

BRUNSWICK



## Sea Ray Announcement

December 5, 2017

# Forward-Looking Statement

Certain statements in this presentation are forward-looking 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," "expect," "anticipate," "intend," "target," "plan," "seek," "estimate," "believe," "predict," "outlook" and similar expressions are intended to identify forward-looking statements. Such 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: adverse general economic conditions, including reductions in consumer discretionary spending; negative currency trends; our ability to implement our strategic plan and growth initiatives; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; retaining our relationships with dealers, distributors and independent boat builders; credit and collections risks; retaining key customers; protecting our brands and intellectual property; absorbing fixed costs in production; managing expansion or consolidation of manufacturing facilities; meeting supply objectives; meeting pension funding obligations; managing our share repurchases; higher energy and fuel costs; competitive pricing pressures; developing new and innovative products at a competitive price, in legal compliance; maintaining product quality and service standards; outages or breaches of technology systems; competitor activity; product liability, warranty and other claims risks; increased costs of legal and regulatory compliance; having to record an impairment to the value of goodwill and other assets; international business risks; attracting and retaining key contributors; and weather and catastrophic event risks.

Additional risk factors are included in Brunswick's Annual Report on Form 10-K for 2016. 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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# 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 (including those that are non-GAAP financial measures) and the information they provide are useful to investors because they permit investors to view business performance using the same tools that Brunswick uses and to better evaluate Brunswick's ongoing business performance. For additional information, please see Brunswick's Current Report on Form 8-K issued on October 26, 2017, which is 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 pension settlement charges, restructuring and integration costs, special tax items and certain other unusual adjustments.

## Brunswick to Divest Sea Ray

- ✓ Brunswick has decided to sell Sea Ray, one of the 15 brands that comprise the Brunswick Boat Group
- ✓ Sales process has commenced, with target completion in the first half of 2018
- ✓ Our remaining boat brands will continue to be important elements of a robust, balanced marine business
- ✓ Brunswick's marine strategy is focused on developing, manufacturing and distributing market leading products to recreational and commercial marine consumers through our portfolios of engine, boat and parts and accessories businesses
- ✓ While the Company conducts the sales process, we will continue to diligently manage Sea Ray by executing its business and product plans to support our employees, dealers and customers

**Brunswick remains committed to boat market and its marine businesses**

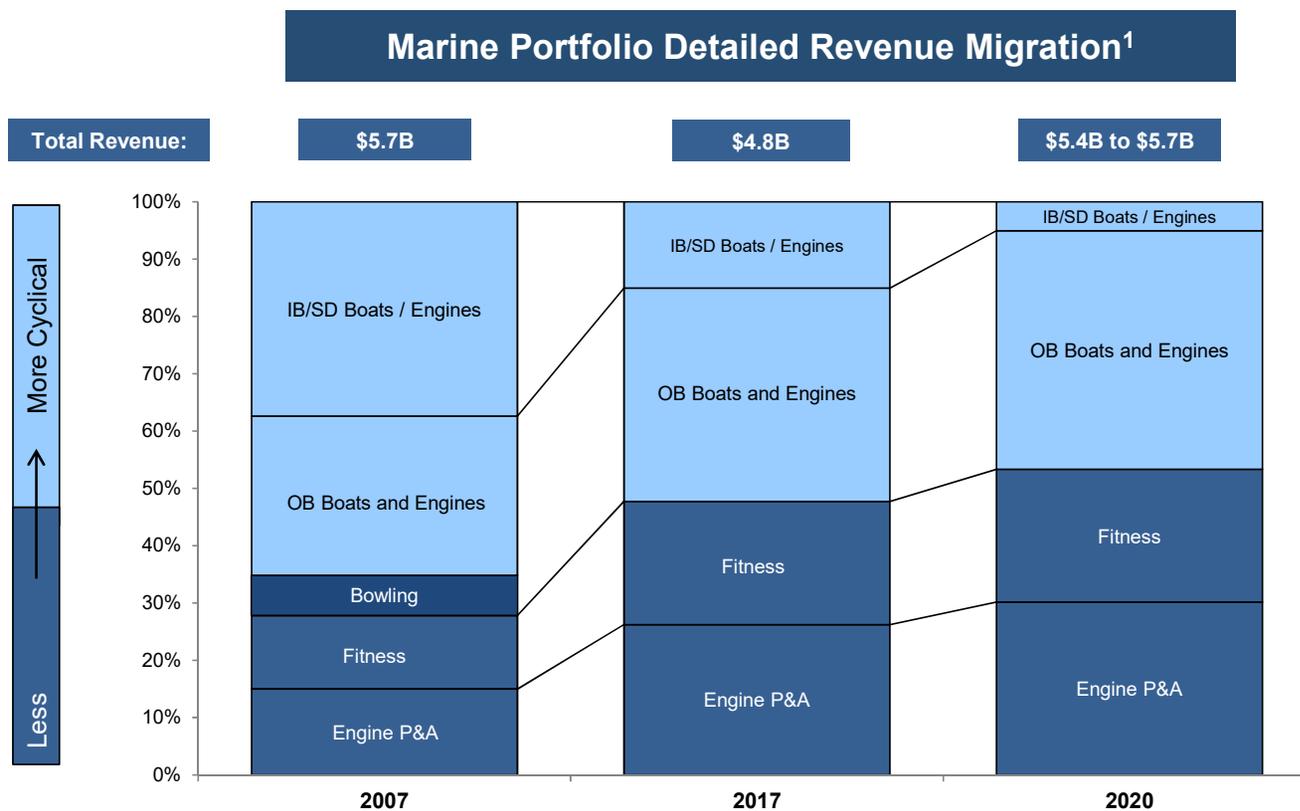
## Our Marine Position Is A Unique Advantage



- Largest marine equipment installed base built through years of engine and boat leadership
- Drives additional revenue streams including significant P&A
- Less cyclical as earnings more heavily tied to boat usage versus new boat demand
- Enhanced consumer experience generates repeat purchases

Today, the Boat Group serves an important role in Brunswick's marine strategy

# Brunswick's Overall Business Portfolio Continues to Reduce Cyclicity



<sup>1</sup> 2007 and 2017 figures include Sea Ray, 2020 figure excludes Sea Ray; 2017 and 2020 estimates are based on October 26, 2017 guidance and Investor Day targets, respectively

# Boat Strategy Remains Consistent

## Product Leadership



Efficient product development focused on high return opportunities

## Operational Excellence



Drive margin expansion through institutionalizing Lean Six Sigma

## Customer Lifecycle Management



Winning long term consumer loyalty

## Marine Strategy Alignment



Generate Brunswick marine value

## Financial Implications of Sea Ray Divestiture

- ✓ Brunswick will report the results of Sea Ray, which includes the Meridian boat brand, as discontinued operations for accounting purposes starting in Q4 2017
  - Projected 2017 sales of approximately \$380 million
- ✓ Brunswick expects that it will incur a pretax loss and resulting charge on the loss in connection with the sale of this business. Brunswick is unable at this time to make an estimate of the amount, or range of amounts, of the resulting charge.
- ✓ Implications to guidance and planning targets:
  - 2017 EPS, as adjusted, range remains \$3.85 to \$3.87
  - 2018 EPS, as adjusted, range remains at \$4.20 to \$4.40
  - 2020 Plan EPS range remains at \$5.25 to \$5.75
  - 2020 Plan Boat Group operating margin targets increase to 7-8%

**Brunswick expects to meet its existing financial commitments to shareholders**

## Conclusion – Creating Shareholder Value

1

Sea Ray is a good business with a rich history which will offer attractive return opportunities to a potential buyer

2

We are focusing on segments that offer high alignment with Brunswick's propulsion technologies, parts and accessories.

3

Remaining boat portfolio reflects improved profitability, predictability, and reduced asset intensity.

4

We will opportunistically pursue M&A in attractive segments aligned with consumer trends.

- ✓ Brunswick remains committed to the marine industry and boat markets and brands supporting our strategy
- ✓ Immediate focus on finding suitable buyer for Sea Ray
- ✓ Protect interests of employees, dealers and customers

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