

INNOVATION+INSPIRATION
ON THE WATER



BRUNSWICK

Earnings Conference Call

Q2 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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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 July 30, 2020, 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, 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 – Q2 2020 in Review

Outperformed Expectations



Solid performance despite COVID-19 impact:

- Adjusted¹ EPS of \$0.99
- Adjusted¹ operating margins of ~12%
- FCF of \$268M



Boat pipeline inventory at historical lows:

- ~23 WOH at end of Q2
- 34% fewer boats in dealer inventory than end of Q2 2019



U.S. marine retail demand surged in May and June:

- Anticipate U.S. retail market up low-single digit percent FY
- Record June retail for almost all our boat brands



- Meaningful outboard engine share gains at Mercury
- Strong performance by P&A business
- Robust growth at Freedom Boat Club

Our businesses executed exceptionally well in the face of COVID-19 disruptions, while prioritizing the continued health and well-being of our employees

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COVID-19 Impacts on our Business

- Temporarily suspended manufacturing at most of our engine and boat facilities on March 23, restarted operations beginning April 13
- Strong focus on evolving health and safety protocols, including temperature screening, distancing, PPE and cleaning
- Approximately half of our dealer network was closed in some capacity in April – network fully operational starting mid-May
- Many Freedom Boat Club locations closed in April due to local “stay-at-home” restrictions – extremely strong participation and growth starting in May and continuing into the summer months
- All international production and distribution operations are open – slower recoveries for OEM and dealers in certain parts of Europe
- Boating seen as compatible with social distancing; along with “staycation”
- Maintained momentum and investment in new product programs and accelerated digital initiatives



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Propulsion Segment – Q2 2020 Overview



Significant market share gains, especially in high-horsepower outboard engines; strong earnings and margin performance in June

- Revenue, earnings, and margins impacted by COVID-19 manufacturing shutdowns in April
- Available outboard engine inventory positively affected results
- Selected as global outboard engine supplier of choice for BRP's boat brands – additional gains with former Evinrude dealers and OEMs
- Outboard engine pipeline at lowest level since 2014
- Resilient performance from OEM-focused controls, rigging, and propellers business
- Aggressive new product launch cadence remains on track



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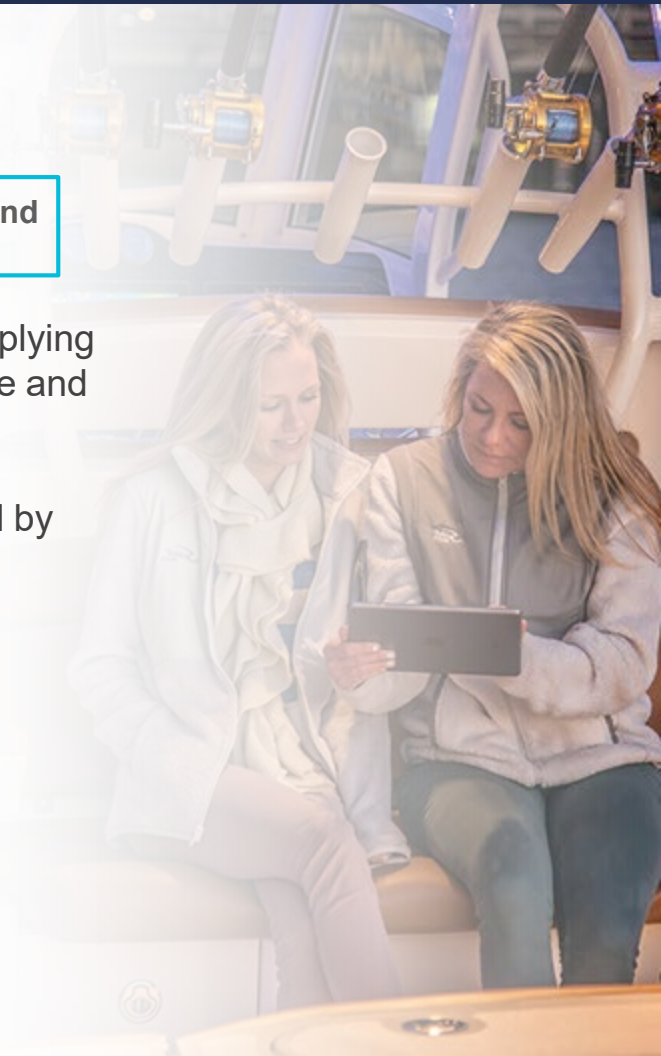
Parts & Accessories Segment – Q2 2020 Overview



Strong top-line growth in distribution business; robust revenue and earnings growth in June

- P&A distribution business remained open throughout pandemic, supplying products to our dealer and distribution network, along with healthcare and other essential businesses
- Aftermarket revenue remained solid – sales to OEMs were impacted by production shutdowns but increased steadily in May and June
- Adjusted operating margins of 22.6%¹

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



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Boat Segment – Q2 2020 Overview



**Positive operating earnings despite temporary shutdowns;
June adjusted operating margins in double-digits**

- Revenue, earnings, and margins impacted by COVID-19 manufacturing shutdowns in April
- Adjusted operating de-leverage of ~25%¹, despite significant headwind from absorption caused by plant shutdowns
- Pipelines at historical lows – will take through 2021 and potentially beyond with increased production to return to normalized levels
 - Boston Whaler and Sea Ray dealer inventories particularly low
- Freedom Boat Club opened 235th location, passed 3,000 boat mark, and has 33,000 memberships
- Acceleration in digital investments yielding strong consumer engagement and lead generation

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



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Q2 Revenue Growth Rates By Region¹

REGION	TOTAL BC	2019 MIX
U.S.	(19)%	69%
Europe	(6)%	13%
Canada	(32)%	7%
Asia-Pacific	56%	7%
Rest-of-World	(21)%	4%
Total International	(3)%	31%
Total Consolidated	(14)%	100%

¹All figures shown on a constant currency basis, excluding the impact of acquisitions.

- ✓ **International revenues down 3 percent on a constant-currency basis**
- ✓ **Continued strong outboard engine demand in Asia**

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

C A T E G O R Y	Q 1 - 2 0	A P R - 2 0	M A Y - 2 0	J U N - 2 0	Q 2 - 2 0	Q 2 - 1 9
Outboard Boats	(4)%	(38)%	(3)%	20%	(8)%	(6)%
Fiberglass SD/IB Boats	(12)%	(36)%	(26)%	7%	(18)%	(11)%
Main Powerboat Segments	(5)%	(37)%	(4)%	19%	(8)%	(7)%
Total Industry (SSI)	(7)%	(38)%	(6)%	18%	(9)%	(7)%
Outboard Engines (NMMA)	(5)%	(14)%	7%	32%	13%	2%

Source: NMMA Statistical Surveys, Inc.: 2019 data is final and 2020 preliminary data is based on 92% as of Q1, 71% of Apr 20, 62% of May 20, and 57% of Jun 20. Coast Guard data through 06/2020

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

- ✓ Q2 2020 industry unit volume for main powerboat segments was down 8% vs. Q2 2019; first half was down 7%
- ✓ Brunswick internal retail registrations are tracking ahead of industry and ahead of SSI registrations for Brunswick brands
- ✓ Strong growth in outboard engines, with Mercury taking share in higher-horsepower categories

FINANCIAL OVERVIEW

Ryan Gwillim - CFO



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Overview of Second Quarter 2020¹

Consolidated results on an as adjusted basis:

1 Diluted EPS of \$0.99,
down 32 percent

2 Net sales of \$987.8M,
down 15.2 percent

3 Operating margin of
11.9 percent

4 Operating earnings of
\$117.9M

5 Operating de-leverage
of 35 percent

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

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Overview of First Half 2020¹

Consolidated results on an as adjusted basis:

1 Diluted EPS of \$1.96,
down 18 percent

2 Net sales of \$1.95B,
down 11.8 percent

3 Operating margin of
11.8 percent

4 Operating earnings of
\$230.4M

5 Operating de-leverage
of 28 percent

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

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Propulsion Segment – Q2 Performance

	PRODUCT CATEGORY	SALES (\$M)	% CHANGE
	Outboard Engines	\$314.3	(11)%
	Sterndrive Engines	\$27.9	(44)%
	Controls, Rigging and Propellers	\$53.2	(8)%
	Total	\$395.4	(14)%

1 OPERATING MARGIN

- Operating Margin of 12.1 percent

2 OPERATING EARNINGS

- Operating Earnings of \$47.7M



Excluding incremental tariffs and FX impact, 1H 2020 adjusted operating margins would have exceeded 1H 2019 margins

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Parts and Accessories Segment – Q2 Performance¹

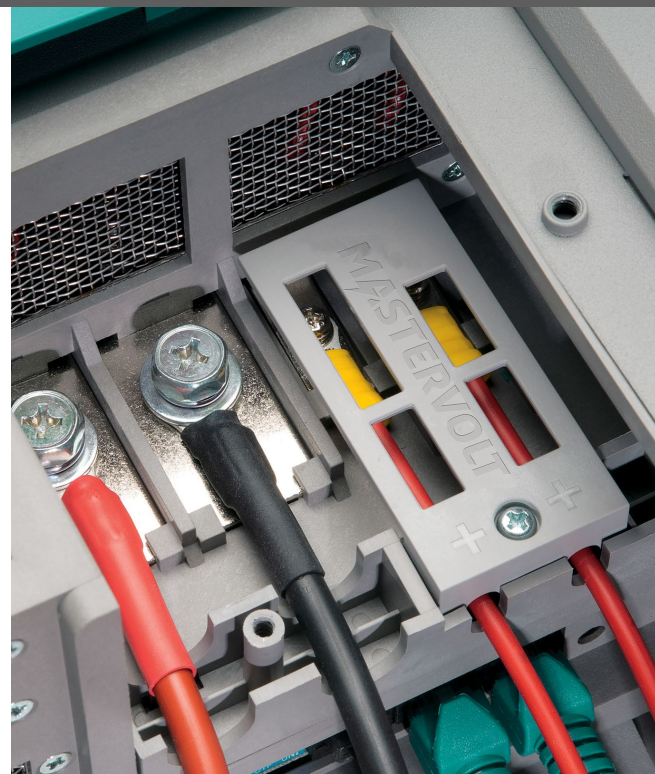
	PRODUCT CATEGORY	SALES (\$M)	% CHANGE
	Engine Parts and Accessories	\$109.0	(5)%
	Distribution	\$190.7	9%
	Advanced Systems Group	\$86.8	(28)%
	Total	\$386.5	(6)%

1 OPERATING MARGIN

- Adjusted Margin of 22.6 percent
- GAAP Margin of 20.7 percent

2 OPERATING EARNINGS





- Adjusted Earnings of \$87.3M
- GAAP Earnings of \$80.1M



1H P&A adjusted operating margins were within 40 bps of 1H 2019 margins due to the strength of this aftermarket-focused business

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Boat Segment – Q2 Performance¹

PRODUCT CATEGORY		SALES (\$M)	% CHANGE
	Aluminum Freshwater	\$94.2	(41)%
	Recreational Fiberglass	\$89.6	(26)%
	Saltwater Fishing	\$59.0	(29)%
	Business Acceleration	\$8.3	NM
Total		\$249.9 ²	(32)% ³

1 OPERATING MARGIN

- Adjusted Margin of 1.3 percent
- GAAP Margin of 0.8 percent

2 OPERATING EARNINGS

- Adjusted Earnings of \$3.3M
- GAAP Earnings of \$2.0M



We expect the boat business to deliver strong second-half operating leverage with increased production volume

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

²Includes Boat eliminations of \$1.2 million the quarter

³Freedom Boat Club accounted for 2.2 percent of net sales in the quarter

NM = Not Meaningful

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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)
Q2 20	22.8	-12.2 weeks	15.0	(34)%
Q2 19	35.0	+4.8 weeks	22.8	6%
Q2 18	30.2	-0.2 weeks	21.5	2%
Q2 17	30.4	+1.3 weeks	21.0	7%
FY 20F	~27 weeks on hand			

- ✓ Historically low pipelines due to surging retail demand and ramping up production after temporary shutdown
- ✓ Strong production increases will raise inventory levels by end of 2020, but expect that levels will not be normalized until 2021 or potentially later



2020 Assumptions and Resulting Expectations

1

Formal guidance for 2020 remains withdrawn

2

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

3

Second-half 2020 revenue and operating earnings expected to exceed second-half 2019 levels

4

Second-half operating leverage of between high-teens and low-twenties percent

5

Operating expenses of between \$560M - \$575M

6

FCF in excess of \$325 million and ending cash in excess of \$400 million

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Managing Operating Leverage



FIRST-HALF 2020

- Adjusted operating de-leverage of ~28%¹
 - Propulsion and P&A higher
 - Boats lower
- Significant impacts:
 - (-) Absorption, F/X changes, tariffs, COVID-19 related costs
 - (+) Cost reduction actions, efficiency initiatives



SECOND-HALF 2020

- Leverage of high-teens to low-twenties percent
- All segments benefit from increased sales, along with cost reduction and efficiency initiatives
- COVID-19 related costs, including potential supplier disruptions, remain headwind

- **First half 2020 de-leverage in line with communicated expectations**
- **Second half 2020 leverage in line with historical norms**

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Liquidity Assessment

- Liquidity position extremely strong
 - Q2 cash balance of \$553 million versus \$332 million at year-end
 - Free cash flow of \$124 million in 1H 2020 vs. \$14 million in 1H 2019
 - Borrowings of \$185 million at end of Q2 under our revolving credit facility
 - Additional \$100 million repaid on July 29, 2020, with remainder planned to be repaid in third quarter
- Maintain full access to revolving credit facility
 - Sufficient cushion versus both leverage and interest coverage covenants

Projected Liquidity Analysis*

(\$ in Millions)

\$1,000

\$750

\$500

\$250

\$-

Q1

Q2

Q4

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

The Company anticipates having approximately \$850 million of total liquidity at the end of the year; will continue to monitor and adjust business operations as appropriate

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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 \$325 million	Higher
Working capital usage	~\$0 - \$10 million	Lower
Depreciation and amortization ¹	~\$115 - \$120 million	Slightly Lower
Acquisition intangible amortization ²	~\$30 million	Unchanged
Combined equity earnings and other income	Comparable to 2019	Unchanged
Effective book tax rate ³	~21 - 22 percent	Unchanged
Effective cash tax rate	Low double-digit percent	Unchanged
Average diluted shares outstanding	~80.0 million	Unchanged

¹ Excludes acquisition intangible amortization

² Amortization related to Freedom Boat Club acquisition is not material

³ 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
Debt retirement	~\$100 million	Higher
Capital expenditures	~\$160 - \$170 million	Slightly Higher
Share repurchases	\$34 million	Unchanged
Quarterly dividends	\$0.24 per share	Unchanged
Net interest expense	~\$67 million	Slightly Lower

A close-up, slightly blurred photograph of a young woman with blonde hair, wearing dark sunglasses and a black halter top. She is smiling and looking towards the camera. In the background, another person with sunglasses is visible, and the setting appears to be a boat on water.

2020 OUTLOOK

Dave Foulkes – CEO

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Operating and Strategic Priorities



PROPULSION

- Continued share growth in high-horsepower outboards
- Efficient production ramp-up and pipeline refill
- Execute new product programs and investments in innovation



PARTS & ACCESSORIES

- Optimization of traditional and online distribution models to satisfy strong aftermarket parts demand
- Grow Power Products-led systems integration business
- Cost control
- Strategic portfolio optimization



BOATS & BUSINESS ACCELERATION

- Successful new product launches across portfolio
- Steady production increases leading to pipeline refill
- Structural cost reduction and efficiency actions
- Freedom Boat Club growth and geographic expansion



ENTERPRISE

- Further investments in digital marketing, e-commerce, consumer insight, and data analytics capabilities
- Drive Brunswick-wide ACES technology strategy

Absent significant additional disruption to demand or our operations, we remain confident in our ability to execute our 2022 strategic plan, with our financial targets still in reach

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Appendix

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GAAP to Non-GAAP Reconciliations

(in millions, except per share data)

	<u>Q2 2020 QTD</u>	<u>Q2 2019 QTD</u>	<u>Q2 2020 YTD</u>	<u>Q2 2019 YTD</u>
Net sales	\$ 987.8	\$ 1,163.5	\$ 1,953.3	\$ 2,214.2
Sport yacht & yachts	—	0.7	—	0.7
Net sales, as adjusted	\$ 987.8	\$ 1,164.2	\$ 1,953.3	\$ 2,214.9
Operating earnings	\$ 107.0	\$ 162.7	\$ 210.2	\$276.8
Restructuring, exit, and impairment charges	2.1	5.4	2.5	8.6
Purchase accounting amortization	7.6	7.3	15.1	14.5
Acquisition and IT-related costs	1.2	1.8	2.6	1.8
Sport yacht & yachts	—	2.9	—	2.9
Operating earnings, as adjusted	\$ 117.9	\$ 180.1	\$ 230.4	\$ 304.6
Operating margin percentage	10.8%	14.0%	10.8%	12.5%
Operating margin percentage, as adjusted	11.9%	15.5%	11.8%	13.8%
Earnings before income taxes	\$ 88.8	\$ 143.8	\$ 177.9	\$ 238.8
Restructuring, exit, and impairment charges	2.1	5.4	2.5	8.6
Purchase accounting amortization	7.6	7.3	15.1	14.5
Acquisition and IT-related costs	1.2	1.8	2.6	1.8
Sport yacht & yachts	—	2.9	—	2.9
Pension settlement benefit	(1.3)	—	(1.3)	—
Adjusted pretax earnings	\$ 98.4	\$ 161.2	\$ 196.8	\$ 266.6
Diluted earnings per share from continuing operations	\$ 0.89	\$ 1.28	\$ 1.77	\$ 2.15
Restructuring, exit, and impairment charges	0.02	0.05	0.02	0.07
Purchase accounting amortization	0.07	0.06	0.15	0.13
Acquisition and IT-related costs	0.01	0.01	0.03	0.01
Special tax items	0.01	0.02	(0.00)	(0.00)
Sport yacht & yachts	—	0.03	—	0.03
Pension settlement benefit	(0.01)	—	(0.01)	—
Diluted earnings per share, as adjusted	\$ 0.99	\$ 1.45	\$ 1.96	\$ 2.39

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Q2 As Adjusted Net Sales decreased by \$176.4million, or 15.2 percent

Segments (in millions)	Net Sales - GAAP		
	Q2 2020	Q2 2019	% Change
Propulsion	\$ 395.4	\$ 461.5	(14.3)%
Parts and Accessories	386.5	410.0	(5.7)%
Boat	249.9	366.6	(31.8)%
Segment eliminations	(44.0)	(74.6)	
Total	987.8	1,163.5	(15.1)%

Region	Q2 2020 % of Sales	Sales Growth	
		% Change	Constant Currency
United States	67%	(19)%	(19)%
Europe	15%	(9)%	(6)%
Asia-Pacific	10%	49%	56%
Canada	6%	(34)%	(32)%
Rest-of-World	3%	(29)%	(21)%
Total International	33%	(7)%	(3)%

Consolidated (15.1)% (14)%

Segments (in millions)	Net Sales - As Adjusted ¹		
	Q2 2020	Q2 2019	% Change
Propulsion	\$ 395.4	\$ 461.5	(14.3)%
Parts and Accessories	386.5	410.0	(5.7)%
Boat	249.9	367.3	(32.0)%
Segment eliminations	(44.0)	(74.6)	
Total	987.8	1,164.2	(15.2)%

Region	Q2 2020 % of Sales	Sales Growth	
		% Change	Constant Currency
United States	67%	(19)%	(19)%
Europe	15%	(9)%	(6)%
Asia-Pacific	10%	49%	56%
Canada	6%	(34)%	(32)%
Rest-of-World	3%	(29)%	(21)%
Total International	33%	(7)%	(3)%

Consolidated (15.2)% (14)%

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YTD Adjusted Net Sales decreased by \$261.6 million, or 11.8 percent

Segments (in millions)	Net Sales - GAAP		
	Q2 2020 YTD	Q2 2019 YTD	% Change
Propulsion	\$ 884.0	\$ 913.9	(7.6)%
Parts and Accessories	688.1	723.6	(4.9)%
Boat	541.4	739.9	(26.8)%
Segment eliminations	(120.2)	(163.2)	
Total	1,953.3	2,214.2	(11.8)%

Region	Q2 2020 YTD % of Sales	Sales Growth	
		% Change	Constant Currency
United States	67%	(14)%	(14)%
Europe	15%	(7)%	(5)%
Asia-Pacific	9%	40%	46%
Canada	6%	(30)%	(29)%
Rest-of-World	4%	(21)%	(14)%
Total International	33%	(6)%	(2)%

Consolidated (11.8)% (11)%

Segments (in millions)	Net Sales - As Adjusted ¹		
	Q2 2020 YTD	Q2 2019 YTD	% Change
Propulsion	\$ 884.0	\$ 913.9	(7.6)%
Parts and Accessories	688.1	723.6	(4.9)%
Boat	541.4	740.6	(26.9)%
Segment eliminations	(120.2)	(163.2)	
Total	1,953.3	2,214.9	(11.8)%

Region	Q2 2020 YTD % of Sales	Sales Growth	
		% Change	Constant Currency
United States	67%	(14)%	(14)%
Europe	15%	(7)%	(5)%
Asia-Pacific	9%	40%	46%
Canada	6%	(30)%	(29)%
Rest-of-World	4%	(21)%	(14)%
Total International	33%	(6)%	(2)%

Consolidated (11.8)% (11)%

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

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Q2 Net Sales

Second Quarter 2020 vs. Second Quarter 2019				
Sales Growth Drivers				
	Propulsion	Parts and Accessories	Boat	Brunswick
Organic	(12)%	(5)%	(32)%	(14)%
Acquisitions	-	-	1%	0%
Currency	(2)%	(1)%	(1)%	(1)%
2020 Net Sales – GAAP	(14)%	(6)%	(32)%	(15)%
Sales Growth by Region				
	Propulsion	Parts and Accessories	Boat	Brunswick
US – GAAP	(27)%	(2)%	(32)%	(19)%
International – GAAP	12%	(15)%	(30)%	(7)%
Constant Currency	(12)%	(5)%	(31)%	(14)%

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YTD Net Sales

	YTD 2020 vs. YTD 2019			
	Sales Growth Drivers			
	Propulsion	Parts and Accessories	Boat	Brunswick
Organic	(6)%	(4)%	(28)%	(11)%
Acquisitions	-	-	1%	0%
Currency	(2)%	(1)%	(0)%	(1)%
2020 Net Sales – GAAP	(8)%	(5)%	(27)%	(12)%
	Sales Growth by Region			
	Propulsion	Parts and Accessories	Boat	Brunswick
US – GAAP	(17)%	(2)%	(27)%	(14)%
International – GAAP	12%	(12)%	(27)%	(6)%
Constant Currency	(6)%	(4)%	(26)%	(11)%

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Tax Provision

	Q2	
	2020	2019
Effective tax rate - GAAP	19.8%	22.0%
Effective tax rate, as adjusted ¹	19.5%	21.3%

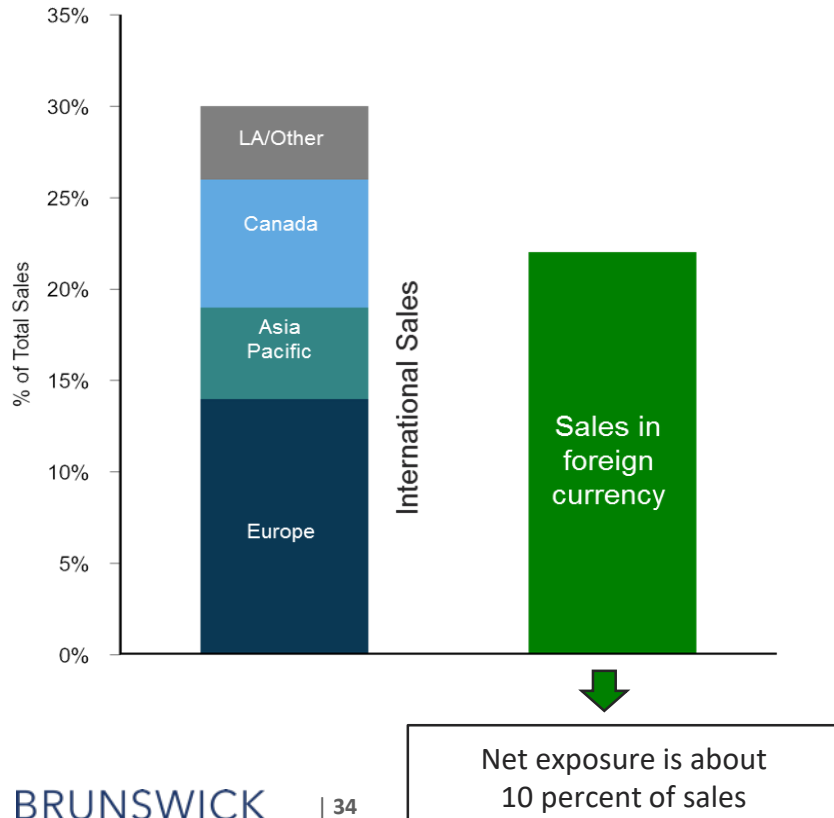
¹Tax provision, as adjusted, excludes \$0.4 million and \$1.8 million of net charges for special tax items for Q2 2020 and Q2 2019 periods, respectively.

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

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

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Review of Foreign Currency Impact¹



Q2 2020:

- Unfavorable impact on sales of approximately 1 percent
- Unfavorable impact on operating earnings of approximately \$6 million

Outlook for Full-Year 2020:

- Unfavorable impact on consolidated sales of approximately 1 percent
- Unfavorable impact on operating earnings of \$15 to \$20 million

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Tariff Update

Change from
Q1 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

\$ in millions	Q2	
	2020	2019
Restructuring, exit, and impairment	\$2.1	\$5.4
Purchase accounting amortization	7.6	7.3
Acquisition and IT-related costs	1.2	1.8
Sport yacht & yachts	-	2.9
Total Operating Earnings Adjustments	\$10.9	\$17.4

Brunswick Corporation – Earnings Release

Free Cash Flow

(\$ in millions)	Six Months Ended	
	2020	2019
Net cash provided by operating activities from continuing operations	\$ 215.7	\$ 147.4
Net cash provided by (used for):		
Capital expenditures	(90.7)	(135.2)
Proceeds from sale of property, plant and equipment	1.6	-
Effect of exchange rate changes	(2.4)	1.4
Free cash flow	\$ 124.2	\$ 13.6

