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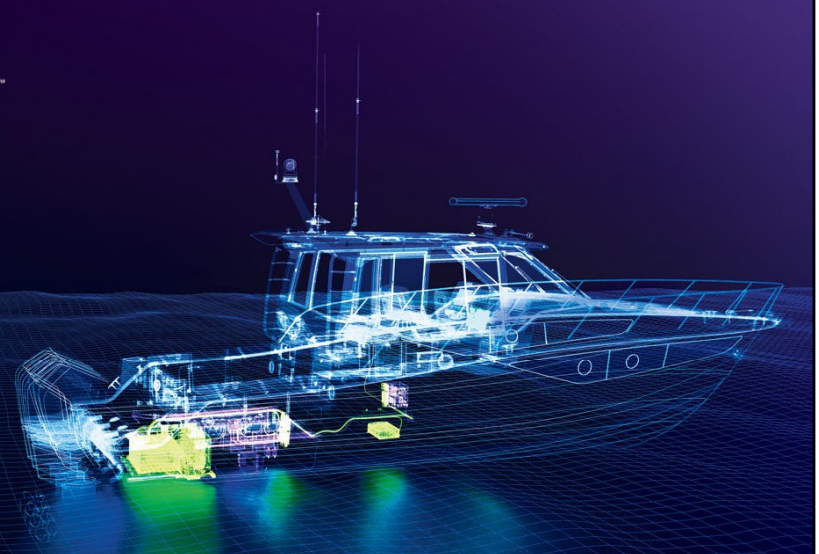

# Q2 2025 Earnings

## Conference Call

**JULY 24, 2025**

# 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 rising interest rates, and the amount of disposable income consumers have available for discretionary spending; changes to trade policy and tariffs, including retaliatory tariffs; changes in currency exchange rates; fiscal and monetary policy changes; adverse capital market conditions; competitive pricing pressures; higher energy and fuel costs; managing our manufacturing footprint and operations; loss of key customers; international business risks, geopolitical tensions or conflicts, sanctions, embargoes, or other regulations; actual or anticipated increases in costs, disruptions of supply, or defects in raw materials, parts, or components we purchase from third parties; supplier manufacturing constraints, increased demand for shipping carriers, and transportation disruptions; adverse weather conditions, climate change events and other catastrophic event risks; our ability to develop new and innovative products and services at a competitive price; absorbing fixed costs in production; our ability to meet demand in a rapidly changing environment; public health emergencies or pandemics; 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 integrate acquisitions and the risk for associated disruption to our business; the risk that restructuring or strategic divestitures will not provide business benefits; our ability to identify and complete targeted acquisitions; maintaining effective distribution; dealer and customer ability to access adequate financing; inventory reductions by dealers, retailers, or independent boat builders; requirements for us to repurchase inventory; risks related to the Freedom Boat Club franchise business model; outages, breaches, or other cybersecurity events regarding our technology systems, which have affected and could further 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; an 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; risks associated with joint ventures that do not operate solely for our benefit; 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 2024 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 presentation.

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Good morning and thank you for joining us. With me on the call this morning is David Foulkes, Brunswick's Chairman and CEO, and Ryan Gwillim, Brunswick's CFO. Before we begin with our prepared remarks, I would like to remind everyone that during this call 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 and today's press release. All of these documents are available on our website at Brunswick.com.

# Use of Non-GAAP Financial Information and Constant Currency Reporting

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 that 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.

For additional information and reconciliations of GAAP to non-GAAP measures, please see Brunswick's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 24, 2025, which is available at www.brunswick.com, and the Appendix to this presentation.

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.

For purposes of comparison, 2025 net sales growth is also shown using 2024 exchange rates for the comparative period to enhance the visibility of the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations. We refer to this as "constant currency" reporting.



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During our presentation, we will be referring to certain non-GAAP financial information. Reconciliations of GAAP to non-GAAP financial measures are provided in the appendix to this presentation and the reconciliation sections of the unaudited consolidated financial statements accompanying today's results. I will now turn the call over to Dave.

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# Business Overview – Dave Foulkes, CEO

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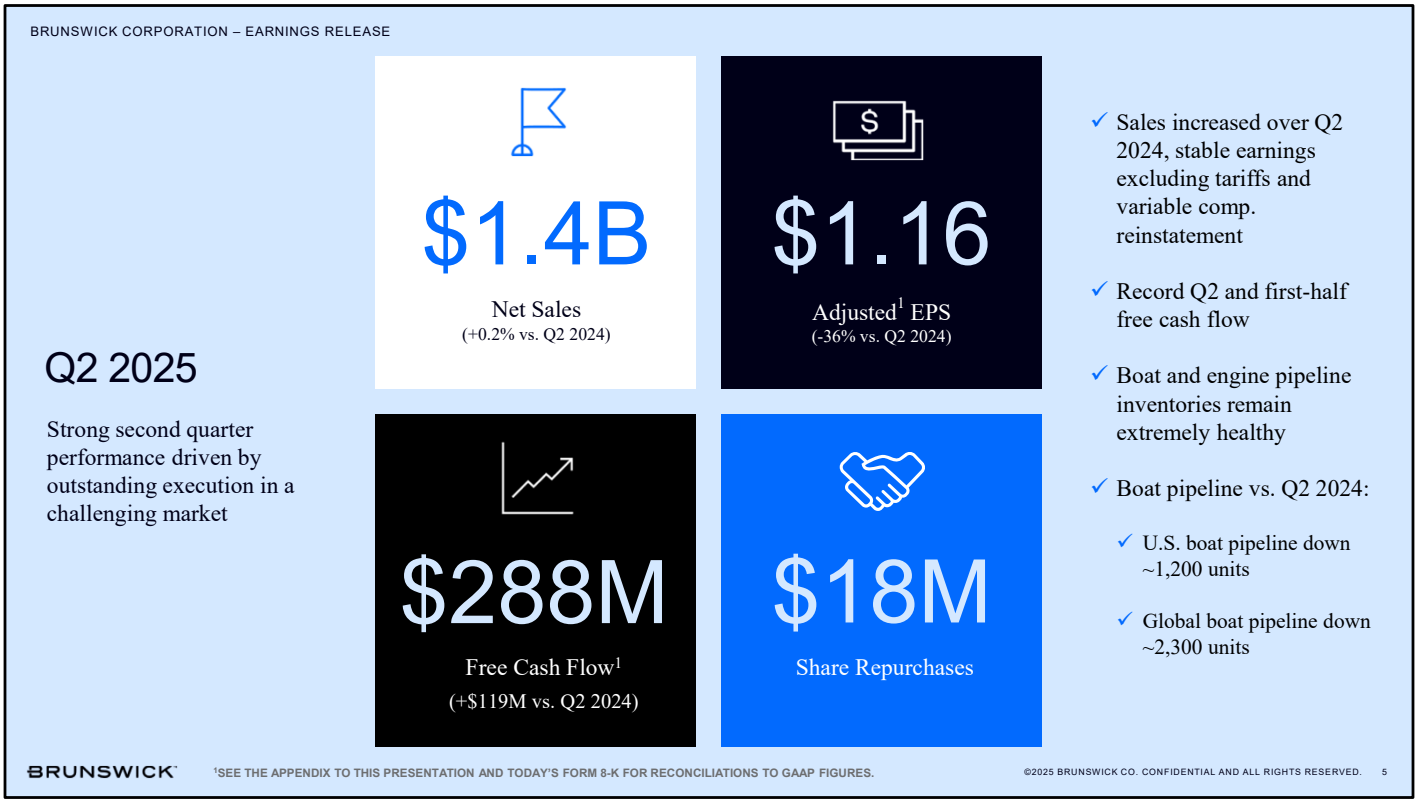
Thanks Steve, and good morning everyone.




Brunswick delivered strong second quarter results as the power of our market-leading products and brands, efficient operational execution and cost control, continued prudent pipeline inventory management, and the benefits from the resilient, recurring, aftermarket-focused portions of our portfolio, resulted in second quarter financial performance ahead of expectations. This was despite the challenging macro environment and uncooperative weather in many parts of the U.S. through the first two months of the quarter. Year-to-date, boat unit retail sales in the value category are underperforming our initial expectations for the year, but continued overall resilience in the premium and core categories, combined with improving retail sales trends in July, is expected to provide a floor for wholesale performance in the second-half of the year. Tariffs continue to directly impact our earnings and add uncertainty for both our end-consumers and channel partners, but all our businesses are executing strongly on their mitigation plans, resulting in a smaller net tariff impact than originally anticipated.

Against this backdrop, we are pleased to report second quarter sales of $1.4 billion, up slightly from prior year, and earnings per share of $1.16, both exceeding the top end of our guidance and sequentially up from the first quarter. Earnings were impacted by the reinstatement of variable compensation and the effects of tariffs, but were consistent year-over-year excluding those items. A continuing highlight of our financial performance is our free cash flow. We had another quarter of outstanding free cash flow generation, with $288 million of free cash generated in the quarter, a record for any second quarter in company history. This performance also resulted in a record first-half free cash flow of $244 million, a $279 million improvement versus first-half 2024. The free cash generated in the past three quarters represents the largest free cash flow generation in any fourth through second quarter period in Brunswick history.

In summary, despite everything going on around us, Brunswick was firing on all cylinders in the second quarter but of course, Next Never Rests, and we are fully committed to doing a lot more including progressing certain rationalization and manufacturing capacity optimization actions in the second-half of the year to improve profitability and cash flow in several of our businesses, while still driving incremental product cost and operating expense reductions, and maximizing the positive impact of our cash generation on our capital strategy.

## 2Q Performance Highlights the Value of the Combined Portfolio

### Propulsion

- ✓ Sales growth driven by strong outboard performance in Q2
- ✓ Outperformed the market in higher horsepower categories
- ✓ New 425hp and 350hp launched in July
- ✓ Share growth in Canada

### Engine Parts & Accessories

- ✓ YTD sales and operating margins remained steady versus prior year despite slow start to the boating season
- ✓ R12 U.S. distribution share increased more than 180bps YoY

### Navico Group

- ✓ Marine and RV OEM performance sequentially improved vs. Q1
- ✓ Executed further manufacturing footprint rationalization and operational improvements
- ✓ Fast-paced sequence of new product introductions continued with launch of new Lowrance Ghost X trolling motor

### Boat[1]

- ✓ Multiple new model launches with strong retail and sequential market share gains for key brands
- ✓ Significant rationalization of value model line up given tight conditions
- ✓ Dealer inventories remain healthy
- ✓ Freedom Boat Club reached 433 global locations with first Middle-East location opening this season

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[1]BOAT SEGMENT INCLUDES BUSINESS ACCELERATION.

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Our overall results were supported by performance ahead of, or in line with expectations for each of our segments. Our propulsion business delivered strong year-over-year sales growth, with shipments to U.S. OEM customers outpacing expectations, resulting in sequentially improved earnings despite the anticipated tariff and absorption headwinds. Mercury's outboard engine lineup continues to take market share, gaining over 300 basis points of U.S. retail share in outboard engines over 300 horsepower in the quarter and 30 basis points of share overall on a rolling twelve-month basis, despite heavy wholesale shipments by competitors ahead of tariffs being implemented on Japanese imports. Mercury's leadership in high horsepower outboard engines will be further reinforced by the new 425 and 350 horsepower engines launched earlier this week with performance, smoothness, quietness, weight, and other attributes far ahead of the competition.

Our engine parts and accessories business had another strong quarter, with slight year-over-year sales growth and steady earnings despite a weather-affected start to the boating season. This primarily aftermarket-based business continues to derive its success from stable boating participation and the world's largest marine distribution network, which in the U.S. has gained 180 basis points of market share, resulting from our ability to support same day or next-day deliveries to most locations in the world.

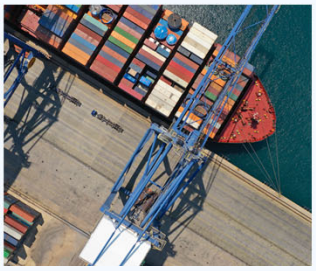
Navico Group had slightly lower sales versus the second quarter of 2024 with aftermarket sales and sales to marine OEMs modestly lower, however, sales trends continued to improve each month in the quarter. Navico Group earnings remained consistent with first quarter levels and were driven by enthusiastic customer acceptance of new products and steady operational performance. Year-to-date revenue for Navico Group is only down 2.5 percent vs. the first-half of 2024, led by steady performance from the group's aftermarket businesses. Restructuring actions continue to gain traction despite tariff and market headwinds and, in the quarter, we consolidated two production locations and transferred European distribution to a 3PL while, in July, we implemented a leaner organizational restructure that will reduce expenses and increase agility.

Our boat business had lower overall sales, mainly resulting from weakness in value categories, but outperformed the market in some other key categories, resulting in overall market share gains, and has delivered 30 new model launches year to date. In response to the tighter value fiberglass market we have rationalized our value fiberglass model line up by 25% for the 2026 model year. Dealer inventories remain healthy and Freedom Boat Club continues its journey of profitable growth, launching its first club in the Middle East, located in Dubai, and with plans for additional expansion, further reinforcing its position as the world's largest and only global boat club.

## External, Customer, and Consumer Conditions

### External Landscape

- ✓ U.S. Fed continues to hold rates steady with potential for cuts in 2H 2025
- ✓ Marine retail interest rate environment remains stable
- ✓ U.S. Dollar weakness driving foreign exchange tailwinds
- ✓ One Big Beautiful Bill Act expected to be net positive for Brunswick



### Tariffs

- ✓ Total potential FY incremental enterprise tariff exposure of $55-$70M
- ✓ Tariff mitigation efforts outpacing expectations – migration of supply-base, inventory staging, and facility optimization
- ✓ Tariffs on Japanese imports impacting Mercury engine competitors

### Dealer & Customer Sentiment

- ✓ Long-term dealer outlook has improved throughout the quarter, with the near-term focus remaining on converting sales and managing inventory
- ✓ Early-quarter poor weather across the U.S. was retail headwind
- ✓ Value/entry categories remain most challenged

### OEM Environment

- ✓ Marine OEM production rates up vs. 2H 2024, but hesitancy remains given soft consumer sentiment
- ✓ Heavier incentives in some product categories to maximize sales in balance of main selling season

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Now looking at external factors, we see some areas of continued uncertainty but also some emerging bright spots compared with the first quarter.

Interest rates remain steady with the potential for improvement and foreign exchange tailwinds should benefit our predominantly U.S.-based business. In addition, the One Big Beautiful Bill Act favorably addressed tax increases that were previously scheduled to take effect and restored key pro-business provisions such as full expensing of U.S. R&D. We are still analyzing the impact of all the changes on a global basis but anticipate a significant positive cash flow impact moving forward.

Brunswick continues to actively monitor and manage tariff exposure. Our coordinated team across trade compliance, supply chain, and finance analyzes the latest updates, implements mitigations, and continually refines our forecast. Despite recent tariff increases for some countries, overall we have revised down our estimate for total potential net exposure. Ryan will go into more detail, but I will again stress that despite the negative direct impacts of tariffs on our earnings, given our primarily U.S.-based, vertically integrated engine and boat manufacturing base and predominantly domestic supply chain, and the fact that we manufacture almost all our boats for international markets within those markets, we remain competitively well positioned in an environment of persistent tariffs. In addition, our leading position and scale affords us the resources and sophistication to effectively manage this complex, evolving situation, including through the deployment of AI tools.

We see an improvement in longer-term dealer sentiment and inventory comfort, which is moving closer to historical norms. Boating participation remains strong with upticks throughout the quarter, dealer foot traffic is stable, and we have seen a slight increase in people considering a boat purchase in the next 12 months.

OEM production rates were up over the second half of last year and while overall retail was down for the quarter, July is off to a very strong start. We are using competitive incentives where appropriate to support second half sales and are continuing to invest in and derive benefits from the latest digital marketing technologies to generate more leads and optimize conversion.

Overall, while we remain mindful of the dynamic macro-economic backdrop and soft consumer sentiment, there are some reasons for cautious optimism as we progress through early Q3.

# Industry Retail

## Engines

- ✓ Q2 U.S. outboard engine industry retail down 6%, but on R12 basis, Mercury gained:
  - 140bps of share for 150hp and above; and
  - 30bps of share overall

## Boats

- ✓ SSI May YTD U.S. boat industry retail down 11%, with Brunswick slightly better
- ✓ June – July MTD internal retail has improved since May, down ~MSD%
- ✓ Brunswick has gained overall boat unit retail share YTD

**July retail continues to accelerate for Brunswick boats, Mercury engines, and P&A**

SOURCE: STATISTICAL SURVEYS, INC.: PRELIMINARY DATA IS SHOWN ON A COMPARATIVE BASIS USING STATES REPORTING TO DATE AS OF MAY 2025, APPROXIMATELY 67.15% OF THE U.S. BOAT MARKET, COAST GUARD DATA.

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Moving now to Industry retail performance.

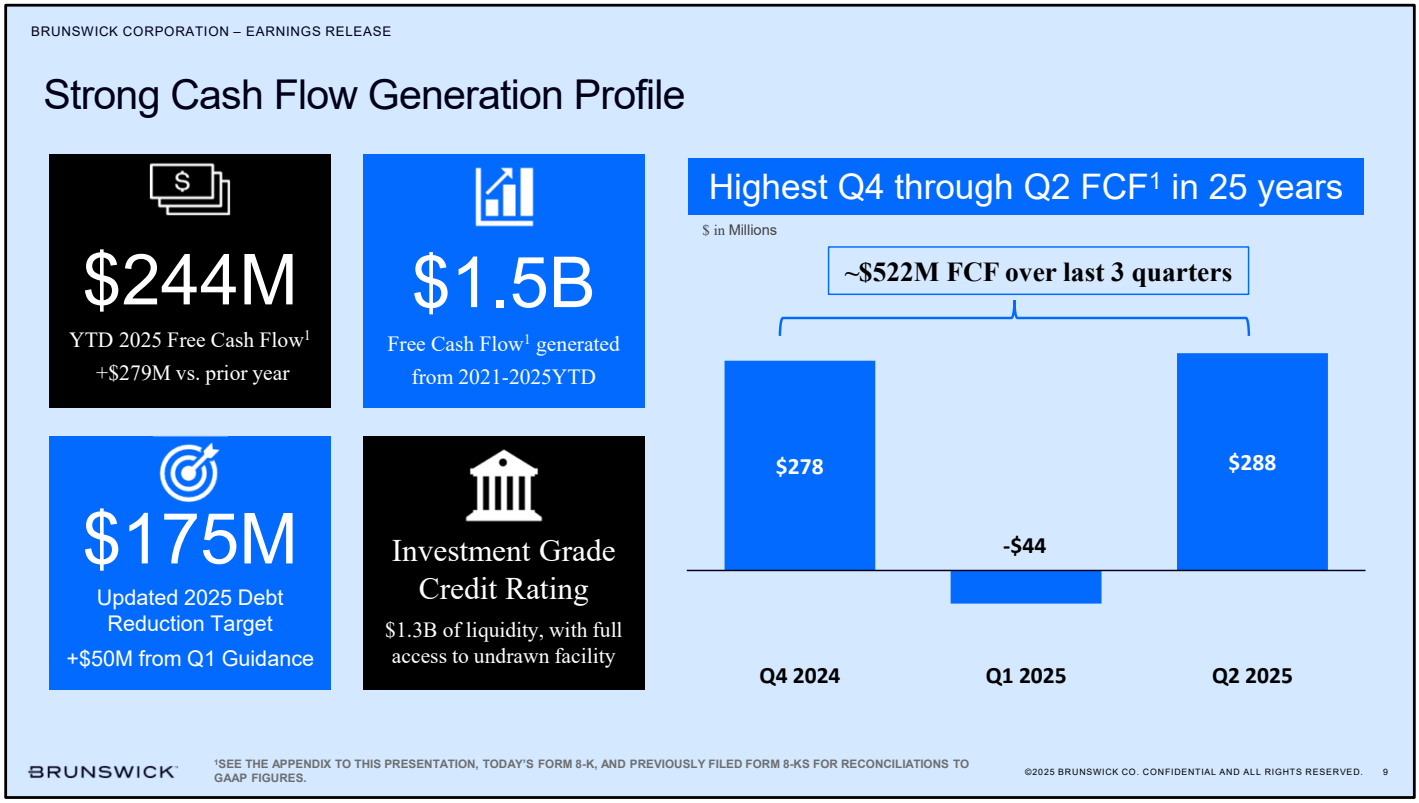
Outboard engine industry retail units declined 6% in the quarter, with Mercury gaining 30bps of share on a rolling 12-month basis, and 140bps of share in the same timeframe on engines 150hp and greater. Mercury continues to gain share internationally, with 170 basis points of share gain in Canada over the past 12 months, and strength in high horsepower share continuing around the globe.

As of the latest SSI reporting for May, U.S. main powerboat industry retail was down modestly year-to-date, with Brunswick's boat brands outperforming the industry. Since the beginning of June, internal Brunswick U.S. retail has improved, with registrations only down mid-single-digit percent over the same period in 2024.

On a global basis, first half retail remained very steady for our premium brands including Boston Whaler, Sea Ray, Lund, and Navan, and, as a whole, for our core brands. Retail performance for our value brands continues to be challenged and, as noted, we are working to optimize the profitability of these brands at reduced production volumes.

We have continued to diligently manage boat pipeline levels and second quarter U.S. wholesale shipments were down 9%, resulting in an 11% reduction in U.S. pipelines, or over 1,200 fewer units versus last year. Global pipelines are down 2,300 units over the same period, reflecting our continued focus on maintaining the freshest inventory in the market.

Lastly, as I indicated earlier, according to internal data, July retail for essentially all of our businesses has accelerated and is trending positive vs. July 2024, giving us and our channel partners positive momentum to start the back-half of the year.




Before turning the call over to Ryan, I want to highlight the diligent efforts across our enterprise that resulted in record free cash flow, despite some inventory banking for tariff mitigation, and continue to support our investment grade credit profile. Our strong Q1 cash performance continued into the second quarter, and in the first half of the year, we delivered $244 million of free cash flow, up $279 million versus the prior year. We have delivered $1.5 billion of free cash flow since 2021, and a record ~$522 million in the last three quarters, in very dynamic and challenging market conditions.

Our balance sheet remains very healthy, with no debt maturities until 2029 and an attractive cost of debt and maturity profile. Given our continued strong cash performance, we are increasing our previous debt reduction guidance for 2025 by $50 million, to a total target of $175M for the year. With this increase in our 2025 debt reduction target, by year end we are on track to have retired $350 million of debt since 2023, and we remain on the path of returning to our long-term net leverage target of below two times EBITDA. We are accomplishing this while maintaining significant financial flexibility, as evidenced by, and commitment to, our investment grade credit rating. At quarter end, we will have $1.3 billion in liquidity, including full access to our undrawn revolving credit facility.

I want to thank the entire Brunswick team for their disciplined focus on execution, driving efficiencies, working capital management, optimization of capital expenditures, and many other actions that, together, allow us to return capital to shareholders while maintaining financial flexibility and opportunistically reducing leverage. Our cash generation profile and investment grade credit rating are important to our business and also differentiate Brunswick in our industry and sector.

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# Financial Overview – Ryan Gwillim, CFO

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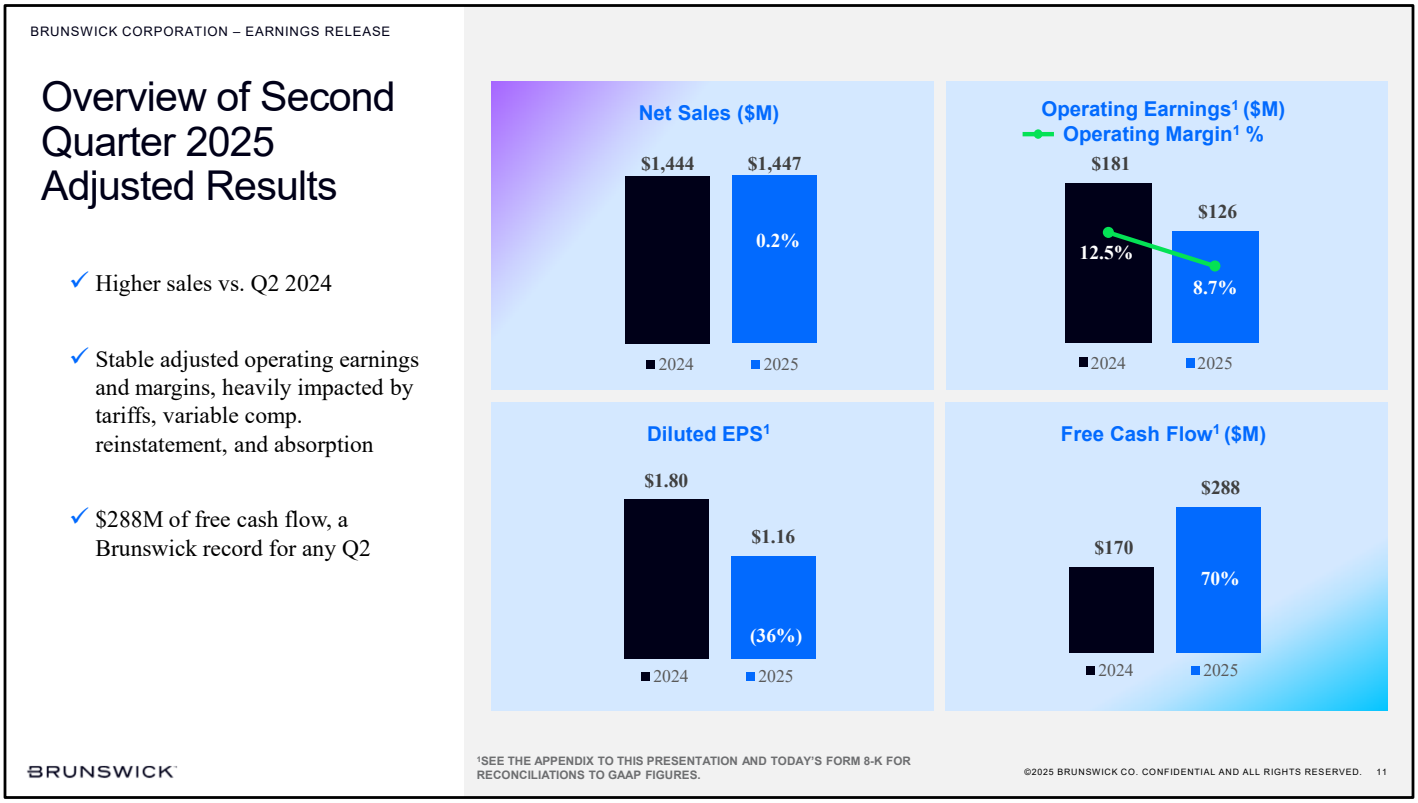
I will now turn the call over to Ryan to provide additional comments on our financial performance and outlook.

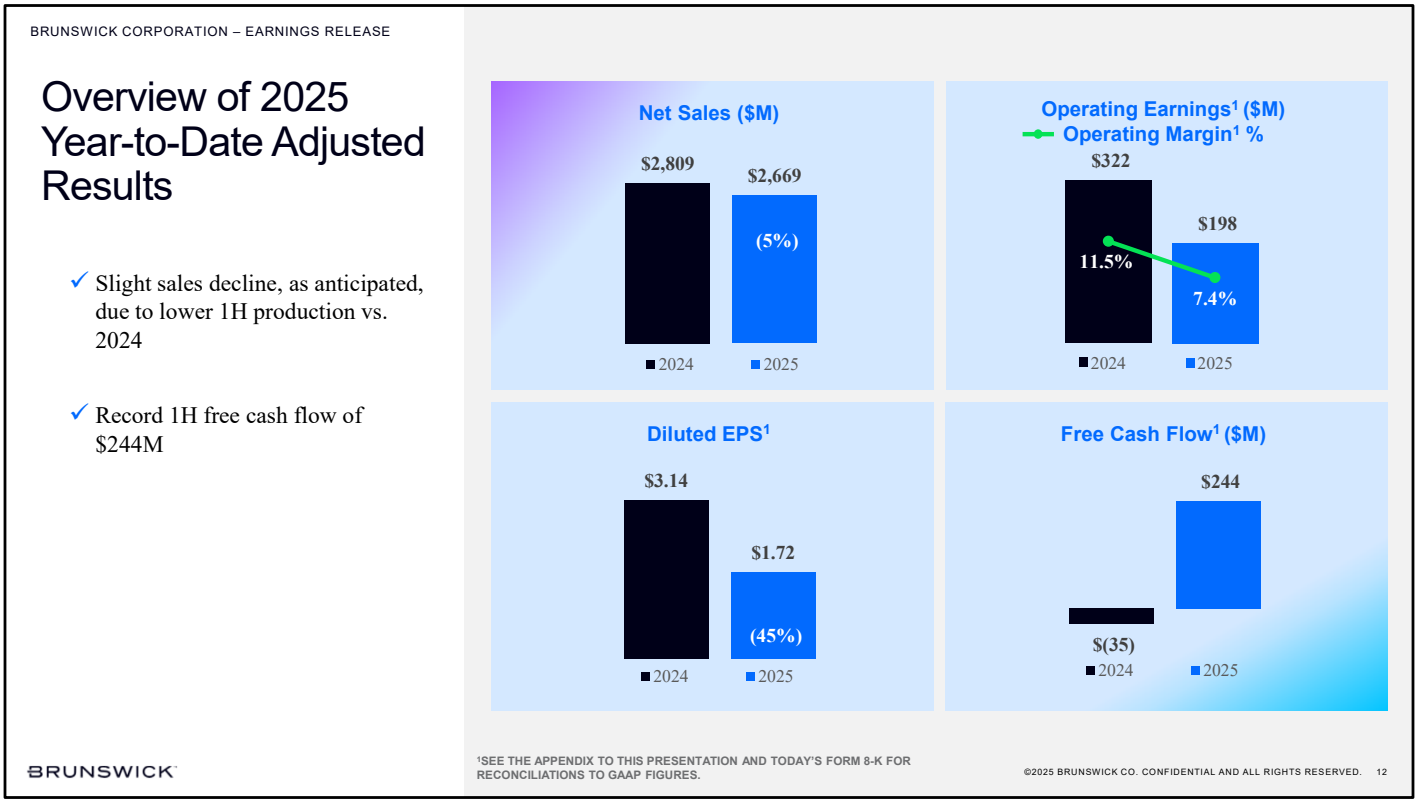



Thanks Dave, and good morning everyone.

Brunswick's second quarter results were solidly ahead of expectations. Sales were up slightly over second quarter 2024 as steady wholesale ordering by dealers and OEMs, together with modest pricing benefits, offset the impact of continued challenging consumer demand market conditions.

Operating earnings and EPS were ahead of guided expectations, but down versus prior year as the impacts of reinstated variable compensation, lower absorption from decreased production levels, and tariffs were only partially offset by new product momentum, the benefits from the slight sales increase, and ongoing cost control measures throughout the enterprise.

Lastly, as Dave mentioned earlier, it was a historic second quarter from a cash generation standpoint, with Brunswick generating a record $288 million of free cash flow.



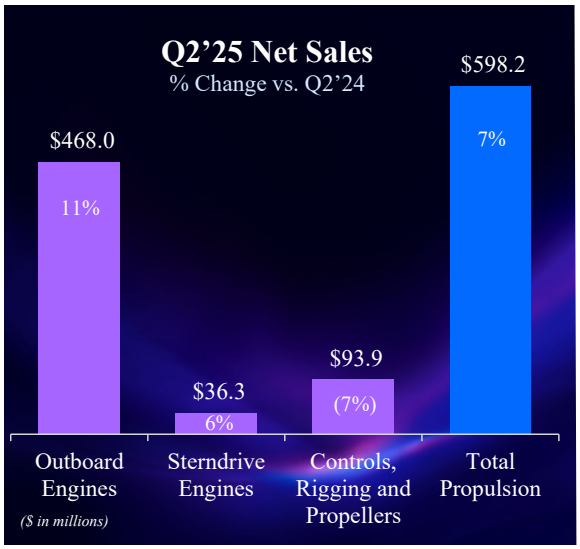

On a year-to-date basis, sales are down 5 percent, primarily due to anticipated lower production levels in our propulsion and boat businesses only being partially offset by steady sales in our aftermarket-led Engine P&A and Navico businesses.

Year-to-date adjusted operating earnings and EPS are also ahead of expectations, but below prior year as expected due to the same factors from the second quarter.

Year-to-date free cash flow of $244 million is a first half record and is the result of focused inventory and other working capital initiatives started in the second quarter of 2024.

# Propulsion Segment – Q2'25 Performance[1]

Strong Outboard Engines performance drove sales growth compared to Q2 2024




**Adjusted Operating Margin of**

**11.3%**

**Down 420 bps vs. Q2'24**

*(GAAP Operating Margin of 11% down 430 bps vs. Q2'24)*

**Adjusted Operating Earnings of**

**$67.3M**

**Down 22% vs. Q2'24**

*(GAAP Operating Earnings of $65.8M down 23% vs. Q2'24)*

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[1]SEE THE APPENDIX TO THIS PRESENTATION AND TODAY'S FORM 8-K FOR RECONCILIATIONS TO GAAP FIGURES.

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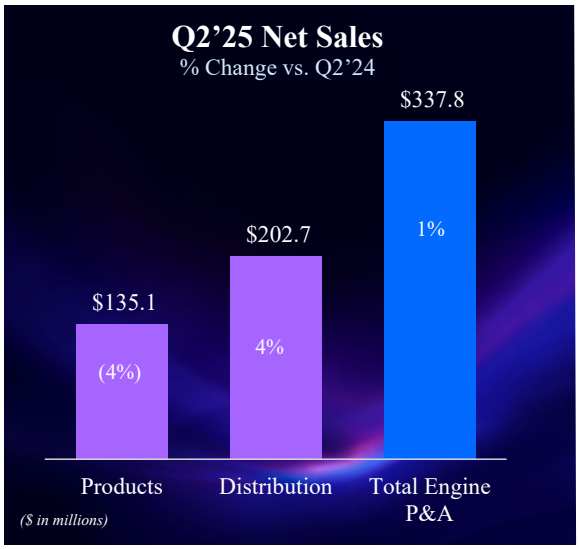
Now we'll look at each reporting segment, starting with our propulsion business, which reported a 7 percent increase in sales resulting primarily from strong orders from U.S. OEMs. Operating earnings were below prior year primarily due to the impact of tariffs, lower absorption from decreased production levels and the reinstatement of variable compensation, partially offset by cost control measures and the benefits from the increased sales. Propulsion segment sales and operating earnings both grew sequentially versus first quarter 2025.

# Engine P&A Segment – Q2'25 Performance[1]

Steady performance for the quarter despite unfavorable weather in U.S. to start boating season




**Adjusted Operating Margin of**

**21.3%**

**Down 130 bps vs. Q2'24**

*(GAAP Operating Margin of 21.2% down 130 bps vs. Q2'24)*

**Adjusted Operating Earnings of**

**$72.1M**

**Down 5% vs. Q2'24**

*(GAAP Operating Earnings of $71.7M down 5% vs. Q2'24)*

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Our aftermarket-led engine parts and accessories business had another solid quarter, reporting a 1 percent increase in sales versus the same period last year due to slightly stronger Distribution sales. Sales from the Products business were down 4 percent, while the Distribution business sales were up 4 percent compared to prior year. Segment operating earnings were slightly down versus second quarter 2024, due solely to the enterprise factors discussed earlier.

Note that first half Engine P&A earnings and sales are essentially flat to 2024 despite the challenging marine retail market conditions and overall unseasonable weather for a significant portion of the early year. This performance reinforces our well-stated view that our continued focus and investment in this aftermarket, recurring revenue and earnings business is critical to driving stable financial and shareholder returns.

# Navico Group Segment – Q2'25 Performance[1]

Continued steady aftermarket sales and strong new product momentum, with OEM and Specialty channels improving

**Q2'25 Navico Group Net Sales**

**$202.3M**

**Down 4% vs. Q2'24**

**Adjusted Operating Margin of**

**5.3%**

**Down 210 bps vs. Q2'24**

*(GAAP Operating Margin of –3.8% down 240 bps vs. Q2'24)*

**Adjusted Operating Earnings of**

**$10.8M**

**Down 31% vs. Q2'24**

*(GAAP Operating Earnings of -$7.6M down NM[2] vs. Q2'24)*

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[1]SEE THE APPENDIX TO THIS PRESENTATION AND TODAY'S FORM 8-K FOR RECONCILIATIONS TO GAAP FIGURES.
[2] NM = NOT MEANINGFUL

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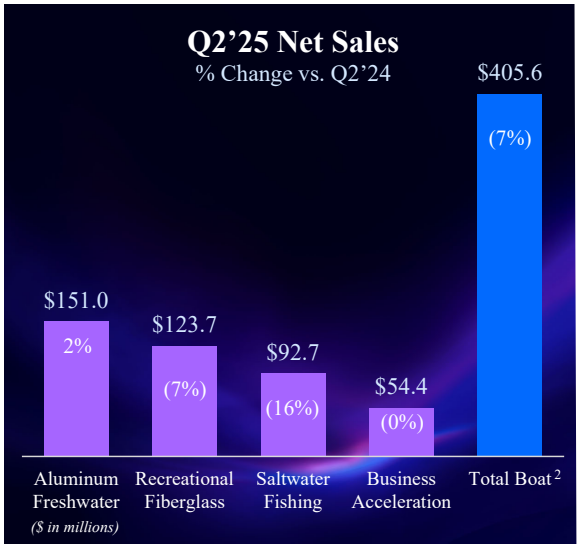
Navico Group reported a sales decrease of 4 percent versus Q2 2024, with sales to both aftermarket channels and marine OEMs down modestly, partially offset by benefits from new product momentum. Segment operating earnings decreased due to the lower sales, tariffs, and the variable compensation reset.

# Boat Segment – Q2'25 Performance[1]

Steady performance consistent with expectations, pipeline inventory remains healthy




**Adjusted Operating Margin of**

**3.3%**

**Down 290 bps vs. Q2'24**

*(GAAP Operating Margin of 2.7% down 300 bps vs. Q2'24)*

**Adjusted Operating Earnings of**

**$13.2M**

**Down 51% vs. Q2'24**

*(GAAP Operating Earnings of $11.1M down 55% vs. Q2'24)*

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[1]SEE THE APPENDIX TO THIS PRESENTATION AND TODAY'S FORM 8-K FOR RECONCILIATIONS TO GAAP FIGURES.
[2]TOTAL BOAT NET SALES INCLUDES $16.2M OF BOAT ELIMINATIONS.

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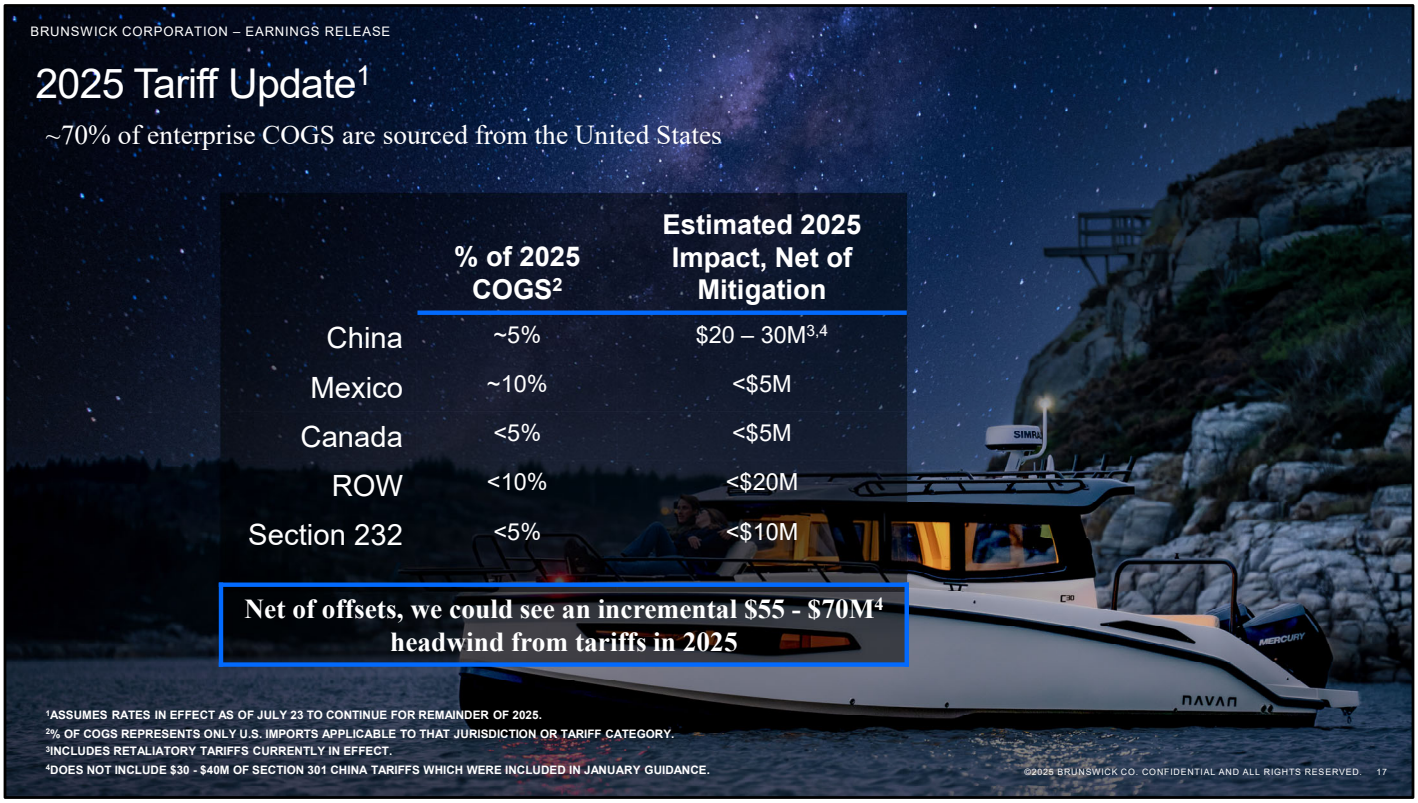
Finally, our Boat segment reported a sales decrease of 7 percent resulting from anticipated cautious wholesale ordering patterns by dealers, which was only partially offset by the favorable impact of modest model-year price increases. Freedom Boat Club had another strong quarter, contributing approximately 12 percent of the segment sales including the benefits from recent acquisitions. Segment operating earnings were within expectations as the impact of net sales declines and the variable compensation reset was partially offset by pricing and continued cost control.




This slide shows an updated view of our 2025 tariff impact should the current tariff rates continue for the remainder of the year. This slide shows the approximate percentage of COGS affected by tariffs currently in force, along with our anticipated 2025 net tariff impact for each category after planned mitigation measures are considered.

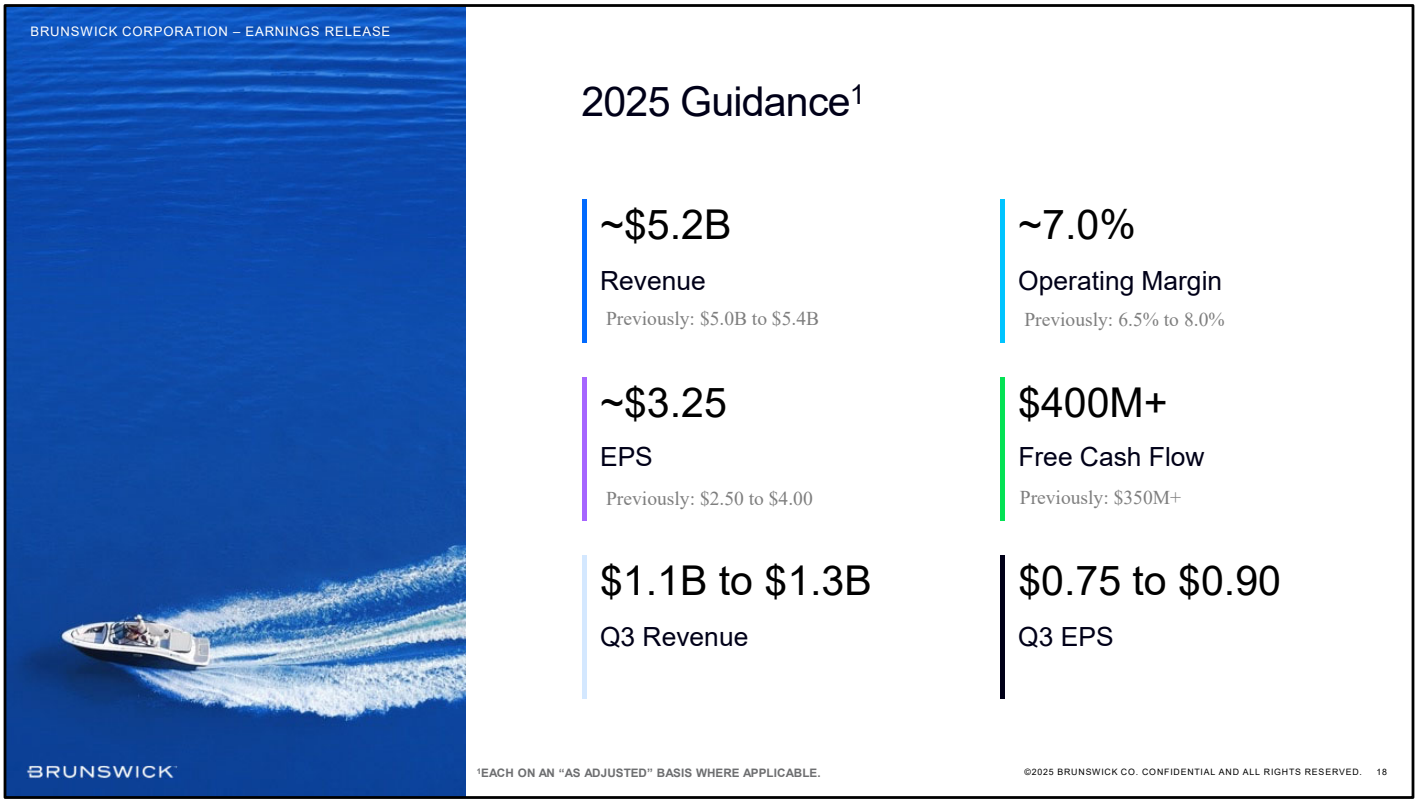
The largest tariff impact remains China, and while less than 5% of our COGS, could represent $20 to $30 million of tariff expense at current rates for product and component importation into the U.S. These incremental tariffs are in addition to the ~$30 million of Section 301 tariffs that were included in our initial guidance for the year.

Mexico and Canada supply accounts for approximately 15% of U.S. COGS, but most of the supply from these two countries are imported under the USMCA, meaning that our tariff exposure here remains small, assuming the continued USMCA exemption. Finally, there are other smaller tariffs on rest-of-world imports.

Not included in this analysis are other impacts, or potential impacts, both positive and negative to the enterprise, including:

1. potential retaliatory tariffs from the EU and Canada on U.S. manufactured boats and possibly engines and parts;
2. tariffs on boats imported into the U.S. by our European OEM partners that use Mercury engines and parts;
3. Mercury engine competitors which are paying tariffs on the importation of engines from Japan or other non-U.S. manufacturing locations; and maybe most importantly,
4. the continued disruption of the capital markets and the corresponding impact on our consumer

As everyone is aware, this is an extremely dynamic situation, and the entire Brunswick team is committed to minimizing the overall impact that tariffs ultimately have on our enterprise.




My last slide shows our updated full-year guidance, taking into account the anticipated net tariff impact and continued market and consumer uncertainties, but also our strong operational performance and the recent market momentum.

Despite a slightly softer marine market than initially anticipated to start the year, we remain confident in our ability to deliver our full-year plan, with the result being us holding the midpoint of our guidance with anticipated sales of approximately $5.2 billion and adjusted EPS of approximately $3.25. However, given our exceptional first half cash generation, we're raising our free cash flow guidance by $50 million to greater than $400 million for the full year. This will allow for increased debt reduction efforts, which we discussed earlier, and should enable us to repurchase no less than $80M of shares at a time when we believe that our share price remains severely dislocated from our performance in a challenging market.

As Dave mentioned earlier, retail conditions in July have improved from the early part of the season, giving us more confidence in steady wholesale for the remainder of the year, with Q3 expected to deliver sequentially slightly lower revenue and earnings driven by the annual seasonality of our businesses.

03

# Wrap-Up
# Dave Foulkes, CEO

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I will now pass the call back to Dave for concluding remarks.

## Cutting-Edge Products, Synergies, and Business Innovation

SIMRAD AutoTrack for Simrad HALO

HARRIS Sunliner

Dubai Freedom Franchise

RAYGLASS BOATS Protector R Edition

MERCURY V10 425hp Verado

Sea Ray SDX 230

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Thanks Ryan. As we wrap up, I want to highlight some of our recent, exciting new product launches, announcements, and awards. Navico Group's Simrad brand recently launched AutoTrack technology for its HALO radar portfolio that enables automated tracking of multiple targets and provides unrivaled situational awareness to boaters.

Our boat brands across the globe have been busy launching many new products, all featuring Mercury power and Navico Group technology. Our Harris pontoon brand launched the 2026 Sunliner series, with a very stylish and contemporary new exterior and interior. The Sunliner is affordable but also aspirational with many thoughtful features, premium finishes, and uncompromised quality. Our Rayglass brand in New Zealand unveiled the all-new Protector R Edition range, a bold evolution of its iconic, high-performance RIBs, leading with the 330 Targa R Edition – the first vessel in New Zealand powered by Mercury Racing's 400R V10 outboard engines. And Sea Ray launched its all-new SDX 230 lineup, available in sterndrive, outboard, and surf configurations, with the surf version featuring the innovative NextWave™ surf system designed to create consistent, rideable wakes for every skill level. The system integrates an exclusive Sea Ray interface with Mercury's Smart Tow system, Bravo Four S drive, and dual Simrad touchscreen displays offering easy control and visualization.

Freedom Boat Club recently announced an exciting new franchise in Dubai – our first location in the attractive Middle East boating market. The flagship location will open this fall and feature many Brunswick boats, with additional locations to follow in 2026. At a time when several other, smaller boat clubs are experiencing difficulties, Freedom continues to grow and thrive, globally supported by the ready availability of Brunswick's broad portfolio of boats and Mercury engines, rapid availability of P&A and accessories from our global P&A and distribution businesses, and a variety of financing and insurance, marketing, and IT services also provided by Brunswick. In return, Freedom generates substantial synergy sales while showcasing our exceptional products.

And finally, Mercury reinforced its position as the industry leader in the high horsepower outboard market this week with the introduction of the new 425hp and refreshed 350hp outboard engines, delivering performance, smoothness, quietness, and light-weight far ahead of the competition.

During the quarter, we received significant recognition for our people, products, and commitment to innovation, putting us well on track to surpass 100 awards again in 2025.

Among the highlights, Brunswick was named by Time Magazine one of America's Best Mid-Size Companies for the second year in a row.

We also earned six Boating Industry Magazine Top Product Awards. These awards highlight "the marine industry's best new and innovative products" and our awards underscore the breadth and depth of our innovation. On the topic of innovation, the Experiential Design Authority also honored us with an award for our impressive and engaging exhibit at CES 2025.

For the third consecutive year, Newsweek named Brunswick one of America's Most Trustworthy Companies, placing us in the Top 10 within the Manufacturing and Industrial Equipment category, and we were recognized for the first time on Newsweek's lists of America's Greatest Workplaces for Parents and Greatest Workplaces for Women, reflecting our commitment to being an employer of choice.

Congratulations to all those who contributed to these awards.

Finally, this quarter we released our 2024 Sustainability Report, which describes our work to reduce our environmental impact while making our businesses more efficient and supporting the communities in which we live and work.

That is the end of our prepared remarks – we will now turn it back over to the operator for questions.

# Appendix

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# 2025 Outlook Segment Guide[1]

| | Propulsion | Engine P&A | Navico Group | Boat |
|---|---|---|---|---|
| **Net Sales Guide[2]** | ~$2.0B<br>Previously: $1.9 to $2.0B | $1.1 - $1.2B<br>No Change | ~$0.8B<br>No Change | ~$1.5B<br>Previously: $1.5 to $1.6B |
| **Operating Margin Guide** | High<br>Single Digit Percent<br>No Change | ~20%<br>No Change | Mid to High<br>Single Digit Percent<br>No Change | Mid<br>Single Digit Percent<br>No Change |

[1]EACH ON AN "AS ADJUSTED" BASIS WHERE APPLICABLE, VERSUS COMPARABLE PRIOR YEAR.
[2]SEGMENT NET SALES GUIDANCE FIGURES ARE EXCLUSIVE OF SEGMENT ELIMINATIONS.

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# 2025 Outlook – Capital Strategy and Other Assumptions

**Debt Retirement**

~$175M

Previously: ~$125M

**Average Diluted Shares Outstanding**

~66M

**Net Interest Expense**

~$110M

**Net Working Capital Generation**

~$100M

**Capital Expenditures**

~$150M

**Share Repurchases**

$80M+

Previously: ~$80M

**Depreciation**

~$225M

**Currency Impact**

Flat to Slightly Negative

Previously: $0 - $15M negative impact

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# Net Sales – Q2 2025

Net Sales increased by $3.1 million, or 0.2 percent

## NET SALES (in millions)

| Segments | Q2 2025 | Q2 2024 | % Change |
|---|---|---|---|
| Propulsion | $598.2 | $558.0 | 7% |
| Engine Parts & Accessories | 337.8 | 336.1 | 1% |
| Navico Group | 202.3 | 210.1 | (4%) |
| Boat | 405.6 | 434.2 | (7%) |
| Segment Eliminations | (96.9) | (94.5) | 3% |
| **Total** | **$1,447.0** | **$1,443.9** | **0%** |

## SALES BY REGION

| Region | Q2 2025 % of Sales | % Change | Constant Currency Ex Acquisitions % Change |
|---|---|---|---|
| United States | 67% | 0% | 0% |
| Europe | 15% | 1% | (4%) |
| Asia-Pacific | 7% | 6% | 7% |
| Canada | 5% | (5%) | (5%) |
| Rest-of-World | 6% | (3%) | 0% |
| Total International | 33% | 0% | (1%) |
| **Consolidated** | | **0%** | **(1%)** |

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# Net Sales – YTD 2025

Net Sales decreased by $140.1 million, or 5 percent

**NET SALES** (in millions)

| Segments | YTD 2025 | YTD 2024 | % Change |
|---|---|---|---|
| Propulsion | $1,085.2 | $1,136.2 | (5%) |
| Engine Parts & Accessories | 593.1 | 598.5 | (1%) |
| Navico Group | 410.5 | 421.0 | (3%) |
| Boat | 777.7 | 859.9 | (10%) |
| Segment Eliminations | (197.7) | (206.7) | (4%) |
| **Total** | **$2,668.8** | **$2,808.9** | **(5%)** |

**SALES BY REGION**

| Region | YTD 2025 % of Sales | % Change | Constant Currency Ex Acquisitions % Change |
|---|---|---|---|
| United States | 67% | (5%) | (6%) |
| Europe | 15% | (4%) | (5%) |
| Asia-Pacific | 7% | (1%) | 1% |
| Canada | 5% | (5%) | (3%) |
| Rest-of-World | 6% | (9%) | (4%) |
| Total International | 33% | (5%) | (3%) |
| **Consolidated** | | **(5%)** | **(5%)** |

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# GAAP to Non-GAAP Reconciliations – Q2 2025

## Operating Earnings and Diluted Earnings per Share

| | Operating Earnings | | Diluted Earnings per Share | |
|---|---|---|---|---|
| **(in millions, except per share data)** | **Q2 2025** | **Q2 2024** | **Q2 2025** | **Q2 2024** |
| GAAP | $103.3 | $158.3 | $0.90 | $1.55 |
| Restructuring, exit and impairment charges | 8.0 | 7.9 | 0.09 | 0.09 |
| Purchase accounting amortization | 14.7 | 14.5 | 0.17 | 0.16 |
| Acquisition, integration, and IT related costs | — | 0.1 | — | — |
| **As Adjusted** | **$126.0** | **$180.8** | **$1.16** | **$1.80** |

| | | |
|---|---|---|
| GAAP operating margin | 7.1% | 11.0% |
| **Adjusted operating margin** | **8.7%** | **12.5%** |



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# GAAP to Non-GAAP Reconciliations – YTD 2025

## Operating Earnings and Diluted Earnings per Share

| | Operating Earnings | | Diluted Earnings per Share | |
|---|---|---|---|---|
| **(in millions, except per share data)** | **YTD 2025** | **YTD 2024** | **YTD 2025** | **YTD 2024** |
| GAAP | $159.6 | $268.9 | $1.21 | $2.54 |
| Restructuring, exit and impairment charges | 9.1 | 21.4 | 0.10 | 0.24 |
| Purchase accounting amortization | 29.3 | 29.3 | 0.34 | 0.33 |
| Acquisition, integration, and IT related costs | 0.1 | 2.4 | — | 0.03 |
| IT security incident costs | — | 0.3 | — | — |
| Special tax items | — | — | 0.03 | — |
| Loss on early extinguishment of debt | — | — | 0.04 | — |
| **As Adjusted** | **$198.1** | **$322.3** | **$1.72** | **$3.14** |

| | | |
|---|---|---|
| GAAP operating margin | 6.0% | 9.6% |
| **Adjusted operating margin** | **7.4%** | **11.5%** |

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# Tax Rate

**Q2**

| | Q2 2025 | Q2 2024 |
|---|---|---|
| Effective Tax Rate - GAAP | 20.8% | 20.9% |
| Effective Tax Rate - As Adjusted [1] | 21.5% | 21.6% |

**YTD**

| | YTD 2025 | YTD 2024 |
|---|---|---|
| Effective Tax Rate - GAAP | 22.8% | 21.1% |
| Effective Tax Rate - As Adjusted [1] | 21.7% | 21.6% |

(1) TAX PROVISION, AS ADJUSTED, EXCLUDES $0.3 MILLION AND $0.1 MILLION OF NET PROVISIONS FOR SPECIAL TAX ITEMS FOR Q2 2025 AND Q2 2024, RESPECTIVELY AND $2.1 MILLION AND $0.2 MILLION OF NET PROVISION FOR SPECIAL TAX ITEMS FOR YTD 2025 AND 2024, RESPECTIVELY.

**2025 outlook for the adjusted effective tax rate slightly lower at ~21%**



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# Free Cash Flow

## Q2

| (in millions) | Q2 2025 | Q2 2024 |
|---|---|---|
| **Net cash used for operating activities from continuing operations** | **$322.5** | **$215.7** |
| **Net cash (used for) provided by:** | | |
| Capital expenditures | (44.9) | (47.1) |
| Proceeds from sale of property, plant, equipment | 3.4 | 3.1 |
| Effect of exchange rate changes | 6.9 | (2.3) |
| **Free Cash Flow** | **$287.9** | **$169.4** |

## YTD

| (in millions) | YTD 2025 | YTD 2024 |
|---|---|---|
| **Net cash provided by operating activities from continuing operations** | **$309.1** | **$67.6** |
| **Net cash (used for) provided by:** | | |
| Capital expenditures | (82.6) | (101.1) |
| Proceeds from sale of property, plant, equipment | 6.8 | 5.4 |
| Effect of exchange rate changes | 10.2 | (7.0) |
| **Free Cash Flow** | **$243.5** | **($35.1)** |



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# Free Cash Flow

| (in millions) | Q4 2024 | Q1 2025 |
|---|---|---|
| **Net cash provided by (used for) operating activities from continuing operations** | **$312.0** | **($13.4)** |
| **Net cash (used for) provided by:** | | |
| Capital expenditures | (30.3) | (37.7) |
| Proceeds from sale of property, plant, equipment | 6.8 | 3.4 |
| Effect of exchange rate changes | (10.8) | 3.3 |
| **Free Cash Flow** | **$277.7** | **($44.4)** |


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