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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 27, 2021

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)

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

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

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

Indicate by check mark whether the registrant (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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 Exchange Act). Yes ☐ No ☒

The number of shares of common stock, par value $0.50 per share, outstanding on March 18, 2021 was 33,600,159.

Winnebago Industries, Inc.
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PART I. FINANCIAL INFORMATION.

Item 1. Condensed Consolidated Financial Statements.

Winnebago Industries, Inc.
Condensed Consolidated Statements of Income and Comprehensive Income
(Unaudited)

	Three Months Ended		Six Months Ended	
(in thousands, except per share data)	**February 27, 2021**	**February 29, 2020**	**February 27, 2021**	**February 29, 2020**
Net revenues	$ 839,886	$ 626,810	$ 1,633,017	$ 1,215,268
Cost of goods sold	683,304	547,028	1,339,431	1,056,873
Gross profit	156,582	79,782	293,586	158,395
Selling, general, and administrative expenses	53,016	42,164	101,415	93,269
Amortization of intangible assets	3,591	7,974	7,181	11,588
Total operating expenses	56,607	50,138	108,596	104,857
Operating income	99,975	29,644	184,990	53,538
Interest expense	10,052	8,651	19,993	14,700
Non-operating income	(311)	(270)	(217)	(386)
Income before income taxes	90,234	21,263	165,214	39,224
Provision for income taxes	21,166	3,995	38,723	7,888
Net income	$ 69,068	$ 17,268	$ 126,491	$ 31,336
Income per common share:				
Basic	$ 2.06	$ 0.51	$ 3.77	$ 0.95
Diluted	$ 2.04	$ 0.51	$ 3.74	$ 0.95
Weighted average common shares outstanding:				
Basic	33,533	33,614	33,571	32,840
Diluted	33,910	33,918	33,821	33,143
Net income	$ 69,068	$ 17,268	$ 126,491	$ 31,336
Other comprehensive income (loss):				
Amortization of net actuarial loss (net of tax of $3, $3, $6, and $5)	8	8	17	16
Interest rate swap activity (net of tax of $—, $—, $—, and $22)	—	—	—	(68)
Total other comprehensive income (loss)	8	8	17	(52)
Comprehensive income	$ 69,076	$ 17,276	$ 126,508	$ 31,284

See Notes to Condensed Consolidated Financial Statements.

Winnebago Industries, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(in thousands, except per share data)	February 27, 2021	August 29, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 333,015	$ 292,575
Receivables, less allowance for doubtful accounts ($301 and $353, respectively)	232,349	220,798
Inventories, net	278,468	182,941
Prepaid expenses and other assets	21,146	17,296
Total current assets	864,978	713,610
Property, plant, and equipment, net	173,609	174,945
Other assets:		
Goodwill	348,058	348,058
Other intangible assets, net	397,587	404,768
Investment in life insurance	28,301	27,838
Operating lease assets	27,833	29,463
Other assets	15,429	15,018
Total assets	$ 1,855,795	$ 1,713,700
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 144,604	$ 132,490
Income taxes payable	—	8,840
Accrued expenses:		
Accrued compensation	47,086	36,533
Product warranties	76,040	64,031
Self-insurance	17,469	17,437
Promotional	11,719	12,543
Accrued interest	4,260	4,652
Other	19,825	23,864
Total current liabilities	321,003	300,390
Non-current liabilities:		
Long-term debt, less current maturities	520,284	512,630
Deferred income taxes	16,528	15,608
Unrecognized tax benefits	6,207	6,511
Operating lease liabilities	25,942	27,048
Deferred compensation benefits, net of current portion	10,521	11,130
Other	12,946	12,917
Total non-current liabilities	592,428	585,844
Contingent liabilities and commitments (Note 10)		
Stockholders' equity:		
Preferred stock, par value $0.01: Authorized-10,000 shares; Issued-zero	—	—
Common stock, par value $0.50: Authorized-120,000 shares; Issued-51,776 shares	25,888	25,888
Additional paid-in capital	209,727	203,791
Retained earnings	1,032,020	913,610
Accumulated other comprehensive loss	(509)	(526)
Treasury stock, at cost: 18,225 and 18,133 shares, respectively	(324,762)	(315,297)
Total stockholders' equity	942,364	827,466
Total liabilities and stockholders' equity	$ 1,855,795	$ 1,713,700

See Notes to Condensed Consolidated Financial Statements.

Winnebago Industries, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	Six Months Ended February 27, 2021	Six Months Ended February 29, 2020
Operating activities:		
Net income	$ 126,491	$ 31,336
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,559	7,720
Amortization of intangible assets	7,181	11,588
Non-cash interest expense, net	6,769	4,182
Amortization of debt issuance costs	1,229	1,457
Last-in, first-out expense	552	664
Stock-based compensation	6,981	3,640
Deferred income taxes	914	576
Other, net	(3,460)	252
Change in assets and liabilities:		
Receivables	(11,547)	11,734
Inventories	(96,079)	45,275
Prepaid expenses and other assets	2,321	(4,081)
Accounts payable	12,487	4,688
Income taxes and unrecognized tax benefits	(10,698)	(966)
Accrued expenses and other liabilities	15,222	1,099
Net cash provided by operating activities	66,922	119,164
Investing activities:		
Purchases of property and equipment	(14,920)	(19,057)
Acquisition of business, net of cash acquired	—	(264,280)
Proceeds from sale of property and equipment	7,778	—
Other, net	(223)	179
Net cash used in investing activities	(7,365)	(283,158)
Financing activities:		
Borrowings on long-term debt	1,647,764	1,412,294
Repayments on long-term debt	(1,647,764)	(1,115,044)
Purchase of convertible bond hedge	—	(70,800)
Proceeds from issuance of warrants	—	42,210
Payments of cash dividends	(8,075)	(7,174)
Payments for repurchases of common stock	(12,109)	—
Payments of debt issuance costs	(224)	(10,761)
Other, net	1,291	(1,223)
Net cash (used in) provided by financing activities	(19,117)	249,502
Net increase in cash and cash equivalents	40,440	85,508
Cash and cash equivalents at beginning of period	292,575	37,431
Cash and cash equivalents at end of period	$ 333,015	$ 122,939

Supplemental cash flow disclosure:				
Income taxes paid, net	$	47,804	$	7,652
Interest paid	$	12,244	$	9,938
Non-cash transactions:				
Issuance of Winnebago common stock for acquisition of business	$	—	$	92,572
Capital expenditures in accounts payable	$	195	$	118

See Notes to Condensed Consolidated Financial Statements.

Winnebago Industries, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

Three Months Ended February 27, 2021

(in thousands, except per share data)	Common Shares Number	Common Shares Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Number	Treasury Stock Amount	Total Stockholders' Equity
Balances at November 28, 2020	51,776	$ 25,888	$ 204,551	$ 966,945	$ (517)	(18,275)	$ (325,309)	$ 871,558
Stock-based compensation, net of forfeitures	—	—	4,622	—	—	1	5	4,627
Issuance of stock, net	—	—	554	—	—	58	1,045	1,599
Repurchase of common stock	—	—	—	—	—	(9)	(503)	(503)
Common stock dividends; $0.12 per share	—	—	—	(3,993)	—	—	—	(3,993)
Actuarial loss, net of tax	—	—	—	—	8	—	—	8
Net income	—	—	—	69,068	—	—	—	69,068
Balances at February 27, 2021	51,776	$ 25,888	$ 209,727	$ 1,032,020	$ (509)	(18,225)	$ (324,762)	$ 942,364

Six Months Ended February 27, 2021

(in thousands, except per share data)	Common Shares Number	Common Shares Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Number	Treasury Stock Amount	Total Stockholders' Equity
Balances at August 29, 2020	51,776	$ 25,888	$ 203,791	$ 913,610	$ (526)	(18,133)	$ (315,297)	$ 827,466
Stock-based compensation, net of forfeitures	—	—	6,968	—	—	1	13	6,981
Issuance of stock, net	—	—	(1,032)	—	—	149	2,631	1,599
Repurchase of common stock	—	—	—	—	—	(242)	(12,109)	(12,109)
Common stock dividends; $0.24 per share	—	—	—	(8,081)	—	—	—	(8,081)
Actuarial loss, net of tax	—	—	—	—	17	—	—	17
Net income	—	—	—	126,491	—	—	—	126,491
Balances at February 27, 2021	51,776	$ 25,888	$ 209,727	$ 1,032,020	$ (509)	(18,225)	$ (324,762)	$ 942,364

Three Months Ended February 29, 2020

(in thousands, except per share data)	Common Shares Number	Common Shares Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Number	Treasury Stock Amount	Total Stockholders' Equity
Balances at November 30, 2019	51,776	$ 25,888	$ 198,733	$ 877,469	$ (551)	(18,177)	$ (315,930)	$ 785,609
Stock-based compensation, net of forfeitures	—	—	1,830	—	—	—	8	1,838
Issuance of stock, net	—	—	188	—	—	25	430	618
Repurchase of common stock	—	—	—	—	—	(1)	(74)	(74)
Common stock dividends; $0.11 per share	—	—	—	(3,743)	—	—	—	(3,743)
Actuarial loss, net of tax	—	—	—	—	8	—	—	8
Net income	—	—	—	17,268	—	—	—	17,268
Balances at February 29, 2020	51,776	$ 25,888	$ 200,751	$ 890,994	$ (543)	(18,153)	$ (315,566)	$ 801,524

(in thousands, except per share data)	Six Months Ended February 29, 2020							
	Common Shares		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Total Stockholders' Equity
	Number	Amount				Number	Amount	
Balances at August 31, 2019	51,776	$ 25,888	$ 91,185	$ 866,886	$ (491)	(20,262)	$ (351,256)	$ 632,212
Stock-based compensation, net of forfeitures	—	—	3,624	—	—	—	17	3,641
Issuance of stock, net	—	—	(2,031)	—	—	153	2,649	618
Issuance of stock for acquisition	—	—	57,811	—	—	2,000	34,761	92,572
Repurchase of common stock	—	—	—	—	—	(44)	(1,737)	(1,737)
Common stock dividends; $0.22 per share	—	—	—	(7,228)	—	—	—	(7,228)
Actuarial loss, net of tax	—	—	—	—	16	—	—	16
Interest rate swap activity, net of tax	—	—	—	—	(68)	—	—	(68)
Equity component of convertible senior notes and offering costs, net of tax of $20,840	—	—	61,335	—	—	—	—	61,335
Convertible note hedge purchase, net of tax of $17,417	—	—	(53,383)	—	—	—	—	(53,383)
Warrant transactions	—	—	42,210	—	—	—	—	42,210
Net income	—	—	—	31,336	—	—	—	31,336
Balances at February 29, 2020	51,776	$ 25,888	$ 200,751	$ 890,994	$ (543)	(18,153)	$ (315,566)	$ 801,524

See Notes to Condensed Consolidated Financial Statements.

Winnebago Industries, Inc.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1: Basis of Presentation

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

In the opinion of management, the accompanying Condensed Consolidated Financial Statements contain all adjustments necessary for a fair presentation as prescribed by accounting principles generally accepted in the United States (“GAAP”). All adjustments were comprised of normal recurring adjustments, except as noted in these Notes to Condensed Consolidated Financial Statements.

Interim results are not necessarily indicative of the results to be expected for the full year. The interim Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q should be read in conjunction with the audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended August 29, 2020.

Fiscal Period

The Company follows a 52-/53-week fiscal year, ending the last Saturday in August. Fiscal 2021 and Fiscal 2020 are both a 52-week year.

Cash and cash equivalents

Cash equivalents include all investments with original maturities of three months or less or which are readily convertible into known amounts of cash and are not legally restricted. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation up to $250,000, while the remaining balances are uninsured.

Subsequent Events

In preparing the accompanying unaudited Condensed Consolidated Financial Statements, the Company evaluated subsequent events for potential recognition and disclosure through the date of this filing. There were no material subsequent events, except for the item noted below.

Dividend
On March 17, 2021, the Company's Board of Directors declared a quarterly cash dividend of $0.12 per share payable on April 28, 2021 to common stockholders of record at the close of business on April 14, 2021.

CARES Act

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law on March 27, 2020. The Company is taking advantage of the employer payroll tax ("FICA") deferral offered by the CARES Act, which allows the Company to defer the payment of employer payroll taxes for the period from March 27, 2020 to December 31, 2020. The deferred FICA liability as of February 27, 2021 was $16.2 million and will be payable in equal installments at December 2021 and December 2022. Additionally, the Company took advantage of a tax credit granted to companies under the CARES Act who continued to pay their employees when operations were fully or partially suspended. The refundable tax credit through the end of the third quarter of Fiscal 2020, reflected in cost of goods sold and within other current assets, is approximately $4.0 million, of which $3.2 million is outstanding, and will be received in Fiscal 2021.

Recently Adopted Accounting Pronouncements

The Company adopted Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments—Credit Losses* (“Topic 326”), effective August 30, 2020. The new impairment model (known as the current expected credit loss ("CECL") model) is based on expected losses rather than incurred losses. Topic 326 is applicable to financial assets measured at amortized cost, such as accounts receivable and deposits. It requires historical loss data to be adjusted to reflect changes in asset-specific considerations, current conditions and reasonable and supportable forecasts of future economic conditions. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The Company adopted Topic 326 using the modified retrospective transition approach, which involves recognizing the cumulative effect of initial adoption of Topic 326 as an adjustment to its opening retained earnings as of August 30, 2020. Therefore, comparative information prior to the adoption date has not been adjusted. As a result of adoption of Topic 326, the Company did not recognize an incremental allowance for credit losses on its accounts receivable for the first six months ended February 27, 2021. The adoption of this standard did not materially impact the Company's Condensed Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)*. ASU 2020-06 reduces the number of models used to account for convertible instruments, amends diluted EPS calculations for convertible instruments, and amends the requirements for a contract (or embedded derivative) that is potentially settled in an entity's own shares to be classified in equity. The amendments add certain disclosure requirements to increase transparency and decision-usefulness about a convertible instrument's terms and features. Under the amendment, the Company must use the if-converted method for including convertible instruments in diluted EPS as opposed to the treasury stock method. ASU 2020-06 is effective for annual reporting periods beginning after December 15, 2021 (the Company's Fiscal 2023). Early adoption is allowed under the standard with either a modified retrospective or full retrospective method. The Company expects to adopt the new guidance in the first quarter of Fiscal 2023. While it will change the Company's diluted EPS reporting, the extent to which the standard will have a material impact on the Company's consolidated financial statements is uncertain at this time.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides practical expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The expedients and exceptions provided by the amendments in this update apply only to contracts, hedging relationships, and other transactions that reference the London interbank offered rate (“LIBOR”) or another reference rate expected to be discontinued as a result of reference rate reform. These amendments are not applicable to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022. ASU 2020-04 is effective as of March 12, 2020 through December 31, 2022 and may be applied to contract modifications and hedging relationships from the beginning of an interim period that includes or is subsequent to March 12, 2020. The Company will adopt this standard when LIBOR is discontinued, and does not expect a material impact to its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. ASU 2019-12 simplifies the accounting for income taxes by removing certain exceptions to the general principles of Topic 740. The standard is effective for annual reporting periods beginning after December 15, 2020 (the Company's Fiscal 2022), including interim periods within those annual reporting periods. The Company expects to adopt the new guidance in the first quarter of Fiscal 2022, and does not expect a material impact to its consolidated financial statements.

Note 2: Business Segments

The Company has six operating segments: 1) Grand Design towables, 2) Winnebago towables, 3) Winnebago motorhomes, 4) Newmar motorhomes, 5) Chris-Craft marine, and 6) Winnebago specialty vehicles. The Company evaluates performance based on each operating segment's Adjusted EBITDA, as defined below, which excludes certain corporate administration expenses and non-operating income and expense.

The Company's two reportable segments include: 1) 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 Grand Design towables and the Winnebago towables operating segments and 2) Motorhome (comprised of products that include a motorized chassis as well as other related manufactured products and services), which is an aggregation of the Winnebago motorhomes and Newmar motorhomes operating segments.

The Corporate / All Other category includes the Chris-Craft marine and Winnebago specialty vehicles 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.

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.

The Company's chief operating decision maker ("CODM") is its Chief Executive Officer. The Company's CODM relies on internal management reporting that analyzes consolidated results and each operating segment's Adjusted EBITDA. The Company's CODM has ultimate responsibility for enterprise decisions. The Company's CODM determines, in particular, resource allocation for, and monitors the performance of, the consolidated enterprise, the Towable segment, and the Motorhome segment. The operating segments' 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*, of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended August 29, 2020.

The Company evaluates the performance of its 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 acquisition-related fair-value inventory step-up, acquisition-related costs, restructuring expenses, gain or loss on sale of property and equipment, and non-operating income. The following table shows information by reportable segment:

(in thousands)	Three Months Ended February 27, 2021	Three Months Ended February 29, 2020	Six Months Ended February 27, 2021	Six Months Ended February 29, 2020
Net Revenues				
Towable	$ 439,284	$ 283,463	$ 894,185	$ 624,713
Motorhome	382,575	325,542	704,964	551,433
Corporate / All Other	18,027	17,805	33,868	39,122
Consolidated	$ 839,886	$ 626,810	$ 1,633,017	$ 1,215,268
Adjusted EBITDA				
Towable	$ 62,366	$ 34,746	$ 125,509	$ 70,531
Motorhome	50,969	14,946	81,312	24,277
Corporate / All Other	(5,370)	(4,263)	(9,563)	(7,331)
Consolidated	$ 107,965	$ 45,429	$ 197,258	$ 87,477
Capital Expenditures				
Towable	$ 2,714	$ 5,640	$ 6,851	$ 9,666
Motorhome	3,268	5,372	7,271	7,612
Corporate / All Other	249	1,421	798	1,779
Consolidated	$ 6,231	$ 12,433	$ 14,920	$ 19,057

(in thousands)	February 27, 2021	August 29, 2020
Total Assets		
Towable	$ 723,388	$ 718,253
Motorhome	694,077	600,304
Corporate / All Other	438,330	395,143
Consolidated	$ 1,855,795	$ 1,713,700

Reconciliation of net income to consolidated Adjusted EBITDA:

(in thousands)	Three Months Ended February 27, 2021	Three Months Ended February 29, 2020	Six Months Ended February 27, 2021	Six Months Ended February 29, 2020
Net income	$ 69,068	$ 17,268	$ 126,491	$ 31,336
Interest expense	10,052	8,651	19,993	14,700
Provision for income taxes	21,166	3,995	38,723	7,888
Depreciation	4,399	4,134	8,559	7,720
Amortization of intangible assets	3,591	7,974	7,181	11,588
EBITDA	108,276	42,022	200,947	73,232
Acquisition-related fair-value inventory step-up	—	3,634	—	4,810
Acquisition-related costs	—	—	—	9,950
Restructuring expenses	—	43	93	(129)
Gain on sale of property and equipment	—	—	(3,565)	—
Non-operating income	(311)	(270)	(217)	(386)
Adjusted EBITDA	$ 107,965	$ 45,429	$ 197,258	$ 87,477

Note 3: Investments and Fair Value Measurements

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

The Company accounts 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. The Company's 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 the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis at February 27, 2021 and August 29, 2020 according to the valuation techniques the Company used to determine their fair values:

	Fair Value at	Fair Value Hierarchy		
(in thousands)	**February 27, 2021**	**Level 1**	**Level 2**	**Level 3**
Assets that fund deferred compensation:				
Domestic equity funds	$ 838	$ 838	$ —	$ —
International equity funds	36	36	—	—
Fixed income funds	47	47	—	—
Total assets at fair value	$ 921	$ 921	$ —	$ —

	Fair Value at	Fair Value Hierarchy		
(in thousands)	**August 29, 2020**	**Level 1**	**Level 2**	**Level 3**
Assets that fund deferred compensation:				
Domestic equity funds	$ 626	$ 626	$ —	$ —
International equity funds	34	34	—	—
Fixed income funds	50	50	—	—
Total assets at fair value	$ 710	$ 710	$ —	$ —

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

Assets that fund deferred compensation

The Company's 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. Refer to Note 11, *Employee and Retiree Benefits*, of the Notes to Consolidated

Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended August 29, 2020 for additional information regarding these plans.

The proportion of the assets that will fund options which expire within a year are included in Prepaid expenses and other assets in the accompanying Condensed Consolidated Balance Sheets. The remaining assets are classified as non-current and are included in Other assets.

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

The Company's non-financial assets, which include 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, the Company must evaluate the non-financial asset for impairment. If an impairment has occurred, the asset is required to be recorded at the estimated fair value. No impairments were recorded for non-financial assets in the second quarter of Fiscal 2021 or the second quarter of Fiscal 2020.

Fair Value of Financial Instruments

The Company's 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 8, *Long-Term Debt*, for information about the fair value of the Company's long-term debt.

Note 4: Inventories

Inventories consist of the following:

(in thousands)	February 27, 2021	August 29, 2020
Finished goods	$ 9,184	$ 17,141
Work-in-process	145,092	86,651
Raw materials	160,577	114,982
Total	314,853	218,774
Less last-in, first-out ("LIFO") reserve	36,385	35,833
Inventories, net	$ 278,468	$ 182,941

Inventory valuation methods consist of the following:

(in thousands)	February 27, 2021	August 29, 2020
LIFO basis	$ 131,760	$ 88,675
First-in, first-out basis	183,093	130,099
Total	$ 314,853	$ 218,774

The above value of inventories, before reduction for the LIFO reserve, approximates replacement cost at the respective dates.

Note 5: Property, Plant, and Equipment

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

(in thousands)		February 27, 2021		August 29, 2020
Land	$	9,111	$	11,101
Buildings and building improvements		147,587		144,565
Machinery and equipment		120,106		117,370
Software		28,611		28,456
Transportation		4,938		4,913
Construction in progress		19,216		20,778
Property, plant, and equipment, gross		329,569		327,183
Less accumulated depreciation		155,960		152,238
Property, plant, and equipment, net	$	173,609	$	174,945

Depreciation expense was $4.4 million and $4.1 million during the second quarters of Fiscal 2021 and 2020, respectively; and $8.6 million and $7.7 million for the first six months of Fiscal 2021 and 2020, respectively.

Note 6: Goodwill and Intangible Assets

The changes in the carrying amount of goodwill by segment were as follows for the first six months of Fiscal 2021 and 2020, of which there were no accumulated impairment losses:

(in thousands)		Towable		Motorhome		Corporate / All Other		Total
Balances at August 31, 2019	$	244,684	$	—	$	30,247	$	274,931
Acquisition of Newmar[1]		—		73,929		—		73,929
Balances at February 29, 2020	$	244,684	$	73,929	$	30,247	$	348,860
Balances at August 29, 2020 and February 27, 2021[2]	$	244,684	$	73,127	$	30,247	$	348,058

(1) The change in Motorhome activity is related to the acquisition of Newmar Corporation, Dutch Real Estate Corp., New-Way Transport and New-Serv (collectively "Newmar") that occurred on November 8, 2019. See Note 2, *Business Combinations* in the Company's Annual Report on Form 10-K for the fiscal year ended August 29, 2020 for additional acquisition information.

(2) There was no activity in the six months beginning August 29, 2020 and ending February 27, 2021.

Other intangible assets, net of accumulated amortization, consist of the following:

	February 27, 2021					August 29, 2020			
($ in thousands)	Weighted Average Life-Years		Cost		Accumulated Amortization	Weighted Average Life-Years		Cost		Accumulated Amortization
Trade names	Indefinite	$	275,250			Indefinite	$	275,250		
Dealer networks	12.1		159,581	$	39,070	12.2		159,581	$	32,487
Backlog	0.5		28,327		28,327	0.5		28,327		28,327
Non-compete agreements	4.3		6,647		4,821	4.1		6,647		4,223
Other intangible assets, gross			469,805		72,218			469,805		65,037
Less accumulated amortization			72,218					65,037		
Other intangible assets, net		$	397,587				$	404,768		

The weighted average remaining amortization period for intangible assets as of February 27, 2021 was approximately 10 years.

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

(in thousands)	Amount
Fiscal 2021	$ 7,180
Fiscal 2022	13,719
Fiscal 2023	13,526
Fiscal 2024	13,424
Fiscal 2025	13,219
Thereafter	61,269
Total amortization expense remaining	$ 122,337

Note 7: Product Warranties

The Company provides certain service and warranty on its products. From time to time, the Company also voluntarily incurs costs for certain warranty-type expenses occurring after the normal warranty period to help protect the reputation of the Company's products and the goodwill of the Company's 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 products, the Company also occasionally incurs costs as a result of additional service actions not covered by warranties, including product recalls and customer satisfaction actions. Although the Company estimates and reserves 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 the Company's product warranty liability are as follows:

	Three Months Ended		Six Months Ended	
(in thousands)	February 27, 2021	February 29, 2020	February 27, 2021	February 29, 2020
Balance at beginning of period	$ 70,502	$ 61,107	$ 64,031	$ 44,436
Business acquisition[(1)]	—	—	—	15,147
Provision	20,227	15,729	41,930	31,047
Claims paid	(14,689)	(16,625)	(29,921)	(30,419)
Balance at end of period	$ 76,040	$ 60,211	$ 76,040	$ 60,211

(1) Relates to the acquisition of Newmar on November 8, 2019. See Note 2, *Business Combinations* in the Company's Annual Report on Form 10-K for the fiscal year ended August 29, 2020 for additional acquisition information.

Note 8: Long-Term Debt

The components of long-term debt are as follows:

(in thousands)	February 27, 2021	August 29, 2020
ABL Credit Facility	$ —	$ —
Senior Secured Notes	300,000	300,000
Convertible Notes	300,000	300,000
Long-term debt, gross	600,000	600,000
Convertible Notes unamortized interest discount	(67,525)	(74,294)
Debt issuance costs, net	(12,191)	(13,076)
Long-term debt, net	$ 520,284	$ 512,630

Credit Agreements

On July 8, 2020, the Company closed its private offering (the “Senior Secured Notes Offering”) of $300 million aggregate principal amount of 6.25% Senior Secured Notes due 2028 (the “Senior Secured Notes”). The Senior Secured Notes were issued in accordance with an Indenture dated as of July 8, 2020 (the “Indenture”). The Senior Secured Notes will mature on July 15, 2028 unless earlier redeemed or repurchased. Interest on the Senior Secured Notes accrues starting July 8, 2020 and is payable semi-annually in arrears on January 15 and July 15 of each year, which began on January 15, 2021. The Senior Secured Notes and the related guarantees are secured by (i) a first-priority lien on substantially all of the Company's and the subsidiary guarantor parties' existing and future assets (other than certain collateral under the Company's ABL facility) and (ii) a second-priority lien on the Company's present and future accounts and receivables, inventory and other related assets and proceeds that secure the ABL facility on a first-priority basis.

The Indenture limits certain abilities of the Company and its subsidiaries (subject to certain exceptions and qualifications) to incur additional debt and provide additional guarantees; make restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sale of assets and subsidiary stock; create or permit restrictions on the ability of the Company's restricted subsidiaries to pay dividends or make other inter-company distributions; engage in certain transactions with affiliates; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its restricted subsidiaries.

The Company amortizes debt issuance costs on a straight-line basis over the term of the associated debt agreement. If early principal payments are made on the Senior Secured Notes, a proportional amount of the unamortized issuance costs is expensed. As part of the Senior Secured Notes Offering, the Company capitalized $7.5 million in debt issuance costs that will be amortized over the eight-year term of the agreement.

On November 8, 2016, the Company entered into an asset-based revolving credit agreement ("ABL") and a loan agreement ("Term Loan") with JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), as administrative agent and certain lenders from time to time party thereto. The remaining principal balance of the Term Loan as of July 8, 2020 was $249.8 million, which was repaid with the proceeds from the Senior Secured Notes, and debt issuance costs of $4.7 million were written off upon repayment. In addition, the interest rate swaps with a liability position of $0.6 million hedging the Term Loan interest rates were settled early in July 2020.

Under the ABL, the Company has a $192.5 million credit facility that matures on October 22, 2024 (subject to certain factors which may accelerate the maturity date) 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 $19.3 million. The Company pays a commitment fee of 0.25% on the average daily amount of the facility available, but unused. The Company can elect to base the interest rate on various rates plus specific spreads depending on the amount of borrowings outstanding. If drawn, the Company would pay interest on ABL borrowings at a floating rate based upon LIBOR plus a spread of between 1.25% and 1.75%, depending on the usage of the facility during the most recent quarter. Based on current usage, the Company would pay LIBOR plus 1.25%.

Convertible Notes

On November 1, 2019, the Company issued $300.0 million in aggregate principal amount of 1.5% unsecured convertible senior notes due 2025 ("Convertible Notes"). The net proceeds from the issuance of the Convertible Notes, after deducting the initial purchasers' transaction fees and offering expense payable by the Company, were approximately $290.2 million. The Convertible Notes bear interest at the annual rate of 1.5%, payable on April 1 and October 1 of each year, beginning on April 1, 2020, and will mature on April 1, 2025, unless earlier converted or repurchased by the Company.

The Convertible Notes will be convertible into cash, shares of the Company's common stock or a combination thereof, at the election of the Company, at an initial conversion rate of 15.6906 shares of common stock per $1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately $63.73 per share, as adjusted pursuant to the terms of the indenture governing the Convertible Notes. The Convertible Notes may be converted at any time on or after October 1, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date.

The conversion rate of the Convertible Notes may be adjusted in certain circumstances, including in connection with a conversion of the Convertible Notes made following certain fundamental changes and under other circumstances set forth in the indenture. It is the Company's current intent to settle all conversions of the Convertible Notes through settlement of cash. The Company's ability to cash settle may be limited depending on the stock price at the time of conversion.

Prior to the close of business on the business day immediately preceding October 1, 2024, the Convertible Notes will be convertible only under the following circumstances:

(1) during any fiscal quarter commencing after December 31, 2019 if the closing sale price of the common stock is more than 130% of the applicable conversion price on each applicable trading day for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;
(2) during the five consecutive business day period after any five consecutive trading day period (the "measurement period") in which the trading price per $1,000 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the common stock and the conversion rate for the Convertible Notes on each such trading day; or
(3) upon the occurrence of certain specified corporate events set forth in the indenture.

The Company may not redeem the Convertible Notes at its option prior to the maturity date, and no sinking fund is provided for the Convertible Notes.

On October 29, 2019 and October 30, 2019, in connection with the offering of the Convertible Notes, the Company entered into privately negotiated convertible note hedge transactions (collectively, the “Hedge Transactions”) that cover, subject to customary anti-dilution adjustments, the number of shares of the Company's common stock that initially underlie the Convertible Notes, and are expected generally to reduce the potential dilution and/or offset any cash payments the Company is required to make in excess of the principal amount due, as the case may be, upon conversion of the Convertible Notes in the event that the market price of the Company's common stock is greater than the strike price of the Hedge Transactions, which was initially $63.73 per share (subject to adjustment under the terms of the Hedge Transactions), corresponding to the initial conversion price of the Convertible Notes.

On October 29, 2019 and October 30, 2019, the Company also entered into privately negotiated warrant transactions (collectively, the “Warrant Transactions” and, together with the Hedge Transactions, the “Call Spread Transactions”), whereby the Company sold warrants at a higher strike price relating to the same number of shares of the Company's common stock that initially underlie the Convertible Notes, subject to customary anti-dilution adjustments. The initial strike price of the warrants is $96.20 per share (subject to adjustment under the terms of the Warrant Transactions), which is 100% above the last reported sale price of the Company's common stock on October 29, 2019. The Warrant Transactions could have a dilutive effect to the Company's stockholders to the extent that the market price per share of the Company's common stock, as measured under the terms of the Warrant Transactions, exceeds the applicable strike price of the warrants.

The Company used $28.6 million of the net proceeds from the issuance of the Convertible Notes to pay the cost of the Call Spread Transactions.

The Hedge Transactions and the Warrant Transactions are separate transactions, in each case, and are not part of the terms of the Convertible Notes and will not affect any holder’s rights under the Convertible Notes. Holders of the Convertible Notes will not have any rights with respect to the Call Spread Transactions.

Accounting Treatment of the Convertible Notes and Related Hedge Transactions and Warrant Transactions

The Call Spread Transactions were classified as equity. The Company bifurcated the proceeds from the offering of the Convertible Notes between liability and equity components. On the date of issuance, the liability and equity components were calculated to be approximately $215.0 million and $85.0 million, respectively. The initial $215.0 million liability component was determined based on the fair value of similar debt instruments excluding the conversion feature assuming a hypothetical interest rate of 8%. The initial $85.0 million ($64.1 million net of tax) equity component represents the difference between the fair value of the initial $215.0 million in debt and the $300.0 million of gross proceeds. The related initial debt discount of $85.0 million is being amortized over the life of the Convertible Notes as non-cash interest expense using the effective interest method.

In connection with the above-noted transactions, the Company incurred approximately $9.8 million of offering-related costs. These offering fees were allocated to the liability and equity components in proportion to the allocation of proceeds and accounted for as debt and equity issuance costs, respectively. The Company allocated $7.0 million of debt issuance costs to the liability component, which were capitalized as deferred financing costs within Long-term debt. These costs are being amortized as interest expense over the term of the debt using the effective interest method. The remaining $2.8 million of transaction costs allocated to the equity component were recorded as a reduction of the equity component.

Fair Value and Future Maturities

As of February 27, 2021, the fair value of long-term debt, gross, was $723.1 million. As of August 29, 2020, the fair value of long-term debt, gross, was $674.7 million.

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

(in thousands)	Amount
Fiscal 2021	$ —
Fiscal 2022	—
Fiscal 2023	—
Fiscal 2024	—
Fiscal 2025	300,000
Thereafter	300,000
Total Senior Secured Notes and Convertible Notes	$ 600,000

Note 9: Employee and Retiree Benefits

Deferred compensation liabilities are as follows:

(in thousands)	February 27, 2021	August 29, 2020
Non-qualified deferred compensation	$ 10,583	$ 11,460
Supplemental executive retirement plan	1,864	1,838
Executive deferred compensation plan	924	710
Deferred compensation benefits	13,371	14,008
Less current portion[1]	2,850	2,878
Deferred compensation benefits, net of current portion	$ 10,521	$ 11,130

(1) Included in Accrued compensation on the Condensed Consolidated Balance Sheets.

Note 10: Contingent Liabilities and Commitments

Repurchase Commitments

Generally, manufacturers in the same industries as the Company 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.

The Company's repurchase agreements generally provide that, in the event of default by the dealer on the agreement to pay the lending institution, Winnebago Industries will repurchase the financed merchandise. The terms of these agreements, which generally can last up to 24 months, provide that the Company's 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. The Company's liability cannot exceed 100% of the dealer invoice. In certain instances, the Company also repurchases inventory from 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 recreational vehicles or boats to repurchase current inventory if a dealership exits the business. The total contingent liability on all repurchase agreements of the Company was approximately $916.4 million and $798.9 million at February 27, 2021 and August 29, 2020, 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. The Company's loss reserve for repurchase commitments contains uncertainties because the calculation requires management to make assumptions and apply judgment regarding a number of factors. The Company's 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 the Company's 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 the Company's historical loss experience, an associated loss reserve is established which is included in Accrued expenses: Other on the Condensed Consolidated Balance Sheets. The Company's repurchase accrual was $1.0 million at February 27, 2021 and August 29, 2020. Repurchase risk is affected by the credit worthiness of the Company's dealer network, and management does 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.

There was no material activity related to repurchase agreements during the first six months ended February 27, 2021 and February 29, 2020.

Litigation

The Company is involved in various legal proceedings which are ordinary and routine litigation incidental to the business, some of which are covered in whole or in part by insurance. While the Company believes the ultimate disposition of litigation will not have a material adverse effect on the Company's financial position, results of operations or liquidity, there exists the possibility that such litigation may have an impact on the Company's results for a particular reporting period in which litigation effects become probable and reasonably estimable. Though the Company does 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.

Note 11: Revenue

The Company generates all operating revenue from contracts with customers. The Company's primary source of revenue is generated through the sale of manufactured motorized units, non-motorized towable units, and marine units to the Company's independent dealer network (the Company's customers). The following table disaggregates revenue by reportable segment and product category:

	Three Months Ended		Six Months Ended	
(in thousands)	**February 27, 2021**	**February 29, 2020**	**February 27, 2021**	**February 29, 2020**
Net Revenues				
Towable:				
Fifth Wheel	$ 226,942	$ 156,748	$ 467,390	$ 351,937
Travel Trailer	207,042	123,894	415,638	264,357
Other(1)	5,300	2,821	11,157	8,419
Total Towable	439,284	283,463	894,185	624,713
Motorhome:				
Class A	157,744	179,705	291,910	245,349
Class B	137,170	81,893	246,457	167,349
Class C	79,263	55,657	148,549	122,533
Other(1)	8,398	8,287	18,048	16,202
Total Motorhome	382,575	325,542	704,964	551,433
Corporate / All Other:				
Other(2)	18,027	17,805	33,868	39,122
Total Corporate / All Other	18,027	17,805	33,868	39,122
Consolidated	$ 839,886	$ 626,810	$ 1,633,017	$ 1,215,268

(1) Relates to parts, accessories, and services.
(2) Relates to marine, specialty vehicle units, parts, accessories, and services.

The Company does not have material contract assets or liabilities. The Company establishes allowances for uncollectible receivables based on historical collection trends, write-off history, consideration of current conditions and expectations for future economic conditions.

Concentration of Risk

None of the Company's dealer organizations accounted for more than 10% of net revenue for each of the second quarter periods of Fiscal 2021 and Fiscal 2020. In addition, none of the Company's dealer organizations accounted for more than 10% of net revenue for the first six months of Fiscal 2021 and Fiscal 2020.

Note 12: Stock-Based Compensation

On December 11, 2018, the Company's shareholders approved the Winnebago Industries, Inc. 2019 Omnibus Incentive Plan ("2019 Plan") as detailed in the Company's Proxy Statement for the 2018 Annual Meeting of Shareholders. The 2019 Plan allows the Company 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. The 2019 Plan replaces the 2014 Omnibus Equity, Performance Award, and Incentive Compensation Plan (as amended, the "2014 Plan"). The number of shares of the Company's Common Stock that may be the subject of awards and issued under the 2019 Plan is 4.1 million, plus the shares subject to any awards outstanding under the 2014 Plan and the Company's predecessor plan, the 2004 Incentive Compensation Plan (the “2004 Plan”), on December 11, 2018 that subsequently expire, are forfeited or canceled, or are settled for cash. Until such time, however, awards under the 2014 Plan and the 2004 Plan, respectively, that are outstanding on December 11, 2018 will continue to be subject to the terms of the 2014 Plan or 2004 Plan, as applicable. Shares remaining available for future awards under the 2014 Plan were not carried over into the 2019 Plan.

Stock-based compensation expense was $4.6 million and $2.0 million during the second quarters of Fiscal 2021 and 2020, respectively, and $7.0 million and $3.6 million during the first six months of Fiscal 2021 and 2020. Compensation expense is recognized over the requisite service period of the award.

Note 13: Restructuring

In Fiscal 2020, the Company's Class A diesel production was moved from Junction City, OR to Forest City, IA. In November 2020, a portion of the property in Junction City, OR was sold for net proceeds of $7.7 million with a resulting gain of $3.6 million. The gain on this sale is included within selling, general, and administrative expenses for Fiscal 2021. Total restructuring expenses for the first six months of Fiscal 2021 were immaterial to the overall financial statements.

The Company does not expect additional reorganization charges during the remainder of Fiscal 2021.

Note 14: Income Taxes

The Company's effective tax rate increased to 23.4% for the six months ended February 27, 2021 from 20.1% for the first six months ended February 29, 2020 due primarily to consistent year-over-year credits over higher current year pre-tax income and favorable research and development discrete items in the prior year.

The Company files a U.S. Federal tax return, as well as returns in various international and state jurisdictions. As of February 27, 2021, the Company's Federal returns from Fiscal 2017 to present are subject to review by the Internal Revenue Service. With limited exception, state returns from Fiscal 2016 to present continue to be subject to review by state taxing jurisdictions. The Company is currently under review by certain U.S. state tax authorities for Fiscal 2016 through 2019. The Company believes it has adequately reserved for its exposure to additional payments for uncertain tax positions in its liability for unrecognized tax benefits.

Note 15: Income Per Share

The following table reflects the calculation of basic and diluted income per share:

	Three Months Ended		Six Months Ended	
(in thousands, except per share data)	**February 27, 2021**	**February 29, 2020**	**February 27, 2021**	**February 29, 2020**
Numerator				
Net income	$ 69,068	$ 17,268	$ 126,491	$ 31,336
Denominator				
Weighted average common shares outstanding	33,533	33,614	33,571	32,840
Dilutive impact of stock compensation awards	270	304	250	303
Dilutive impact of convertible notes	107	—	—	—
Weighted average common shares outstanding, assuming dilution	33,910	33,918	33,821	33,143
Anti-dilutive securities excluded from Weighted average common shares outstanding, assuming dilution	—	45	53	94
Basic income per common share	$ 2.06	$ 0.51	$ 3.77	$ 0.95
Diluted income per common share	$ 2.04	$ 0.51	$ 3.74	$ 0.95

Anti-dilutive securities were not included in the computation of diluted income per common share because they are considered anti-dilutive under the treasury stock method.

Note 16: Accumulated Other Comprehensive Income (Loss)

Changes in Accumulated Other Comprehensive Income ("AOCI") by component, net of tax, were:

	Three Months Ended			
	February 27, 2021		February 29, 2020	
(in thousands)	Defined Benefit Pension Items	Total	Defined Benefit Pension Items	Total
Balance at beginning of period	$ (517)	$ (517)	$ (551)	$ (551)
Amounts reclassified from AOCI	8	8	8	8
Balance at end of period	$ (509)	$ (509)	$ (543)	$ (543)

	Six Months Ended				
	February 27, 2021		February 29, 2020		
(in thousands)	Defined Benefit Pension Items	Total	Defined Benefit Pension Items	Interest Rate Swap	Total
Balance at beginning of period	$ (526)	$ (526)	$ (559)	$ 68	$ (491)
OCI before reclassifications	—	—	—	(68)	(68)
Amounts reclassified from AOCI	17	17	16	—	16
Net current-period OCI	17	17	16	(68)	(52)
Balance at end of period	$ (509)	$ (509)	$ (543)	$ —	$ (543)

Reclassifications out of AOCI, net of tax, were:

		Three Months Ended		Six Months Ended	
(in thousands)	Location on Consolidated Statements of Income and Comprehensive Income	February 27, 2021	February 29, 2020	February 27, 2021	February 29, 2020
Amortization of net actuarial loss	SG&A	$ 8	$ 8	$ 17	$ 16

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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

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. Unless otherwise noted, transactions and other factors significantly impacting our financial condition, results of operations, and liquidity are discussed in order of magnitude.

Our MD&A should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended August 29, 2020 (including the information presented therein under Risk Factors), as well as our reports on Forms 10-Q and 8-K and other publicly available information. All amounts herein are unaudited.

Overview

Winnebago Industries, Inc. is one of the leading North American 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 motorhome units in Iowa and Indiana; our towable units in Indiana; and our marine units 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.

COVID-19 Pandemic

We continue to monitor guidance from international and domestic authorities, including federal, state and local public health authorities, and may take additional actions based on their requirements and recommendations. In these circumstances, there may be developments outside our control requiring us to adjust our operating plan. There has been strong retail demand by consumers of RVs as a safe travel option during the COVID-19 pandemic. In addition, while our production has experienced certain supply shortages, we are actively managing through these temporary supply chain disruptions. Refer to the COVID-19-related risk factors disclosed in Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended August 29, 2020.

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 Results of Operations - Current Quarter Compared to the Comparable Prior Year Quarter and the Results of Operations - First Six Months of Fiscal 2021 Compared to the First Six Months of Fiscal 2020 for a detailed reconciliation of items that impacted EBITDA and Adjusted EBITDA. We have included these non-GAAP performance measures as a comparable measure to illustrate the effect of non-recurring transactions occurring during the reported periods and to improve comparability of our results from period to period. We believe Adjusted EBITDA provides meaningful supplemental information about our operating performance because these measures exclude amounts that we do not consider part of our core operating results when assessing our performance. Examples of items excluded from Adjusted EBITDA include acquisition-related costs, restructuring expenses, gain or loss on sale of property and equipment, and non-operating income.

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 ABL Credit Facility and outstanding notes, as further described in Note 8, Long-Term Debt, of the Notes to Condensed Consolidated Financial Statements included in Item 1, *Condensed Consolidated Financial Statements,* of this Quarterly Report on Form 10-Q. We believe these non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties to evaluate companies in our industry.

Reportable Segments

We have six operating segments: 1) Grand Design towables, 2) Winnebago towables, 3) Winnebago motorhomes, 4) Newmar motorhomes, 5) Chris-Craft marine, and 6) Winnebago specialty vehicles. 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) 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 and 2) Motorhome (comprised of products that include a motorized chassis as well as other related manufactured products and services), which is an aggregation of the Winnebago motorhomes and Newmar motorhomes operating segments.

The Corporate / All Other category includes the Chris-Craft marine and Winnebago specialty vehicles 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.

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 monthly 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 following is an analysis of changes in these key statistics for the rolling 12 months through January as of 2021 and 2020:

	US and Canada Industry							
	Wholesale Unit Shipments per RVIA Rolling 12 Months through January				Retail Unit Registrations per Stat Surveys Rolling 12 Months through January			
	2021	2020	Unit Change	% Change	2021	2020	Unit Change	% Change
Towable[(1)]	391,747	357,358	34,389	9.6 %	455,723	395,134	60,589	15.3 %
Motorhome[(2)]	41,651	46,280	(4,629)	(10.0)%	53,093	52,135	958	1.8 %
Combined	433,398	403,638	29,760	7.4 %	508,816	447,269	61,547	13.8 %

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

Due to the onset of the COVID-19 pandemic in March 2020, evidenced by an industry wide shutdown of RV manufacturing in April 2020, shipments declined year over year for the period of March 2020 through May 2020. Shipments returned to growth from June 2020 through January 2021 due to high levels of end consumer demand and extremely low levels of dealer inventories, most notably in the towables segment. The rolling twelve months retail information for 2021 and 2020 illustrates that retail sales remain at healthy levels relative to the industry's historical retail levels. We believe retail demand is the key driver to continued growth in the industry.

The most recent RVIA wholesale shipment forecasts for calendar year 2021, as noted in the table below, indicate that industry shipments are expected to experience growth in 2021. The retail activity is anticipated to remain at healthy levels, and wholesale shipments are expected to reflect a rebound associated with dealers rebuilding their inventories.

	Calendar Year			
Wholesale Unit Shipment Forecast per RVIA[(1)]	2021 Forecast	2020 Actual	Unit Change	% Change
Aggressive	543,600	430,400	113,200	26.3 %
Most likely	533,400	430,400	103,000	23.9 %
Conservative	523,100	430,400	92,700	21.5 %

(1) Prepared by ITR Economics for RVIA and reported in the Roadsigns RV Spring 2021 Industry Forecast Issue.

Market Share

Our retail unit market share, as reported by Stat Surveys based on state records, is illustrated below. Market share is calculated by taking our brands total unit sales divided by the total units sold in the motorized and travel trailer and fifth wheel markets. The data is used to analyze growth and profitability of our products and brands year over year. Note that this data is subject to adjustment and is continuously updated.

	Rolling 12 Months through January		Calendar Year		
US and Canada	**2021**	**2020(1)**	**2020**	**2019(1)**	**2018**
Travel trailer and fifth wheels	10.4 %	9.4 %	10.4 %	9.3 %	7.8 %
Motorhome A, B, C	20.7 %	19.9 %	20.8 %	16.1 %	15.5 %
Total market share	11.5 %	10.6 %	11.5 %	10.1 %	8.7 %

(1) Includes retail unit market share for Newmar since its acquisition on November 8, 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:

	Six Months Ended	Fiscal Year		Cumulative Investment	
(in thousands)	**February 27, 2021**	**2020**	**2019**	**Fiscal 2015-2020**	
Capitalized	$ 2,171	$ 3,891	$ 3,875	$ 28,848	59.3 %
Expensed	1,166	1,788	3,709	19,829	40.7 %
Total	$ 3,337	$ 5,679	$ 7,584	$ 48,677	100.0 %

Results of Operations - Current Quarter Compared to the Comparable Prior Year Quarter

Consolidated Performance Summary

The following is an analysis of changes in key items included in the consolidated statements of income and comprehensive income for the three months ended February 27, 2021 compared to the three months ended February 29, 2020:

	Three Months Ended					
(in thousands, except percent and per share data)	February 27, 2021	% of Revenues(1)	February 29, 2020	% of Revenues(1)	$ Change	% Change
Net revenues	$ 839,886	100.0 %	$ 626,810	100.0 %	$ 213,076	34.0 %
Cost of goods sold	683,304	81.4 %	547,028	87.3 %	136,276	24.9 %
Gross profit	156,582	18.6 %	79,782	12.7 %	76,800	96.3 %
Selling, general, and administrative expenses	53,016	6.3 %	42,164	6.7 %	10,852	25.7 %
Amortization of intangible assets	3,591	0.4 %	7,974	1.3 %	(4,383)	(55.0)%
Total operating expenses	56,607	6.7 %	50,138	8.0 %	6,469	12.9 %
Operating income	99,975	11.9 %	29,644	4.7 %	70,331	237.3 %
Interest expense	10,052	1.2 %	8,651	1.4 %	1,401	16.2 %
Non-operating income	(311)	— %	(270)	— %	41	15.2 %
Income before income taxes	90,234	10.7 %	21,263	3.4 %	68,971	324.4 %
Provision for income taxes	21,166	2.5 %	3,995	0.6 %	17,171	429.8 %
Net income	$ 69,068	8.2 %	$ 17,268	2.8 %	$ 51,800	300.0 %
Diluted income per share	$ 2.04		$ 0.51		$ 1.53	300.0 %
Diluted average shares outstanding	33,910		33,918		(8)	— %

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

Net revenues increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 primarily due to unit growth and pricing actions.

Gross profit as a percentage of revenue increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 primarily due to pricing actions, improved operating leverage as a result of higher revenues, productivity initiatives, and a favorable segment sales mix.

Operating expenses increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 due to an increase in variable compensation and increased selling costs partially offset by lower Newmar amortization.

Interest expense increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 primarily due to a higher interest rate on indebtedness as a result of our refinancing of our term loan B in the fourth quarter of Fiscal 2020.

The effective tax rate increased to 23.5% for the second quarter of Fiscal 2021 compared to 18.8% for the second quarter of Fiscal 2020 primarily due to consistent year-over-year credits over higher current year pre-tax income and favorable research and development discrete items in the prior year.

Net income and diluted income per share increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 primarily due to the profitability impact of higher revenues and improved profit margins, partially offset by a higher effective tax rate.

Non-GAAP Reconciliation

The following table reconciles net income to consolidated EBITDA and Adjusted EBITDA for the three months ended February 27, 2021 and February 29, 2020:

	Three Months Ended	
(in thousands)	February 27, 2021	February 29, 2020
Net income	$ 69,068	$ 17,268
Interest expense	10,052	8,651
Provision for income taxes	21,166	3,995
Depreciation	4,399	4,134
Amortization of intangible assets	3,591	7,974
EBITDA	108,276	42,022
Acquisition-related fair-value inventory step-up	—	3,634
Restructuring expenses	—	43
Non-operating income	(311)	(270)
Adjusted EBITDA	$ 107,965	$ 45,429

Reportable Segment Performance Summary

Towable

The following is an analysis of key changes in our Towable segment for the three months ended February 27, 2021 compared to the three months ended February 29, 2020:

	Three Months Ended					
(in thousands, except ASP)	February 27, 2021	% of Revenues	February 29, 2020	% of Revenues	$ Change	% Change
Net revenues	$ 439,284		$ 283,463		$ 155,821	55.0 %
Adjusted EBITDA	62,366	14.2 %	34,746	12.3 %	27,620	79.5 %
Average Selling Price ("ASP")(1)	32,377		32,638		(261)	(0.8)%

	Three Months Ended					
Unit deliveries	February 27, 2021	Product Mix(2)	February 29, 2020	Product Mix(2)	Unit Change	% Change
Travel trailer	8,876	65.7 %	5,446	62.4 %	3,430	63.0 %
Fifth wheel	4,632	34.3 %	3,287	37.6 %	1,345	40.9 %
Total towables	13,508	100.0 %	8,733	100.0 %	4,775	54.7 %

(1) Average selling price excludes off-invoice dealer incentives.
(2) Percentages may not add due to rounding differences.

Net revenues increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 driven by unit growth.

Adjusted EBITDA increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 due to an increase in unit sales and improved pricing.

Motorhome

The following is an analysis of key changes in our Motorhome segment for the three months ended February 27, 2021 compared to the three months ended February 29, 2020:

	Three Months Ended					
(in thousands, except ASP)	**February 27, 2021**	**% of Revenues**	**February 29, 2020**	**% of Revenues**	**$ Change**	**% Change**
Net revenues	$ 382,575		$ 325,542		$ 57,033	17.5 %
Adjusted EBITDA	50,969	13.3 %	14,946	4.6 %	36,023	241.0 %
ASP[(1)]	130,856		145,554		(14,698)	(10.1)%

	Three Months Ended					
Unit deliveries	**February 27, 2021**	**Product Mix[(2)]**	**February 29, 2020**	**Product Mix[(2)]**	**Unit Change**	**% Change**
Class A	704	24.4 %	843	37.7 %	(139)	(16.5)%
Class B	1,419	49.2 %	784	35.0 %	635	81.0 %
Class C	762	26.4 %	612	27.3 %	150	24.5 %
Total motorhomes	2,885	100.0 %	2,239	100.0 %	646	28.9 %

(1) ASP excludes off-invoice dealer incentives.
(2) Percentages may not add due to rounding differences.

Net revenues increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 primarily due to unit growth and increased pricing partially offset by unfavorable mix.

Adjusted EBITDA increased in the second quarter of Fiscal 2021 compared to the second quarter of Fiscal 2020 driven by revenue growth and margin expansion as a result of pricing, operating leverage, and productivity improvements.

Results of Operations - First Six Months of Fiscal 2021 Compared to the First Six Months of Fiscal 2020

Consolidated Performance Summary

The following is an analysis of changes in key items included in the consolidated statements of income and comprehensive income for the six months ended February 27, 2021 compared to the six months ended February 29, 2020:

	Six Months Ended					
(in thousands, except percent and per share data)	**February 27, 2021**	**% of Revenues[1]**	**February 29, 2020**	**% of Revenues[1]**	**$ Change**	**% Change**
Net revenues	$ 1,633,017	100.0 %	$ 1,215,268	100.0 %	$ 417,749	34.4 %
Cost of goods sold	1,339,431	82.0 %	1,056,873	87.0 %	282,558	26.7 %
Gross profit	293,586	18.0 %	158,395	13.0 %	135,191	85.4 %
Selling, general, and administrative expenses	101,415	6.2 %	93,269	7.7 %	8,146	8.7 %
Amortization of intangible assets	7,181	0.4 %	11,588	1.0 %	(4,407)	(38.0)%
Total operating expenses	108,596	6.7 %	104,857	8.6 %	3,739	3.6 %
Operating income	184,990	11.3 %	53,538	4.4 %	131,452	245.5 %
Interest expense	19,993	1.2 %	14,700	1.2 %	5,293	36.0 %
Non-operating income	(217)	— %	(386)	— %	(169)	(43.8)%
Income before income taxes	165,214	10.1 %	39,224	3.2 %	125,990	321.2 %
Provision for income taxes	38,723	2.4 %	7,888	0.6 %	30,835	390.9 %
Net income	$ 126,491	7.7 %	$ 31,336	2.6 %	$ 95,155	303.7 %
Diluted income per share	$ 3.74		$ 0.95		$ 2.79	293.7 %
Diluted average shares outstanding	33,821		33,143		678	2.0 %

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

Net revenues increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 primarily due to organic unit growth, pricing actions, and our acquisition of Newmar.

Gross profit as a percentage of revenue increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 primarily due to improved leverage as a result of higher revenues, pricing actions, and productivity initiatives.

Operating expenses increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 due to an increase in variable compensation and incremental Newmar operating costs partially offset by prior year acquisition-related costs, lower Newmar amortization, and a gain recognized in the first quarter of Fiscal 2021 on the sale of certain assets.

Interest expense increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 primarily due to a higher interest rate as a result of our refinancing of our term loan B in the fourth quarter of Fiscal 2020.

The effective tax rate increased to 23.4% for the first six months of Fiscal 2021 compared to 20.1% for the first six months of Fiscal 2020 primarily due to consistent year-over-year credits over higher current year pre-tax income and favorable research and development discrete items in the prior year.

Net income and diluted income per share increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 primarily due to the profitability impact of higher organic revenues and improved profit margins, partially offset by higher operating expenses and a higher effective tax rate.

Non-GAAP Reconciliation

The following table reconciles net income to consolidated EBITDA and Adjusted EBITDA for the first six months ended February 27, 2021 and February 29, 2020:

	Six Months Ended	
(in thousands)	**February 27, 2021**	**February 29, 2020**
Net (loss) income	$ 126,491	$ 31,336
Interest expense	19,993	14,700
Provision for income taxes	38,723	7,888
Depreciation	8,559	7,720
Amortization of intangible assets	7,181	11,588
EBITDA	200,947	73,232
Acquisition-related fair-value inventory step-up	—	4,810
Acquisition-related costs	—	9,950
Restructuring expenses	93	(129)
Gain on sale of property and equipment	(3,565)	—
Non-operating income	(217)	(386)
Adjusted EBITDA	$ 197,258	$ 87,477

Reportable Segment Performance Summary

Towable

The following is an analysis of key changes in our Towable segment for the first six months ended February 27, 2021 compared to the first six months ended February 29, 2020, and as of February 27, 2021 compared to February 29, 2020:

	Six Months Ended					
(in thousands, except ASP)	**February 27, 2021**	**% of Revenues**	**February 29, 2020**	**% of Revenues**	**$ Change**	**% Change**
Net revenues	$ 894,185		$ 624,713		$ 269,472	43.1 %
Adjusted EBITDA	125,509	14.0 %	70,531	11.3 %	54,978	77.9 %
ASP[1]	32,229		32,836		(607)	(1.8)%

	Six Months Ended					
Unit deliveries	**February 27, 2021**	**Product Mix[2]**	**February 29, 2020**	**Product Mix[2]**	**Unit Change**	**% Change**
Travel trailer	18,036	65.1 %	11,782	60.9 %	6,254	53.1 %
Fifth wheel	9,686	34.9 %	7,550	39.1 %	2,136	28.3 %
Total towables	27,722	100.0 %	19,332	100.0 %	8,390	43.4 %

($ in thousands)	**February 27, 2021**	**February 29, 2020**	**Change**	**% Change**
Backlog[3]				
Units	39,855	9,790	30,065	307.1 %
Dollars	$ 1,206,695	$ 330,738	$ 875,957	264.8 %
Dealer Inventory				
Units	15,952	19,731	(3,779)	(19.2)%

(1) ASP excludes off-invoice dealer incentives.
(2) Percentages may not add due to rounding differences.

(3) 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.

Net revenues increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 driven by unit growth.

Adjusted EBITDA increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 due to an increase in unit sales and improved pricing.

We have seen an increase in backlog as of February 27, 2021 compared to February 29, 2020 due to the continued strong retail demand by consumers of RVs as a safe travel option during the COVID-19 pandemic. As a result of this high retail demand, dealer inventory levels are lower, creating higher order backlog.

Motorhome

The following is an analysis of key changes in our Motorhome segment for the first six months ended February 27, 2021 compared to the first six months ended February 29, 2020, and as of February 27, 2021 compared to February 29, 2020:

	Six Months Ended					
(in thousands, except ASP)	**February 27, 2021**	**% of Revenues**	**February 29, 2020**	**% of Revenues**	**$ Change**	**% Change**
Net revenues	$ 704,964		$ 551,433		$ 153,531	27.8 %
Adjusted EBITDA	81,312	11.5 %	24,277	4.4 %	57,035	234.9 %
ASP[(1)]	133,550		129,344		4,206	3.3 %

	Six Months Ended					
Unit deliveries	**February 27, 2021**	**Product Mix[(2)]**	**February 29, 2020**	**Product Mix[(2)]**	**Unit Change**	**% Change**
Class A	1,302	25.0 %	1,242	30.1 %	60	4.8 %
Class B	2,517	48.3 %	1,593	38.7 %	924	58.0 %
Class C	1,396	26.7 %	1,286	31.2 %	110	8.6 %
Total motorhomes	5,215	100.0 %	4,121	100.0 %	1,094	26.5 %

($ in thousands)	**February 27, 2021**	**February 29, 2020**	**Change**	**% Change**
Backlog[(3)]				
Units	14,974	2,856	12,118	424.3 %
Dollars	$ 1,816,503	$ 394,570	$ 1,421,933	360.4 %
Dealer Inventory				
Units	2,739	5,507	(2,768)	(50.3)%

(1) ASP excludes off-invoice dealer incentives.
(2) Percentages may not add due to rounding differences.
(3) 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.

Net revenues increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 primarily due to our acquisition of Newmar, organic unit growth, and increased pricing.

Adjusted EBITDA increased in the first six months of Fiscal 2021 compared to the first six months of Fiscal 2020 driven by pricing actions, higher organic revenue, productivity initiatives, and our acquisition of Newmar.

We have seen an increase in the volume and dollar value of backlog as of February 27, 2021 compared to February 29, 2020 due to the continued strong retail demand by consumers of RVs as a safe travel option during the COVID-19 pandemic. As a result of this high retail demand, dealer inventory levels are lower, creating higher order backlog.

Analysis of Financial Condition, Liquidity, and Resources

Cash Flows

The following table summarizes our cash flows from operations for the six months ended February 27, 2021 and February 29, 2020:

	Six Months Ended	
(in thousands)	**February 27, 2021**	**February 29, 2020**
Total cash provided by (used in):		
Operating activities	$ 66,922	$ 119,164
Investing activities	(7,365)	(283,158)
Financing activities	(19,117)	249,502
Net increase in cash and cash equivalents	$ 40,440	$ 85,508

Operating Activities

Cash provided by operating activities decreased for the six months ended February 27, 2021 compared to the six months ended February 29, 2020 primarily due to an increase in our inventory partially offset by higher profitability in the first six months of Fiscal 2021.

Investing Activities

Cash used in investing activities decreased for the six months ended February 27, 2021 compared to the six months ended February 29, 2020 primarily due to our acquisition of Newmar during the first quarter of Fiscal 2020.

Financing Activities

Cash provided by financing activities for the six months ended February 27, 2021 compared to cash used for the six months ended February 29, 2020 changed primarily due to the issuance of Convertible Notes issued in the first quarter of Fiscal 2020 to finance our acquisition of Newmar, partially offset by an increase in stock repurchases in the first quarter of Fiscal 2021.

Debt and Capital

During the first quarter of Fiscal 2020, we issued the Convertible Notes, which were used to partially fund the Newmar acquisition. Refer to Note 8, *Long-Term Debt*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional details.

On July 8, 2020, we closed our private offering (the "Senior Secured Notes Offering") of $300 million in aggregate principal amount of 6.25% senior secured notes due 2028 (the "Senior Secured Notes"). The proceeds from the Senior Secured Notes were used to repay the remaining debt on the term loan and for general corporate purposes. Refer to Note 8, *Long-Term Debt*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional details.

We maintain a $192.5 million asset-based revolving credit facility ("ABL Credit Facility") with a maturity date of October 22, 2024 subject to certain factors which may accelerate the maturity date. As of February 27, 2021, we had no borrowings against the ABL Credit Facility.

As of February 27, 2021, we had $333.0 million in cash and cash equivalents and $192.5 million in unused ABL Credit Facility. Our cash and cash equivalent balances consist of high quality, short-term money market instruments.

We believe cash flow from operations, existing lines of credit, and access to debt and capital markets will be sufficient to meet our current liquidity needs, and we have committed liquidity and cash reserves in excess of our anticipated funding requirements. We evaluate the financial stability of the counterparties for the Convertible Notes, the Senior Secured Notes, and the ABL Credit Facility, and will continue to monitor counterparty risk on an on-going basis.

Other Financial Measures

Working capital at February 27, 2021 and August 29, 2020 was $544.0 million and $413.2 million, respectively. We currently expect cash on hand, funds generated from operations, and the borrowing available under our ABL Credit Facility to be sufficient to cover both short-term and long-term operating requirements.

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 October 14, 2020, the Board adopted, subject to shareholder approval, an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of common stock, par value $0.50 per share, by 60 million shares to a total of 120 million shares. This amendment was approved by the Company's shareholders at the 2020 Annual Meeting of Shareholders on December 15, 2020. The amendment, along with an amended and restated Articles of Incorporation, were made effective upon filing with the Secretary of State of the State of Iowa on December 17, 2020.

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 the authorization. In the first six months of Fiscal 2021, we repurchased 204,000 shares of our own common stock at a cost of $10.4 million under this authorization, and 38,000 shares at a cost of $2.1 million to satisfy tax obligations on employee equity awards vested. We continually evaluate if share repurchases reflect a prudent use of our capital and, subject to compliance with our ABL Credit Facility and Senior Secured Notes, we may purchase shares in the future. At February 27, 2021, we have $58.8 million remaining on our board repurchase authorization.

On March 17, 2021, our Board of Directors approved a quarterly cash dividend of $0.12 per share payable on April 28, 2021, to common stockholders of record at the close of business on April 14, 2021.

Contractual Obligations and Commercial Commitments

There has been no material change in our contractual obligations since the end of Fiscal 2020. Refer to Note 8, *Long-Term Debt*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional details on the Convertible Notes and Senior Secured Notes, and see our Annual Report on Form 10-K for the fiscal year ended August 29, 2020 for additional information regarding our contractual obligations and commercial commitments.

Significant Accounting Policies and Estimates

We describe our significant accounting policies in Note 1, *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended August 29, 2020. We discuss our critical accounting estimates in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in our Annual Report on Form 10-K for the fiscal year ended August 29, 2020. There have been no significant changes in our significant accounting policies or critical accounting estimates since the end of Fiscal 2020.

New Accounting Pronouncements

For a description of new applicable accounting pronouncements, see Note 1, *Basis of Presentation*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Safe Harbor Statement Under the Private Securities Litigation Reform Act

Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), provide a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their companies. With the exception of historical information, the matters discussed in this Quarterly Report on Form 10-Q are forward-looking statements and may be identified by the use of words such as "anticipate," "assume," "believe," "estimate," "expect," "guidance," "intend," "outlook," "plan," "project," and other words and terms of similar meaning. Such statements reflect our current views and estimates with respect to future market conditions, company performance and financial results, operational investments, business prospects, new strategies, the competitive environment, and other events. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in such forward-looking statements. Readers should review Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for the fiscal year ended August 29, 2020, and Item 1A, *Risk Factors*, in Part II of this Quarterly Report on Form 10-Q, for a description of important factors that could cause our actual results to differ materially from those contemplated by the forward-looking statements made in this Quarterly Report on Form 10-Q. Among the factors that could cause actual results and outcomes to differ materially from those contained in such forward-looking statements are the following: competition and new product introductions by competitors, our ability to attract and retain qualified personnel, increases in market compensation rates, business or production disruptions, sales order cancellations, risk related to the terms of our credit agreements and compliance with debt covenants and leverage ratios, stock price volatility and share dilution, disruptions or unanticipated costs from facility expansions, availability of labor, a slowdown in the economy, low consumer confidence, the effect of global tensions, increases in interest rates, availability of credit, availability of financing for RV and marine dealers, impairment of goodwill, risk related to cyclicality and seasonality of our business, slower than anticipated sales of new or existing products, integration of operations relating to merger and acquisition activities generally, our acquisition of Newmar, the possibility that the Newmar acquisition may not perform as expected or may not result in earnings growth, difficulties and expenses related to integrating Newmar into our business, increased focus of management attention and resources on the acquisition of Newmar, risks related to the Convertible Notes and Senior Secured Notes, including our ability to satisfy our obligations under the Convertible Notes and Senior Secured Notes, risks related to our Convertible Note hedge and warrant transactions, 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 ERP system, the duration and scope of the COVID-19 pandemic, actions governments, businesses, and individuals take in response to the COVID-19 pandemic, including mandatory business closures and restrictions of onsite commercial interactions; the impact of the pandemic and actions taken in response to the pandemic on regional economies and economic activity; the pace of recovery when the COVID-19 pandemic subsides; and general economic uncertainty in key markets and a worsening of domestic economic conditions or low levels of economic growth, risk related to data security, governmental regulation, including for climate change, risk related to anti-takeover provisions applicable to us, cyber-attacks and other factors. We caution that the foregoing list of important factors is not complete. Any forward-looking statements speak only as of the date they are made, and we assume no obligation to update any forward-looking statement that we may make.

Item 3. 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

As of February 27, 2021, we have no interest rate swaps outstanding and the Term Loan, that had been subject to variable interest rates, was repaid in the fourth quarter of Fiscal 2020 using the proceeds from the Senior Secured Notes. The ABL is our only floating rate debt instrument which remains undrawn as of February 27, 2021.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures", as such term is defined under Exchange Act 13a-15(e), 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 Securities and Exchange Commission 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, required by Exchange Act Rule 13a-15(b), as of the end of the period covered by this 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.

There were no changes in our internal control over financial reporting that occurred during the second quarter of Fiscal 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION.

Item 1. Legal Proceedings.

For a description of our legal proceedings, see Note 10, *Contingent Liabilities and Commitments*, of the Notes to Condensed Consolidated Financial Statements, included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for the fiscal year ended August 29, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Stock Repurchases

Purchases of our common stock during each fiscal month of the second quarter of Fiscal 2021 were:

Period	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)
11/29/20 - 01/02/21	7,219	$ 58.53	—	$ 58,761,000
01/03/21 - 01/30/21	1,227	61.25	—	58,761,000
01/31/21 - 02/27/21	72	71.46	—	58,761,000
Total	8,518	$ 59.03	—	$ 58,761,000

(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 $70.0 million share repurchase program authorized by our Board of Directors on October 18, 2017. There is no time restriction on the authorization.

Our Senior Secured notes, as defined in Note 8, *Long-Term Debt*, of the Notes to Condensed Consolidated Financial Statements, included in Item 1, *Condensed Consolidated Financial Statements*, of this Quarterly Report on Form 10-Q, contains occurrence based 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 ABL Credit Facility.

Item 6. Exhibits.

3a.	Articles of Incorporation of the Registrant, as amended and restated on December 17, 2020 previously filed as Exhibit 3a to the Registrant's Quarterly Report for the quarter ended November 28, 2020. of the Registrant, as amended and restated on December 17, 2020 previously filed as Exhibit 3a to the Registrant's Quarterly Report for the quarter ended November 28, 2020.
3b.	Amended By-Laws of the Registrant previously filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated March 16, 2016 (Commission File Number 001-06403) and incorporated by reference herein.
4.1	Indenture, dated November 1, 2019, by and between Winnebago Industries, Inc. and U.S. Bank National Association previously filed as Exhibit 4.1 with the Registrant's Current Report on Form 8-K dated October 29, 2019.
4.2	Form of 1.50% Convertible Senior Note due 2025 (included in Exhibit 4.1).
4.3	Indenture, dated as of July 8, 2020, by and among Winnebago Industries, Inc., the guarantors named therein and U.S. Bank National Association, as trustee, previously filed as Exhibit 4.1 with the Registrant's Current Report on Form 8-K dated July 8, 2020.
4.4	Form of 6.250% Senior Secured Note due 2028 (included in Exhibit 4.3)
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 18 U.S.C. 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 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from our Quarterly Report on Form 10-Q for the second quarter of Fiscal 2021 in Inline Extensible Business Reporting Language ("iXBRL"): (i) the Condensed Consolidated Balance Sheets at February 27, 2021, and August 29, 2020, (ii) the Condensed Consolidated Statements of Income and Comprehensive Income for the three and six months ended February 27, 2021, and February 29, 2020, (iii) the Condensed Consolidated Statements of Cash Flows for the three and six months ended February 27, 2021, and February 29, 2020, (iv) the Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and six months ended February 27, 2021, and February 29, 2020, and (v) the Notes to the Condensed Consolidated Financial Statements.
104	The cover page from our Quarterly Report on Form 10-Q for the second quarter of Fiscal 2021 formatted in iXBRL (included as Exhibit 101).

SIGNATURES

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

			WINNEBAGO INDUSTRIES, INC.
Date:	March 24, 2021	By	*/s/ Michael J. Happe*
			Michael J. Happe
			Chief Executive Officer, President (Principal Executive Officer)
Date:	March 24, 2021	By	*/s/ Bryan L. Hughes*
			Bryan L. Hughes Chief Financial Officer and Senior Vice President (Principal Financial and Accounting Officer)

Exhibit 31.1

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
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 Quarterly Report on Form 10-Q of Winnebago Industries, Inc. (the "Registrant");

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements and other financial information included in this 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 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this 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 the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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:	March 24, 2021	By:	*/s/ Michael J. Happe*
			Michael J. Happe
			Chief Executive Officer, President

Exhibit 31.2

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
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 Quarterly Report on Form 10-Q of Winnebago Industries, Inc. (the "Registrant");

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements and other financial information included in this 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 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this 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 the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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:	March 24, 2021	By:	*/s/ Bryan L. Hughes*
			Bryan L. Hughes
			Senior Vice President, Chief Financial Officer

Exhibit 32.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 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 Quarterly Report on Form 10-Q for the fiscal quarter ended February 27, 2021 (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:	March 24, 2021	By:	*/s/ Michael J. Happe*
			Michael J. Happe
			Chief Executive Officer, President

Exhibit 32.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 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 Quarterly Report on Form 10-Q for the fiscal quarter ended February 27, 2021 (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:	March 24, 2021	By:	*/s/ Bryan L. Hughes*
			Bryan L. Hughes
			Senior Vice President, Chief Financial Officer