

INNOVATION + INSPIRATION  
ON THE WATER



BRUNSWICK

**Earnings Conference Call**

**Q4 and Full-Year 2020**

This data is internal to Brunswick.

# 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; changes in currency exchange rates; fiscal policy concerns; adverse economic, credit, and capital market conditions; higher energy and fuel costs; competitive pricing pressures; 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 our operations, and the potential implementation of regulatory actions; managing our manufacturing footprint; weather and catastrophic event risks; international business 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; loss of key customers; 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; absorbing fixed costs in production; 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 identify, complete, and integrate targeted acquisitions; the risk that strategic divestitures will not provide business benefits; maintaining effective distribution; adequate financing access for dealers and customers; 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; our ability to protect our brands and intellectual property; 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; managing our share repurchases; certain divisive shareholder activist actions; changes to U.S. trade policy and tariffs; having to record an impairment to the value of goodwill and other assets; product liability, warranty, and other claims risks; legal and regulatory compliance, including increased costs, fines, and reputational risks; and changes in income tax legislation or enforcement.

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 January 28, 2021 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 – 2020 in Review

Outstanding Performance in a Tumultuous Year



## Strong financial results:

- Adjusted<sup>1</sup> EPS of \$5.07 (up 17%)
- Adjusted<sup>1</sup> operating margins of 13.3% (up 40 bps)
- FCF<sup>1</sup> of \$629M



## Boat pipeline inventory at historical lows:

- ~19 WOH at end of Q4
- 40% fewer boats in dealer inventory than end of Q4 2019



## U.S. marine retail unit demand surge continued through year end:

- 2020 U.S. retail market up 13%
- Mercury performance accretive to market due to share gains



## Updating 2021 guidance\*:

- U.S. retail market up low-to-mid single digit percent in 2021
- Increasing Adjusted EPS to \$6.00 - \$6.40

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

**We delivered outstanding financial and operating performance while prioritizing the health and safety of our global employees**

# Brunswick Corporation – Earnings Release

## Propulsion Segment – 2020 Overview



Sales up 11.0%, operating margins of 15.2%, up 100bps

- Significant U.S. and international retail market share gains
- More than 70 new or enhanced OEM partnerships in 2020, with a recently announced exclusive partnership between Mercury and Crownline beginning with 2022 model year
- Capacity increases in 2018 and 2019 allowed for accelerated production ramp-up and enabled 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, with launch of transformational product in coming weeks

# Brunswick Corporation – Earnings Release

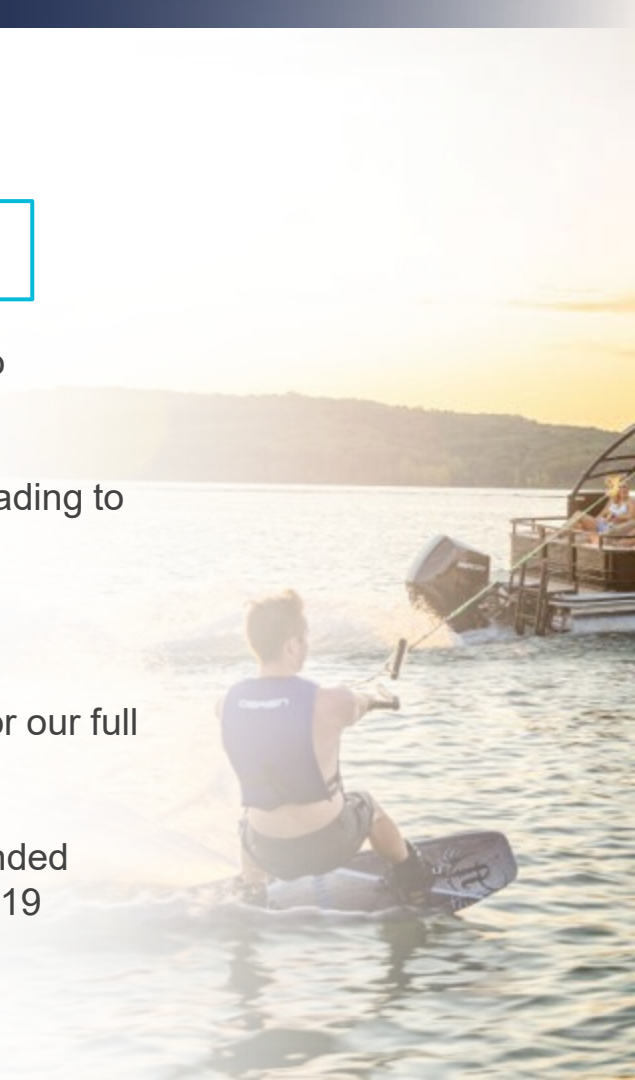
## Parts & Accessories Segment – 2020 Overview



Sales up 9.3%, adjusted operating margins of 20.2%, up 60bps<sup>1</sup>

- Strong sales growth across all our aftermarket P&A businesses due to increased boat usage
- Dealers still reporting extended service backlog at the end of 2020, leading to continued sales strength into 2021
- Over 1,700 new distribution accounts added in 2020
- Boat production ramp-ups across the industry created high demand for our full range of OEM systems and services
- Advanced Systems Group increased sales over 20 percent and expanded operating margins in the second half of 2020 versus second half of 2019

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



# Brunswick Corporation – Earnings Release

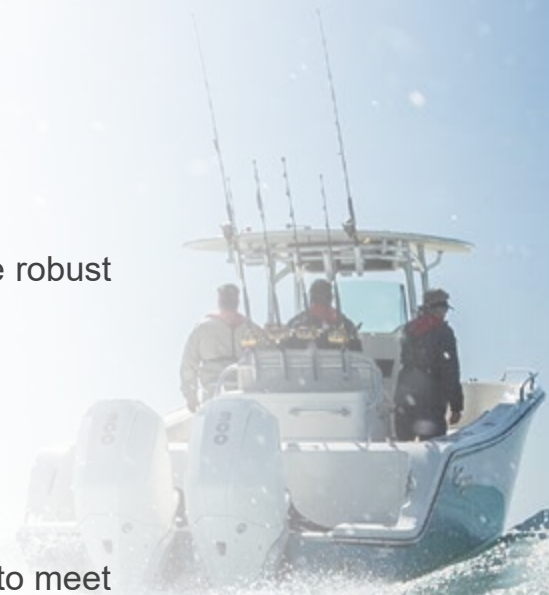
## Boat Segment – 2020 Overview



Sales down 6.3%, adjusted operating margins of 6.0%, down 130bps<sup>1</sup>

- Recovered from pandemic related shutdowns during first half of 2020 to achieve robust second-half revenue, earnings and margin growth
  - ✓ Second-half adjusted operating leverage of ~26 percent
- Pipelines at historical lows - surge in retail demand outpaced production
  - ✓ Boston Whaler and Sea Ray dealer inventories particularly low
  - ✓ Hired over 1,000 employees across our boat plants in second-half of 2020 to meet demand
- Freedom Boat Club added more than 40 locations in 2020 and now stands at 253 locations with almost 38,000 memberships

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





# Brunswick Corporation – Earnings Release

## Full-Year Revenue Growth Rates and Mix By Region<sup>1</sup>

REGION	2020 BC REVENUE GROWTH	FY 2020 MIX
U.S.	4%	69%
Europe	6%	12%
Asia-Pacific	40%	9%
Canada	(11)%	6%
Rest-of-World	12%	4%
<b>Total International</b>	<b>10%</b>	<b>31%</b>
<b>Total Consolidated</b>	<b>6%</b>	<b>100%</b>

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

- ✓ International revenues up 10 percent on a constant currency basis
- ✓ Continued strong outboard engine demand in Asia
- ✓ Revenue in Canada grew 19 percent in Q4 2020 on a constant currency basis

# Brunswick Corporation – Earnings Release

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

CATEGORY	1 H - 20	1 H - 19	2 H - 20	2 H - 19	FY 2020	FY 2019
Outboard Boats	0%	(7)%	32%	3%	13%	(3)%
Fiberglass SD/IB Boats	(1)%	(10)%	24%	(14)%	8%	(11)%
Main Powerboat Segments <sup>1</sup>	1%	(7)%	32%	2%	13%	(4)%
Total Industry (SSI) <sup>2</sup>	(1)%	(7)%	31%	0%	11%	(4)%
Outboard Engines (NMMA)	7%	1%	35%	0%	18%	1%

Source: NMMA Statistical Surveys, Inc.: 2019 data is final and 2020 preliminary data is based on 95% of Q1 through Q3, 85% of Oct 20, 84% of Nov 20, and 64% of Dec 20. Coast Guard data through 12/2020

1) For the full-year 2019, outboard powered boats represented 88% of the total Main Powerboat Segments units, which also includes Ski Wake boats

2) Total Industry (SSI) also includes fiberglass and aluminum lengths outside the ranges included in the Main Powerboat Segments stated above, but excludes PWCs and jet, sail, electric and house boats

- ✓ 2H 2020 industry unit volume for main powerboat segments was up 32 percent vs. 2H 2019
- ✓ FY 2020 growth in main powerboat segments of 13 percent
- ✓ 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 Full-Year 2020

## Consolidated results on an as adjusted basis<sup>1</sup>:

1 Diluted EPS of \$5.07,  
up 17.1 percent

2 Net sales of \$4.35B, up  
5.8 percent

3 Operating margin of  
13.3 percent, up 40bps

4 Operating earnings of  
\$578.9M, up 8.8  
percent

5 Operating leverage of  
19.7 percent

6 Free cash flow of  
\$629.3M

<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 Fourth Quarter 2020

## Consolidated results on an as adjusted basis<sup>1</sup>:

1 Diluted EPS of \$1.32,  
up 61.0 percent

2 Net sales of \$1.16B, up  
26.5 percent

3 Operating margin of  
12.5 percent, up 250bps

4 Operating earnings of  
\$145.6M, up 59.1  
percent

5 Operating leverage of  
22.2 percent

6 Free cash flow of  
\$109.3M

<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 – Q4 Performance

	PRODUCT CATEGORY	SALES (\$M)	% CHANGE
	Outboard Engines	\$393.4	33%
	Sterndrive Engines	\$43.7	9%
	Controls, Rigging and Propellers	\$70.8	51%
	<b>Total</b>	<b>\$507.9</b>	<b>33%</b>

### 1 OPERATING MARGIN

- Operating Margin of 16.2 percent, up 280 bps

### 2 OPERATING EARNINGS

- Operating Earnings of \$82.4M, up 61 percent



**Strong sales increases in all product categories, together with positive customer mix and favorable factory absorption – 25 percent operating leverage in Q4**

# Brunswick Corporation – Earnings Release

## Parts & Accessories Segment – Q4 Performance<sup>1</sup>

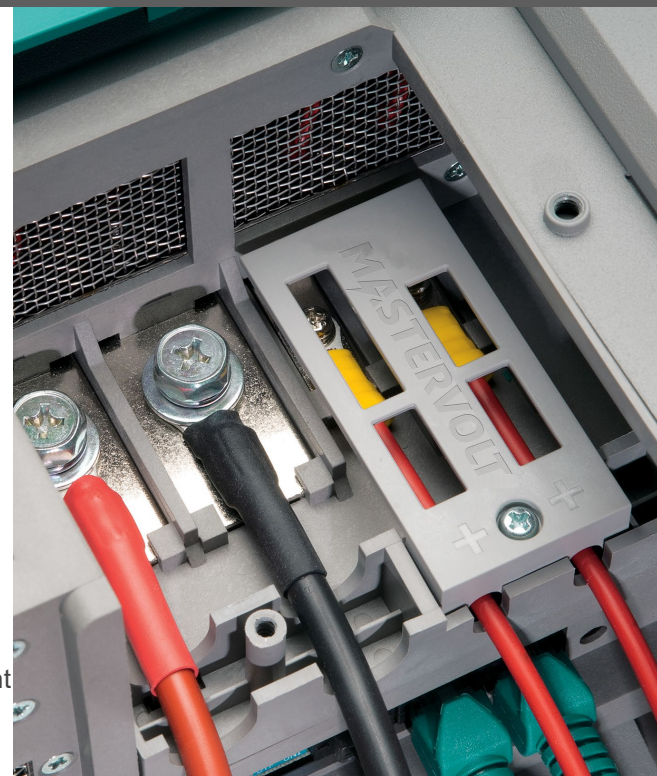
	PRODUCT CATEGORY	SALES (\$M)	% CHANGE
	Engine Parts and Accessories	\$104.5	36%
	Distribution	\$147.2	27%
	Advanced Systems Group	\$109.1	21%
	<b>Total</b>	<b>\$360.8</b>	<b>27%</b>

### 1 OPERATING MARGIN

- Adjusted Margin of 15.6 percent, up 280 bps
- GAAP Margin of 13.6 percent, up 350 bps

### 2 OPERATING EARNINGS





- Adjusted Earnings of \$56.4M, up 56 percent
- GAAP Earnings of \$49.2M, up 73 percent



**Extended boating season, service backlogs and OEM production increases driving demand – 26 percent adjusted operating leverage in Q4**

# Brunswick Corporation – Earnings Release

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

	PRODUCT CATEGORY	SALES (\$ M)	% CHANGE
	Aluminum Freshwater	\$149.3	20%
	Recreational Fiberglass	\$124.7	16%
	Saltwater Fishing	\$97.3	27%
	Business Acceleration	\$11.0	26%
	<b>Total</b>	<b>\$380.8<sup>2</sup></b>	<b>20%<sup>3</sup></b>

### 1 OPERATING MARGIN

- Adjusted Margin of 9.2 percent, up 190 bps
- GAAP Margin of 9.1 percent, up 420 bps

### 2 OPERATING EARNINGS

- Adjusted Earnings of \$34.9M, up 51 percent
- GAAP Earnings of \$34.8M vs. \$15.4M in 2019



**Production ramp up in all facilities – 2H adjusted operating margins of 9.2 percent – 19 percent adjusted operating leverage in Q4**

<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 \$1.5 million.

<sup>3</sup> Freedom Boat Club accounted for 2.5 percent of net sales.



# Brunswick Corporation – Earnings Release

## Pipeline Metrics

YEAR	ENDING WEEKS ON HAND	CHANGE VERSUS PRIOR YEAR (WOH)	UNITS IN PIPELINE (THOUSANDS)	CHANGE VERSUS PRIOR YEAR (UNITS)
Q4 20	19.4	-17.2 weeks	14.1	(40)%
Q4 19	36.6	+0.4 weeks	23.7	(7)%
Q4 18	36.2	+0.4 weeks	25.4	1%
Q4 17	35.8	+0.4 weeks	25.2	6%
FY 21F		WOH flat to year-end 2020		

- ✓ Historically low pipelines due to strongest retail demand since pre-GFC
- ✓ Strong production increases expected to support 2021 retail demand, but expect that pipeline levels will not normalize until 2022 or later

# Brunswick Corporation – Earnings Release

## Capital Strategy Update



**We successfully executed our capital strategy, ending the year with a stronger cash position and lower debt than anticipated**

- ✓ Ending cash and marketable securities of \$587 million, free cash flow of \$629 million
- ✓ Deployed \$182 million of capital in our businesses for product and capacity initiatives
- ✓ \$118 million of share repurchases
- ✓ Retired \$155 million of 2023 term loan; reached leverage target of less than 1.5x (1.4x gross basis)
- ✓ Increased dividend by 12.5 percent to \$1.08 per share – 8<sup>th</sup> straight year of increase
- ✓ Maintained investment grade credit rating through COVID-related recession



# Assumptions and Guidance for 2021\*

1

U.S. marine industry retail unit demand up low-to-mid single digit percent from 2020 levels

2

Revenue between \$4.75B and \$5.0B

3

Operating margin growth between 60 and 100 bps, with operating expenses as a percent of sales lower than 2020

4

EPS between \$6.00 - \$6.40

5

FCF in excess of \$300 million

6

Q1 revenue up ~25 percent vs Q1 2020, adjusted operating leverage of high-teens to low-twenties percent

*\*Assuming no major additional pandemic-related business continuity issues; each on an "as adjusted" basis*

# Brunswick Corporation – Earnings Release

## 2021 Outlook – P&L and Cash Flow

2021  
OUTLOOK

### 2021 ESTIMATES

<b>Working capital increase</b>	~\$140 - \$150 million
<b>Depreciation and amortization<sup>1</sup></b>	~\$125 - \$135 million
<b>Acquisition intangible amortization</b>	~\$30 million
<b>Combined equity earnings and other income</b>	Comparable to 2020
<b>Effective book tax rate</b>	Approximately 23 percent
<b>Effective cash tax rate</b>	Mid-teens percent
<b>Average diluted shares outstanding</b>	~78 million

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

# Brunswick Corporation – Earnings Release

## 2021 Outlook – Capital Strategy Assumptions

2021  
OUTLOOK

### 2021 ESTIMATES

<b>Debt retirement</b>	~\$100 million
<b>Capital expenditures</b>	~\$200 - \$220 million
<b>Share repurchases</b>	~\$80 - \$120 million
<b>Quarterly dividends</b>	\$0.27 per share
<b>Net interest expense</b>	~\$60 million

# OUTLOOK

Dave Foulkes – CEO



# Propulsion Segment

Strength in Outboard Engines and Propulsion Control Systems Led by Continued Innovation



## Operating and Strategic Priorities

**1** Expand global share growth, especially in under-represented markets

**2** Execute new product programs

**3** Continue investment in innovation

**4** Efficient production increases

## 2021 Segment Financial Targets

**Net Sales Growth** High-single to low-double digit

**Operating Margin Target** Up 20+ bps

# Parts & Accessories Segment

Strong Advanced Systems Group Growth and Solid Distribution and Aftermarket Engine P&A Sales



## Operating and Strategic Priorities

1 Optimize global operating model and distribution

2 Identify M&A targets to broaden technology and systems portfolio

3 Capitalize on advanced battery and digital systems leadership

4 Grow Systems Integration business

## 2021 Segment Financial Targets

Net Sales Growth    Mid-single digit

Operating Margin Target    Flat to up 20 bps



# Boat Segment

New Product Introductions, Elevated Production, and Margin Improvements Lead to Earnings Growth



## Operating and Strategic Priorities

**1** Focus on operational excellence and margin improvement

**2** Increase production, execute expansion plans

**3** Successfully launch new products across portfolio

**4** Grow Freedom Boat Club and expand geographically

## 2021 Segment Financial Targets

**Net Sales Growth** 30+ percent

**Operating Margin Target** Between 9.0 and 9.5 percent (up 300+ bps)

# Focus on ACES, Digital-First Initiatives and ESG/DEI

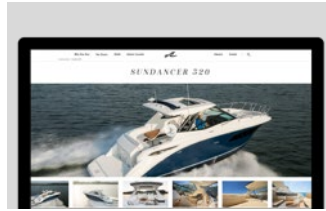
We are Pivoting to Satisfy Tomorrow's Consumer



NEW VALUE PRODUCT  
ENTRY POINTS



NEW MODES OF  
PARTICIPATION



CONTEMPORARY  
DIGITAL ASSETS



DIGITAL ENGAGEMENT  
& TRANSACTIONS



CONNECTED  
PRODUCTS



NEW COMMUNITIES &  
BOATER FORUMS



NEW  
CONSUMER-FOCUSED  
TECHNOLOGY



PERSONALIZED  
OWNERSHIP &  
SERVICE EXPERIENCES



ENHANCED  
ESG & DEI  
STRATEGIES



**BRUNSWICK IS  
AWARD  
WINNING**





new product launches  
**ON THE HORIZON**

COMING SOON

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**GAME CHANGER**

2.11.21



**SUNDANCER 370 OB**

2.18.21

INNOVATION + INSPIRATION  
ON THE WATER



BRUNSWICK

# BRUNSWICK



## Appendix

# Brunswick Corporation – Earnings Release

## GAAP to Non-GAAP Reconciliations

(in millions)	Q4 2020	Q4 2019	FY 2020	FY 2019
Net Sales	1,161.1	917.6	4,347.5	4,108.4
Sport yacht & yachts	—	—	—	0.7
<b>Adjusted net sales</b>	<b>1,161.1</b>	<b>917.6</b>	<b>4,347.5</b>	<b>4,109.1</b>
Operating earnings	136.5	74.5	539.3	471.0
Restructuring, exit and impairment charges	(0.2)	2.8	4.1	18.8
Purchase accounting amortization	7.5	7.5	30.1	29.5
Acquisition and IT related costs	1.8	1.8	5.4	4.8
Sport yacht & yachts	—	4.9	—	7.8
<b>Adjusted operating earnings</b>	<b>145.6</b>	<b>91.5</b>	<b>578.9</b>	<b>531.9</b>
Operating margin percentage	11.8%	8.1%	12.4%	11.5%
<b>Adjusted operating margin percentage</b>	<b>12.5%</b>	<b>10.0%</b>	<b>13.3%</b>	<b>12.9%</b>
Earnings before income taxes	119.1	61.5	472.7	110.7
Restructuring, exit and impairment charges	(0.2)	2.8	4.1	18.8
Purchase accounting amortization	7.5	7.5	30.1	29.5
Acquisition and IT related costs	1.8	1.8	5.4	4.8
Pension settlement (benefit) charge	—	(1.3)	(1.1)	292.8
Sport yacht & yachts	—	4.9	—	7.8
Transaction financing charges	—	—	—	0.8
<b>Adjusted pre-tax earnings</b>	<b>128.2</b>	<b>77.2</b>	<b>511.2</b>	<b>465.2</b>

# Brunswick Corporation – Earnings Release

## GAAP to Non-GAAP Reconciliations

<b>Earnings per Share</b>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>FY 2020</b>	<b>FY 2019</b>
Diluted earnings per share from continuing operations	\$1.22	\$0.92	\$4.70	\$0.36
Restructuring, exit and impairment charges	(0.00)	0.01	0.04	0.21
Purchase accounting amortization	0.07	0.03	0.29	0.22
Acquisition and IT related costs	0.02	0.02	0.05	0.04
Pension settlement (benefit) charge	—	(0.01)	(0.01)	3.62
Sport yacht & yachts	—	0.03	—	0.07
Transaction financing charges	—	—	—	0.01
Special tax items	0.01	(0.18)	0.00	(0.20)
<b>Adjusted diluted earnings per share</b>	<b>\$1.32</b>	<b>\$0.82</b>	<b>\$5.07</b>	<b>\$4.33</b>



# Brunswick Corporation – Earnings Release

Q4 Net Sales increased by \$243.5 million, or 26.5 percent

## NET SALES

(in millions)

Segments	Q4 2020	Q4 2019	% Change
Propulsion	\$507.9	\$382.1	32.9%
Parts & Accessories	360.8	283.5	27.3%
Boat	380.8	317.0	20.1%
Segment Eliminations	(88.4)	(65.0)	
<b>Total</b>	<b>\$1,161.1</b>	<b>\$917.6</b>	<b>26.5%</b>

## Q4 SALES GROWTH

Region	Q4 2020 % of Sales	% Change	Constant Currency % Change
United States	69%	25%	25%
Europe	11%	35%	27%
Canada	6%	20%	19%
Asia-Pacific	9%	30%	24%
Rest-of-World	5%	34%	47%
Total International	31%	30%	27%
<b>Consolidated</b>		<b>27%</b>	<b>26%</b>

# Brunswick Corporation – Earnings Release

FY Net Sales increased by \$239.1 million, or 5.8 percent

## NET SALES

(in millions)

Segments	FY 2020	FY 2019	% Change
Propulsion	\$1,878.4	\$1,692.9	11.0%
Parts & Accessories	1,508.8	1,380.1	9.3%
Boat	1,250.3	1,334.3	-6.3%
Segment Eliminations	(290.0)	(298.9)	
<b>Total</b>	<b>\$4,347.5</b>	<b>\$4,108.4</b>	<b>5.8%</b>

## FY SALES GROWTH

Region	FY 2020 % of Sales	% Change	Constant Currency % Change
United States	69%	4%	4%
Europe	12%	6%	6%
Canada	6%	-12%	-11%
Asia-Pacific	9%	40%	40%
Rest-of-World	4%	2%	12%
Total International	31%	9%	10%
<b>Consolidated</b>		<b>6%</b>	<b>6%</b>

# Brunswick Corporation – Earnings Release

Q4 2020 vs. Q4 2019

## SALES GROWTH DRIVERS

	Propulsion	Parts & Accessories	Boat	Brunswick
Organic	32%	26%	19%	26%
Acquisitions	-	-	-	-
Currency	1%	1%	1%	1%
<b>2020 Net Sales - GAAP</b>	<b>33%</b>	<b>27%</b>	<b>20%</b>	<b>27%</b>

## SALES GROWTH BY REGION

	Propulsion	Parts & Accessories	Boat	Brunswick
<b>US - GAAP</b>	<b>30%</b>	<b>28%</b>	<b>19%</b>	<b>25%</b>
<b>International - GAAP</b>	<b>39%</b>	<b>26%</b>	<b>23%</b>	<b>30%</b>
<b>Constant Currency</b>	<b>32%</b>	<b>26%</b>	<b>19%</b>	<b>26%</b>

# Brunswick Corporation – Earnings Release

FY 2020 vs. FY 2019

## SALES GROWTH DRIVERS

	Propulsion	Parts & Accessories	Boat	Brunswick
Organic	12%	9%	(7%)	6%
Acquisitions	-	-	1%	0%
Currency	(1%)	0%	0%	0%
<b>2020 Net Sales - GAAP</b>	<b>11%</b>	<b>9%</b>	<b>(6%)</b>	<b>6%</b>

## SALES GROWTH BY REGION

	Propulsion	Parts & Accessories	Boat	Brunswick
<b>US - GAAP</b>	<b>5%</b>	<b>11%</b>	<b>(5%)</b>	<b>4%</b>
<b>International - GAAP</b>	<b>24%</b>	<b>4%</b>	<b>(10%)</b>	<b>9%</b>
<b>Constant Currency</b>	<b>12%</b>	<b>9%</b>	<b>(6%)</b>	<b>6%</b>

# Brunswick Corporation – Earnings Release

## Tax Provision

	Q4 2020	Q4 2019
Effective Tax Rate - GAAP	19.4%	(22.0%)
Effective Tax Rate - As Adjusted <sup>1</sup>	19.0%	12.7%

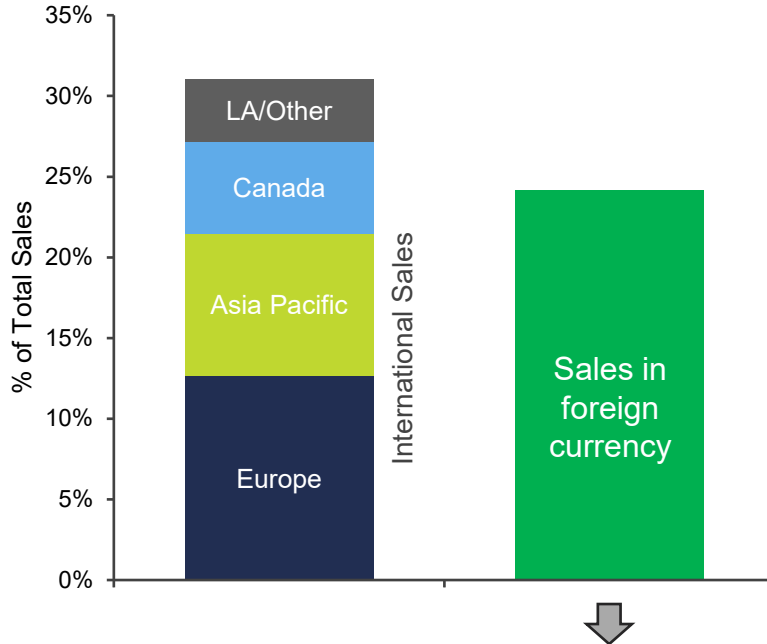
	FY 2020	FY 2019
Effective Tax Rate - GAAP	20.7%	72.5%
Effective Tax Rate - As Adjusted <sup>1</sup>	20.9%	20.3%

<sup>1</sup>Tax provision, as adjusted, excludes \$0.9 million of net charges and \$14.8 million of net benefits for special tax items for Q4 2020 and Q4 2019 periods, respectively, and excludes \$0.3 million of net charges and \$17.2 million of net benefits for special tax items for 2020 and 2019, respectively.

- ✓ **Estimated 2021 effective book tax rate, as adjusted, is expected to be approximately 23 percent based on tax guidance issued to date**
- ✓ **Cash tax rate expected to be mid-teens percent**

# Brunswick Corporation – Earnings Release

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



Net exposure is about 10 percent of sales

<sup>1</sup>Includes impact of hedging activity, with full-year estimates assuming rates remain consistent with current rates.

### Q4 2020:

✓ Minimal impact on sales and earnings

### Outlook for Full-Year 2021:

✓ Favorable impact on consolidated sales of less than 2 percent

✓ Favorable impact on operating earnings of approximately \$15 million

# Brunswick Corporation – Earnings Release

## Tariff Update

		Change from Q3 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

- ✓ **Net impact to 2020 pre-tax earnings of \$31 million vs. \$19 million in 2019 related to tariffs**
- ✓ **We anticipate a net increase in 2021 tariffs of approximately \$15 million due to increased volumes**

# Brunswick Corporation – Earnings Release

## Other Factors Affecting GAAP Operating Earnings

(in millions)	Q4 2020	Q4 2019
Restructuring, exit and impairment	(\$0.2)	\$2.8
Purchase accounting amortization	7.5	7.5
Acquisition and IT related costs	1.8	1.8
Sport yacht & yachts	—	4.9
<b>Total Operating Earnings adjustment</b>	<b>\$9.1</b>	<b>\$17.0</b>



# Brunswick Corporation – Earnings Release

## Free Cash Flow – Full Year

(in millions)	FY 2020	FY 2019
<b>Net cash provided by operating activities from continuing operations</b>	<b>\$800.0</b>	<b>\$475.3</b>
<b>Net cash provided by (used for):</b>		
Capital expenditures	(182.4)	(232.6)
Proceeds from sale of property, plant, equipment	2.9	7.3
Effect of exchange rate changes	8.8	0.4
<b>Free Cash Flow</b>	<b>\$629.3</b>	<b>\$250.4</b>

