



BRUNSWICK[™]

NEXT NEVER RESTS[™]

Q4 and Full Year 2022 Earnings

Conference Call

FEBRUARY 2, 2023



Forward-Looking Statements

Certain statements in this presentation are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations, estimates, and projections about Brunswick’s business and by their nature address matters that are, to different degrees, uncertain. Words such as “may,” “could,” “should,” “expect,” “anticipate,” “project,” “position,” “intend,” “target,” “plan,” “seek,” “estimate,” “believe,” “predict,” “outlook,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this presentation. These risks include, but are not limited to: the effect of adverse general economic conditions, including the amount of disposable income consumers have available for discretionary spending; fiscal and monetary policy concerns; adverse capital market conditions; changes in currency exchange rates; higher energy and fuel costs; competitive pricing pressures; interest-rate risk related to our debt; the coronavirus (COVID-19) pandemic and the emergence of variant strains; actual or anticipated increases in costs, disruptions of supply, or defects in raw materials, parts, or components we purchase from third parties, including as a result of pressures due to the pandemic; supplier manufacturing constraints, increased demand for shipping carriers, and transportation disruptions; managing our manufacturing footprint; adverse weather conditions, climate change events and other catastrophic event risks; international business risks, geopolitical tensions or conflicts, sanctions, embargoes, or other regulations; our ability to develop new and innovative products and services at a competitive price; our ability to meet demand in a rapidly changing environment; loss of key customers; absorbing fixed costs in production; risks associated with joint ventures that do not operate solely for our benefit; our ability to integrate acquisitions, including Navico, and the risk for associated disruption to our business; the risk that unexpected costs will be incurred in connection with the Navico transaction or the possibility that the expected synergies and value creation from the transaction will not be realized or will not be realized within the expected time period; our ability to successfully implement our strategic plan and growth initiatives; attracting and retaining skilled labor, implementing succession plans for key leadership, and executing organizational and leadership changes; our ability to identify, complete, and integrate targeted acquisitions; the risk that strategic divestitures will not provide business benefits; maintaining effective distribution; risks related to dealers and customers being able to access adequate financing; requirements for us to repurchase inventory; inventory reductions by dealers, retailers, or independent boat builders; risks related to the Freedom Boat Club franchise business model; outages, breaches, or other cybersecurity events regarding our technology systems, which could affect manufacturing and business operations and could result in lost or stolen information and associated remediation costs; our ability to protect our brands and intellectual property; changes to U.S. trade policy and tariffs; any impairment to the value of goodwill and other assets; product liability, warranty, and other claims risks; legal, environmental, and other regulatory compliance, including increased costs, fines, and reputational risks; changes in income tax legislation or enforcement; managing our share repurchases; and risks associated with certain divisive shareholder activist actions.

Additional risk factors are included in the Company’s Annual Report on Form 10-K for 2021 and in subsequent Quarterly Reports on Form 10-Q. Forward-looking statements speak only as of the date on which they are made, and Brunswick does not undertake any obligation to update them to reflect events or circumstances after the date of this presentation.

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Use of Non-GAAP Financial Information and Constant Currency Reporting

In this presentation, Brunswick uses certain non-GAAP financial measures, which are numerical measures of a registrant's historical or future financial performance, financial position or cash flows that exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets or statements of cash flows of the registrant; or include amounts, or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

Brunswick has used certain non-GAAP financial measures that are included in this presentation for several years, both in presenting its results to shareholders and the investment community and in its internal evaluation and management of its businesses. Brunswick's management believes that these measures and the information they provide are useful to investors because they permit investors to view Brunswick's performance using the same tools that Brunswick uses and to better evaluate Brunswick's ongoing business performance. In addition, in order to better align Brunswick's reported results with the internal metrics used by the Company's management to evaluate business performance as well as to provide better comparisons to prior periods and peer data, non-GAAP measures exclude the impact of purchase accounting amortization related to acquisitions, among other adjustments.

For additional information and reconciliations of GAAP to non-GAAP measures, please see Brunswick's Current Report on Form 8-K issued on February 2, 2023, which is available at www.brunswick.com, and the Appendix to this presentation.

Brunswick does not provide forward-looking guidance for certain financial measures on a GAAP basis because it is unable to predict certain items contained in the GAAP measures without unreasonable efforts. These items may include restructuring, exit and impairment costs, special tax items, acquisition-related costs, and certain other unusual adjustments.

For purposes of comparison, 2022 net sales growth is also shown using 2021 exchange rates for the comparative period to enhance the visibility of the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations. We refer to this as "constant currency" reporting.

01

Business Overview – Dave Foulkes, CEO



Brunswick Delivers Record Performance

Full Year 2022



16.5%

Net Sales Growth
($\$6.8\text{B}$ Net Sales)



$\$10.03$

Adjusted¹ EPS
(up 21% vs. 2021)



15.4%

Adjusted¹ Operating
Margin
(up 20 bps vs. 2021)



$\$450\text{M}$

Share Repurchases



18k

Year-End Global Pipeline
Units
(down 5.7k vs. 2019)



10.2%

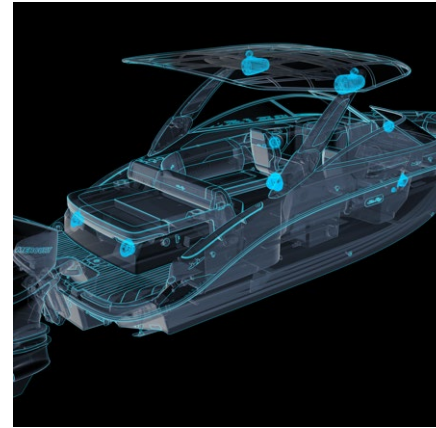
Boat Segment Adjusted¹
Operating Margin
(up 110 bps vs. 2021)

Robust Performance by All Segments



Propulsion

- Full-year operating margin of 18.5%
- U.S. outboard retail share gains of 150bps on 150hp+ in Q4'22
- New products generating high demand
- Strong outboard engine wholesale unit growth vs prior year
- Fond du Lac capacity expansion materially complete



Boats & Business Acceleration

- Record full-year adjusted¹ operating margin of 10.2%
- New products well received with strong orders
- Global pipelines at 18k units, 24% below 2019
- Freedom Boat Club now has over 370 locations

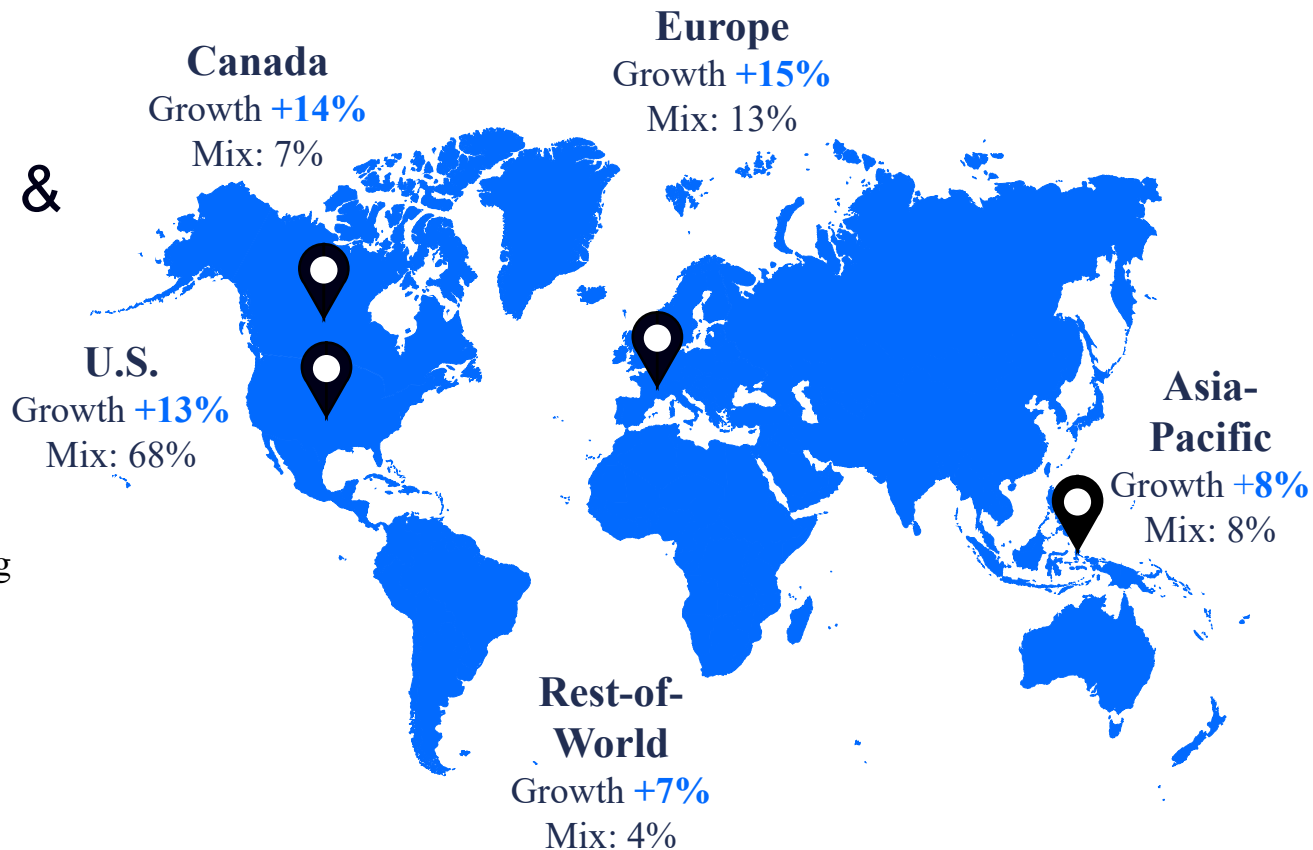


Parts & Accessories

- Adjusted¹ operating margin in Q4'22 +140bps vs. prior year
- Broad-based P&A margin growth in Q4'22 vs. prior year
- Integrated organizational structure beginning to benefit Navico Group margins
- Successfully launched Fathom e-Power system

Q4'22 Revenue Mix¹ & Growth Rates

- Strong sales growth across all regions
- Q4'22 sales grew 12 percent on a constant currency basis, excluding acquisitions



¹ALL FIGURES SHOWN ON A CONSTANT CURRENCY BASIS, EXCLUDING ACQUISITIONS. MIX PERCENTAGES REFLECT Q4 2022 NET SALES.

Landscape



EXTERNAL FACTORS

- Supply chain disruptions generally improving but remain a challenge
- Input cost inflation moderating vs. peaks
- Interest rate increases a headwind for value segment buyers

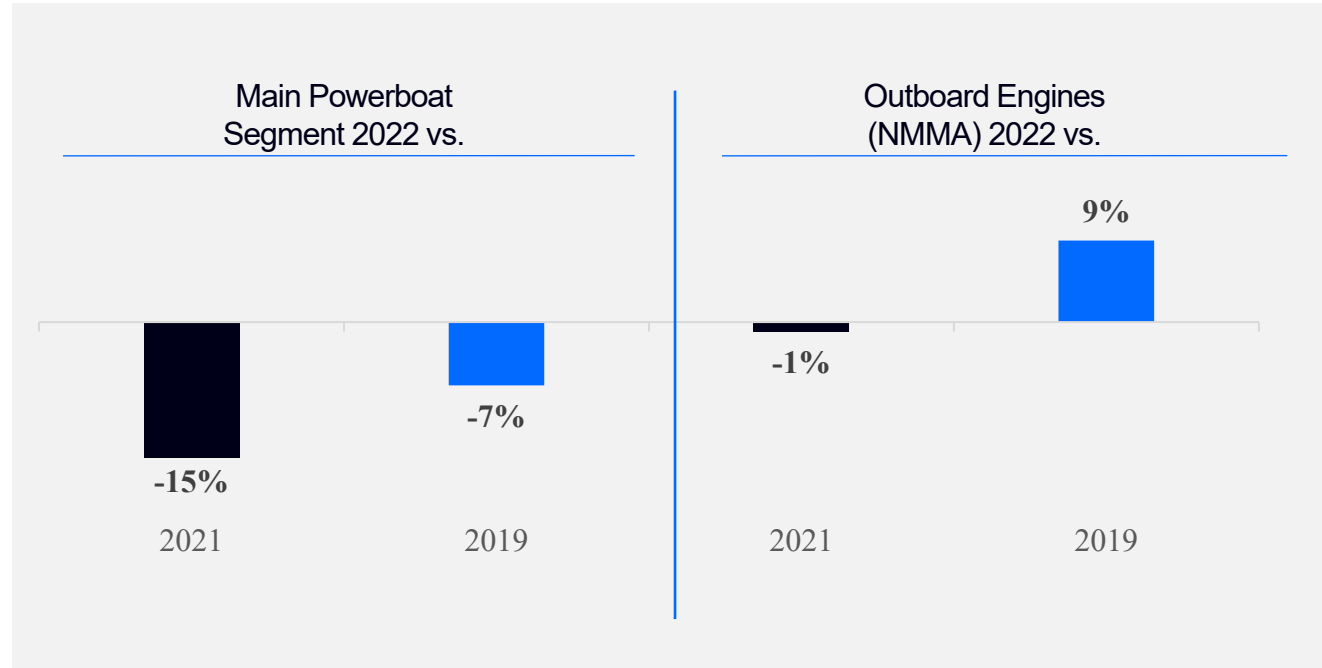
CONSUMER ACTIVITY

- Consumer interest and boating engagement remain strong with encouraging early season boat show attendance
- Consumers looking for value and making more considered purchase decisions
- Seasoned boaters back in the market looking to upgrade

DEALER SENTIMENT

- Dealers still appropriately stocking while watchful about consumer health and economic environment
- New products driving excitement
- Order levels healthy with no signs of material cancellations or excess discounting

U.S. Main Powerboat Industry – Percentage Change in Retail Units

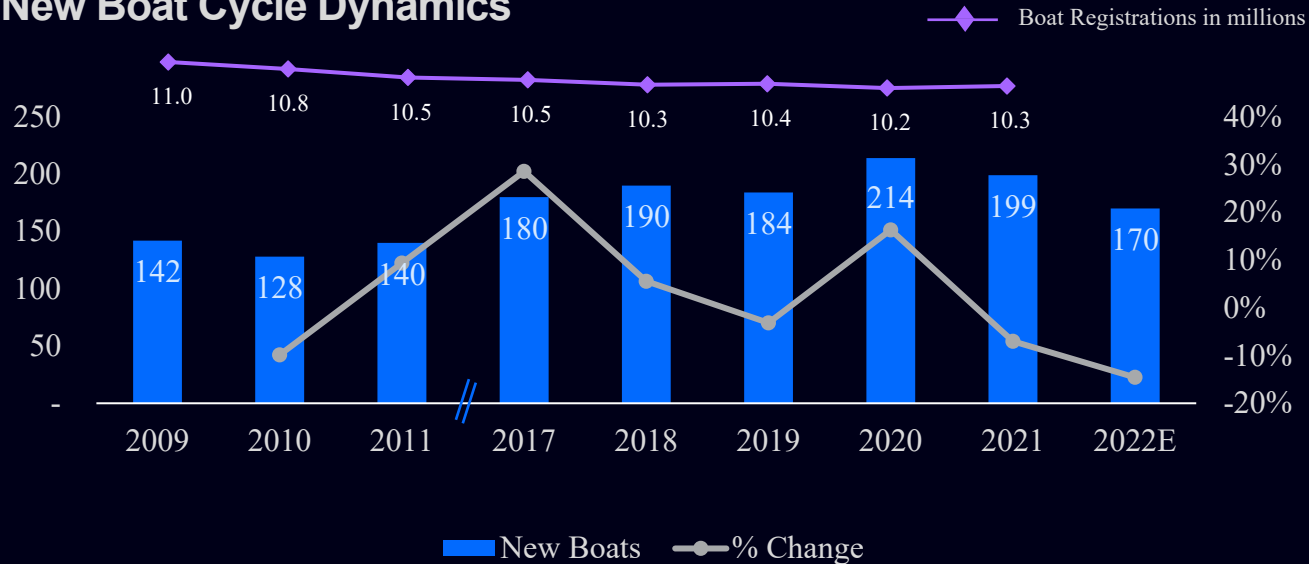


- 2022 main powerboat industry retail down 15% vs. 2021 and 7% vs. 2019
- 2022 outboard engine industry retail down 1% vs. 2021 and up 9% vs. 2019

SOURCE: NMMA STATISTICAL SURVEYS, INC.: PRELIMINARY DATA IS SHOWN ON A COMPARATIVE BASIS USING STATES REPORTING TO DATE FOR 2022: 98% OF Q1, 98% OF Q2, 98% OF Q3, 89% OF OCT, 77% OF NOV AND 67% OF DEC 22. COAST GUARD DATA THROUGH 12/2022.

Historical Industry Retail

New Boat Cycle Dynamics



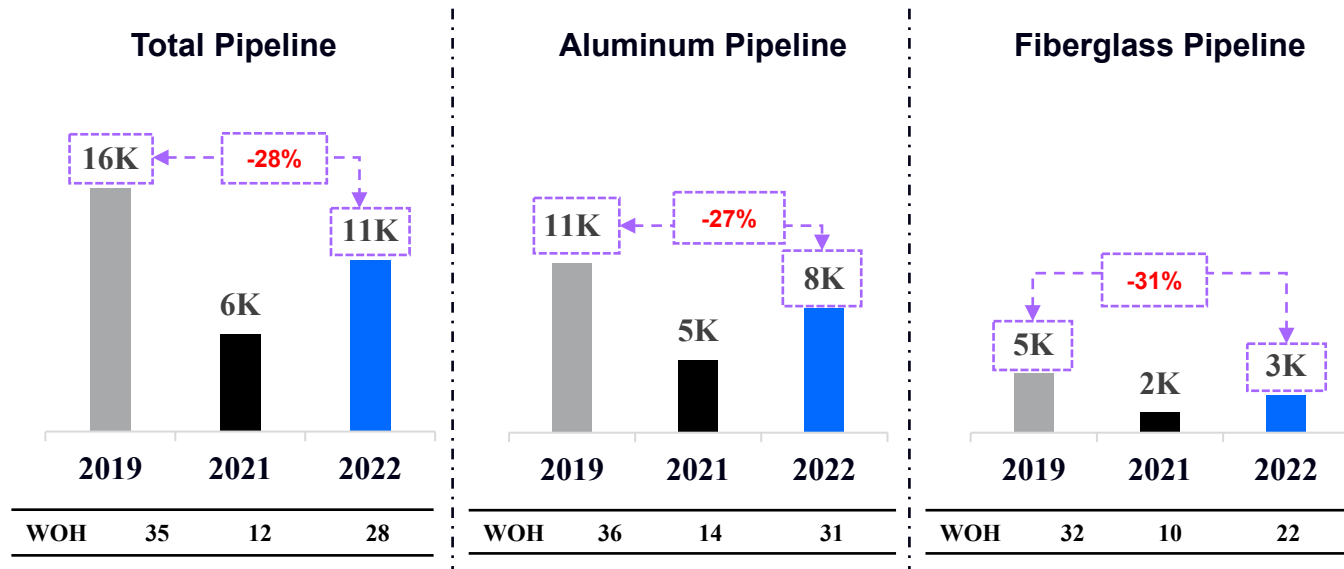
- 2022 US main powerboat industry retail estimated down ~15% vs. 2021
- Registrations steady over time around 10 million per year indicating continued strong boating participation

NOTE: NEW BOAT SALES DATA SOURCED FROM U.S. SSI DATA FOR MAIN POWERBOAT SEGMENT AND IN THOUSAND UNITS;
REGISTRATIONS SOURCE: NMMA TOTAL BOAT REGISTRATIONS REPORT

U.S. Pipeline Metrics

- U.S. unit pipeline levels increasing but remain 28% below 2019
- U.S. Fiberglass pipeline remains 31% below 2019
- Global pipeline 24% below 2019

U.S Pipeline Units – End of Q4 2022



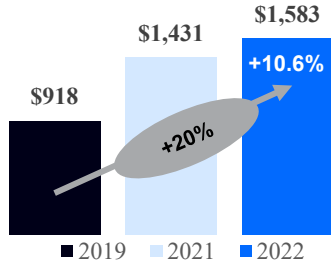
02

Financial Overview – Ryan Gwillim, CFO

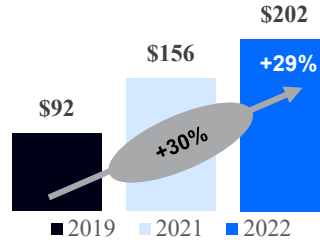


Overview of Fourth Quarter 2022 Adjusted Results

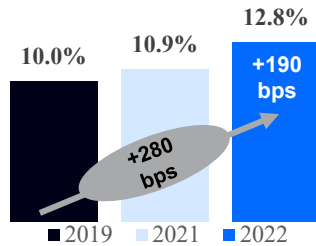
Net Sales (\$M)



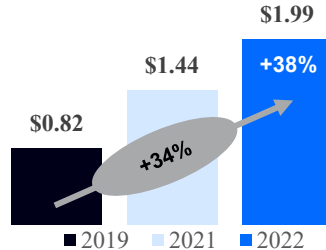
Operating Earnings¹ (\$M)



Operating Margin¹ %



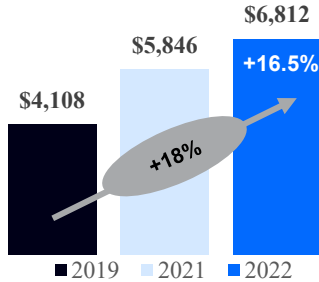
Diluted EPS¹



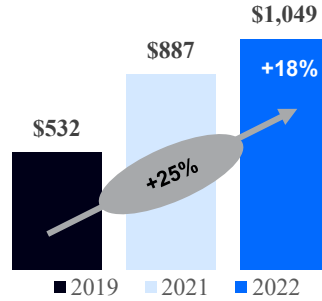
- Delivered record revenue, operating earnings, and EPS for any fourth quarter in Brunswick history
- Free Cash Flow Conversion of 133% in the fourth quarter

Overview of Full Year 2022 Adjusted Results

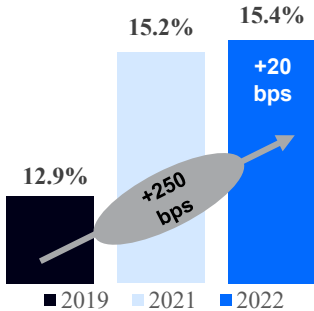
Net Sales (\$M)



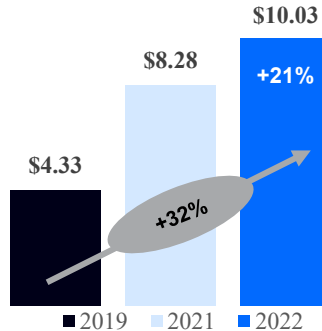
Operating Earnings¹ (\$M)



Operating Margin¹ %



Diluted EPS¹



- Delivered another record year of sales, operating earnings and margin, and EPS



Capital Strategy Update

We successfully executed our capital strategy, ending the year with strong cash and liquidity positions, and a very manageable debt portfolio

\$613M

Cash and Marketable Securities

\$450M

Share Repurchases

\$109M

Dividends

\$388M

Capital Expenditures

1.6x

Net Leverage¹

\$192M

Free Cash Flow¹

Propulsion Segment – Q4'22 Performance

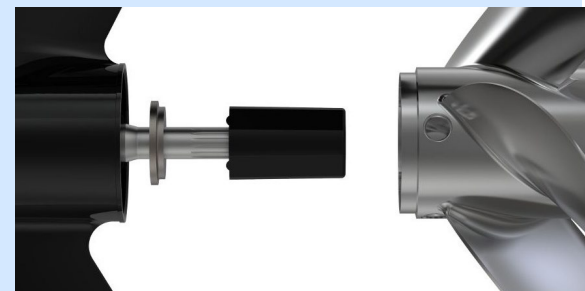
Outstanding quarter with operating earnings up 24% and operating margins up 90 bps

PRODUCT CATEGORY	SALES (\$M)	% CHANGE VS.	
		2021	2019
Outboard Engines	\$544.4	21%	84%
Sterndrive Engines	\$44.8	(4)%	12%
Controls, Rigging and Propellers	\$80.3	9%	72%
Total	\$669.5	17%	75%

Operating Margin of –

16.8%

Up 90 bps vs. Q4 '21



Operating Earnings of –

\$112.6M

Up 24% vs. Q4 '21

Parts and Accessories Segment – Q4'22 Performance¹

Strong operating margin growth drives higher operating earnings despite slight sales decrease (down 5% on a constant currency basis)

PRODUCT CATEGORY	SALES (\$M)	% CHANGE VS.	
		2021	2019
Engine Parts and Accessories	\$100.2	(8)%	30%
Distribution	\$139.0	(6)%	20%
Navico Group ²	\$227.4	(8)%	N/A
Total	\$466.6	(8)%	65%

¹SEE THE APPENDIX TO THIS PRESENTATION AND TODAY'S FORM 8-K FOR RECONCILIATIONS TO GAAP FIGURES.

²NAVICO GROUP INCLUDES LEGACY ADVANCED SYSTEMS GROUP BUSINESS PLUS THE 2021 ACQUISITIONS OF NAVICO, RELION, AND SEMAHRONIX.

Adjusted Operating Margin of

13.6%

Up 140 bps vs. Q4 '21

(GAAP Operating Margin of 10.6% up
490 bps vs. Q4'21)



Adjusted Operating Earnings of

\$63.6M

Up 3% vs. Q4 '21

(GAAP Operating Earnings of \$49.3M
up 71% vs. Q4'21)

Boat Segment – Q4'22 Performance¹

Another fantastic quarter with strong revenue growth and double-digit adjusted operating margins for the third consecutive quarter

PRODUCT CATEGORY	SALES (\$M)	% CHANGE VS.	
		2021	2019
Aluminum Freshwater	\$207.9	18%	67%
Recreational Fiberglass	\$194.8	33%	82%
Saltwater Fishing	\$118.2	24%	54%
Business Acceleration	\$31.9	93%	NM
Total	\$547.5²	26%	73%

Adjusted Operating Margin of

10.0%

Up 210 bps vs. Q4 '21

(GAAP Operating Margin of 10.8% up
330 bps vs. Q4'21)



Adjusted Operating Earnings of

\$54.8M

Up 60% vs. Q4 '21

(GAAP Operating Earnings of \$58.9M
up 82% vs. Q4'21)



\$6.8 to \$7.2B

Full Year Revenue

~15%

Operating Margin

Flat to up slightly

**Operating expenses
as a % of sales**

\$9.50 to \$11.00

Full Year EPS

\$375M+

Free Cash Flow

Flat to up slightly

Quarter 1 Revenue

\$2.30 to \$2.40

Quarter 1 EPS



2023 Outlook Segment Guide



Propulsion



**Parts &
Accessories**



Boats

Net Sales Growth

Up

**Mid to High
Single
Digit Percent**

**Flat
to Up**

**Low
Single Digit
Percent**

**-5
to +3%**

**Percent
Change**

Operating Margin Target*

+/-

**30 BPS
vs. 2022**

+/-

**30 BPS
vs. 2022**

~10%

**Operating
Margin**



2023 Outlook – P&L and Cash Flow Assumptions

~\$100 Million

**Working Capital
Usage**

~\$190 Million

**Depreciation &
Amortization¹**

~\$55 Million

**Acquisition
Amortization**

~23%

**Effective Book
Tax Rate**

~71.5 Million

**Average Diluted
Shares Outstanding**



2023 Outlook – Capital Strategy and Other Assumptions

~\$350
Million

**Capital
Expenditures**

~\$150 Million

**Share
Repurchases**

~\$80
Million

**Debt
Retirement**

\$0.365
Per Share

**Quarterly
Dividends**

~\$100
Million

**Net Interest
Expense**

Slightly Higher
vs. 2022

**Combined
Equity Earnings
and Other
Income**

~\$35 –
\$40 Million

**Foreign
Currency
Earnings
Headwind**

03

Wrap-Up Dave Foulkes, CEO



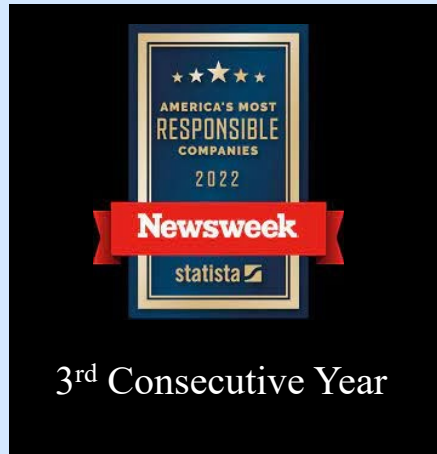
Recognized for Excellence in 2022

Brunswick set a new record for most awards won in a calendar year in 2022

“

Brunswick brands are redefining luxury, affordability, wake sports and stress-free boating, making clear choices as Top Products for 2022

– Boating Industry Magazine



BRUNSWICK™

NEXT NEVER RESTS™



Brunswick (BC), the world’s largest consumer marine company behind brands like Boston Whaler, Sea Ray, and Mercury is making waves at the Consumer Electronics Show (CES) in land-locked Las Vegas this year.

[Yahoo Finance](#)



Brunswick Booth CES 2023

Recent Product Launches



MERCURY
AVATOR



Sea Ray SPX 210



VEER V13



MERCURY V10



LOWRANCE HDS Live



FATHOM e-power system

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THANK YOU + Q&A

JOIN US FOR AN INVESTOR EVENT | MIAMI BOAT SHOW
FEBRUARY 16, 2023

Miami Beach Convention Center
Contact Pam Eriksen for details pamela.eriksen@brunswick.com

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Appendix

GAAP to Non-GAAP Reconciliations – Q4

(in millions, except per share data)	Operating Earnings		Diluted Earnings per Share	
	Q4 2022	Q4 2021	Q4 2022	Q4 2021
GAAP	\$191.6	\$121.8	\$1.93	\$1.31
Restructuring, exit and impairment charges	0.5	0.1	—	—
Purchase accounting amortization	13.5	23.0	0.14	0.23
Acquisition, integration and IT related costs	(3.4)	11.4	(0.04)	0.11
Special tax items	—	—	(0.04)	(0.21)
As Adjusted	\$202.2	\$156.3	\$1.99	\$1.44
GAAP operating margin	12.1%	8.5%		
Adjusted operating margin	12.8%	10.9%		

GAAP to Non-GAAP Reconciliations – Full Year

(in millions, except per share data)	Operating Earnings		Diluted Earnings per Share	
	FY 2022	FY 2021	FY 2022	FY 2021
GAAP	\$947.8	\$812.9	\$9.06	\$7.59
Restructuring, exit and impairment charges	25.1	0.8	0.25	0.01
Purchase accounting amortization	65.0	45.7	0.65	0.46
Acquisition, Integration and IT related costs	10.8	24.3	0.11	0.27
Sport Yacht & Yachts	—	3.8	—	0.04
Palm Coast reclassified from held-for-sale	—	0.8	—	0.01
Gain on sale of assets	—	(1.5)	—	(0.01)
Special tax items	—	—	(0.04)	(0.13)
Loss on early extinguishment of debt	—	—	—	0.04
As Adjusted	\$1,048.7	\$886.8	\$10.03	\$8.28
GAAP operating margin	13.9%	13.9%		
Adjusted operating margin	15.4%	15.2%		

Net Sales and Growth – Q4

Net Sales increased by \$151.7 million, or 11 percent

**NET
SALES**
(in millions)

Segments	Q4 2022	Q4 2021	% Change
Propulsion	\$669.5	\$570.5	17%
Parts & Accessories	466.6	505.6	-8%
Boat	547.5	433.0	26%
Segment Eliminations	(100.9)	(78.1)	
Total	\$1,582.7	\$1,431.0	11%

**SALES
GROWTH**

Region	Q4 2022 % of Sales	% Change	Constant Currency % Change
United States	70%	14%	14%
Europe	12%	2%	15%
Asia-Pacific	7%	-1%	8%
Canada	7%	9%	14%
Rest-of-World	4%	8%	7%
Total International	30%	3%	12%
Consolidated		11%	13%

Net Sales and Growth – Full Year

Net Sales increased by \$966.0 million, or 17 percent

**NET
SALES**
(in millions)

Segments	FY 2022	FY 2021	% Change
Propulsion	\$2,824.0	\$2,504.7	13%
Parts & Accessories	2,323.7	2,008.1	16%
Boat	2,119.4	1,703.1	24%
Segment Eliminations	(454.9)	(369.7)	
Total	\$6,812.2	\$5,846.2	17%

**SALES
GROWTH**

Region	FY 2022 % of Sales	% Change	Constant Currency % Change
United States	69%	19%	19%
Europe	13%	14%	26%
Asia-Pacific	7%	6%	12%
Canada	7%	11%	14%
Rest-of-World	4%	20%	19%
Total International	31%	12%	19%
Consolidated		17%	19%

Sales Growth Drivers

		% Change - GAAP	Currency Impact	Acquisitions Impact
Q4 2022 VS. Q4 2021	Propulsion	17%	(3%)	-
	Parts & Accessories	(8%)	(3%)	-
	Boat	26%	(2%)	3%
	Brunswick	11%	(2%)	1%

		% Change - GAAP	Currency Impact	Acquisitions Impact
FY 2022 VS. FY 2021	Propulsion	13%	(2%)	-
	Parts & Accessories	16%	(2%)	19%
	Boat	24%	(2%)	3%
	Brunswick	17%	(2%)	7%

Tax Rate

Q4 '22 Effective Tax Rate at ~14%

	Q4 2022	Q4 2021
Quarter 4		
Effective Tax Rate - GAAP	14.4%	(0.4%)
Effective Tax Rate - As Adjusted ¹	17.0%	17.3%

	FY 2022	FY 2021
Full Year		
Effective Tax Rate - GAAP	20.2%	19.1%
Effective Tax Rate - As Adjusted ¹	21.0%	20.7%

¹TAX PROVISION, AS ADJUSTED, EXCLUDES \$(2.8) MILLION AND \$(16.5) MILLION OF NET BENEFITS FOR SPECIAL TAX ITEMS FOR Q4 2022 AND Q4 2021 PERIODS, RESPECTIVELY, AND \$(3.1) MILLION AND \$(9.7) MILLION OF NET BENEFITS FOR SPECIAL TAX ITEMS FOR YTD 2022 AND YTD 2021 PERIODS, RESPECTIVELY.

Free Cash Flow

(in millions)	FY 2022	FY 2021
Net cash provided by operating activities from continuing operations	\$580.4	\$586.2
Net cash (used for) provided by:		
Capital expenditures	(388.3)	(267.1)
Proceeds from sale of property, plant, equipment	11.3	7.2
Effect of exchange rate changes	(11.9)	(5.5)
Free Cash Flow	\$191.5	\$320.8