

**INNOVATION + INSPIRATION**  
**ON THE WATER**



**BRUNSWICK**

**Earnings Conference Call**

**Q3 2020**

# 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," "expect," "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 coronavirus (COVID-19) pandemic, including, without limitation, the impact on global economic conditions and on capital and financial markets, changes in consumer behavior and demand, the potential unavailability of personnel or key facilities, modifications to the Company's operations, and the potential implementation of regulatory actions; the effect of adverse general economic conditions, including the amount of disposable income consumers have available for discretionary spending, tight consumer credit markets, and the level of consumer confidence on the demand for our products and services; our ability to successfully implement our strategic plan and growth initiatives; our ability to identify, complete, and integrate targeted acquisitions; the risk that unexpected costs will be incurred in connection with these transactions; the possibility that the expected synergies and value creation from these transactions will not be realized or will not be realized within the expected time period; having to record an impairment to the value of goodwill and other assets; changes to U.S. trade policy and tariffs; negative currency trends, including changes to exchange rates; fiscal policy concerns; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; adverse economic, credit, and capital market conditions; loss of key customers; attracting and retaining skilled labor, implementing succession plans for key leadership, and executing organizational and leadership changes; inventory reductions by dealers, retailers, or independent boat builders; requirements for us to repurchase inventory; 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 new tariffs on raw materials, increased demand for shipping carriers, and transportation disruptions; higher energy and fuel costs; our ability to protect our brands and intellectual property; absorbing fixed costs in production; managing our manufacturing footprint; outages, breaches, or other cybersecurity events regarding our technology systems, which could result in lost or stolen information and associated remediation costs; managing our share repurchases; competitive pricing pressures; our ability to develop new and innovative products and services at a competitive price, in legal compliance with existing rules; maintaining product quality and service standards; product liability, warranty, and other claims risks; legal and regulatory compliance, including increased costs, fines, and reputational risks; changes in income tax legislation or enforcement; certain divisive shareholder activist actions; joint ventures that do not operate solely for our benefit; international business risks; and weather and catastrophic event risks.

Additional risk factors are included in the Company's Annual Report on Form 10-K for 2019, and 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 or for changes by wire services or Internet service providers.

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# Brunswick Corporation – Earnings Release

## 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 (including those that are non-GAAP financial 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 the Power Products and Freedom Boat Club acquisitions.

For additional information and reconciliations of GAAP to non-GAAP measures, please see Brunswick's Current Report on Form 8-K issued on October 29, 2020, 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, 2020 net sales growth is also shown using 2019 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.

# BUSINESS OVERVIEW

Dave Foulkes – CEO

# Brunswick Corporation – Q3 2020 in Review

Outstanding performance across the Company



## Strong financial results:

- Adjusted<sup>1</sup> EPS of \$1.80 (up 64%)
- Adjusted<sup>1</sup> operating margins of 16.5% (up 260 bps)
- FCF<sup>1</sup> of \$396M (YTD of \$520M)



## Boat pipeline inventory at historical lows:

- ~14 WOH at end of Q3
- 48% fewer boats in dealer inventory than end of Q3 2019



## U.S. marine retail unit demand surge continued through the quarter:

- Anticipate U.S. retail market up high-single digit percent FY
- Mercury performance accretive to market due to share gains



## Guidance\*:

- 2020 Adjusted EPS of ~\$4.75; over \$600M in FCF
- 2021 Adjusted EPS of \$5.75 - \$6.25

*\* Assuming no major additional pandemic-related business continuity issues*

**Our businesses are executing exceptionally well, leading to outstanding financial results and setting the stage for strong 2020 and 2021 full-year performance**

# Brunswick Corporation – Earnings Release

## New Boaters are Positioning Brunswick for Future Generations

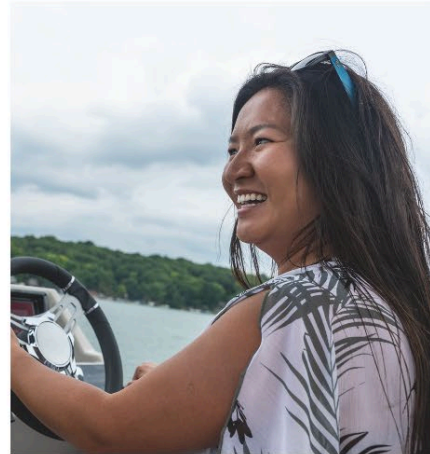
**BRUNSWICK IS  
OUTPERFORMING**  
the industry in attracting **new boaters**



### YOUNGER

The average age of the Brunswick boat buyer is in the high 40's, the youngest since 2011, and is lower than the overall industry average in almost every category

The average Freedom Boat Club member is 3 years younger than the average Brunswick boat owner



### MORE FEMALE

This summer, the percentage of women buying boats equaled the highest ever on record

The percentage of female Freedom Boat Club members is more than double the percentage of women registering new boats



### INCREASING DIVERSITY

Recent activity saw an uptick in:

- Hispanic and Asian Brunswick boat owners
- Hispanic FBC members

# Brunswick Corporation – Earnings Release

## Propulsion Segment – Q3 2020 Overview



Sales up 32.7%, operating margins of 17.9%, up 320bps

- Significant U.S. and international retail market share gains
- OEM conversions continue, with Sportsman and Beneteau announcing partnerships with Mercury -- many more opportunities in pipeline
- Capacity increases in 2018 and 2019 allowing for ramped-up production and improved customer mix towards dealer, repower, and international channels
- Controls, rigging, and propellers business accelerating as boat OEMs ramp-up production across the industry
- Aggressive new product launch cadence remains on track



# Brunswick Corporation – Earnings Release

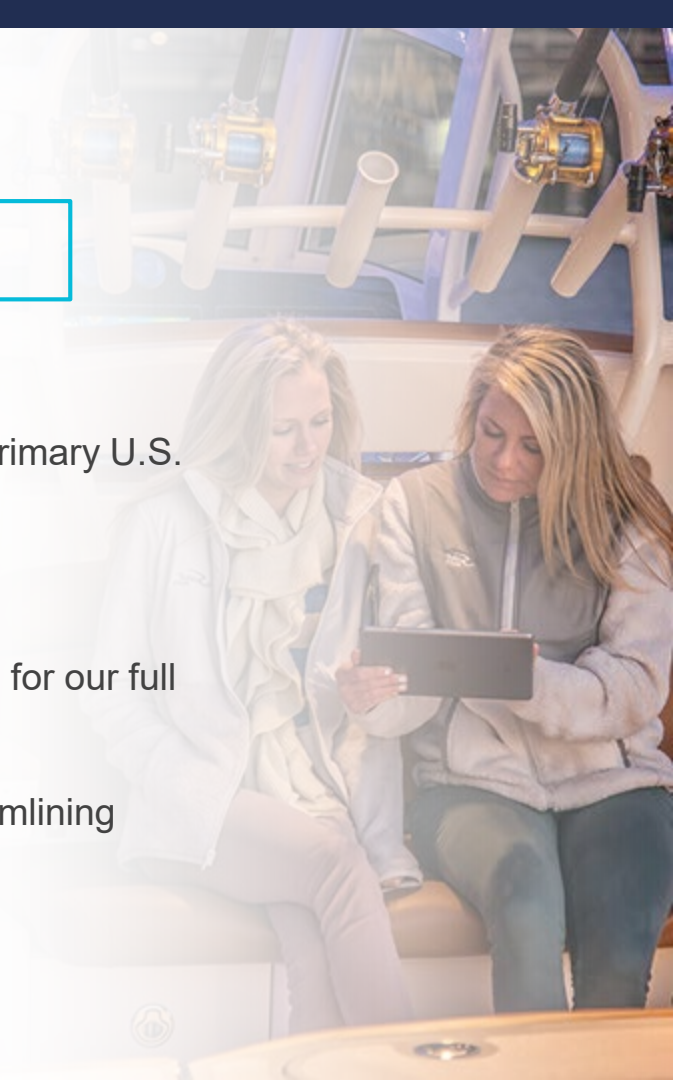
## Parts & Accessories Segment – Q3 2020 Overview



**Sales up 23.3%, adjusted operating margins of 23.4%, up 100bps<sup>1</sup>**

- Strong sales growth across all businesses
- Increased boat usage and favorable weather, which extended the primary U.S. boating season, generated additional aftermarket sales
- Dealers reporting extended backlog of service needs
- Boat production ramp-ups across the industry created high demand for our full range of OEM systems and services
- Advanced Systems Group improving operating efficiencies by streamlining shared business functions

<sup>1</sup>See the Appendix to this presentation and today's Form 8-K for reconciliations to GAAP figures.





# Brunswick Corporation – Earnings Release

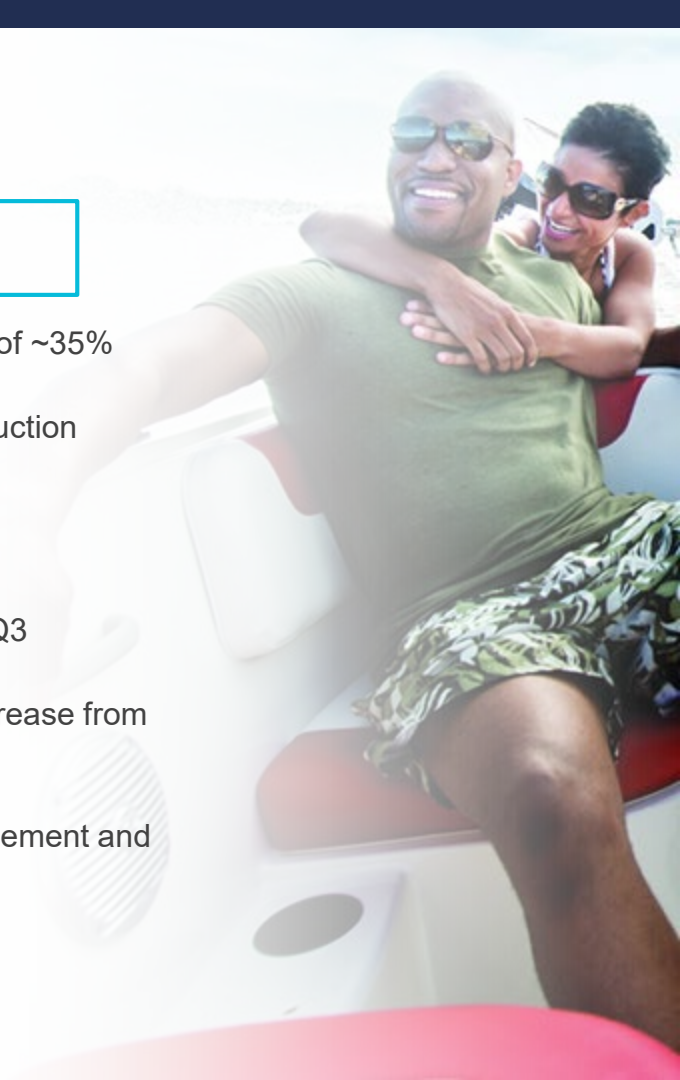
## Boat Segment – Q3 2020 Overview



**Sales up 18.3%, adjusted operating earnings of 9.2%, up 470bps<sup>1</sup>**

- Robust revenue, earnings, and margin growth - Adjusted operating leverage of ~35%
- Pipelines at historical lows - surge in retail demand outpaced increased production
  - ✓ Anticipate pipeline increases in 2021, but likely not normalized until 2022
  - ✓ Boston Whaler and Sea Ray dealer inventories particularly low
- Ramp-up continues at many boat facilities – almost 400 employees hired in Q3
- Freedom Boat Club has 244 locations and ~36,500 memberships, a 61% increase from May 2019 when acquired
- Accelerated investment in digital capabilities yielding strong consumer engagement and lead generation while many in-person boat shows have been cancelled

<sup>1</sup>See the Appendix to this presentation and today's Form 8-K for reconciliations to GAAP figures.



# Brunswick Corporation – Earnings Release

## Q3 Revenue Growth Rates By Region<sup>1</sup>

REGION	TOTAL BC REVENUE GROWTH	FY 2019 MIX
U.S.	27%	69%
Europe	16%	13%
Canada	6%	7%
Asia-Pacific	48%	7%
Rest-of-World	33%	4%
<b>Total International</b>	<b>24%</b>	<b>31%</b>
<b>Total Consolidated</b>	<b>26%</b>	<b>100%</b>

<sup>1</sup>All figures shown on a constant currency basis.

- ✓ International revenues up 24 percent on a constant currency basis
- ✓ Continued strong outboard engine demand in Asia

# Brunswick Corporation – Earnings Release

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

CATEGORY	Q 1 - 20	Q 2 - 20	Q 3 - 20	Q 3 - 19	YTD 2020	YTD 2019
Outboard Boats	(3)%	(3)%	39%	2%	8%	(4)%
Fiberglass SD/IB Boats	(9)%	(1)%	28%	(14)%	5%	(11)%
Main Powerboat Segments	(3)%	(3)%	39%	1%	8%	(5)%
Total Industry (SSI)	(5)%	(4)%	38%	(0)%	7%	(5)%
Outboard Engines (NMMA)	(5)%	13%	34%	(0)%	14%	1%

Source: NMMA Statistical Surveys, Inc.: 2019 data is final and 2020 preliminary data is based on 92% as of Q1, 95% as of Q2, 73% of Jul 20, 61% of Aug 20, and 59% of Sep 20. Coast Guard data through 9/2020

1) For the full-year 2019, outboard powered boats represented 93% of the total units.

2) Total Industry (SSI) also includes fiberglass and aluminum lengths outside the ranges stated above, as well as ski boats, but excludes house and jet boats

- ✓ Q3 2020 industry unit volume for main powerboat segments was up 39% vs. Q3 2019
- ✓ YTD growth in main powerboat segments of 8%
- ✓ Strong growth in outboard engines, with Mercury taking share in almost all horsepower categories

# FINANCIAL OVERVIEW

Ryan Gwillim - CFO



# Brunswick Corporation – Earnings Release

Overview of Third Quarter 2020<sup>1</sup>

## Consolidated results on an as adjusted basis:

**1** Diluted EPS of \$1.80,  
up 63.6 percent

**2** Net sales of \$1.23B, up  
26.3 percent

**3** Operating margin of  
16.5 percent

**4** Operating earnings of  
\$202.9M

**5** Operating leverage of  
26.2 percent

**6** Free cash flow of  
\$395.8M

<sup>1</sup>See the Appendix to this presentation and today's Form 8-K for reconciliations to GAAP figures.

# Brunswick Corporation – Earnings Release

Overview of Year-to-date 2020<sup>1</sup>

## Consolidated results on an as adjusted basis:

**1** Diluted EPS of \$3.76, up  
7.7 percent

**2** Net sales of \$3.19B,  
down 0.2 percent

**3** Operating margin of  
13.6 percent

**4** Operating earnings of  
\$433.3M

**5** Free cash flow of  
\$520M

<sup>1</sup>See the Appendix to this presentation and today's Form 8-K for reconciliations to GAAP figures.

# Brunswick Corporation – Earnings Release

## Propulsion Segment – Q3 Performance

	PRODUCT CATEGORY	SALES (\$M)	% CHANGE
	Outboard Engines	\$410.3	34%
	Sterndrive Engines	\$39.3	10%
	Controls, Rigging and Propellers	\$76.9	38%
	<b>Total</b>	<b>\$526.5</b>	<b>33%</b>

### 1 OPERATING MARGIN

- Operating Margin of 17.9 percent, up 320 bps

### 2 OPERATING EARNINGS

- Operating Earnings of \$94.1M, up 62 percent



**Year-to-date 2020 operating margins have improved 40 bps when compared with the same prior year period**

# Brunswick Corporation – Earnings Release

## Parts and Accessories Segment – Q3 Performance<sup>1</sup>

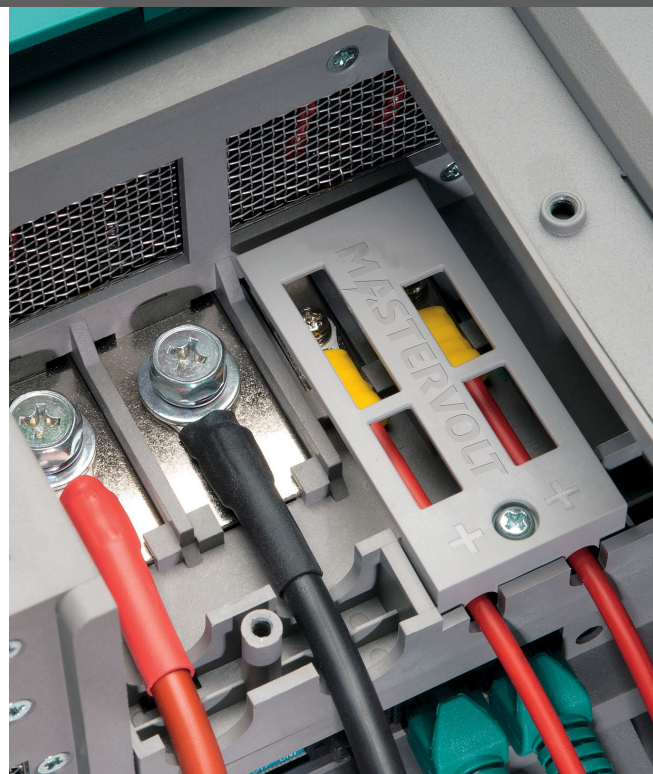
	PRODUCT CATEGORY	SALES (\$M)	% CHANGE
	Engine Parts and Accessories	\$141.8	20%
	Distribution	\$205.0	31%
	Advanced Systems Group	\$113.1	16%
	<b>Total</b>	<b>\$459.9</b>	<b>23%</b>

### 1 OPERATING MARGIN

- Adjusted Margin of 23.4 percent, up 100 bps
- GAAP Margin of 21.7 percent, up 210 bps

### 2 OPERATING EARNINGS

- Adjusted Earnings of \$107.5M, up 29 percent
- GAAP Earnings of \$99.9M, up 37 percent







**Year-to-date 2020 adjusted operating margins have improved 20 bps when compared with the same prior year period**



# Brunswick Corporation – Earnings Release

## Boat Segment – Q3 Performance<sup>1</sup>

	PRODUCT CATEGORY	SALES (\$ M)	% CHANGE
	Aluminum Freshwater	\$124.5	18%
	Recreational Fiberglass	\$111.0	14%
	Saltwater Fishing	\$82.6	24%
	Business Acceleration	\$11.2	27%
	<b>Total</b>	<b>\$328.1<sup>2</sup></b>	<b>18%<sup>3</sup></b>

### 1 OPERATING MARGIN

- Adjusted Margin of 9.2 percent, up 470 bps
- GAAP Margin of 8.6 percent, up 570 bps

### 2 OPERATING EARNINGS

- Adjusted Earnings of \$30.3M vs. \$12.4M in 2019
- GAAP Earnings of \$28.3M vs. \$8.1M in 2019



**We expect the boat segment to deliver continued strong operating margins in Q4 with increased production volume**

<sup>1</sup>See the Appendix to this presentation and today's Form 8-K for reconciliations to GAAP figures.

<sup>2</sup>Includes Boat eliminations of \$1.2 million in the quarter.

<sup>3</sup>Freedom Boat Club accounted for 2.6 percent of net sales in the quarter.

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## Pipeline Metrics

YEAR	ENDING WEEKS ON HAND	CHANGE VERSUS PRIOR YEAR (WOH)	UNITS IN PIPELINE (THOUSANDS)	CHANGE VERSUS PRIOR YEAR (UNITS)
Q3 20	14.4	-15.6 weeks	10.1	(48)%
Q3 19	30.0	+2.2 weeks	19.5	Flat
Q3 18	27.8	+0.4 weeks	19.5	2%
Q3 17	27.4	+1.0 weeks	19.1	7%
FY 20F		~22 weeks on hand		

✓ Historically low pipelines due to strongest Q3 retail demand since pre-GFC, while ramping up production after temporary shutdown

✓ Strong production increases will raise inventory levels by end of 2020, but expect that levels will not normalize until 2022



## 2020 Assumptions and Guidance\*

1

2020 U.S. marine industry retail unit demand up high-single digit percent from 2019 levels

2

Q4 2020 revenue up low-to-mid-teens percent, with adjusted operating leverage in the high-teens

3

FY 2020 operating expenses as a percent of sales flat versus 2019

4

FY 2020 Adjusted EPS of approximately \$4.75

5

FY 2020 FCF in excess of \$600 million

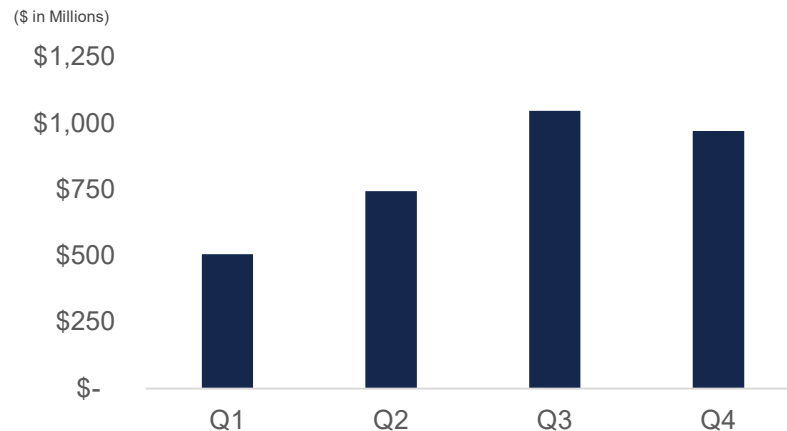
*\*Assuming no major additional pandemic-related business continuity issues*

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## Liquidity Assessment

- Liquidity position extremely strong at \$1.05 billion
  - ✓ Q3 cash balance of \$660 million versus \$332 million at year-end 2019
  - ✓ Free cash flow of \$520 million YTD 2020 versus \$79 million in the first nine months of 2019
  - ✓ Repaid all remaining borrowings (\$185 million) under revolving credit facility
  - ✓ Additional \$39 million of long-term debt reduction in the third quarter of 2020
- Maintain full access to revolving credit facility
  - ✓ Significant cushion versus both leverage and interest coverage covenants

### Projected Liquidity Analysis\*



\*Liquidity is defined as cash on hand plus any unused revolver capacity, and excludes restricted cash and marketable securities

**We expect liquidity to be more than \$970 million at year-end**

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## 2020 Outlook – P&L and Cash Flow

2020  
OUTLOOK

	2020 ESTIMATES	CHANGE FROM PRIOR CONFERENCE CALL ESTIMATE
Free cash flow	Exceeding \$600 million	Higher
Working capital reduction	Exceeding \$175 million	Higher
Depreciation and amortization <sup>1</sup>	~\$115 - \$120 million	Unchanged
Acquisition intangible amortization <sup>2</sup>	~\$30 million	Unchanged
Combined equity earnings and other income	Comparable to 2019	Unchanged
Effective book tax rate <sup>3</sup>	~21 - 22 percent	Unchanged
Effective cash tax rate	Low double-digit percent	Unchanged
Average diluted shares outstanding	~80 million	Unchanged

<sup>1</sup> Excludes acquisition intangible amortization

<sup>2</sup> Amortization related to Freedom Boat Club acquisition is not material

<sup>3</sup> As adjusted to exclude the net impact of special tax items

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## 2020 Outlook – Capital Strategy Assumptions

2020  
OUTLOOK

	2020 ESTIMATES	CHANGE FROM PRIOR CONFERENCE CALL ESTIMATE
<b>Debt retirement</b>	~\$160 million	Higher
<b>Capital expenditures</b>	~\$160 - \$170 million	Unchanged
<b>Share repurchases</b>	\$100 million	Higher
<b>Quarterly dividends</b>	\$0.27 per share	Higher
<b>Net interest expense</b>	~\$67 million	Unchanged



# OUTLOOK

Dave Foulkes – CEO

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## Operating and Strategic Priorities



### PROPULSION

- Continue share growth in higher-horsepower outboards
- Efficiently ramp-up production and pipeline refill
- Execute new product programs and investments in innovation



### PARTS & ACCESSORIES

- Optimize traditional and online distribution models to satisfy strong aftermarket parts demand
- Grow Power Products-led systems integration business
- Enhance efficiencies within Advanced Systems Group and expand portfolio



### BOATS & BUSINESS ACCELERATION

- Successfully launch new products across portfolio
- Increase production to satisfy retail demand and refill pipelines
- Continue structural cost reduction and efficiency actions
- Grow Freedom Boat Club and expand geographically



### ENTERPRISE

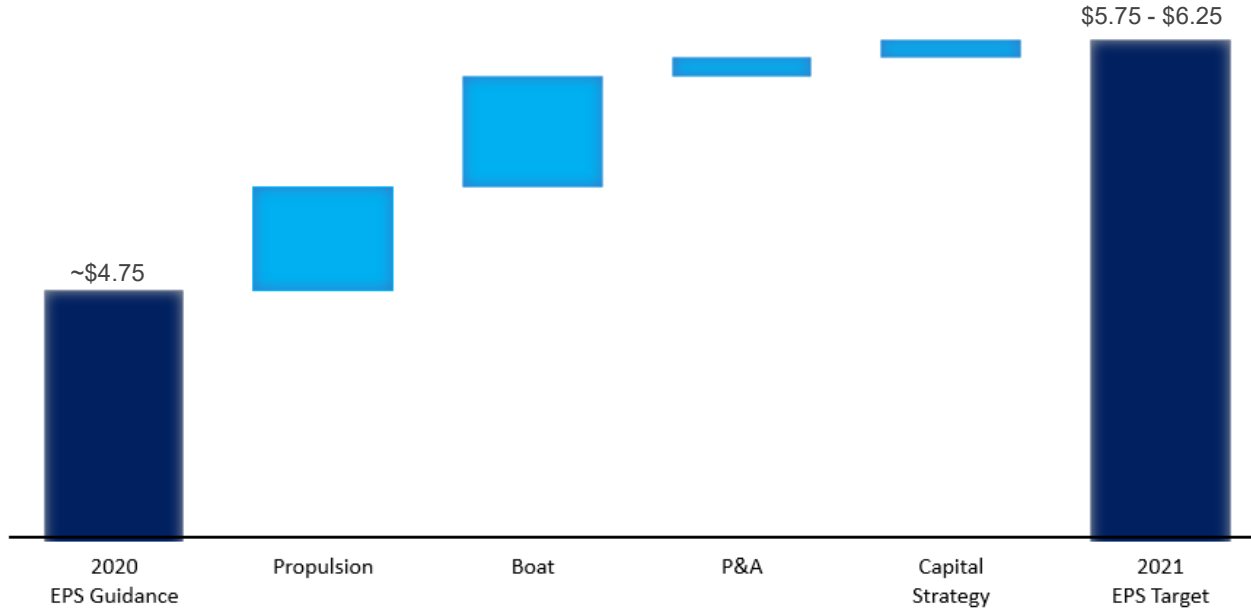
- Continue to strengthen Leadership Team
- Advance digital marketing, e-commerce, consumer insight, and data analytics capabilities
- Accelerate Brunswick-wide ACES technology strategy

**Our businesses are executing extremely well against our operating and strategic priorities**



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2021 EPS Target Bridge\*



In a reference scenario in which U.S. marine industry retail unit demand is flat to up low-single digit percent for 2021, we would anticipate **adjusted diluted EPS in the range of \$5.75 - \$6.25**

**We anticipate making excellent progress in 2021 towards reaching our 2022 strategic plan targets**

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BRUNSWICK

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**Appendix**

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## GAAP to Non-GAAP Reconciliations

(\$ in millions, except per share data)	<u>Q3 2020 QTD</u>	<u>Q3 2019 QTD</u>	<u>Q3 2020 YTD</u>	<u>Q3 2019 YTD</u>
Net sales	\$ 1,233.1	\$ 976.6	\$ 3,186.4	\$ 3,190.8
Sport yacht & yachts	—	—	—	0.7
<b>Net sales, as adjusted</b>	<b>\$ 1,233.1</b>	<b>\$ 976.6</b>	<b>\$ 3,186.4</b>	<b>\$ 3,191.5</b>
Operating earnings	\$ 192.6	\$ 119.7	\$ 402.8	\$ 396.5
Restructuring, exit, and impairment charges	1.8	7.4	4.3	16.0
Purchase accounting amortization	7.5	7.5	22.6	22.0
Acquisition and IT-related costs	1.0	1.2	3.6	3.0
Sport yacht & yachts	—	—	—	2.9
<b>Operating earnings, as adjusted</b>	<b>\$ 202.9</b>	<b>\$ 135.8</b>	<b>\$ 433.3</b>	<b>\$ 440.4</b>
Operating margin percentage	15.6%	12.3%	12.6%	12.4%
<b>Operating margin percentage, as adjusted</b>	<b>16.5%</b>	<b>13.9%</b>	<b>13.6%</b>	<b>13.8%</b>
Earnings (loss) before income taxes	\$ 175.7	\$ (189.6)	\$ 353.6	\$ 49.2
Restructuring, exit, and impairment charges	1.8	7.4	4.3	16.0
Purchase accounting amortization	7.5	7.5	22.6	22.0
Acquisition and IT-related costs	1.0	1.2	3.6	3.0
Pension settlement charge (benefit)	0.2	294.1	(1.1)	294.1
Sport yacht & yachts	—	—	—	2.9
Transaction financing charges	—	0.8	—	0.8
<b>Adjusted pretax earnings</b>	<b>\$ 186.2</b>	<b>\$ 121.4</b>	<b>\$ 383.0</b>	<b>\$ 388.0</b>
Diluted earnings (loss) per share from continuing operations	\$ 1.71	\$ (2.74)	\$ 3.49	\$ (0.52)
Restructuring, exit, and impairment charges	0.02	0.14	0.03	0.19
Purchase accounting amortization	0.07	0.05	0.22	0.18
Acquisition and IT-related costs	0.01	0.01	0.04	0.03
Sport yacht & yachts	—	—	—	0.03
Pension settlement charge (benefit)	0.00	3.66	(0.01)	3.60
Transaction financing charges	—	0.01	—	0.01
Special tax items	(0.01)	(0.03)	(0.01)	(0.03)
<b>Diluted earnings per share, as adjusted</b>	<b>\$ 1.80</b>	<b>\$ 1.10</b>	<b>\$ 3.76</b>	<b>\$ 3.49</b>

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Q3 Net Sales increased by \$256.5 million, or 26.3 percent

Segments (\$ in millions)	Net Sales		
	Q3 2020	Q3 2019	% Change
Propulsion	\$ 526.5	\$ 396.9	32.7%
Parts and Accessories	459.9	373.0	23.3%
Boat	328.1	277.4	18.3%
Segment eliminations	(81.4)	(70.7)	
<b>Total</b>	<b>1,233.1</b>	<b>976.6</b>	<b>26.3%</b>

Region	Sales Growth		
	Q3 2020 % of Sales	% Change	Constant Currency
United States	72%	27%	27%
Europe	11%	21%	16%
Asia-Pacific	9%	51%	48%
Canada	6%	5%	6%
Rest-of-World	4%	21%	33%
Total International	28%	24%	24%
<b>Consolidated</b>		<b>26%</b>	<b>26%</b>

# Brunswick Corporation - Earnings Release

YTD Adjusted Net Sales decreased by \$5.1 million, or 0.2 percent

Segments (\$ in millions)	Net Sales - GAAP		
	Q3 2020 YTD	Q3 2019 YTD	% Change
Propulsion	\$ 1,370.5	\$ 1,310.8	4.6%
Parts and Accessories	1,148.0	1,096.6	4.7%
Boat	869.5	1,017.3	(14.5)%
Segment eliminations	(201.6)	(233.9)	
<b>Total</b>	<b>3,186.4</b>	<b>3,190.8</b>	<b>(0.1)%</b>

Region	Q3 2020 YTD % of Sales	Sales Growth	
		% Change	Constant Currency
United States	69%	(2)%	(2)%
Europe	13%	(0)%	1%
Asia-Pacific	9%	44%	47%
Canada	6%	(20)%	(19)%
Rest-of-World	4%	(8)%	0%
<b>Total International</b>	<b>31%</b>	<b>3%</b>	<b>5%</b>
<b>Consolidated</b>		<b>(0.1)%</b>	<b>1%</b>

Segments (\$ in millions)	Net Sales – As Adjusted <sup>1</sup>		
	Q3 2020 YTD	Q3 2019 YTD	% Change
Propulsion	\$ 1,370.5	\$ 1,310.8	4.6%
Parts and Accessories	1,148.0	1,096.6	4.7%
Boat	869.5	1,018.0	(14.6)%
Segment eliminations	(201.6)	(233.9)	
<b>Total</b>	<b>3,186.4</b>	<b>3,191.5</b>	<b>(0.2)%</b>

Region	Q3 2020 YTD % of Sales	Sales Growth	
		% Change	Constant Currency
United States	69%	(2)%	(2)%
Europe	13%	(0)%	1%
Asia-Pacific	9%	44%	47%
Canada	6%	(20)%	(19)%
Rest-of-World	4%	(8)%	0%
<b>Total International</b>	<b>31%</b>	<b>3%</b>	<b>5%</b>
<b>Consolidated</b>		<b>(0.2)%</b>	<b>1%</b>

<sup>1</sup> – Excludes net sales related to the Sea Ray Sport yacht and yachts operations.

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## Q3 Net Sales

### Third Quarter 2020 vs. Third Quarter 2019

#### Sales Growth Drivers

	<u>Propulsion</u>	<u>Parts and Accessories</u>	<u>Boat</u>	<u>Brunswick</u>
Organic (constant currency)	33%	23%	18%	26%
Acquisitions	-	-	-	-
Currency	(0)%	0%	0%	0%
<b>2020 Net Sales – GAAP</b>	<b>33%</b>	<b>23%</b>	<b>18%</b>	<b>26%</b>

#### Sales Growth by Region

	<u>Propulsion</u>	<u>Parts and Accessories</u>	<u>Boat</u>	<u>Brunswick</u>
<b>US – GAAP</b>	<b>30%</b>	<b>26%</b>	<b>22%</b>	<b>27%</b>
<b>International – GAAP</b>	<b>39%</b>	<b>17%</b>	<b>5%</b>	<b>24%</b>
<b>Constant Currency</b>	<b>33%</b>	<b>23%</b>	<b>18%</b>	<b>26%</b>

# Brunswick Corporation - Earnings Release

## YTD Net Sales

### YTD 2020 vs. YTD 2019

#### Sales Growth Drivers

	<u>Propulsion</u>	<u>Parts and Accessories</u>	<u>Boat</u>	<u>Brunswick</u>
Organic (constant currency)	6%	5%	(14)%	1%
Acquisitions	-	-	(1)%	0%
Currency	(1)%	(0)%	(0)%	(1)%
<b>2020 Net Sales – GAAP</b>	<b>5%</b>	<b>5%</b>	<b>(15)%</b>	<b>(0)%</b>

#### Sales Growth by Region

	<u>Propulsion</u>	<u>Parts and Accessories</u>	<u>Boat</u>	<u>Brunswick</u>
<b>US – GAAP</b>	<b>(3)%</b>	<b>7%</b>	<b>(13)%</b>	<b>(2)%</b>
<b>International – GAAP</b>	<b>20%</b>	<b>(2)%</b>	<b>(19)%</b>	<b>3%</b>
<b>Constant Currency</b>	<b>6%</b>	<b>5%</b>	<b>(14)%</b>	<b>1%</b>



# Brunswick Corporation – Earnings Release

## Tax Provision

	Q3	
	2020	2019
Effective tax rate - GAAP	22.1%	(22.8)%
Effective tax rate, as adjusted <sup>1</sup>	22.7%	22.7%

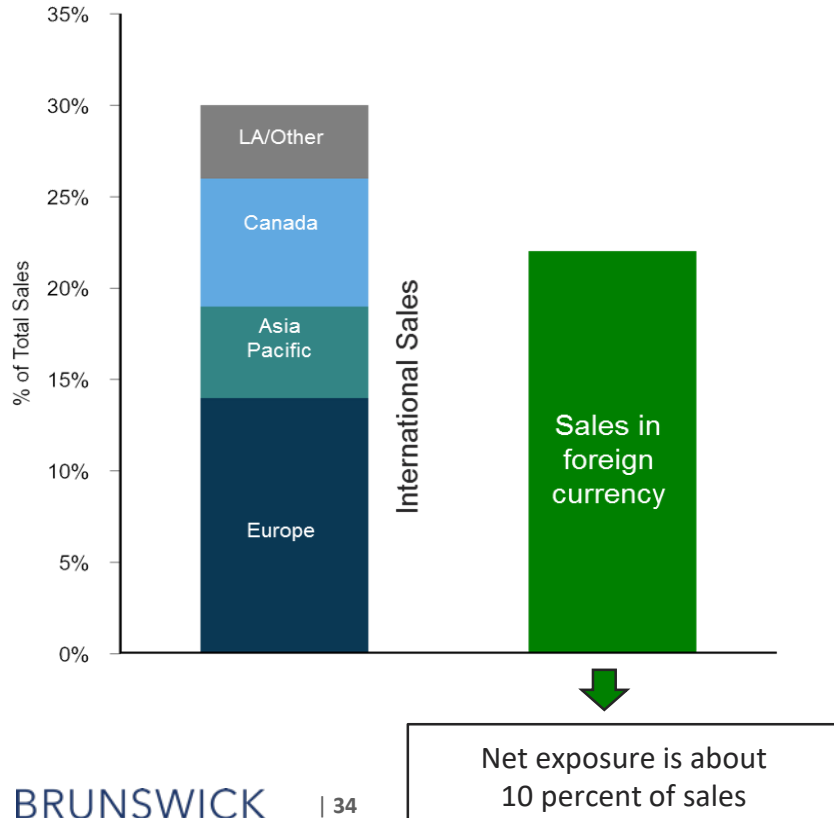
<sup>1</sup>Tax provision, as adjusted, excludes \$0.7 million and \$2.5 million of net benefits for special tax items for Q3 2020 and Q3 2019 periods, respectively.

✓ **Estimated 2020 effective book tax rate, as adjusted, is expected to be between 21 and 22 percent on tax guidance issued to date**

✓ **Cash tax rate expected to be low double-digit percent**

# Brunswick Corporation – Earnings Release

## Review of Foreign Currency Impact<sup>1</sup>



Q3 2020:

- Minimal impact on sales and earnings

Outlook for Full-Year 2020:

- Unfavorable impact on consolidated sales of less than 1 percent
- Unfavorable impact on operating earnings of \$10 to \$15 million

# Brunswick Corporation – Earnings Release

## Tariff Update

		Change from Q2 call
1	2020 estimates incorporate tariffs paid on 40 to 60 horsepower outboard engines assembled in our Suzhou, China facility	No Change
2	Assumes Waves 1- 3 staying at 25% rate, and no additional exemptions received	No Change
3	Minimal impact from Wave 4 (if enacted)	No Change
4	Impact of retaliatory tariffs on boat exports into E.U. remain incorporated in our plan	No Change

✓ Our tariff assumptions remain unchanged

✓ We anticipate a net impact to 2020 pre-tax earnings of \$30 to \$35 million (\$10 to \$15 million incremental to 2019) related to tariffs

# Brunswick Corporation – Earnings Release

## Other Factors Affecting GAAP Operating Earnings

	Q3	
	2020	2019
Restructuring, exit, and impairment	\$1.8	\$7.4
Purchase accounting amortization	7.5	7.5
Acquisition and IT-related costs	1.0	1.2
<b>Total Operating Earnings Adjustments</b>	<b>\$10.3</b>	<b>\$16.1</b>

# Brunswick Corporation – Earnings Release

## Free Cash Flow

(\$ in millions)	Nine Months Ended	
	2020	2019
<b>Net cash provided by operating activities from continuing operations</b>	\$ 637.4	\$ 254.2
Net cash provided by (used for):		
Capital expenditures	(120.6)	(178.4)
Proceeds from sale of property, plant and equipment	2.0	6.4
Effect of exchange rate changes	1.2	(3.2)
<b>Free cash flow</b>	<b>\$ 520.0</b>	<b>\$ 79.0</b>

