

# BRUNSWICK

March 20, 2020

Dear fellow shareholders:

2019 was a year of transformational changes in our Company that sharpened our business focus, streamlined our narrative and positioned us for continued success in 2020 and beyond. Throughout the year, Brunswick aggressively pursued its vision of redefining the marine industry with strategic changes to our business portfolio, including the acquisition of Freedom Boat Club and the sale of our fitness businesses; implementation of a leaner, more focused operating model; the launch of multiple award winning new products; and strategic investments in capacity and technology. We accomplished this while navigating unexpected retail headwinds and uncertain trade conditions, ending the year firmly established as the leading and most innovative recreational marine company.

2019 also marked Brunswick's 10th consecutive year of adjusted earnings per share growth delivered in combination with expanded gross- and operating-margins. Adjusted earnings per share were \$4.33, up five percent from \$4.13 in 2018. Consolidated net sales, as adjusted, were \$4.1 billion, a slight increase versus 2018. The Company also delivered record operating earnings, as adjusted, of \$531.9 million, up six percent from 2018.

Product leadership remains a cornerstone of Brunswick's success and, in 2019, we introduced many industry-leading products including Mercury Racing's 450R outboard engine and Mercury's 400hp Verado outboard engine, Boston Whaler's all-new 325 and 405 Conquest models, the new Harris Solstice pontoon with segment-first CZone digital switching technology, and the new Sea Ray SLX-R 350 and 320 Coupe models along with many other new products across our divisions and brands.

We also established new centers of excellence for design, engineering and technology with the official opening of the Brunswick Boat Group Technology Center in Edgewater, Florida and the new Noise and Vibration Center at Mercury Marine. These and other investments position the Company to deliver differentiated products that meet the evolving expectations of our marine customers. At Mercury, we undertook the most significant capacity investment in our history to meet the unprecedented levels of demand for our 175-300hp outboard engines enabling Mercury to continue its share growth in saltwater, commercial and repower markets. For the past two years, Mercury has reported the highest outboard engine share of any manufacturer at the two bellwether saltwater boats shows in Miami and Ft. Lauderdale. In addition, Mercury broke ground on a propeller manufacturing facility expansion that will almost double current capacity, positioning Mercury for further growth in this important parts and accessories category.

One of the most exciting developments of 2019 was the acquisition of Freedom Boat Club (FBC) which became part of our newly-formed Business Acceleration Division. FBC, now with over 210 locations around the world, positions Brunswick as the world's largest boat club operator and the leader in shared-access boating, with the opportunity to engage more consumers and significantly expand boating participation. We are rapidly advancing our plans to introduce Brunswick boats and Mercury engines into the FBC fleet. With the acquisition of FBC, Brunswick adds a new and important strategic asset to its business portfolio which already includes a leading marine engine company, the largest, most recognized portfolio of boat brands in the industry, and the largest portfolio of marine parts and accessories businesses.

As we continue to evolve the marine experience of the future, we are working to bring our ACES strategy (Autonomy, Connectivity, Electrification and Shared-Access) to life in our products and services. In addition to expanding our internal capabilities for technology development, we established an eco-system of technology partnerships including mature technology providers, earlystage technology companies and leading academic institutions. Examples include our iJet laboratory at the University of Illinois, our partnership on marine autonomy with MIT, and our minority investments in a number of innovative technology companies via our relationship with TechNexus.

As we exited 2019, the Company positioned itself for another year of strong growth and operating performance in 2020, however, the unexpected coronavirus (COVID-19) pandemic has created challenges for the global economy and our Company. At this time, we have prioritized the health and safety of our employees, stakeholders, and communities. We are taking prompt and responsive measures that support COVID-19 containment efforts, such as temporary suspension of manufacturing operations, broad work-from-home policies where feasible, and making our annual shareholder meeting “virtual.” The situation is constantly evolving, and we are diligently monitoring developments and evaluating appropriate steps to maintain the health and safety of our team and business continuity.

As we confront the challenges resulting from the Covid-19 pandemic, we are also preparing for a return to more normal business conditions when we will focus on advancing our five strategic pillars: exceptional products and brands; operating and quality excellence; being the best employer and partner; customer-centric innovation; and frictionless consumer experiences.

Forbes declared Brunswick one of America’s Best Employers in 2019 for the second year in a row, which is well-deserved recognition for the Company and our 12,000+ employees. We are committed to our vision of providing “Innovation and Inspiration on the Water” and are excited about our future as a marine-focused business. While 2020 is the 175th anniversary of Brunswick, we are really in the first year of our marine focused strategy and look forward to the future.

Respectfully,



**David M. Foulkes**  
Chief Executive Officer  
Brunswick Corporation

