interest in the table assumes the variable rate of 5.8% at August 25, 2018 is constant through the maturity dates of the debt and the principal payments on the term debt are made as scheduled. The variable rate is subject to change. For example, a 1.0% change in Term Loan rates for Fiscal 2018, would change the interest expense by $2.5 million. Additionally, included in interest payments due by period is a 0.25% - 0.375% commitment fee on the ABL for unused borrowings, which are assumed to be at $125.0 million. In addition to interest assumed to be paid, non-cash amortization of debt issuance costs will also be recorded within interest expense on the Consolidated Statements of Income and Comprehensive Income in future periods.
(4) We have an interest rate swap agreement with a notional amount of $170.0 million as of August 25, 2018 that decreases to $120.0 million on December 8, 2018, to $60.0 million on December 8, 2019, and expires on December 8, 2020. We pay a fixed rate at 1.82%, and receive a floating rate that was 2.3% at August 25, 2018. In the table, we have assumed the floating rate will be constant through the expiration of the interest rate swap when calculating the net swap payments. The variable rate is subject to change. For example, a 1.0% increase in the floating rate for Fiscal 2018 would decrease the payments noted in footnote 3 by $2.1 million.
(5) See Note 10, *Employee and Retiree Benefits*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.
(6) See Note 11, *Contingent Liabilities and Commitments*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.
(7) We are not able to reasonably estimate in which future periods these amounts will ultimately be settled.

**Critical Accounting Estimates**

Our consolidated financial statements are prepared in accordance with GAAP. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses, and the related disclosures. We base our assumptions, estimates, and judgments on historical experience, current trends, and other factors believed to be relevant at the time our consolidated financial statements are prepared. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 1, *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K. We believe that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results. These estimates require our most difficult, subjective, or complex judgments because they relate to matters that are inherently uncertain. We have reviewed these critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors.

We have not made any material changes during the past three fiscal years, nor do we believe there is a reasonable likelihood of a material future change to the accounting methodologies for the areas described below.

*Goodwill and Indefinite-lived Intangible Assets*

We test goodwill and indefinite-lived intangible assets (trade names) for impairment at least annually in the fourth quarter and more frequently if events or circumstances occur that would indicate a reduction in fair value. Our test of impairment begins by either performing a qualitative evaluation or a quantitative test:

- Qualitative evaluation - Performed to determine whether it is more likely than not that the carrying value of goodwill or the trade name exceeds the fair value of the asset. During our qualitative assessment, we make significant estimates, assumptions, and judgments, including, but not limited to, the macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of the Company and the reporting units, changes in our share price, and relevant company-specific events. If we determine that it is more likely than not that the carrying value of goodwill exceeds the fair value of goodwill, we perform the quantitative test to determine the amount of the impairment.

- Quantitative test - Used to calculate the fair value of goodwill or the trade name. If the carrying value of goodwill or the trade name exceeds the fair value of the asset, the impairment is calculated as the difference between the carrying value and fair value. Our goodwill fair value model uses a blend of the income (discounted future cash flow) and market (guideline public company) approaches, which includes the use of significant unobservable inputs (Level 3 inputs). Our trade name fair value model uses the income (relief-from-royalty) approach, which includes the use of significant unobservable inputs (Level 3 inputs). During these valuations, we make significant estimates, assumptions, and judgments, including, current and projected future levels of income based on management's plans, business trends, market and economic conditions, and market-participant considerations.

Actual results may differ from assumed and estimated amounts. As of August 25, 2018, our goodwill balance includes $244.7 million within our Towable segment and $29.7 million within our Corporate / All Other category, and our indefinite-lived intangible asset balance is $177.3 million. The qualitative test was not performed in the current year. No impairments were recorded in Fiscal 2018, 2017, and 2016.

*Long-Lived Assets*

Long-lived assets, which include property, plant, and equipment, and definite-lived intangible assets, primarily the dealer network, are assessed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. The impairment testing involves comparing the carrying amount of the asset to the fair value of the asset as determined by calculating the undiscounted future cash flows generated by the asset. During these valuations, we make significant estimates, assumptions, and judgments, including current and projected future levels of income based on management's plans, business trends, and market and economic conditions. In the event the carrying amount of the asset exceeds the fair value and the carrying amount is not considered recoverable, an impairment exists. An impairment loss is measured as the excess of the asset's carrying amount over its fair value. In addition, the reasonableness of the useful lives of these assets is regularly evaluated. No impairments were recorded in Fiscal 2018, 2017, and 2016.

*Repurchase Commitments*

It is customary practice for manufacturers in our industries to enter into repurchase agreements with financing institutions that provide financing to their dealers. Our repurchase agreements generally provide that, in the event of a default by a dealer in its obligation to these lenders, we will repurchase units sold to the dealer that have not been resold to retail customers. The terms of these agreements, which can last up to 24 months, provide that our liability will be the lesser of remaining principal owed by the dealer or dealer invoice less periodic reductions based on the time since the date of the original invoice. Our liability cannot exceed 100% of the dealer invoice. In certain instances, we also repurchase inventory from our dealers due to state law or regulatory requirements that govern voluntary or involuntary relationship terminations.

Based on these repurchase agreements, we establish an associated loss reserve. Our loss reserve for repurchase commitments contains uncertainties because the calculation requires management to make assumptions and apply judgment regarding a number of factors. We base our reserve primarily on our historical loss experience rate per dollar of dealer inventory. The historical experience has been affected by a number of factors which are evaluated, such as macro-market conditions, current retail demand for our product, location of the dealer, and the financing source. The percentage of dealer inventory we estimate we will repurchase and the associated estimated loss is based on historical loss experience and current trends and economic conditions.

Repurchase risk is affected by the credit worthiness of our dealer network and if we are obligated to repurchase a substantially larger number of units in the future, this would increase our costs and could have a material adverse effect on our results of operations, financial condition, and cash flows. A hypothetical change of a 10% increase or decrease in our repurchases commitments as of August 25, 2018 would have an immaterial effect on net income.

*Warranty*

We provide certain service and warranty on our products. Estimated costs related to product warranty are accrued at the time of sale and are based upon past warranty claims and unit sales history. Estimates are adjusted as needed to reflect actual costs incurred as information becomes available.

In addition to the costs associated with the contractual warranty coverage provided on our products, we also occasionally incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Although we estimate and reserve for the cost of these service actions, there can be no assurance that expense levels will remain at current levels or such reserves will continue to be adequate.

A significant increase in dealership labor rates, the cost of parts, or the frequency of claims could have a material adverse impact on our operating results for the period or periods in which such claims or additional costs materialize. A hypothetical change of a 10% increase or decrease in our warranty liability as of August 25, 2018 would have affected net income by approximately $2.8 million.

*Income Taxes*

We account for income taxes in accordance with Accounting Standards Codification ("ASC") 740, *Income Taxes*. In preparing our financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, and any valuation allowance recorded against our deferred tax assets.

We will continue to assess the likelihood that our deferred tax assets are properly measured and will be realizable at each reporting period. Any adjustment to the deferred tax assets could materially impact our financial position and results of operations. As of August 25, 2018, we have determined that our deferred tax assets are properly measured and realizable and, therefore, no valuation allowance has been recorded.

**New Accounting Pronouncements**

For a summary of new applicable accounting pronouncements, See Note 1, *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

The assets we maintain to fund deferred compensation have market risk, but we maintain a corresponding liability for these assets. The market risk is therefore borne by the participants in the deferred compensation program.

**Interest rate risk**

We are exposed to market risks related to fluctuations in interest rates on the outstanding variable rate debt. As of August 25, 2018, we had $260.0 million outstanding under our Term Loan, subject to variable interest rates. This risk is partially mitigated

through the use of an interest rate swap contract as detailed below.

Under terms of the Credit Agreement, we were previously required to maintain interest rate swaps to manage our interest rate exposure related to the variable component of interest cost on the Term Loan. In accordance with this requirement, we entered into an interest swap contract on January 23, 2017, to effectively convert $200.0 million of the Term Loan balance to a fixed rate. The notional amount of the swap reduced to $170.0 million on December 8, 2017 and will be reduced to $120.0 million on December 8, 2018 and $60.0 million on December 9, 2019. The swap contract expires on December 8, 2020. A hypothetical one percentage point increase in interest rates on the Term Loan would increase our interest expense (after consideration of the interest rate swap) for 2018 by approximately $0.9 million. A 1.0% decrease in interest rates on the Term Loan would decrease our interest expense for Fiscal 2018 by approximately $0.9 million. The requirement to hedge a portion of the Term Loan floating rate interest exposure was removed through an amendment to the ABL. See Note 9, *Long-Term Debt*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

For variable rate debt, interest rate changes generally do not affect the fair value of the debt instrument, but do impact future earnings and cash flows, assuming other factors are held constant.

Derivative instruments are accounted for at fair value and have been designated for hedge accounting. The fair value of the interest rate swap is based on observable market data (Level 2) and was $2.0 million on August 25, 2018. The interest rate swap requires us to pay interest at a fixed rate of 1.82% through the December 8, 2020 expiration of the swap. A 1.0% increase in the interest rate would have changed the fair value of the swap as of August 25, 2018 by approximately $2.1 million and a 1.0% decrease would have changed the fair value by $2.2 million. These increases and decreases would be recorded in other comprehensive income and the hedged value on our consolidated balance sheet within other assets, if the balance is an asset and within other non-current liabilities, if the balance is a liability. While these are our best estimates of the impact of the specified interest rate scenario, actual results could differ from those projected. The sensitivity analysis presented assumes interest rate changes are instantaneous, parallel shifts in the yield curve. In reality, interest rate changes of this magnitude are rarely instantaneous or parallel.

**Item 8. Financial Statements and Supplementary Data.**

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

We, the management of Winnebago Industries, Inc. (the "Company") are responsible for establishing and maintaining effective internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. The Company's internal control over financial reporting is a process designed, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting is supported by written policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

In addition, the Audit Committee of the Board of Directors, consisting solely of independent directors, meets periodically with management of the Company, the internal auditors, and the independent registered public accounting firm to review internal accounting controls, audit results, and accounting principles and practices and annually selects the independent registered public accounting firm.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of the Company's annual financial statements, management of the Company has undertaken an assessment of the effectiveness of the Company's internal control over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management of the Company's assessment included an evaluation of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of the Company's internal control over financial reporting.

During Fiscal 2018, management excluded certain elements of internal control over financial reporting pertaining to the activities of the Chris-Craft business acquired in the fourth quarter (Refer to Note 2, *Business Combinations*). Exclusion in the year of acquisition is customary to allow management sufficient time to evaluate and integrate our internal control over financial reporting. The exclusion for Chris-Craft represented less than 1.0% of consolidated total revenue and less than 1.0% of our consolidated total operating income for the year ended August 25, 2018 as well as 9.5% of our consolidated total assets as of August 25, 2018.

Based on its assessment and considering the exclusion noted above, management has concluded that the Company's internal control over financial reporting was effective as of August 25, 2018.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the Company's financial statements included in this Annual Report on Form 10-K, has issued a report included herein, which expressed an unqualified opinion on the Company's internal control over financial reporting.

| | |
|---|---|
| */s/ Michael J. Happe* | */s/ Bryan L. Hughes* |
| Michael J. Happe | Bryan L. Hughes |
| President, Chief Executive Officer | Vice President, Chief Financial Officer |
| October 18, 2018 | October 18, 2018 |

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and the Board of Directors of Winnebago Industries, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Winnebago Industries, Inc. and subsidiaries (the "Company") as of August 25, 2018 and August 26, 2017, the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended August 25, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 25, 2018 and August 26, 2017, and the results of its operations and its cash flows for each of the three years in the period ended August 25, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of August 25, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated October 18, 2018, expressed an unqualified opinion on the Company's internal control over financial reporting.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*/s/ Deloitte & Touche LLP*
Minneapolis, Minnesota
October 18, 2018

We have served as the Company's auditor since 1986.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and the Board of Directors of Winnebago Industries, Inc.

**Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting of Winnebago Industries, Inc. and subsidiaries (the “Company”) as of August 25, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 25, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended August 25, 2018, of the Company and our report dated October 18, 2018, expressed an unqualified opinion on those financial statements.

As described in Management’s Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Chris-Craft USA, Inc., which was acquired on June 4, 2018 and whose financial statements constitute 9.5% of total assets, less than 1.0% of net revenues, and less than 1.0% of operating income of the consolidated financial statements amounts as of and for the year ended August 25, 2018. Accordingly, our audit did not include the internal control over financial reporting at Chris-Craft USA, Inc.

**Basis for Opinion**

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control over Financial Reporting**

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ *Deloitte & Touche LLP*
Minneapolis, Minnesota
October 18, 2018

**Winnebago Industries, Inc.**
**Consolidated Statements of Income and Comprehensive Income**

| | Year Ended | | |
|---|---|---|---|
| **(In thousands, except per share data)** | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| Net revenues | $ 2,016,829 | $ 1,547,119 | $ 975,226 |
| Cost of goods sold | 1,716,993 | 1,324,542 | 862,577 |
| Gross profit | 299,836 | 222,577 | 112,649 |
| Selling, general, and administrative expense ("SG&A"): | | | |
| Selling | 49,850 | 35,668 | 19,823 |
| General and administrative | 78,089 | 55,347 | 33,209 |
| Postretirement health care benefit income | — | (24,796) | (6,124) |
| Transaction costs | 2,177 | 6,592 | — |
| Amortization of intangible assets | 9,328 | 24,660 | — |
| Total SG&A | 139,444 | 97,471 | 46,908 |
| Operating income | 160,392 | 125,106 | 65,741 |
| Interest expense | 18,246 | 16,837 | — |
| Non-operating income | (494) | (330) | (457) |
| Income before income taxes | 142,640 | 108,599 | 66,198 |
| Provision for income taxes | 40,283 | 37,269 | 20,702 |
| Net income | $ 102,357 | $ 71,330 | $ 45,496 |
| | | | |
| Income per common share: | | | |
| Basic | $ 3.24 | $ 2.33 | $ 1.69 |
| Diluted | $ 3.22 | $ 2.32 | $ 1.68 |
| | | | |
| Weighted average common shares outstanding: | | | |
| Basic | 31,596 | 30,648 | 26,925 |
| Diluted | 31,814 | 30,766 | 27,033 |
| | | | |
| Dividends paid per common share | $ 0.40 | $ 0.40 | $ 0.40 |
| | | | |
| Net income | $ 102,357 | $ 71,330 | $ 45,496 |
| Other comprehensive income (loss), net of tax: | | | |
| Amortization of prior service credit (net of tax of $0, $15,409, and $2,947) | — | (25,035) | (4,788) |
| Amortization of net actuarial loss (net of tax of $11, $5,976, and $621) | 27 | 9,705 | 1,010 |
| Increase in actuarial loss (net of tax of $0, $35, and $415) | — | (57) | (674) |
| Plan amendment (net of tax of $0, $2,402, and $10,895) | — | 3,903 | 17,701 |
| Change in fair value of interest rate swap (net of tax of $840, $314, and $0) | 1,947 | (514) | — |
| Total other comprehensive income (loss) | 1,974 | (11,998) | 13,249 |
| Comprehensive income | $ 104,331 | $ 59,332 | $ 58,745 |

See notes to consolidated financial statements.

Table of Contents

**Winnebago Industries, Inc.**
**Consolidated Balance Sheets**

| (In thousands, except per share data) | August 25, 2018 | August 26, 2017 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 2,342 | $ 35,945 |
| Receivables, less allowance for doubtful accounts ($197 and $183, respectively) | 164,585 | 124,539 |
| Inventories | 195,128 | 142,265 |
| Prepaid expenses and other assets | 9,883 | 11,388 |
| Total current assets | 371,938 | 314,137 |
| Property, plant, and equipment, net | 101,193 | 71,560 |
| Other assets: | | |
| Goodwill | 274,370 | 242,728 |
| Other intangible assets, net | 265,717 | 228,440 |
| Investment in life insurance | 28,297 | 27,418 |
| Deferred income taxes | — | 12,736 |
| Other assets | 10,290 | 5,493 |
| **Total assets** | $ 1,051,805 | $ 902,512 |
| | | |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 81,039 | $ 79,194 |
| Current maturities of long-term debt | — | 2,850 |
| Income taxes payable | 15,655 | 7,450 |
| Accrued expenses: | | |
| Accrued compensation | 29,350 | 24,546 |
| Product warranties | 40,498 | 30,805 |
| Self-insurance | 12,262 | 6,122 |
| Promotional | 11,017 | 6,560 |
| Accrued interest | 3,095 | 3,128 |
| Other | 11,269 | 6,503 |
| Total current liabilities | 204,185 | 167,158 |
| Non-current liabilities: | | |
| Long-term debt, less current maturities | 291,441 | 271,726 |
| Deferred income taxes | 4,457 | — |
| Unrecognized tax benefits | 1,745 | 1,606 |
| Deferred compensation benefits, net of current portion | 15,282 | 19,270 |
| Other | 250 | 1,078 |
| Total non-current liabilities | 313,175 | 293,680 |
| Contingent liabilities and commitments (Note 11) | | |
| 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 | 25,888 |
| Additional paid-in capital | 86,223 | 80,401 |
| Retained earnings | 768,816 | 679,138 |
| Accumulated other comprehensive income (loss) | 892 | (1,023) |
| Treasury stock, at cost: 20,243 and 20,183 shares, respectively | (347,374) | (342,730) |
| Total stockholders' equity | 534,445 | 441,674 |
| **Total liabilities and stockholders' equity** | $ 1,051,805 | $ 902,512 |

See notes to consolidated financial statements.

**Winnebago Industries, Inc.**
**Consolidated Statements of Changes in Stockholders' Equity**

| (In thousands, except per share data) | Common Shares | | Additional Paid-In Capital ("APIC") | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Treasury Stock | | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Number | Amount | | | | Number | Amount | |
| Balance, August 29, 2015 | 51,776 | $ 25,888 | $ 32,018 | $ 585,941 | $ (2,274) | (24,825) | $ (420,610) | $ 220,963 |
| Creation of APIC pool due to stock award | — | — | 33 | — | — | — | — | 33 |
| Issuance of restricted stock | — | — | (1,309) | — | — | 108 | 1,826 | 517 |
| Stock-based compensation, net of forfeitures | — | — | 1,975 | — | — | 5 | 83 | 2,058 |
| Repurchase of common stock | — | — | — | — | — | (163) | (3,066) | (3,066) |
| Cash dividends paid on common stock; $0.40 per share | — | — | — | (10,891) | — | — | — | (10,891) |
| Prior service cost and actuarial loss, net of $2,741 tax | — | — | — | — | (4,452) | — | — | (4,452) |
| Plan amendment, net of $10,895 tax | — | — | — | — | 17,701 | — | — | 17,701 |
| Net income | — | — | — | 45,496 | — | — | — | 45,496 |
| Balance, August 27, 2016 | 51,776 | $ 25,888 | $ 32,717 | $ 620,546 | $ 10,975 | (24,875) | $ (421,767) | $ 268,359 |
| Creation of APIC pool due to stock award | — | — | 470 | — | — | — | — | 470 |
| Issuance of restricted stock | — | — | (1,821) | — | — | 155 | 2,629 | 808 |
| Stock-based compensation, net of forfeitures | — | — | 2,830 | — | — | 5 | 78 | 2,908 |
| Issuance of stock for acquisition | — | — | 46,205 | | | 4,586 | 77,861 | 124,066 |
| Repurchase of common stock | — | — | — | — | — | (54) | (1,531) | (1,531) |
| Cash dividends paid on common stock; $0.40 per share | — | — | — | (12,738) | — | — | — | (12,738) |
| Prior service cost and actuarial loss, net of $9,468 tax | — | — | — | — | (15,387) | — | — | (15,387) |
| Plan amendment, net of $2,402 tax | — | — | — | — | 3,903 | — | — | 3,903 |
| Change in fair value of interest rate swap, net of $314 tax | — | — | — | — | (514) | — | — | (514) |
| Net income | — | — | — | 71,330 | — | — | — | 71,330 |
| Balance, August 26, 2017 | 51,776 | $ 25,888 | $ 80,401 | $ 679,138 | $ (1,023) | (20,183) | $ (342,730) | $ 441,674 |
| Issuance of restricted stock | — | — | (1,625) | — | — | 101 | 1,712 | 87 |
| Stock-based compensation, net of forfeitures | — | — | 7,406 | — | — | 5 | 78 | 7,484 |
| Repurchase of common stock | — | — | — | — | — | (169) | (6,481) | (6,481) |
| Issuance of stock under ESPP | — | — | 41 | — | — | 3 | 47 | 88 |
| Cash dividends paid on common stock; $0.40 per share | — | — | — | (12,738) | — | — | — | (12,738) |
| Actuarial loss, net of $11 tax | — | — | — | — | 27 | — | — | 27 |
| Change in fair value of interest rate swap, net of $840 tax | — | — | — | — | 1,947 | — | — | 1,947 |
| Reclassification of tax effects | — | — | — | 59 | (59) | — | — | — |
| Net income | — | — | — | 102,357 | — | — | — | 102,357 |
| Balance, August 25, 2018 | 51,776 | $ 25,888 | $ 86,223 | $ 768,816 | $ 892 | (20,243) | $ (347,374) | $ 534,445 |

See notes to consolidated financial statements.

**Winnebago Industries, Inc.**
**Consolidated Statements of Cash Flows**

| | Year Ended | | |
|---|---|---|---|
| **(In thousands)** | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| **Operating activities:** | | | |
| Net income | $ 102,357 | $ 71,330 | $ 45,496 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation | 9,849 | 7,315 | 5,745 |
| Amortization of intangible assets | 9,328 | 24,660 | — |
| Amortization of debt issuance costs | 2,206 | 1,596 | — |
| Last-in, first-out expense | 3,344 | 1,722 | 1,153 |
| Stock-based compensation | 7,434 | 2,977 | 3,293 |
| Deferred income taxes | 5,784 | 8,360 | 2,233 |
| Deferred compensation expense and postretirement benefit income | 1,201 | (23,379) | (4,292) |
| Other, net | (995) | (1,257) | (935) |
| Change in assets and liabilities: | | | |
| Receivables | (37,739) | (25,136) | 564 |
| Inventories | (46,429) | (6,165) | (11,510) |
| Prepaid expenses and other assets | 2,353 | (2,461) | 653 |
| Accounts payable | (1,278) | 23,778 | 10,977 |
| Income taxes and unrecognized tax benefits | 7,939 | 7,045 | 85 |
| Accrued expenses and other liabilities | 21,084 | 9,919 | 3,276 |
| Deferred compensation and postretirement benefits | (3,092) | (3,177) | (3,992) |
| Net cash provided by operating activities | 83,346 | 97,127 | 52,746 |
| **Investing activities:** | | | |
| Purchases of property and equipment | (28,668) | (13,993) | (24,551) |
| Proceeds from the sale of property | 338 | 223 | 18 |
| Acquisition of business, net of cash acquired | (81,200) | (392,473) | — |
| Other, net | (2,231) | 858 | 1,141 |
| Net cash used in investing activities | (111,761) | (405,385) | (23,392) |
| **Financing activities:** | | | |
| Borrowings on credit agreement | 221,133 | 366,400 | — |
| Repayments of credit agreement | (206,601) | (82,400) | — |
| Payments of cash dividends | (12,738) | (12,738) | (10,891) |
| Payments for repurchases of common stock | (6,481) | (1,530) | (3,066) |
| Payments of debt issuance costs | (589) | (11,020) | — |
| Other, net | 88 | (92) | (53) |
| Net cash (used in) provided by financing activities | (5,188) | 258,620 | (14,010) |
| Net (decrease) increase in cash and cash equivalents | (33,603) | (49,638) | 15,344 |
| Cash and cash equivalents at beginning of year | 35,945 | 85,583 | 70,239 |
| Cash and cash equivalents at end of year | $ 2,342 | $ 35,945 | $ 85,583 |
| **Supplemental cash flow disclosure:** | | | |
| Income taxes paid, net | $ 26,436 | $ 21,421 | $ 18,449 |
| Interest paid | $ 16,565 | $ 11,893 | $ — |
| **Non-cash transactions:** | | | |
| Issuance of Winnebago common stock for acquisition of business | $ — | $ 124,066 | $ — |
| Capital expenditures in accounts payable | $ 698 | $ 1,021 | $ 903 |

See notes to consolidated financial statements.

**Winnebago Industries, Inc.**
**Notes to Consolidated Financial Statements**

**Note 1: Summary of Significant Accounting Policies**

Unless the context otherwise requires, the use of the terms "Winnebago Industries," "we," "us," and "our" in these Notes to Consolidated Financial Statements refers to Winnebago Industries, Inc. and its wholly-owned subsidiaries.

**Nature of Operations**

Winnebago Industries, Inc., founded in 1958 and headquartered in Forest City, Iowa is one of the leading U.S. manufacturers with a diversified portfolio of recreation vehicles ("RV"s) and marine products used primarily in leisure travel and outdoor recreation activities. We distribute our RV and marine products primarily through independent dealers throughout the U.S. and Canada, who then retail the products to the end consumer. We also distribute our marine products internationally through independent dealers, who than retail the products to the end consumer. Other products manufactured by us consist primarily of original equipment manufacturing parts for other manufacturers and commercial vehicles.

**Reportable Segments**

We have two reportable segments: (1) Motorhome and (2) Towable. The Motorhome segment includes products that include a motorized chassis as well as other related manufactured products. The Towable segment includes all products which are not motorized and are generally towed by another vehicle. A new corporate allocation policy was adopted in the fourth quarter of Fiscal 2018, which removed certain corporate administration expenses and non-operating income and expense that were previously allocated to the operating segments and recorded them in a Corporate / All Other category. See Note 3, *Business Segments*.

**Principles of Consolidation**

The consolidated financial statements for Fiscal 2018 include the parent company and our wholly-owned subsidiaries. All intercompany balances and transactions with our subsidiaries have been eliminated.

**Fiscal Period**

We follow a 52-/53-week fiscal year, ending the last Saturday in August. The financial statements presented are all 52-week fiscal periods.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents consist primarily of highly liquid investments with an original maturity of three months or less. The carrying amount approximates fair value due to the short maturity of the investments.

**Derivative Instruments and Hedging Activities**

We use derivative instruments to hedge our floating interest rate exposure. Derivative instruments are accounted for at fair value in accordance with Accounting Standards Codification ("ASC") Topic 815, *Derivatives and Hedging*. We have designated these derivatives as cash flow hedges for accounting purposes. Changes in fair value, for the effective portion of qualifying hedges, are recorded in other comprehensive income. We review the effectiveness of our hedging instruments on a quarterly basis, recognize current period hedge ineffectiveness immediately in earnings, and discontinue hedge accounting for any hedge that we no longer consider to be highly effective.

**Receivables**

Receivables consist principally of amounts due from our dealer network for RVs and boats sold.

We establish allowances for doubtful accounts based on historical loss experience and any specific customer collection issues identified. Additional amounts are provided through charges to income as we believe necessary after evaluation of receivables and current economic conditions. Amounts which are considered to be uncollectible are written off, and recoveries of amounts previously written off are credited to the allowance upon recovery.

**Inventories**

Generally, inventories are stated at the lower of cost or market, valued using the First-in, First-out basis ("FIFO"), except for our Motorhome segment which is valued using the Last-in, First-out ("LIFO") basis. Manufacturing cost includes materials, labor, and manufacturing overhead. Unallocated overhead and abnormal costs are expensed as incurred.

**Property and Equipment**

Depreciation of property and equipment is computed using the straight-line method on the cost of the assets, less allowance for salvage value where appropriate, at rates based upon their estimated service lives as follows:

| Asset Class | Asset Life |
|---|---|
| Buildings | 8-45 years |
| Machinery and equipment | 1-15 years |
| Software | 1-10 years |
| Transportation equipment | 3-6 years |

**Goodwill and Indefinite-Lived Intangible Asset**

*Goodwill*

Goodwill is tested annually in the fourth quarter of each year, and is tested for impairment between annual tests if an event occurs or circumstances change that would indicate the carrying amounts may be impaired. Impairment testing for goodwill is done at a reporting unit level and all goodwill is assigned to a reporting unit. Our reporting units are the same as our operating segments as defined in Note 3, *Business Segments*.

Companies have the option to first assess qualitative factors to determine whether the fair value of a reporting unit is “more likely than not” less than its carrying amount. If it is more likely than not that an impairment has occurred, companies then perform the quantitative goodwill impairment test. If we perform the quantitative test, we compare the carrying value of the reporting unit to an estimate of the reporting unit’s fair value to identify impairment. The estimate of the reporting unit’s fair value is determined by weighting a discounted cash flow model and a market-related model using current industry information that involve significant unobservable inputs (Level 3 inputs). In determining the estimated future cash flow, we consider and apply certain estimates and judgments, including current and projected future levels of income based on management’s plans, business trends, prospects, market and economic conditions, and market-participant considerations. If we fail the quantitative assessment of goodwill impairment, we would recognize an impairment loss equal to the amount that a reporting unit's carrying value exceeded its fair value.

*Trade name*

We have indefinite-lived intangible assets for trade names related to Grand Design within our Towable segment and to Chris-Craft within our Corporate / All Other category. Annually in the fourth quarter, or if conditions indicate an interim review is necessary, we assess qualitative factors to determine if it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. If we perform a quantitative test, we use the relief from royalty method to determine the fair value of the trade name. This method uses assumptions, which require significant judgment and actual results may differ from assumed and estimated amounts. If we conclude that there has been impairment, we will write down the carrying value of the asset to its fair value.

During the fourth quarter of Fiscal 2018, we completed our annual impairment tests. We elected not to rely on the qualitative assessment as of the testing date and rather performed the quantitative analysis. The result of the test was that the fair value exceeded the carrying value, and no impairment was indicated.

**Definite-Lived Intangible Assets and Long-Lived Assets**

Long-lived assets, which include property, plant and equipment, and definite-lived intangible assets, primarily the dealer network, are assessed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable from future cash flows. The impairment test involves comparing the carrying amount of the asset to the forecasted undiscounted future cash flows generated by that asset. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. In the event the carrying amount of the asset exceeds the undiscounted future cash flows generated by that asset and the carrying amount is not considered recoverable, an impairment exists. An impairment loss is measured as the excess of the asset’s carrying amount over its fair value and is recognized in the statement of income in the period that the impairment occurs. The reasonableness of the useful lives of this asset and other long-lived assets is regularly evaluated.

There was no impairment loss for the period ended August 25, 2018 for definite-lived intangible assets or long-lived assets.

**Self-Insurance**

Generally, we self-insure for a portion of product liability claims and workers' compensation. Under these plans, liabilities are recognized for claims incurred, including those incurred but not reported. We determined the liability for product liability and workers' compensation claims with the assistance of a third party administrator and actuary using various state statutes and historical claims experience. We have a $50.0 million insurance policy that includes a self-insured retention for product liability of $2.5 million per occurrence and $6.0 million in aggregate per policy year. We maintain excess liability insurance with outside insurance carriers to minimize our risks related to catastrophic claims in excess of our self-insured positions for product liability and personal injury matters. Any material change in the aforementioned factors could have an adverse impact on our operating results. Our product liability and workers' compensation accrual is included within accrued self-insurance on our balance sheet.

**Income Taxes**

In preparing our financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included within our balance sheet. We then assess the likelihood that our deferred tax assets will be realized based on future taxable income and, to the extent we believe that recovery is not likely, we establish a valuation allowance. To the extent we establish a valuation allowance or change this allowance in a period, we include an expense or a benefit within the tax provision in our Consolidated Statements of Income and Comprehensive Income.

**Legal**

Litigation expense, including estimated defense costs, is recorded when probable and reasonably estimable.

**Revenue Recognition**

Revenue is primarily earned through the sale of manufactured RVs and boats. Revenue for these units is recognized when contract terms are met, collectability is reasonably assured, and the unit is shipped or risk of ownership has been transferred to and accepted by the dealer. Provisions are made for discounts and sales allowances based on management’s best estimate and the historical experience of each unit type. Dealers do not have the right to return units, and units are not sold on consignment.

Revenue from the sale of parts is recognized when title to the product and the risk of loss is transferred to the customer, which is generally upon shipment. Revenue from services is recognized as earned when services are rendered.

**Delivery Revenues and Expenses**

Delivery revenues for products delivered are included within net sales, while delivery expenses are included within cost of goods sold.

**Concentration of Risk**

One of our dealer organizations accounted for 9.8%, 10.0%, and 13.0% of our net revenue for Fiscal 2018, 2017, and 2016, respectively. A second dealer organization accounted for 9.0%, 9.9%, and 16.6% of our consolidated net revenue in Fiscal 2018, 2017, and 2016, respectively. These dealers declined on a relative basis due to the growth of other dealers and due to the addition of Grand Design revenue in Fiscal 2017.

**Sales Promotions and Incentives**

We accrue for sales promotions and incentive expenses, which are included in net revenues, at the time of sale to the dealer or when the sales incentive is offered to the dealer or retail customer. Examples of sales promotions and incentive programs include dealer and consumer rebates, volume discounts, retail financing programs, and dealer sales associate incentives. Sales promotion and incentive expenses are estimated based upon program parameters at the time of the sales, such as unit or retail volume and historical rates. Actual results may differ from these estimates if market conditions dictate the need to enhance or reduce sales promotion and incentive programs or if the retail customer usage rate varies from historical trends. Historically, sales promotion and incentive expenses have been within our expectations and differences have not been material.

**Advertising**

Advertising costs, which consist primarily of literature and trade shows, were $7.4 million, $5.7 million, and $4.9 million in Fiscal 2018, 2017, and 2016, respectively. Advertising costs are included in selling expense and are expensed as incurred.

**Subsequent Events**

We evaluated events occurring between the end of our most recent fiscal year and the date the financial statements were issued. There were no material subsequent events, except as noted in Note 9, *Long-Term Deb*t, and Note 12, *Stock-Based Compensation Plans*, and the item described below.

*Dividend*

On August 15, 2018, our Board of Directors declared a quarterly cash dividend of $0.10 per share, totaling $3.2 million, paid on September 26, 2018 to common stockholders of record at the close of business on September 12, 2018.

**Recently Adopted Accounting Pronouncements**

In February 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220),* which allows for a reclassification of stranded tax effects from the 2017 Tax Cuts and Jobs Act ("Tax Act") from accumulated other comprehensive income ("AOCI") to retained earnings. We early adopted this ASU in the fourth quarter of Fiscal 2018, which resulted in the reclassification of $0.1 million from AOCI to retained earnings.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which adds guidance for the determination of whether a transaction should be accounted for as an acquisition of assets or a business. ASU 2017-01 is effective prospectively for fiscal years beginning after December 15, 2017 (our Fiscal 2019), including interim periods within those annual reporting periods. We adopted ASU 2017-01 in the fourth quarter of Fiscal 2018 for the acquisition of Chris-Craft, which is further discussed in Note 2, *Business Combinations*.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)*, which simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for the related income taxes, forfeitures, statutory tax withholding requirements and classification in the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016 (our Fiscal 2018), including interim periods within those annual reporting periods. We adopted ASU 2016-09 in the interim quarterly reporting period ended November 25, 2017. Amendments requiring recognition of excess tax benefits and tax deficiencies in the statements of income and comprehensive income resulted in $0.5 million of excess tax benefits recorded as a reduction of income tax expense upon adoption for the year ended August 25, 2018. The reduction in income tax expense also reduced the effective tax rate by 0.4% and added $0.02 to income per share for the year ended August 25, 2018. Amendments related to the presentation of excess tax benefits and employee taxes paid when an employer withholds shares to meet the minimum statutory withholding requirement required no change to the statement of cash flows. As part of the adoption, we implemented a policy of accounting for forfeitures as they occur. The impact to our consolidated financial statements was not material.

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330)*, which requires inventory measured using any method other than LIFO or the retail inventory method to be subsequently measured at the lower of cost or net realizable value, rather than at the lower of cost or market. Under ASU 2015-11, subsequent measurement of inventory using the LIFO and retail inventory method is unchanged. ASU 2015-11 is effective prospectively for fiscal years beginning after December 15, 2016 (our Fiscal 2018), including interim periods within those annual reporting periods. We adopted ASU 2015-11 on August 27, 2017, and the impact to our consolidated financial statements was not material.

**Recently Issued Accounting Pronouncements**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which establishes a comprehensive new model for the recognition of revenue from contracts with customers. This model is based on the core principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Entities have the option of using either retrospective transition or a modified approach in applying the new standard. The standard is effective for fiscal years, and the interim periods within those years, beginning after December 15, 2017 (our Fiscal 2019). Early adoption is permitted.

We will adopt this standard in the first quarter of our Fiscal 2019 using the modified retrospective method. Under this method, we will recognize the cumulative effect of the changes in retained earnings at the date of adoption with no restatement of comparative periods. We currently estimate no cumulative effect adjustment at the date of adoption. In addition, we expect the impact of adoption to be immaterial to net earnings on an on-going basis.

Our evaluation included a review of representative contracts with key customers and the performance obligations contained therein, as well as a review of our commercial terms and practices across each of our operating segments. Based on these procedures, we have determined the prospective impact is expected to be immaterial.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires an entity to recognize both assets and liabilities arising from financing and operating leases, along with additional qualitative and quantitative disclosures. The new

standard must be adopted on a modified retrospective basis to either each prior reporting period presented or as of the beginning of the period of adoption for fiscal years beginning after December 15, 2018 (our Fiscal 2020), including interim periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)*, which provides guidance for eight specific cash flow issues with the objective of reducing the existing diversity in practice. ASU 2016-15 is effective retrospectively for annual reporting periods beginning after December 15, 2017 (our Fiscal 2019), including interim periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements and do not expect adoption to have a material impact.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815)*, which improves the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. ASU 2017-12 is effective for annual reporting periods beginning after December 15, 2018 (our Fiscal 2020), including interim periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements.

**Note 2: Business Combinations**

**Chris-Craft USA, Inc.**

On June 4, 2018, we acquired 100% of the ownership interest of Chris-Craft USA, Inc. ("Chris-Craft"). The acquisition diversifies our outdoor lifestyle value proposition into the recreational powerboat industry. The assets, liabilities and operating results have been included in our financial statements from the date of acquisition within the Corporate / All Other category. Pro forma results of operations for this acquisition have not been presented, as it was immaterial to the reported results.

**Grand Design RV, LLC**

On November 8, 2016, we acquired 100% of the ownership interests of Grand Design RV, LLC ("Grand Design") in accordance with the Securities Purchase Agreement for an aggregate purchase price of $520.5 million, which was paid in cash and Winnebago shares as follows:

| (In thousands, except shares) | November 8, 2016 |
|---|---|
| Cash | $ 396,442 |
| Winnebago shares: 4,586,555 at $27.05 per share | 124,066 |
| Total | $ 520,508 |

The cash portion was funded from cash on hand and borrowings under our debt agreements discussed in Note 9, *Long-Term Debt*. The stock was valued using our share price on the date of closing.

The acquisition has been accounted for in accordance with ASC 805, *Business Combinations*, using the acquisition method of accounting. Under the acquisition method of accounting, the total purchase price was allocated to the net tangible and intangible assets of Grand Design acquired, based on their fair values at the date of the acquisition. The purchase price allocation was finalized during the first quarter of Fiscal 2018.

The final allocation of the purchase price to assets acquired and liabilities assumed is as follows:

| (In thousands) | November 8, 2016 |
|---|---|
| Cash | $ 1,748 |
| Accounts receivable | 32,834 |
| Inventories | 15,300 |
| Prepaid expenses and other assets | 3,037 |
| Property, plant, and equipment | 8,998 |
| Goodwill | 243,456 |
| Other intangible assets | 253,100 |
| Total assets acquired | 558,473 |
| | |
| Accounts payable | 11,163 |
| Accrued compensation | 3,615 |
| Product warranties | 12,904 |
| Promotional | 3,976 |
| Other | 1,496 |
| Deferred tax liabilities | 4,811 |
| Total liabilities assumed | 37,965 |
| | |
| Total purchase price | $ 520,508 |

The acquisition of 100% of the ownership interests of Grand Design occurred in two steps: (1) direct purchase of 89.34% of Grand Design member interests and (2) simultaneous acquisition of the remaining 10.66% of Grand Design member interests via the purchase of 100% of the shares of SP GE VIII-B GD RV Blocker Corp. ("Blocker Corporation"), which held the remaining 10.66% of the Grand Design member interests. We agreed to acquire Blocker Corporation as part of the Securities Purchase Agreement, and we did not receive a step-up in basis for 10.66% of the Grand Design assets. As a result, we established certain deferred tax liabilities on the opening balance sheet that relate to Blocker Corporation. As of August 25, 2018, Blocker Corporation was dissolved.

The goodwill recognized is primarily attributable to the value of the workforce, reputation of founders, customer and dealer growth opportunities, and expected synergies. Key areas of cost synergies include increased purchasing power for raw materials and supply chain consolidation. Goodwill is expected to be mostly deductible for tax purposes. As of August 25, 2018, goodwill increased $2.0 million as compared to the end of Fiscal 2017. The increase is due to the final purchase price adjustment made for taxes in the first quarter of Fiscal 2018.

The allocation of the purchase price to the net assets acquired and liabilities assumed resulted in the recognition of intangible assets. We used the income approach to value certain intangible assets. Under the income approach, an intangible asset's fair value is equal to the present value of future economic benefits to be derived from ownership of the asset. We used the income approach known as the relief from royalty method to value the trade name. The relief from royalty method is based on the hypothetical royalty stream that would be received if we were to license the trade name and is based on expected revenues from such license. The fair value of the dealer network was estimated using an income approach known as the cost to recreate/cost savings method. This method uses the replacement of the asset as an indicator of the fair value of the asset. The useful life of the intangible assets was determined considering the period of expected cash flows used to measure the fair value of the intangible assets adjusted as appropriate for the entity-specific factors including legal, regulatory, contractual, competitive, economic, or other factors that may limit the useful life of the intangible assets.

Within the Towable segment, the results of Grand Design's operations have been included in our consolidated financial statements from the close of the acquisition. The following table provides net revenues and operating income (which includes amortization expense and our allocation changes described in Note 3, *Business Segments*) from the Grand Design business included in our consolidated results during the fiscal years ended August 25, 2018 and August 26, 2017 following the November 8, 2016 closing date:

| | Year Ended | |
|---|---|---|
| (In thousands) | August 25, 2018 | August 26, 2017 |
| Net revenues | $ 969,362 | $ 559,664 |
| Operating income | 129,123 | 54,188 |

Unaudited pro forma information has been prepared as if the acquisition had taken place on August 30, 2015. The unaudited pro forma information is not necessarily indicative of the results that we would have achieved had the transaction actually taken place on August 30, 2015, and the unaudited pro forma information does not purport to be indicative of future financial operating results. The unaudited pro forma condensed consolidated financial information does not reflect any operating efficiencies and cost savings that may be realized from the integration of the acquisition. Unaudited pro forma information is as follows:

| | Year Ended | | |
|---|---|---|---|
| **(In thousands, except per share data)** | **August 25, 2018** | **August 26, 2017[1]** | **August 27, 2016** |
| Net revenues | $ 2,016,829 | $ 1,642,786 | $ 1,402,897 |
| Net income | 102,465 | 91,163 | 48,357 |
| Income per share - basic | 3.24 | 2.89 | 1.53 |
| Income per share - diluted | 3.22 | 2.88 | 1.53 |

(1) Net income and income per share include the increased benefit of $16.3 million, net of tax, associated with the termination of the postretirement health care plan in Fiscal 2017.

The unaudited pro forma data above includes the following significant non-recurring adjustments made to account for certain costs which would have changed if the acquisition of Grand Design had been completed on August 30, 2015:

| | Year Ended | | |
|---|---|---|---|
| **(In thousands)** | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| Amortization of intangibles (1 year or less useful life)[1] | $ (122) | $ (18,751) | $ 18,871 |
| Increase in amortization of intangibles[1] | — | 1,551 | 7,733 |
| Expenses related to business combination (transaction costs)[2] | (50) | (6,649) | 6,649 |
| Interest to reflect new debt structure[3] | — | 3,672 | 19,622 |
| Taxes related to the adjustments to the pro forma data and to the income of Grand Design | 64 | 11,648 | 1,680 |

(1) Refer to Note 7, *Goodwill and Intangible Assets*, for additional information on the intangible assets recorded as a result of the acquisition.
(2) Pro forma transaction costs include $0.1 million incurred by Grand Design prior to the acquisition.
(3) Refer to Note 9, *Long-Term Debt*, for additional information on the new debt structure as a result of the acquisition.

We incurred approximately $7.0 million of acquisition-related costs to date, of which $0.1 million, $6.6 million, and $0.3 million was expensed during Fiscal 2018, Fiscal 2017, and Fiscal 2016, respectively.

*Share Registration*

As a result of the acquisition of Grand Design, we agreed to register the 4,586,555 shares of common stock issued to the sellers pursuant to the terms of a registration rights agreement. Under the registration rights agreement, we filed a shelf registration statement on January 20, 2017 to register these shares for resale. On April 11, 2017, pursuant to an underwriting agreement dated as of April 5, 2017, by and among the Company, certain of the sellers, and Morgan Stanley & Co., LLC, the sellers sold 2,293,277 shares of common stock in an underwritten block trade.

**Note 3: Business Segments**

Beginning in the fourth quarter of Fiscal 2018, we have revised our segment presentation and now have five operating segments: 1) Winnebago motorhomes, 2) Winnebago towables, 3) Grand Design towables, 4) Winnebago specialty vehicles, and 5) Chris-Craft marine. We evaluate performance based on each operating segment's Adjusted EBITDA, as defined below, which excludes certain corporate administration expenses and non-operating income and expense.

Our two reportable segments include: 1) Motorhome (comprised of products that include a motorized chassis as well as other related manufactured products and services) and 2) Towable (comprised of products which are not motorized and are generally towed by another vehicle as well as other related manufactured products and services), which is an aggregation of the Winnebago towables and Grand Design towables operating segments.

The Corporate / All Other category includes the Winnebago specialty vehicles and Chris-Craft marine operating segments as well as expenses related to certain corporate administration expenses for the oversight of the enterprise. These expenses include items such as corporate leadership and administration costs. Previously, these expenses were allocated to each operating segment.

Identifiable assets of the reportable segments exclude general corporate assets, which principally consist of cash and cash equivalents and certain deferred tax balances. The general corporate assets are included in the Corporate / All Other category.

Prior year segment information has been reclassified to conform to the current reportable segment presentation. The reclassifications included removing the corporate administration expenses from both the Motorhome and Towable reportable

segments and removing Winnebago specialty vehicles from the Motorhome reportable segment, as we begin to dedicate leadership and focus on these operations separately from our Winnebago motorhomes operations.

Our chief operating decision maker ("CODM") is our Chief Executive Officer. Our CODM relies on internal management reporting that analyzes consolidated results to the net earnings level and operating segment's Adjusted EBITDA. Our CODM has ultimate responsibility for enterprise decisions. Our CODM determines, in particular, resource allocation for, and monitors the performance of, the consolidated enterprise, the Motorhome segment, and the Towable segment. The Motorhome segment management and Towable segment management have responsibility for operating decisions, allocating resources, and assessing performance within their respective segments. The accounting policies of both reportable segments are the same and are described in Note 1, *Summary of Significant Accounting Policies*.

We evaluate the performance of our reportable segments based on Adjusted EBITDA. EBITDA is defined as net income before interest expense, provision for income taxes, and depreciation and amortization expense. Adjusted EBITDA is defined as net income before interest expense, provision for income taxes, depreciation and amortization expense, and other adjustments made in order to present comparable results from period to period. Examples of items excluded from Adjusted EBITDA include the postretirement health care benefit income from terminating the plan and transaction costs related to acquisitions. These types of adjustments are also specified in the definition of certain measures required under the terms of our Credit Agreement.

The following table shows information by reportable segment for Fiscal 2018, 2017, and 2016:

| | Year Ended | | |
|---|---|---|---|
| **(In thousands)** | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| **Net revenues** | | | |
| Motorhome | $ 860,675 | $ 853,360 | $ 881,363 |
| Towable | 1,127,723 | 685,197 | 89,412 |
| Corporate / All Other | 28,431 | 8,562 | 4,451 |
| Consolidated | $ 2,016,829 | $ 1,547,119 | $ 975,226 |
| | | | |
| **Adjusted EBITDA** | | | |
| Motorhome | $ 35,508 | $ 56,518 | $ 66,127 |
| Towable | 157,010 | 89,734 | 1,721 |
| Corporate / All Other | (10,772) | (7,375) | (5,531) |
| Consolidated | $ 181,746 | $ 138,877 | $ 62,317 |
| | | | |
| **Capital expenditures** | | | |
| Motorhome | $ 9,302 | $ 9,563 | $ 23,909 |
| Towable | 18,460 | 4,406 | 631 |
| Corporate / All Other | 906 | 24 | 11 |
| Consolidated | $ 28,668 | $ 13,993 | $ 24,551 |

| | Year Ended | |
|---|---|---|
| **(In thousands)** | **August 25, 2018** | **August 26, 2017** |
| **Total assets** | | |
| Motorhome | $ 322,048 | $ 277,015 |
| Towable | 626,588 | 576,262 |
| Corporate / All Other | 103,169 | 49,235 |
| Consolidated | $ 1,051,805 | $ 902,512 |

The following table reconciles net income to consolidated Adjusted EBITDA for Fiscal 2018, 2017, and 2016:

| | Year Ended | | |
|---|---|---|---|
| **(In thousands)** | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| Net income | $ 102,357 | $ 71,330 | $ 45,496 |
| Interest expense | 18,246 | 16,837 | — |
| Provision for income taxes | 40,283 | 37,269 | 20,702 |
| Depreciation | 9,849 | 7,315 | 5,745 |
| Amortization | 9,328 | 24,660 | — |
| EBITDA | 180,063 | 157,411 | 71,943 |
| Postretirement health care benefit income | — | (24,796) | (6,124) |
| Legal settlement | — | — | (3,400) |
| Transaction costs | 2,177 | 6,592 | 355 |
| Non-operating income | (494) | (330) | (457) |
| Adjusted EBITDA | $ 181,746 | $ 138,877 | $ 62,317 |

The following table reconciles net revenue by geographic area for Fiscal 2018, 2017, and 2016:

| | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| **(In thousands)** | **August 25, 2018** | | **August 26, 2017** | | **August 27, 2016** | |
| United States | $ 1,860,613 | 92.3% | $ 1,445,401 | 93.4% | $ 940,230 | 96.4% |
| International | 156,216 | 7.7% | 101,718 | 6.6% | 34,996 | 3.6% |
| Total net revenues | $ 2,016,829 | 100.0% | $ 1,547,119 | 100.0% | $ 975,226 | 100.0% |

**Note 4: Derivatives, Investments and Fair Value Measurements**

**Assets and Liabilities that are Measured at Fair Value on a Recurring Basis**

We account for fair value measurements in accordance with ASC 820, *Fair Value Measurements and Disclosures,* which defines fair value, establishes a framework for measurement, and expands disclosure about fair value measurement. The fair value hierarchy requires the use of observable market data when available. In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy contains three levels as follows:

*Level 1* - Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date.

*Level 2* - Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in nonactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

*Level 3* - Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

The following tables set forth by level within the fair value hierarchy our financial assets and liabilities that were accounted for at fair value on a recurring basis at August 25, 2018 and August 26, 2017 according to the valuation techniques we used to determine their fair values:

| (In thousands) | Fair Value at August 25, 2018 | Fair Value Measurements Using Inputs Considered As | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Assets that fund deferred compensation: | | | | |
| Domestic equity funds | $ 1,143 | $ 1,114 | $ 29 | $ — |
| International equity funds | 139 | 120 | 19 | — |
| Fixed income funds | 223 | 132 | 91 | — |
| Interest rate swap contract | 1,959 | — | 1,959 | — |
| Total assets at fair value | $ 3,464 | $ 1,366 | $ 2,098 | $ — |

| (In thousands) | Fair Value at August 26, 2017 | Fair Value Measurements Using Inputs Considered As | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Assets that fund deferred compensation: | | | | |
| Domestic equity funds | $ 1,708 | $ 1,671 | $ 37 | $ — |
| International equity funds | 174 | 157 | 17 | — |
| Fixed income funds | 259 | 170 | 89 | — |
| Interest rate swap contract | (828) | — | (828) | — |
| Total assets (liabilities) at fair value | $ 1,313 | $ 1,998 | $ (685) | $ — |

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Assets that fund deferred compensation**

Our assets that fund deferred compensation are marketable equity securities measured at fair value using quoted market prices and primarily consist of equity-based mutual funds. These securities are classified as Level 1 as they are traded in an active market for which closing stock prices are readily available. These securities fund the Executive Share Option Plan and the Executive Deferred Compensation Plan (see Note 10, *Employee and Retiree Benefits*). The proportion of the assets that will fund options which expire within a year are included in prepaid expenses and other current assets in the accompanying consolidated balance sheets. The remaining assets are classified as non-current and are included in other assets.

**Interest Rate Swap Contract**

Under the terms of our Credit Agreement (see Note 9, *Long-Term Debt*) we were previously required to hedge a portion of the floating interest rate exposure. In accordance with this requirement, on January 23, 2017, we entered into an interest swap contract, which effectively fixed our interest rate on our Term Loan for a notional amount that reduces each December during the swap contract. As of August 25, 2018, we had $170.0 million of our Term Loan fixed at an interest rate of 5.32%. As of August 26, 2017, we had $200.0 million of our Term Loan fixed at an interest rate of 6.32%. The swap contract expires on December 8, 2020.

The fair value of the interest rate swap based on a Level 2 valuation was an asset of $2.0 million as of August 25, 2018 and a liability of $0.8 million as of August 26, 2017. The fair value is classified as Level 2 as it is corroborated based on observable market data. The asset is included in other assets and the liability is included in other non-current liabilities on the consolidated balance sheets. The change in value was predominately recorded to accumulated other comprehensive income on the consolidated balance sheets since the interest rate swap has been designated for hedge accounting.

**Assets and Liabilities that are measured at Fair Value on a Nonrecurring Basis**

Our non-financial assets, which includes goodwill, intangible assets, and property, plant and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required, we must evaluate the non-financial asset for impairment. If an impairment did occur, the asset is required to be recorded at the estimated fair value. No impairments were recorded for non-financial assets in Fiscal 2018, 2017, and 2016.

**Fair Value of Financial Instruments**

Our financial instruments, other than those presented in the disclosures above, include cash, receivables, accounts payable, other payables, and long-term debt. The fair values of cash, receivables, accounts payable, and other payables approximated carrying values because of the short-term nature of these instruments. If these instruments were measured at fair value in the financial

statements, they would be classified as Level 1 in the fair value hierarchy. See Note 9, *Long-Term Debt*, for information about the fair value of our long-term debt.

**Note 5: Inventories**

Inventories consist of the following:

| (In thousands) | August 25, 2018 | August 26, 2017 |
|---|---|---|
| Finished goods | $ 26,513 | $ 16,947 |
| Work-in-process | 68,339 | 60,818 |
| Raw materials | 139,039 | 99,919 |
| Total | 233,891 | 177,684 |
| LIFO reserve | (38,763) | (35,419) |
| Total inventories | $ 195,128 | $ 142,265 |

The above value of inventories, before reduction for the LIFO reserve, approximates replacement cost at the respective dates. Of the $233.9 million and $177.7 million of inventory at August 25, 2018 and August 26, 2017, respectively, $176.2 million and $149.8 million is valued on a LIFO basis. The remaining inventories of $57.7 million and $27.9 million at August 25, 2018 and August 26, 2017, respectively, are valued on a FIFO basis.

**Note 6: Property, Plant and Equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and consists of the following:

| (In thousands) | August 25, 2018 | August 26, 2017 |
|---|---|---|
| Land | $ 6,747 | $ 3,914 |
| Buildings and building improvements | 94,622 | 73,831 |
| Machinery and equipment | 105,663 | 99,952 |
| Software | 23,388 | 17,844 |
| Transportation | 8,837 | 8,993 |
| Total property, plant and equipment, gross | 239,257 | 204,534 |
| Less accumulated depreciation | (138,064) | (132,974) |
| Total property, plant and equipment, net | $ 101,193 | $ 71,560 |

For Fiscal 2018, 2017, and 2016, depreciation charged to operations was $9.8 million, $7.3 million, and $5.7 million, respectively.

**Note 7: Goodwill and Intangible Assets**

The changes in carrying amount of goodwill by segment were as follows in Fiscal 2018, 2017, and 2016, noting we have no accumulated impairment losses:

| (In thousands) | Towable | Corporate / All Other | Total |
|---|---|---|---|
| Balances at August 29, 2015 | $ 1,228 | $ — | $ 1,228 |
| Balances at August 27, 2016 | 1,228 | — | 1,228 |
| Acquisition of Grand Design[1] | 241,500 | — | 241,500 |
| Balances at August 26, 2017 | 242,728 | — | 242,728 |
| Grand Design purchase price adjustment[1] | 1,956 | — | 1,956 |
| Acquisition of Chris-Craft[1] | — | 29,686 | 29,686 |
| Balances at August 25, 2018 | $ 244,684 | $ 29,686 | $ 274,370 |

(1) Refer to Note 2, *Business Combinations*, for additional information on the acquisitions of Grand Design and Chris-Craft.

Intangible assets, net of accumulated amortization consists of the following:

| | August 25, 2018 | | | August 26, 2017 | | |
|---|---|---|---|---|---|---|
| (In thousands) | Weighted Average Life-Years | Cost | Accumulated Amortization | Weighted Average Life-Years | Cost | Accumulated Amortization |
| Trade name | Indefinite | $ 177,250 | | Indefinite | $ 148,000 | |
| Dealer network | 12.2 | 95,581 | $ 12,328 | 12.0 | 80,500 | $ 5,348 |
| Backlog | 0.5 | 19,527 | 19,135 | 0.5 | 18,000 | 18,000 |
| Non-compete agreements | 4.1 | 5,347 | 2,084 | 4.0 | 4,600 | 1,116 |
| Leasehold interest-favorable | 8.1 | 2,000 | 441 | 8.1 | 2,000 | 196 |
| Total intangible assets, gross | | 299,705 | $ 33,988 | | 253,100 | $ 24,660 |
| Less accumulated amortization | | 33,988 | | | 24,660 | |
| Total intangible assets, net | | $ 265,717 | | | $ 228,440 | |

For Fiscal 2018 and 2017, amortization of intangible assets charged to operations was $9.3 million and $24.7 million, respectively. The weighted average remaining amortization period for intangible assets as of August 25, 2018 was approximately 11.4 years.

Remaining estimated aggregate annual amortization expense by fiscal year is as follows:

| (In thousands) | Amount |
|---|---|
| Fiscal 2019 | $ 9,487 |
| Fiscal 2020 | 9,032 |
| Fiscal 2021 | 9,032 |
| Fiscal 2022 | 8,405 |
| Fiscal 2023 | 8,197 |
| Thereafter | 44,314 |
| Total amortization expense remaining | $ 88,467 |

**Note 8: Warranty**

We provide certain service and warranty on our products. From time to time, we also voluntarily incur costs for certain warranty-type expenses occurring after the normal warranty period to help protect the reputation of our products and the goodwill of our customers. Estimated costs related to product warranty are accrued at the time of sale and are based upon historical warranty and service claims experience. Adjustments are made to accruals as claim data and cost experience becomes available.

In addition to the costs associated with the contractual warranty coverage provided on our products, we also occasionally incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Although we estimate and reserve for the cost of these service actions, there can be no assurance that expense levels will remain at current levels or such reserves will continue to be adequate.

Changes in our product warranty liability during Fiscal 2018, 2017, and 2016 are as follows:

| (In thousands) | August 25, 2018 | August 26, 2017 | August 27, 2016 |
|---|---|---|---|
| Balance at beginning of year | $ 30,805 | $ 12,412 | $ 11,254 |
| Business acquisitions[1] | 611 | 12,904 | — |
| Provision | 42,377 | 31,631 | 16,503 |
| Claims paid | (33,295) | (26,142) | (15,345) |
| Balance at end of year | $ 40,498 | $ 30,805 | $ 12,412 |

(1) Refer to Note 2, *Business Combinations*, for additional information on the acquisitions of Grand Design and Chris-Craft.

**Note 9: Long-Term Debt**

The components of long-term debt are as follows:

| (In thousands) | August 25, 2018 | August 26, 2017 |
|---|---|---|
| ABL | $ 38,532 | $ — |
| Term Loan | 260,000 | 284,000 |
| Gross long-term debt, excluding issuance costs | 298,532 | 284,000 |
| Debt issuance cost, net | (7,091) | (9,424) |
| Total long-term debt | 291,441 | 274,576 |
| Less: current maturities | — | (2,850) |
| Total long-term debt, less current maturities | $ 291,441 | $ 271,726 |

On November 8, 2016, we entered into a $125.0 million credit agreement ("ABL") and a $300.0 million loan agreement ("Term Loan") with JPMorgan Chase Bank, N.A. ("Credit Agreement"). On December 8, 2017, we amended our Credit Agreement, which decreased the interest rate spread by 1.0% on the Term Loan and 0.25% on the ABL.

Under the ABL, we have a five year credit facility on a revolving basis, subject to availability under a borrowing base consisting of eligible accounts receivable and eligible inventory. The ABL is available for issuance of letters of credit to a specified limit of $10.0 million. We pay a commitment fee in the range of 0.25% - 0.375% on the amount of facility available, but unused. We can elect to base the interest rate on various base rates plus specific spreads depending on the amount of borrowings outstanding. We currently pay interest on ABL borrowings at a floating rate based upon LIBOR plus 1.25%.

Under the Term Loan, we can elect to base the interest rate on various base rates plus specific spreads. The interest rate as of August 25, 2018 was based on LIBOR plus 2.32%. The Term Loan agreement currently requires quarterly payments in the amount of $2.75 million until December 31, 2019 at which time the quarterly payments change to $3.75 million, with all amounts then outstanding due on November 8, 2023. We have made voluntary prepayments that have extended the opportunity to defer quarterly payments, at our option, until December 31, 2019. There are mandatory prepayments for proceeds of new debt, sale of significant assets or subsidiaries, and excess cash flow as those terms are defined in the Term Loan. Incremental term loans of up to $125.0 million are available if certain financial ratios and other conditions are met. The amount that may be borrowed under the ABL was increased to $165.0 million as of September 21, 2018.

The Credit Agreement contains certain financial covenants. As of August 25, 2018, we are in compliance with all financial covenants of the Credit Agreement.

The ABL and Term Loan are guaranteed by Winnebago Industries, Inc. and all material direct and indirect domestic subsidiaries and are secured by a security interest in substantially all of our assets, except minor excluded assets.

We amortize debt issuance costs on a straight-line basis (which is not materially different from an effective interest method) over the term of the associated debt agreement. If early principal payments are made on the Term Loan, a proportional amount of the unamortized issuance costs will be expensed. As of August 25, 2018, we incurred $1.1 million of costs related to our revolving Credit Agreement that are being amortized on a straight-line basis over the five year term of the agreement. We also incurred $10.5 million of costs as of August 25, 2018 related to the Term Loan that are being amortized on a straight-line basis over the seven year term of the agreement. Unamortized debt issuance costs of $0.6 million related to the voluntary prepayment on the Term Loan were expensed in Fiscal 2018.

The fair value of long-term debt, excluding debt issuance costs, approximated the carrying values as of August 25, 2018 and August 26, 2017 as interest is at variable market rates.

Aggregate contractual maturities of debt in future fiscal years, are as follows:

| (In thousands) | Amount |
|---|---|
| Fiscal 2019 | $ — |
| Fiscal 2020 | 10,250 |
| Fiscal 2021 | 15,000 |
| Fiscal 2022 | 15,000 |
| Fiscal 2023 | 219,750 |
| Total long-term debt | $ 260,000 |

**Note 10: Employee and Retiree Benefits**

Deferred compensation benefits are as follows:

| (In thousands) | August 25, 2018 | August 26, 2017 |
|---|---|---|
| Non-qualified deferred compensation | $ 14,831 | $ 16,476 |
| Supplemental executive retirement plan | 2,309 | 2,534 |
| Executive share option plan | 935 | 1,498 |
| Executive deferred compensation plan | 421 | 447 |
| Officer stock-based compensation | 1,528 | 1,664 |
| Total deferred compensation benefits | 20,024 | 22,619 |
| Less: current portion[1] | (4,742) | (3,349) |
| Long-term deferred compensation benefits | $ 15,282 | $ 19,270 |

(1) Included in accrued compensation in the consolidated balance sheets.

**Postretirement Health Care Benefits**

Historically, we provided certain health care and other benefits for retired employees hired before April 1, 2001, who had fulfilled eligibility requirements at age 55 with 15 years of continuous service. During the first quarter of Fiscal 2017, we announced the termination of the remaining postretirement health care benefits to all participants. As of January 1, 2017, postretirement health care benefits were discontinued.

Changes in our postretirement health care liability were as follows:

| (In thousands) | August 26, 2017 |
|---|---|
| Balance at beginning of year | $ 6,346 |
| Interest cost | 29 |
| Service cost | 16 |
| Net benefits paid | (53) |
| Plan amendment | (6,338) |
| Balance at end of year | $ — |

Net periodic postretirement benefit income for Fiscal 2017 and 2016 consisted of the following components:

| | Year Ended | |
|---|---|---|
| (In thousands) | August 26, 2017 | August 27, 2016 |
| Interest cost | $ 29 | $ 327 |
| Service cost | 16 | 108 |
| Amortization of prior service benefit | (40,444) | (7,736) |
| Amortization of net actuarial loss | 15,648 | 1,612 |
| Net periodic postretirement benefit income | $ (24,751) | $ (5,689) |

For accounting purposes, we recognized net periodic postretirement income as presented in the previous table, due to the amortization of prior service benefit associated with the establishment of caps on the employer portion of benefits in Fiscal 2005 and the plan amendments made over the past five years.

Amounts not yet recognized in net periodic benefit cost and included in accumulated other comprehensive income (before taxes) are as follows:

| (In thousands) | August 27, 2016 |
|---|---|
| Prior service credit | $ (34,139) |
| Net actuarial loss | 15,648 |
| Accumulated other comprehensive income | $ (18,491) |

**Deferred Compensation Benefits**

*Non-Qualified Deferred Compensation*

We have a Non-Qualified Deferred Compensation Program which permitted key employees to annually elect to defer a portion of their compensation until their retirement. The plan has been closed to any additional deferrals since January 2001. The retirement benefit to be provided is based upon the amount of compensation deferred and the age of the individual at the time of the contracted deferral. An individual generally vests at age 55 and 5 years of participation under the plan. For deferrals prior to December 1992, vesting occurs at the later of age 55 and 5 years of service from first deferral or 20 years of service. Deferred compensation expense was $1.1 million, $1.2 million and $1.3 million in Fiscal 2018, 2017, and 2016, respectively.

*Supplemental Executive Retirement Plan ("SERP")*

The primary purpose of this plan was to provide our officers and managers with supplemental retirement income for a period of 15 years after retirement. We have not offered this plan on a continuing basis to members of management since 1998. The plan was funded with individual whole life insurance policies (split dollar program) owned by the named insured officer or manager. We initially paid the life insurance premiums on the life of the individual and the individual would receive life insurance and supplemental cash payments during the 15 years following retirement. In October 2008, the plan was amended as a result of changes in the tax and accounting regulations and rising administrative costs. Under the redesigned SERP, the underlying life insurance policies previously owned by the insured individual became company-owned life insurance ("COLI") by a release of all interests by the participant and assignment to us as a prerequisite to participate in the SERP and transition from the Split Dollar Program. This program remains closed to new employee participation.

To assist in funding the deferred compensation and SERP liabilities, we have invested in COLI policies. The cash surrender value of these policies is presented in investment in life insurance in the accompanying balance sheets and consists of the following:

| (In thousands) | August 25, 2018 | August 26, 2017 |
|---|---|---|
| Cash value | $ 63,574 | $ 62,824 |
| Borrowings | (35,277) | (35,406) |
| Investment in life insurance | $ 28,297 | $ 27,418 |

*Executive Share Option Plan*

The Non-Qualified Share Option Program permitted participants in the Executive Share Option Plan (the "Executive Plan") to choose to defer a portion of their salary or other eligible compensation in the form of options to purchase selected securities, primarily equity-based mutual funds. These assets are treated as trading securities and are recorded at fair value. The Executive Plan has been closed to any additional deferrals since January 2005. The Executive Plan assets related to those options that will expire within a year are included in prepaid expenses and other assets in the accompanying balance sheets. The remaining assets are included in other assets. Total assets on August 25, 2018 and August 26, 2017 were $1.0 million and $1.6 million, respectively.

The difference between the asset and liability balances represents the additional 25% we contributed at the time of the initial deferrals to aid in potential additional earnings to the participant. This contribution is required to be paid back to us when the option is exercised. A participant may exercise his or her options per the plan document, but there is a requirement that after these dollars have been invested for 15 years the participant is required to exercise such option.

*Executive Deferred Compensation Plan*

In December 2006, we adopted the Winnebago Industries, Inc. Executive Deferred Compensation Plan (the "Executive Deferred Compensation Plan"). Under the Executive Deferred Compensation Plan, corporate officers and certain key employees may annually choose to defer up to 50% of their salary and up to 100% of their cash incentive awards. The assets are presented as other assets in the accompanying balance sheets. Such assets on August 25, 2018 and August 26, 2017 were $0.4 million and $0.4 million, respectively.

**Profit Sharing Plan**

We have a qualified profit sharing and contributory 401(k) plan for eligible employees. The plan provides quarterly discretionary matching cash contributions as approved by our Board of Directors. Contributions to the plan for Fiscal 2018, 2017, and 2016 were $2.3 million, $1.6 million, and $1.5 million, respectively.

**Note 11: Contingent Liabilities and Commitments**

**Repurchase Commitments**

Generally, manufacturers in our industries enter into repurchase agreements with lending institutions which have provided wholesale floorplan financing to dealers. Most dealers are financed on a "floorplan" basis under which a bank or finance company lends the dealer all, or substantially all, of the purchase price, collateralized by a security interest in the units purchased.

Our repurchase agreements generally provide that, in the event of default by the dealer on the agreement to pay the lending institution, we will repurchase the financed merchandise. The terms of these agreements, which generally can last up to 24 months, provide that our liability will be the lesser of remaining principal owed by the dealer to the lending institution, or dealer invoice less periodic reductions based on the time since the date of the original invoice. Our liability cannot exceed 100% of the dealer invoice. In certain instances, we also repurchase inventory from our dealers due to state law or regulatory requirements that govern voluntary or involuntary relationship terminations. Although laws vary from state to state, some states have laws in place that require manufacturers of RVs or boats to repurchase current inventory if a dealership exits the business. Our total contingent liability on all repurchase agreements was approximately $879.0 million and $713.1 million at August 25, 2018 and August 26, 2017, respectively.

Repurchased sales are not recorded as a revenue transaction, but the net difference between the original repurchase price and the resale price are recorded against the loss reserve, which is a deduction from gross revenue. Our loss reserve for repurchase commitments contains uncertainties because the calculation requires management to make assumptions and apply judgment regarding a number of factors. Our risk of loss related to these repurchase commitments is significantly reduced by the potential resale value of any products that are subject to repurchase and is spread over numerous dealers and lenders. The aggregate contingent liability related to our repurchase agreements represents all financed dealer inventory at the period reporting date subject to a repurchase agreement, net of the greater of periodic reductions per the agreement or dealer principal payments. Based on these repurchase agreements and our historical loss experience, we establish an associated loss reserve which is included in accrued expenses-other on the consolidated balance sheets. Our accrued losses on repurchases were $0.9 million as of August 25, 2018 and $0.7 million as of August 26, 2017. Repurchase risk is affected by the credit worthiness of our dealer network and we do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions used to establish the loss reserve for repurchase commitments.

A summary of the activity for the fiscal years stated for repurchased units is as follows:

| (Dollars in thousands) | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
|---|---|---|---|
| **Inventory repurchased:** | | | |
| Units | 56 | 14 | 29 |
| Dollars | $ 1,716 | $ 408 | $ 1,605 |
| **Inventory resold:** | | | |
| Units | 56 | 15 | 28 |
| Cash collected | $ 1,585 | $ 393 | $ 1,510 |
| Loss recognized | $ 132 | $ 44 | $ 95 |
| **Units in ending inventory** | — | — | 1 |

**Litigation**

We are involved in various legal proceedings which are ordinary and routine litigation incidental to our business, some of which are covered in whole or in part by insurance. While we believe the ultimate disposition of litigation will not have material adverse effect on our financial position, results of operations or liquidity, there exists the possibility that such litigation may have an impact on our results for a particular reporting period in which litigation effects become probable and reasonably estimable. Though we do not believe there is a reasonable likelihood that there will be a material change related to these matters, litigation is subject to inherent uncertainties and management’s view of these matters may change in the future.

**Lease Commitments**

As part of our acquisition of Grand Design, we acquired leases to two properties which hold Grand Design’s current principal facilities and facilities under construction for expansion. The lessor under these leases is an Indiana limited liability company, Three Oaks, LLC, owned by three of Grand Design's selling equity holders. One of the selling equity holders, Mr. Don Clark is the

President of Grand Design RV; Vice President of Winnebago Industries. Upon joining our company, Mr. Clark has agreed that as long as he is an employee of Grand Design, he has relinquished his voting rights in Three Oaks, LLC while retaining all other economic rights in Three Oaks, LLC.

We have operating leases for certain land, buildings, and equipment. Lease expense was $4.4 million for Fiscal 2018, $2.9 million for Fiscal 2017, and $0.6 million for Fiscal 2016.

Our future lease commitments for future fiscal years included the following related party and non-related party leases:

| | Operating Leases | | |
|---|---|---|---|
| (In thousands) | Related Party Amount | Non-Related Party Amount | Total |
| Fiscal 2019 | $ 1,800 | $ 900 | $ 2,700 |
| Fiscal 2020 | 1,800 | 624 | 2,424 |
| Fiscal 2021 | 1,800 | 570 | 2,370 |
| Fiscal 2022 | 1,800 | 445 | 2,245 |
| Fiscal 2023 | 2,533 | 150 | 2,683 |
| Thereafter | 4,041 | — | 4,041 |
| Total future lease commitments | $ 13,774 | $ 2,689 | $ 16,463 |

**Note 12: Stock-Based Compensation Plans**

We have a 2014 Omnibus Equity, Performance Award, and Incentive Compensation Plan (as amended, the "Plan") in place as approved by shareholders, which allows us to grant or issue non-qualified stock options, incentive stock options, share awards, and other equity compensation to key employees and to non-employee directors.

No more than 3.6 million shares of common stock may be issued under the Plan, and no more than 3.6 million of those shares may be used for awards other than stock options or stock appreciation rights. Shares subject to awards that are forfeited or terminated, expire unexercised, are cancelled and settled in cash in lieu of common stock or are exchanged for awards that do not involve common stock, shall be added back to the limits and again immediately become available for awards.

The term of any options granted under the Plan may not exceed ten years from the date of the grant. Stock options are granted at the closing market price on the date of grant. Options issued to key employees generally vest over a three-year period in equal annual installments, beginning one year after the date of grant, with immediate vesting upon a change of control (as defined in the Plan), if earlier.

Share awards generally vest over a three-year period in equal annual installments with continued employment, beginning one year after the date of grant, with immediate vesting upon retirement for awards made prior to October 2016 or upon a change of control (collectively, "time-based") or upon attainment of established goals. Share awards that are not time-based typically vest at the end of a one-year or three-year incentive period based upon the achievement of company goals ("performance-based"). The value of time-based restricted share awards is based on the number of shares granted and the closing price of our common stock on the date of grant. The value of performance-based restricted share awards is based upon the terms of the plan, the closing price of our common stock on the date of grant, and an assessment of the probability of reaching the established performance targets. Historically, the terms of these plans linked the incentive payment to a percentage of base salary compensation, and if the established goals are met, shares of the appropriate value are then granted.

Our Employee Stock Purchase Plan ("ESPP"), as approved by the shareholders at the December 12, 2017 annual meeting, permits employees to purchase our common stock at a 15% discount from the market price at the end of semi-annual purchase periods and is compensatory. Employees are required to hold the common stock purchased for one year. In Fiscal 2018, 2,760 shares were purchased through the ESPP. At August 25, 2018, plan participants had accumulated $0.1 million to purchase our common stock pursuant to this plan.

Total stock-based compensation expense for the past three fiscal years consisted of the following components:

| | Year Ended | | |
|---|---|---|---|
| (In thousands) | August 25, 2018 | August 26, 2017 | August 27, 2016 |
| Share awards: | | | |
| Performance-based | $ 2,525 | $ 69 | $ 807 |
| Time-based | 4,152 | 2,606 | 2,326 |
| Stock options | 502 | 164 | 11 |
| Other[1] | 255 | 138 | 149 |
| Total stock-based compensation | $ 7,434 | $ 2,977 | $ 3,293 |

(1) Includes stock-based compensation expense related to Board of Directors stock unit expense and ESPP expense. Directors may elect to defer all or part of their annual retainer into a deferred compensation plan. The plan allows them to defer into either money units or stock units and is more fully described in the Proxy Statement.

**Share Awards - Performance-Based**

*Long-Term Incentive Plan*

In each fiscal year presented, the Human Resources Committee of our Board of Directors established a three year incentive compensation plan to serve as an incentive to our senior management team to achieve certain company-performance targets. If the targets are met, restricted stock is awarded subsequent to the end of each three year period with a one year restriction on sale upon award (except for shares we agree to repurchase in lieu of executives' payment of payroll taxes). In the event that we do not achieve the required targets, no restricted stock will be granted. If it becomes probable that certain of the performance targets will be achieved, the corresponding estimated cost of the grant will be recorded as stock-based compensation expense over the performance period. The probability of reaching the targets is evaluated each reporting period. If it becomes probable that certain of the target performance levels will be achieved, a cumulative adjustment will be recorded and future stock-based-compensation expense will increase based on the then projected performance levels. If we later determine that it is not probable that the minimum performance threshold for the grants will be met, no further stock-based compensation cost will be recognized and any previously recognized stock-based compensation cost related to these plans will be reversed.

*Annual Incentive Plan*

The Human Resources Committee of our Board of Directors establishes annual incentive plans for the officers. The Fiscal 2018 and Fiscal 2017 Annual Incentive Plans were paid entirely in cash, while the Fiscal 2016 Annual Incentive Plan was paid in 2/3 cash and 1/3 restricted stock (stock must be held for one year from date of grant except for shares we agree to repurchase in lieu of executives' payment of payroll taxes). On October 11, 2016, 17,532 restricted shares were awarded related to the Fiscal 2016 Annual Incentive Plan.

**Share Awards - Time-Based**

A summary of share award activity for Fiscal 2018, 2017 and 2016 is as follows:

| | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| | August 25, 2018 | | August 26, 2017 | | August 27, 2016 | |
| | Shares | Weighted Average Grant Date Fair Value | Shares | Weighted Average Grant Date Fair Value | Shares | Weighted Average Grant Date Fair Value |
| Beginning of year | 243,769 | $ 23.61 | 283,881 | $ 20.45 | 163,420 | $ 20.83 |
| Granted | 167,781 | 42.54 | 156,801 | 28.13 | 240,270 | 19.72 |
| Vested | (100,648) | 23.96 | (159,979) | 22.66 | (110,283) | 19.44 |
| Cancelled | (25,711) | 29.64 | (36,934) | 22.61 | (9,526) | 20.28 |
| End of year | 285,191 | $ 34.08 | 243,769 | $ 23.61 | 283,881 | $ 20.45 |

The aggregate intrinsic value of awards outstanding at August 25, 2018 was $10.6 million. As of August 25, 2018, there was $5.6 million of unrecognized compensation expense related to restricted stock awards that is expected to be recognized over a weighted average period of 1.2 years. The total fair value of awards vested during Fiscal 2018, 2017 and 2016 was $7.1 million, $4.9 million, and $2.2 million, respectively.

On October 15, 2018, the Board of Directors granted 77,869 restricted stock units under the Plan valued at $2.5 million to our key management group (approximately 40 employees). The Board of Directors also granted 23,975 restricted stock units valued at

$0.8 million to the non-management members of the Board. The value of the restricted stock units is based on the closing price of our common stock on the date of grant, which was $31.70. The fair value of this award is amortized on a straight-line basis over the requisite service period of three years for employees and one year for non-management members of the Board. Estimated non-cash stock compensation expense based on this grant is expected to be approximately $1.6 million for Fiscal 2019.

**Stock Options**

A summary of stock option activity for Fiscal 2018, 2017 and 2016 is as follows:

| | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| | August 25, 2018 | | August 26, 2017 | | August 27, 2016 | |
| | Shares | Wtd. Avg. Exercise Price/Share | Shares | Wtd. Avg. Exercise Price/Share | Shares | Wtd. Avg. Exercise Price/Share |
| Outstanding at beginning of year | 65,800 | $ 28.15 | 10,000 | $ 16.67 | 167,394 | $ 28.30 |
| Options granted | 72,710 | 44.40 | 63,800 | 29.92 | 10,000 | 16.67 |
| Options cancelled | — | — | (8,000) | 27.89 | (167,394) | 28.30 |
| Outstanding at end of year | 138,510 | $ 36.68 | 65,800 | $ 28.15 | 10,000 | $ 16.67 |
| | | | | | | |
| Exercisable at end of year | 25,263 | $ 26.64 | 3,333 | $ 16.67 | — | $ — |
| Vested and expected to vest at end of year | 138,510 | $ 36.68 | 65,800 | $ 28.15 | 10,000 | $ 16.67 |

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average valuation assumptions:

| Valuation Assumptions[1] | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
|---|---|---|---|
| Expected dividend yield | 0.90% | 1.35% | 2.40% |
| Risk-free interest rate [2] | 1.99% | 1.47% | 1.49% |
| Expected life (in years) [3] | 5 | 5 | 5 |
| Expected volatility [4] | 38.08% | 39.34% | 43.52% |
| Weighted average fair value of options granted | $14.78 | $9.58 | $5.31 |

(1) Forfeitures are recorded when they occur.
(2) Risk-free interest rate is based on Treasury Securities constant maturity interest rate whose term is consistent with the expected life of the stock options.
(3) Expected life of stock options is based on historical experience.
(4) Expected stock price volatility is based on historical experience over a term consistent with the expected life of the stock options.

The weighted average remaining contractual life for options outstanding at August 25, 2018 was 8.6 years. Aggregate intrinsic value for options outstanding at August 25, 2018 was $0.6 million. As of August 25, 2018, there was $1.0 million of unrecognized compensation expense related to option awards that is expected to be recognized over a weighted average period of 1.8 years.

On October 15, 2018, the Board of Directors granted 114,635 stock options to our officers.

**Note 13: Income Taxes**

Income tax expense consisted of the following:

| | Year Ended | | |
|---|---|---|---|
| (In thousands) | August 25, 2018 | August 26, 2017 | August 27, 2016 |
| Current | | | |
| Federal | $ 28,874 | $ 33,125 | $ 14,293 |
| State | 5,215 | 2,937 | 1,685 |
| Total | 34,089 | 36,062 | 15,978 |
| Deferred | | | |
| Federal | 5,123 | 926 | 4,280 |
| State | 1,071 | 281 | 444 |
| Total | 6,194 | 1,207 | 4,724 |
| Income Tax Expense | $ 40,283 | $ 37,269 | $ 20,702 |

The following table provides a reconciliation of the U.S. statutory income tax rate to our effective income tax rate:

| | Year Ended | | |
|---|---|---|---|
| | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| U.S. federal statutory rate[1] | 25.9 % | 35.0 % | 35.0 % |
| State taxes, net of federal benefit | 3.0 % | 2.8 % | 2.5 % |
| Tax-free and dividend income | (0.4)% | (0.7)% | (1.3)% |
| Income tax credits | (0.5)% | (0.6)% | (1.1)% |
| Domestic production activities deduction | (2.2)% | (2.4)% | (2.5)% |
| Uncertain tax positions settlements and adjustments | 0.1 % | (0.6)% | — % |
| Impact from Tax Act | 2.6 % | — % | — % |
| Other items | (0.3)% | 0.8 % | (1.3)% |
| Effective tax provision rate | 28.2 % | 34.3 % | 31.3 % |

(1) The U.S. federal statutory rate for the year ended August 25, 2018 is a blended rate, which includes the impact of the Tax Act enactment.

Our effective tax rate decreased to 28.2% for Fiscal 2018 from 34.3% for Fiscal 2017 due primarily to the enactment of the Tax Act on December 22, 2017. One of the most significant provisions of this legislation was a reduction in the Federal corporate income tax rate from 35.0% to 21.0% effective beginning January 1, 2018. Most of the remaining significant provisions of the Tax Act, such as the repeal of the federal domestic production activities deduction, take effect in our Fiscal 2019.

ASU 2018-05, *Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*, provided guidance for companies that allows for a measurement period of up to one year after the enactment date of the Tax Act to finalize the recording of the related tax impacts under ASC 740, *Income Taxes*. In accordance with this guidance, a company must reflect the income tax effect of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete, but it is able to determine a reasonable estimate, the company must record a provisional estimate in the financial statements.

In accordance with ASC 740, as of the date of enactment through the year ended August 25, 2018, we recorded a non-cash provisional estimate of $3.6 million to income tax expense and a corresponding increase in the net deferred tax asset as a result of revaluing all deferred tax assets and liabilities at the newly enacted Federal corporate income tax rate.

We are still analyzing certain aspects of the Tax Act and refining our calculations, which could potentially affect the measurement of our deferred tax balances and cause us to revise our estimate in future periods. These impacts may be material, due to, among other things, further refinement of our calculations, changes in interpretations of the Tax Act, or issuance of additional guidance by the relevant tax authorities.

The tax effects of temporary differences that give rise to deferred income taxes were as follows:

| **(In thousands)** | **August 25, 2018** | **August 26, 2017** |
|---|---|---|
| Deferred income tax asset (liability) | | |
| Deferred compensation | $ 4,730 | $ 9,135 |
| Warranty reserves | 9,842 | 11,675 |
| Self-insurance reserve | 2,601 | 1,967 |
| Accrued vacation | 1,298 | 2,142 |
| Stock based compensation | 1,277 | 943 |
| Inventory | 615 | — |
| Unrecognized tax benefit | 584 | 437 |
| Other[1] | 1,797 | 2,072 |
| Total deferred tax assets | 22,744 | 28,371 |
| Inventory | — | (1,919) |
| Intangibles | (21,292) | (7,455) |
| Depreciation | (5,909) | (6,261) |
| Total deferred tax liabilities | (27,201) | (15,635) |
| Total deferred income tax (liabilities) assets, net | $ (4,457) | $ 12,736 |

(1) At August 25, 2018, other includes $1.4 million and $0.1 million related to federal and state net operating losses, respectively, that do not expire. We have evaluated all the positive and negative evidence and consider it more likely than not that these carryforwards can be realized.

It is our policy to recognize interest and penalties accrued relative to unrecognized tax benefits in income tax expense. Total reserves for uncertain tax positions were not material.

We file a U.S. Federal tax return, as well as returns in various international and state jurisdictions. Although certain years are no longer subject to examination by the Internal Revenue Service ("IRS") and various state taxing authorities, net operating loss carryforwards generated in those years may still be adjusted upon examination by the IRS or state taxing authorities. As of August 25, 2018, our federal returns from Fiscal 2015 to present are subject to review by the IRS. With limited exception, state returns from Fiscal 2014 to present continue to be subject to review by state taxing jurisdictions. Several years may lapse before an uncertain tax position is audited and finally resolved and it is difficult to predict the outcome of such audits.

**Note 14: Income per Share**

The following table reflects the calculation of basic and diluted income per share for the past three fiscal years:

| | Year Ended | | |
|---|---|---|---|
| **(In thousands, except per share data)** | **August 25, 2018** | **August 26, 2017** | **August 27, 2016** |
| **Income per share - basic** | | | |
| Net income | $ 102,357 | $ 71,330 | $ 45,496 |
| Weighted average shares outstanding | 31,596 | 30,648 | 26,925 |
| Net income per share - basic | $ 3.24 | $ 2.33 | $ 1.69 |
| | | | |
| **Income per share - assuming dilution** | | | |
| Net income | $ 102,357 | $ 71,330 | $ 45,496 |
| Weighted average shares outstanding | 31,596 | 30,648 | 26,925 |
| Dilutive impact of awards and options outstanding | 218 | 118 | 108 |
| Weighted average shares and potential dilutive shares outstanding | 31,814 | 30,766 | 27,033 |
| Net income per share - assuming dilution | $ 3.22 | $ 2.32 | $ 1.68 |

The computation of weighted average shares and potential dilutive shares outstanding excludes the effect of options to purchase 62,323, 55,800, and 10,000 shares of common stock for the fiscal years ended August 25, 2018, August 26, 2017, and August 27, 2016, respectively. These amounts were not included in the computation of diluted income per share because they are considered anti-dilutive under the treasury stock method.

**Note 15: Accumulated Other Comprehensive Income (Loss)**

Changes in AOCI by component, net of tax, were:

| | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| | August 25, 2018 | | | August 26, 2017 | | |
| (In thousands) | Defined Benefit Pension Items | Interest Rate Swap | Total | Defined Benefit Pension Items | Interest Rate Swap | Total |
| Balance at beginning of year | $ (509) | $ (514) | $ (1,023) | $ 10,975 | $ — | $ 10,975 |
| OCI before reclassifications | — | 1,947 | 1,947 | 3,846 | (514) | 3,332 |
| Amounts reclassified from AOCI | 27 | — | 27 | (15,330) | — | (15,330) |
| Net current-period OCI | 27 | 1,947 | 1,974 | (11,484) | (514) | (11,998) |
| Reclassification to retained earnings | (109) | 50 | (59) | — | — | — |
| Balance at end of year | $ (591) | $ 1,483 | $ 892 | $ (509) | $ (514) | $ (1,023) |

Reclassifications out of AOCI in net periodic benefit costs, net of tax, were:

| | | Year Ended | | |
|---|---|---|---|---|
| (In thousands) | Location on Consolidated Statements of Income and Comprehensive Income | August 25, 2018 | August 26, 2017 | August 27, 2016 |
| Amortization of prior service credit | SG&A | $ — | $ (25,035) | $ (4,788) |
| Amortization of net actuarial loss | SG&A | 27 | 9,705 | 1,010 |
| Total reclassifications | | $ 27 | $ (15,330) | $ (3,778) |

**Note 16: Interim Financial Information (Unaudited)**

The following tables show selected operating results for each 3-month quarter of Fiscal 2018 and 2017 (unaudited):

| Fiscal 2018 | Quarter Ended | | | |
|---|---|---|---|---|
| (In thousands, except per share data) | November 25, 2017 | February 24, 2018 | May 26, 2018 | August 25, 2018 |
| Net revenues | $ 450,021 | $ 468,359 | $ 562,261 | $ 536,188 |
| Gross profit | 62,831 | 67,661 | 85,514 | 83,830 |
| Operating income | 31,176 | 35,251 | 48,277 | 45,688 |
| Net income | 17,958 | 22,088 | 32,521 | 29,790 |
| Net income per share (basic) | 0.57 | 0.70 | 1.03 | 0.94 |
| Net income per share (diluted) | 0.57 | 0.69 | 1.02 | 0.94 |

| Fiscal 2017 | Quarter Ended | | | |
|---|---|---|---|---|
| (In thousands, except per share data) | November 26, 2016 | February 25, 2017 | May 27, 2017 | August 26, 2017 |
| Net revenues | $ 245,308 | $ 370,510 | $ 476,364 | $ 454,936 |
| Gross profit | 28,875 | 49,316 | 70,804 | 73,582 |
| Operating income | 18,399 | 28,376 | 34,860 | 43,471 |
| Net income | 11,738 | 15,278 | 19,391 | 24,923 |
| Net income per share (basic)(1) | 0.42 | 0.48 | 0.61 | 0.79 |
| Net income per share (diluted)(1) | 0.42 | 0.48 | 0.61 | 0.79 |

(1) The sum of the quarterly amounts will not equal the YTD amount due primarily to the stock issuance during Fiscal 2017.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures and believes that such controls and procedures are effective at the reasonable assurance level.

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in the Exchange Act Rule 13a-15(b), as of the end of the period covered by this Annual Report (the "Evaluation Date"). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the Evaluation Date.

**Evaluation of Internal Control Over Financial Reporting**

Management's report on internal control over financial reporting as of August 25, 2018 is included within Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K and is incorporated herein by reference. The report of Deloitte & Touche LLP on the effectiveness of internal control over financial reporting is included within Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K and is incorporated herein by reference.

**Changes in Internal Control Over Financial Reporting**

There were no changes in internal control over financial reporting during the fourth fiscal quarter ended August 25, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We are implementing an Enterprise Resource Planning ("ERP") system which is expected to improve the efficiency of certain financial and related transaction processes. The implementation of an ERP system will likely affect the processes that constitute our internal control over financial reporting and will require testing for effectiveness. As we have completed implementation of certain phases of the ERP, internal controls over financial reporting have been tested for effectiveness with respect to the scope of the phase completed. We concluded, as part of our evaluation described in the above paragraphs, that the implementation of ERP in these circumstances has not materially affected our internal control over financial reporting. The implementation is continuing in a phased approach and will continue to be evaluated for effect on our internal control over financial reporting.

**Item 9B. Other Information.**

None.

**PART III**

**Item 10. Directors, Executive Officers, and Corporate Governance.**

Reference is made to the table entitled "Executive Officers of the Registrant" in Part I of this report and to the information included under the captions "Corporate Governance," "Section 16(a) Beneficial Ownership Reporting Compliance," "Election of Directors," and "Fiscal Year 2019 Shareholder Proposals" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 11, 2018, which information is incorporated by reference herein.

We have adopted a written code of ethics, the "Code of Conduct" (the "Code"), which is applicable to each our employees, including our Chief Executive Officer, Chief Financial Officer, and Treasurer (such three officers, collectively, the "Senior Officers"). In accordance with the rules and regulations of the SEC, a copy of the Code is posted on our website at www.winnebagoind.com in the "Company" section under "Investor Relations - Corporate Governance."

We intend to disclose any changes in or waivers from the Code applicable to any Senior Officer on our website at www.winnebagoind.com or by filing a Form 8-K.

**Item 11. Executive Compensation.**

Reference is made to the information included under the captions "Director Compensation" and "Executive Compensation" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 11, 2018, which information is incorporated by reference herein.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

Reference is made to the table entitled "Equity Compensation Plan Information" in Part II of this report and to the share ownership information included under the caption "Voting Securities and Principal Holders Thereof" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 11, 2018, which information is incorporated by reference herein.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

Reference is made to the information included under the caption "Corporate Governance" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 11, 2018, which information is incorporated by reference herein.

**Item 14. Principal Accounting Fees and Services.**

Reference is made to the information included under the caption "Independent Registered Public Accountant's Fees and Services" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 11, 2018 which information is incorporated by reference herein.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

1. Our consolidated financial statements are set forth under Item 8 of this report.

2. Financial Statement Schedules: Winnebago Industries, Inc. and Subsidiaries

All schedules are omitted because of the absence of the conditions under which they are required or because the information required is shown in the consolidated financial statements or the notes thereto.

3. Exhibit Index

**Exhibit Number and Description**

2a. Securities Purchase Agreement by and among, Grand Design RV, LLC, Octavius Corporation, Winnebago Industries, Inc. Summit Partners Growth Equity Fund VIII-B, L.P., Summit Partners Growth Equity Fund VIII-A, L.P., Summit Partners Entrepreneur Advisors Fund I, L.P., Summit Investors I, LLC, Summit Investors I (UK), L.P., SP GE VIII-B GD RV Holdings, L.P., RDB IIII, Inc., and each of the shareholders of RDB III, Inc. previously filed with the Registrant's Current Report on Form 8-K dated October 2, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

3a. Articles of Incorporation.

3b. Amended By-Laws of the Registrant previously filed as Exhibit 3.1 with the Registrant's Current Report on Form 8-K dated March 16, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10a. Winnebago Industries, Inc. Deferred Compensation Plan previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 2, 1991 (Commission File Number 001-06403), and incorporated by reference herein and the Amendment dated June 29, 1995 previously filed as Exhibit 10.B with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 001-06403) and incorporated by reference herein.*

10b. Winnebago Industries, Inc. Executive Share Option Plan previously filed as Exhibit 10.J with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 1998 (Commission File Number 001-06403) and incorporated by reference herein, and the Amendment dated July 1, 1999 previously filed as Exhibit 10.J with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 29, 1999 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated January 1, 2001 previously filed as Exhibit 10.I with the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 24, 2001 (Commission File Number 001-06403) and incorporated by reference herein.*

10c. Winnebago Industries, Inc. Executive Deferred Compensation Plan previously filed as Exhibit 10.C with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and the Amendment dated June 21, 2011 previously filed as Exhibit 10.BB with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 27, 2011 (Commission File Number 001-06403) and incorporated by reference herein.*

10d. Winnebago Industries, Inc. 2004 Incentive Compensation Plan previously filed as Appendix B with the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on January 13, 2004 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated October 11, 2006 previously filed as Exhibit 10.A with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated March 23, 2011 previously filed as Exhibit 10.1 with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 28, 2011 (Commission File Number 001-06403) and incorporated by reference herein.*

10e. Winnebago Industries, Inc. 2014 Omnibus Equity, Performance Award, and Incentive Compensation Plan previously filed as Appendix B with the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on December 17, 2013 (Commission File Number 001-06403) and incorporated by reference herein and the Supplement previously filed as Exhibit 10.1 with the Registrant's Current Report on Form 8-K dated December 6, 2013 (Commission File Number 001-06403) and incorporated by reference herein.*

10f. Winnebago Industries, Inc. Directors' Deferred Compensation Plan previously filed as Exhibit 10.E with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 1997 (Commission File Number 001-06403), and incorporated by reference herein and the Amendment dated October 15, 2003 previously filed as Exhibit 10.H with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 29, 2003 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated October 11, 2006 previously filed as

Exhibit 10.B with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and the Amendment dated July 1, 2013 previously filed as Exhibit 10.1 with the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 1, 2013 (Commission File Number 001-06403) and incorporated by reference herein.*

10g. Winnebago Industries, Inc. Profit Sharing and Deferred Savings Investment Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1985 (Commission File Number 001-06403), and incorporated by reference herein, the Amendment dated July 1, 1995 previously filed as Exhibit 10.C with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 001-06403) and incorporated by reference herein.*

10h. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2015, 2016 and 2017 previously filed as Exhibit 99.2 with the Registrant's Current Report on Form 8-K dated June 18, 2014 (Commission File Number 001-06403) and incorporated by reference herein.*

10i. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2016, 2017 and 2018 previously filed as Exhibit 99.2 with the Registrant's Current Report on Form 8-K dated June 16, 2015 (Commission File Number 001-06403) and incorporated by reference herein.*

10j. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2017, 2018 and 2019 previously filed as Exhibit 99.2 with the Registrant's Current Report on Form 8-K dated October 11, 2016 (Commission File Number 001-06403) and incorporated by reference herein.*

10k. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2018, 2019 and 2020 previously filed as Exhibit 99.2 with the Registrant's Current Report on Form 8-K dated October 17, 2017 (Commission File Number 001-06403) and incorporated by reference herein.*

10l. Executive Change of Control Agreement dated June 20, 2012 between Winnebago Industries, Inc. and S. Scott Degnan previously filed as Exhibit 10.V with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 25, 2012 (Commission File Number 001-06403) and incorporated by reference herein.*

10m. Executive Change of Control Agreement dated April 26, 2016 between Winnebago Industries, Inc. and Michael J. Happe previously filed as Exhibit 99.1 with the Registrant's Current Report on Form 8-K dated April 26, 2016 (Commission File Number 001-06403) and incorporated by reference herein.*

10n. Executive Change of Control Agreement dated September 16, 2016 between Winnebago Industries, Inc. and Brian Hazelton previously filed as Exhibit 10.U with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 27, 2016 (Commission File Number 001-06403) and incorporated by reference herein.*

10o. Separation Agreement dated June 19, 2017 between Winnebago Industries, Inc. and Sarah N. Nielsen previously filed as Exhibit 10.1 with the Registrant's Annual Report on Form 8-K dated June 19, 2017 (Commission File Number 001-06403) and incorporated by reference herein.*

10p. Executive Change of Control Agreement dated December 22, 2017 between Winnebago Industries, Inc. and Bryan L. Hughes previously filed as Exhibit 99.1 with the Registrant's Current Report on Form 8-K dated December 22, 2017 (Commission File Number 001-06403) and incorporated by reference herein.*

10q. Winnebago Industries, Inc. Supplemental Executive Retirement Plan previously filed as Exhibit 10.Z with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 2009 (Commission File Number 001-06403) and incorporated by reference herein.*

10r. Winnebago Industries, Inc. Officers' Incentive Compensation Plan for Fiscal Period 2016 previously filed as Exhibit 99.1 with the Registrant's Current Report on Form 8-K dated June 16, 2015 (Commission File Number 001-06403) and incorporated by reference herein.*

10s. Winnebago Industries, Inc. Officers' Incentive Compensation Plan for Fiscal Period 2017 previously filed as Exhibit 99.1 with the Registrant's Current Report on Form 8-K dated October 11, 2016 (Commission File Number 001-06403) and incorporated by reference herein.*

10t. Winnebago Industries, Inc. Officers' Incentive Compensation Plan for Fiscal Period 2018 previously filed as Exhibit 99.1 with the Registrant's Current Report on Form 8-K dated October 17, 2017 (Commission File Number 001-06403) and incorporated by reference herein.*

10u. Winnebago Industries, Inc. Amended and Restated Credit Agreement with General Electric Capital Corporation (later acquired by Wells Fargo Capital Finance) previously filed as Exhibit 10.1 with the Registrant's Current Report on Form 8-K dated October 31, 2012 and amended on Exhibit 10.1 of the Registrant's Current Report on Form 8-K dated May 28, 2014 (Commission File Number 001-06403) and incorporated by reference herein.

10v. Non-competition, Non-solicitation and Confidentiality Agreement by and among Octavius Corporation, Winnebago Industries, Inc., Grand Design RV, LLC, RDB III, Inc., Ronald Fenech, Donald Clark and William Fenech previously filed as Exhibit 10.1 with the Registrant's Current Report on Form 8-K dated October 2, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10w. Non-Solicitation and Confidentiality Agreement by and among Octavius Corporation, Winnebago Industries, Inc., Grand Design, RV, LLC, Summit Partners Growth Equity Fund VIII-B, L.P., Summit Partners Growth Equity Fund VIII-A, L.P., Summit Entrepreneur Advisors Fund I, L.P., Summit Investors I, LLC, Summit Investors I (UK), L.P., and SP GE VIII-B GD RV Holdings previously filed as Exhibit 10.2 with the Registrant's Current Report on Form 8-K dated October 2, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10x. Registration Rights Agreement by and among Winnebago Industries, Inc., Summit Partners Growth Equity Fund VIII-A, L.P., Summit Partners Growth Equity Fund VIII-B, L.P., Summit Partners Entrepreneur Advisors Fund I, L.P., Summit Investors I, LLC, Summit Investors I (UK), L.P. and SP GE VIII-B GD RV Holdings, L.P., Donald Clark, Ronald Fenech, and William Fenech previously filed as Exhibit 10.3 with the Registrant's Current Report on Form 8-K dated October 2, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10y. Employment Agreement by and between Grand Design RV, LLC and Donald Clark dated October 2, 2016 previously filed as Exhibit 10.9 with the Registrant's Current Report on Form 8-K dated October 2, 2016 including Exhibit A, Executive Change of Control Agreement between Winnebago Industries, Inc. and Donald Clark (Commission File Number 001-06403) and incorporated by reference herein.

10z. Loan Agreement by and among Winnebago Industries, Inc., Octavius Corporation and JPMorgan Chase Bank, N.A. previously filed as Exhibit 99.2 with the Registrant's Current Report on Form 8-K dated November 8, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10aa. Amendment No. 1 to Loan Agreement dated as of December 8, 2017 among Octavius Corporation, JPMorgan Chase Bank, N.A. as Administrative Agent and the lender parties hereto previously filed as Exhibit 10.1 with the Registrant’s Current Report on Form 8-K dated December 8, 2017 (Commission File No. 001-06403) and incorporated by reference herein.

10ab. Credit Agreement by and among Winnebago Industries, Inc., Winnebago of Indiana, LLC, Grand Design RV, LLC and JPMorgan Chase Bank, N.A. previously filed as Exhibit 99.3 with the Registrant's Current Report on Form 8-K dated November 8, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10ac. Amendment No. 2 to Credit Agreement dated as of December 8, 2017 by and among Winnebago Industries, Inc., Winnebago of Indiana, LLC, Grand Design RV, LLC, the other Loan Parties hereto, the financial institutions party hereto as Lenders, and JPMorgan Chase Bank, N.A. as Administrative Agent previously filed as Exhibit 10.2 with the Registrant’s Current Report on Form 8-K dated December 8, 2017 (Commission File No. 001-06403) and incorporated by reference herein.

10ad. Intercreditor Agreement by and among Winnebago Industries, Inc., Winnebago of Indiana, LLC, Grand Design RV, LLC, Octavius Corporation and JPMorgan Chase Bank, N.A. previously filed as Exhibit 99.4 with the Registrant's Current Report on Form 8-K dated November 8, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10ae. Lease Agreement (Main Facility) dated November 8, 2016 by and between Three Oaks, LLC and Grand Design RV, LLC previously filed as Exhibit 99.4 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended November 26, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

10af. Lease Agreement (Expansion Facility) dated November 8, 2016 by and between Three Oaks, LLC and Grand Design RV, LLC previously filed as Exhibit 99.5 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended November 26, 2016 (Commission File Number 001-06403) and incorporated by reference herein.

21. List of Subsidiaries.

23. Consent of Independent Registered Public Accounting Firm.

31.1 Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification by the Chief Executive Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification by the Chief Financial Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS**XBRL Instance Document

101.SCH**XBRL Taxonomy Extension Schema Document

101.CAL**XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF**XBRL Taxonomy Extension Definitions Linkbase Document

101.LAB**XBRL Taxonomy Extension Label Linkbase Document

101.PRE**XBRL Taxonomy Extension Presentation Linkbase Document

*Management contract or compensation plan or arrangement.

**Attached as Exhibit 101 to this report are the following financial statements from our Annual Report on Form 10-K for the year ended August 25, 2018 formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income and Comprehensive Income, (iii) the Consolidated Statements of Changes in Stockholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (v) related notes to these financial statements. Such exhibits are deemed furnished and not filed pursuant to Rule 406T of Regulation S-T.

**Item 16. Form 10-K Summary.**

None.

Table of Contents

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WINNEBAGO INDUSTRIES, INC.

By */s/ Michael J. Happe*
Michael J. Happe

President, Chief Executive Officer
(Principal Executive Officer)

Date: October 18, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on October 18, 2018, by the following persons on behalf of the Registrant and in the capacities indicated.

| Signature | Capacity |
|---|---|
| */s/ Michael J. Happe*<br>Michael J. Happe | President, Chief Executive Officer<br>(Principal Executive Officer) |
| */s/ Bryan L. Hughes*<br>Bryan L. Hughes | Vice President, Chief Financial Officer<br>(Principal Financial and Accounting Officer) |
| */s/ Maria F. Blase*<br>Maria F. Blase | Director |
| */s/ Christopher J. Braun*<br>Christopher J. Braun | Director |
| */s/ Robert M. Chiusano*<br>Robert M. Chiusano | Director |
| */s/ William C. Fisher*<br>William C. Fisher | Director |
| */s/ David W. Miles*<br>David W. Miles | Director |
| */s/ Richard D. Moss*<br>Richard D. Moss | Director |
| */s/ John M. Murabito*<br>John M. Murabito | Director |
| */s/ Martha T. Rodamaker*<br>Martha T. Rodamaker | Director |

Exhibit 3a

Exhibit B
to
Secretary's
Certificate

1966 DEC 1 PM 5

RESTATED ARTICLES OF INCORPORATION

OF

WINNEBAGO INDUSTRIES, INC.

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:

Pursuant to the provisions of Chapter 496A of the 1966 Code of Iowa, the Iowa Business Corporation Act, the undersigned Corporation adopts the following Articles of Amendment and Restated Articles of Incorporation:

(1). The name of the Corporation is Winnebago Industries, Inc. The effective date of its incorporation was the 12th day of February, 1958. Its original name was Modernistic Industries of Iowa.

(2). The following Amended and Restated Articles of Incorporation were adopted by the Shareholders of the Corporation entitled to vote thereon on the 10th day of December, 1966, in the manner prescribed by the Iowa Business Corporation Act, and the following Amended and Restated Articles of Incorporation correctly sets forth the corresponding provisions of the Articles of Incorporation as heretofore or hereby amended, and the following Amended and Restated Articles of Incorporation supersede the original Articles of Incorporation and all previous amendments thereto:

ARTICLE I

NAME OF CORPORATION:

The name of the Corporation shall be "Winnebago Industries, Inc."

ARTICLE II

DURATION:

The period of its duration shall be perpetual.

ARTICLE III

POWERS AND PURPOSES:

The Corporation shall have unlimited power to engage in, or do any lawful act concerning any or all lawful businesses for which Corporations may be organized under said Act.

ARTICLE IV

CAPITAL STOCK:

The aggregate number of shares which the Corporation shall be authorized to issue is Five Million (5,000,000) shares of Common Stock having a par value of One Dollar ($1.00) each, all being of a single class.

Each Common share shall be entitled to one vote at each meeting of the shareholders. The Common Stockholders shall have all voting rights and control of the Corporation.

It is further provided that none of the said Common Stock of this Corporation shall be issued other than for cash, materials or equipment to be provided for this Corporation; the value of which shall be determined by the Board of Directors.

No Shareholder shall have any pre-emptive right to acquire additional shares of the Corporation nor shall any Shareholder have any pre-emptive right to acquire treasury shares of the Corporation.

At the time of adoption of this Amended and Restated Articles of Incorporation, the Corporation had outstanding One Hundred Thirty-three Thousand Nine Hundred Ten (133,910) shares of Common Stock having a par value of Five Dollars ($5.00) each, for which issuance, the aggregate sum of Six Hundred Sixty-nine Thousand Five Hundred Fifty Dollars ($669,550.00) has been paid into the Corporation and constitutes its stated capital. Upon issuance of Restated Certificate of Incorporation by the Secretary of State, all of said shares of outstanding Five Dollar ($5.00) par Common Stock thus issued by the Corporation shall be forthwith surrendered to the Corporation for cancellation and exchange for Common Stock of the Corporation having a par value of One Dollar ($1.00) per share, using as the basis for exchange and reissue Five (5) for One (1), resulting upon reissue in 669,550 outstanding shares of Common Stock having a par value of One Dollar ($1.00) each and the unchanged paid in and stated capital value of Six Hundred Sixty-nine Thousand Five Hundred Fifty Dollars ($669,550.00)

ARTICLE V

THE REGISTERED OFFICE AND AGENT:

The address of the registered office of the Corporation shall be 201-202 Secor Building, Forest City, Iowa; and its registered agent at such address shall be Elliott E. Cooper.

ARTICLE VI

DIRECTORS:

The number of directors constituting the Board of Directors of the Corporation shall be not more than Seven (7) nor less than three (3) with the present Board consisting of five (5) and the names and addresses of such persons serving as Directors until the next annual meeting of the Shareholders or until their successors are elected and qualified are:

John K. Hanson, 606 South 4th Street, Forest City, Iowa
G. W. Peterson, 846 West J Street, Forest City, Iowa
Gerald E. Boman, 935 West J Street, Forest City, Iowa
Luise V. Hanson, 606 South 4th Street, Forest City, Iowa
Elliott E. Cooper, 201-202 Secor Building, Forest City, Iowa

* * * * * * *

(3). That the said Amended and Restated Articles of Incorporation were adopted at a special meeting of the Common Stockholders of said Corporation held on the 10th day of December, 1966; said Common Stockholders being the only shareholders of the Corporation.

(4). The number of Common Shares of the Corporation outstanding at the time of such adoption was One Hundred Thirty-three Thousand Nine Hundred Ten (133,910); and the number of Common Shares entitled to vote thereon was One Hundred Thirty-three Thousand Nine Hundred Ten (133,910); that the number of shares voted for such amendment was 131,512; and the number of shares voted against such amendment was none.

(5). The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows:

| Class | Number of Shares |
|---|---|
| Common | 133,910 |

(6). The number of shares of each class entitled to vote thereon as a class, voted for and against such Amended and Restated Articles of Incorporation.

| Class | Number of Shares Voted For | Number of Shares Voted Against |
|---|---|---|
| Common | 131,512 | none |

Dated December 10th, 1966.

WINNEBAGO INDUSTRIES, INC.
by John K. Hanson
Its President
by Elliott E. Cooper
Its Secretary

STATE OF IOWA

COUNTY OF WINNEBAGO, ss

On this 10th day of December, 1966, before me, Betty J. Baldwin, a Notary Public in and for said County, personally appeared John K. Hanson and Elliott E. Cooper, each to me personally known, who being by me duly sworn, did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that said Corporation has no Seal; that said Amended and Restated Articles of Incorporation was signed and executed on behalf of the Corporation by authority of its Board of Directors and its Stockholders entitled to vote and its Common Stockholders as a class; and the said John K. Hanson and Elliott E. Cooper acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Betty J. Baldwin
Betty J. Baldwin, Notary Public in and for
Winnebago County, Iowa

OFFICE OF THE SECRETARY OF STATE
Des Moines, Iowa
This instrument recorded in Bk. N-22, Page 198
Expires Dec. 14, 1966
Filed by Elliott E. Cooper Receipt No. 23 892
Filing Fee 2.00 Recording Fee 2.00 Secretary of State

ARTICLES OF AMENDMENT TO THE AMENDED AND RESTATED

ARTICLES OF INCORPORATION OF

WINNEBAGO INDUSTRIES, INC.

1968 MAY 24 P. 28
SECRETARY OF STATE
IOWA

RECEIVED

To the Secretary of State of the State of Iowa:

Pursuant to the provisions of Section 58 of the Iowa Business Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Amended and Restated Articles of Incorporation:

(1) The name of the Corporation is Winnebago Industries, Inc. The effective date of its incorporation was the 12th day of February, 1958. Its original name was Modernistic Industries of Iowa.

(2) The following Amendment of the Amended and Restated Articles of Incorporation was adopted by the shareholders of the Corporation entitled to vote thereon on May 20th, 1968, in the manner prescribed by the Iowa Business Corporation Act:

Article IV of the Amended and Restated Articles of Incorporation of Winnebago Industries, Inc., is hereby amended in its entirety to read as follows:

ARTICLE IV

CAPITAL STOCK:

The aggregate number of shares which the Corporation shall be authorized to issue is Ten Million (10,000,000) shares of Common Stock having a par value of Fifty Cents ($.50) each, all being of a single class.

Each common share shall be entitled to one vote at each meeting of shareholders. The common shareholders shall have all voting rights and control of the corporation.

No shareholder shall have any pre-emptive right to acquire additional shares of the corporation nor shall any shareholder have any pre-emptive right to acquire treasury shares of the corporation.

At the time of adoption of this Article of Amendment to the Amended and Restated Articles of Incorporation, the Corporation had outstanding One Million Three Hundred Eighty-seven Thousand One Hundred (1,387,100) shares of Common Stock, having a par value of One Dollar ($1) each, for which issuance, the aggregate sum of One Million Three Hundred Eighty-seven Thousand One Hundred Dollars ($1,387,100) has been paid into the Corporation or transferred from its surplus and constitutes its stated capital. Upon issuance of a Certificate of Amendment by the Secretary of State, said shares of outstanding One Dollar ($1) par value Common Stock thus issued by the Corporation are hereby changed and reclassified into Two Million Seven Hundred Seventy-four Thousand Two Hundred (2,774,200) shares of Common Stock having a par value of Fifty Cents ($.50) each and each holder of record of a certificate for one or more shares of Common Stock of the Corporation as of the close of business on the date this amendment becomes effective shall be entitled to receive, as soon as practicable and without surrender of such certificate, a certificate or certificates representing one additonal share for each share represented by certificates registered in the name of such holder at the close of business on the date this amendment becomes effective, and the stated capital of the Corporation shall be unchanged.

(3) The said Articles of Amendment to the Amended and Restated Articles of Incorporation was adopted at the Annual Meeting of the Common Shareholders of the Corporation held on the 21 day of May, 1968; said Common Shareholders being the only Shareholders of the Corporation.

(4) The number of Common Shares of the Corporation outstanding at the time of such adoption was One Million Three Hundred Eighty-seven Thousand One Hundred (1,387,100); the number of Common Shares entitled to vote thereon was One Million Three Hundred Eight-seven Thousand One Hundred (1,387,100); the number of shares voted for such amendment was 1,357,313; and the number of shares voted against such amendment was 240.

(5) The manner in which the reclassification of the Corporation's Common Shares shall be effected by such amendment is set forth in such amendment.

(6) Such amendment does not effect a change in the amount of stated capital of the Corporation, which amount shall remain unchanged as the sum of One Million Three Hundred Eighty-seven Thousand One Hundred Dollars ($1,387,100).

Dated this 20th day of May, 1968.

WINNEBAGO INDUSTRIES, INC.

by John K. Hanson
John K. Hanson, President

by Elliott E. Cooper
Elliott E. Cooper, Secretary

STATE OF IOWA

COUNTY OF WINNEBAGO, ss

On this 20th day of May, 1968, before me, Betty J. Baldwin, a Notary Public in and for said County, personally appeared John K. Hanson and Elliott E. Cooper, each to me personally known, who being by me duly sworn, did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said Corporation; that said Articles of Amendment of the Amended and Restated Articles of Incorporation was signed and executed on behalf of the Corporation by authority of its Board of Directors and its Stockholders entitled to vote; and the said John K. Hanson and Elliott E. Cooper acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Betty J. Baldwin
Betty J. Baldwin, Notary Public in and for Winnebago County, Iowa

OFFICE OF THE SECRETARY OF STATE
Des Moines, Iowa
This instrument recorded in Book PR23 Page 356 May 24 1968
Expires Perpetuate Cert. No. 9469 Receipt No.
Filed By
Filing Fee 20.00 Recording Fee 1.00 Secretary of State

ARTICLES OF AMENDMENT TO THE AMENDED AND RESTATED

ARTICLES OF INCORPORATION OF

WINNEBAGO INDUSTRIES, INC.

To the Secretary of State of the State of Iowa:

Pursuant to the provisions of Section 58 of the Iowa Business Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Amended and Restated Articles of Incorporation:

(1) The name of the Corporation is Winnebago Industries, Inc. The effective Date of its incorporation was the 12th day of February, 1958. Its original name was Modernistic Industries of Iowa.

(2) The following Amendment of the Amended and Restated Articles of Incorporation was adopted by the shareholders of the Corporation entitled to vote thereon on May 22, 1969, in the manner prescribed by the Iowa Business Corporation Act:

Article IV of the Amended and Restated Articles of Incorporation of Winnebago Industries, Inc., is hereby amended in its entirety to read as follows:

ARTICLE IV

CAPITAL STOCK:

The aggregate number of shares which the Corporation shall be authorized to issue is Twenty Million (20,000,000) shares of Common Stock having a par value of Fifty Cents ($.50) each, all being of a single class.

Each common share shall be entitled to one vote at each meeting of shareholders. The common shareholders shall have all voting rights and control of the corporation.

No shareholder shall have any pre-emptive right to acquire additional shares of the corporation nor shall any shareholder have any pre-emptive right to acquire treasury shares of the corporation.

(3) The said Articles of Amendment to the Amended and Restated Articles of Incorporation was adopted at the Annual Meeting of the Common Shareholders of the Corporation held on the 22nd day of May, 1969; said Common Shareholders being the only shareholders of the Corporation.

(4) The number of Common Shares of the Corporation outstanding at the time of such adoption was Three Million Twenty-four Thousand Two Hundred (3,024,200); the number of Common Shares entitled to vote thereon was Three Million Twenty-four Thousand Two Hundred (3,024,200); the number of shares voted for such amendment was 2,736,093; and the number of shares voted against such amendment was 415.

(5) Such Amendment does not require exchange, reclassification or cancellation of issued shares.

(6) Such amendment does not effect a change in the amount of stated capital of the Corporation.

Daled this 22nd day of May, 1969.

WINNEBAGO INDUSTRIES, INC.

by John K. Hanson
John K. Hanson, President

by Elliott E. Cooper
Elliott E. Cooper, Secretary

STATE OF IOWA

COUNTY OF WINNEBAGO, ss

On this 22nd day of May, 1969, before me, Betty J. Baldwin, a Notary Public in and for said County, personally appeared John K. Hanson and Elliott E. Cooper, each to me personally known, who being by me duly sworn, did say that they are Presiaent and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said Corporation; that said Articles of Amendment of the Amended and Restated Articles of Incorporation was signed and executed on behalf of the Corporation by authority of its Board of Directors and its Stockholders entitled to vote; and the said John K. Hanson and Elliott E. Cooper acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

BETTY J. BALDWIN Iowa

Betty J. Baldwin
Betty J. Baldwin, Notary Public in and for Winnebago County, Iowa.

OFFICE OF THE SECRETARY OF STATE
Des Moines, Iowa
This instrument recorded in Book 2-24 Page 575 June 25, 1969
Expires Perpetual Cert. No. 21239 Receipt No.
Filed By Elliott Cooper, Atty, Fort Dodge, Iowa
Filing Fee 20.00 Recording Fee 1.00 Secretary of State

RECEIVED

'70 MAY 28 AM 8 58

SECRETARY OF STATE
IOWA

ARTICLES OF AMENDMENT TO THE AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF

WINNEBAGO INDUSTRIES, INC.

To the Secretary of State of the State of Iowa:

Pursuant to the provisions of Section 58 of the Iowa Business Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Amended and Restated Articles of Incorporation:

(1) The name of the Corporation is Winnebago Industries, Inc. The effective date of its incorporation was the 12th day of February, 1958. Its original name was Modernistic Industries of Iowa.

(2) The following Amendment of the Amended and Restated Articles of Incorporation was adopted by the shareholders of the Corporation entitled to vote thereon on May 21, 1970, in the manner prescribed by the Iowa Business Corporation Act:

Article VI of the Amended and Restated Articles of Incorporation of Winnebago Industries, Inc., is hereby amended in its entirety to read as follows:

ARTICLE VI

DIRECTORS:

The number of directors constituting the Board of Directors of the Corporation shall be not more than fifteen (15) nor less than three (3), the precise number to be specified in the By-Laws of the Corporation.

(3) The said Articles of Amendment to the Amended and Restated Articles of Incorporation was adopted at the Annual Meeting of the Common Shareholders of the Corporation held on the 21st day of May, 1970; said Common Shareholders being the only shareholders of the Corporation.

(4) The number of Common Shares of the Corporation outstanding at the time of such adoption was Six Million Forty-eight Thousand Four Hundred (6,048,400); the number of Common Shares entitled to vote thereon was Six Million Forty-eight Thousand Four Hundred (6,048,400); the number of shares voted for such amendment was 4,605,379; and the number of shares voted against such amendment was 15,567.

(5) Such Amendment does not require exchange, reclassification or cancellation of issued shares.

(6) Such amendment does not effect a change in the

amount of stated capital of the Corporation.

Dated this 21st day of May, 1970.

WINNEBAGO INDUSTRIES, INC.

by John K. Hanson
John K. Hanson, President

by Elliott E. Cooper
Elliott E. Cooper, Secretary

STATE OF IOWA

COUNTY OF WINNEBAGO, ss

On this 21st day of May, 1970, before me, Betty J. Baldwin, a Notary Public in and for said County, personally appeared John K. Hanson and Elliott E. Cooper, each to me personally known, who being by me duly sworn, did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said Corporation; that said Articles of Amendment of the Amended and Restated Articles of Incorporation was signed and executed on behalf of the Corporation by authority of its Board of Directors and its Stockholders entitled to vote; and the said John K. Hanson and Elliott E. Cooper acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Betty J. Baldwin
Betty J. Baldwin, Notary Public in and for Winnebago County, Iowa.

OFFICE OF THE SECRETARY OF STATE
Des Moines, Iowa
This instrument recorded in Book 6-25 Page 380 May 26 1970
Expires Perpetual Cert. No. 22748 Receipt No. —
Filed By Winnebago Industries, Inc., Forest City, Iowa
Filing Fee $20.00 Recording Fee $6.00 Secretary of State

STATEMENT OF CHANGE OF REGISTERED OFFICE,
OF REGISTERED AGENT, OR BOTH,
OF

WINNEBAGO INDUSTRIES, INC.

RECEIVED
MAR 18 1971
SECRETARY OF STATE

To the Secretary of State
of the State of Iowa:

Pursuant to the provisions of the Iowa Business Corporation Act, the undersigned corporation, organized under the laws of the State of Iowa, submits the following statement for the purpose of changing its registered office or its registered agent, or both, in the State of Iowa:

I. The name of the corporation is Winnebago Industries, Inc.

II. The address of its present registered office is 201-202 Secor Bldg., Forest City, Iowa
(Old Address)

III. The address to which its registered office is to be changed is 145 South Clark Street, Forest City, Iowa 50436
(New Address)

IV. The name of its present registered agent is Elliott E. Cooper

V. The name of its successor registered agent is Elliott E. Cooper

VI. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

VII. Such change was authorized by resolution duly adopted by its board of directors.

Dated March 10, 1971.

WINNEBAGO INDUSTRIES, INC.

By Gerald E. Boman
Its ~~President~~ Vice President

OFFICE OF THE SECRETARY OF STATE
Des Moines, Iowa
This instrument recorded in Book 1-25 Page 387 March 18 1971
Fee Paid Corp. No. 6718 Receipt No.
Filed By Elliott E. Cooper, Atty. Forest City, Ia. 50436
Filing Fee 2.00 Recording Fee 1.50 Secretary of State

State of Iowa
Winnebago County

I, Gerald E. Boman, being first duly sworn on oath, deposes and states that I am the Vice- President of Winnebago Industries, Inc., and that I executed the foregoing instrument as Vice President of the corporation, and that the statements contained therein are true.

Gerald E. Boman

Subscribed and sworn to before me this 10th day of March A. D. 1971.

Raymond M. Beale
Notary Public in and for Winnebago County.

DOMESTIC FEE $1.50
FOREIGN FEE $1.00

ARTICLES OF AMENDMENT TO THE AMENDED AND RESTATED

ARTICLES OF INCORPORATION OF

WINNEBAGO INDUSTRIES, INC.

To the Secretary of State of the State of Iowa:

Pursuant to the provisions of Section 58 of the Iowa Business Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Amended and Restated Articles of Incorporation:

(1) The name of the Corporation is Winnebago Industries, Inc. The effective date of its incorporation was the 12th day of February, 1958. Its original name was Modernistic Industries of Iowa.

(2) The following Amendment of the Amended and Restated Articles of Incorporation was adopted by the shareholders of the Corporation entitled to vote thereon on May 25, 1972, in the manner prescribed by the Iowa Business Corporation Act:

Article IV of the Amended and Restated Articles of Incorporation of Winnebago Industries, Inc., is hereby amended in its entirety to read as follows:

ARTICLE IV

CAPITAL STOCK:

"The aggregate number of shares which the Corporation shall be authorized to issue is sixty million (60,000,000) shares of Common Stock having a par value of fifty cents ($.50) each, all being of a single class.

Each common share shall be entitled to one vote at each meeting of Shareholders. The Common Shareholders shall have all voting rights and control of the Corporation.

No Shareholder shall have any pre-emptive right to acquire additional shares of the Corporation nor shall any Shareholder have any pre-emptive right to acquire treasury shares of the Corporation."

(3) The said Articles of Amendment to the Amended and Restated Articles of Incorporation was adopted at the Annual Meeting of the Common Shareholders of the Corporation held on the 25th day of May, 1972; said Common Shareholders being the only shareholders of the Corporation.

(4) The number of Common Shares of the Corporation outstanding at the time of such adoption was Twelve Million Six-Hundred Thousand Fifty-Nine (12,600,059); the number of Common Shares entitled to vote thereon was Twelve Million Six-Hundred Thousand Fifty Nine (12,600,059); the number of shares voted for such amendment was 9,424,018; and the number of shares voted against such amendment was 4,702.

(5) Such Amendment does not require exchange, reclassification or cancellation of issued shares.

(6) Such Amendment does not effect a change in the amount of stated capital of the Corporation.

Dated this 25th day of May, 1972

WINNEBAGO INDUSTRIES, INC.

By John V. Hanson
John V. Hanson, President

By Elliott E. Cooper
Elliott E. Cooper, Secretary

WINNEBAGO INDUSTRIES, INC. CORPORATE SEAL IOWA

STATE OF IOWA }
COUNTY OF WINNEBAGO } SS

On this 25th day of May, 1972, before me, Frank K. Sanford, a Notary Public in and for said County, personally appeared John V. Hanson and Elliott E. Cooper, each to me personally known, who being by me duly sworn, did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said Corporation; that said Articles of Amendment to the Amended and Restated Articles of Incorporation was signed and executed on behalf of the Corporation by authority of its Board of Directors and its Shareholders entitled to vote; and the said John V. Hanson and Elliott E. Cooper acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Frank K. Sanford, Notary Public in and for Winnebago County, Iowa

OFFICE OF THE SECRETARY OF STATE
This instrument recorded in Book 7-26 Page 573 Page 575
Filed By Elliott E. Cooper, attorney Fee $5-36
Filing Fee $ Recording Fee $1.00 Secretary of State

RECEIVED

1973 FEB 22 AM 8:28

SECRETARY OF STATE
IOWA

ARTICLES OF MERGER
OF
MAROFF CORPORATION
INTO
WINNEBAGO INDUSTRIES, INC.

TO: Secretary of State of the State of Iowa

Pursuant to the provisions of Section 496A.72 of the 1971 Code of Iowa, being the "Iowa Business Corporation Act", the undersigned adopts the following Articles of Merger for the merging of Maroff Corporation into Winnebago Industries, Inc., the surviving corporation:

ARTICLE I

Maroff Corporation, an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective February 25, 1973, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of Maroff Corporation shall be thereupon transferred to Winnebago Industries, Inc. and the stock in Maroff Corporation now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and canceled.

ARTICLE II

That the outstanding shares of Maroff Corporation consists of one class only, being common, and total 3,120 shares in number, all held and owned by Winnebago Industries, Inc., the surviving corporation.

ARTICLE III

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of Maroff Corporation, Winnebago Industries, Inc. has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 20th day of February, 1973.

WINNEBAGO INDUSTRIES, INC.

by John V. Hanson
John V. Hanson, President

by Elliott E. Cooper
Elliott E. Cooper, Secretary

STATE OF IOWA
) ss
COUNTY OF WINNEBAGO

On this 20th day of February, 1973, before me, Frank F. Sinnard, a Notary Public in and for said county, personally appeared John V. Hanson and Elliott E. Cooper, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said John V. Hanson and Elliott E. Cooper acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Frank F. Sinnard, Notary Public in and for Winnebago County, Iowa.

OFFICE OF THE SECRETARY OF STATE
Des Moines, Iowa
This instrument recorded in Book 0-22 Page 243 February 22, 1973
Expires Perpetual Exp. No. 268.63 Receipt No.
Filed By Cooper, Sinnard & Burke, Attys, Forest City, Iowa 50436
Filing Fee 2.00 Recording Fee 1.00 Secretary of State

ARTICLES OF MERGER
OF
STITCHCRAFT CORPORATION
INTO
WINNEBAGO INDUSTRIES, INC.

RECEIVED
1973 FEB 22 AM 8:28
SECRETARY OF STATE
IOWA

TO: Secretary of State of the State of Iowa

Pursuant to the provisions of Section 496A.72 of the 1971 Code of Iowa, being the "Iowa Business Corporation Act", the undersigned adopts the following Articles of Merger for the merging of Stitchcraft Corporation into Winnebago Industries, Inc., the surviving corporation:

ARTICLE I

Stitchcraft Corporation, an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective February 25, 1973, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of Stitchcraft Corporation shall be thereupon transferred to Winnebago Industries, Inc. and the stock in Stitchcraft Corporation now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and canceled.

ARTICLE II

That the outstanding shares of Stitchcraft Corporation consists of one class only, being common, and total 157 shares in number, all held and owned by Winnebago Industries, Inc., the surviving corporation.

ARTICLE III

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of Stitchcraft Corporation, Winnebago Industries, Inc. has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 20th day of February, 1973.

WINNEBAGO INDUSTRIES, INC.

by John V. Hanson
John V. Hanson, President

by Elliott E. Cooper
Elliott E. Cooper, Secretary

WINNEBAGO INDUSTRIES, INC. CORPORATE SEAL IOWA

STATE OF IOWA
) ss
COUNTY OF WINNEBAGO

On this 20th day of February, 1973, before me, Frank F. Sinnard, a Notary Public in and for said county, personally appeared John V. Hanson and Elliott E. Cooper, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said John V. Hanson and Elliott E. Cooper acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Frank F. Sinnard

Frank F. Sinnard, Notary Public in and for Winnebago County, Iowa.

OFFICE OF THE SECRETARY OF STATE
Des Moines, Iowa
This instrument recorded in Book G-27 Page 245 February 22, 1973
Expires Perpetual Cert. No. 2686 Receipt No.
Filed By Sinnard & Beck, Attorneys at Law
Filing Fee $20.00 Recording Fee $1.00 Secretary of State

STATEMENT OF CHANGE OF REGISTERED OFFICE,
OF REGISTERED AGENT, OR BOTH,
OF

Winnebago Industries, Inc.

RECEIVED
'74 JUN 13 PM 1 53
SECRETARY OF STATE
IOWA

To the Secretary of State
of the State of Iowa:

Pursuant to the provisions of the Iowa Business Corporation Act, the undersigned corporation, organized under the laws of the State of Iowa, submits the following statement for the purpose of changing its registered office or its registered agent, or both, in the State of Iowa:

I. The name of the corporation is Winnebago Industries, Inc.

II. The address of its present registered office is 145 South Clark Street, Forest City, Iowa 50436
(Old Address)

III. The address to which its registered office is to be changed is Same
(New Address)

IV. The name of its present registered agent is Elliott E. Cooper

V. The name of its successor registered agent is Raymond M. Beebe

VI. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

VII. Such change was authorized by resolution duly adopted by its board of directors.

Dated June 11, 19 74.

WINNEBAGO INDUSTRIES, INC.

By John V. Hanson
Its President

State of IOWA )
)ss
WINNEBAGO County )

I, John V. Hanson, being first duly sworn on oath, depose and state that I am the President of Winnebago Industries, Inc., and that I executed the foregoing instrument as President of the corporation, and that the statements contained therein are true.

John V. Hanson

Subscribed and sworn to before me this 11th day of June, A. D. 19 74.

452

Notary Public in and for Winnebago County

OFFICE OF THE SECRETARY OF STATE
Iowa
Filed June 13 19 74
Receipt No. 7654
Secretary of State

DOMESTIC FEE: $1.00
FOREIGN FEE:

A121490

AUG 21 1 47 PM '80
SECRETARY OF STATE
RECEIVED

ARTICLES OF MERGER
OF
WINNIE-VAK, INC.
INTO
WINNEBAGO INDUSTRIES, INC.

TO: Secretary of State of the State of Iowa

Pursuant to the provisions of Section 496A.72 of the 1979 Code of Iowa, being the "Iowa Business Corporation Act," the undersigned adopts the following Articles of Merger for the merging of Winnie-Vak, Inc. into Winnebago Industries, Inc., the surv'.ing corporation:

ARTICLE I

Winnie-Vak, Inc., an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective August 30, 1980, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of Winnie-Vak, Inc. shall be thereupon transferred to Winnebago Industries, Inc. and the stock in Winnie-Vak, Inc. now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and cancelled.

ARTICLE II

That the outstanding shares of Winnie-Vak, Inc. consist of one class only, being common, and total 60,000 shares in number, all held and owned by Winnebago Industries, Inc., the surviving corporation.

ARTICLE III

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of Winnie-Vak, Inc., Winnebago Industries, Inc. has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 20th day of August, 1980.

WINNEBAGO INDUSTRIES, INC.

by: John K Hanson
John K. Hanson, President

by: Raymond M. Beebe
Raymond M. Beebe, Secretary

STATE OF IOWA )
)ss
COUNTY OF WINNEBAGO

On this 20th day of August, 1980, before me, Maureen A. Cornelius, a Notary Public in and for said county, personally appeared John K. Hanson and Raymond M. Beebe, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said John K. Hanson and Raymond M. Beebe acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

MAUREEN A. CORNELIUS
Iowa
NOTARIAL SEAL

Maureen A. Cornelius
Maureen A. Cornelius, Notary Public in and for the State of Iowa

OFFICE OF THE SECRETARY OF STATE
Filed H39 39 August 21 1980
Expires Perpetual Cert. 39690
Filed By Cooper, Sangard & Beckwith, Forest City, Iowa 50436
Filing Fee $20.00 Recording Fee

STATEMENT OF CHANGE OF REGISTERED OFFICE,
OF REGISTERED AGENT, OR BOTH,
OF

WINNEBAGO INDUSTRIES, INC.

JAN 22 9 07 AM '81
SECRETARY OF STATE

To the Secretary of State
of the State of Iowa:

Pursuant to the provisions of the Iowa Business Corporation Act, the undersigned corporation, organized under the laws of the State of Iowa, submits the following statement for the purpose of changing its registered office or its registered agent, or both, in the State of Iowa: (PLEASE NOTE FEE CHARGES AT BOTTOM OF PAGE)

I. The name of the corporation is Winnebago Industries, Inc.

II. The address of its present registered office is 145 South Clark Street, Forest City, Iowa 50436 (Winnebago County)
(Old Address)

*III. The address to which its registered office is to be changed is: Junction Highways 9 & 69, Forest City, Iowa 50436 (Winnebago County)
(New Address)

IV. The name of its present registered agent is Raymond M. Beebe

V. The name of its successor registered agent is Raymond M. Beebe

VI. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

VII. Such change was authorized by resolution duly adopted by its board of directors.

Dated January 13, 19 81.

(Sign) WINNEBAGO INDUSTRIES, INC.

By: John K. Hanson
Its President

Perpetual 2-37 Vol. 453 Winnebago Recording Book 58 Filed Iowa Jan 22 1981 Mary Jane Cahill

State of IOWA
WINNEBAGO County

I, John K. Hanson, being first duly sworn on oath depose and state that I am the President of Winnebago Industries, and that I executed the foregoing instrument as President of the corporation, and that the statements contained therein are true.

(Sign) John K. Hanson

Subscribed and sworn to before me this 13th day of January A. D. 19 81.

Notary Public in and for Winnebago County.

DOMESTIC FEE: $1.50
FOREIGN FEE : $1.00
*If the registered office is being changed from one county to another a duplicate ORIGINAL must be filed. This applies to Domestic (Iowa) corporations only.

Winnebago

# 44181
00C037652

MAILED
FEB 20 1986

A265032
#4183
#4181

JAN 6 9 57 AM '86
RECEIVED
SECRETARY OF STATE

ARTICLES OF MERGER
OF
WINNEBAGO PUBLIC WAREHOUSING CORPORATION
INTO
WINNEBAGO INDUSTRIES, INC.

TO: Secretary of State of the State of Iowa

Pursuant to the provisions of Section 496A.72 of the 1985 Code of Iowa, being the "Iowa Business Corporation Act," the undersigned adopts the following Articles of Merger for the merging of Winnebago Public Warehousing Corporation into Winnebago Industries, Inc., the surviving corporation:

ARTICLE I

Winnebago Public Warehousing Corporation, an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective January 3, 1986, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of Winnebago Public Warehousing Corporation shall be thereupon transferred to Winnebago Industries, Inc. and the stock in Winnebago Public Warehousing Corporation now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and cancelled.

ARTICLE II

That the outstanding shares of Winnebago Public Warehousing Corporation consist of one class only, being common, and total 25,000 shares in number, all held and owned by Winnebago Industries, Inc., the surviving corporation.

ARTICLE III

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of Winnebago Public Warehousing Corporation, Winnebago Industries, Inc. has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 3rd day of January, 1986.

WINNEBAGO INDUSTRIES, INC.

by: Ronald E. Haugen
Ronald E. Haugen, President

by: Raymond M. Beebe
Raymond M. Beebe, Secretary

CORPORATE SEAL INC. IOWA

SRO

STATE OF IOWA )
COUNTY OF WINNEBAGO ) ss.

On this 3rd day of January, 1986, before me, Shirley A. Roselius, a Notary Public in and for the State of Iowa, personally appeared Ronald E. Haugen and Raymond M. Beebe, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said Ronald E. Haugen and Raymond M. Beebe acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

SHIRLEY A. ROSELIUS
Iowa
NOTARIAL SEAL

Shirley A. Roselius
Shirley A. Roselius, Notary Public
in and for the State of Iowa

OFFICE OF THE SECRETARY OF STATE
DES MOINES, IOWA

This instrument received for filing ..... day June 6 1986
Filing Fee 2937652 Receipt No.
Filed By Winnebago Industries, Inc. P.O. Box 152, Forest City, Ia. 50436
Fees Paid 50.00 Recording Fee Approved Secretary of State

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Winnebago

ARTICLES OF AMENDMENT TO THE AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF

1988 JAN 25 AM 11:51

WINNEBAGO INDUSTRIES, INC.

MAILED

RECEIVED
SECRETARY OF STATE FEB 15 1988

To the Secretary of State of the State of Iowa:

Pursuant to the provisions of Section 496A.58 of the Iowa Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Amended and Restated Articles of Incorporation:

(1) The name of the corporation is Winnebago Industries, Inc. The effective date of its incorporation was the 12th day of February, 1958. Its original name was Modernistic Industries of Iowa.

(2) The following Amendment of the Amended and Restated Articles of Incorporation was adopted by the shareholders of the corporation entitled to vote thereon on December 16, 1987 in the manner prescribed by the Iowa Business Corporation Act:

The following Article shall be added as a new Article VII of the Amended and Restated Articles of Incorporation of Winnebago Industries, Inc.:

"ARTICLE VII

A. NON-LIABILITY

A director of this corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, (iii) for any transaction from which the director derived an improper personal benefit, or (iv) under Section 496A.44 of the Iowa Business Corporation Act. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If Iowa law is hereafter changed to permit further elimination or limitation of the liability of directors for monetary damages to the corporation or its shareholders, then the liability of a director of this corporation shall be eliminated or limited to the full extent then permitted.

B. INDEMNIFICATION

This corporation shall indemnify any person who is or was a director of the corporation or is or was serving (at such time as he or she is or was a director of the corporation) at the request of this corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan to the fullest extent possible against all expenses, liabilities and loss (including attorneys' fees, judgments, fines or penalties and amounts paid or to be paid in settlement), actually incurred by such person relating to his or her conduct as a director

STATE OF IOWA
)ss
COUNTY OF WINNEBAGO

On this 17th day of December, 1987, before me, Shirley A. Roselius, a Notary Public in and for the State of Iowa, personally appeared Gerald W. Gilbert and Raymond M. Beebe, each to me personally known, who being by me duly sworn, did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Amendment to the Amended and Restated Articles of Incorporation was signed and executed on behalf of the corporation by authority of its Board of Directors and its shareholders entitled to vote; and the said Gerald W. Gilbert and Raymond M. Beebe acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

SHIRLEY A. ROSELIUS
Iowa
NOTARIAL SEAL

Shirley A. Roselius
Shirley A. Roselius, Notary Public
in and for the State of Iowa

OFFICE OF THE SECRETARY OF STATE
DES MOINES, IOWA

This instrument recorded in Book — Page — Jan 25 19 88
Express Pers. Cert No. C089214 Receipt No.
Filed by Winnebago Industries, Inc, P.O. Box 152, Forest City, Ia 50436
Filing Fee 50.00 Recording Fee Elaine Baxter Secretary of State

653 attn: Raymond M. Beebe

#44101
L193712

AR-1
636-0043

ELAINE BAXTER
Secretary of State
State of Iowa

**IOWA 1992 ANNUAL REPORT for an IOWA CORPORATION**

Required by Iowa Code chapter 490

Return this report to the Secretary of State postmarked no later than March 31, 1992.

**1.** The name of the corporation, its registered agent, and its registered office.

490 DP-044181
WINNEBAGO INDUSTRIES, INC.
RAYMOND M. BEEBE
HWYS 9 & 69
FOREST CITY IA 50436

(You may make changes to the information printed above in the box at right.)

**2.** Address of the Principal Office of the Corporation

~~JUNCTION HIGHWAYS 9 & 69~~
FOREST CITY IA 50436

Change the address to:
605 West Crystal Lake Road
Forest City, Iowa 50436

ELAINE BAXTER
Secretary of State
FILED
Statement of Change
Date: 2-4-1992
Time: 16:30
Rec # R193712

**3.** Stock Authorized and Issued

| | CLASS | SERIES | AUTHORIZED | ISSUED |
|---|---|---|---|---|
| 1. | Common | -- | 60,000,000 | 25,011,952 |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |

ATTENTION:

Complete this section if there is a change to the current registered agent and registered office as preprinted in item one of this report.

1. Name of the new registered agent:

(Please print)

X
(Signature of new registered agent)

2. The address of the new registered office in Iowa is: P.O. Box 152
605 West Crystal Lake Road
Street Address (A street address is required. A post office box may be added.)
Forest City, Iowa 50436
(City, State, Zip)

3. The signature of a new registered agent constitutes the consent of the new agent to the appointment.

4. The name of the corporation and the address of the current registered agent and registered office are as stated in item one of this annual report.

5. After any change is made, the address of the registered office and the business address of the registered agent will be identical.

**4.** Does the corporation own agricultural land in Iowa?

YES, the corporation owns 403 (number of acres) acres. [ ] NO

**5.** Is the corporation a "family farm corporation?" [ ] YES [XXXX] NO

**6.** FILING FEE IS ENCLOSED ..... $30.00

**7.** SIGNED X [signature], Secretary (Signature/Title) | 515/582-3535 (Phone (optional))

Report must be signed by a person authorized by the board of directors to sign the report.

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ARTICLES OF MERGER
OF
NORTH IOWA ELECTRONICS, INC.
INTO
WINNEBAGO INDUSTRIES, INC.

TO: Secretary of State of the State of Iowa

Pursuant to the provisions of Sections 490.1104 and 490.1105 of the 1994 Code of Iowa, being the "Iowa Business Corporation Act," the undersigned adopts the following Articles of Merger for the merging of North Iowa Electronics, Inc. into Winnebago Industries, Inc., the surviving corporation:

ARTICLE I

North Iowa Electronics, Inc., an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective November 14, 1994, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of North Iowa Electronics, Inc. shall be thereupon transferred to Winnebago Industries, Inc. and the stock in North Iowa Electronics, Inc. now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and canceled.

ARTICLE II

That the outstanding shares of North Iowa Electronics, Inc. consist of one class only, being common, and total 100 shares in number, all held and owned by Winnebago Industries, Inc., the surviving corporation.

ARTICLE III

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of North Iowa Electronics, Inc., Winnebago Industries, Inc., has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 14th day of November, 1994.

WINNEBAGO INDUSTRIES, INC.

by: Fred G. Dohrmann, President

by: Raymond M. Beebe, Secretary

STATE OF IOWA )
)ss
COUNTY OF HANCOCK )

On this 14th day of November, 1994, before me, Karen C. Jefson, a Notary Public in and for the State of Iowa, personally appeared Fred G. Dohrmann and Raymond M. Beebe, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said Fred G. Dohrmann and Raymond M. Beebe acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Karen C. Jefson
Karen C. Jefson, Notary Public in and for the State of Iowa

ELAINE BAXTER
Secretary of State
FILED
Date: 11-14-1994
Time: 9:37
Receipt: 1157038

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**ARTICLES OF MERGER**
**OF**
**WINNEBAGO PRODUCTS, INC.**
**INTO**
**WINNEBAGO INDUSTRIES, INC.**

TO: Secretary of State of the State of Iowa

Pursuant to the provisions of Sections 490.1104 and 490.1105 of the 1995 Code of Iowa, being the "Iowa Business Corporation Act," the undersigned adopts the following Articles of Merger for the merging of Winnebago Products, Inc. into Winnebago Industries, Inc., the surviving corporation:

**ARTICLE I**

Winnebago Products, Inc., an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective September 29, 1995, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of Winnebago Products, Inc. shall be thereupon transferred to Winnebago Industries, Inc. and the stock in Winnebago Products, Inc. now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and canceled.

**ARTICLE II**

That the outstanding shares of Winnebago Products, Inc. consist of one class only, being common, and total 100 shares in number, all held and owned by Winnebago Industries, Inc., the surviving corporation.

**ARTICLE III**

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of Winnebago Products, Inc., Winnebago Industries, Inc., has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 29th day of September, 1995.

WINNEBAGO INDUSTRIES, INC.

By _____
Fred G. Dohrmann, President

By _____
Raymond M. Beebe, Secretary

WINNEBAGO INDUSTRIES, INC. CORPORATE SEAL IOWA

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(2)

STATE OF IOWA )
)ss
COUNTY OF HANCOCK )

On this 29th day of September, 1995, before me, Karen C. Jefson, a Notary Public in and for the State of Iowa, personally appeared Fred G. Dohrmann and Raymond M. Beebe, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc,; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said Fred G. Dohrmann and Raymond M. Beebe acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

KAREN C JEFSON
Iowa
NOTARIAL SEAL

Karen C. Jefson
Karen C. Jefson, Notary Public in and for the State of Iowa

PAUL D. PATE
Secretary of State
FILED
Date: 10-2-1995
Time: 11:12
Receipt: W91777

Articles of Amendment

RECEIVED
SECRETARY OF STATE
IOWA
00 MAY 15 AM 11:06

ARTICLES OF AMENDMENT
OF
WINNEBAGO INDUSTRIES, INC.

44181

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:

Pursuant to Section 1006 of the Iowa Business Corporation Act, the undersigned corporation adopts the following amendments to the corporation's articles of incorporation.

1. The name of the corporation is Winnebago Industries, Inc.

2. Article IV of the Articles of Incorporation of Winnebago Industries, Inc., as previously amended and restated, is further amended to read as follows:

Article IV

The total number of shares of stock which the Corporation shall have authority to issue is: seventy million (70,000,000), of which sixty million (60,000,000) shall be shares of Common Stock, $.50 par value, and ten million (10,000,000) shall be shares of Preferred Stock, $.01 par value (*"Series Preference Stock"*).

A statement of the designations and the powers, preferences and rights of such classes of stock and the qualifications, limitations or restrictions thereof, the fixing of which by the Articles of Incorporation is desired, and the authority of the Board of Directors to fix, by resolution or resolutions, the designations and the powers, preferences and rights of such classes of stock or the qualifications, limitations or restrictions thereof, which are not fixed hereby, are as follows:

A. Provisions Applicable to All Series of Series Preference Stock.

(1) Shares of Series Preference Stock may be issued from time to time in one or more series. The voting powers, designations, preferences, limitations and relative rights of each series may differ from those of any and all other series already outstanding; the terms of each series shall be specified in the resolution or resolutions hereinafter referred to; and the Board of Directors of the Corporation is hereby expressly granted authority to fix, by resolution or resolutions adopted prior to the issuance of any shares of a particular series of Series Preference Stock, the voting powers, designations, preferences, limitations and relative rights of each series, including, but without limiting the generality of the foregoing, the following:

(a) The rate and times at which, and the terms and conditions on which, dividends on the Series Preference Stock of such series shall be paid;

(b) The right, if any, of holders of Series Preference Stock of such series to convert the same into, or exchange the same for, other classes of stock of the Corporation and the terms and conditions of such conversion or exchange;

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(c) The redemption price or prices and the time at which, and the terms and conditions on which, Series Preference Stock of such series may be redeemed;

(d) The rights of the holders of Series Preference Stock of such series upon the voluntary or involuntary liquidation, distribution or sale of assets, dissolution or winding up of the Corporation;

(e) The voting power, if any, of the Series Preference Stock of such series; and

(f) The terms of the sinking fund or redemption or purchase account, if any, to be provided for the Series Preference Stock of such series.

(2) All shares of each series shall be identical in all respects to the other shares of such Series. The rights of the Common Stock of the Corporation shall be subject to the preferences and relative participating, optional and other special rights of the Series Preference Stock of each series as fixed herein and from time to time by the Board of Directors as aforesaid.

B. Provisions Applicable to Common Stock.

(1) After the requirements with respect to preferential dividends upon the Series Preference Stock of all classes and series thereof shall have been met and after the Corporation shall have complied with all requirements, if any, with respect to the setting aside of sums as a sinking fund or redemption or purchase account for the benefit of any class or series thereof, then, and not otherwise, the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors.

(2) After distribution in full of the preferential amounts to be distributed to the holders of all classes and series thereof of Series Preference Stock then outstanding in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation and subject any additional or special rights of the Series Preference Stock as to the remaining assets of the Corporation for distribution, the holders of the Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its shareholders ratably in proportion to the number of shares of Common Stock held by them respectively.

(3) Each holder of Common Stock shall have one vote in respect of each share of such stock held by such holder.

3. .The date of adoption of the amendment to Article IV was January 11, 2000.

4. The amendment to Article IV was approved by the shareholders. The designation, number of outstanding shares, number of votes entitled to be cast by each voting group entitled

to vote separately on the amendment to Article IV, and the number of votes of each voting group indisputably represented at the meeting is as follows:

| DESIGNATION OF GROUP | SHARES OUTSTANDING | VOTES ENTITLED TO BE CAST ON AMENDMENT | VOTES REPRESENTED AT MEETING |
|---|---|---|---|
| Common Stock, par value $.50 | 21,827,651 | 21,827,651 | 19,602,899 |

4A. The total number of votes cast for the amendment to Article IV by each voting group entitled to vote separately on the amendment to Article IV is as follows:

| VOTING GROUP | VOTES FOR | VOTES AGAINST | VOTES ABSTAINED |
|---|---|---|---|
| Common Stock, $.50 par value | 12,108,884 | 4,561,968 | 2,932,047 |

The number of votes cast for the amendment to Article IV by each voting group was sufficient for approval by that voting group.

2. Article VI of the Articles of Incorporation of Winnebago Industries, Inc., as previously amended and restated is further amended to read as follows:

DIRECTORS

The number of directors constituting the Board of Directors of the Corporation shall be not more than fifteen (15) and not less than three (3), the precise number to be determined by resolution of the Board of Directors from time to time.

Effective with the election of the directors at the annual meeting of shareholders to be held in 2000, the directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the manner specified in the By-laws; one class to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2001, another class to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2002, and another class to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2003, with the respective members of each class to hold office until their respective successors are elected and qualified. At each annual meeting of shareholders commencing with the annual meeting in 2001, the successors to the class of directors whose term then expires shall be elected to serve a three-year term and until their successors are duly elected and qualified. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director. Any increase or decrease in the number of directors shall be apportioned among the classes so as to make all classes as nearly equal in number as possible.

Shareholders may remove directors only for cause.

Notwithstanding anything contained herein to the contrary, the affirmative vote of the holders of seventy-five percent (75%) of all issued and outstanding shares of the Corporation entitled to vote thereon, voting together as a single class, shall be required to alter, amend or adopt any provisions inconsistent with, or repeal this Article VI or any provision hereof at any annual or special meeting of shareholders.

3. The date of adoption of the amendment to Article VI was January 11, 2000.

4. The amendment to Article VI was approved by the shareholders. The designation, number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the amendment to Article VI, and the number of votes of each voting group indisputably represented at the meeting is as follows:

| DESIGNATION OF GROUP | SHARES OUTSTANDING | VOTES ENTITLED TO BE CAST ON AMENDMENT | VOTES REPRESENTED AT MEETING |
|---|---|---|---|
| Common Stock, par value $.50 | 21,827,651 | 21,827,651 | 19,602,899 |

4A. The total number of votes cast for and against the amendment to Article VI by each voting group entitled to vote separately on the amendment to Article VI is as follows:

| VOTING GROUP | VOTES FOR | VOTES AGAINST | VOTES ABSTAINED |
|---|---|---|---|
| Common Stock, $.50 par value | 11,981,563 | 4,714,699 | 2,906,637 |

The number of votes cast for the amendment to Article VI by each voting group was sufficient for approval by that voting group.

The effective date and time of this document is the time of filing on the date it is filed.

FILED
IOWA
SECRETARY OF STATE
5-15-00
11:06 AM
W240286

WINNEBAGO INDUSTRIES, INC.

By Bruce D. Hertzke

Bruce D. Hertzke
Chairman of the Board,
Chief Executive Officer and
President

Articles of amendment

RECEIVED
SECRETARY OF STATE
IOWA
00 MAY 15 AM 11:06

44181

ARTICLES OF AMENDMENT
of
WINNEBAGO INDUSTRIES, INC.

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:

Pursuant to Section 1002 of the Iowa Business Corporation Act, the undersigned corporation adopts the following amendment to the corporation's articles of incorporation:

1. The name of the corporation is Winnebago Industries, Inc.

2. The Articles of Incorporation of Winnebago Industries, Inc., as previously amended and restated are further amendment by adding the following:

CERTIFICATE OF DESIGNATIONS

OF

SERIES A PREFERRED STOCK

OF

WINNEBAGO INDUSTRIES, INC.

(Pursuant to Section 490.602 of the
Iowa Business Corporation Act)

Winnebago Industries, Inc., a corporation organized and existing under the Iowa Business Corporation Act (hereinafter referred to as the *"Corporation"*), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation (hereinafter referred to as the *"Board of Directors"*) pursuant to Section 490.602 of the Iowa Business Corporation Act at a meeting of the Board of Directors held on May 3, 2000:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors in accordance with the provisions of the Articles of Incorporation of the Corporation and Iowa law, the Board of Directors hereby creates a series of the Preferred Stock, par value $.01 per share (hereinafter referred to as the *"Preferred Stock"*), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences and limitations thereof as follows:

SERIES A PREFERRED STOCK:

*Section 1. Designation and Amount.* The shares of such series shall be designated as "Series A Preferred Stock" (hereinafter referred to as the *"Series A Preferred Stock"*) and the

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number of shares constituting the Series A Preferred Stock shall be 300,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; *provided, however,* that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

*Section 2. Dividends and Distributions.* (A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value $.50 per share (hereinafter referred to as the *"Common Stock"*), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a *"Quarterly Dividend Payment Date"*), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $1.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); *provided* that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first

Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

*Section 3. Voting Rights.* The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the shareholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for the taking of any corporate action.

*Section 4. Certain Restrictions.* (A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared,

on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, *provided* that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

*Section 5. Reacquired Shares.* Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Articles of Incorporation or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

*Section 6. Liquidation, Dissolution or Winding Up.* Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the

Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $100.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, *provided* that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

*Section 7. Consolidation, Merger, etc.* In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

*Section 8. No Redemption.* The shares of Series A Preferred Stock shall not be redeemable.

*Section 9. Rank.* The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Preferred Stock of the Corporation.

*Section 10. Amendment.* The Articles of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

3. The date of adoption of the amendment was May 3, 2000.

4. The amendment was adopted by the Board of Directors without action by the shareholders.

The effective date and time of this document is the time of filing on the date it is filed.

WINNEBAGO INDUSTRIES, INC.

By Bruce D Hertzke

Bruce D. Hertzke
Chairman of the Board,
Chief Executive Officer and President

FILED
IOWA
SECRETARY OF STATE
5-15-00
11:06 AM
W240287

44181-S
44185-NS

# ARTICLES OF MERGER
# OF
# WINNEBAGO HEALTH CARE MANAGEMENT COMPANY
# INTO
# WINNEBAGO INDUSTRIES, INC.

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SECRETARY OF STATE
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PM 3:04

TO: Secretary of State of the State of Iowa

Pursuant to the provision of Sections 490.1104 and 490.1105 of the Code of Iowa, being the "Iowa Business Corporation Act," the undersigned adopts the following Articles of Merger for the merging of Winnebago Health Care Management Company into Winnebago Industries, Inc., the surviving corporation:

## ARTICLE I

Winnebago Health Care Management Company, an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective May 1, 2006, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of Winnebago Health Care Management Company shall be thereupon transferred to Winnebago Industries, Inc. and the stock in Winnebago Health Care Management Company now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and canceled.

## ARTICLE II

All outstanding shares of Winnebago Health Care Management Company, consisting of one class only, being common, are held and owned by Winnebago Industries, Inc., the surviving corporation.

## ARTICLE III

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of Winnebago Health Care Management Company, Winnebago Industries, Inc. has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 1st day of May, 2006

WINNEBAGO INDUSTRIES, INC.

By: _____
Edwin F. Barker, President

By: _____
Raymond M. Beebe, Secretary

2

3702

STATE OF IOWA )
)ss:
COUNTY OF HANCOCK )

On this 1st day of May, 2006, before me, Karen C. Jefson, a Notary Public in and for the State of Iowa, personally appeared Edwin F. Barker and Raymond M. Beebe, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said Edwin F. Barker and Raymond M. Beebe acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Karen C. Jefson

Karen C. Jefson, Notary Public in and for
the State of Iowa

KAREN C. JEFSON
COMMISSION NO. 151407
MY COMMISSION EXPIRES
5-11-07

FILED
IOWA
SECRETARY OF STATE
5-4-2006
3:04 PM
W462789

44181-S
44176-NS

SECRETARY OF STATE
IOWA
2008 JAN 28 AM 11:13

522171 MER310 $50.00 KELLY 2 1/28/08

# ARTICLES OF MERGER
# OF
# WINNEBAGO ACCEPTANCE CORPORATION
# INTO
# WINNEBAGO INDUSTRIES, INC.

TO: Secretary of State of the State of Iowa

Pursuant to the provision of Sections 490.1104 and 490.1105 of the Code of Iowa, being the "Iowa Business Corporation Act," the undersigned adopts the following Articles of Merger for the merging of Winnebago Acceptance Corporation into Winnebago Industries, Inc., the surviving corporation:

## ARTICLE I

Winnebago Acceptance Corporation, an Iowa corporation, shall be merged into Winnebago Industries, Inc., also an Iowa corporation, effective January 25, 2008, with Winnebago Industries, Inc. being designated the surviving corporation; that such merger shall be a complete liquidation; that upon the effective date of said merger all property of Winnebago Acceptance Corporation shall be thereupon transferred to Winnebago Industries, Inc. and the stock in Winnebago Acceptance Corporation now held by Winnebago Industries, Inc., which constitutes all outstanding stock of such subsidiary, shall be surrendered and canceled.

## ARTICLE II

All outstanding shares of Winnebago Acceptance Corporation, consisting of one class only, being common, are held and owned by Winnebago Industries, Inc., the surviving corporation.

## ARTICLE III

That whereas Winnebago Industries, Inc., the surviving corporation, is the owner of all issued and outstanding stock of Winnebago Acceptance Corporation, Winnebago Industries, Inc. has waived the mailing of a copy of the plan of merger as would otherwise be required by law.

Dated this 25th day of January, 2008

WINNEBAGO INDUSTRIES, INC.

By: Robert J. Olson
Robert J. Olson, President

By: Raymond M. Beebe
Raymond M. Beebe, Secretary

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21752

STATE OF IOWA )
)ss:
COUNTY OF HANCOCK )

On this 25th day of January, 2008, before me, Karen C. Jefson, a Notary Public in and for the State of Iowa, personally appeared Robert J. Olson and Raymond M. Beebe, each to me personally known, who being by me duly sworn did say that they are President and Secretary, respectively, of Winnebago Industries, Inc.; that the seal affixed thereto is the duly adopted seal of said corporation; that said Articles of Merger was signed and executed on behalf of the Corporation by the authority of its Board of Directors, and that the said Robert J. Olson and Raymond M. Beebe acknowledge execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Karen C Jefson

Karen C. Jefson, Notary Public in and for the State of Iowa

NOTARIAL SEAL IOWA
KAREN C. JEFSON
COMMISSION NO. 151407
MY COMMISSION EXPIRES
5-11-2010

FILED
IOWA
SECRETARY OF STATE
1-28-08
11:13AM
W556941

21753

STATE OF IOWA
Secretary of State Office
# C-3813

I hereby certify that this is a true and complete document(s) to which the seal is affixed as filed in this office beginning DEC 14, 1966 to and including the date below.

Dated September 29, 2009

Mugan A Monk
Secretary Of State

By Patty Kinnhart

STATE OF IOWA SECRETARY OF STATE SEAL

45 pgs

**Exhibit 21**

**SUBSIDIARIES OF THE REGISTRANT**
**at August 25, 2018**

| Name of Corporation | Jurisdiction of Incorporation | Percent of Ownership |
|---|---|---|
| Winnebago Industries, Inc. | Iowa | Parent |
| Winnebago of Indiana, LLC | Iowa | 100% |
| Grand Design RV, LLC | Indiana | 100% |
| Octavius Corporation | Delaware | 100% |
| Chris-Craft Limited Jersey, Channel Islands Holding Company LLC | Jersey Channel Islands | 100% |
| Chris-Craft USA, Inc. | Delaware | 100% |
| CC Marine Brand Acquisition LLC | Delaware | 100% |
| Chris Craft Corporation | Delaware | 100% |
| CC Property Acquisition LLC | Delaware | 100% |

**Exhibit 23**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statements No. 333-31595, No. 333-47123, No. 333-113246, No. 333-194854 and No. 333-222261 on Form S-8 and No. 333-210659 and No. 333-215641 on Form S-3 of our reports dated October 18, 2018, relating to the consolidated financial statements of Winnebago Industries, Inc. and subsidiaries and the effectiveness of Winnebago Industries, Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Winnebago Industries, Inc. for the year ended August 25, 2018.

*/s/ Deloitte & Touche LLP*
Minneapolis, Minnesota
October 18, 2018

**Exhibit 31.1**

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER**
**PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 302**
**OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Happe, Chief Executive Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Winnebago Industries, Inc. (the "Registrant");

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements and other financial information included in this Annual Report fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation;

   d. Disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in this case) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 18, 2018

By: *<u>/s/ Michael J. Happe</u>*
Michael J. Happe
President, Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION BY CHIEF FINANCIAL OFFICER**
**PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 302**
**OF THE SARBANES-OXLEY ACT OF 2002**

I, Bryan L. Hughes, Chief Financial Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Winnebago Industries, Inc. (the "Registrant");

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements and other financial information included in this Annual Report fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation;

   d. Disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in this case) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 18, 2018

By: */s/ Bryan L. Hughes*
Bryan L. Hughes
Vice President, Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO SECTION 18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Michael J. Happe, Chief Executive Officer of Winnebago Industries, Inc. (the "Company"), hereby certify that to my knowledge:

a. The Annual Report on Form 10-K for the year ended August 25, 2018 (the "Report") of the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

b. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 18, 2018

By: */s/ Michael J. Happe*
Michael J. Happe
President, Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**PURSUANT TO SECTION 18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Bryan L. Hughes, Chief Financial Officer of Winnebago Industries, Inc. (the "Company"), hereby certify that to my knowledge:

a. The Annual Report on Form 10-K for the year ended August 25, 2018 (the "Report") of the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

b. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 18, 2018

By: */s/ Bryan L. Hughes*
Bryan L. Hughes
Vice President, Chief Financial Officer