

# BRUNSWICK

March 19, 2021

Dear fellow shareholders:

2020 was a year that challenged our organization in many ways, but the Brunswick team responded with characteristic resolve, discipline, and creativity. Amid the global pandemic and a dynamic social and political environment, our Company prioritized the health and safety of our employees, customers, and partners while delivering outstanding financial and operating performance.

In 2020, we delivered an eleventh consecutive year of adjusted earnings per share (EPS) growth, with adjusted EPS coming in at \$5.07, an increase of 17 percent vs. 2019. Our consolidated net sales of \$4.3B represented an increase of six percent over prior year and we generated record free cash flow of \$629M and record adjusted operating earnings of \$578.9M, an increase of nine percent vs. 2019.

As consumers around the world turned to boating as a recreational activity compatible with social-distancing, we gained market share in many markets and segments, and also saw a record number of first-time boat buyers enter the market and engage with our industry-leading brands via our significantly upgraded websites and other digital assets. At the same time, we added more than 40 new Freedom Boat Club locations and nearly 10,000 new memberships.

The transformational changes we are making to our business have reinforced our position as the industry leader and, together with retail and wholesale demand tailwinds, and a new generation of younger boaters that includes more women and ethnic minorities, have positioned us to deliver on our strategic plan targets. We believe 2021 will be another year of growth for our business and the marine industry.

Consumer interest in outdoor activities that enable social distancing is expected to remain strong, and the associated trend of flexible working arrangements that is allowing people more freedom for weekday recreation is also favoring our business. To ensure we can meet the demands of retail customers, and to begin refilling the depleted pipeline of products in the field, we are continuing to ramp up production across our global manufacturing facilities.

The recently launched 600HP V12 Mercury Verado outboard engine and Sea Ray Sundancer 370 Outboard, both introduced in the first quarter, represent our relentless commitment to product innovation and we will launch more innovative products through the balance of 2021. At the same time, our investments in our ACES (Autonomy, Connectivity, Electrification, Shared Access) strategy will enable us to further enhance our product, technology, and consumer experience leadership position over the long term.



We are also investing heavily in our digital go-to-market capabilities, allowing us to engage with end consumers and our channel partners in an agile and contemporary way. In 2020, with many industry boat shows and marine trade shows canceled due to COVID-19, our enterprise teams worked collaboratively to create equivalent virtual shows that proved to be extremely successful. We also created two new online businesses: Boateka, a digitally native platform for selling pre-owned boats sourced through the retirement of our Freedom fleet, and BoatClass, an immersive, on-water training program designed to teach boating safety and cultivate boater confidence on the water.

Although the 2021 Consumer Electronics Show was a virtual event, we captured the Company's first CES Innovation Award for our 1st Mate Marine Safety System. We look forward to returning in-person to CES in 2022 and continuing to showcase Brunswick's technology against the backdrop of the biggest technology brands in the world.

In 2020, Brunswick released our first enterprise Sustainability Report. We understand the impact our business has on society and the environment, and the opportunities we have to lead the way in sustainable, responsible practices. Newsweek recognized our progress in this area and included Brunswick on its list of America's Most Responsible Companies. Our 2020 Sustainability Report will be released shortly, and we invite you to review our goals, progress, and success stories.

2020 also saw changes to our Board and our senior leadership team. Our longtime director and non-executive Board Chair, Manny Fernandez, retired and the Board elected Nancy Cooper as the new Board Chair, the first woman to hold this position in Brunswick's 175-year history. We also added new external management talent and promoted high potential internal talent to our leadership team.

The formation of our Diversity, Equity, and Inclusion Committee will enable us to systematically communicate and promote our efforts to enhance opportunities for all Brunswick employees to engage and thrive. This and our other efforts were recognized by Forbes in 2020 with Brunswick named to its lists of Best Employers for Diversity, Best Employers for Women, and Best Employers for Veterans.

In addition, in early 2021, Brunswick was recognized by Forbes as one of America's Best Large Employers, finishing in the top ten overall, amongst and ahead of some of the largest and most well-known companies in America, and ranking first in the Manufacturing and Engineering category. This is a great honor and a testament to the efforts of our 14,000 global employees to elevate and enrich our culture, and make Brunswick such an outstanding place to work.

Thank you to our valued customers and stockholders. We are very optimistic about the future of Brunswick, and your trust in our Company and confidence in our strategic plan continue to be instrumental to our success.



David M. Foulkes  
Chief Executive Officer Brunswick Corporation