

BRUNSWICK

March 22, 2018

Dear Fellow Shareholders:

On behalf of our Board of Directors and the more than 15,000 employees around the world whom I am privileged to lead, thank you for your investment and continued confidence in Brunswick Corporation. Our story dates back nearly 175 years, and we all contribute to a long legacy of product leadership. Our team works hard every day to enhance that legacy. We are humbled and gratified by the work.

2017 FINANCIAL PERFORMANCE

2017 marked Brunswick's eighth consecutive year of growth, primarily resulting from strong operating performance from our marine businesses. Highlights include the following:

- Consolidated net sales of approximately \$4.5 billion increased 9 percent versus 2016, and 8 percent on a constant currency basis. This was due to strong growth from our outboard engine business and in all three primary boat categories, along with solid growth in our marine parts & accessories (P&A) businesses.
- On a GAAP basis, operating earnings decreased 13 percent versus the prior year, while adjusted operating earnings were up 5 percent versus 2016.
- Strong cash flow of \$243.1 million enabled the Company to continue executing its capital strategy, which included investments in new products as well as capacity expansions across all segments. We also completed the Lankhorst Taselaar acquisition to expand and enhance our European marine P&A operations.
- We also enhanced shareholder returns by repurchasing \$130 million of Brunswick common stock, and increased quarterly cash dividends paid to shareholders by 15 percent in 2017.

Beyond these achievements, Brunswick continued to demonstrate its product leadership in marine and fitness markets by introducing a variety of new products and features. In early 2018, a completely redesigned platform of V6 outboard engines was introduced by Mercury Marine; Boston Whaler's new 350 Realm and Lund Boats' Impact XS aluminum fishing boats were each awarded the 2018 Innovation Award from the National Marine Manufacturers Association; and the Sea Ray SLX 400 was chosen Boating Magazine's Boat of the Year.

Our Fitness segment introduced a new Integrity Series cardio equipment line, including a treadmill, elliptical cross-trainer, and upright and recumbent Lifecycle exercise bikes, as well as continuing its development and adoption of new technologies, such as cardio equipment that pairs seamlessly and wirelessly with devices like the Apple Watch^{®1}, so exercisers can measure and track their performance to achieve their fitness goals and help club operators more effectively manage their facilities.

STRATEGY

In 2017, we continued to successfully execute our growth strategy, fortified by investments in new products as well as productivity, capacity, and efficiency initiatives. We will continue our focus on growth in 2018, emphasizing enhanced product leadership, targeted acquisitions, and growth-related investments, including initiatives that advance the integration of digital technology in new products such as our recently introduced NAUTIC-ON, a smart-boating platform that improves the boat ownership experience through connectivity and service, to further enhance our customers' experience and satisfaction.

For the longer term, our strategy remains consistent: to design, develop, and introduce high-quality product solutions featuring innovative technology and styling. To this end, in 2017 Brunswick continued to bolster its development and application of new technologies. During the year, Brunswick was awarded a company record of nearly 100 new patents. It also established an innovation laboratory in the prestigious Research Park at the University of Illinois at Urbana-Champaign as well as participated in the development of autonomous boating at the Massachusetts Institute of Technology. The Company also formed a joint venture with Chicago-based TechNexus Venture Collaborative to invest in transformative new technologies and unlock growth opportunities in both the marine and fitness industries.

OUTLOOK FOR 2018

We project that 2018 will be another year of strong revenue and earnings growth with improved free cash flow generation. We are targeting 5 percent to 7 percent annual sales growth, which includes benefits from continued solid growth in global marine markets and successful new product launches. We are forecasting higher earnings before income taxes, due in part to increased revenue and improvements in both gross margin and operating margin levels.

Further, we believe recently enacted U.S. tax reform should enhance the ability of companies like ours that have substantial U.S. operations to compete globally on a more equal footing and provide incremental opportunities for us to reinvest in our business, including accelerating several operational, growth, and important technology initiatives as we continue to advance our capital strategy.

PORTFOLIO ADJUSTMENTS

We recently announced structural changes intended to optimize our portfolio of businesses and enhance shareholder value. As part of regular business portfolio reviews with management, your Board of Directors chose to pursue the sale of Sea Ray boats and the spin-off of the Fitness business. These separate actions offer the best options to maximize the value of both our Marine and Fitness businesses. The Fitness spin-off results in the creation of two, stand-alone public companies enabling you to invest in either or both businesses.

Following the separation of these businesses, Brunswick will remain a leader in the marine industry with our boat brands continuing to be important elements of a robust, balanced marine portfolio along with our market-leading marine engines and marine P&A businesses. Mercury Marine is among a handful of major manufacturers serving the global engine market with the industry's broadest line-up of engines, including a wide variety of class-leading outboard engines, which are gaining popularity. Coupled with marine P&A businesses that continue to grow in size and scope, our engine business will account for approximately two-thirds of Company revenue and earnings going forward.

We believe a spin-off of the Fitness business will be the most effective way to optimize its value to Brunswick shareholders. We are confident that the fundamentals in the Fitness industry are strong, and with our global portfolio of great brands and leading market position, the business has a bright future. Similarly, our portfolio of Marine businesses is well-positioned to continue to deliver innovative new products and improved profitability as we execute our strategy. At Brunswick, we have a proud history of building leading businesses and positioning those businesses to deliver maximum value for customers and shareholders. We are confident that separating Marine and Fitness will build on that tradition. Once separated, both companies are poised and focused for success. Likewise, investors will have a clearer view of both companies' profiles, markets, and opportunities.

This is an exciting time for Brunswick with change and boundless opportunities ahead. I hope that you share our enthusiasm and confidence for the future. We are in growing and fundamentally sound markets with market-leading products and strong share positions thanks to the skills and energy of Brunswick employees around the world. It is a privilege to direct their efforts. It is their drive, creativity, and expertise, in which we invest both our treasure and trust, that will propel our Company and ultimately determine Brunswick's success. Thank you for your support and confidence in Brunswick.

Sincerely,



Mark D. Schwabero
Chairman and Chief Executive Officer
Brunswick Corporation

¹ Apple Watch is a registered trademark of Apple, Inc.