

# BRUNSWICK

## INVESTOR DAY 2022

BRUNSWICK

DAVE FOULKES – CEO

Hi everyone, I'm Dave Foulkes, Brunswick's Chief Executive Officer and I'd like to welcome you to our 2022 Investor Day Event. Once again, we are using a virtual format to present this update on our rapid progress with the exciting Next Wave strategy we shared in May 2021.

As you will see, we have made tremendous strides advancing every aspect of the Next Wave strategy that builds on our foundation as the largest and most innovative company in the marine industry. Just a few weeks ago we released our 2021 full year financial results, demonstrating almost 35% year-over-year growth on the top line and more than 60% earnings per share growth. And we also guided to continued strong growth in 2022 and shared our target of achieving revenues of \$10 billion by 2025.

This presentation will review the progress we made powering-up our Next Wave strategy in 2021 and describe the multiple paths for sustained, future growth that, despite the disruption we are all experiencing, allows us to confidently project our 2025 goals.

You know that we have a new and very dynamic leadership team, and you will see and hear from some of the key members today, including our division presidents: Chris Drees, Brenna Preisser, Brett Dibkey and Aine Denari, our Chief Financial Officer, Ryan Gwillim, and our Chief Marketing Officer, Lauren Beckstedt.

## 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; 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. 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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Before we begin the presentation, I would like to remind everyone that our comments will include certain forward-looking statements about future results. Please keep in mind that our actual results could differ materially from these expectations.

For details on the factors to consider, please refer to our recent SEC filings. All these documents are available on our website at [Brunswick.com](http://Brunswick.com).

## USE OF NON-GAAP FINANCIAL INFORMATION

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.

Slides include non-GAAP measures, including the presentation of operating earnings and earnings per share on an As Adjusted basis, with the exclusions or adjustments, along with reconciliations to GAAP measures, described in Brunswick's Current Report on Form 8-K issued on January 27, 2022 (for 2021 and 2020 information), or in Current Reports on 8-K dated January 30, 2020 (for information from 2019), all of which are available at [www.brunswick.com](http://www.brunswick.com).

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.

During our presentation, we will be referring to certain non-GAAP financial information. Reconciliations of GAAP to non-GAAP financial measures are provided in previously issued Current Reports on 8-K, all of which are available at Brunswick.com



SMART PRODUCTS  
INSIDE SMART EXPERIENCES

## BRUNSWICK'S PATH TO **\$10B ANNUAL REVENUE** IN 2025

Next Wave is about combining our foundational strengths of scale and capability with investments in our core business, our ACES strategy, and our advancing digital capabilities to create not only the smartest products in the industry but also the smartest, most desirable and engaging experiences, delivered, for example through Freedom Boat Club. And, we believe we are the only company in the marine industry with the scope and scale to deliver such a transformational vision.

When we introduced the Next Wave strategy in 2021, we articulated the vision and some of the early Key Performance Indicators that would measure our progress, but we were not yet ready to connect it directly to longer-term financial projections. As you will see, all our earlier KPIs are on track or ahead of plan. And, in this update, we will more directly connect the components of Next Wave to our target of delivering revenues of \$10B in 2025.

The slide features a dark, atmospheric background. On the right side, there is a detailed, semi-transparent wireframe illustration of a modern motor yacht, showing its deck, cabin, and various equipment. A bright blue, ethereal wave or energy field flows from the left towards the boat. The text 'BRUNSWICK' is written in a clean, white, sans-serif font. Below it, 'NEXT WAVE' is displayed in a larger, stylized font where the letters are outlined in a vibrant blue light, giving them a three-dimensional, glowing appearance. A thin white horizontal line is positioned directly beneath the 'NEXT WAVE' text.

# BRUNSWICK NEXT WAVE

In the first part of the presentation, I'll recap some key components of Next Wave.



A graphic with a dark background. On the left, the text 'BRUNSWICK' is in white, 'NEXT WAVE' is in glowing blue outline letters, and 'POWERED UP' is in glowing blue outline letters below a thin white line. On the right, there is a glowing blue wireframe image of a boat's interior and exterior components, including a motor and a cabin structure.


# BRUNSWICK NEXT WAVE POWERED UP

Then we'll review what we have done, particularly in the time since our May 2021 investor meeting, to power-up the Next Wave strategy and set our course for 2025 and beyond.

NEXT WAVE IMPERATIVES:  
SMART PRODUCTS INSIDE SMART EXPERIENCES



ENHANCE EXISTING  
LEADERSHIP  
POSITION



INVEST TO WIN IN A  
CHANGING WORLD



ACCELERATE  
CONTRIBUTION OF  
EMERGING VALUE  
DRIVERS

There are three main themes in Next Wave.

- The first involves actions we are taking to further enhance our extraordinary position of industry leadership.
- The second concerns investments we are making to ensure we continue to win in a rapidly changing world.
- And the third is about accelerating full commercialization and financial contributions from our rapidly growing, emerging value drivers.

NEXT WAVE IMPERATIVES:  
SMART PRODUCTS INSIDE SMART EXPERIENCES

Global Product Leadership  
Elevated Annuity Earnings



ENHANCE EXISTING  
LEADERSHIP  
POSITION

Smart Capacity Expansion  
Increased Business Resiliency

I'll go deeper into these individual components later in the presentation, and the division presidents will explain how the priorities of their respective divisions align with delivering these components. Let's start with the theme of enhancing our existing position of leadership.

The key components of this theme are:

- Advancing our current position of global product leadership;
- Expanding capacity across our businesses to take advantage of elevated demand and market share gain, but in a smart way that focuses on strong Return on Investment and minimizes downside exposure;
- Continuing to grow sources of annuity earnings across the enterprise, both in absolute terms and as a percentage of revenue and earnings;
- And increasing the resiliency of our business with a particular focus on vertical integration and supply-chain robustness.



NEXT WAVE IMPERATIVES:

## SMART PRODUCTS INSIDE SMART EXPERIENCES

Deep Insights Driving  
Boater Attraction/Retention

Leading-edge, Integrated  
Technical Solutions

Marine Industry Leadership in  
Sustainability



Consumer-centric Innovation  
Creating Distinctive Products  
and Experiences

Most Engaging Digital  
Experiences

Employer of Choice

As you will have seen, we are making many investments to ensure we win in a rapidly changing world with evolving consumer, societal and other stakeholder expectations.

These investments are already yielding tremendous benefits:

- Our investments in deeper boater insight, for example via our RIPL online community, are providing rich, real-time insights.
- These insights fuel consumer-centric innovation and our ability to create distinctive new products and experiences.
- And we have all the tools to bring to life these distinctive new products and experiences in an accessible, intuitive way through our ability to deliver fully integrated, compatible and holistic technical solutions to customers and end consumers.
- These new products and experiences are being shared with potential consumers via our rapidly advancing suite of digital assets, from websites to apps, that allow customization and engage consumers further into the purchase funnel.
- We recognize the impact of our business and our products on the environment and have taken multiple actions to mitigate this impact through a coordinated sustainability strategy that is continuing to take major steps forward with meaningful, concrete actions.
- And our ability to attract and retain the best talent is benefitting from tremendous levels of investment in the richness and diversity of our culture, in addition to our comprehensive suite of employee benefits and programs.

NEXT WAVE IMPERATIVES:  
SMART PRODUCTS INSIDE SMART EXPERIENCES

Rapidly Scale Freedom  
Eco-system

Strategic M&A, Focused on  
Integrated Solutions and  
Annuity Earnings

**ACCELERATE  
CONTRIBUTION OF  
EMERGING VALUE  
DRIVERS**

Transition ACES to Full  
Commercialization

Fully Monetize Deep  
Enterprise Synergies

And the final Next Wave theme or imperative is to accelerate the financial contribution of the emerging value drivers we've been very deliberately cultivating over the past three years.

This includes:

- Rapidly scaling the Freedom Boat Club eco-system, including our Boateka pre-owned boat online sales platform, and Brenna Preisser will discuss that in more detail later.
- Transitioning our ACES strategy development initiatives to full commercialization – you have already begun to see that with our new connected solutions and generator replacements, but the full transition will unfold over the next year.
- Then, we'll continue to build out our portfolio of high-tech systems through strategic M&A and subsequent integration.
- And finally, we'll fully monetize the deep commercial, technical, operational and business-model synergies that we anticipated as we designed our go-forward operating model.

I'm going to spend a little time now unpacking those themes one more layer, starting with global product leadership.



As we deliver an expanded scope of services and experiences, we also know that there is no substitute for having the best designed, most advanced products, embodying the most leading-edge technology. And, as you will see in the division presentations, we are fully committed to the investments that will maintain our businesses in that position of global product leadership, and we have a packed funnel of new products that are bringing to life the technological synergies across our enterprise, including from our new acquisitions.

NEXT WAVE: ENHANCE EXISTING LEADERSHIP POSITION  
SMART CAPACITY EXPANSION



BRUNSWICK | BOAT GROUP

FLAGLER PLANT  
REOPENING



BRUNSWICK | BOAT GROUP

REYNOSA PLANT  
EXPANSION



MERCURY

FOND DU LAC  
EXPANSION



MERCURY

DISTRIBUTION  
CENTER  
OPENING

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As you also know, the appeal of these industry-leading products is rapidly gaining us new OEM customers and end consumers, and we are working to capitalize on the potential for additional share gains, in addition to addressing backlogs and refilling the very depleted field pipelines, by making some smart investments in additional production capacity across our businesses.

We have focused our plant expansions and green-field developments in areas with good existing labor availability or which allow us to tap new labor pools.

In addition, the expansions have a good cost base and are generally able to leverage existing plant infrastructure.



NEXT WAVE: ENHANCE EXISTING LEADERSHIP POSITION  
SMART CAPACITY EXPANSION



**>1 MILLION SQUARE FEET**

Of Additional Production and Distribution Capacity to be Added  
Across the Enterprise By 2023

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When fully completed in 2023, these expansions will add more than a million square feet of production footprint.



NEXT WAVE: ENHANCE EXISTING LEADERSHIP POSITION  
**BUSINESS & SUPPLY-CHAIN RESILIENCE**

**INCREASING SUPPLY-CHAIN RESILIENCE**

**VERTICAL  
INTEGRATION**



**BEST-IN-CLASS  
PARTNERS**

Continue to  
**INVEST**

behind Mercury's deep  
end-to-end integration

Leverage our  
**SCALE**

and global reach to secure  
long-term agreements with  
best-in-class supply-chain  
partners

Selectively  
**IN-SOURCE**

through investment and  
acquisition, where our scale  
makes sense

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THE topic of 2021 was, of course, supply-chain issues and we enter 2022 with continuing supply-chain tightness and inflation. It's been noted though that Brunswick has been amongst the better performers in navigating this disruptive environment. We are not at all complacent about this situation, however, and will continue to execute our strategy of pursuing a combination of vertical integration and reinforcing our relationships with our best-in-class, global supply chain partners. We will continue to invest behind Mercury's already deep end-to-end integration, as well as leverage our scale and global reach to generate supply-chain security and optionality. And we will selectively in-source into our existing facilities and via acquisitions, where our scale enables this to make sense.

You will hear examples of these actions from our division presidents.



NEXT WAVE:  
INVEST TO WIN IN A  
CHANGING WORLD



I'd like to move on now to talk about some of the unique capabilities we have developed to win in a rapidly changing environment.

NEXT WAVE: INVEST TO WIN IN A CHANGING WORLD  
UNIQUE INSIGHTS ATTRACTING AND RETAINING CONSUMERS



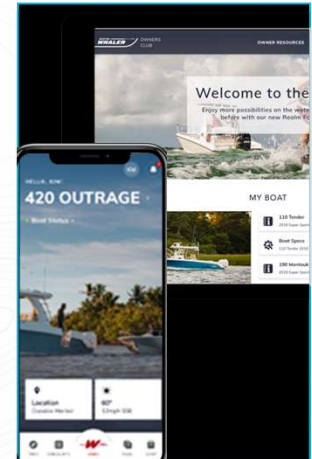
**BROADEST**  
CONSUMER REACH  
THROUGH WIDEST  
PORTFOLIO OF  
BRANDS



**NEW**  
PARTICIPATION  
REACH



**CONNECTED**  
ON & OFF  
VESSEL  
TECHNOLOGY



**ACCELERATING**  
INVESTMENTS IN  
DIGITAL  
PROPERTIES

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The scale of our business and the investments we have made in digital assets and new technology furnish us with the opportunity for unparalleled engagement with the evolving boating community, allowing us to be more effective at attracting and retaining boaters.

In particular, our broad portfolio of go-to-market brands, Freedom Boat Club and our investments in connectivity and advanced digital assets, provide a competitive advantage in allowing us to gain deep insight into the attitudes and behaviors of the evolving boating community.

Maintaining a real-time connection to our consumers has helped Brunswick lead the industry through this very dynamic environment.

To share more about what we're seeing with the next generation consumer, I want to introduce Lauren Beckstedt, Brunswick Chief Marketing Officer.



[Update from Lauren Beckstedt, Brunswick Chief Marketing Officer]



NEXT WAVE: INVEST TO WIN IN A CHANGING WORLD  
CONSUMER-CENTRIC INNOVATION



Thank you, Lauren. Brunswick's real-time access to a broad set of marine and recreation enthusiasts breathes life into our innovation strategy, informing our designs, our technology advancements, and our new business models in a way that would be very difficult for others to replicate.

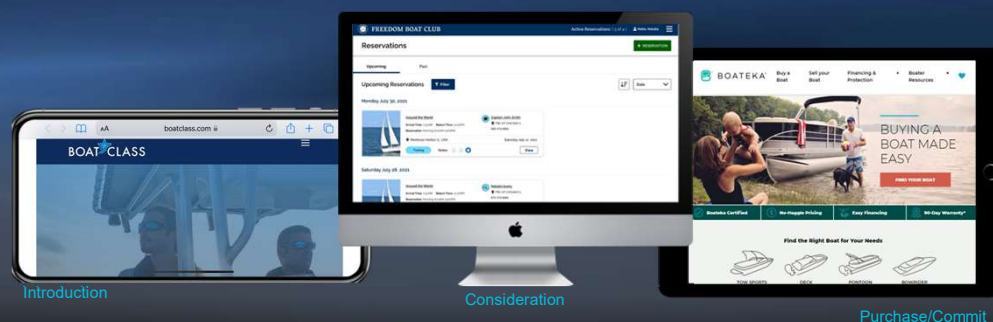
This ability to access and act on unique consumer insights has been increasingly recognized over the last few years, not only within the global marine industry but also across industries, as evidenced by our two recent Consumer Electronics Show Innovation Award wins.

And we are investing in agile innovation assets like our iJet lab at the University of Illinois which has recently moved to a new facility with three times the footprint and twice as many employees and interns.



NEXT WAVE: INVEST TO WIN IN A CHANGING WORLD

## DIGITAL ASSETS GUIDING EACH STEP OF THE CONSUMER JOURNEY



### DIGITALLY ASSISTED SALES

Increasing From  
**25% to 50%**  
By 2025

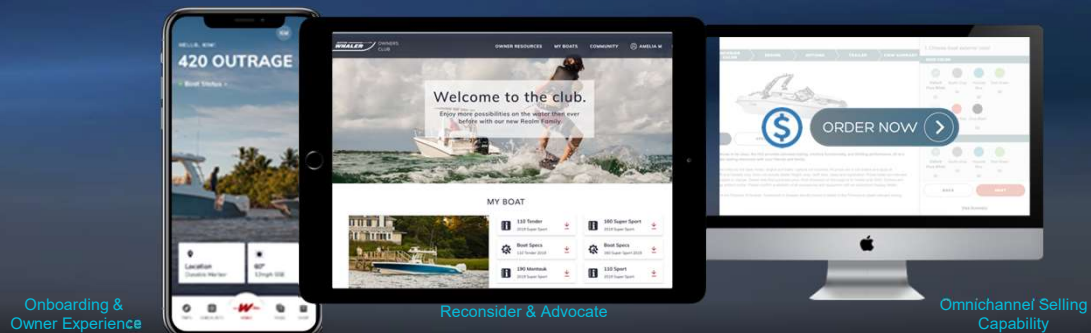
BRUNSWICK

Brunswick is also making large investments in its digital capabilities and assets, as the digital transformation takes hold in the marine industry.

Digital capability is fundamental to a unified consumer experience across the marine landscape and is core to Brunswick's cross-business synergies strategy. And through our digital investments, we will move the customer along the path of maximum lifetime value via the most contemporary suite of digital assets in the industry.

We expect the proportion of digitally-assisted sales across our enterprise to rise from 25% today to 50% or more by 2025.

NEXT WAVE: INVEST TO WIN IN A CHANGING WORLD  
DIGITAL ASSETS GUIDING EACH STEP OF THE  
CONSUMER JOURNEY



E - C O M M E R C E   S A L E S

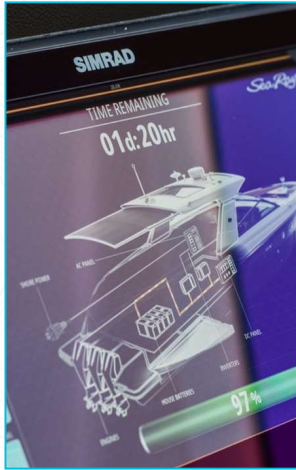
Increasing From  
**\$160M to \$400M+**  
By 2025

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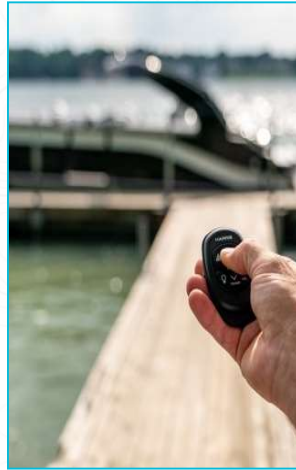
And our overall ecommerce sales from our brand.coms and apps to rise from around \$160 million today to more than \$400 million by 2025.

NEXT WAVE: INVEST TO WIN IN A CHANGING WORLD

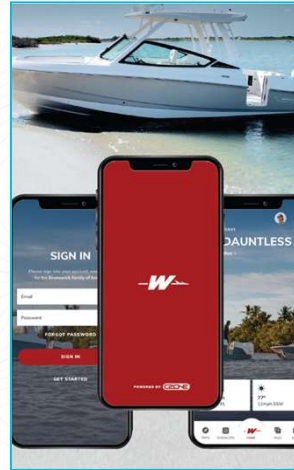
## LEADING-EDGE, INTEGRATED TECHNOLOGY SOLUTIONS



**FATHOM E-  
POWER SYSTEM**  
+ SEA RAY SLX 400



**CZONE**  
+ HARRIS GRAND  
MARINER



**MYWHALER &  
SEA RAY+**  
CONNECTED APPS



**SEMAHTRONIX**  
CAPABILITIES

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Another capability that distinguishes Brunswick, and particularly our Advanced Systems Group, is our ability to offer completely integrated onboard and offboard technological solutions to our customers that deliver new technology in a way that's intuitive, compatible, efficient, and high-quality.

Examples here are:

- The Fathom E-Power onboard system that replaces internal combustion engine generators in boats and recreational vehicles with lithium-Ion batteries and power management systems;
- Our C-Zone digital switching system, as deployed for example on the Harris Grand Mariner pontoon boat, that enables seamless onboard and offboard control of lighting, entertainment and other systems;
- And the recently launched connected app platform that supports the MyWhaler and Sea Ray+ connectivity solutions.

These capabilities are enhanced by our recent acquisition of SemaHtronix which manufactures the complex wiring systems needed to connect these systems.



As the largest and most capable company in the recreational marine industry, it's important that we also lead the industry in sustainability. Brunswick has demonstrated a long-standing commitment to sustainability, with our Mercury Marine division achieving Green Masters status for 11 years in a row. However, stakeholder expectations and our own aspirations are changing.

We made significant progress in our sustainability programming in 2021, measuring our enterprise emissions footprint across Scopes 1, 2 and 3, and identifying decarbonization opportunities across our enterprise, some of which are already in-flight. We will report on this work throughout 2022, including a report to the Carbon Disclosure Project and we expect to be amongst the first in the marine industry to do so. An example of the decarbonization initiatives already in progress is the Virtual Power Purchase Agreement we signed in December with Vesper Energy. Under this agreement, beginning in 2024, the project will deliver 57 MW of new, renewable energy to the North American power grid, equivalent to almost 2/3 of our 2021 global electricity consumption. Between this initiative and our expanded use of solar arrays across our footprint, we will achieve Scope 2 net zero emissions by 2035 and exceed our earlier goal to achieve 50% renewable energy by 2030.

We also continue to make investments to reduce the water consumed by our facilities, and our new stainless-steel propeller manufacturing facility in Fond du Lac, Wisconsin is yielding significant waste and water reductions, saving 4.5 million gallons of wastewater annually. On the product side, there are a number of recently introduced products and new products under development that will result in significant carbon emissions reductions. One currently in the market is the Fathom advanced battery system I mentioned earlier that replaces gasoline generator sets on both boats and RVs. And we also have exciting new electric propulsion and boat products that Chris and Aine will discuss further.



NEXT WAVE: INVEST TO WIN IN A CHANGING WORLD  
THE ACKNOWLEDGED MARINE LEADER IN SUSTAINABILITY

BRUNSWICK TOTAL ANNUAL EMISSIONS  
BASELINE BY SCOPE (2021 EST.<sup>1</sup>), KT CO<sub>2</sub>e

SCOPE

1

63

SCOPE

2

137

SCOPE

3

924  
UPSTREAM  
3,450  
DOWNSTREAM

2021 Enterprise  
emissions profile  
measured and totals  
~4.6 MT CO<sub>2</sub>e

DECARBONIZATION  
PROGRAMS

Across all scopes are included in  
strategic plans – program targets and  
progress will be measured from this  
baseline

In 2022, approximately  
**15%**  
of our research & development  
spending will deliver positive  
sustainability impacts

<sup>1</sup>Estimate is exclusive of Navico and Freedom Boat Club acquisitions

With the complex work of accurately estimating our carbon footprint completed, we have embedded decarbonization projects across our enterprise in our financial, business and new product plans. And we estimate that in 2022, approximately 15% of all our research and development spending will deliver positive sustainability impacts that support our strategy, while also delivering other consumer benefits.



NEXT WAVE: INVEST TO WIN IN A CHANGING WORLD  
EMPLOYER OF CHOICE

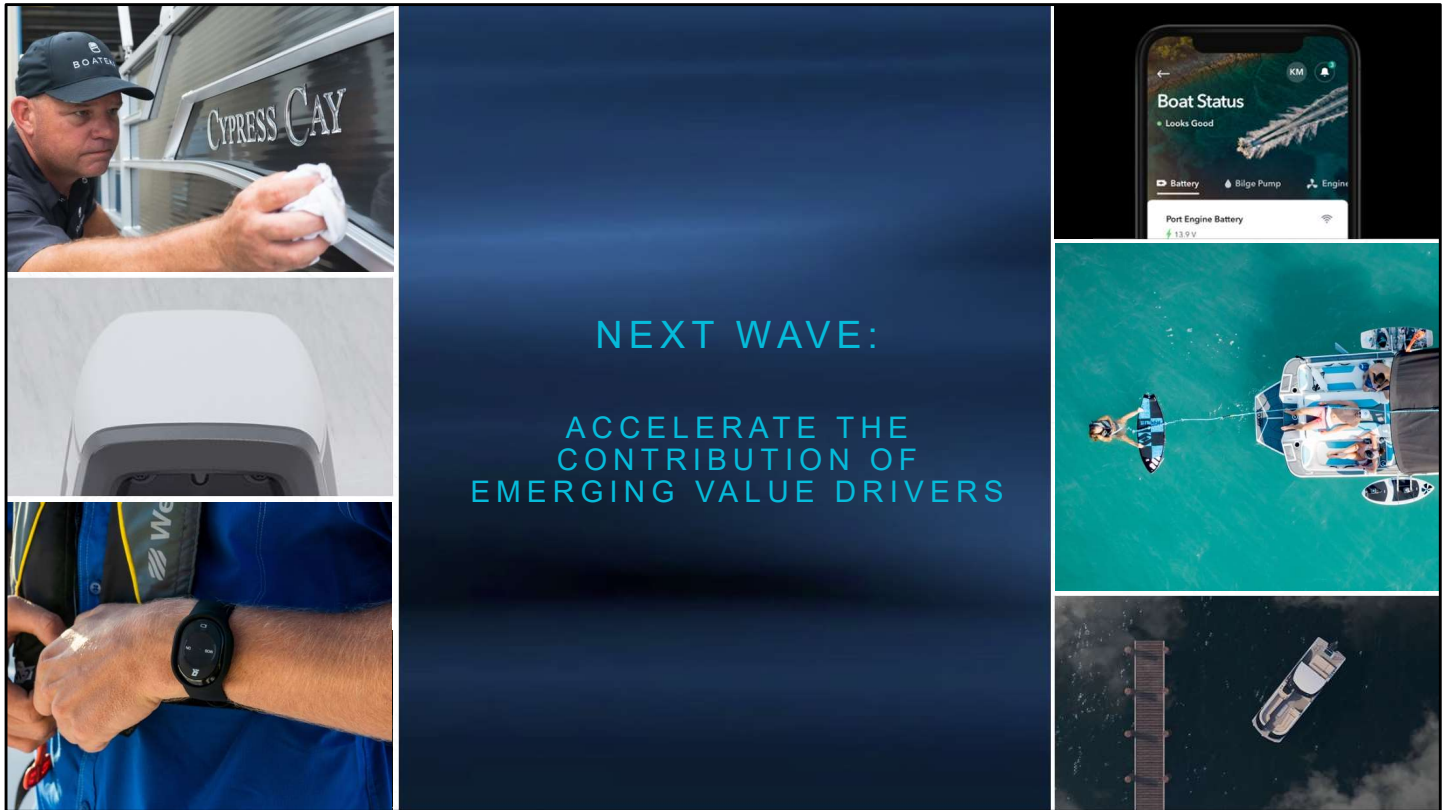


Brunswick's significant and sustained investments in our people and our culture have positioned us as an employer of choice, not just in the marine industry but across industries. Our position at number one in the Manufacturing and Engineering category of the Forbes list of America's Best Employers for 2021 capped a continuing series of awards as a best place to work for women, for diversity and for veterans, in addition to multiple other global awards and state and local recognition.



Our employee engagement survey results place us in the top 25% of manufacturing companies, with our employees particularly noting our sustained commitment to health and safety. Despite all the disruptions from COVID and the supply chain, the health and safety of our employees remains our top priority and, in 2021, we achieved our lowest ever recordable incident rate.

Our outstanding employees continue to win awards for their leadership with more than 25 being recognized in 2021. More than 40% of our US talent is diverse, and we continue to make real advances with our diversity, equity and inclusion program which is attracting strong participation throughout the Company.



NEXT WAVE:

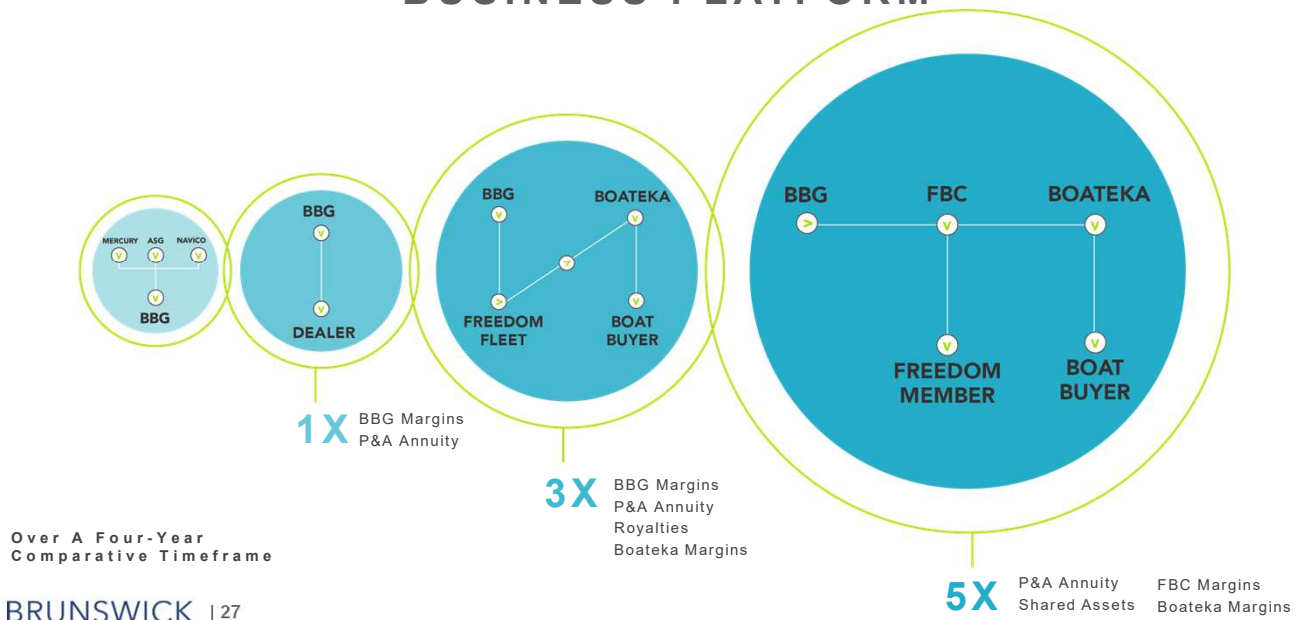
ACCELERATE THE  
CONTRIBUTION OF  
EMERGING VALUE DRIVERS

Now Let's turn to the third imperative in our Next Wave strategy. Over the past three years, we've expanded our business portfolio with new business models and technology strategies that we believe will be significant drivers of medium- and long-term revenue and earnings growth, and will increasingly fortify our competitive position. And we think it's important now that we begin to share more fully the potential of these new businesses and product lines.

Later in the presentation, Brenna will cover the exciting potential of the Freedom Boat Club and Boateka ecosystem, and the synergies with our core business, and all of our business presidents will bring to life their respective parts in our ACES strategy. So, I just want to spend a little time establishing a framework for our business synergies, providing an overview of ACES that bridges across the divisional elements, and also summarizing our recent M&A activity and how it supports our strategy.

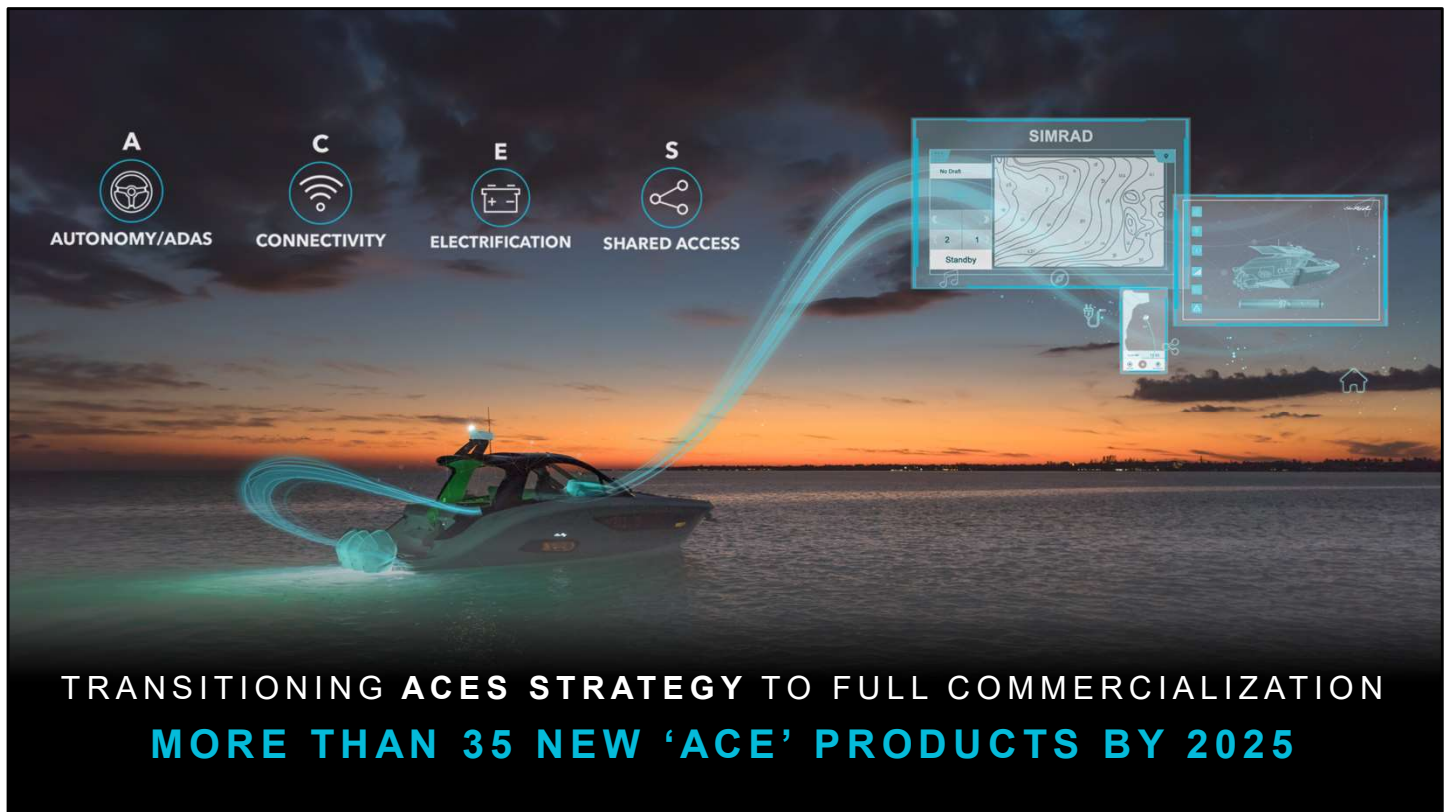
NEXT WAVE: ACCELERATE THE CONTRIBUTION OF EMERGING VALUE DRIVERS

## SYNERGIES FROM UNIQUE INTEGRATED BUSINESS PLATFORM



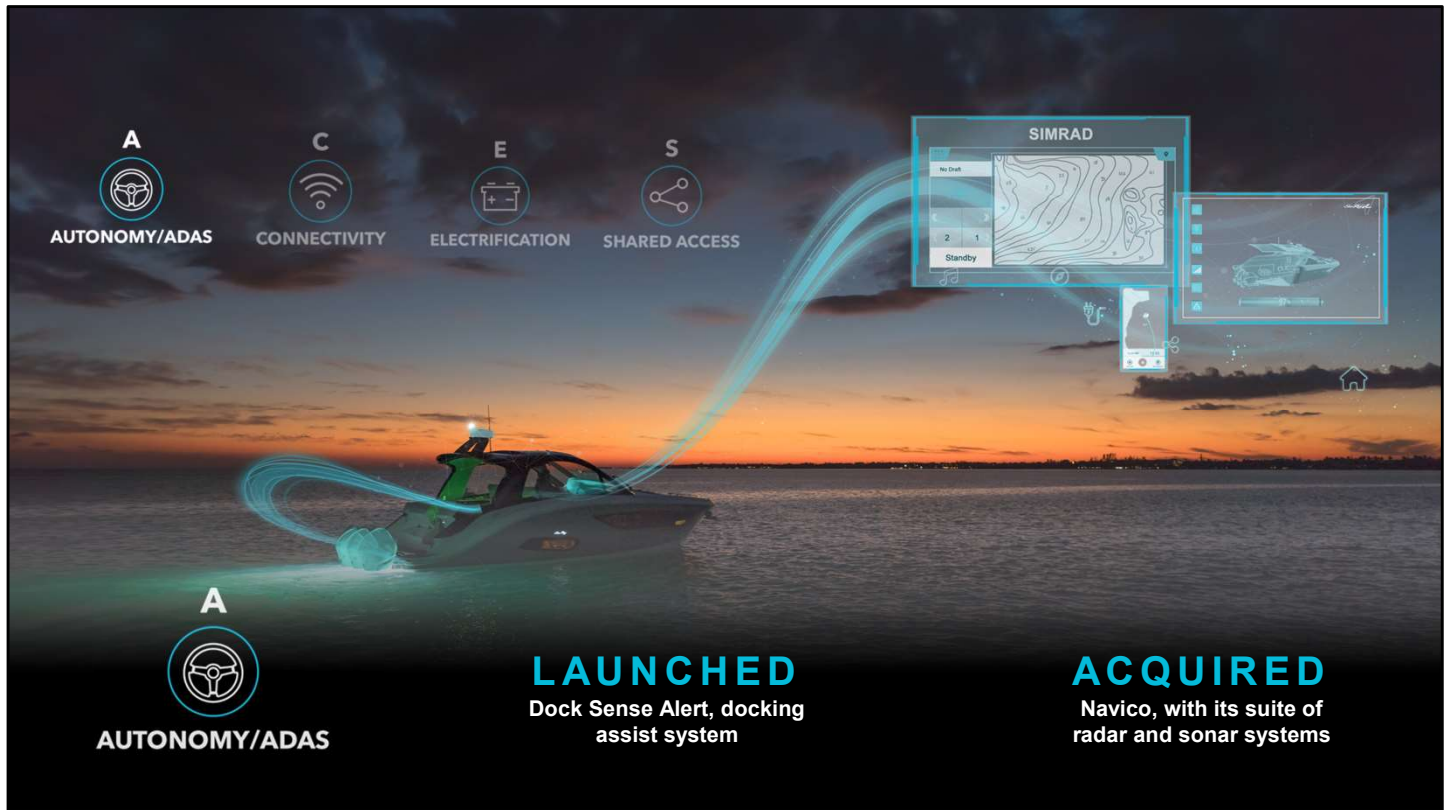
The synergies across our core businesses have always been clear. Our ability to sell Brunswick boats which exclusively use Mercury Marine propulsion and also use many other Mercury and ASG systems, parts and accessories, provides valuable scale and compounded margins, and feeds our long-term P&A annuity.

But, as Brenna will explain later, the ability to sell more boats into the Freedom Network and then exit them from Freedom via our Boateka pre-owned boat online sales platform, adds further layers of margin opportunity that we are only just beginning to exploit and that will become very material by 2025.



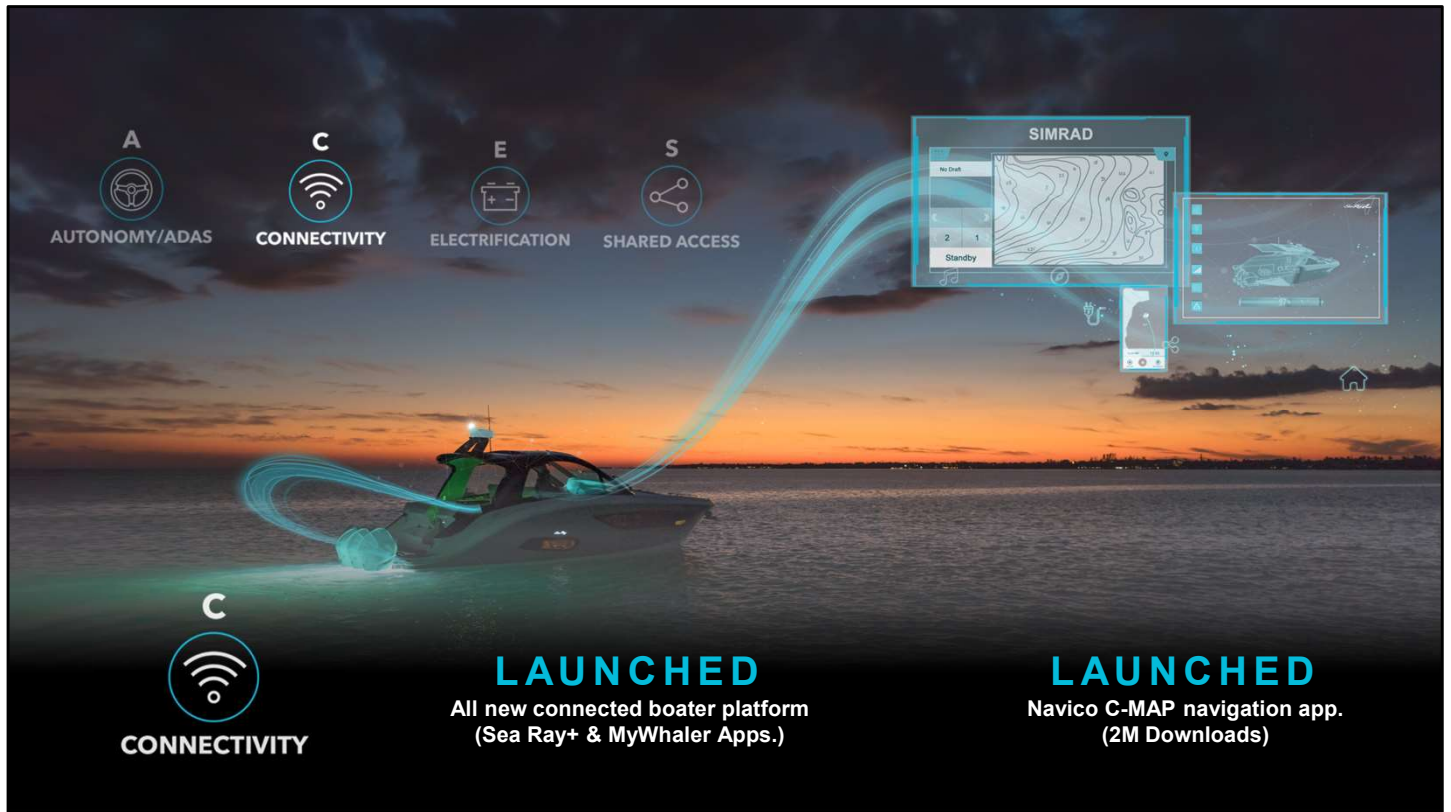
Now let's move to ACES. We are rapidly transitioning our ACES technology development initiatives to full commercialization – you have already begun to see that with our new connected solutions and generator replacements, but the full transition will begin to unfold quickly over the next year, and by 2025 we expect to have more than 35 new ACE products across our enterprise, which will collectively represent significant contributions to revenue and earnings growth, some of which you will hear about later.





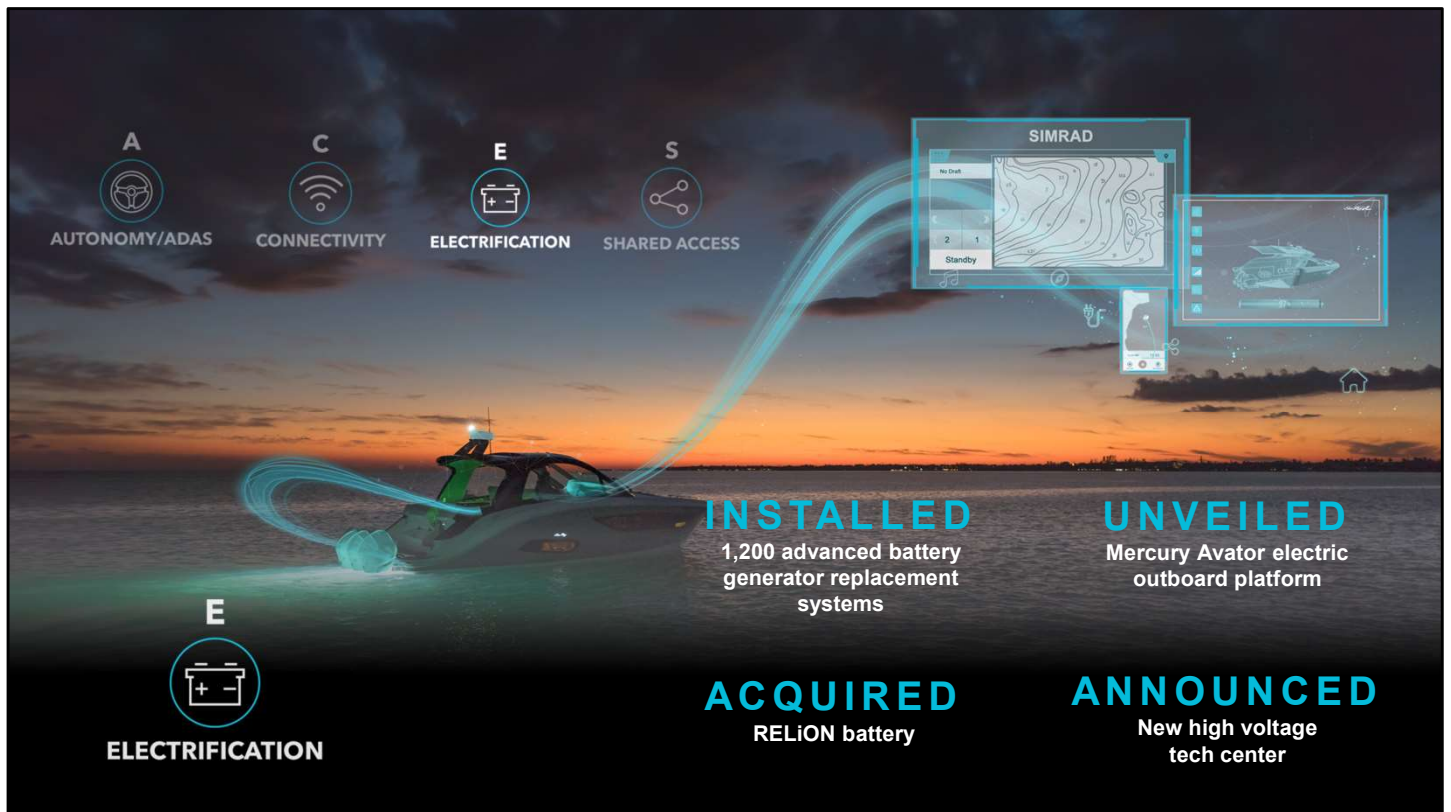
In summary though, just in 2021, in the areas of autonomy and ADAS, we:

- Launched the Dock Sense Alert docking assist system on our Boston Whaler product,
- And, of course, acquired Navico, with its industry-leading radar, sonar and display systems that will be critical enablers for our autonomy and ADAS systems going forward.



In the area of connectivity, we made tremendous progress:

- In June 2021, we launched the all-new connected-boater platform that supports the new MyWhaler and Sea Ray plus apps.
- And late in 2021, Navico launched the newest version of its C-MAP navigation app that has 2 million downloads.



As you know, we were very active in the area of electrification:

- Installing 1,200 lithium-Ion generator replacement systems in marine and recreational vehicle applications,
- Unveiling the Mercury Avator electric outboard platform at the Miami boat show that Chris Drees will cover in more detail later,
- Acquiring RELiON Battery,
- And announcing our new high voltage technology center.

NEXT WAVE: ACCELERATE THE CONTRIBUTION OF EMERGING VALUE DRIVERS  
ON-TARGET ACQUISITIONS

9 ACQUISITIONS IN 2021 FOCUSED ON

RECURRING REVENUE



ADVANCING ACES



INTEGRATED SOLUTIONS



Combined, these add:

**\$500M+**

In Revenue

**2,000+**

Employees

**Advanced**

Technology & Capabilities

BRUNSWICK | 32

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And, our acquisitions in 2021 were completely on-target, focused on recurring revenue and advancing our ACES and shared-access strategies

The aggregate impact of the acquisitions was to add:

- More than \$500 million in anticipated 2022 revenue,
- More than 2,000 employees,
- And, very importantly, a range of new and enhanced technology skills and capabilities.

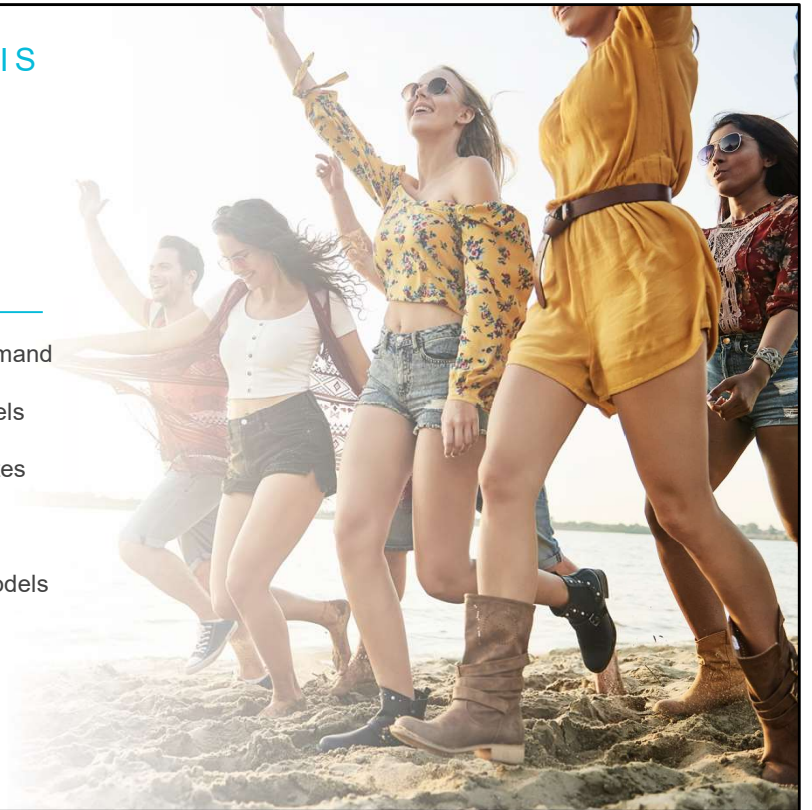
## OUR NEXT WAVE STRATEGY IS ALREADY DRIVING REVENUE AND EARNINGS GROWTH

### **BRUNSWICK**

- New Products
- New Capacity
- Scaling Emerging Value Drivers
- Restocking Cycle
- Annuity Earnings
- Expanding Business Synergies

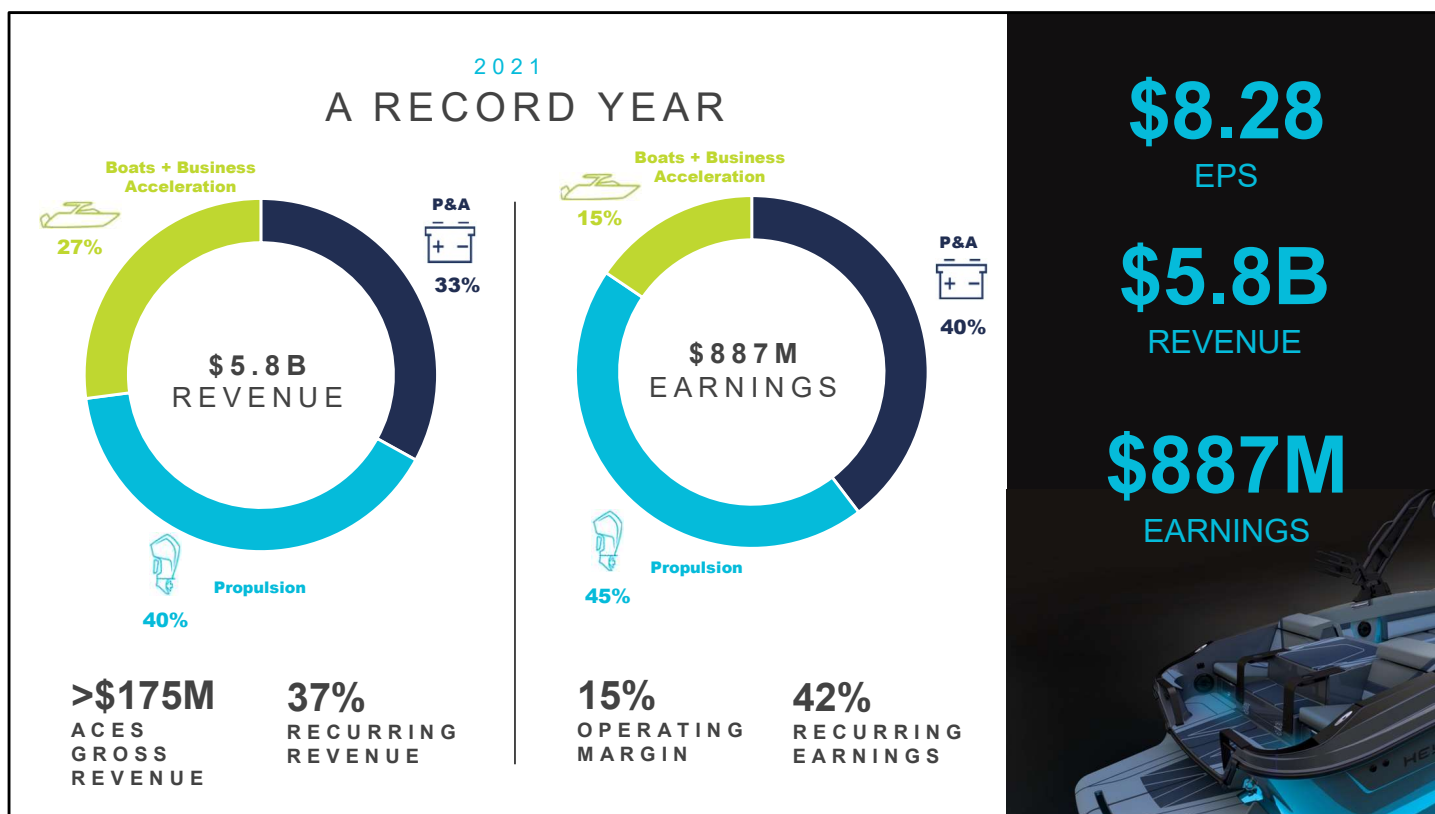
### **GLOBAL CUSTOMER**

- Continued Strong Demand
- High Satisfaction Levels
- High Participation Rates
- Increasing Diversity
- Alternative Access Models
- Digital Engagement



Our next wave strategy, along with favorable market and customer dynamics, is already driving accelerated revenue and earnings growth.





In 2021, we delivered another record year that beat all expectations. As you know, we delivered \$5.8 billion in revenue, a 35% increase over 2020, and EPS of \$8.28, a more than 60% increase over 2020. Our businesses all experienced similar revenue growth rates, and all contributed strongly to our earnings.

We estimate our recurring revenue from the combination of aftermarket sales of P&A and engines, in addition to Freedom Boat Club revenue, to be around 37% of our total revenue, and the associated earnings on these high margin businesses to be around 42% of our total earnings. And we estimate our revenues from ACES related products and services, including Freedom Boat Club direct sales and synergies, and our sales of advanced batteries, generator replacements and connected solutions, to have totaled around \$175 million in 2021, some of which overlaps with our recurring revenue.

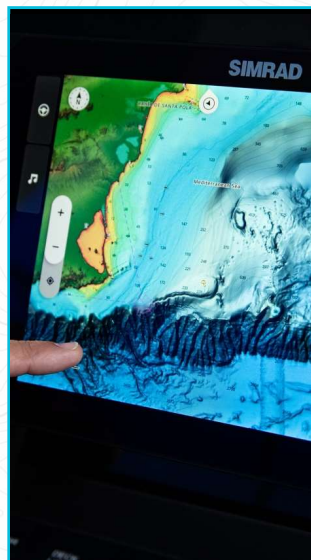
MIAMI INTERNATIONAL BOAT SHOW PRODUCT LAUNCHES  
EARLY 2022 PRODUCTS REINFORCING OUR STRATEGY



**ELECTRIFICATION**  
MERCURY MARINE  
AVATOR PLATFORM



**INNOVATION**  
MERCURY MARINE  
PONTOON JOYSTICK

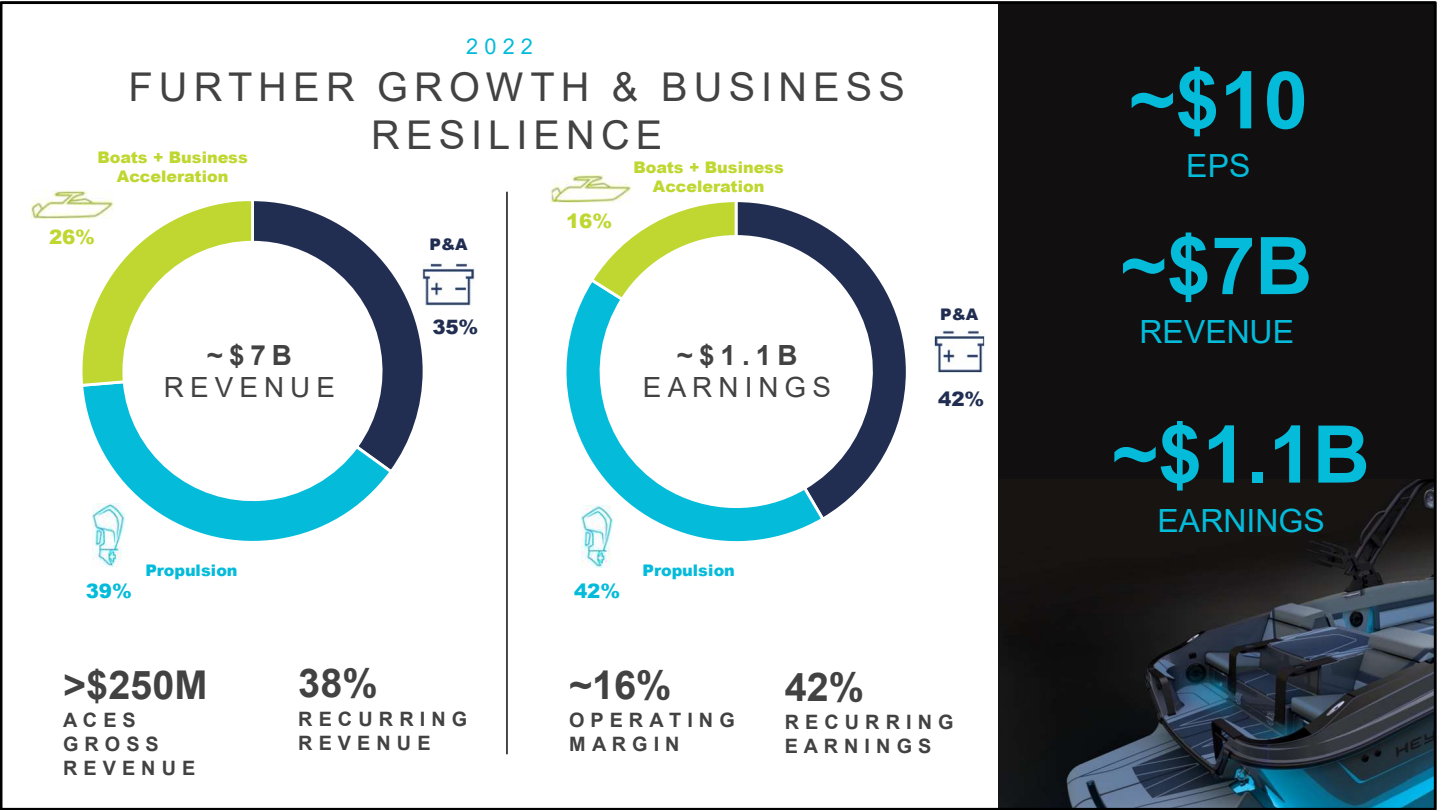


**ACQUISITIONS**  
ALL-NEW SIMRAD  
NSX CONNECTED MFD

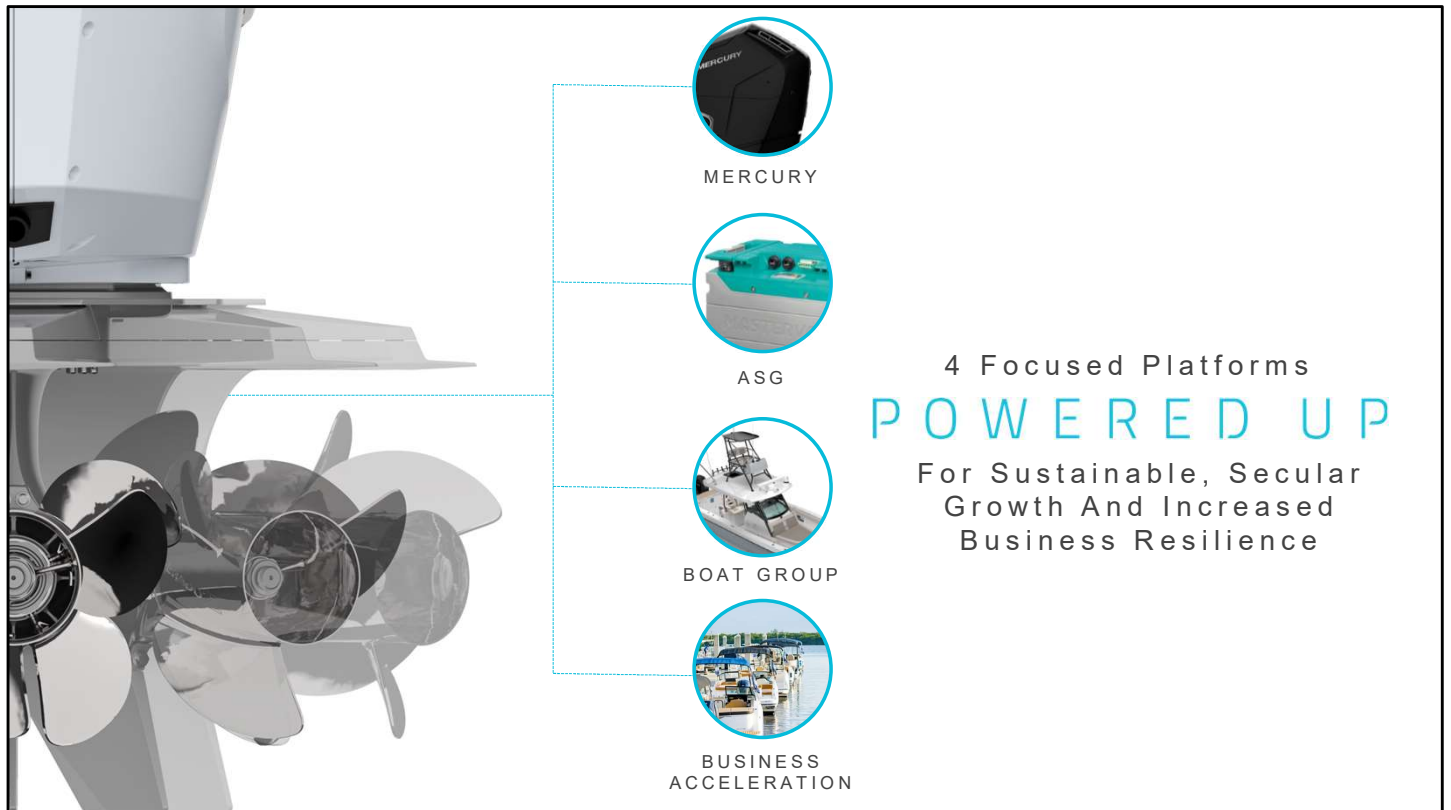


**VERTICAL INTEGRATION**  
BOSTON WHALER  
OUTRAGE 360

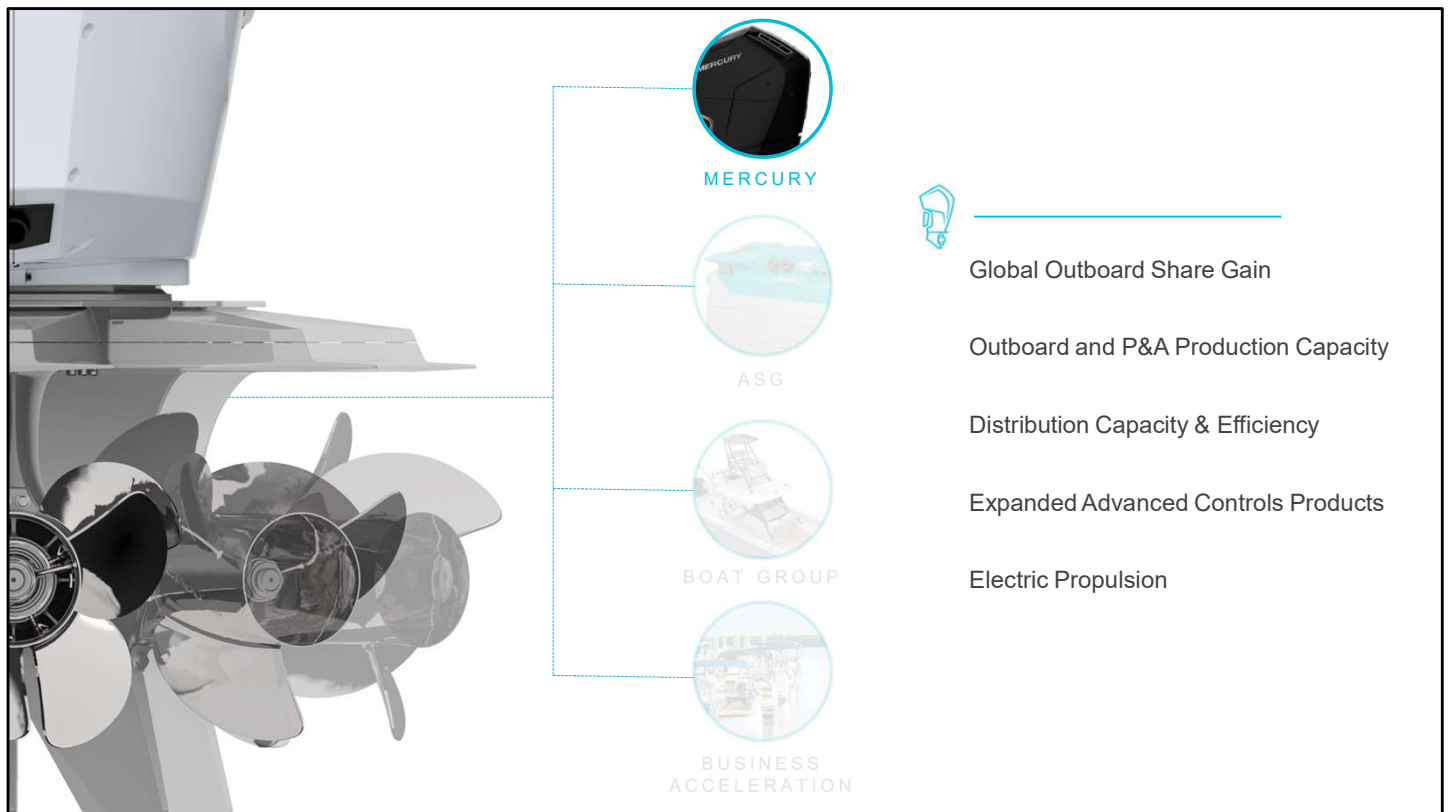
You have already seen that we have come out of the gate very quickly in 2022 with new products that represent more proof-points for the facets of our Next Wave strategy, including ACES, consumer-centric innovation, the first exciting new products from our recent acquisitions, and the deep vertical integration we can now deliver, and our business presidents will review these new products and their strategic significance in detail.



With these great new products and many other supportive conditions, we recently guided to further significant revenue and earnings growth, and margin expansion across all our businesses in 2022. And we will see an increasing contribution from our ACES products and services.



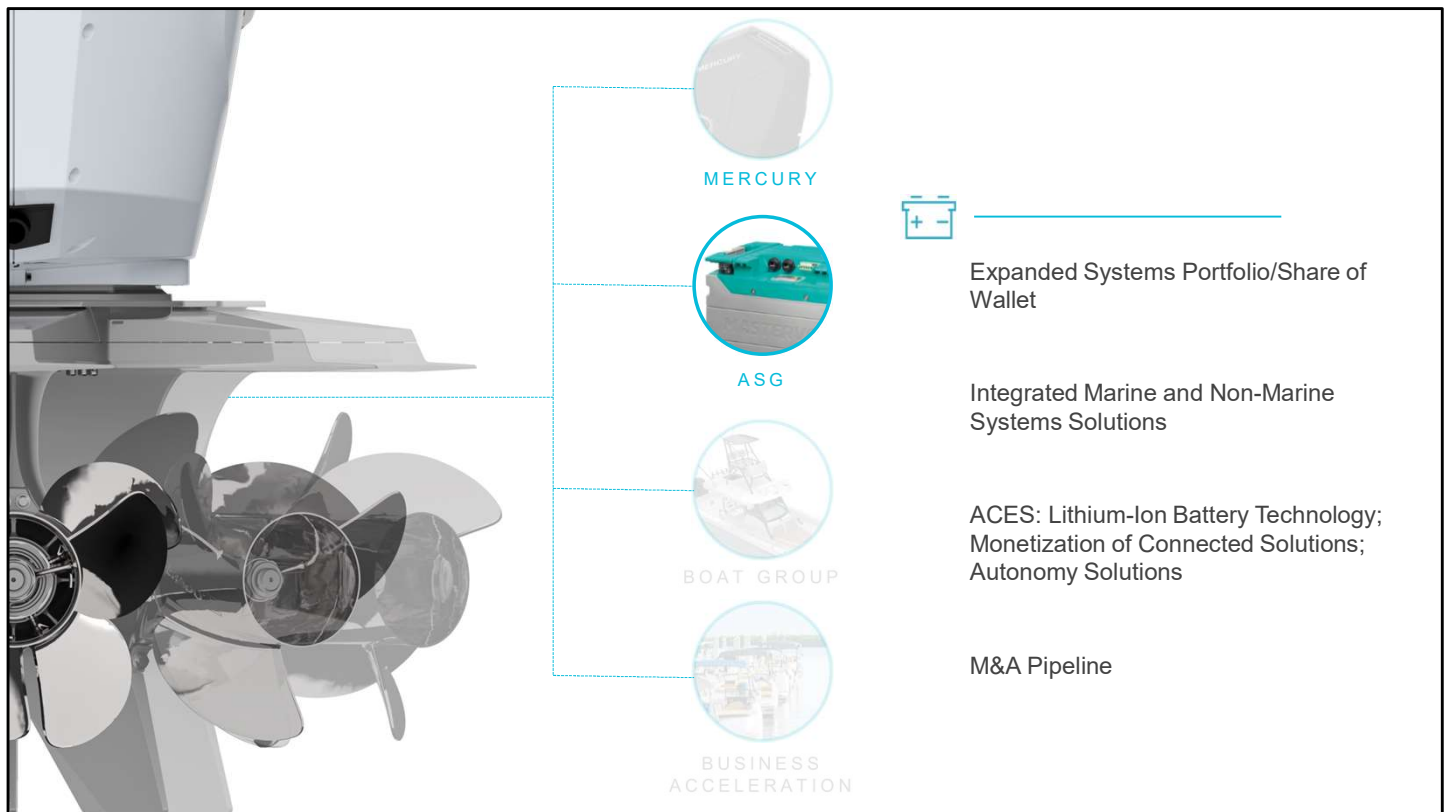
But the powerful growth drivers we've established across our business units are powered-up not just for short-term growth but for sustainable growth well into the future, and in a way that continues to build the resilience of our business and protect us from future potential downside.



Our propulsion business, Mercury Marine, is:

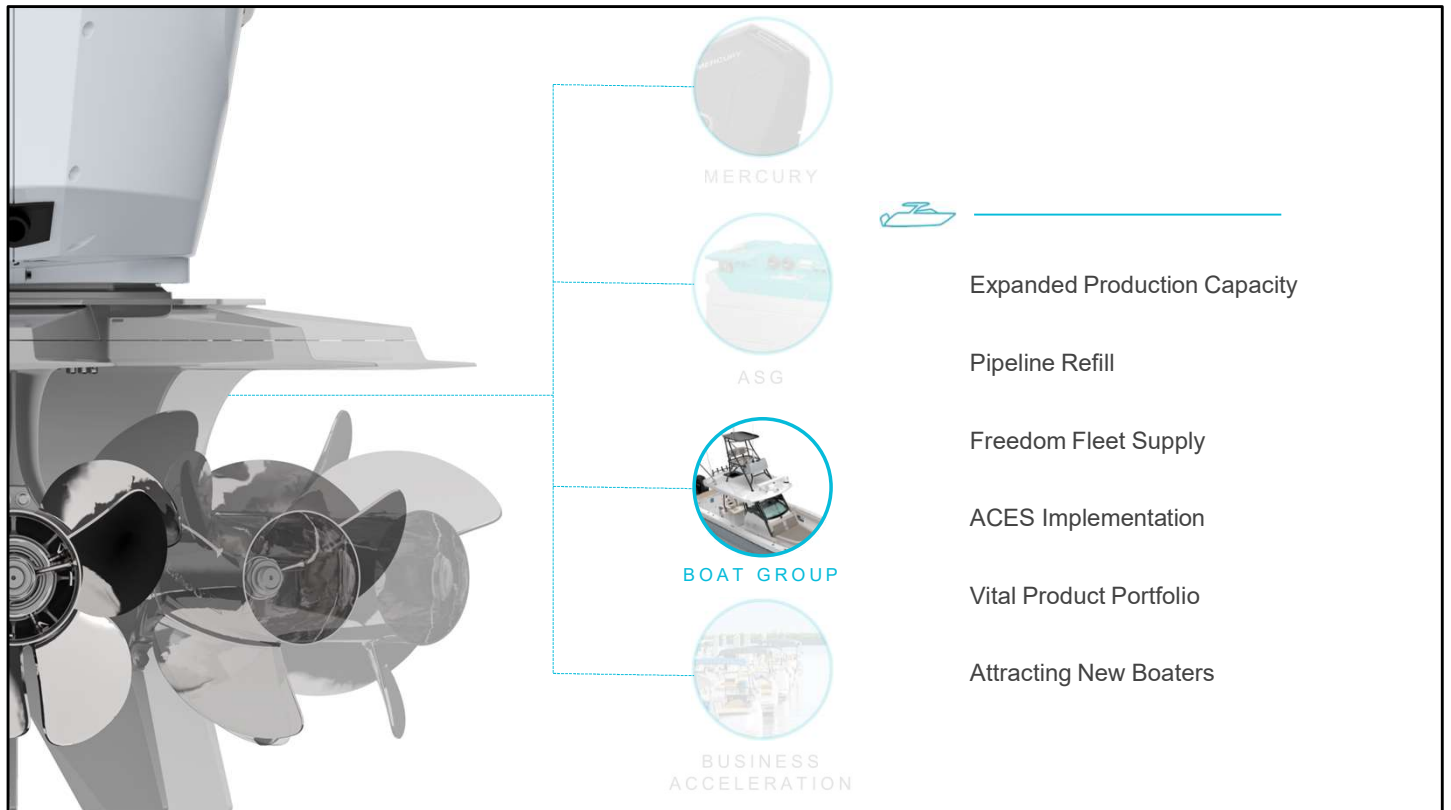
- Experiencing tremendous global share gains,
- Installing significant new production capacity,
- Expanding its already industry-leading distribution capacity and efficiency,
- Quickly expanding its advanced controls product lines,
- And launching its first electric propulsion products.





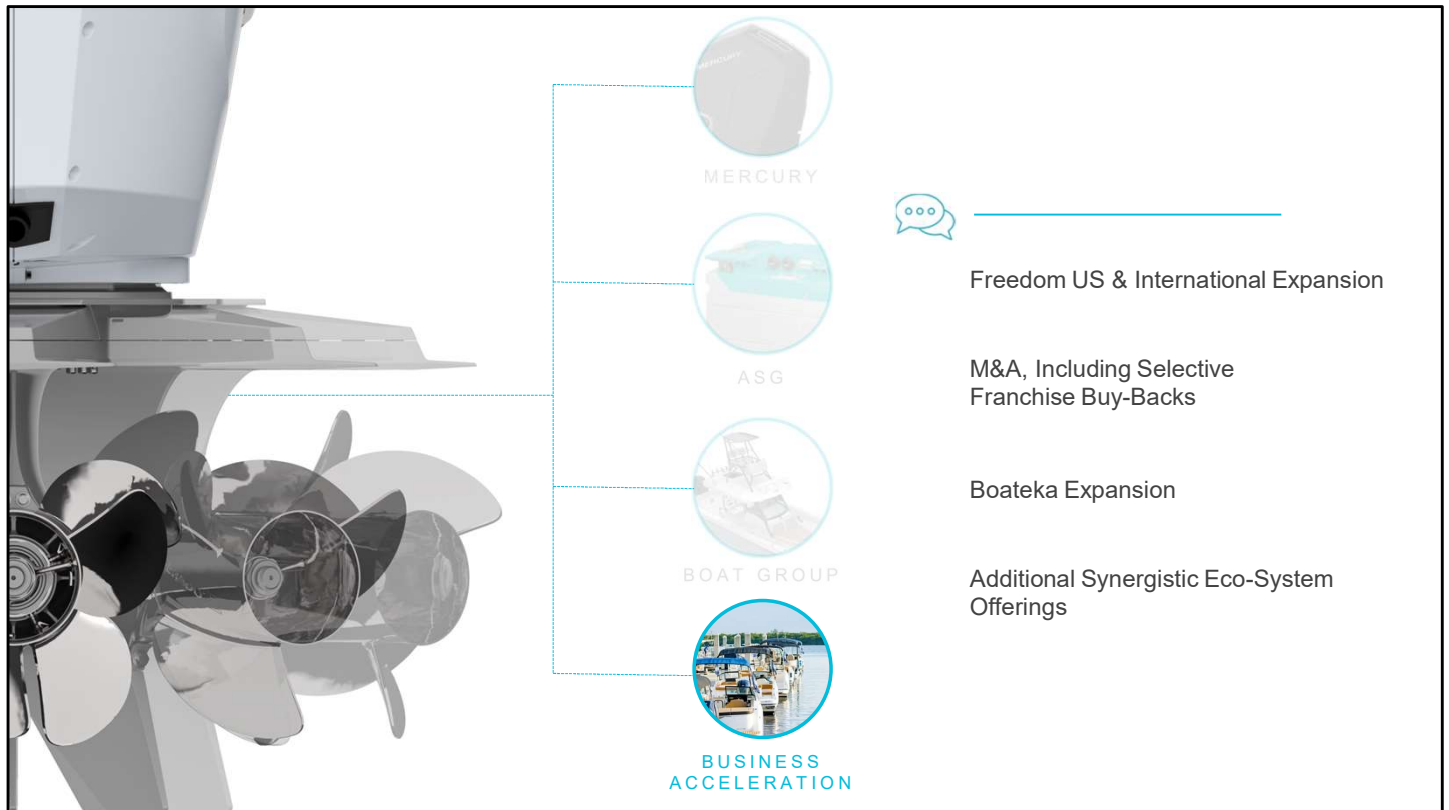
Our Advanced Systems Group, is growing rapidly, both organically and via acquisitions:

- With an expanded systems portfolio and increasing share of wallet on every boat;
- With Integrated systems offerings, that serve the marine industry and non-marine applications, such as recreational vehicles;
- With products in production and in development that will build its industry leading position in electrification and autonomy;
- And with an active funnel of additional, potential M&A targets.



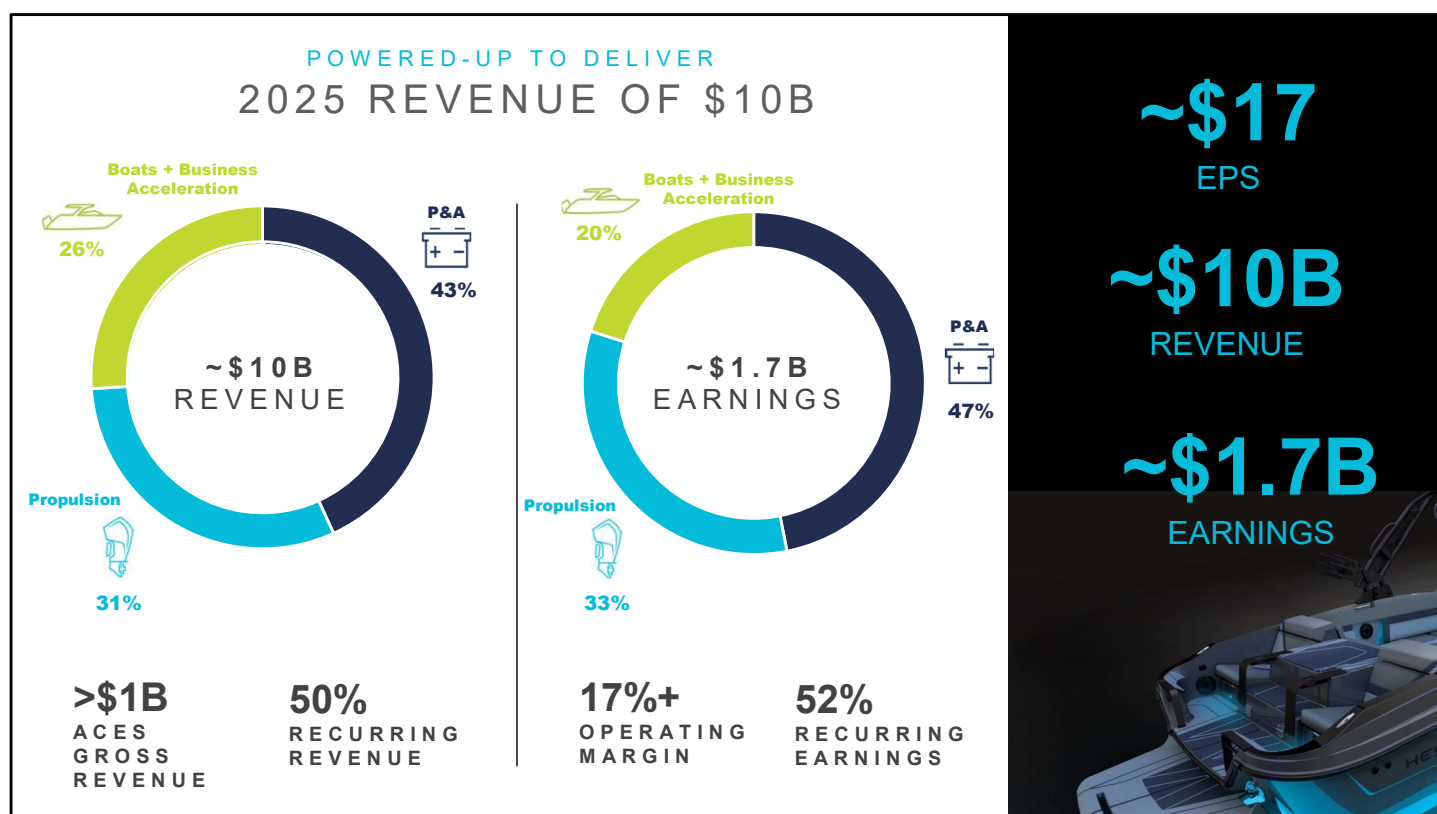
Our Boat Group is:

- Quickly and efficiently expanding its production capacity both to meet continuing strong retail demand, to begin the multi-year process of field pipeline restocking, and to meet the rapidly increasing needs of Freedom Boat Club.
- It's also focused on implementing our expanded suite of ACES technologies.
- And is committed to having fresh and vital product lines across all its brands to continue its success attracting new boaters.



And finally, our Business Acceleration division:

- Will continue to grow Freedom Boat Club locations both domestically and internationally, organically and through acquisitions,
- And will scale the Boateka pre-owned boat sales platform to accept more and more boats exiting the Freedom network, in addition to piloting and scaling other businesses that are synergistic to the Freedom and Boateka eco-system.



And by 2025, we anticipate these four powerful engines of growth, combined, will deliver approximately \$10 billion in revenues and continued strong operating margin expansion, leading to anticipated earnings of \$1.7 billion and EPS of \$17. We also expect that by 2025, more than \$1 billion of our gross revenues will be associated with ACES products and services.

And, despite the increased sales of boats and engines to boat OEMs afforded by capacity expansions, we will increase the proportion of recurring earnings to be in excess of 50%.

With these exciting goals in mind, let me now turn it over to our business presidents to take you in more detail through their respective growth stories, starting with Chris Drees, President, Mercury Marine.