July 23, 2019

Brunswick Positions Marine Organization to Drive Efficiency and Reduce Cost

Actions anticipated to produce an additional $30 million to $35 million in full-year cost reductions

METTAWA, Ill., July 23, 2019 (GLOBE NEWSWIRE) -- –Brunswick Corporation (NYSE: BC) today announced further measures to drive greater efficiency and reduce the annual operating costs of its Marine businesses -- both boat and engine -- by an estimated $30 million to $35 million. This follows the June 27, 2019 announcement of the streamlining of its corporate support functions related to the sale of its Fitness business.

“These actions will reduce cost in our marine operations and are consistent with the right-sizing of our corporate functional support organization announced last month,” said Brunswick Chief Executive Officer David M. Foulkes. “Together, these enterprise-wide programs will result in a reduction of approximately $50 million in annual run-rate costs, due in large part to a nine percent reduction in our global salaried workforce. These actions are designed to ensure that Brunswick is able to continue to aggressively invest in business transformation and growth initiatives across a broad range of potential economic and marine market scenarios.”

Today’s announcement includes the planned establishment of a leaner operating structure within Brunswick’s boat businesses, which will enable the Company to more easily leverage synergies in certain areas of the business. This structure will also facilitate further initiatives to reduce both indirect and direct costs and take better advantage of Brunswick’s scale in market-facing organizations, all of which will allow for continued investment in new products and business initiatives to drive future growth.

Similarly, Mercury Marine, Brunswick’s engine division, has taken actions across its global propulsion and P&A businesses to streamline operations while continuing to invest in additional capacity for high horsepower engines, new product development and advanced technologies.

The large majority of actions announced today have already been implemented. There will be a partial-year impact in 2019, and almost all the $50 million of cost reductions will have a full-year impact in 2020. Brunswick stated it expects to record restructuring charges of $7 million associated with these actions.

“Actions like these affecting our colleagues and co-workers are never easy but are necessary for us to continue to invest in the future of our business. We thank the departing staff members for their service to Brunswick and wish them well in their future careers and endeavors. We deeply appreciate the commitment and contribution of all of our employees,” concluded Foulkes.

Forward-Looking Statement

Certain statements in this news release 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," "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 news release. 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, tight consumer credit markets, and the level of consumer confidence on the demand for our products and services; our ability to successfully implement our strategic plan and growth initiatives; our ability to integrate targeted acquisitions, including the Global Marine & Mobile Business of Power Products; the possibility that the Fitness business separation may not provide business benefits; having to record an impairment to the value of goodwill and other assets; changes to U.S. trade policy and tariffs; the inability to identify and complete targeted acquisitions; the risk that strategic divestitures may not provide business benefits; the potential for disruption to our business in connection with the Fitness business separation or Power Products acquisition, making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred in connection with these transactions; the possibility that the expected synergies and value creation from these transactions will not be realized or will not be realized within the expected time period; negative currency trends, including shifts in exchange rates; fiscal policy concerns; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; adverse economic, credit, and capital market conditions; loss of key customers; attracting and retaining skilled labor and implementing succession plans for key leadership; inventory reductions by dealers, retailers, or independent boat builders; requirements for us to repurchase inventory; 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 the result of new tariffs on raw materials, increased demand for shipping carriers, and transportation disruptions; higher energy and fuel costs; our ability to protect our brands and intellectual property; absorbing fixed costs in production; managing our manufacturing footprint; outages, breaches, or other cybersecurity events regarding our technology systems, which could result in lost or stolen information and associated remediation costs; our ability to meet pension funding obligations; managing our share repurchases; competitive pricing pressures; our ability to develop new and innovative products and services at a competitive price, in legal compliance with existing rules; maintaining product quality and service standards; product liability, warranty, and other claims risks; legal and regulatory compliance, including increased costs, fines, and reputational risks; changes in income tax legislation or enforcement; certain divisive shareholder activist actions; joint ventures that do not operate solely for our benefit; international business risks; and weather and catastrophic event risks.

Additional risk factors are included in the Company's Annual Report on Form 10-K for 2018 and 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 news release or for changes by wire services or Internet service providers.

About Brunswick

Headquartered in Mettawa, Ill., Brunswick Corporation's leading consumer brands include Mercury Marine outboard engines; Mercury MerCruiser sterndrive and inboard packages; Mercury global parts and accessories including propellers and SmartCraft electronics; Power Products Integrated Solutions; MotorGuide trolling motors; Attwood, Garelick, and Whale marine parts; Land 'N' Sea, BLA, Payne's Marine, Kellogg Marine, and Lankhorst Taselaar marine parts distribution; Mercury and Quicksilver parts and oils; Bayliner, Boston Whaler, Crestliner, Cypress Cay, Harris, Lowe, Lund, Princecraft, Quicksilver, Rayglass, Sea Ray, Thunder Jet and Uttern boats; Boating Services Network, Freedom Boat Club, NAUTIC-ON, OnBoard Boating Club and Rentals. For more information, visit https://www.brunswick.com.

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Source: Brunswick Corporation