



BRUNSWICK CORPORATION – EARNINGS RELEASE

## 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 rising interest rates, and the amount of disposable income consumers have available for discretionary spending; changes in currency exchange rates; fiscal and monetary policy changes; adverse capital market conditions; competitive pricing pressures; higher energy and fuel costs; managing our manufacturing footprint and operations; loss of key customers; international business risks, geopolitical tensions or conflicts, sanctions, embargoes, or other regulations; actual or anticipated increases in costs, disruptions of supply, or defects in raw materials, parts, or components we purchase from third parties; supplier manufacturing constraints, increased demand for shipping carriers, and transportation disruptions; adverse weather conditions, climate change events and other catastrophic event risks; our ability to develop new and innovative products and services at a competitive price; our ability to meet demand in a rapidly changing environment; absorbing fixed costs in production; public health emergencies or pandemics, such as the coronavirus (COVID-19) pandemic; risks associated with joint ventures that do not operate solely for our benefit; 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 integrate acquisitions and the risk for associated disruption to our business; our ability to identify, complete, and integrate targeted acquisitions; the risk that restructuring or strategic divestitures will not provide business benefits; maintaining effective distribution; dealers and customers being able to access adequate financing; inventory reductions by dealers, retailers, or independent boat builders; requirements for us to repurchase inventory; risks related to the Freedom Boat Club franchise business model; outages, breaches, or other cybersecurity events regarding our technology systems, which have affected and could further 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 trade policy and tariffs; an 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 2022 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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Good morning and thank you for joining us. With me on the call this morning are Dave Foulkes, Brunswick's CEO, and Ryan Gwillim, CFO. Before we begin with our prepared remarks, I would like to remind everyone that during this call our comments will include certain forward-looking statements about future results. Please keep in mind that our actual results could differ materially from these expectations. For details on these factors to consider, please refer to our recent SEC filings and today's press release. All of these documents are available on our website at Brunswick.com.

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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 filed with the Securities and Exchange Commission on February 1, 2024, which is available at [www.brunswick.com](http://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, 2023 net sales growth is also shown using 2022 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.

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During our presentation, we will be referring to certain non-GAAP financial information. Reconciliations of GAAP to non-GAAP financial measures are provided in the appendix to this presentation and the reconciliation sections of the unaudited consolidated financial statements accompanying today's results. I will now turn the call over to Dave.

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01

# Business Overview – Dave Foulkes, CEO

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Thanks Neha, and good morning everyone.



Brunswick delivered another successful year in which we achieved the second highest sales and adjusted EPS in Company history, despite market headwinds. We also continued to gain market share, increase our operational efficiency, launch exceptional new products, actively control costs, and progress our strategic initiatives, including our ACES strategy.

Our full-year net sales of \$6.4 billion and adjusted earnings per share of \$8.80 were slightly below our guidance range as wholesale customer ordering patterns softened late in the year. However, our diligent focus on cash-generation resulted in outstanding free cash flow of \$473 million and full-year free cash flow conversion of 76%. In addition, we executed \$275 million dollars of share repurchases.

Mercury Marine has continued to capture solid market share, with full-year U.S. outboard retail share up 50 basis points versus prior year.

2023 U.S. new boat market unit retail sales are anticipated to finish in-line with our estimates of down mid- to high-single-digits with Brunswick brands outperforming the market in many segments.

As we moved out of the core 2023 retail selling season, we worked closely with our marine channel partners to actively manage boat field inventory levels. We closed the year with 36.7 weeks on hand in the U.S., which is in-line with our target and with historical norms.

## Segments Continue to Adapt and Execute Strongly



### Propulsion

- 50bps FY 2023 vs. FY 2022 outboard retail market share gain, and 150bps gain for outboards over 30hp
- >5,000 Avators produced since launch
- OEMs metering production and Q1 orders while monitoring early season consumer behavior



### Engine Parts & Accessories

- Q4 2023 Products sales up 3% vs. prior year
- Q4 2023 Distribution sales showing sequential improvement
- Segment full year sales up 22% vs. 2019



### Navico Group

- Strong market reception to higher margin new products
- Aftermarket/retailer stocking trends continuing to improve
- Operating expense actions continuing to show benefit



### Boat<sup>1</sup>

- Q4 U.S. SSI main powerboat retail down 1% vs. prior year, full year in-line with expectations
- Freedom Boat Club closing in on 60k memberships, and 600k annual trips in 2023
- Freedom Boat Club now at 410+ locations

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<sup>1</sup>BOAT SEGMENT INCLUDES BUSINESS ACCELERATION

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I will turn now to some of the segment highlights for the quarter and full year.

Our propulsion business finished its second-best year on record, leveraging more exciting new products, market share gains, and operational efficiencies to deliver consistent year-over-year operating margins, despite slightly lower sales and earnings, versus the historical highs in 2022. For the full-year, Mercury gained 150 basis points of overall U.S. retail share for outboard engines over 30 horsepower, which account for the majority of Mercury's investment in recent years. In addition, over 5,000 Avator electric outboards were produced following the launch of the first model in early 2023.

Mercury saw slowing of OEM off-season orders as the OEMs scaled back boat production to control field inventory going into the new year. We expect OEMs to remain cautious entering the first quarter of 2024 as they assess consumer sentiment at early-season boat shows and monitor the macro environment.

Our engine parts and accessories business demonstrated steady performance in the quarter, reflecting a continued improving sequential trend. Sales in the Products portion of the business were up versus prior year for the second consecutive quarter and our Distribution business was only down slightly, with sequential improvement from the previous quarter. Overall segment sales were up 22 percent on a full year basis versus 2019.

Navico Group had a solid finish to the year, as an increased flow of new products and continued focus on cost control, business integration, and complexity reduction helped offset a softer marine OEM market in the quarter, and the considerably slower RV manufacturing environment.

Finally, our boat business delivered sales and earnings in the quarter consistent with expectations, while continuing to ensure healthy pipeline inventory levels entering 2024. Strong demand for premium products, together with market share gains in many categories, is helping to provide a stable baseline for 2024. Freedom Boat Club continues to grow and now has more than 410 locations. Members completed approximately 600 thousand trips in 2023, demonstrating the productivity of the model.

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## External, Customer and Consumer Conditions



### Macro Backdrop

- Inflation moderating and employment stable
- Cadence of anticipated 2024 Fed interest rate reductions top of mind
- Expansion of Middle-East conflict threatening logistics costs



### Consumer Health

- Good attendance and consumer interest at early-season boat shows – buying cycle longer as consumers look for promotions
- Early season boat retail sales ahead of 2023
- Boat purchase consideration also remains stable<sup>1</sup>



### Dealer Sentiment

- Marine dealer sentiment overall steady with premium product dealers generally expressing more optimism
- Dealers conscious of clearing 2024 model year inventory and awaiting more data to support order-rate acceleration
- Interest rates remain a concern, although down 50bps from peak



### OEM Environment

- Marine OEMs reducing first quarter 2024 production to align with demand levels
- RV orders soft although anticipate some improvement into 2024
- Retailer environment and distribution channel stabilizing

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<sup>1</sup>SOURCE: BRUNSWICK SENTIMENT PULSE TRACKER DEC 2023 (N=400)

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Shifting to external factors now, U.S. employment remains at healthy levels with inflation continuing to stabilize. The cadence of Fed and global central bank interest rate reductions will continue to be an important factor in the coming months.

Overall boat retail sales are trending slightly above 2023, but unit sales in the month of January are always a small contribution to the year. Global early-season boat shows are generally encouraging, with good traffic, interested buyers, and healthy lead generation. Normalized inventory levels are allowing consumers to shop for the models of their choice and incentives continue to be important in stimulating interest and assisting dealers in closing sales. Our boat, engine and technology brands continue to perform well, with Mercury recording outboard share gains at the important Dusseldorf boat show, achieving overall share of 48 percent.

Dealers entered 2024 with healthy inventory and are cautious in their ordering entering the new year as they closely monitor boat shows and retail at the start of the season, as well as the economic trajectory.

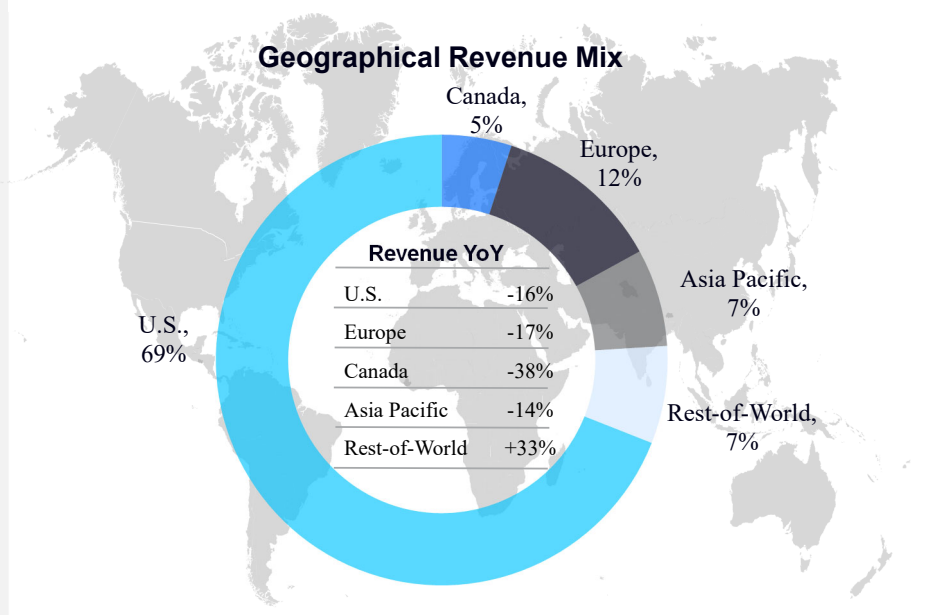
We are pleased with interest in the recently launched Brunswick retail finance program with more than 25 percent of Brunswick boat dealers having already enrolled. The program provides an additional way to stimulate demand and convert leads, with an efficient online consumer finance approval process and the ability to introduce promotional financing. In addition, our investments in digital platforms continue to drive benefits across our brands with more than 1/3 of Boat Group's sales digitally assisted in 2023.

As expected, boat OEMs are carefully controlling boat production rates to align with anticipated retail in 2024, resulting in lower order rates for Mercury engines and Navico Group OEM products. The softness continues to be more prevalent in value products and low- to mid-horsepower outboard engines, with premium product production and demand remaining more solid.

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## Q4 2023 Revenue Mix<sup>1</sup> & Growth Rates

Q4'23 sales declined 15 percent on a constant currency basis, excluding acquisitions



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<sup>1</sup>ALL FIGURES SHOWN ON A CONSTANT CURRENCY BASIS, EXCLUDING ACQUISITIONS. MIX PERCENTAGES REFLECT Q4 2023 NET SALES.

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Shifting now to a global view of revenue in the quarter, overall, we saw a 15 percent sales decline on a constant currency basis, excluding acquisitions.

On a full year basis, the U.S. market declined mid-single digits versus 2022, roughly in line with Europe and Asia-Pacific.

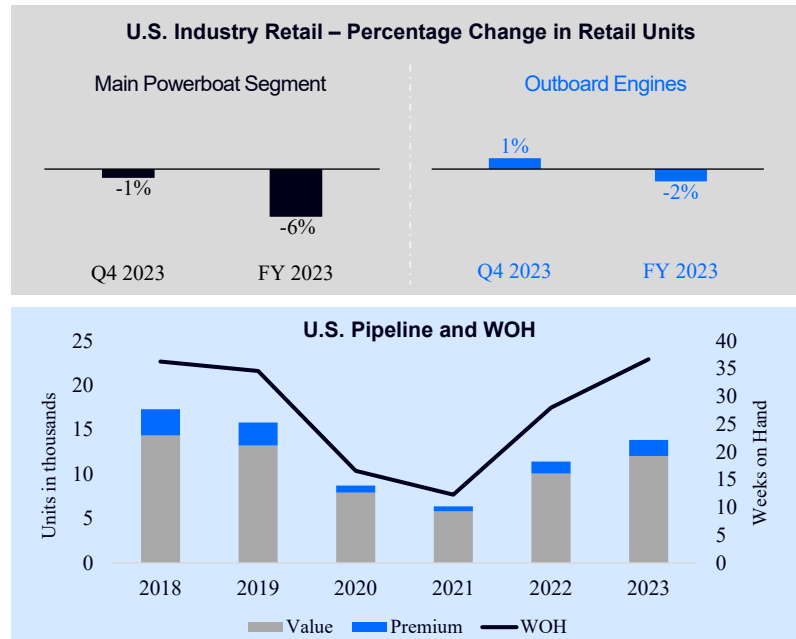


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## U.S. Industry Retail and Pipeline Trends

### Ending Q4 2023

- U.S. pipeline ended the year as expected at 36.7 weeks on hand and ~14k units
- Brunswick delivering full year retail sales better than industry



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SOURCE: NMMA STATISTICAL SURVEYS, INC.; PRELIMINARY DATA IS SHOWN ON A COMPARATIVE BASIS USING STATES REPORTING TO DATE FOR 2023; 67.18% OF THE U.S. BOAT MARKET, COAST GUARD DATA THROUGH 12/2023.

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U.S. new boat industry retail was slightly down in the fourth quarter versus 2022, with preliminary full-year retail in-line with expectations of down approximately 6 percent versus 2022.

Overall, for the full-year, Brunswick performed slightly better than the industry, picking up share particularly through strong performance by our pontoon, premium fiberglass and tow brands, supported by planned promotions and marketing on select product-lines.

Outboard engine industry retail units turned positive this period with the fourth quarter up one percent versus prior year, bringing full-year unit retail to down two percent. Mercury continues to outperform the industry with fourth quarter share gains of 50 basis points in greater than 30 horsepower categories.

As we actively manage boat pipelines, we ended with inventory in-line with expectations and historical norms with U.S. weeks on hand at 36.7 weeks and 14 thousand units versus 16 thousand units in 2019. International boat pipelines are slightly higher, which is normally the case.

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02

# Financial Overview – Ryan Gwillim, CFO

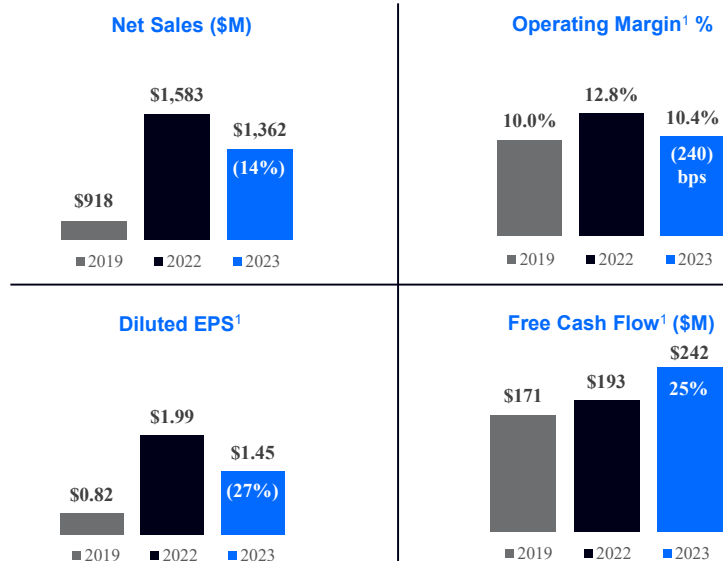
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I will now turn the call over to Ryan to provide additional comments on our financial performance and outlook.

## Overview of Fourth Quarter 2023 Adjusted Results



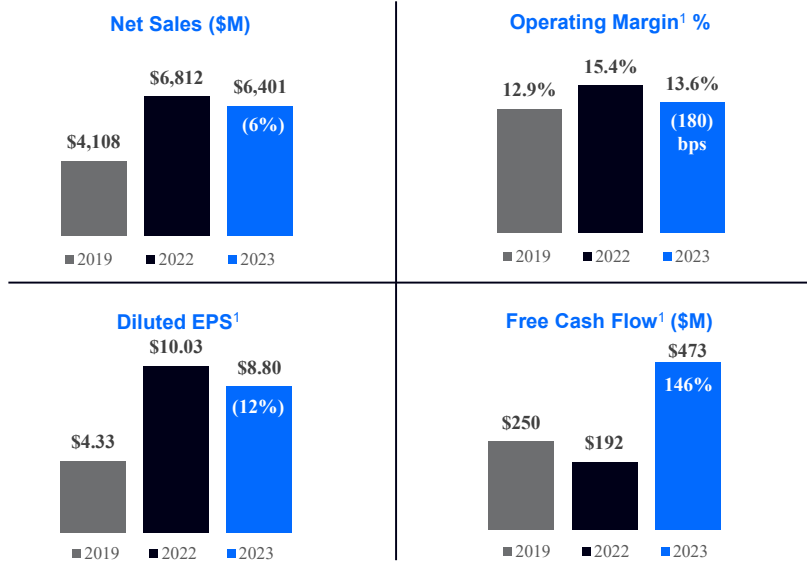
- As expected, Q4 sales and EPS results below prior year with softer wholesale demand across all business units
- Outstanding free cash flow generation

Thanks Dave, and good morning everyone.

Brunswick delivered a solid fourth quarter despite softer wholesale demand across our businesses. When compared to an extremely strong fourth quarter of 2022, net sales in the quarter were down 14 percent, and adjusted EPS of \$1.45 decreased 27 percent. However, we delivered a record Q4 free cash flow of \$242 million, a 25 percent increase over prior year, as we continue to focus the enterprise on generating cash and minimizing working capital usage.

Sales were below prior year as the impact of cautious wholesale ordering patterns by dealers, OEMs and retailers, coupled with higher discounts in select segments, was only partially offset by successful new product momentum, positive mix and pricing implemented in previous quarters. Operating earnings and margin declined versus a record fourth quarter 2022 resulting from the impact of lower net sales and prudent spending on growth initiatives, partially offset by ongoing cost containment efforts.

## Overview of Full Year 2023 Adjusted Results



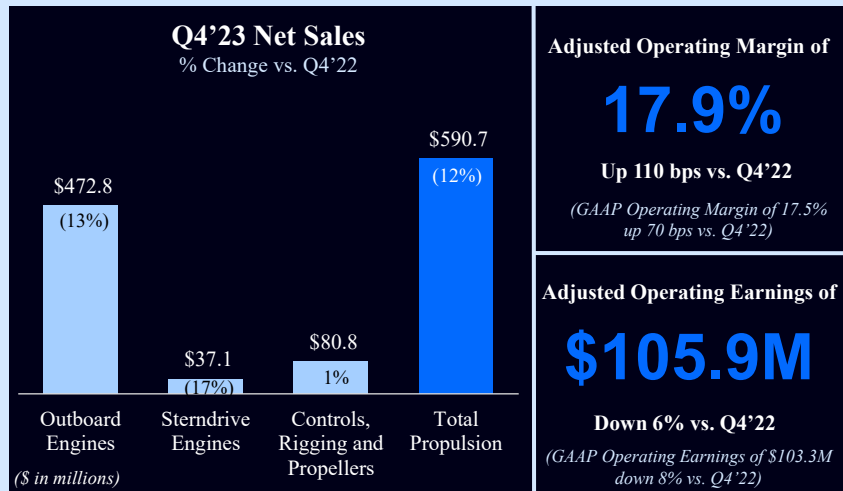
- Second highest sales and adjusted EPS in BC history
- Outstanding free cash flow generation – 2H free cash flow conversion of 143%

For the full-year, we delivered the second highest sales and adjusted EPS in Brunswick's history, just behind our 2022 performance. Our strong free cash flow of \$473 million, resulting in second-half free cash flow conversion of 143 percent, again reflecting our continued focus on driving cash in this challenging market.

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## Propulsion Segment – Q4'23 Performance<sup>1</sup>

Strong operating margin growth despite softer wholesale engine shipments



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

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Now we'll look at each reporting segment, starting with our propulsion business.

Revenue was down 12 percent versus the fourth quarter of 2022 primarily due to cautious OEM ordering patterns, partially offset by continued market share gains in outboard engines and the acquisition of Fliteboard completed earlier in the year. Operating margins increased by 110 basis points versus Q4 2022 as the impact of the sales declines and higher labor inflation costs were more than offset by cost control and reduced material inflation.

As Dave mentioned earlier, as we exit 2023 and enter 2024, we anticipate that we will continue to maintain our progressive market share gains, but that our propulsion business will be impacted by additional reductions in boat OEM production levels that may not abate until the start of the primary retail selling season in 2024. This will enable us to sell more engines into the dealer channel, but the overall impact will still be a decrease in overall market demand for engines.

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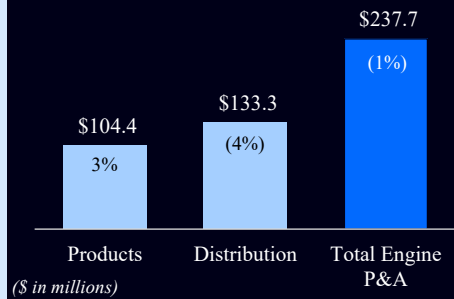
## Engine P&A Segment – Q4'23 Performance

Solid performance in Products offset by moderating headwinds in third-party Distribution



### Q4'23 Net Sales

% Change vs. Q4'22



Operating Margin of

# 11.9%

Down 160 bps vs. Q4'22

Operating Earnings of

# \$28.2M

Down 13% vs. Q4'22

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The engine parts and accessories business continued to improve sequentially throughout the year, with Q4 sales essentially flat versus 2022.

The high-margin Products business grew sales by 3 percent versus prior year, while Distribution sales were down 4 percent, as trends have continued to improve in both businesses from early 2023. Segment operating earnings and margins decreased in the quarter with the slight net sales decline and higher manufacturing costs more than offsetting the impact of pricing and lower operating expenses versus prior year.

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## Navico Group Segment – Q4'23 Performance<sup>1</sup>

Soft marine OEM and RV market demand impacting wholesale orders; new products on the horizon for 2024



Q4'23 Navico Group Net Sales

**\$196.2M**

Down 17% vs. Q4'22

Adjusted Operating Margin of

**7.5%**

Down 570 bps vs. Q4'22

(GAAP Operating Margin of  
7.4% down vs. Q4'22)

Adjusted Operating Earnings of

**\$14.8M**

Down 53% vs. Q4'22

(GAAP Operating Earnings of  
\$14.5M down NM<sup>2</sup> vs. Q4'22)

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

<sup>2</sup>NM = NOT MEANINGFUL

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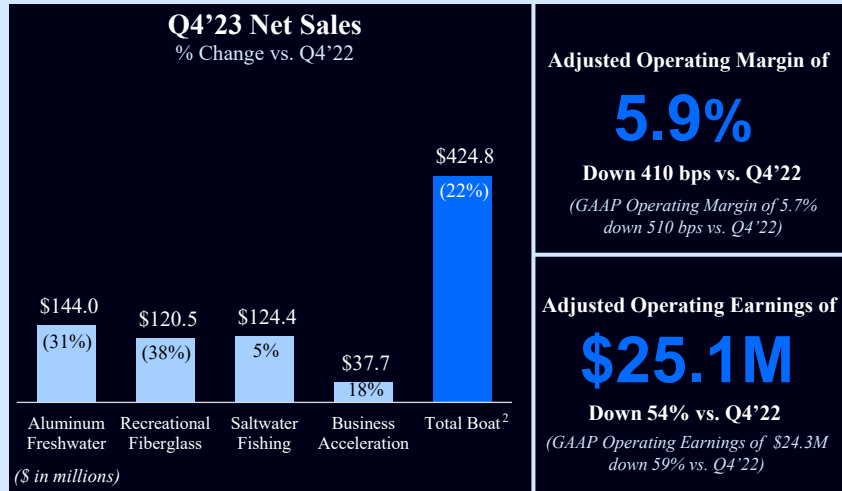
Navico Group reported a 17 percent decrease in sales as the business experienced softer marine OEM orders and the continued weak RV manufacturing environment in the quarter. Segment operating margins decreased in the quarter primarily as a result of the net sales declines which more than offset the benefit of lower operating expenses.

Despite an overall challenging 2023, Navico continues to make strides against its strategic priorities, including removing almost \$20 million of structural cost, while improving its product development process and continuing to invest in market leading technologies and expand its customer base for integrated and connected solutions.

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## Boat Segment – Q4'23 Performance<sup>1</sup>

Steady performance as anticipated, led by premium Saltwater Fishing products



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<sup>1</sup>SEE THE APPENDIX TO THIS PRESENTATION AND TODAY'S FORM 8-K FOR RECONCILIATIONS TO GAAP FIGURES.  
<sup>2</sup>TOTAL BOAT NET SALES INCLUDES \$1.8M OF BOAT ELIMINATIONS

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Finally, our boat business delivered sales and earnings in the quarter consistent with expectations, while continuing to ensure healthy pipeline inventory levels as we enter 2024. Sales were down 22 percent versus Q4 2022, but sales in our more premium Saltwater fish segment, which includes Boston Whaler, grew 5 percent year-over-year. Adjusted operating margins and earnings were down primarily due to the lower sales, partially offset by focused cost reduction activities.

Freedom Boat Club, which is included in Business Acceleration, had another solid quarter, contributing approximately 8 percent of the Boat segment's revenue during the quarter while seeing very steady membership levels despite the macro-economic uncertainty.





We successfully executed our capital strategy in 2023, ending the year with \$480 million of cash, while funding strategic growth in our businesses and returning capital to shareholders.

We deployed \$289 million for capital expenditures on exciting new products and growth projects across our businesses, which we believe will drive future revenue and earnings growth. In addition, as Dave mentioned, we took advantage of market and Brunswick share value dislocation, repurchasing \$275 million of our shares, representing approximately 3.5 million shares or 5 percent of the Company. We also increased our dividend for the 11<sup>th</sup> consecutive year.

Finally, our investment grade credit rating remains strong, reflecting a healthy balance sheet and net leverage of 1.8x. We will refinance our 2024 Notes during the first-half of this year, with our strong liquidity and cash flow generation capabilities continuing to provide investment and spending flexibility across the enterprise.



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### 2024 Guidance<sup>1</sup>

<b>Revenue</b>	<b>Operating Margin</b>	<b>EPS</b>
\$6.0B to \$6.2B	12.0% to 13.0%	\$7.00 to \$8.00
<b>Free Cash Flow</b>	<b>Quarter 1 Revenue</b>	<b>Quarter 1 EPS</b>
\$350M+	\$1.3B to \$1.4B	\$1.30 to \$1.40

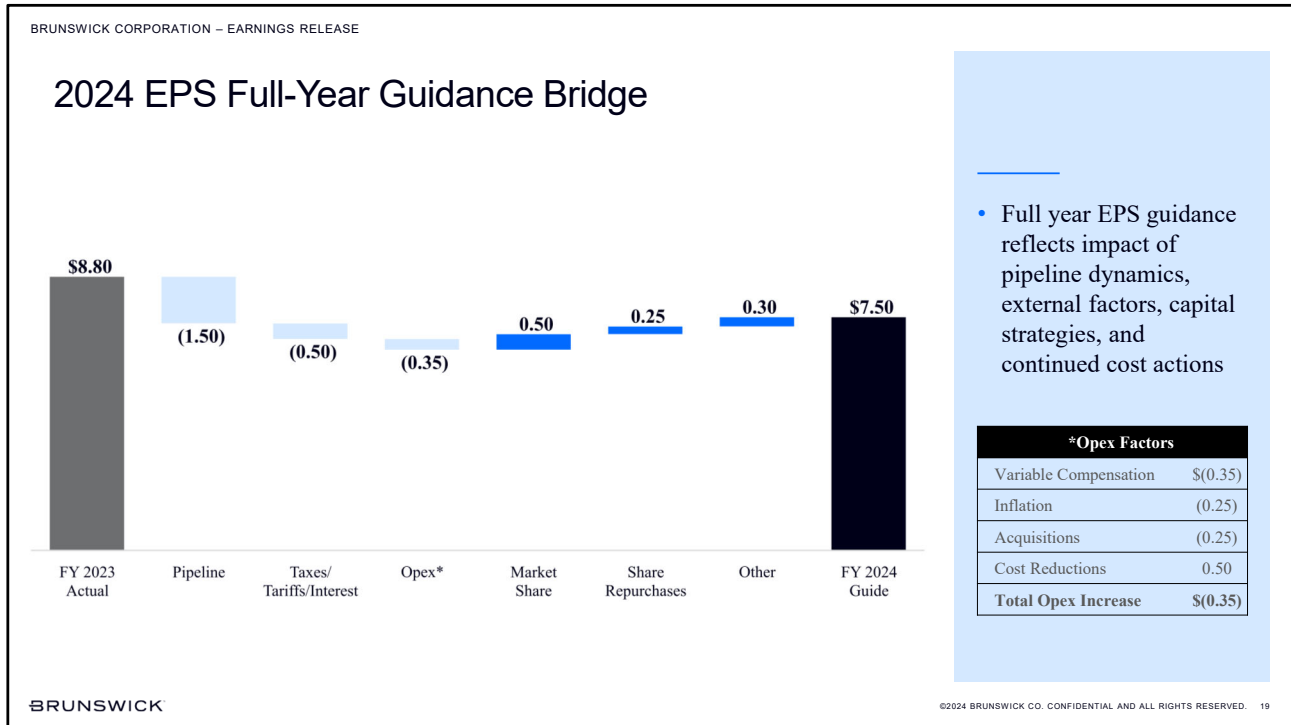
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1 EACH ON AN "AS ADJUSTED" BASIS WHERE APPLICABLE, VERSUS COMPARABLE PRIOR YEAR

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2024 has the potential to be a year of steadily easing financial conditions, and while we enter the year with a cautious outlook, particularly on the first quarter, we remain extremely focused on driving earnings, while delivering steady free cash flow and resilient EPS, which we believe will result in continued strong shareholder returns. Our disciplined pipeline management, strong operational performance and continued investments in new products and growth, coupled with prudent cost containment actions and a thoughtful capital strategy, provide the necessary controllable levers in this uncertain consumer and business environment.

For fiscal 2024, we anticipate revenue of between \$6.0 and \$6.2 billion, adjusted operating margins of between 12 and 13 percent, and adjusted EPS in the range of \$7.00 to \$8.00. We continue to see positive free cash flow conversion and working capital trends, and anticipate generating more than \$350 million of free cash flow for the year. Please see the appendix for additional guidance regarding anticipated segment metrics.



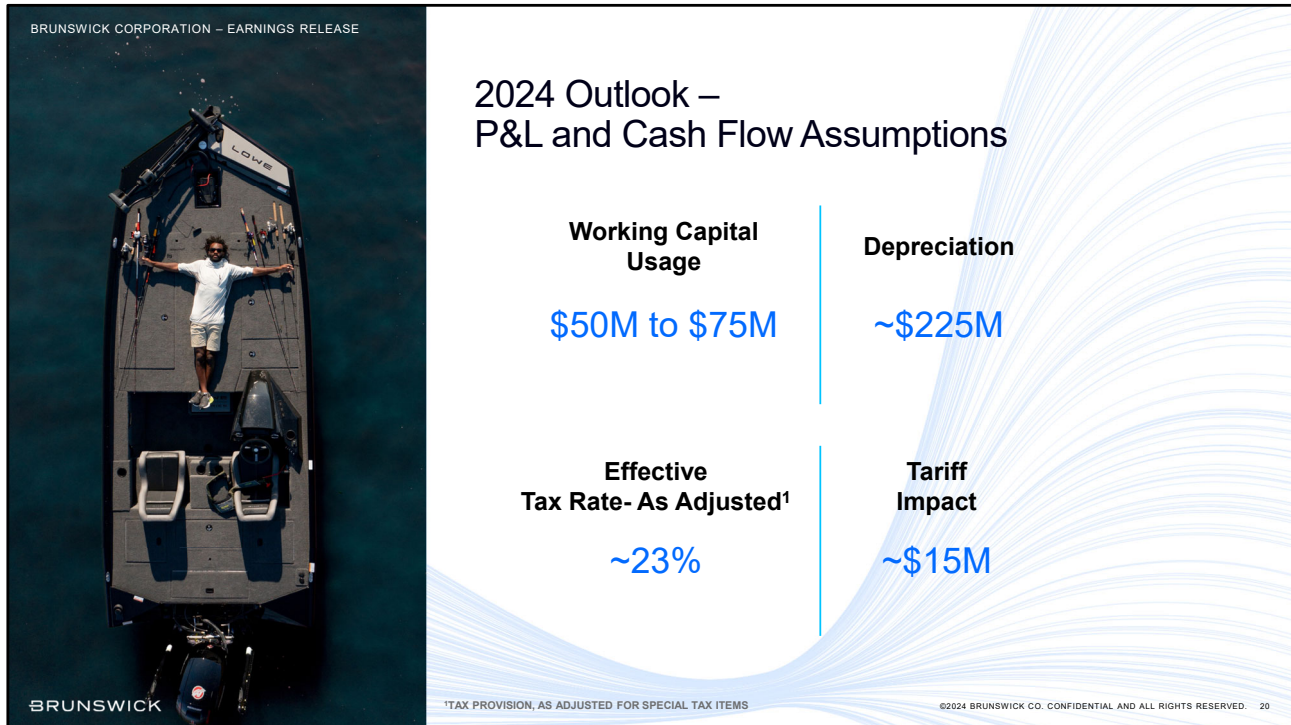
We thought it would also be useful to provide a short walk from our 2023 adjusted EPS to our 2024 guidance, along with providing more insight on our planned 2024 OPEX.

The main driver of the 2024 EPS reduction is the absence of pipeline fill across all our business units, as our channel inventory levels are fresh and at appropriate levels to start the season. A little more than half of the impact relates to our propulsion business, as they continued to fill OEM and dealer pipelines well into 2023, with the remainder split evenly between our Boat Group and Navico. If retail demand exceeds our expectations, we anticipate that dealers and retailers will reorder product more consistent with historical patterns, which would provide a potential benefit later in 2024 or into 2025.

We then have approximately 50 cents of impact from increased tariffs, interest expense and a slightly higher tax rate. Although these three items are primarily uncontrollable, we will do our best to mitigate and minimize these expenses as we move throughout the year.

Lastly, we will continue to take actions to right-size our enterprise cost structure. Although OPEX will increase slightly year-over-year, the increase is primarily related to the Fliteboard and Freedom Boat Club acquisitions from 2023, together with normal cost inflation and resetting variable compensation back to target levels. We are countering these items by planning to remove no less than \$40 million of structural costs across the enterprise.

Countering these headwinds are several tailwinds, mostly within our control. We anticipate continuing to take market share in outboard engines, especially in high horsepower categories, while also taking share in premium boat categories and certain marine electronic categories where new products will drive growth. We also plan to be aggressive with share repurchases, especially early in the year.

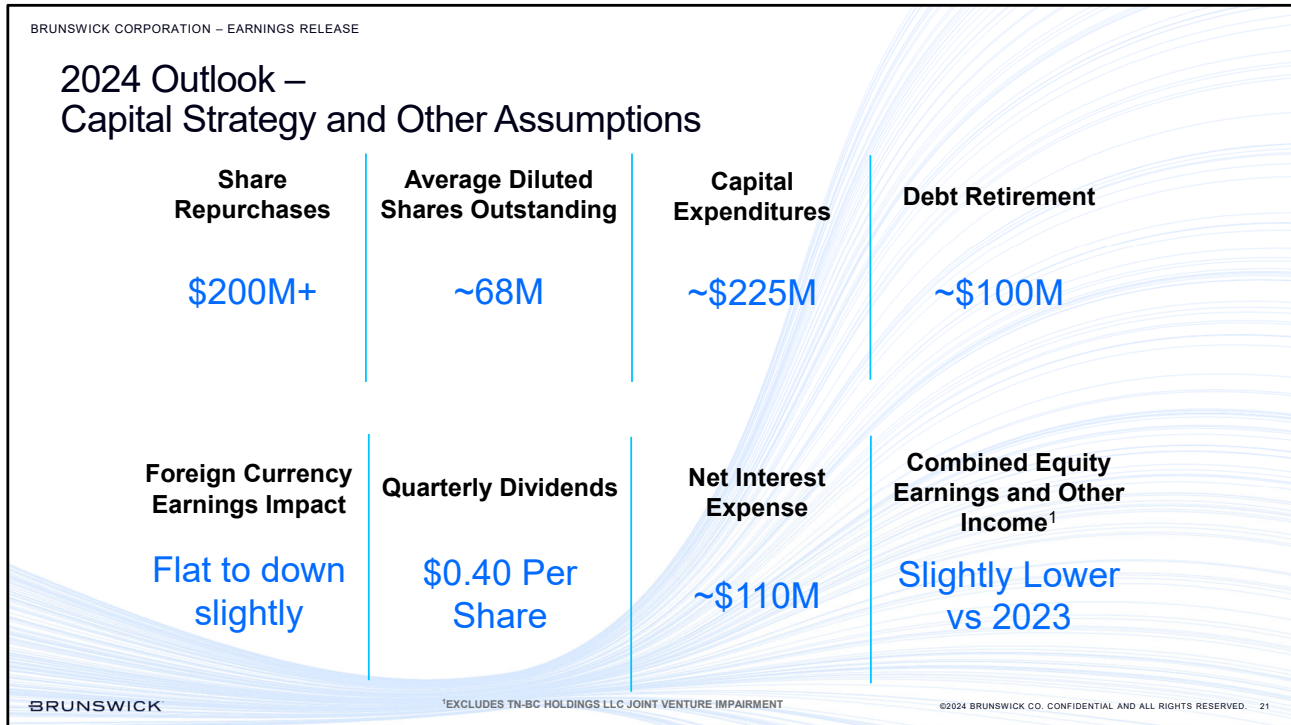


I will wrap up the financial update by sharing some P&L, cash flow and other capital strategy assumptions for the year.

First, we expect a modest working capital usage for the year, reflecting our continued enterprise goal of lowering inventory levels to match anticipated sales while generating cash. Our slightly higher depreciation versus prior year reflects the additional capital invested in our businesses in recent years, with acquisition amortization, which we exclude from our adjusted results, being similar to prior year.

It's been a few years since we've had to discuss tariffs, but despite a favorable exemption extension into the Spring, we anticipate paying \$15 million more tariffs versus 2023. These tariffs are primarily related to components sourced from China used in our primary outboard manufacturing facility in Fond du Lac, Wisconsin, along with the importation of 40-60 horsepower engines produced at our Suzhou, China assembly plant.

Lastly, our tax department does an outstanding job of prudently and appropriately minimizing our tax footprint, and we anticipate a 23 percent effective tax rate on adjusted earnings for 2024, which is slightly higher than 2023.



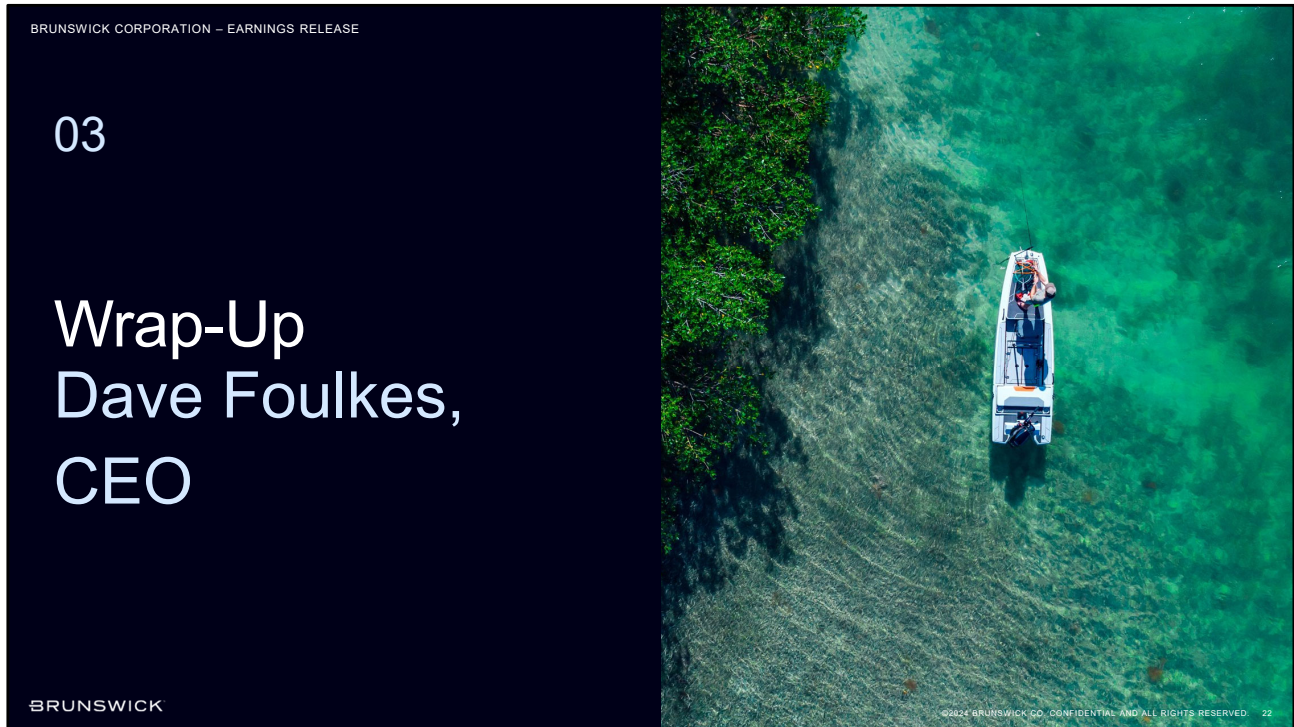
And finally, this page shows several capital strategy and other financial assumptions as we begin the year.

On capital strategy, we anticipate being very active with share repurchases as I just mentioned. And to support this effort, earlier this week, our board of directors approved a fresh share repurchase authorization of \$500 million, which we plan to put to good use.

We will have a higher net interest expense in 2024 resulting from the eventual refinancing of the 2024 Notes, but are also planning \$100 million of debt reduction to minimize the impact. We also anticipate increasing our dividend in February for the 12<sup>th</sup> straight year.

On FX, we currently think that rates will have a neutral to slightly negative impact on full-year earnings, but this can obviously swing either way, predominantly on the strength of the U.S. dollar versus the Euro and a few other currencies used by our global businesses.

Finally, you'll notice a reduction in planned capex for the year. Although we plan to continue funding many projects and investments in products and technology for future growth, we are in harvest phase of many of our larger projects in recent years and plan to be able to scale back spending slightly without sacrificing any future growth plans.



I will now pass the call back over to Dave for concluding remarks.

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## Enhancing and Expanding Our Industry-Leading Offerings

# BRUNSWICK™

NEXT NEVER RESTS™



MERCURY  
**AVATOR**

Avator 75e and 110e



SeaRay  
**SDX 270 and 270 Surf**

SDX 270 and 270 Surf



**SIMRAD**

NSX ULTRAWIDE



FREEDOM  
BOAT CLUB

Savannah and Hilton Head  
Acquisition - 5 Locations

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Thanks, Ryan.

With field inventory at normalized levels and consumers having their choice of products, it is vital that Brunswick continues to differentiate through a rapid flow of exciting new products and technology, and in just the first few weeks of 2024, Brunswick launched over 15 new products across its brands and businesses.

In January, we again participated in the Consumer Electronics Show where we launched two higher horsepower models in the Mercury Marine Avator electric outboard line up, which now contains five models in total. Demand for Avator remains solid, with nearly 60 percent of shipments in 2023 going to Europe.

SeaRay introduced the new SDX 270 and 270 Surf models with next-generation features, styling and comfort. The SDX Surf is the first model in the SDX line to feature the Mercury® Bravo Four S® forward-facing drive and an intuitive wake surfing control system designed jointly by Mercury Marine and Navico Group. Brunswick's Princecraft, Harris, and Lowe brands also introduced multiple new products at early season shows, featuring Mercury Marine and Navico Group technology.

We are also very excited about the new, segment-leading Simrad NSX Ultrawide, the industry's first full-functionality high-definition, multi-function display, which features a 16 by 9 screen aspect ratio and showcases the seamless interface of the latest Simrad Android operating system

And, finally, Freedom Boat Club continues to grow organically and through acquisition, including through the acquisitions of its Savannah and Hilton Head franchise territories in late 2023, and two new franchise locations in Spain already announced in 2024.

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Pace of Awards Continues in 2024



<b>2023 – Record Year</b>	<b>2024 – On Pace for 100+ Awards</b>	<b>Miami Boat Show Award Nominations</b>
Record high <b>115</b> awards during 2023	<ul style="list-style-type: none"> <li>• NMMA Innovation Award in Minneapolis – Harris Crowne 250</li> <li>• European Power Boat of the Year- Sea Ray 260 SLX</li> <li>• Boat of the Year, Boating Magazine – Veer V13</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple NMMA Innovation Award nominations</li> <li>• More than <b>20</b> Neptune Marketing Award nominations</li> </ul>

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Before we conclude, I am thrilled to highlight the exceptional accomplishments of our teams from across the enterprise that were recognized with a record high number of awards in 2023 and continue to be recognized in early 2024.

We wrapped 2023 with 115 major awards for our products, technology, people, and culture. And just in early 2024, the new Harris 250 Crowne won the NMMA Innovation Award at the Minneapolis Boat Show, the new Sea Ray 260 SLX won European Powerboat of Year, and the Veer V13 won Boating Magazine Boat of the Year in its category.

In addition, Brunswick's products and teams are nominated for multiple awards at the upcoming Miami Boat Show.

Thank you again to all our talented Brunswick employees who make these prestigious awards possible.



The image is a promotional graphic for Brunswick. It features a dark blue background with a blurred image of a white pontoon boat with blue lights on the water at night. The Brunswick logo is at the top left, followed by the tagline 'NEXT NEVER RESTS™'. Below that is the text 'THANK YOU + Q&A'. Further down, it says 'JOIN US FOR OUR EVENT | MIAMI BOAT SHOW FEBRUARY 15, 2024'. At the bottom, it provides the location 'Miami Beach Convention Center' and contact information 'Contact Pam Eriksen for details pamela.eriksen@brunswick.com'. A small copyright notice is at the bottom right of the graphic.

**BRUNSWICK**  
NEXT NEVER RESTS™

**THANK YOU + Q&A**

JOIN US FOR OUR EVENT | MIAMI BOAT SHOW  
FEBRUARY 15, 2024

Miami Beach Convention Center  
Contact Pam Eriksen for details [pamela.eriksen@brunswick.com](mailto:pamela.eriksen@brunswick.com)

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Which leads me to remind you to join us at our Investor and Analyst Event on February 15, 2024, at the Miami International Boat Show, where we look forward to hosting you to see the latest products and technologies from across our brands and businesses, as well as meet with members of our management team.

Thank you for joining the call, that concludes our prepared remarks.

We will now open the line for questions.

# Appendix

## 2024 Outlook Segment Guide<sup>1</sup>

	 Propulsion	 Engine P&A	 Navico Group	 Boat
Net Sales Guide <sup>2</sup>	~\$2.6B	~\$1.2B	~\$0.9B	~\$1.8B
Operating Margin Guide	~16.0%	~20%	Low Double Digit Percent	Mid to High Single Digit Percent

<sup>1</sup>EACH ON AN "AS ADJUSTED" BASIS WHERE APPLICABLE, VERSUS COMPARABLE PRIOR YEAR  
<sup>2</sup>SEGMENT NET SALES GUIDANCE FIGURES ARE EXCLUSIVE OF SEGMENT ELIMINATIONS

BRUNSWICK CORPORATION – EARNINGS RELEASE

## Net Sales – Q4 2023

Net Sales decreased by \$220.8 million, or 14 percent

### NET SALES (in millions)

Segments	Q4 2023	Q4 2022	% Change
Propulsion	\$590.7	\$669.5	(12%)
Engine Parts & Accessories	237.7	240.1	(1%)
Navico Group	196.2	236.8	(17%)
Boat	424.8	547.5	(22%)
Segment Eliminations	(87.5)	(111.2)	(21%)
<b>Total</b>	<b>\$1,361.9</b>	<b>\$1,582.7</b>	<b>(14%)</b>

### SALES BY REGION

Region	Q4 2023 % of Sales	% Change	Constant Currency
			Ex Acquisitions % Change
United States	69%	(15%)	(16%)
Europe	12%	(11%)	(17%)
Asia-Pacific	7%	(13%)	(14%)
Canada	5%	(38%)	(38%)
Rest-of-World	7%	36%	33%
Total International	31%	(11%)	(14%)
<b>Consolidated</b>		<b>(14%)</b>	<b>(15%)</b>

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BRUNSWICK CORPORATION – EARNINGS RELEASE

## GAAP to Non-GAAP Reconciliations – Q4 2023

(in millions, except per share data)	Operating Earnings			Diluted Earnings per Share		
	Q4 2023	Q4 2022	Q4 2019	Q4 2023	Q4 2022	Q4 2019
GAAP	\$108.3	\$191.6	\$74.5	\$1.03	\$1.93	\$0.92
Restructuring, exit and impairment charges	15.0	0.5	2.8	0.16	—	0.01
Purchase accounting amortization	15.1	13.5	7.5	0.17	0.14	0.03
Acquisition, integration and IT-related costs	3.6	(3.4)	1.8	0.04	(0.04)	0.02
IT security incident costs	(0.1)	—	—	—	—	—
Pension settlement charge	—	—	—	—	—	(0.01)
Sport Yacht & Yachts	—	—	4.9	—	—	0.03
Special tax items	—	—	—	0.05	(0.04)	(0.18)
<b>As Adjusted</b>	<b>\$141.9</b>	<b>\$202.2</b>	<b>\$91.5</b>	<b>\$1.45</b>	<b>\$1.99</b>	<b>\$0.82</b>
GAAP operating margin	8.0%	12.1%	8.1%			
<b>Adjusted operating margin</b>	<b>10.4%</b>	<b>12.8%</b>	<b>10.0%</b>			

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## Net Sales – Full Year 2023

Net Sales decreased by \$410.8 million, or 6 percent

<b>NET SALES</b> (in millions)	<b>Segments</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>% Change</b>
	Propulsion	\$2,763.8	\$2,824.0	(2%)
	Engine Parts & Accessories	1,199.8	1,310.2	(8%)
	Navico Group	914.7	1,069.3	(14%)
	Boat	1,989.4	2,119.4	(6%)
	Segment Eliminations	(466.3)	(510.7)	(9%)
	<b>Total</b>	<b>\$6,401.4</b>	<b>\$6,812.2</b>	<b>(6%)</b>

<b>SALES BY REGION</b>	<b>Region</b>	<b>FY 2023 % of Sales</b>	<b>% Change</b>	<b>Constant Currency Ex Acquisitions % Change</b>
	United States	70%	(5%)	(6%)
	Europe	13%	(7%)	(9%)
	Asia-Pacific	6%	(12%)	(10%)
	Canada	6%	(19%)	(16%)
	Rest-of-World	5%	16%	15%
	Total International	30%	(8%)	(7%)
	<b>Consolidated</b>		<b>(6%)</b>	<b>(6%)</b>

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## GAAP to Non-GAAP Reconciliations – Full Year 2023

(in millions, except per share data)	Operating Earnings			Diluted Earnings per Share		
	FY 2023	FY 2022	FY 2019	FY 2023	FY 2022	FY 2019
GAAP	\$734.9	\$947.8	\$471.0	\$6.13	\$9.06	\$0.36
Restructuring, exit and impairment charges	54.7	25.1	18.8	0.61	0.25	0.21
Purchase accounting amortization	57.5	65.0	29.5	0.64	0.65	0.22
Acquisition, integration and IT-related costs	12.1	10.8	4.8	0.14	0.11	0.04
IT security incident costs	10.1	—	—	0.12	—	—
TN-BC Holdings LLC joint venture impairment	—	—	—	0.21	—	—
Pension settlement charge	—	—	—	—	—	3.62
Sport Yacht & Yachts	—	—	7.8	—	—	0.07
Loss on early extinguishment of debt	—	—	—	—	—	0.01
Special tax items	—	—	—	0.95	(0.04)	(0.20)
<b>As Adjusted</b>	<b>\$869.3</b>	<b>\$1,048.7</b>	<b>\$531.9</b>	<b>\$8.80</b>	<b>\$10.03</b>	<b>\$4.33</b>
GAAP operating margin	11.5%	13.9%	11.5%			
<b>Adjusted operating margin</b>	<b>13.6%</b>	<b>15.4%</b>	<b>12.9%</b>			

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## Net Sales Growth Drivers

	<u>% Change - GAAP</u>	<u>Currency Impact</u>	<u>Acquisitions Impact</u>	
<b>Q4 2023</b> vs. <b>Q4 2022</b>	Propulsion	(12%)	1%	
	Engine Parts & Accessories	(1%)	-	
	Navico Group	(17%)	1%	
	Boat	(22%)	-	
	<b>Brunswick</b>	<b>(14%)</b>	<b>-</b>	<b>1%</b>
	<u>% Change - GAAP</u>	<u>Currency Impact</u>	<u>Acquisitions Impact</u>	
<b>FY 2023</b> vs. <b>FY 2022</b>	Propulsion	(2%)	-	
	Engine Parts & Accessories	(8%)	-	
	Navico Group	(14%)	-	
	Boat	(6%)	-	1%
	<b>Brunswick</b>	<b>(6%)</b>	<b>-</b>	<b>-</b>

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## Tax Rate

### Q4 2023 Effective Tax Rate at ~16%

	<b>Q4 2023</b>	<b>Q4 2022</b>
<b>Q4</b>	Effective Tax Rate - GAAP	17.2%
	Effective Tax Rate - As Adjusted <sup>1</sup>	14.4%
		16.0%
		17.0%

	<b>FY 2023</b>	<b>FY 2022</b>
<b>FY</b>	Effective Tax Rate - GAAP <sup>2</sup>	31.2%
	Effective Tax Rate - As Adjusted <sup>1</sup>	20.2%
		20.8%
		21.0%

(1) TAX PROVISION, AS ADJUSTED, EXCLUDES \$3.2 MILLION AND \$(2.8) MILLION OF NET PROVISIONS (BENEFITS) FOR SPECIAL TAX ITEMS FOR Q4 2023 AND Q4 2022 AND \$66.7 MILLION AND \$(3.1) MILLION OF NET PROVISIONS (BENEFITS) FOR SPECIAL TAX ITEMS FOR FY 2023 AND FY 2022 PERIODS, RESPECTIVELY.

(2) THE INCREASE IN THE EFFECTIVE TAX RATE IS DUE TO THE DISCRETE INCOME TAX EXPENSE RECORDED IN CONNECTION WITH THE INTERCOMPANY SALES OF INTELLECTUAL PROPERTY RIGHTS DURING THE YEAR.

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## Free Cash Flow

		(in millions)	Q4 2023	Q4 2022	Q4 2019
Q4	Net cash provided by operating activities from continuing operations		\$287.1	\$266.6	\$221.1
	Net cash (used for) provided by:				
	Capital expenditures		(56.2)	(89.0)	(54.2)
	Proceeds from sale of property, plant, equipment		4.2	5.6	0.9
	Effect of exchange rate changes		6.7	9.3	3.6
	<b>Free Cash Flow</b>		<b>\$241.8</b>	<b>\$192.5</b>	<b>\$171.4</b>
		(in millions)	FY 2023	FY 2022	FY 2019
FY	Net cash provided by operating activities from continuing operations		\$745.2	\$580.4	\$475.3
	Net cash (used for) provided by:				
	Capital expenditures		(289.3)	(388.3)	(232.6)
	Proceeds from sale of property, plant, equipment		14.8	11.3	7.3
	Effect of exchange rate changes		2.7	(11.9)	0.4
	<b>Free Cash Flow</b>		<b>\$473.4</b>	<b>\$191.5</b>	<b>\$250.4</b>