



Q3 2023 Earnings

Conference Call

OCTOBER 26, 2023

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 rising interest rates, and the amount of disposable income consumers have available for discretionary spending; changes in currency exchange rates; fiscal and monetary policy changes; higher energy and fuel costs; competitive pricing pressures; adverse capital market conditions; actual or anticipated increases in costs, disruptions of supply, or defects in raw materials, parts, or components we purchase from third parties; supplier manufacturing constraints, increased demand for shipping carriers, and transportation disruptions; managing our manufacturing footprint; international business risks, geopolitical tensions or conflicts, sanctions, embargoes, or other regulations; public health emergencies or pandemics, such as the coronavirus (COVID-19) pandemic; adverse weather conditions, climate change events and other catastrophic event risks; our ability to develop new and innovative products and services at a competitive price; loss of key customers; our ability to meet demand in a rapidly changing environment; 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; 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 restructuring or strategic divestitures will not provide business benefits; maintaining effective distribution; 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 have affected and could further 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 2022 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 filed with the Securities and Exchange Commission on October 26, 2023, 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, 2023 net sales growth is also shown using 2022 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.

01

Business Overview – Dave Foulkes, CEO



Brunswick Delivers Solid Q3 2023



\$1.6B

Net Sales
(-6.2% vs Q3'22)



\$2.42

Adjusted¹ EPS
(-9.4% vs. Q3'22)



+90bps

U.S. YTD Mercury
Market Share vs. 2022



\$220M

YTD Share Repurchases



32.8

Q3 Global Weeks
on Hand



\$143M

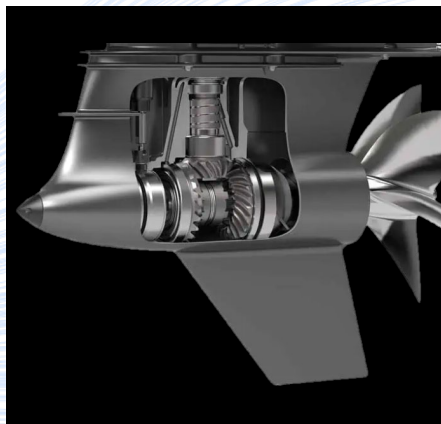
Q3 Free Cash Flow¹
(+163% vs. Q3'22)

Q3 2023 Segment Performance



Propulsion

- 150hp+ outboard retail market share gain of +130 bps Q3'23 vs. Q3'22
- Successful ratification of Mercury Marine, Fond du Lac labor agreement
- 4,000 Avators produced since launch
- Off-season ordering slowing as some OEMs scale back production levels



Engine Parts & Accessories

- Products sales up 4% in the quarter vs. prior year
- Distribution sales declines moderating
- Segment sales up 24% vs. 2019



Navico Group

- Strong performance of higher margin new products
- Aftermarket/retailer stocking trends improving
- Tight operating expense control continuing to show benefit
- Operating margin above prior year



Boat¹

- Q3 U.S. SSI main powerboat retail flat vs. prior year, Brunswick outperforming
- Successful launch of Navan premium adventure brand and first products, and major refresh of Bayliner brand
- Freedom Boat Club closing in on 60k memberships

External, Customer, and Consumer Conditions and Sentiment



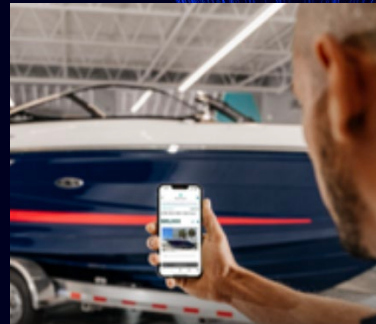
Macro Backdrop

- Inflation moderating and employment stable
- Interest rate actions top of mind
- Geo-political environment adding to uncertainty



Consumer Health

- Consumers hesitant based on prices and interest rates but conditions somewhat stabilizing
- Boat participation stable in Q3'23 and remaining above prior year levels
- Boat purchase consideration also remains stable¹



Dealer Sentiment

- Dealers remain anxious to avoid holding excessive inventory in the off-season
- Higher interest rates coupled with higher pricing are primary concerns
- Increased promotional activities proving effective

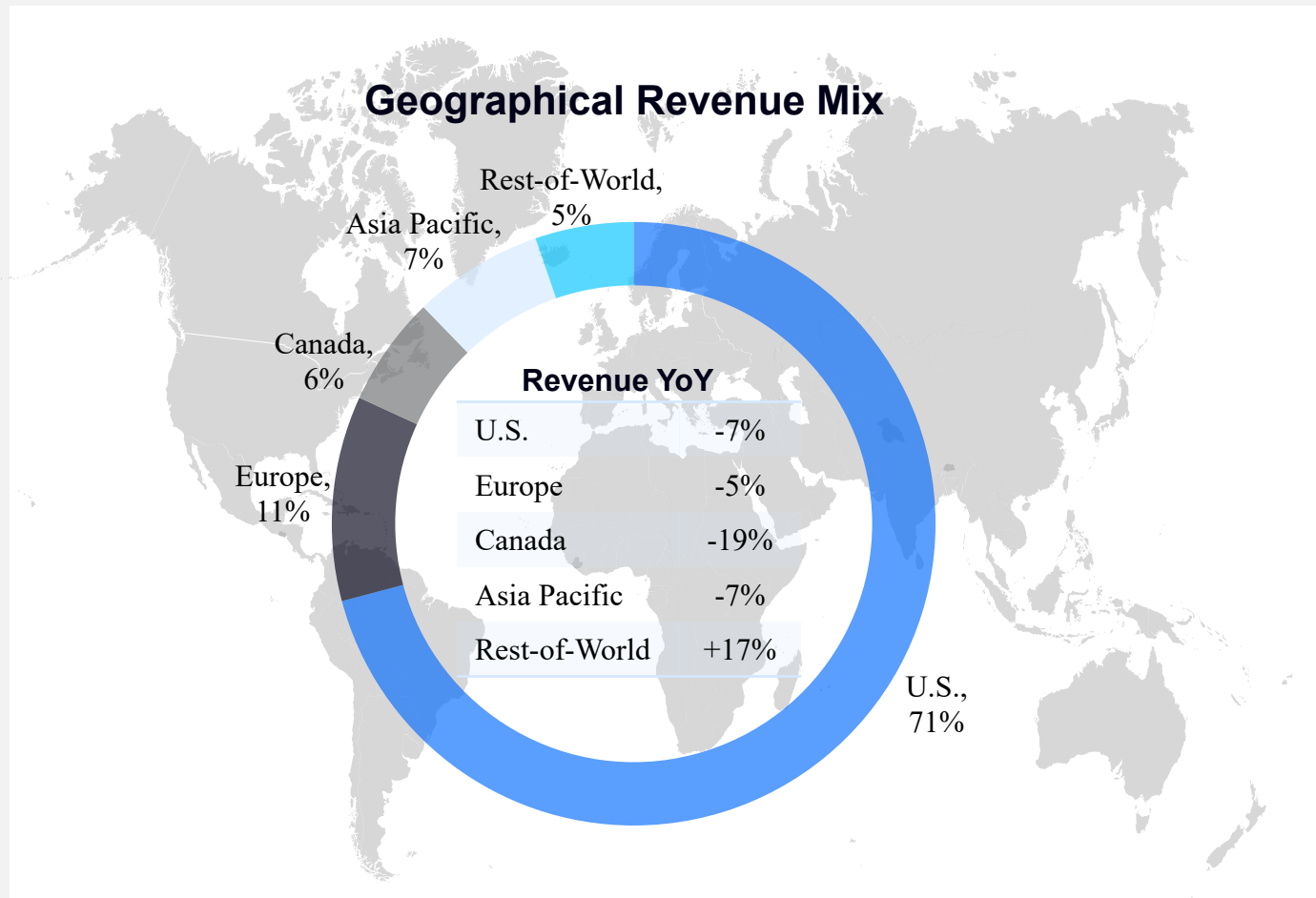


OEM Environment

- RV orders remain soft although anticipate some Q4 improvement
- Marine OEMs reducing Q4 production weeks and shifts to align with demand levels
- Anticipate slower OEM orders into early 2024 retail season but premium products continuing to display relatively greater resilience

Q3 2023 Revenue Mix¹ & Growth Rates

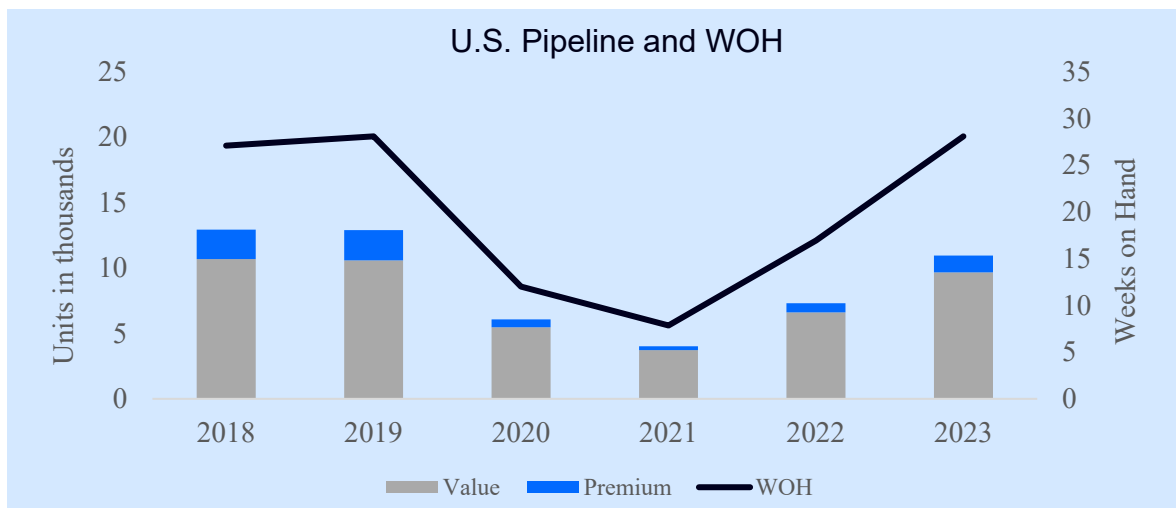
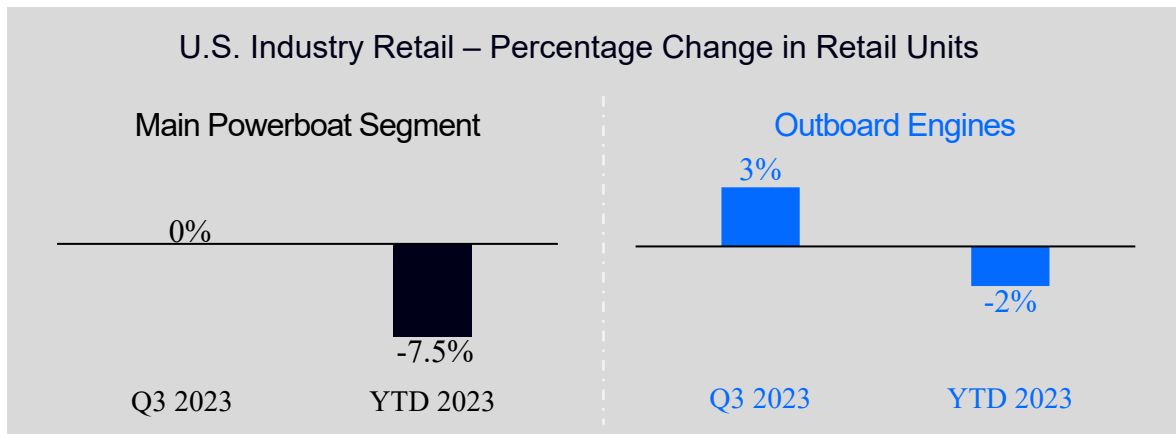
Q3'23 sales fell 7 percent on a constant currency basis



U.S. Industry Retail and Pipeline Trends

Ending Q3 2023

- Brunswick retail sales outperforming industry
- Anticipate U.S. pipeline to end the year at ~36 weeks on hand and ~14k units (vs. 35 weeks and 16k units in 2019)
- Expect U.S. premium fiberglass pipeline to end the year at ~22 weeks on hand and under 2k units



Enhancing and Expanding Our Industry-Leading Offerings

BRUNSWICK™

NEXT NEVER RESTS™



FLite

Acquisition



NAUTIQUE

by quicksilver

Brand Launch



BRUNSWICK™

FINANCE

Brunswick Integrated
Retail Finance Offering
Announced



FREEDOM BOAT CLUB®

Australia Expansion -
7th Location

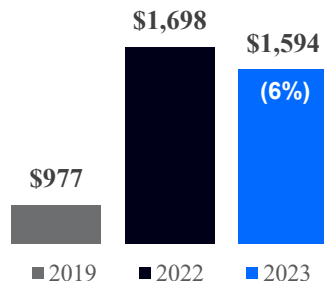
02

Financial Overview – Ryan Gwillim, CFO

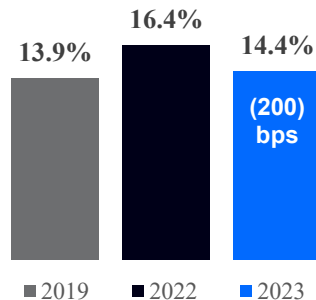


Overview of Third Quarter 2023 Adjusted Results

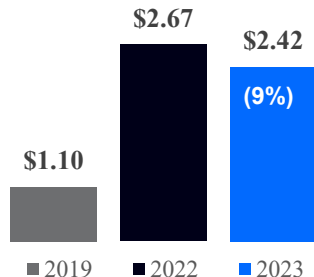
Net Sales (\$M)



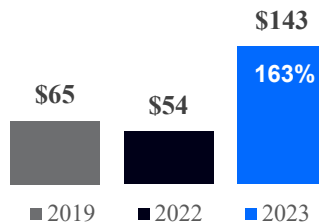
Operating Margin¹ %



Diluted EPS¹



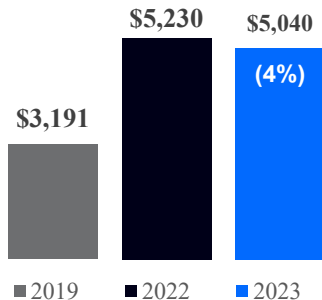
Free Cash Flow¹ (\$M)



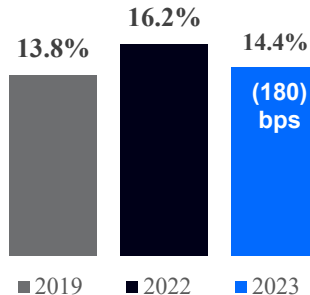
- As expected, Q3 sales and EPS results below prior year as market conditions soften
- Robust free cash flow generation
- Performance above 2019 across all metrics

Overview of YTD 2023 Adjusted Results

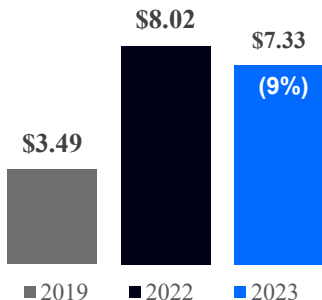
Net Sales (\$M)



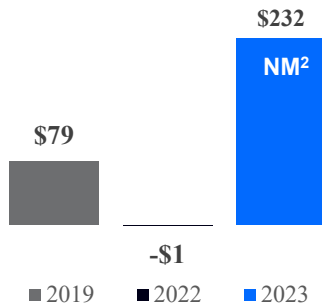
Operating Margin¹ %



Diluted EPS¹



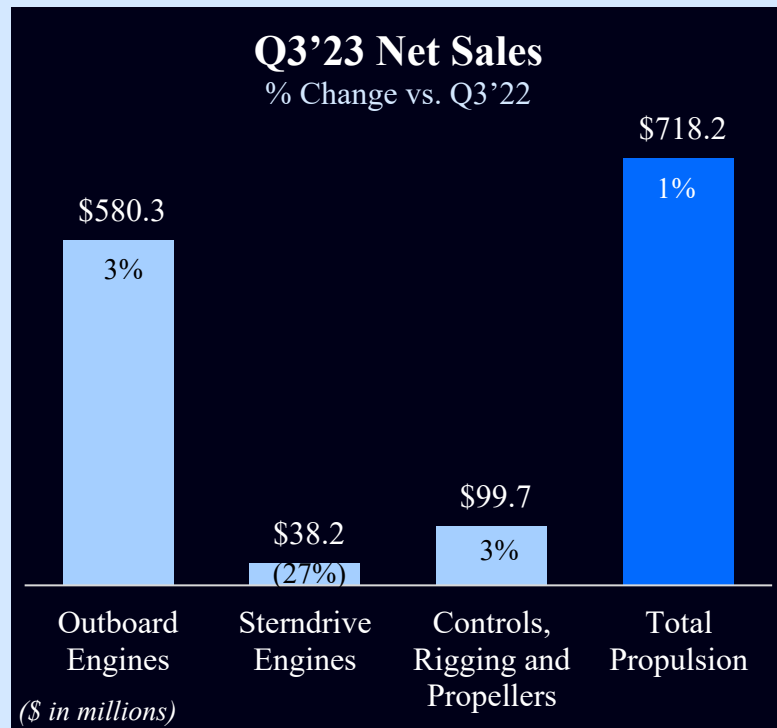
Free Cash Flow¹ (\$M)



- Resilient YTD performance despite uncertain macro-economic conditions
- Strong free cash flow performance reflects focus on driving cash in challenging market

Propulsion Segment – Q3'23 Performance¹

Continued market share gains, with sales increases in outboard engines and controls, rigging, and props



Adjusted Operating Margin of

18.5%

Down 150 bps vs. Q3'22

(GAAP Operating Margin of 18.0%
down 200 bps vs. Q3'22)

Adjusted Operating Earnings of

\$132.7M

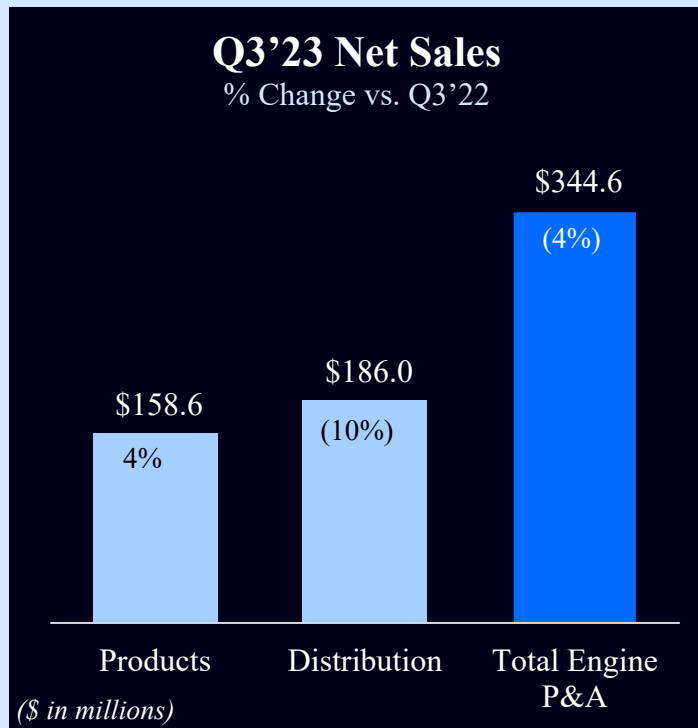
Down 7% vs. Q3'22

(GAAP Operating Earnings of \$129.2M
down 10% vs. Q3'22)

¹SEE THE APPENDIX TO THIS PRESENTATION AND TODAY'S FORM 8-K FOR RECONCILIATIONS TO GAAP FIGURES.

Engine P&A Segment – Q3'23 Performance¹

Solid performance in Products offset by moderating headwinds in third-party Distribution



Adjusted Operating Margin of

22.6%

Down 210 bps vs. Q3'22

(GAAP Operating Margin of 21.8%
down 290 bps vs. Q3 '22)

Adjusted Operating Earnings of

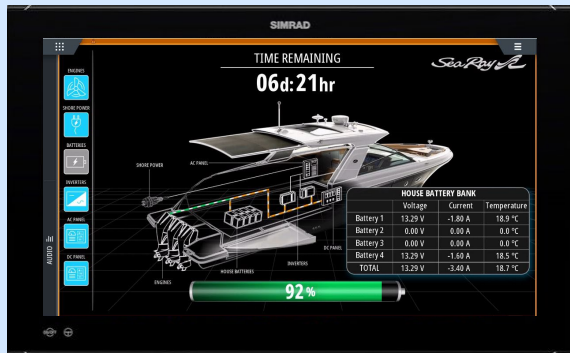
\$77.9M

Down 12% vs. Q3'22

(GAAP Operating Earnings of \$75.0M
down 16% vs. Q3 '22)

Navico Group Segment – Q3'23 Performance¹

Steady aftermarket performance offset softer marine and RV OEM orders to drive margin and earnings growth



Q3'23 Navico Group Net Sales

\$213.4M

Down 9% vs. Q3'22

Adjusted Operating Margin of

9.4%

Up 110 bps vs. Q3'22

*(GAAP Operating Margin of 1.3%
up 210 bps vs. Q3'22)*

Adjusted Operating Earnings of

\$20.1M

Up 3% vs. Q3'22

*(GAAP Operating Earnings of \$2.7M
up NM² vs. Q3'22)*

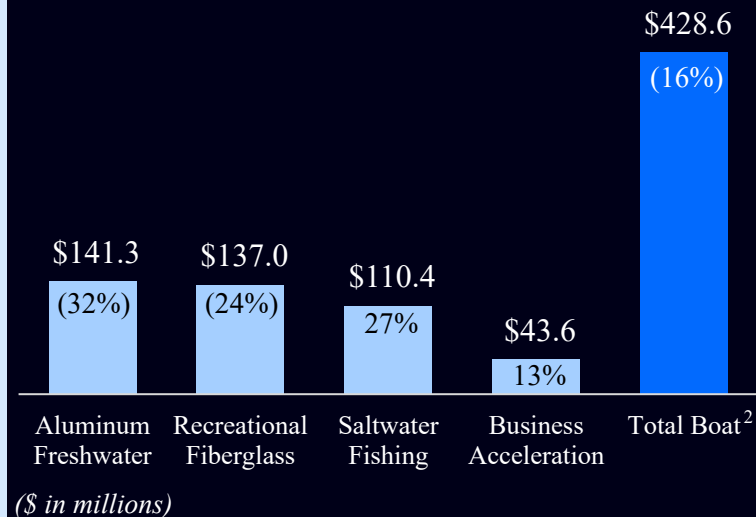
Boat Segment – Q3'23 Performance¹

Resilient performance despite planned volume reductions



Q3'23 Net Sales

% Change vs. Q3'22



Adjusted Operating Margin of

6.3%

Down 390 bps vs. Q3'22

(GAAP Operating Margin of 4.7%
down 500 bps vs. Q3'22)

Adjusted Operating Earnings of

\$27.2M

Down 48% vs. Q3'22

(GAAP Operating Earnings of \$20.3M
down 59% vs. Q3'22)

¹SEE THE APPENDIX TO THIS PRESENTATION AND TODAY'S FORM 8-K FOR RECONCILIATIONS TO GAAP FIGURES.

²TOTAL BOAT NET SALES INCLUDES \$3.7M OF BOAT ELIMINATIONS

Updated 2023 Full Year Guidance¹

Revenue

**\$6.45B to
\$6.5B**

Previously \$6.7 to \$6.8B

Operating Margin

~14.0%

Previously ~14.5%

Operating Expenses as % of Sales

Up Slightly

Previously Flat to Up Slightly

EPS

~\$9.00

Previously ~\$9.50

Free Cash Flow

\$375M+

No Change

Quarter 4 Revenue

Down HSD%

Quarter 4 EPS

~\$1.65

Updated 2023 Outlook – Other Assumptions

Share Repurchases

\$275M+

Previously \$250M+

Average Diluted Shares Outstanding

~70.25M

Previously ~70.5

Foreign Currency Earnings Headwind

~\$35M

Previously ~\$30M

Quarterly Dividends

**\$0.40 Per
Share**

No Change

03

Wrap-Up Dave Foulkes, CEO



Exceptional Recognition

- On track for another record number of awards for people, business, culture and products in 2023
- 4th consecutive year on Forbes World's Best Employers list





Thank You + Q&A

Appendix

Updated 2023 Full Year Outlook Segment Guide¹



Propulsion



Engine P&A



Navico Group



Boat

Net Sales
Growth

Flat to

Up Slightly

Previously Up Mid Single
Digit Percent

Down

High Single
Digit Percent

Previously Down Mid Single
Digit Percent

Down

Double
Digit Percent

Previously Down Mid
Single Digit Percent

Down

Mid Single
Digit Percent

No Change

Operating
Margin
Target

Flat

No Change

~18.5%

Previously ~19.5%

Low

Double Digits

Previously ~12%

~9%

No change

Updated 2023 Outlook – P&L and Cash Flow Assumptions

Working Capital Usage

~\$100M

No Change

Depreciation & Amortization¹

~\$200M

No Change

Effective Book Tax Rate- As Adjusted²

~22%

Previously ~23%

Acquisition Amortization

~\$55M

No Change

¹EXCLUDES PURCHASE ACCOUNTING AMORTIZATION FROM ACQUISITIONS
²TAX PROVISION, AS ADJUSTED FOR SPECIAL TAX ITEMS

Updated 2023 Outlook – Capital Strategy and Other Assumptions

Capital Expenditures

~\$325M

Previously ~\$350M

Net Interest Expense

~\$100M

No Change

Debt Retirement

~\$80M

No Change

Combined Equity Earnings and Other Income¹

Slightly Higher
vs 2022

No Change

Net Sales – Q3 2023

Net Sales decreased by \$104.6 million, or 6 percent

NET SALES (in millions)

Segments	Q3 2023	Q3 2022	% Change
Propulsion	\$718.2	\$714.4	1%
Engine Parts & Accessories	344.6	360.3	(4%)
Navico Group	213.4	234.8	(9%)
Boat	428.6	510.7	(16%)
Segment Eliminations	(111.2)	(122.0)	
Total	\$1,593.6	\$1,698.2	(6%)

SALES BY REGION

Region	Q3 2023 % of Sales	% Change	Constant Currency % Change
United States	71%	(7%)	(7%)
Europe	12%	1%	(5%)
Asia-Pacific	6%	(10%)	(7%)
Canada	6%	(20%)	(19%)
Rest-of-World	5%	20%	17%
Total International	29%	(4%)	(6%)
Consolidated		(6%)	(7%)

Net Sales – YTD 2023

Net Sales decreased by \$190.0 million, or 4 percent

NET SALES (in millions)

Segments	FY 2023	FY 2022	% Change
Propulsion	\$2,173.1	\$2,154.5	1%
Engine Parts & Accessories	962.1	1,070.1	(10%)
Navico Group	718.5	832.5	(14%)
Boat	1,564.6	1,571.9	(1%)
Segment Eliminations	(378.8)	(399.5)	
Total	\$5,039.5	\$5,229.5	(4%)

SALES BY REGION

Region	YTD 2023 % of Sales	% Change	Constant Currency % Change
United States	70%	(2%)	(2%)
Europe	13%	(6%)	(6%)
Asia-Pacific	6%	(12%)	(8%)
Canada	6%	(13%)	(10%)
Rest-of-World	5%	10%	9%
Total International	30%	(7%)	(6%)
Consolidated		(4%)	(3%)

GAAP to Non-GAAP Reconciliations – Q3 2023

(in millions, except per share data)	Operating Earnings			Diluted Earnings per Share		
	Q3 2023	Q3 2022	Q3 2019	Q3 2023	Q3 2022	Q3 2019
GAAP	\$196.1	\$237.7	\$119.7	\$1.63	\$2.26	(\$2.74)
Restructuring, exit and impairment charges	16.3	24.6	7.4	0.18	0.24	0.14
Purchase accounting amortization	14.1	14.4	7.5	0.17	0.15	0.05
IT security incident costs	2.1	—	—	0.03	—	—
Acquisition, integration and IT-related costs	1.5	2.1	1.2	0.02	0.02	0.01
TN-BC Holdings LLC joint venture impairment	—	—	—	0.22	—	—
Pension settlement charge	—	—	—	—	—	3.66
Transaction financing charges	—	—	—	—	—	0.01
Special tax items	—	—	—	0.17	—	(0.03)
As Adjusted	\$230.1	\$278.8	\$135.8	\$2.42	\$2.67	\$1.10
GAAP operating margin	12.3%	14.0%	12.3%			
Adjusted operating margin	14.4%	16.4%	13.9%			

GAAP to Non-GAAP Reconciliations – YTD 2023

(in millions, except per share data)	Operating Earnings			Diluted Earnings per Share		
	YTD 2023	YTD 2022	YTD 2019	YTD 2023	YTD 2022	YTD 2019
GAAP	\$626.6	\$756.2	\$396.5	\$5.10	\$7.12	(\$0.52)
Restructuring, exit and impairment charges	39.7	24.6	16.0	0.44	0.25	0.19
Purchase accounting amortization	42.4	51.5	22.0	0.48	0.51	0.18
IT security incident costs	10.2	—	—	0.11	—	—
Acquisition, integration and IT-related costs	8.5	14.2	3.0	0.09	0.14	0.03
TN-BC Holdings LLC joint venture impairment	—	—	—	0.21	—	—
Pension settlement charge	—	—	—	—	—	3.60
Sport Yacht & Yachts	—	—	2.9	—	—	0.03
Transaction financing charges	—	—	—	—	—	0.01
Special tax items	—	—	—	0.90	—	(0.03)
As Adjusted	\$727.4	\$846.5	\$440.4	\$7.33	\$8.02	\$3.49
GAAP operating margin	12.4%	14.5%	12.4%			
Adjusted operating margin	14.4%	16.2%	13.8%			

Net Sales Growth Drivers

**Q3 2023
VS. Q3
2022**

	% Change - GAAP	Currency Impact	Acquisitions Impact
Propulsion	1%	1%	-
Engine Parts & Accessories	(4%)	-	-
Navico Group	(9%)	1%	-
Boat	(16%)	-	-
Brunswick	(6%)	1%	-

**YTD 2023
VS. YTD
2022**

	% Change - GAAP	Currency Impact	Acquisitions Impact
Propulsion	1%	-	-
Engine Parts & Accessories	(10%)	(1%)	-
Navico Group	(14%)	-	-
Boat	(1%)	-	1%
Brunswick	(4%)	-	-

Tax Rate

Q3 2023 Effective Tax Rate at ~21%

Quarter 3

	Q3 2023	Q3 2022
Effective Tax Rate - GAAP	28.9%	21.7%
Effective Tax Rate - As Adjusted ¹	20.6%	22.2%

Year to Date

	YTD 2023	YTD 2022
Effective Tax Rate - GAAP ²	33.4%	21.6%
Effective Tax Rate - As Adjusted ¹	21.6%	21.9%

¹ TAX PROVISION, AS ADJUSTED, EXCLUDES \$11.8 MILLION OF NET PROVISIONS FOR SPECIAL TAX ITEMS FOR Q3 2023 AND \$63.5 MILLION AND \$(0.3) MILLION OF NET PROVISIONS (BENEFITS) FOR SPECIAL TAX ITEMS FOR YTD 2023 AND YTD 2022 PERIODS, RESPECTIVELY.

² THE INCREASE IN THE EFFECTIVE TAX RATE FOR Q3 2023 AND YTD 2023 COMPARED TO THE PRIOR YEAR IS DUE TO THE DISCRETE INCOME TAX EXPENSE RECORDED IN CONNECTION WITH THE INTERCOMPANY SALES OF INTELLECTUAL PROPERTY RIGHTS DURING THE YEAR.

Free Cash Flow

(in millions)	Q3 2023	Q3 2022	Q3 2019
Net cash provided by operating activities from continuing operations	\$203.7	\$164.4	\$106.8
Net cash (used for) provided by:			
Capital expenditures	(59.7)	(102.8)	(43.2)
Proceeds from sale of property, plant, equipment	4.3	2.7	6.4
Effect of exchange rate changes	(5.6)	(10.0)	(4.6)
Free Cash Flow	\$142.7	\$54.3	\$65.4

(in millions)	YTD 2023	YTD 2022	YTD 2019
Net cash provided by operating activities from continuing operations	\$458.1	\$313.8	\$254.2
Net cash (used for) provided by:			
Capital expenditures	(233.1)	(299.3)	(178.4)
Proceeds from sale of property, plant, equipment	10.6	5.7	6.4
Effect of exchange rate changes	(4.0)	(21.2)	(3.2)
Free Cash Flow	\$231.6	(\$1.0)	\$79.0