

INNOVATION + INSPIRATION
ON THE WATER

BRUNSWICK



Earnings Conference Call

Q2 2022

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 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 July 28, 2022, 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.

BUSINESS OVERVIEW

Dave Foulkes - CEO

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Outstanding Performance Across the Company



Record Q2 results:

- Net sales of \$1.84B (up 18.1%)
- Adjusted¹ EPS of \$2.82 (up 11.9%)
- Adjusted¹ operating earnings of \$300M (up 12.7%)



Broad based top-line growth:

- Record propulsion performance and market share gains
- Boat segment posts robust sales and earnings with 10.8% adjusted¹ operating margins
- Strong P&A performance led by benefits from 2021 acquisitions



Field inventory remains low with elevated backlogs:

- Inventory refill improving; pipeline remains below normalized levels
- 55% lower field inventory units than Q2 2019
- P&A backlog higher than normal



Narrowed FY 2022 guidance:

- Net sales of \$6.9B - \$7.1B
- Adjusted EPS of \$10.00 - \$10.30

Brunswick delivered the best quarter in Company history

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We Continue to Successfully Navigate External Factors



ECONOMIC CONCERNS

SUPPLY CHAIN



Supply-side challenges remain with some abatement from highest points

INFLATION



Inflation high with slight moderation occurring

FUEL PRICES



Fuel prices elevated but falling



CONSUMER BEHAVIOR

DEALER SURVEYS



Consumer interest solid with premium product indexing high

CONSUMER PULSE



Consumer traffic remains strong with boat purchase intent above prior period

BOATING PARTICIPATION



Boating participation at equivalent levels to prior year

- ✓ Supply chain remains disruptive, although some moderation occurring
- ✓ Continued strong consumer boating participation levels
- ✓ Fuel prices not deterring boating

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Each Segment Contributed to Q2 2022 Outperformance



PROPULSION

- Share gains continue globally through Q2 2022 – U.S. outboard market share:
 - +140 bps total share gain over past 24 months, including 630 bps in greater than 200 horsepower
- Successfully navigating supply chain disruption
- Fond du Lac capacity expansion on track for Q4 2022

Q2 SALES ↑ **13%**



PARTS & ACCESSORIES

- Sales increases driven by Navico, RELiON and SemahTronix acquisitions in 2H 2021
- Solid sales growth to OEM channels
- Steady U.S. engine P&A sales despite later start to boating season in Northern states
- Distribution businesses challenged by third-party product availability

Q2 SALES ↑ **19%**



BOATS & BUSINESS ACCELERATION

- Double digit adjusted¹ operating margins of 10.8% and strong production increases
- New products performing well in marketplace
- Freedom Boat Club has expanded to more than 360 locations, reaching 50,000 membership agreements covering 80,000 members and fleet size of nearly 5,000 boats

Q2 SALES ↑ **27%**

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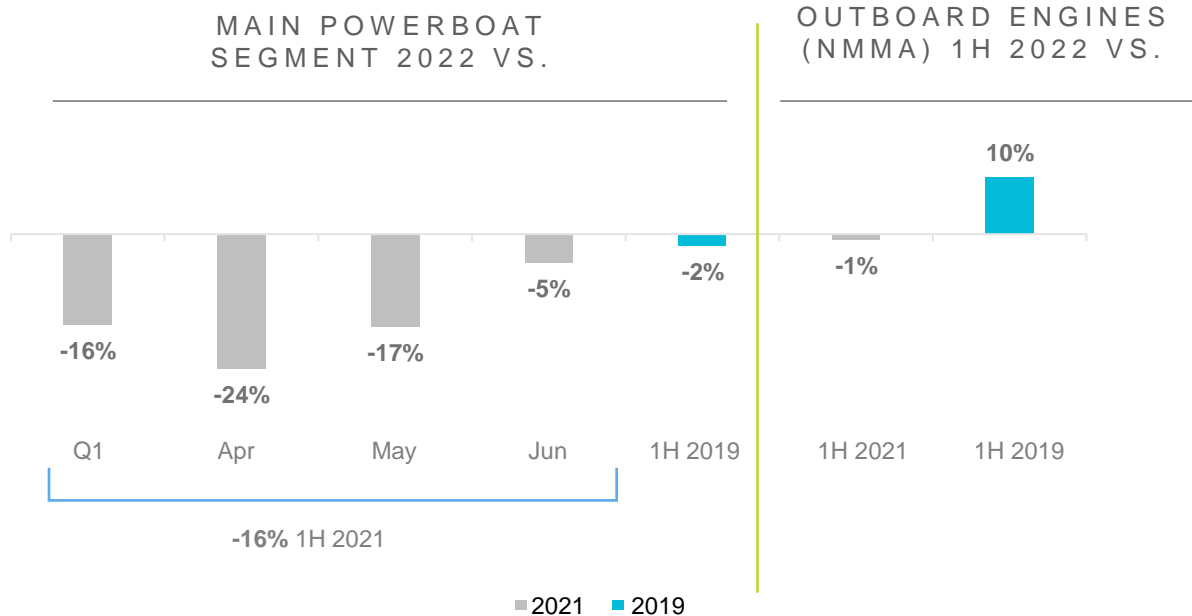
Mix By Region¹ and Q2 Revenue Growth Rates



- ✓ All regions experienced substantial sales growth, with the exception of Asia Pacific
- ✓ International sales up 7 percent on a constant currency basis, excluding acquisitions
- ✓ Propulsion OB share gains continue around the world

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



Source: NMMA Statistical Surveys, Inc.: Preliminary data is shown on a comparative basis using states reporting to date for 2022: 98% of Q1, 70% of Apr, 69% of May, and 67% of Jun 22. Coast Guard data through 6/2022.

- ✓ 1H 2022 main powerboat industry retail down 16% vs. 1H 2021, only slightly below 1H 2019, with trends improving
- ✓ 1H 2022 outboard engine industry retail slightly below 1H 2021, up 10% vs. 1H 2019
- ✓ Mercury has gained share in the 75hp+ categories in each of the last five years

A man with long hair, wearing a white tank top with blue and black accents and black shorts, stands on the deck of a boat. He is holding a blue and white surfboard. The background shows a large body of water and mountains under a clear blue sky. The sun is low on the horizon, creating a bright glow and reflecting on the water. The boat's deck is visible in the foreground.

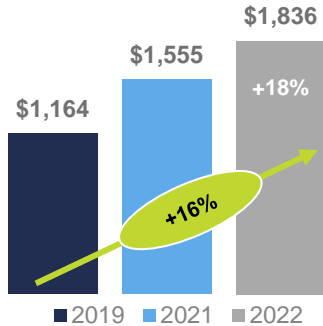
FINANCIAL OVERVIEW

Ryan Gwillim – CFO

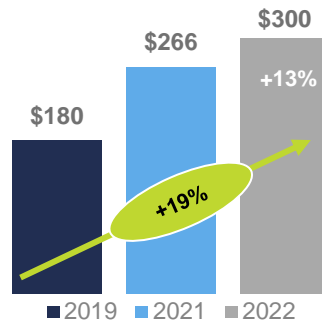
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Overview of Second Quarter 2022 Adjusted Results¹

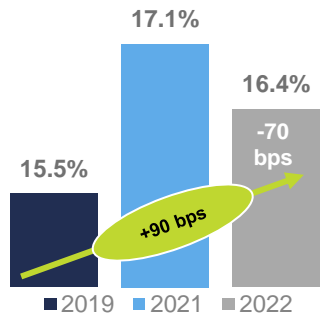
NET SALES (\$m)



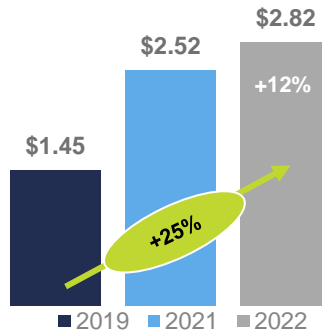
OPERATING EARNINGS¹ (\$m)



OPERATING MARGIN¹ %



DILUTED EPS¹



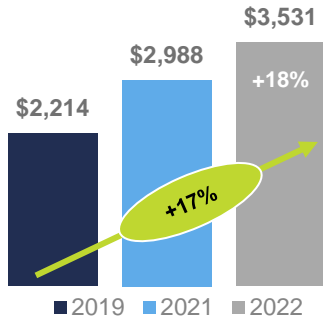
- ✓ Q2 2022 revenue, operating earnings and EPS were highest in Company history
- ✓ Sales, earnings and EPS CAGR from 2019 show strength and durability of our business performance and portfolio composition

¹See the Appendix to this presentation and today's Form 8-K for reconciliations to GAAP figures. Percentages in green arrows are calculated as a 3-year CAGR

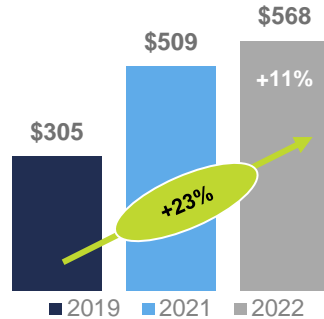
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Overview of YTD 2022 Adjusted Results¹

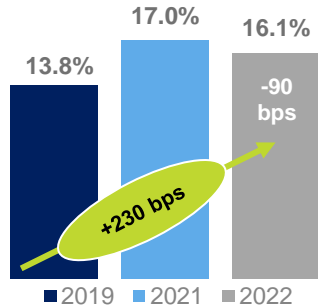
NET SALES (\$m)



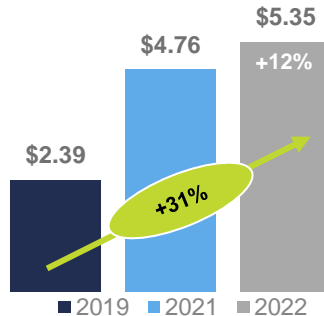
OPERATING EARNINGS¹ (\$m)



OPERATING MARGIN¹ %






DILUTED EPS¹



✓ First Half 2022 performance higher than any previous full-year except 2021

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Propulsion Segment – Q2 '22 Performance

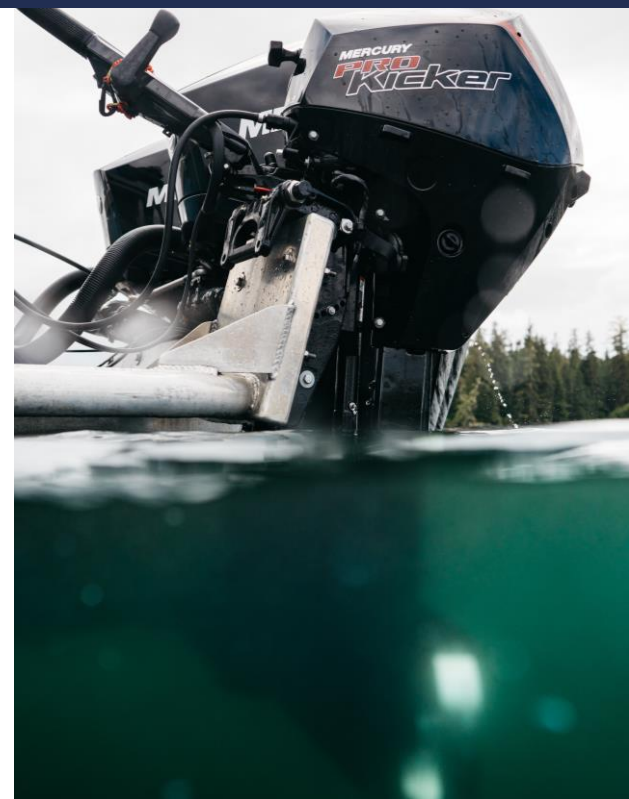
PRODUCT CATEGORY	SALES (\$ M)	% CHANGE VS	
		2021	2019
 Outboard Engines	\$566	14%	60%
 Sterndrive Engines	\$62	5%	24%
 Controls, Rigging and Propellers	\$106	11%	84%
Total	\$734	13%	59%

1 OPERATING MARGIN

- Operating Margin of 19.3%, up 50 bps vs Q2 '21

2 OPERATING EARNINGS





- Operating Earnings of \$142M, up 16.3% vs Q2 '21



Propulsion sales increased across all categories versus Q2 2021, operating margin at 19.3%

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Parts & Accessories Segment – Q2 '22 Performance¹

PRODUCT CATEGORY	SALES (\$ M)	% CHANGE VS	
		2021	2019
 Engine Parts and Accessories	\$147	(6)%	28%
 Distribution	\$232	(9)%	33%
 Advanced Systems Group	\$159	15%	32%
 Navico	\$114	N/A	N/A
Total	\$652	19%	59%

1 OPERATING MARGIN

- Adjusted Margin of 19.5%, down 370 bps
- GAAP Margin of 16.6%, down 420 bps

2 OPERATING EARNINGS





- Adjusted Earnings of \$127M, flat
- GAAP Earnings of \$108M, down 5.4%



P&A sales grew 19%, benefitting from acquisitions, OEM sales, and steady U.S. engine P&A

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Boat Segment – Q2 '22 Performance¹

PRODUCT CATEGORY	SALES (\$ M)	% CHANGE VS	
		2021	2019
 Aluminum Freshwater	\$237	25%	48%
 Recreational Fiberglass	\$187	22%	57%
 Saltwater Fishing	\$110	19%	34%
 Business Acceleration	\$36	134%	N/A
Total	\$568²	27%	55%

1 OPERATING MARGIN

- Adjusted Margin of 10.8%, up 30 bps
- GAAP Margin of 10.4%, up 60 bps

2 OPERATING EARNINGS

- Adjusted Earnings of \$61M, up 30.1%
- GAAP Earnings of \$59M, up 33.3%



Boat Segment posted strong top-line and earnings growth leading to 10.8% adjusted operating margins

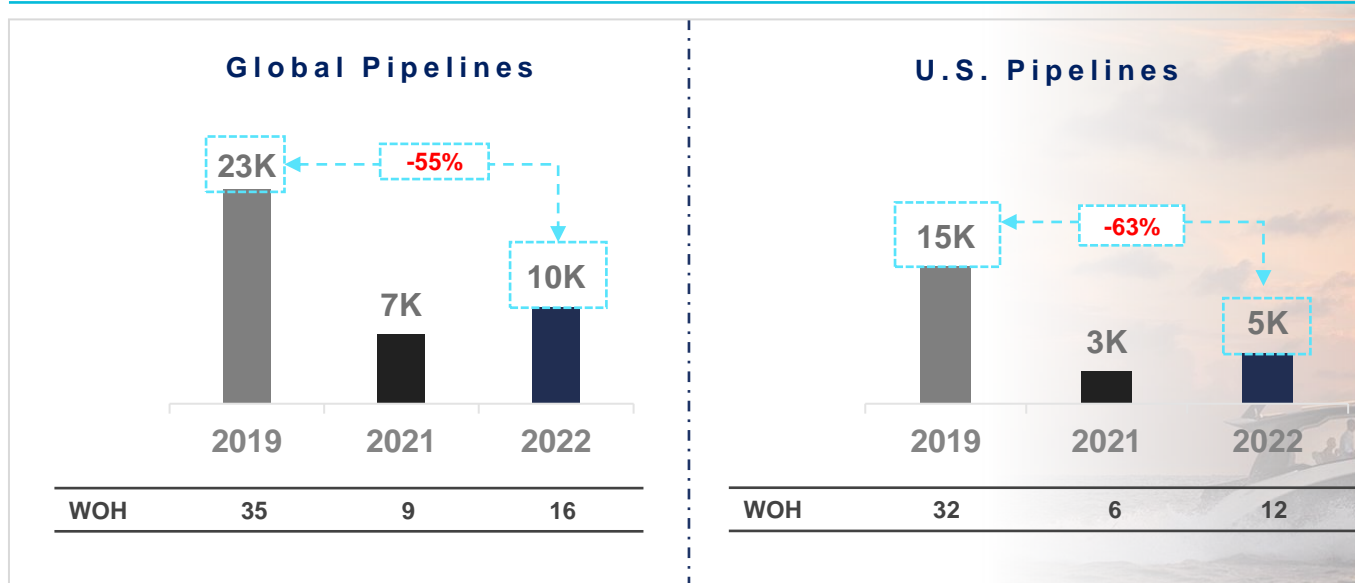
¹ See the Appendix to this presentation and today's Form 8-K for reconciliations to GAAP figures.

² Includes Boat eliminations of \$2.5 million.

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Pipeline Metrics

UNITS IN PIPELINE – END OF Q2 2022

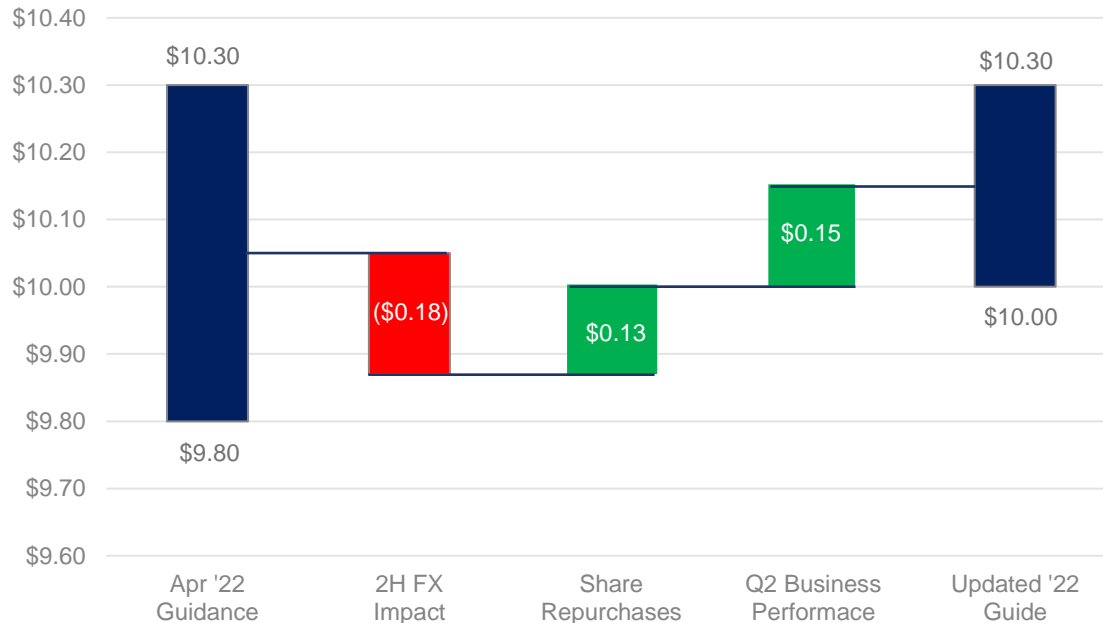


1H 2022 pipeline levels 55% below 2019 levels; even lower inventory in U.S.

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Narrowing Full Year 2022 Guidance¹

Changes to FY '22 EPS Guidance



Changes to FY 2022 EPS Assumptions:

- ✓ 2H FX impact
- ✓ Share Repurchases
- ✓ Q2 strong business performance

Narrowed FY 2022 Guidance:

- ✓ Revenue
- ✓ EPS

Q3 '22 Guidance:

- ✓ Revenue growth up Mid-twenties percent vs Q3 '21
- ✓ EPS of \$2.50 - \$2.65

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Updated 2022 Full Year Assumptions¹

Share
Repurchases

~\$400 MILLION

Prev: ~\$300M

Foreign Currency
Earnings Headwind

~\$35 – \$40 MILLION

Prev: ~\$10 - \$15M

Average Diluted
Shares Outstanding

~75.0 – 75.5
MILLION

Prev: ~76.0 - 76.5M

Tariff Earnings
Impact (net)

~\$50 MILLION

Prev: ~\$60M

¹ See Appendix for full set of 2022 Full Year assumptions

A man with a beard and a grey cap is steering a boat. He is wearing a bright red jacket with a fish logo and the word 'GRUNDENS' on the chest. The background shows the ocean and a clear sky.

WRAP-UP
Dave Foulkes – CEO

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Brunswick in the News – Q2 2022



Sea Ray 260 Women Design Team



Portugal Photovoltaic Solar Project



Mercury Launches New 25-30hp Outboards



Refurbishment & Sales Center Opening



Freedom
Continues Rapid
Growth

- 360+ global locations
- 50,000+ memberships
- ~5,000 boats in fleet
- ~80,000 members



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New Products and Technology



Sea Ray

SLX 260



BOSTON WHALER

280 DAUNTLESS



MERCURY

25 & 30HP



MERCURY

AVATOR



MASTERVOLT
THE POWER TO BE INDEPENDENT

POWER
MANAGEMENT

THANK YOU
+ Q&As



BRUNSWICK



Appendix

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Updated Assumptions and Guidance for 2022*

1	2	3	4	5
Revenue between \$6.9B - \$7.1B	Operating margin growth between 20 AND 40 BPS	Operating expenses as a % of sales to INCREASE 40 TO 60 BPS	EPS between \$10.00 - \$10.30	FCF in EXCESS OF \$350 MILLION
↑ 20%			↑ 23%	

Prev: \$6.8 - \$7.1B

Prev: 20 to 60bps

Prev: 50 to 80bps

Prev: \$9.80 - \$10.30

No Change

*Each on an "as adjusted" basis where applicable; versus comparable prior year/quarter, as applicable

Brunswick Corporation – Earnings Release 2022 Updated Outlook – Segment Guidance



Propulsion



Parts & Accessories



Boat

**NET SALES
GROWTH**

**UP MID-TO-HIGH TEENS
PERCENT**

Prev: +Mid-Teens %

**UP LOW-TO-MID
TWENTIES PERCENT**

Prev: +High-Twenties %

**UP LOW-TWENTIES
PERCENT**

Prev: +Mid-Teens %

**OPERATING
MARGIN
TARGET***

UP 50-80 BPS

Prev: Flat to +30 bps

**DOWN
75-100 BPS**

Prev: Flat to +30 bps

10.0+ PERCENT

No Change

*Each on an "as adjusted" basis where applicable; versus FY 2021

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2022 Updated Outlook – P&L and Cash Flow Assumptions

Working
Capital Usage

~\$170 – \$200
MILLION

No Change

Effective Book
Tax Rate

APPROXIMATELY
22%

No Change

Depreciation &
Amortization¹

~\$160
MILLION

Prev: ~160-170
million

Effective Cash
Tax Rate

HIGH-TEENS
PERCENT

No Change

Acquisition
Amortization

~\$65 MILLION

No Change

Average Diluted
Shares Outstanding

~75.0 – 75.5
MILLION

Prev: ~76.0-76.5

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2022 Updated Outlook – Capital Strategy and Other Assumptions

Capital Expenditures

~\$375 – \$425 MILLION

No Change

Share Repurchases

~\$400 MILLION

Prev: ~\$300M

Debt Retirement

\$57 MILLION

No Change

Quarterly Dividends

\$0.365 PER SHARE

No Change

Net Interest Expense

~\$95 MILLION

No Change

Tariff Earnings Impact (net)

~\$50 MILLION

Prev: ~\$60M

Foreign Currency Earnings Headwind

~\$35 – \$40 MILLION

Prev: ~\$10-\$15M

Combined Equity Earnings and Other Income

COMPARABLE TO 2021

No Change

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GAAP to Non-GAAP Reconciliations – Q2

(in millions, except per share data)	Operating Earnings		Diluted Earnings per Share	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021
GAAP	\$279.0	\$250.2	\$2.61	\$2.29
Restructuring, exit and impairment charges	—	0.2	—	—
Purchase accounting amortization	14.1	7.6	0.14	0.08
Acquisition, integration and IT related costs	7.1	7.1	0.07	0.07
Sport Yacht & Yachts	—	1.3	—	0.01
Special tax items	—	—	—	0.07
As Adjusted	\$300.2	\$266.4	\$2.82	\$2.52
GAAP operating margin	15.2%	16.1%		
Adjusted operating margin	16.4%	17.1%		

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GAAP to Non-GAAP Reconciliations – YTD

(in millions, except per share data)	Operating Earnings		Diluted Earnings per Share	
	YTD 2022	YTD 2021	YTD 2022	YTD 2021
GAAP	\$518.5	\$482.1	\$4.86	\$4.44
Restructuring, exit and impairment charges	—	0.7	—	—
Purchase accounting amortization	37.1	15.1	0.37	0.15
Acquisition, Integration and IT related costs	12.1	8.4	0.12	0.08
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	—	—	—	0.05
As Adjusted	\$567.7	\$509.4	\$5.35	\$4.76
GAAP operating margin	14.7%	16.1%		
Adjusted operating margin	16.1%	17.0%		

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Q2 Net Sales increased by \$280.8 million, or 18 percent

NET SALES

(in millions)

Segments	Q2 2022	Q2 2021	% Change
Propulsion	\$734.2	\$649.5	13%
Parts & Accessories	651.5	548.9	19%
Boat	568.4	449.1	27%
Segment Eliminations	(118.5)	(92.7)	
Total	\$1,835.6	\$1,554.8	18%

Q2 SALES GROWTH

Region	Q2 2022 % of Sales	% Change	Constant Currency % Change
United States	68%	22%	22%
Europe	15%	13%	26%
Asia-Pacific	6%	2%	7%
Canada	7%	1%	4%
Rest-of-World	4%	34%	32%
Total International	32%	10%	17%
Consolidated		18%	20%

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YTD Net Sales increased by \$543.3 million, or 18 percent

NET SALES

(in millions)

Segments	YTD 2022	YTD 2021	% Change
Propulsion	\$1,440.1	\$1,307.3	10%
Parts & Accessories	1,269.3	1,008.5	26%
Boat	1,061.2	868.6	22%
Segment Eliminations	(239.3)	(196.4)	
Total	\$3,531.3	\$2,988.0	18%

YTD SALES GROWTH

Region	YTD 2022 % of Sales	% Change	Constant Currency % Change
United States	67%	20%	20%
Europe	15%	19%	29%
Asia-Pacific	7%	6%	10%
Canada	7%	13%	14%
Rest-of-World	4%	22%	20%
Total International	33%	15%	20%
Consolidated		18%	20%

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Q2 '22 Effective Tax Rate at ~22%

Quarter 2

	Q2 2022	Q2 2021
Effective Tax Rate - GAAP	21.9%	23.5%
Effective Tax Rate - As Adjusted ¹	22.2%	21.0%

Year to Date

	YTD 2022	YTD 2021
Effective Tax Rate - GAAP	21.5%	22.7%
Effective Tax Rate - As Adjusted ¹	21.7%	21.8%

¹Tax provision, as adjusted, excludes \$(0.6) million and \$6.3 million of net (benefits) provisions for special tax items for Q2 2022 and Q2 2021 periods, respectively, and \$(0.3) million and \$4.8 million of net (benefits) provisions for special tax items for YTD 2022 and YTD 2021 periods, respectively.

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Free Cash Flow - YTD

(in millions)	YTD 2022	YTD 2021
Net cash provided by operating activities from continuing operations	\$149.4	\$350.5
Net cash (used for) provided by:		
Capital expenditures	(196.5)	(110.3)
Proceeds from sale of property, plant, equipment	3.0	4.6
Effect of exchange rate changes	(11.2)	(0.5)
Free Cash Flow	(\$55.3)	\$244.3