



NEXT WAVE

POWERED UP

BRUNSWICK BOAT GROUP

AINE DENARI – PRESIDENT, BRUNSWICK BOAT GROUP

Hello, my name is Aine Denari, and I am the President of Brunswick's Boat Group.

I am delighted to be here with you today on behalf of the boat group, to share with you some of our outstanding achievements from the past year, and our great plans as we look forward.

## BRUNSWICK BOAT GROUP DELIVERS RESULTS

### 2021 Accomplishments



**+\$400M**

INCREASE IN  
REVENUE

**+310 bps**

OPERATING MARGIN  
IMPROVEMENT

**3,000+**

UNIT CAPACITY  
EXPANSION

**~90**

PRODUCT  
LAUNCHES

**+5k**

CONNECTED  
INTERFACES

**>20**

TOP INDUSTRY  
PRODUCT AWARDS

Let's start with some of our great accomplishments from 2021, which was a very successful year, despite the dynamic external conditions, including continued supply chain disruption, cost inflation and labor constraint:

- As boating continued to boom, consumer demand remained robust, dealer sentiment remained positive, and pipeline inventory levels reached record lows
- We grew revenue by over \$400M, delivering a 35% increase versus prior year.
- We delivered a very strong 310 bps operating margin improvement, to exceed 9%, with seven of our brands exceeding 10% for the year
- We increased our investments in manufacturing, and successfully delivered 3,000 incremental units of production output, while expanding our manufacturing footprint in five locations
- We launched 90 new boat products, across our brands and segments, designed and developed by our world-class teams across our tech-centers
  - We also launched numerous connectivity apps, and we currently have more than 5,000 consumers connected.
- And our great new products were recognized for their innovative impact with more than 20 top industry awards globally during the year.

BRUNSWICK BOAT GROUP

## THE NEXT WAVE WILL CONTINUE TO DELIVER INDUSTRY LEADING RESULTS

REVENUE CAGR\*

~14%

OPERATING MARGIN GROWTH\*

350+ bps

WHOLESALE UNITS\*

~50k

\*4 Year 2025 Boat Segment Target



As we look forward, the future continues to be bright for the boat segment.

Throughout the Next Wave, we will deliver industry-leading growth, with a healthy 14% CAGR as we focus on increasing production of our industry-leading products to satisfy retail demand and re-build dealer inventories. In fact, by 2025 we will have increased our production output capacity to 50,000 units annually across our 17 boat brands.

And we will do this with robust margins, achieving a double-digit operating margin for the first time in Boat Group's history in 2022, and increasing our margin by 350+ bps by 2025.

## STRONG OVERALL MARINE MARKET

Recreational marine market growth will be driven by a positive macroeconomic environment and consumer demand



Underpinning our confidence is a continued healthy marine market.

We continue to be in an environment of:

- Unprecedented consumer demand
- Strong macroeconomic fundamentals, and
- Dealer inventory levels at an all-time low

Of note, we closed out 2021 with a historically-low 15.4 weeks-on-hand, indicating a healthy growth outlook as we replenish pipelines in the upcoming years.

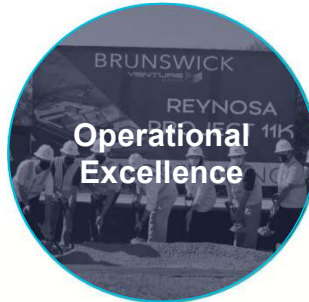
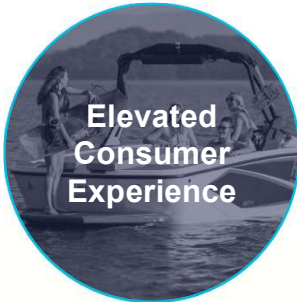




Boat Group's foundation positions us well to capitalize on this strong market demand for the next several years, and also for the long-term.

- In the near-term, we are able to leverage our size and scale, including our recent capacity expansions, and our strong partnerships with our sister divisions, to be able to deliver more boats in this current supply-chain constrained environment.
- Second, we have significant upside for the next several years as we replenish the depleted retail pipelines across all brands and geographies, from their current record low levels.
- Third we are well positioned to sustain our market share gains as a result of our deep consumer engagement, which enables us to attract and retain our consumers long term.
- And fourth, we have the long-term sustained demand from our sister-division Freedom Boat Club, which we project to be our largest customer on a unit basis by 2025.

## BRUNSWICK BOAT GROUP STRATEGIC PILLARS



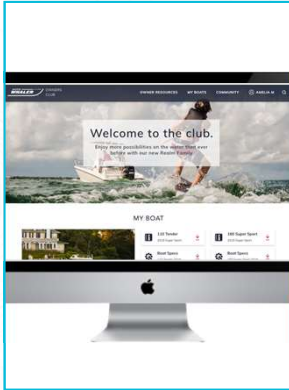
Boat Group's success in delivering on our Next Wave strategy is based on three key pillars which we introduced last year in our Next Wave strategy, and which we continue to believe are unrivaled in the recreational marine space.

- The first is delivering an elevated and frictionless consumer experience throughout the lifecycle in order to ensure that we attract and retain boat owners for the duration of their lives.
- The second is our commitment to operational excellence, including manufacturing, quality and supply chain tools, processes and footprint. This is key to unlocking our margin potential.
- And third is an unrivaled portfolio of innovative, market-leading products and technologies. We have the broadest portfolio of industry-leading products across our 17 iconic boat brands, with the #1 market share position in most major segments; and we continue to out-invest the industry in ACES and innovation to revolutionize our customer's boating experiences.

ELEVATED CONSUMER EXPERIENCE

## ENHANCING THE PURCHASE EXPERIENCE

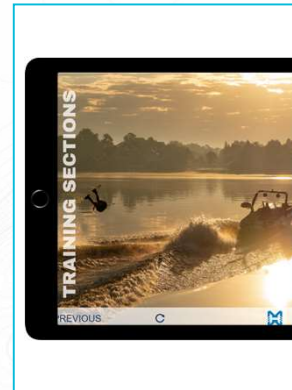
LEVERAGE TECHNOLOGY AND DIGITAL PLATFORMS TO BUILD  
AN IMMERSIVE CONSUMER PURCHASE EXPERIENCE



**TARGETED**  
LEAD GENERATION &  
CONSUMER  
ENGAGEMENT



**ROBUST**  
DIGITAL BUILD-A-  
BOAT TOOLS &  
PLATFORMS



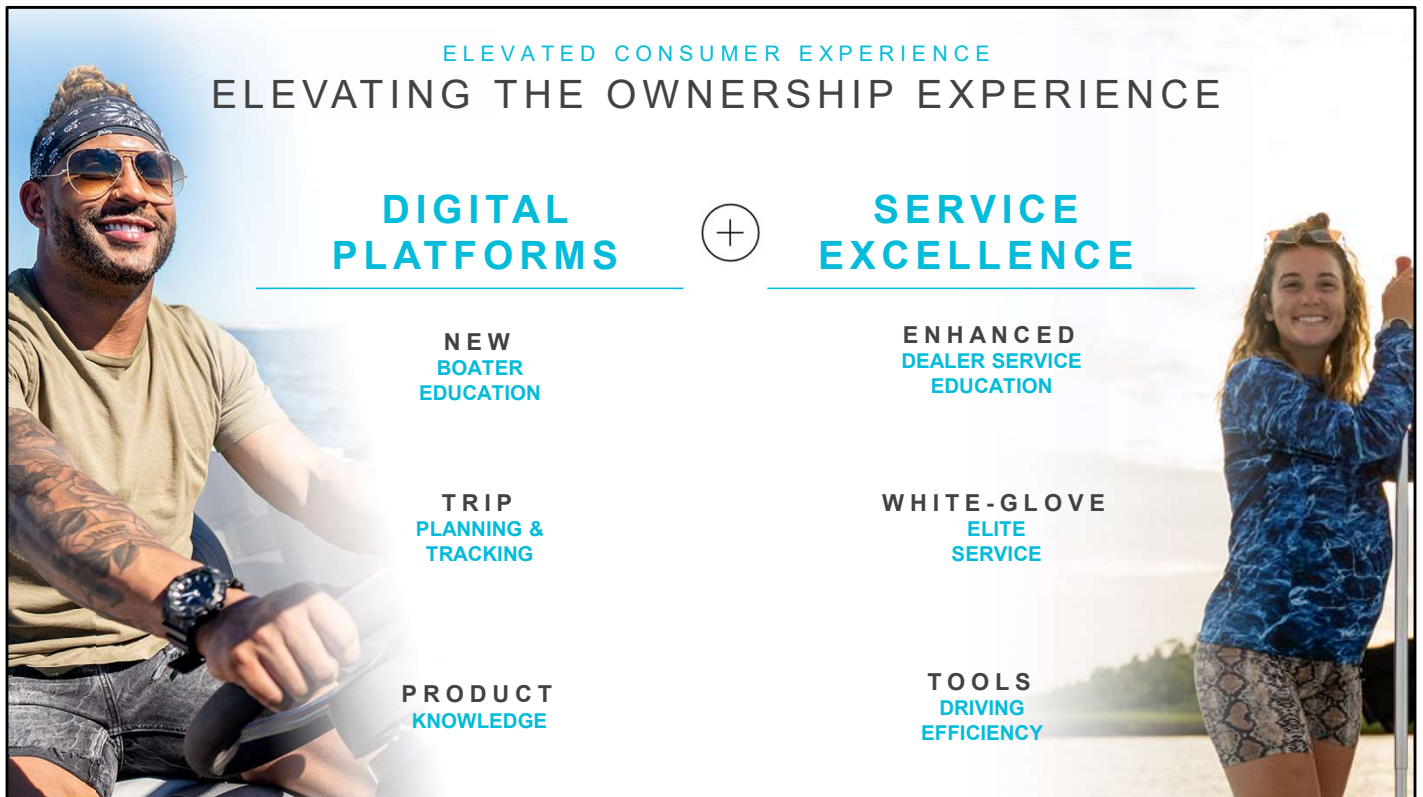
**IMPROVED**  
DEALER SALES &  
PRODUCT TRAINING

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Speaking to elevated consumer experience, for the past several years, we have invested heavily in improving all our consumers physical and digital interactions throughout the lifecycle.

We are delivering an elevated contemporary consumer purchase experience in several ways:

- We are augmenting lead generation and consumer engagement.
  - For example, our capabilities in computer generated imagery has resulted in an increase in digitally assisted revenue of 35% in 2021 vs prior year
- And we are regularly rolling out new digital tools and platforms:
  - To date, we have completed the modernization of 8 major brand websites;
  - We are launching industry leading immersive shopping experiences, including digital product launches, configurators, and virtual tours
  - We have successfully conducted virtual boat shows for many of our brands over the past 2 years since the pandemic began. These continue to generate leads and sales at rates that are comparable with in-person shows and are a format that we will continue to expand with our dealer partners
- And additionally, we are working closely with our dealers to improve the physical purchase experience at dealer's locations through enhanced sales and product training for our dealers.



We are also improving the ongoing ownership experience, in ways that we can uniquely deliver, considering our scale and resources.

We have delivered community engagement platforms and connectivity apps such as MyWhaler and Sea Ray+, and we will continue to build out similar apps for additional brands, as well as continuing to enhance functionality.

We are also continuing to invest in a best-in-class service experience, through enhanced service education and training for our dealers, through offering elite service programs together with our dealer partners, and developing tools to increase efficiency of back-end processes, such as apps for electronic parts ordering and boat delivery inspection.

Combined, these platforms, tools and engagement forums are delivering a deeper and more frictionless consumer ownership experience throughout our consumer's lifecycle.



OPERATIONAL EXCELLENCE  
OPERATIONAL EFFICIENCY

SUSTAINED EXCELLENCE IN  
OPERATIONAL EFFICIENCY  
WILL **ENHANCE** OUR  
MARGIN PROFILE

**30+**

PRODUCT LINES  
INSOURCED

**10%+**

IMPROVEMENT IN  
EFFICIENCY

**~25%**

WARRANTY  
REDUCTION

**By 2025**

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Moving to our second strategic pillar: operational excellence:

- The continued strength of our world-class operations, quality and supply chain teams is key to unlocking margin improvements across the boat group.
- And our unmatched scale positions us uniquely to benefit from these improvements across our 13 manufacturing facilities globally.
- We are vertically integrating over 30 product lines across our facilities to enable us to optimize logistics efficiencies and minimize supply chain disruptions.
- We are accelerating adoption of advanced manufacturing to drive up efficiency, reduce reliance on labor, and bolster quality across our portfolio. We have already seen tremendous benefits from automation improvements, such as robotic riveting, welding, powder paint systems and gelcoat machines, and we are continuing to invest.
- And the comprehensive quality management systems that we are implementing across all our facilities, span the entire scope including design, manufacturing and supplier quality management. We forecast that this will lead to a 25% reduction in warranty costs, in addition to delivering a superior consumer experience.

OPERATIONAL EXCELLENCE  
CAPACITY EXPANSION

BOAT GROUP WILL **UNLOCK**  
INCREMENTAL TOPLINE  
GROWTH BY EXPANDING  
PRODUCTION OUTPUT **42%**  
THROUGH 2025

MANUFACTURING  
FACILITY  
**EXPANSIONS**

HIGHER  
OPERATIONAL  
**EFFICIENCY**

INCREMENTAL  
**SHIFTS**

BRUNSWICK

We also continue to increase production output during this time of unprecedented demand, and I am delighted to tell you that we will have expanded our production output capacity by 42% by 2025.

We already have significant footprint expansions underway or recently completed in 7 of our 13 locations, which will deliver an incremental 500k square feet of manufacturing footprint.

In combination with these footprint expansions, plant optimizations, efficiency improvements and incremental shifts are leading us to a total production output capacity increase, enabling us to deliver the increased demand.

This growth also positions us to be the majority supplier of boats to our sister division, Freedom Boat Club on an ongoing basis.

OPERATIONAL EXCELLENCE  
SUSTAINABILITY

BOAT GROUP IS A COMMITTED  
LEADER IN SUSTAINABLE  
MANUFACTURING AND **REDUCING**  
OUR ENVIRONMENTAL IMPACT



**ZERO  
WASTE**  
TO LANDFILL  
DISTINCTION

**INSTALLATION**  
OF ALTERNATIVE  
ENERGY

**DESIGN FOR**  
EFFICIENCY AND  
END-OF-LIFE

BRUNSWICK

We are also proud to be a leader in sustainable manufacturing in the industry.

Two year's ago, Boat Group became the first OEM to have a facility earn the zero waste to landfill distinction, and we will have earned that distinction in all of our aluminum boat manufacturing facilities by 2025.

We are also committed to the use of alternative energy in several of our facilities.

And in the product development space, our teams are designing our boats to reduce the environmental impact during manufacturing, use, and end-of-life stages. This includes the use of closed molding processes, material substitutions to recyclable materials, and light-weight, streamlined hull designs.



Moving to the third pillar: product and technology leadership.

- Designing, developing, and producing best-in-class products is the linchpin of our leading position in the industry.
- In the past year, we launched 90 new products across our 17 brands, including our new Heyday H22, SeaRay Sundancer 370, Lund Renegade, Harris Grand Mariner with single-engine joystick, and the fully integrated Boston Whaler 360 Outrage.
- And I am delighted to tell you that we have many more exciting new launches coming up. In fact, through 2025, we will launch over 75 keel-up or major re-designs, and will be integrating over 25 advanced autonomy, connectivity and electrification applications.
- And how will we do this? By leveraging our world class tech centers, which are staffed by our industry-leading experts in boat design, consumer insights, advanced materials, electronics, ACE technology and systems integration.





The Boat Group provides the platform to deliver differentiated end-to-end systems in partnership with our sister divisions. To highlight some of the latest and greatest ACE technology integrations, let's take a closer look at the brand-new Boston Whaler 360 Outrage, which delivers an enhanced consumer experience both on and off the water.

- First are the Mercury V12 outboards that come with joystick piloting technology, and which allows the Captain to dock and pilot the vessel safely and with total confidence.
- While onboard, passengers can utilize the vessel's Fathom e-Power system, which is an eco-friendly alternative to fuel-powered generators. It provides efficient, sustained, green electricity to power all the boat's appliances, with an intuitive interface that simplifies operation.
- The Captain is also aided by some of the best electronics and technologies in the marine space. This vessel is outfitted with SIMRAD marine electronics, and CZONE digital switching capabilities that will give the Captain the confidence to know the boat is setup and functioning correctly.
- And we also offer the MyWhaler app to enhance the off-water experience, allowing the captain to remotely connect to their boat, perform diagnostics, and plan upcoming trips.



Considering autonomy, we have a clear vision for where autonomous solutions will:

- Augment capabilities and give consumers confidence in executing difficult tasks;
- And moving towards a world where the boat assists and ultimately executes specific tasks.

This starts with providing information about the boat and its surrounding environment through intelligently connected systems, then moves towards advanced pilot assist systems, and ultimately to fully autonomous solutions.

A great example was our recent launch of the Boston Whaler 380 Realm with Docksense, which we showcased at last October's Fort Lauderdale Boat Show.

In the coming years, you will continue to see us expand our autonomous offerings, leveraging the solutions we are developing in water plane estimation, object detection and classification, and object tracking.



To enable a connected future, we will build on the connected apps we launched in 2021, to enhance our smart products and delivering smart experiences.

Our recent connected app launches well exceeded our expectations in terms of activations and engagement.

We are now expanding the suite of functions, and rolling the apps out across additional brands, including features such as:

- Trip planning and reliving,
- Consumer Boat Management tools like service log, remote diagnostics and account management,
- Predictive Maintenance,
- And additional community and network building functions.



From an electrification standpoint, in addition to our advanced onboard power management systems, we are working closely with our sister divisions of Mercury and ASG to deliver industry-leading, fully comprehensive electric propulsion boat applications.

By 2023, we will have launched four boat applications with electric propulsion systems, and will continue to deliver more boats, with increasing horsepower, and industry-leading fully integrated concepts over the next several years. I will be excited to be able to share more details about these exciting new launches very soon.



BRUNSWICK BOAT GROUP

## POWERED-UP BY A PORTFOLIO OF LEADING BOAT BRANDS

<p>Boat Group is <b>UNIQUELY POSITIONED</b> in the marine market to grow revenue at a <b>+14% 4-YEAR CAGR</b></p>	<p>Cultivating <b>EXCEPTIONAL CONSUMER EXPERIENCES</b> through new platforms attracts and retains boat buyers</p>	<p>Industry leading operations excellence generates <b>ACCRETIVE OPERATING MARGIN</b> through 2025</p>	<p>Launching <b>75+ NEW PRODUCTS</b> and integrating <b>ACE TECHNOLOGIES</b> powers our portfolio to the next level</p>
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BRUNSWICK

In closing, I am honored to have shared some of the highlights of Boat Group's future accomplishments and strategy with you here today.

Let me reiterate that Boat Group is an integral part of Brunswick's coherent and winning marine strategy:

- Leveraging our 17 industry-leading brands to connect the enterprise to our 1.5M boat owners
- And giving us the platform to integrate our ACES technologies together with our sister divisions

We are confident in our ability to grow our business at a +14% CAGR with robust double-digit operating margins, which we will do by:

- Cultivating exceptional consumer experiences
- Launching world-class, technology-leading products across our brands and segments
- And delivering optimized operational excellence.

There is no better time for boat group, and I remain very excited to be part of this journey. Thank you.

NEXT WAVE

POWERED UP

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