

A hiker in a green jacket and backpack stands on a rocky shore, looking out over a lake and forested mountains. The scene is a scenic outdoor landscape with a large body of water in the foreground, a dense forest of evergreen trees on the middle ground, and snow-capped mountains in the background under a cloudy sky.

# WINNEBAGO®

Michael Happe, CEO

CI King Conference - September 19, 2019

# OUR NORTH STAR



## ***Our Purpose***

We help our customers explore the outdoor lifestyle, enabling extraordinary experiences as they travel, live, work and play.



## ***Our Vision***

We will be the trusted leader in outdoor lifestyle solutions by providing unmatched innovation, quality and service in the industries we engage.



## ***Our Mission***

To create lifetime advocates through a relentless focus on delivering an unsurpassed customer experience.

## ***Our Values***



**Customer-Centric**



**Results-Driven**



**Innovative**



**Quality-Focused**



**Collaborative**



**Trusted**

# THE WINNEBAGO DIFFERENCE



Outdoor lifestyle brands



Diversified – RV, marine and specialty vehicle public company



Premium quality, service and innovation



Vision not defined by one product or segment



Significant growth runway



Top talent that is a blend of RV and other industry experience

# STRATEGIC PRIORITIES



# ACQUISITION OF NEWMAR

September 16, 2019



© Frank Anzalone Photography 2019

**WINNEBAGO** IND®

**NEWMAR**

# STRATEGIC PRIORITIES



# A COMPELLING ACQUISITION FOR WINNEBAGO INDUSTRIES



## Strategic

- Furthers strategy to strengthen and expand our core RV platform and to reenergize our motorized business
- Enhances Winnebago Industries' premium position within North American RV landscape
- Complementary product portfolio and expanded access to premium dealer channel
- Newmar's growth platform provides opportunity for future organic RV expansion



## Cultural

- Similar long-tenured legacies defined by a commitment to quality, service and innovation
- Similar premium focus with dealer and supplier relationships
- Talented employees with shared commitment to craftsmanship and unique customization expertise
- Collaborative culture will accelerate the sharing of best practices across the businesses



## Financial

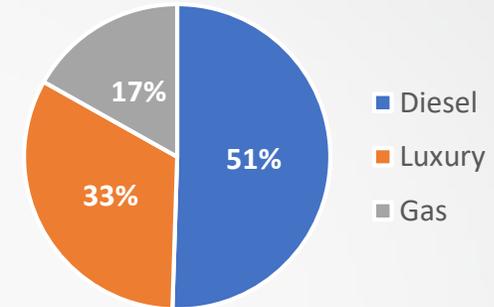
- Enhances capabilities and profitability and creates opportunity to drive synergies across the RV portfolio
- Delivers improved cash flow generation
- Transaction expected to be immediately accretive to fiscal 2020 cash EPS
- Manageable pro-forma leverage profile with greater ability to weather cyclical downturn

# NEWMAR OVERVIEW

## Business Overview

- 50-year history of industry leadership with a full-line of premium Class A diesel & gas and Super C motorhomes
  - 11 model families (4 luxury, 4 diesel and 3 gas)
  - Mobility enhanced models
  - Recent launch of Super-C Super Star model well received by market
- Experienced team of industry leading talent committed to the QIS (quality, innovation, and service) business model
- High-quality network of 57 dealers in North America
  - <1/3 overlaps with a Winnebago Industries brand dealer network
  - Highly protected Designated Market Areas for dealers
  - Commitment to carry Newmar's full lineup
- Unique production model focused on high-margin, customized features
- A leader in customer service through significant investment in factory customer service, dealer service and emerging mobile customer service
- Headquartered in Nappanee, IN with ~1,060 employees

## Revenue Breakdown by Product Type (LTM June 2019)



## Strong Revenue and Adjusted EBITDA Growth

### Revenue (\$mm)

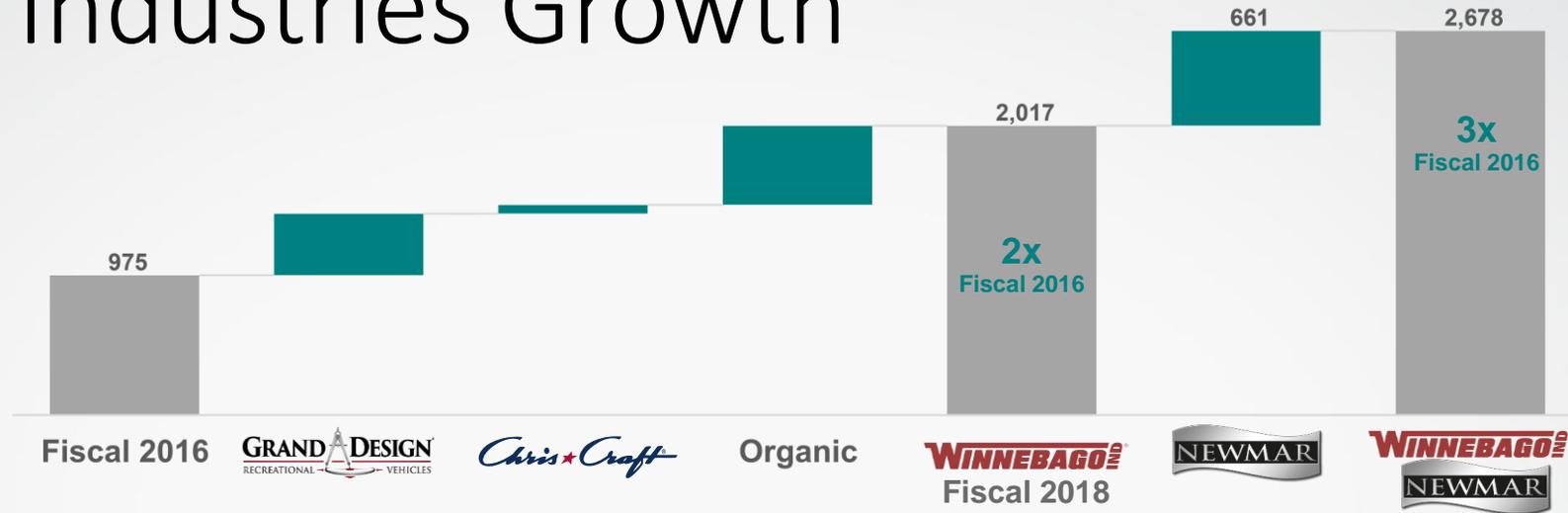


### Adjusted EBITDA (\$mm)

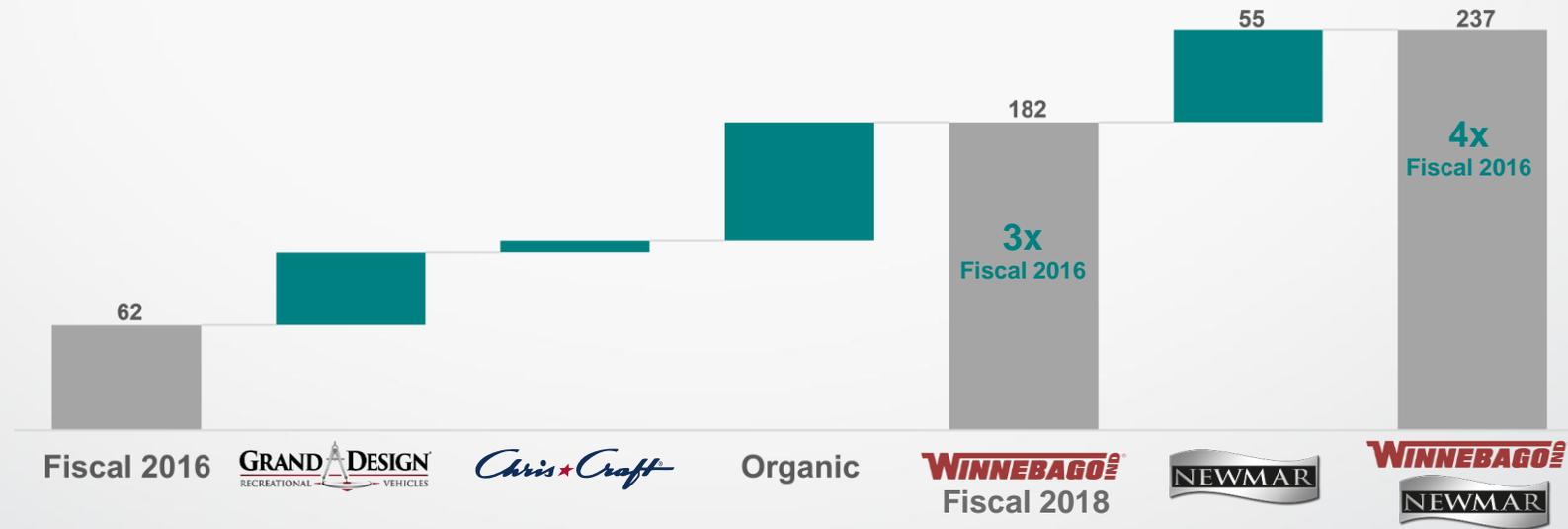


# Winnebago Industries Growth

Revenue  
\$-millions



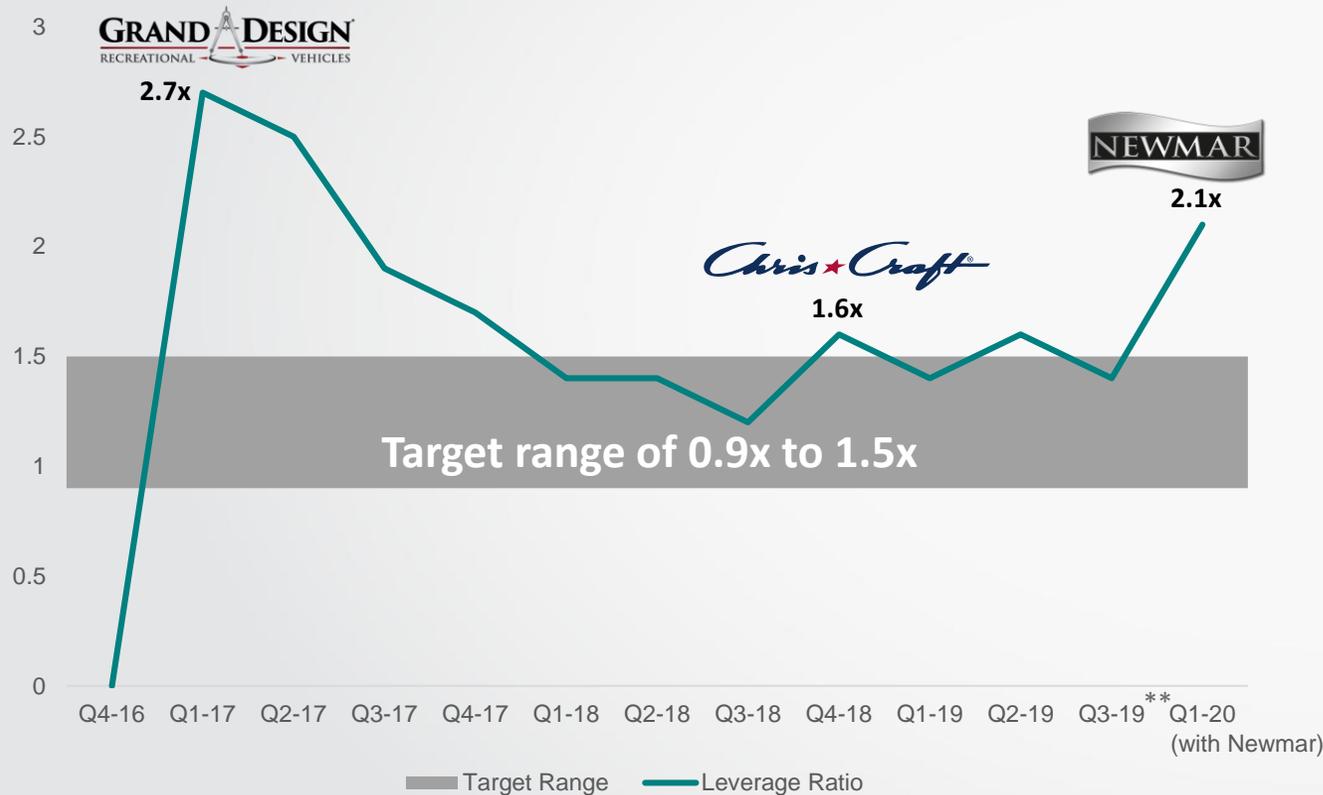
Profit  
(adjusted EBITDA)  
\$-millions



Note: Winnebago Industries data as of Fiscal 2018 and Newmar data as of LTM June 2019

# PROVEN TRACK RECORD OF DELEVERAGING

Leverage Ratio (Net Debt to Adjusted EBITDA)

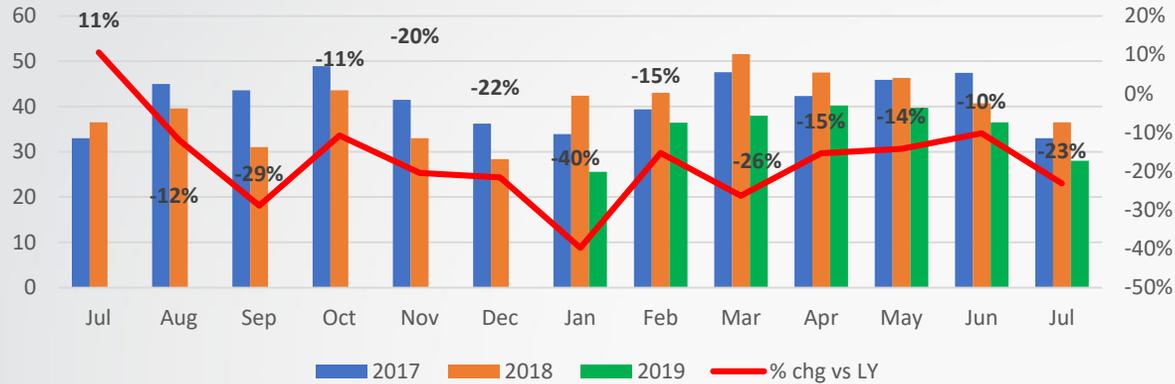


\*\* Note that Q4-19 is not currently disclosed

- ✓ Strong balance sheet provides ample flexibility to pursue transaction
    - Strong liquidity profile with no near-term maturities
    - Equity issuance to sellers preserves balance sheet flexibility
  - ✓ Prioritize de-levering the business immediately following the acquisition
  - ✓ Strong cash flow generation and proven track record of rapid debt paydown following acquisitions
- ✓ Expect leverage ratio to be within targeted range of 0.9x to 1.5x by the end of Fiscal 2020

# Wholesale and Retail Industry Shipments

**RV Wholesale Unit Shipments**



**As of July, 2019:**

Trailing 3 mo vs LY: -16%

Trailing 6 mo vs LY: -18%

Trailing 12 mo vs LY: -20%

**RVIA**

Calendar 2018 Actual -4%

Calendar 2019 Forecast -17%

Calendar 2002 Forecast -3%

**RV Retail Units - 2019 % change vs 2018**



Note: month of July 2019 not adjusted for usual SSI range of error (+~4-5 pp)

Trailing 3 mo vs LY: -12.1%

Trailing 6 mo vs LY: - 9.4%

Trailing 12 mo vs LY: -6.3%

# TOTAL RV RETAIL

NORTH AMERICAN UNITS - % GROWTH VS. LAST YEAR



Share: 9.3%  
Share Gain: +1.0 pp

9.4%  
+1.0 pp

9.4%  
+1.1 pp

## Retail (units)



## Share History:

F16 Y/E: 3.0%

F17 Y/E: 7.1%

F18 Y/E: 8.4%

Sources: Statistical Surveys, Inc. through July 2019

# CAMPING PARTICIPATION IS ON THE RISE & CHANGING



**62%** of U.S. households camp at least occasionally



**7.2 million** new U.S. households became campers over the last 4 years (2014-2018)



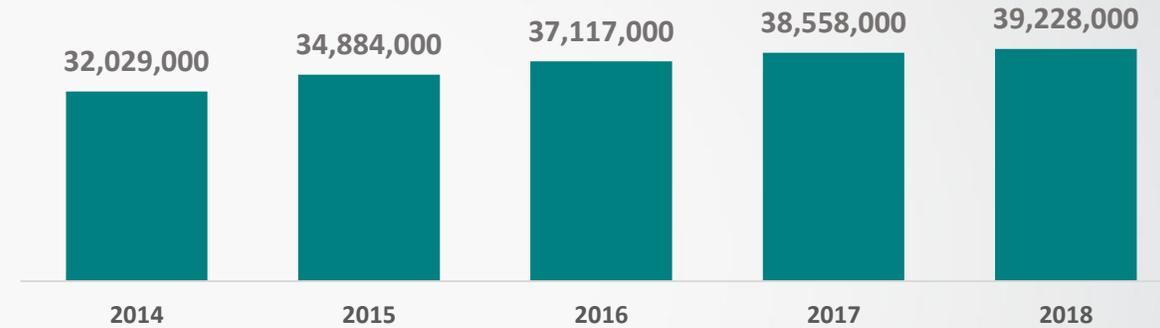
**72%** increase in number of campers from 2014-2018 who camp three times or more each year



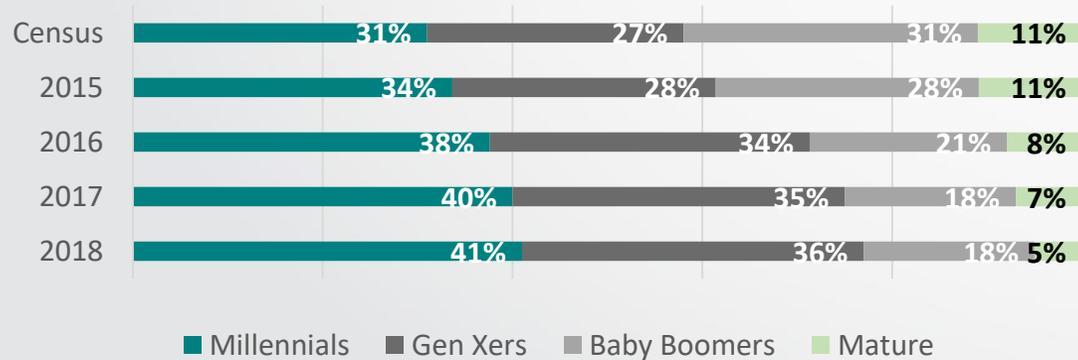
**24%** of campers use an RV (compared to 22% avg the last 4 years)

**23%** of new campers in 2018 use an RV as primary accommodation

## ANNUAL CAMPER HOUSEHOLDS HAVE GROWN 22% SINCE 2014



## Millennials & Gen Xers Campers Continue To Grow and Outpace The General Population



## MILLENNIAL PROFILE

- Comprise **41%** of all RVers
- **24%** say an RV is the primary type of camping accommodation
- **30%\*** who don't own an RV would consider purchasing one

Source: Kampgrounds of America (KOA) 2019 camping report; \*2018 KOA camping report

# WINNEBAGO INDUSTRIES: LEADING BRANDS



Coming soon!

# WINNEBAGO<sup>®</sup>

# W

[WinnebagoInd.com](http://WinnebagoInd.com)

# Transaction Overview

<b>Consideration</b>	<ul style="list-style-type: none"><li>▪ Total consideration of approximately \$344<sup>(1)</sup> million, based on WGO closing stock price on September 13, 2019<ul style="list-style-type: none"><li>— \$270 million cash</li><li>— 2 million WGO shares issued to the sellers</li></ul></li><li>▪ Adjusted for \$30 million in tax assets and run-rate net synergies, the purchase price implies a multiple of 5.2x LTM Adjusted EBITDA</li><li>▪ Newmar shareholders will own approximately 6% of WGO shares outstanding</li></ul>
<b>Financial Impact</b>	<ul style="list-style-type: none"><li>▪ Immediately accretive to motorhome segment margins and cash EPS<sup>(2)</sup></li><li>▪ Minimum anticipated annual run-rate net cost synergies of \$5 million, phased in over three years<ul style="list-style-type: none"><li>— Identified opportunities in purchasing and elimination of redundant processes</li><li>— Additional upside potential from sharing of manufacturing best practices</li></ul></li><li>▪ Enhanced cash flow generation</li></ul>
<b>Leverage Profile</b>	<ul style="list-style-type: none"><li>▪ Expected net debt to EBITDA ratio of approximately 2.1x following transaction<sup>(3)</sup></li><li>▪ Prioritize delevering the business immediately following the acquisition<ul style="list-style-type: none"><li>— Expected to de-lever to within stated target of 0.9x to 1.5x net debt to Adjusted EBITDA by the end of fiscal 2020</li></ul></li></ul>
<b>Organizational Structure</b>	<ul style="list-style-type: none"><li>▪ Newmar will operate as a standalone unit within Winnebago Industries<ul style="list-style-type: none"><li>— Newmar management team will remain in place and continue to operate out of Nappanee, IN</li><li>— Newmar CEO, Matt Miller will report directly to Mike Happe</li></ul></li></ul>
<b>Closing</b>	<ul style="list-style-type: none"><li>▪ Expected to close in the first quarter of fiscal 2020, subject to regulatory approvals and other customary closing conditions</li></ul>

(1) Guaranteed value of \$330 million on a trailing five-day average as of the closing date. Any stock price based shortfall, as of the date of close, will be made up with incremental cash consideration capped at \$20 million

(2) Excluding transaction costs, impacts of purchase accounting and before giving effect to anticipated synergies

(3) Represents unaudited financial estimate; EBITDA inclusive of \$5 million of annual run-rate net synergies

# TOWABLES SEGMENT DEVELOPMENTS

- Grand Design RV momentum
- Winnebago Towable expansion complete
- Grand Design expansion in progress
- New product investments
- Dealer and retail share gains
- Strong margin performance



MINNIE



MICRO MINNIE 5<sup>TH</sup> WHEEL



SPYDER TOY HAULER



IMAGINE



SOLITUDE



TRANSCEND

# MOTORIZED SEGMENT DEVELOPMENTS



- Product line revitalization
- Strengthening dealer relationships
- Manufacturing transformation
- Brand development
- Technology innovation



**INTENT**



**REVEL**



**VITA/PORTO**



**OUTLOOK**



**ADVENTURER**

# SPECIALTY VEHICLES BUSINESS UNIT



Mobile medical  
DUI/BAT  
Mammography  
Event marketing

Mobile dental  
Bloodmobiles  
Classrooms  
Bookmobiles

NEW! All-Electric Zero-Emission Option!

100% Battery Electric Vehicle

Wheelchair lifts

Roll-in showers

Conveniently located controls



**SPECIALTY**



**COMMERCIAL SHELLS**



**ACCESSIBILITY ENHANCED**

# CHRIS-CRAFT BOATS DEVELOPMENTS



AMERICA'S BOATBUILDER SINCE 1874

- Capacity expansion initiated
- Introduced Launch GT series
- Delivering on acquisition expectations
- Managing thru volatile import/export tariff environment

STERNDRIVE



CAPRI SERIES

Sizes: 21' 27'



CORSAIR SERIES

Sizes: 27' 30' 34'



LAUNCH SERIES

Sizes: 23' 27' 30' 34' 38'

OUTBOARD



CALYPSO SERIES

Sizes: 26' 30'



CATALINA SERIES

Sizes: 26' 30' 34'



LAUNCH GT

Sizes: 28' 35'