



Hello, I'm Chris Drees, president of Mercury Marine.

Mercury has enjoyed incredible success over the past few years, allowing us to make substantial progress towards achieving our Next Wave goals.

I'm excited for the opportunity to walk you through our strategic plan, beginning with our propulsion business.



In 2021, we reinforced Mercury's standing as the leader in the marine industry by launching new, innovative products, creating new tools and services for our customers, and making strategic investments in technology and manufacturing capacity.

We look forward to continuing the record-setting momentum this year. New product innovations will continue to drive financial growth, generating more than \$200 million in incremental revenue over the planning period as we expand our position within key markets.



2021 was an incredible year, starting with the amazing launch of the V12 600hp Verado outboard.

The V12 launch built upon the success of the recent releases of our popular V6, V8 and Mercury Racing 450R outboards.

The new V12 Verado showcases all of our capabilities in outboard design and engineering. It's the most advanced propulsion system we've ever created, earning Mercury a CES Innovation Award, Boating Industry Top Product, and Most Innovative Company at IBEX, to only name a few.

We saw an immediate impact after the V12 launch. Many current and new OEM partners added the engine to their boat lines in 2021, with additional accounts expecting to receive product later this year once production ramp-up is complete.

The popularity of the entire horsepower outboard lineup continues to strengthen Mercury's position in the industry. Last year, we added 75 new OEM partners and achieved all-time high share at the Fort Lauderdale International Boat Show, where more than half of engines on display were from Mercury.



Mercury's product leadership led to a record year in 2021. And we're not done yet. We're on pace to surpass our goal of 50% share in the U.S. and 35% share globally by 2025.

The saltwater and repower segments represent key growth opportunities domestically. We're continuing to grow these important areas – and our new product releases, coupled with new OEM partnerships, should accelerate this through the planning period.

Globally, 2-stroke product represents the bulk of the remaining share opportunity in underrepresented regions. We're well-suited to capitalize on those opportunities, as the eventual shift to 4-stroke and electric propulsion will feed into our strengths.



Overall, demand continues to grow for Mercury products, especially in our high-horsepower segment.

We offer the broadest selection of high-horsepower outboards in the industry, including horsepower nodes not offered by any other engine manufacturer. We also offer the most product differentiation, with outboards engineered specifically for commercial, recreational and performance applications.

The MerCruiser product line remains strong as well. With recent launches, including the Bravo Four S drive, Mercury continues to deliver integrated systems to boaters who enjoy all types of on-water activities.

Our broad product portfolio puts Mercury in an unrivaled position of strength in the industry. We'll continue to drive growth through our existing and new channel partners as additional capacity comes online in Q4 of 2022.



As we worked through supply chain challenges in 2021, our vertical integration proved to be extremely important for minimizing constraints. In fact, production exceeded our original plans, even with significant supply chain headwinds.

During the product development stage, we're able to design not only for performance, but for manufacturability, as well. This gives Mercury exceptional control over quality, delivery and cost throughout the product life cycle.

Our expertise and our recent investments in robotics, industrial internet of things and next-generation technology allows us to continually improve and react quickly to evolving circumstances.

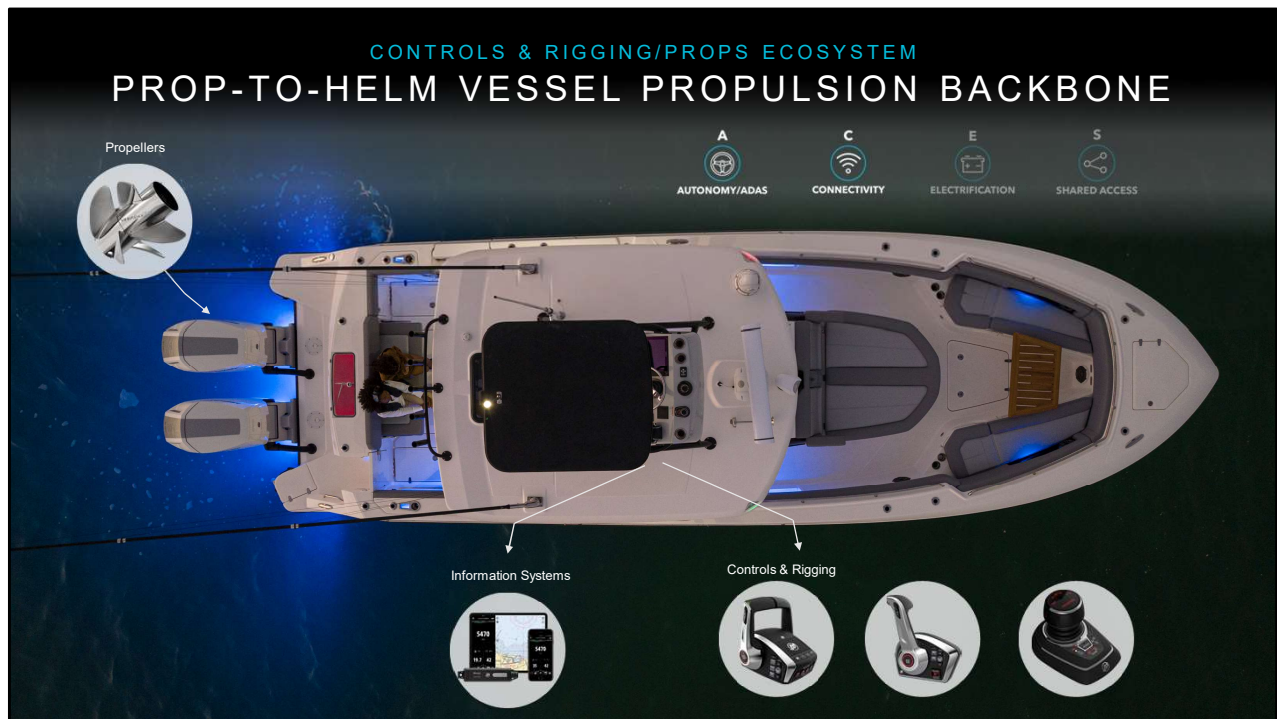
The results are consistent, year-over-year productivity gains. In the last three years, we've driven 540 basis points of productivity improvement. Our ability to ramp up and adjust production supports growth and margin enhancement throughout our business.

We've also been recognized for excellence in manufacturing once again. Mercury received the 2021 North American Die Casting Association award for casting of the year for the V12 engine block. This is one of many awards our operation teams have received, highlighting one of our core strengths.

Going forward, we're continuing to take a proactive approach to strengthening our business by investing in additional capacity.

We've already begun expansions that will add more than 600,000 square feet of combined space to our manufacturing and distribution facilities. Upgrades in Fond du Lac will increase capacity for 175hp and higher outboards by 60%.

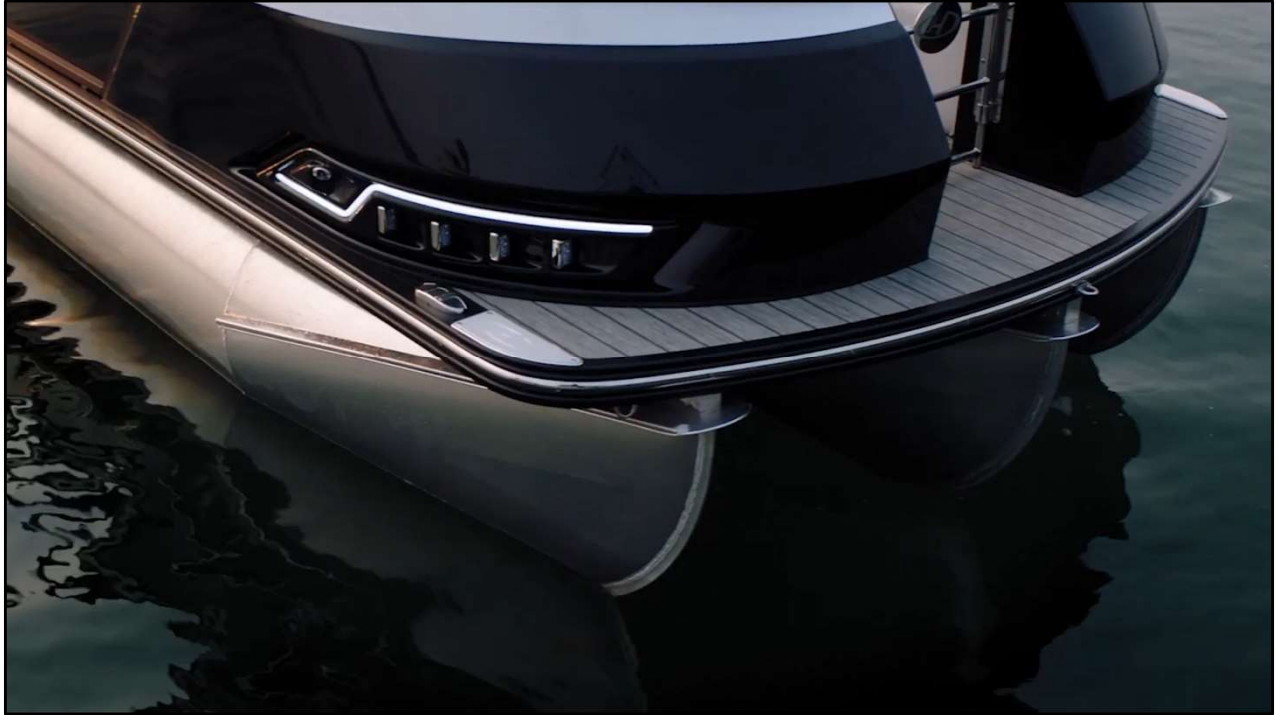
All the facility upgrades will be fully operational in Q4 of 2022.



Part of the reason we're winning share is our commitment to making boating easier and more enjoyable. We're accomplishing this through prop-to-helm solutions that seamlessly integrate our award-winning engines.

In 2021, we unveiled a suite of next-generation Digital Throttle & Shift controls that set a new standard for a premium driving experience. Our design team enhanced the new DTS system with advanced ergonomics and a more intuitive user experience. We also integrated popular Mercury technologies such as Active Trim directly into the control.

Future Mercury technologies will continue to make the boating experience come to life. We're working toward integrating autonomous functions and enhanced connectivity into our products to help boaters enjoy more confident control of their vessels.



Already this year you can see our commitment to make boating easier with two new product launches.

First was a new Joystick Piloting for Outboards system designed specifically for pontoons powered by a single Mercury outboard. Large pontoon boats represent a fast-growing segment of the market. We applied feedback from our dealers and OEM partners to create a fully integrated Mercury joystick system that makes it easier than ever to perform challenging tasks like docking pontoon boats in wind or current. Previously, this level of control was only available on multi-engine boats.

We followed up that launch with the new JPO with Bow Thruster system. It integrates popular bow thrusters with the Mercury joystick control to bring a high level of steering authority to boats in the 40-foot and larger class.

Our new Joystick Piloting systems will give boaters greater peace of mind when maneuvering their boats. The technology establishes a strong foundation for delivering a more autonomous solution to boaters in the future.



On our path to delivering a better boating experience, we're expanding our efforts to connect with boaters and support them on and off the water.

It starts with our dealer network. Nobody can duplicate the support we're able to offer, with more than 7,000 servicing dealers and more than 28,000 technicians around the world, all working every day to help ensure boaters have a great Mercury product experience.

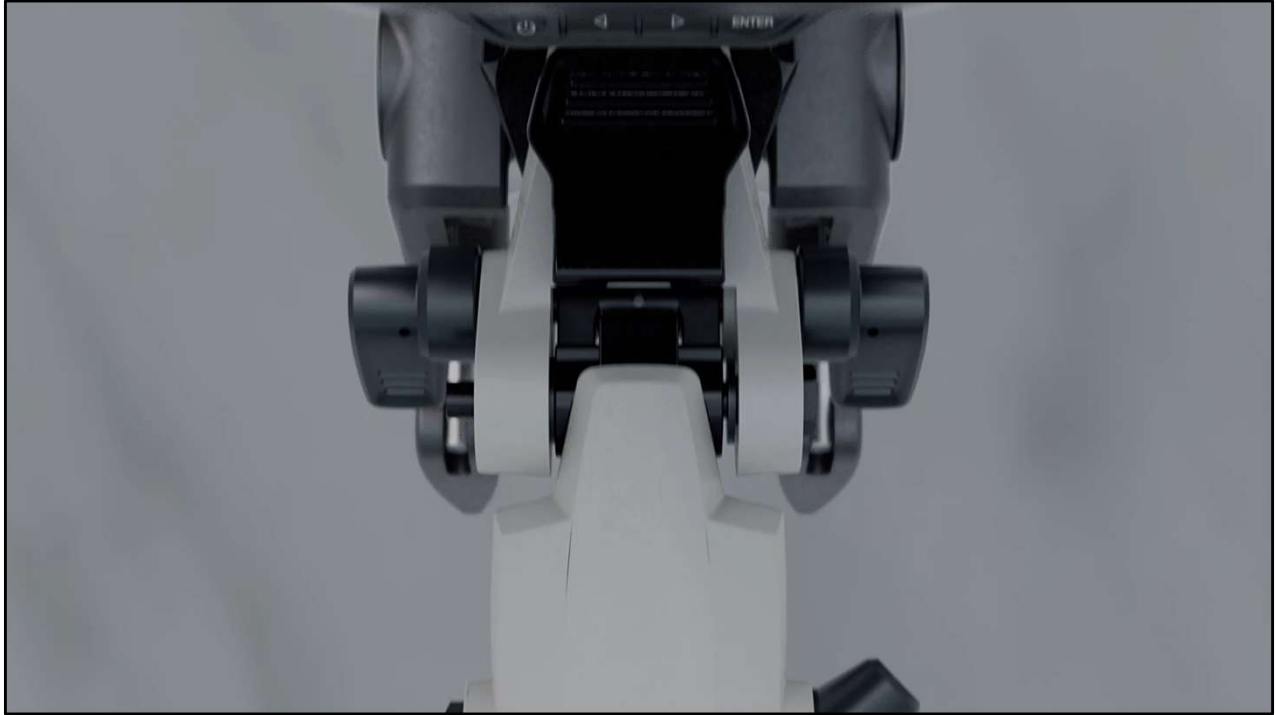
To further elevate the service experience, we're leveraging our expansive network to customize service through multiple channels. For instance, the new Mercury Elite Service Plan is an exclusive program that provides mobile service in select regions and technical support from anywhere in the world. Elite Service is currently available to V12 outboard owners, with plans to expand to more owners in the future. This level of support will continue to differentiate Mercury from the competition.

We also have more than 50,000 connected engines through the VesselView Mobile app, and more than 370,000 connected through other systems. We're well on our way to target of 1 million connected boaters. The VesselView Mobile app provides a rich connection that allows boaters to track engine data and even share this information with their preferred dealer.

Regularly communicating with boaters through all our channels helps Mercury maximize customer lifetime value through post-purchase experiences. And ultimately has allowed us to achieve a Net Promoter Score of 70 points – an all-time high for Mercury and a strong

foreshadower of repurchase intent.

Better service leads to a better boat ownership experience. Combined with our industry-leading warranty rate of just 1.1%, this is how we'll create brand loyalty and ultimately win with consumers.



In February, we made an exciting announcement at the Miami International Boat Show, where we shared the initial concept for the Mercury Avator electric outboard program.

The Avator program addresses growing demand for electric outboards. This is an evolving market. And as boaters continue to embrace advanced technologies like electrification, Mercury will be positioned to capitalize on new market opportunities.

The Avator program also builds on Mercury's commitment to sustainability. We're on track to achieve an 80% reduction in outboard emissions by 2025. Avator will further our efforts by making boating possible with zero emissions.

When you consider what's currently available on the market, it's clear that Mercury is entering this space with several major advantages over the competition.

First is the Brunswick ecosystem. We're collaborating with ASG to produce the advanced battery systems needed for premium electrification. We also have the strength of our broad dealer network and distribution points to help us support consumers who transition to electric.

And then there's our expertise. We're the leaders in marine innovation, with more than 80 years of experience in areas like hydrodynamics, propeller design and integrated systems that will differentiate Mercury electric outboards from anything else available.

This initial concept is only the beginning of what's to come from Mercury in this space. We will bring

five new electric outboard products to the market by the end of 2023 – and three additional electric outboards by the end of 2025.

As we look to the future of electric mobility, the battery technology we're developing with ASG also has applications that extend well beyond the initial Avator concept.

Electrification represents the next step forward for Mercury, and we intend to be the marine industry leader in both traditional and electric propulsion within the planning cycle.



Mercury is on an incredible pace with our Next Wave strategy. Through sound execution across strategic pillars, we'll drive revenue growth and enhance margins to achieve our 2025 propulsion target.

Ventures into electrification, autonomy and connectivity will further reinforce our leadership in the industry, as we continue to set the standard for marine propulsion.