

May 17, 2019

**BRUNSWICK**

# **Brunswick to Acquire Freedom Boat Club; Will Establish Leading Position in Boat Club Segment**

METTAWA, Ill., May 17, 2019 (GLOBE NEWSWIRE) -- Brunswick Corporation (NYSE: BC) today announced that as part of the Company's strategy to expand its presence and scale within the emerging and fast-growing boat club segment, it has entered into a definitive agreement to acquire Freedom Boat Club (FBC), the segment's largest operator. Terms of the transaction were not disclosed.

Freedom Boat Club, founded in 1989, is the largest boat club operator and the premier marine franchisor in the nation. FBC and its franchisees service over 20,000 members, providing them with access to a fleet of nearly 2,200 boats at approximately 170 company-owned or franchised locations across 30 states, Canada and Europe.

"As the leader in the boat club segment, Freedom offers both immediate scale and an established marketplace presence and expertise," said Brunswick Chief Executive Officer David M. Foulkes. "FBC's profitable and cycle-resistant business model is an excellent fit within our marine portfolio.

"Importantly, FBC strengthens our ability to benefit from the growth in the broader sharing economy and exposes a wider range of consumers to the boating lifestyle. The growth of the marine industry depends on increasing the number of active boating participants and ensuring that they have a great experience on the water," Foulkes continued. "This move is a natural extension of our business. It complements our established and growing engine, parts and accessories and boat portfolio with an emerging set of services to expand and enhance our position. We want to encourage and lead the pursuit of alternate forms of participation to expand the popularity of boating."

Following the completion of the transaction, FBC will become part of Brunswick's Business Acceleration group, which includes Brunswick's Boating Service Network (BSN). Through BSN, Brunswick has participated in the boat club and rental market since 2014, establishing a series of partnerships and pilot operations with both select dealers and marina operators.

John Giglio and his experienced management team will continue to lead Freedom Boat Club, which over time has demonstrated a track record of delivering meaningful growth. Over the last five years, FBC has nearly doubled its location footprint and tripled its membership base.

"We're very excited to join Brunswick," Giglio said. "Our knowledge and experience of the growing boat club industry, combined with Brunswick's leading marine resources, will provide FBC and its franchise partners with many new opportunities to accelerate growth and create value, while enhancing the best-in-class boating experience we aim to provide our members."

“The addition of Freedom Boat Club to our leading portfolio of marine brands will allow us to leverage resources and capabilities to create additional growth and value,” said Brenna Preisser, president - Brunswick Business Acceleration. “Our current and prospective franchisees will be supported with a unique suite of new products and services to help them grow and provide exceptional on-water experiences for members.”

Foulkes concluded, “Freedom Boat Club is an exciting addition to our portfolio for many reasons. It establishes a leadership position in a growing marketplace, provides an entry point for the next generation of boaters, takes advantage of our existing marine assets, and creates a new cycle-resistant profit stream.”

The transaction is subject to customary closing conditions and is expected to close during the second quarter of 2019.

### **Forward-Looking Statement**

Certain statements in this news release are forward-looking 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 news release. 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, 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 integrate targeted acquisitions, including the Global Marine & Mobile Business of Power Products and the FBC acquisition; the possibility that the proposed Fitness business separation may not provide business benefits; the timing and likelihood of completion of the proposed Fitness business separation, including the timing and receipt of required regulatory approvals for the proposed transaction; the occurrence of any event, change or other circumstance that could give rise to the termination of the proposed Fitness business separation or FBC transaction; the possibility that the proposed transactions do not close, including due to the failure to satisfy closing conditions; having to record an impairment to the value of goodwill and other assets; changes to U.S. trade policy and tariffs; the inability to identify and complete targeted acquisitions; the risk that strategic divestitures may not provide business benefits; the potential for disruption to our business in connection with the Fitness business separation, FBC acquisition, Power Products acquisition, making it more difficult to maintain business and operational relationships; 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; negative currency trends, including shifts in 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 and implementing succession plans for key leadership; 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 the 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; our ability to meet pension funding obligations; 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 2018. 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 news release or for changes by wire services or Internet service providers.

### **About Brunswick**

Headquartered in Mettawa, Ill., Brunswick Corporation's leading consumer brands include Mercury Marine outboard engines; Mercury MerCruiser sterndrive and inboard packages; Mercury global parts and accessories including propellers and SmartCraft electronics; Power Products Integrated Solutions; MotorGuide trolling motors; Attwood, Garelick, and Whale marine parts; Land 'N' Sea, BLA, Payne's Marine, Kellogg Marine, and Lankhorst Taselaar marine parts distribution; Mercury and Quicksilver parts and oils; Bayliner, Boston Whaler, Crestliner, Cypress Cay, Harris, Lowe, Lund, Princecraft, Quicksilver, Rayglass, Sea Ray, Thunder Jet and Uttern boats; Boating Services Network, NAUTIC-ON, OnBoard Boating Club and Rentals; Life Fitness, Hammer Strength, Cybex, Indoor Cycling Group, and SCIFIT fitness equipment; and Brunswick billiards tables, accessories, and game room furniture. For more information, visit <https://www.brunswick.com>.

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