

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): October 26, 2023

BRUNSWICK
BRUNSWICK CORPORATION

(Exact Name of Registrant Specified in Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

001-01043
(Commission File
Number)

36-0848180
(I.R.S. Employer
Identification No.)

26125 N. Riverwoods Blvd., Suite 500
Mettawa Illinois
(Address of Principal Executive Offices)

60045-3420
(Zip Code)

Registrant's telephone number, including area code: (847) 735-4700

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|--|-------------------|---|
| Common stock, par value \$0.75 per share | BC | New York Stock Exchange Chicago Stock Exchange |
| 6.500% Senior Notes due 2048 | BC-A | New York Stock Exchange |
| 6.625% Senior Notes due 2049 | BC-B | New York Stock Exchange |
| 6.375% Senior Notes due 2049 | BC-C | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On October 26, 2023, Brunswick Corporation (“Brunswick”) announced its financial results for the third quarter 2023. The news release Brunswick issued announcing its third quarter 2023 earnings is incorporated herein by reference and is included as Exhibit 99.1 to this Current Report on Form 8-K.

In the news release, Brunswick uses non-GAAP financial measures. A “non-GAAP financial measure” is a numerical measure of a registrant’s historical or future financial performance, financial position, or cash flows that excludes amounts, or is 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 issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Operating and statistical measures and certain ratios and other statistical measures are not non-GAAP financial measures. GAAP refers to generally accepted accounting principles in the United States.

Brunswick has used certain of the financial measures that are included in the news release 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 Brunswick’s performance using the same tools that Brunswick uses and to better evaluate Brunswick’s ongoing business performance.

The measure diluted earnings per common share (EPS), as adjusted, is believed to be useful to investors because it represents a measure of Brunswick’s earnings, without the impact of certain charges that do not reflect the Company’s ongoing business performance. Brunswick defines this measure as diluted earnings (loss) per common share from continuing operations, excluding the earnings per share impact of restructuring, exit, and impairment charges; purchase accounting amortization; IT security incident costs; acquisition, integration, and IT-related costs; TN-BC Holdings LLC joint venture impairment; special tax items; and other applicable charges. Brunswick’s management also believes that the measure adjusted operating earnings is useful to investors because it provides a necessary and important perspective on Brunswick’s operating performance and improves comparability of performance against prior periods. Brunswick defines adjusted operating earnings as operating earnings (loss), excluding the earnings impact of restructuring, exit, and impairment charges; purchase accounting amortization; IT security incident costs; acquisition, integration, and IT-related costs; and other applicable charges. Brunswick’s management believes that the non-GAAP financial measure free cash flow is useful to investors because it is an indication of cash flow that may be available to fund investments in future growth initiatives. Brunswick defines “Free cash flow” as cash flow from operating and investing activities of continuing operations (excluding cash provided by or used for acquisitions, investments, purchases or sales/maturities of marketable securities and other investing activities) and the effect of exchange rate changes on cash and cash equivalents. 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 charges, special tax items, acquisition-related costs, and certain other unusual adjustments.

To reflect the impact of changes in currency exchange rates on net sales, Brunswick may use constant currency reporting. To present this information, net sales transacted in currencies other than U.S. dollars are translated to U.S. dollars using prior year exchange rates for the comparative period, using the average exchange rates in effect during that period. The percentage change in net sales expressed on a constant currency basis may better reflect changes in the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations.

The information in this report and the exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.

Description of Exhibit

[99.1](#)

[Brunswick Corporation News Release, dated October 26, 2023, announcing Brunswick's third quarter 2023 earnings.](#)

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The cover page from this Current Report on Form 8-K, embedded within and formatted in Inline XBRL.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BRUNSWICK CORPORATION

Dated: October 26, 2023

By:

/S/ RANDALL S. ALTMAN

Randall S. Altman

Senior Vice President and Controller



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Telephone 847.735.4700

News Release

Release: IMMEDIATE
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Brunswick Reports Third Quarter Results

Solid Performance Despite Challenging Backdrop

Third Quarter GAAP Diluted EPS of \$1.63 and As Adjusted Diluted EPS of \$2.42
 Updated 2023 Full-Year Guidance: Adjusted Diluted EPS of Approximately \$9.00

METTAWA, Ill., October 26, 2023-- Brunswick Corporation (NYSE: BC) today reported results for the third quarter of 2023:

Third Quarter 2023 Financial Results:

| in millions (except per share data) | Q3 2023 | | | |
|---|------------|-----------------|-------------|-----------------|
| | GAAP | Change vs Q3'22 | As Adjusted | Change vs Q3'22 |
| Net Sales | \$ 1,593.6 | (6.2) % | \$ 1,593.6 | (6.2) % |
| Operating Earnings | \$ 196.1 | (17.5) % | \$ 230.1 | (17.5) % |
| Operating Margin | 12.3 % | (170) bps | 14.4 % | (200) bps |
| Diluted EPS from Continuing Operations | \$ 1.63 | (27.9) % | \$ 2.42 | (9.4) % |

bps = basis points

"We delivered a solid third quarter as our continued market share gains, strength in new products, efficient operations at our facilities, comprehensive cost control measures, and the resilient composition of our portfolio drove strong earnings and free cash flow despite the ongoing challenging macro-economic backdrop. Extended summer weather in many parts of the U.S.

allowed for additional boating time and drove year-over-year growth in Engine P&A Products sales. However, marine dealers continue to demonstrate some caution with stocking levels as we exit the primary retail selling season in large parts of the U.S. Unit sales in the U.S. new boat market showed slight directional improvement with preliminary third quarter flat and year-to-date down 7.5%, with Brunswick growing share in both periods. We continue to monitor retail market conditions closely, increasing support for retail sales as needed, actively managing boat pipelines to achieve year-end levels within historical norms, and generating strong free cash flow which, year-to-date, is \$233 million greater than in the first nine months of 2022, all while advancing our strategic initiatives, including our ACES strategy," said Brunswick Chief Executive Officer, David Foulkes.

Our propulsion business delivered top-line growth with slightly lower earnings versus a record third quarter 2022, driven by growth in outboard engines, especially in high-horsepower categories, and controls and rigging, offset by relatively weaker sterndrive sales. Mercury Marine continues to expand outboard propulsion retail market share around the globe and has gained 90 basis points of U.S. retail market share in 2023, with gains in 300 horsepower and greater categories.

Our resilient engine parts and accessories business continued its steady in-season performance with Engine P&A Products sales up versus third quarter 2022. Distribution business sales were down year-over-year, but showed relative improvement from earlier in the year as dealer and retailer inventory destocking patterns moderated. Operations continue to improve as the transition to the new Brownsburg, Indiana distribution center nears completion.

As anticipated, Navico Group posted higher gross and operating margins versus third quarter 2022 despite lower sales, as slower marine and RV OEM orders offset improving trends in aftermarket channels. Retailer stocking continues to recover as we enter the fourth quarter, with well-received new product offerings expected to drive strong retail pull-through during the holiday season. Additionally, acceleration of our planned integration, restructuring and cost reduction efforts resulted in lower operating expenses versus prior year.

Finally, our boat business performed to plan, continuing to introduce new models and white-space brands and gaining share, while adjusting production to manage pipelines. Sales and earnings were below prior year as anticipated, with premium fiberglass products continuing to outperform value products. Freedom Boat Club continues to deliver steady membership sales and recently

announced its 400th location. Freedom is nearing 60,000 membership agreements covering more than 91,000 members network-wide, all while generating exceptionally strong synergy sales across our marine portfolio," Foulkes concluded.

Reportable Segment Changes

As a reminder, effective January 1, 2023, we updated our reportable segments from three segments to four: Propulsion, Engine Parts & Accessories, Navico Group, and Boat. Therefore, for all periods presented in this release, all figures and outlook statements incorporate this change. Please see the Current Report on Form 8-K filed with the Securities and Exchange Commission on April 10, 2023 for more information.

2023 Third Quarter Results

For the third quarter of 2023, Brunswick reported consolidated net sales of \$1,593.6 million, down from \$1,698.2 million in the third quarter of 2022. Diluted EPS for the quarter was \$1.63 on a GAAP basis and \$2.42 on an adjusted basis. Third quarter sales were below prior year with lower wholesale orders resulting from field inventory reaching normal levels and softer retail market conditions, partially offset by annual price increases, and market share gains, and benefits from well-received new products. Operating earnings were down versus prior year as a result of the lower sales, slightly higher input costs, higher absorption, and the unfavorable impact of foreign currency exchange rates, more than offsetting benefits from premium mix and aggressive cost control measures throughout the enterprise. In addition, versus the third quarter of 2022:

Propulsion segment reported a 1 percent increase in sales resulting from favorable product mix related to increased high-horsepower outboard engine demand and higher sales to repower customers, along with annual pricing, partially offset by order declines in low and mid-range horsepower outboards and sterndrives. Operating earnings versus prior year decreased due to higher input costs including one-time expenses related to the successful ratification of the Mercury Marine, Fond du Lac labor agreement, and the unfavorable impact of foreign currency exchange rates, which more than offset common benefit factors above.

Engine Parts and Accessories segment reported a 4 percent decrease in sales versus the third quarter of last year. The U.S. Products business sales grew double digit percent versus prior year,

which was more than offset by lower Distribution sales and international market softness. Segment operating earnings were down versus prior year due to slight sales decline and transition costs related to the newly opened distribution center. However, both sales and operating earnings increased sequentially over the second quarter of this year as demand and performance continue to improve.

Navico Group segment reported a sales decrease of 9 percent, driven by reduced sales to marine OEMs as they align pipeline levels to lower retail and continued slow RV production, partially offset by strong new product performance and improved aftermarket sales trends. Segment operating earnings increased as a result of cost reduction actions together with new product performance which offset the impact from lower sales.

Boat segment reported a 16 percent decrease in sales due to the impact of planned lower product shipments, especially of value products, as the business continues to work with its channel partners to control pipeline levels while stimulating demand through higher discount levels, partially offset by the favorable impact of pricing actions and share gains. Operating margin was impacted by lower sales, partially offset by cost reduction actions. Freedom Boat Club, which is part of Business Acceleration, had another strong quarter, contributing approximately 9 percent of segment sales.

Review of Cash Flow and Balance Sheet

Cash and marketable securities totaled \$342.8 million at the end of the third quarter, down \$270.2 million from 2022 year-end levels.

Net cash provided by operating activities of continuing operations, which includes net earnings net of non-cash items, totaled \$458.1 million during the first nine months of the year, up \$144.3 million from prior year, primarily due to significant improvement in working capital.

Investing and financing activities resulted in net cash usage of \$712.8 million during the first nine months of 2023 including \$233.1 million of capital expenditures, \$220.0 million of share repurchases, \$89.6 million of cash paid for acquisition of a business, net of cash acquired, \$84.6 million of dividend payments and \$81.8 million of debt payments.

2023 Outlook

"Although we're entering the off-season in most of our primary selling regions, we are focused on demonstrating resilient EPS and cash flow in a challenging market, while constraining our pipelines to appropriate historical norms and delivering towards our strategic initiatives. We are excited about our recent acquisition of Fliteboard, which is proceeding to plan, preparing Navico Group for a busy holiday selling season, continuing to deliver our three Avator electric models to customers around the world, and continuing to expand Freedom Boat Club within and beyond its core markets," said Foulkes. "Our updated 2023 full-year guidance anticipates:

1. Net sales of \$6.45 to \$6.5 billion;
2. Adjusted diluted EPS of approximately \$9.00;
3. Free Cash Flow in excess of \$375M;
4. Annual share repurchases of \$275M+; and
5. Fourth quarter 2023 net sales down high-single-digit percent versus Q4 2022, and adjusted diluted EPS of approximately \$1.65.

Finally, as we approach the end of another year of both excitement and challenges, I would like to convey my gratitude to all our Brunswick employees and our business partners around the world for their exceptional execution and commitment to delivering these robust results."

Use of Non-GAAP Financial Information

A reconciliation of GAAP to non-GAAP financial measures used in this release is provided in the reconciliation sections of the consolidated financial statements accompanying this release.

In order to better align Brunswick's reported results with the internal metrics used by Brunswick's management to evaluate business performance as well as to provide better comparisons to prior periods and peer data, non-GAAP measures used in this release exclude the impact of purchase accounting amortization related to acquisitions, among other adjustments.

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.

Conference Call Scheduled

Brunswick will hold a conference call today at 10 a.m. CDT, hosted by David M. Foulkes, chief executive officer, Ryan M. Gwillim, executive vice president and chief financial officer, and Neha Clark, senior vice president enterprise finance. The call will be broadcast over the Internet at www.brunswick.com/investors. To listen to the call, go to the website at least 15 minutes before the call to register, download, and install any needed audio software.

See Brunswick's website for slides used to supplement conference call remarks at www.brunswick.com/investors.

Security analysts and investors wishing to participate via telephone should call 877-900-9524 (no password needed). Callers outside of North America should call 412-902-0029 (no password needed) to be connected. These numbers can be accessed 15 minutes before the call begins, as well as during the call. A replay of the conference call will be available through 1 p.m. CDT on Thursday, November 2, 2023, by calling 877-660-6853 or 201-612-7415 (Access ID: 13741706). The replay will also be available at www.brunswick.com/investors.

Forward-Looking Statements

Certain statements in this news release 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 news release. 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 in currency exchange rates; fiscal and monetary policy changes; higher energy and fuel costs; competitive pricing pressures; adverse capital market conditions; 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; managing our manufacturing footprint; international business risks, geopolitical tensions or conflicts, sanctions, embargoes, or other regulations; public health emergencies or pandemics, such as the coronavirus (COVID-19) pandemic; 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; loss of key customers; our ability to meet demand in a rapidly changing environment; absorbing fixed costs in production; risks associated with joint ventures that do not operate solely for our benefit; our ability to integrate acquisitions, including Navico, and the risk for associated disruption to our business; 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 identify, complete, and integrate targeted acquisitions; the risk that restructuring or strategic divestitures will not provide business benefits; maintaining effective distribution; dealers and customers being able to access adequate financing; requirements for us to repurchase inventory; inventory reductions by dealers, retailers, or independent boat builders; 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; changes to U.S. trade policy and tariffs; any 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; 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 2022 and in 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.

About Brunswick

Brunswick Corporation (NYSE: BC) is the global leader in marine recreation, delivering innovation that transforms experiences on the water and beyond. Our unique, technology-driven solutions are informed and inspired by deep consumer insights and powered by our belief that “Next Never Rests™”. Brunswick is dedicated to industry leadership, to being the best and most trusted partner to our many customers, and to building synergies and ecosystems that enable us to challenge convention and define the future. Brunswick is home to more than 60 industry-leading brands. In the category of Marine Propulsion, these brands include, Mercury Marine, Mercury Racing, MerCruiser and Flite. Brunswick’s comprehensive collection of parts, accessories, distribution, and technology brands includes Mercury Parts & Accessories, Land ‘N’ Sea, Lowrance, Simrad, B&G, Mastervolt, RELiON, Attwood and Whale. Our boat brands are some of the best known in the world, including Boston Whaler, Lund, Sea Ray, Bayliner, Harris Pontoons, Princecraft and Quicksilver. Our service, digital and shared-access businesses include Freedom Boat Club, Boateka and a range of financing, insurance, and extended warranty businesses. While focused primarily on the marine industry, Brunswick also successfully leverages its portfolio of advanced technologies to deliver an exceptional suite of solutions in mobile and industrial applications. Headquartered in Mettawa, IL, Brunswick has more than 18,000 employees operating in 27 countries. In 2022, Brunswick was named by Forbes as a World’s Best Employer and as one of America’s Most Responsible Companies by Newsweek, both for the third consecutive year. For more information, visit [Brunswick.com](https://www.brunswick.com).

Brunswick Corporation
Comparative Condensed Consolidated Statements of Operations
(in millions, except per share data)
(unaudited)

| | Three Months Ended | | | Nine Months Ended | | |
|--|--------------------|-----------------|---------------|-------------------|-----------------|---------------|
| | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 | % Change |
| Net sales | \$ 1,593.6 | \$ 1,698.2 | (6) % | \$ 5,039.5 | \$ 5,229.5 | (4) % |
| Cost of sales | 1,148.9 | 1,199.3 | (4) % | 3,616.9 | 3,710.6 | (3) % |
| Selling, general and administrative expense | 187.1 | 186.2 | — % | 613.5 | 586.1 | 5 % |
| Research and development expense | 45.2 | 50.4 | (10) % | 142.8 | 152.0 | (6) % |
| Restructuring, exit and impairment charges | 16.3 | 24.6 | (34) % | 39.7 | 24.6 | 61 % |
| Operating earnings | 196.1 | 237.7 | (18) % | 626.6 | 756.2 | (17) % |
| Equity (loss) earnings | (17.3) | 1.3 | NM | (12.9) | 2.8 | NM |
| Other income (expense), net | 6.0 | (0.1) | NM | 6.9 | (1.3) | NM |
| Earnings before interest and income taxes | 184.8 | 238.9 | (23) % | 620.6 | 757.7 | (18) % |
| Interest expense | (28.1) | (26.1) | 8 % | (85.1) | (70.4) | 21 % |
| Interest income | 3.4 | 1.9 | 79 % | 7.6 | 2.5 | NM |
| Loss on early extinguishment of debt | — | — | NM | — | (0.1) | (100) % |
| Earnings before income taxes | 160.1 | 214.7 | (25) % | 543.1 | 689.7 | (21) % |
| Income tax provision | 46.2 | 46.5 | (1) % | 181.5 | 148.7 | 22 % |
| Net earnings from continuing operations | \$ 113.9 | \$ 168.2 | (32) % | \$ 361.6 | \$ 541.0 | (33) % |
| Discontinued operations: | | | | | | |
| Net loss from discontinued operations, net of tax | (1.4) | (4.4) | (68) % | (2.1) | (5.7) | (63) % |
| Net earnings | \$ 112.5 | \$ 163.8 | (31) % | \$ 359.5 | \$ 535.3 | (33) % |
| Earnings per common share: | | | | | | |
| Basic | | | | | | |
| Earnings from continuing operations | \$ 1.63 | \$ 2.27 | (28) % | \$ 5.11 | \$ 7.16 | (29) % |
| Loss from discontinued operations | (0.02) | (0.06) | (67) % | (0.03) | (0.08) | (63) % |
| Net earnings | \$ 1.61 | \$ 2.21 | (27) % | \$ 5.08 | \$ 7.08 | (28) % |
| Diluted | | | | | | |
| Earnings from continuing operations | \$ 1.63 | \$ 2.26 | (28) % | \$ 5.10 | \$ 7.12 | (28) % |
| Loss from discontinued operations | (0.02) | (0.06) | (67) % | (0.03) | (0.08) | (63) % |
| Net earnings | \$ 1.61 | \$ 2.20 | (27) % | \$ 5.07 | \$ 7.04 | (28) % |
| Weighted average shares used for computation of: | | | | | | |
| Basic earnings per common share | 69.8 | 74.2 | | 70.7 | 75.6 | |
| Diluted earnings per common share | 70.0 | 74.5 | | 70.9 | 76.0 | |
| Effective tax rate ^(A) | 28.9 % | 21.7 % | | 33.4 % | 21.6 % | |

NM = not meaningful

(A) The increase in the effective tax rates for the three and nine months ended September 30, 2023 compared to the prior year is due to the discrete income tax expense recorded in connection with intercompany sales of intellectual property rights during the first and third quarters of 2023.

Brunswick Corporation
Reconciliation of Non-GAAP Measures - Consolidated
(in millions)
(unaudited)

| (in millions, except per share data) | Three Months Ended | | | |
|--|--------------------|-------------|----------------------------|-------------|
| | Operating Earnings | | Diluted Earnings Per Share | |
| | Sep 30, 2023 | Oct 1, 2022 | Sep 30, 2023 | Oct 1, 2022 |
| GAAP | \$ 196.1 | \$ 237.7 | \$ 1.63 | \$ 2.26 |
| Restructuring, exit and impairment charges | 16.3 | 24.6 | 0.18 | 0.24 |
| Purchase accounting amortization | 14.1 | 14.4 | 0.17 | 0.15 |
| IT security incident costs | 2.1 | — | 0.03 | — |
| Acquisition, integration, and IT related costs | 1.5 | 2.1 | 0.02 | 0.02 |
| TN-BC Holdings LLC joint venture impairment | — | — | 0.22 | — |
| Special tax items | — | — | 0.17 | — |
| As Adjusted | \$ 230.1 | \$ 278.8 | \$ 2.42 | \$ 2.67 |
| GAAP operating margin | 12.3 % | 14.0 % | | |
| Adjusted operating margin | 14.4 % | 16.4 % | | |

| (in millions, except per share data) | Nine Months Ended | | | |
|--|--------------------|-------------|----------------------------|-------------|
| | Operating Earnings | | Diluted Earnings Per Share | |
| | Sep 30, 2023 | Oct 1, 2022 | Sep 30, 2023 | Oct 1, 2022 |
| GAAP | \$ 626.6 | \$ 756.2 | \$ 5.10 | \$ 7.12 |
| Restructuring, exit and impairment charges | 39.7 | 24.6 | 0.44 | 0.25 |
| Purchase accounting amortization | 42.4 | 51.5 | 0.48 | 0.51 |
| IT security incident costs | 10.2 | — | 0.11 | — |
| Acquisition, integration, and IT related costs | 8.5 | 14.2 | 0.09 | 0.14 |
| TN-BC Holdings LLC joint venture impairment | — | — | 0.21 | — |
| Special tax items | — | — | 0.90 | — |
| As Adjusted | \$ 727.4 | \$ 846.5 | \$ 7.33 | \$ 8.02 |
| GAAP operating margin | 12.4 % | 14.5 % | | |
| Adjusted operating margin | 14.4 % | 16.2 % | | |

Brunswick Corporation
Selected Financial Information
(in millions)
(unaudited)

Segment Information - GAAP

| | Three Months Ended | | | | | | | |
|----------------------------|--------------------|-------------------|---------------|---------------------------|-----------------|----------------|------------------|---------------|
| | Net Sales | | | Operating Earnings (Loss) | | | Operating Margin | |
| | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 |
| Propulsion | \$ 718.2 | \$ 714.4 | 0.5 % | \$ 129.2 | \$ 143.0 | (9.7)% | 18.0 % | 20.0 % |
| Engine Parts & Accessories | 344.6 | 360.3 | (4.4)% | 75.0 | 88.9 | (15.6)% | 21.8 % | 24.7 % |
| Navico Group | 213.4 | 234.8 | (9.1)% | 2.7 | (1.8) | NM | 1.3 % | (0.8)% |
| Boat | 428.6 | 510.7 | (16.1)% | 20.3 | 49.7 | (59.2)% | 4.7 % | 9.7 % |
| Corporate/Other | — | — | | (31.1) | (42.1) | (26.1)% | | |
| Segment Eliminations | (111.2) | (122.0) | (8.9)% | — | — | | | |
| Total | \$ 1,593.6 | \$ 1,698.2 | (6.2)% | \$ 196.1 | \$ 237.7 | (17.5)% | 12.3 % | 14.0 % |

Segment Information - As Adjusted (Non-GAAP)

| | Three Months Ended | | | | | | | |
|----------------------------|--------------------|-------------------|---------------|---------------------------|-----------------|----------------|------------------|---------------|
| | Net Sales | | | Operating Earnings (Loss) | | | Operating Margin | |
| | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 |
| Propulsion | \$ 718.2 | \$ 714.4 | 0.5 % | \$ 132.7 | \$ 143.0 | (7.2)% | 18.5 % | 20.0 % |
| Engine Parts & Accessories | 344.6 | 360.3 | (4.4)% | 77.9 | 88.9 | (12.4)% | 22.6 % | 24.7 % |
| Navico Group | 213.4 | 234.8 | (9.1)% | 20.1 | 19.5 | 3.1 % | 9.4 % | 8.3 % |
| Boat | 428.6 | 510.7 | (16.1)% | 27.2 | 52.0 | (47.7)% | 6.3 % | 10.2 % |
| Corporate/Other | — | — | | (27.8) | (24.6) | 13.0 % | | |
| Segment Eliminations | (111.2) | (122.0) | (8.9)% | — | — | | | |
| Total | \$ 1,593.6 | \$ 1,698.2 | (6.2)% | \$ 230.1 | \$ 278.8 | (17.5)% | 14.4 % | 16.4 % |

Segment Information - GAAP

| | Nine Months Ended | | | | | | | |
|----------------------------|-------------------|-------------------|---------------|---------------------------|-----------------|----------------|------------------|---------------|
| | Net Sales | | | Operating Earnings (Loss) | | | Operating Margin | |
| | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 |
| Propulsion | \$ 2,173.1 | \$ 2,154.5 | 0.9 % | \$ 391.4 | \$ 410.3 | (4.6)% | 18.0 % | 19.0 % |
| Engine Parts & Accessories | 962.1 | 1,070.1 | (10.1)% | 189.2 | 235.7 | (19.7)% | 19.7 % | 22.0 % |
| Navico Group | 718.5 | 832.5 | (13.7)% | 19.7 | 51.2 | (61.5)% | 2.7 % | 6.2 % |
| Boat | 1,564.6 | 1,571.9 | (0.5)% | 131.3 | 153.9 | (14.7)% | 8.4 % | 9.8 % |
| Corporate/Other | — | — | | (105.0) | (94.9) | 10.6 % | | |
| Segment Eliminations | (378.8) | (399.5) | (5.2)% | — | — | | | |
| Total | \$ 5,039.5 | \$ 5,229.5 | (3.6)% | \$ 626.6 | \$ 756.2 | (17.1)% | 12.4 % | 14.5 % |

Segment Information - As Adjusted (Non-GAAP)

| | Nine Months Ended | | | | | | | |
|----------------------------|-------------------|-------------------|---------------|---------------------------|-----------------|----------------|------------------|---------------|
| | Net Sales | | | Operating Earnings (Loss) | | | Operating Margin | |
| | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 | % Change | Sep 30, 2023 | Oct 1, 2022 |
| Propulsion | \$ 2,173.1 | \$ 2,154.5 | 0.9 % | \$ 398.3 | \$ 410.3 | (2.9)% | 18.3 % | 19.0 % |
| Engine Parts & Accessories | 962.1 | 1,070.1 | (10.1)% | 193.6 | 235.7 | (17.9)% | 20.1 % | 22.0 % |
| Navico Group | 718.5 | 832.5 | (13.7)% | 76.5 | 116.2 | (34.2)% | 10.6 % | 14.0 % |
| Boat | 1,564.6 | 1,571.9 | (0.5)% | 150.8 | 161.7 | (6.7)% | 9.6 % | 10.3 % |
| Corporate/Other | — | — | | (91.8) | (77.4) | 18.6 % | | |
| Segment Eliminations | (378.8) | (399.5) | (5.2)% | — | — | | | |
| Total | \$ 5,039.5 | \$ 5,229.5 | (3.6)% | \$ 727.4 | \$ 846.5 | (14.1)% | 14.4 % | 16.2 % |

Brunswick Corporation
Reconciliation of Non-GAAP Measures - Segment Information
(in millions)
(unaudited)

| Propulsion Segment | Three Months Ended | | 2023 vs. 2022 | |
|--|--------------------|-------------|---------------|-----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 718.2 | \$ 714.4 | \$ 3.8 | 0.5% |
| GAAP operating earnings | \$ 129.2 | \$ 143.0 | (13.8) | (9.7)% |
| Restructuring, exit and impairment charges | 2.7 | — | 2.7 | NM |
| Acquisition, integration, and IT related costs | 0.8 | — | 0.8 | NM |
| Adjusted operating earnings | \$ 132.7 | \$ 143.0 | (10.3) | (7.2)% |
| GAAP operating margin | 18.0% | 20.0% | | (200) bps |
| Adjusted operating margin | 18.5% | 20.0% | | (150) bps |

| Engine Parts & Accessories Segment | Three Months Ended | | 2023 vs. 2022 | |
|--|--------------------|-------------|---------------|-----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 344.6 | \$ 360.3 | \$ (15.7) | (4.4)% |
| GAAP operating earnings | \$ 75.0 | \$ 88.9 | (13.9) | (15.6)% |
| Restructuring, exit and impairment charges | 2.3 | — | 2.3 | NM |
| Acquisition, integration, and IT related costs | 0.6 | — | 0.6 | NM |
| Adjusted operating earnings | \$ 77.9 | \$ 88.9 | \$ (11.0) | (12.4)% |
| GAAP operating margin | 21.8% | 24.7% | | (290) bps |
| Adjusted operating margin | 22.6% | 24.7% | | (210) bps |

| Navico Group Segment | Three Months Ended | | 2023 vs. 2022 | |
|--|--------------------|-------------|---------------|----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 213.4 | \$ 234.8 | \$ (21.4) | (9.1)% |
| GAAP operating earnings (loss) | \$ 2.7 | \$ (1.8) | \$ 4.5 | NM |
| Restructuring, exit and impairment charges | 5.0 | 6.9 | (1.9) | (27.5)% |
| Purchase accounting amortization | 13.2 | 13.4 | (0.2) | (1.5)% |
| Acquisition, integration, and IT related costs | (0.8) | 1.0 | (1.8) | NM |
| Adjusted operating earnings | \$ 20.1 | \$ 19.5 | \$ 0.6 | 3.1% |
| GAAP operating margin | 1.3% | (0.8)% | | 210 bps |
| Adjusted operating margin | 9.4% | 8.3% | | 110 bps |

bps = basis points
NM = not meaningful

Boat Segment

| | Three Months Ended | | 2023 vs. 2022 | |
|--|--------------------|----------------|---------------|-------------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 428.6 | \$ 510.7 | \$ (82.1) | (16.1)% |
| GAAP operating earnings | \$ 20.3 | \$ 49.7 | \$ (29.4) | (59.2)% |
| Restructuring, exit and impairment charges | 5.1 | 0.3 | 4.8 | NM |
| Purchase accounting amortization | 0.9 | 1.0 | (0.1) | (10.0)% |
| Acquisition, integration, and IT related costs | 0.7 | 1.0 | (0.3) | (30.0)% |
| IT security incident costs | 0.2 | — | 0.2 | NM |
| Adjusted operating earnings | \$ 27.2 | \$ 52.0 | \$ (24.8) | (47.7)% |
| GAAP operating margin | 4.7% | 9.7% | | (500) bps |
| Adjusted operating margin | 6.3% | 10.2% | | (390) bps |

Corporate/Other

| | Three Months Ended | | 2023 vs. 2022 | |
|--|--------------------|----------------|---------------|-------------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| GAAP operating loss | \$ (31.1) | \$ (42.1) | \$ 11.0 | (26.1)% |
| Restructuring, exit and impairment charges | 1.2 | 17.4 | (16.2) | (93.1)% |
| IT security incident costs | 1.9 | — | 1.9 | NM |
| Acquisition, integration, and IT related costs | 0.2 | 0.1 | 0.1 | 100.0% |
| Adjusted Operating loss | \$ (27.8) | \$ (24.6) | \$ (3.2) | 13.0% |

bps = basis points
 NM = not meaningful

| Propulsion Segment | Nine Months Ended | | 2023 vs. 2022 | |
|--|-------------------|-------------|---------------|-----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 2,173.1 | \$ 2,154.5 | \$ 18.6 | 0.9% |
| GAAP operating earnings | \$ 391.4 | \$ 410.3 | (18.9) | (4.6)% |
| Restructuring, exit and impairment charges | 2.7 | — | 2.7 | NM |
| IT security incident costs | 3.4 | — | 3.4 | NM |
| Acquisition, integration, and IT related costs | 0.8 | — | 0.8 | NM |
| Adjusted operating earnings | \$ 398.3 | \$ 410.3 | (12.0) | (2.9)% |
| Operating margin | 18.0% | 19.0% | | (100) bps |
| Adjusted operating margin | 18.3% | 19.0% | | (70) bps |

| Engine Parts & Accessories Segment | Nine Months Ended | | 2023 vs. 2022 | |
|--|-------------------|-------------|---------------|-----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 962.1 | \$ 1,070.1 | \$ (108.0) | (10.1)% |
| GAAP operating earnings | \$ 189.2 | \$ 235.7 | (46.5) | (19.7)% |
| Restructuring, exit and impairment charges | 3.3 | — | 3.3 | NM |
| Acquisition, integration, and IT related costs | 0.6 | — | 0.6 | NM |
| IT security incident costs | 0.5 | — | 0.5 | NM |
| Adjusted operating earnings | \$ 193.6 | \$ 235.7 | \$ (42.1) | (17.9)% |
| GAAP operating margin | 19.7% | 22.0% | | (230) bps |
| Adjusted operating margin | 20.1% | 22.0% | | (190) bps |

| Navico Group Segment | Nine Months Ended | | 2023 vs. 2022 | |
|--|-------------------|-------------|---------------|-----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 718.5 | \$ 832.5 | \$ (114.0) | (13.7)% |
| GAAP operating earnings | \$ 19.7 | \$ 51.2 | \$ (31.5) | (61.5)% |
| Restructuring, exit and impairment charges | 15.9 | 6.9 | 9.0 | 130.4% |
| Purchase accounting amortization | 39.7 | 49.2 | (9.5) | (19.3)% |
| Acquisition, integration, and IT related costs | 0.7 | 8.9 | (8.2) | (92.1)% |
| IT security incident costs | 0.5 | — | 0.5 | NM |
| Adjusted operating earnings | \$ 76.5 | \$ 116.2 | \$ (39.7) | (34.2)% |
| GAAP operating margin | 2.7% | 6.2% | | (350) bps |
| Adjusted operating margin | 10.6% | 14.0% | | (340) bps |

bps = basis points
 NM = not meaningful

Boat Segment

| | Nine Months Ended | | 2023 vs. 2022 | |
|--|-------------------|-------------|---------------|-----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| Net sales | \$ 1,564.6 | \$ 1,571.9 | \$ (7.3) | (0.5)% |
| GAAP operating earnings | \$ 131.3 | \$ 153.9 | \$ (22.6) | (14.7)% |
| Restructuring, exit and impairment charges | 11.0 | 0.3 | 10.7 | NM |
| Acquisition, integration, and IT related costs | 4.8 | 5.2 | (0.4) | (7.7)% |
| Purchase accounting amortization | 2.7 | 2.3 | 0.4 | 17.4% |
| IT security incident costs | 1.0 | — | 1.0 | NM |
| Adjusted operating earnings | \$ 150.8 | \$ 161.7 | \$ (10.9) | (6.7)% |
| GAAP operating margin | 8.4% | 9.8% | | (140) bps |
| Adjusted operating margin | 9.6% | 10.3% | | (70) bps |

Corporate/Other

| | Nine Months Ended | | 2023 vs. 2022 | |
|--|-------------------|-------------|---------------|----------|
| | Sep 30, 2023 | Oct 1, 2022 | \$ Change | % Change |
| GAAP operating loss | \$ (105.0) | \$ (94.9) | \$ (10.1) | 10.6% |
| Restructuring, exit and impairment charges | 6.8 | 17.4 | (10.6) | (60.9)% |
| IT security incident costs | 4.8 | — | 4.8 | NM |
| Acquisition, integration, and IT related costs | 1.6 | 0.1 | 1.5 | NM |
| Adjusted Operating loss | \$ (91.8) | \$ (77.4) | \$ (14.4) | 18.6% |

bps = basis points
 NM = not meaningful

Brunswick Corporation
Comparative Condensed Consolidated Balance Sheets
(in millions)
(unaudited)

| | Sep 30, 2023 | Dec 31, 2022 | Oct 1, 2022 |
|---|-------------------|-------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents, at cost, which approximates fair value | \$ 330.9 | \$ 595.6 | \$ 457.4 |
| Restricted cash | 11.1 | 12.9 | 11.7 |
| Short-term investments in marketable securities | 0.8 | 4.5 | 34.5 |
| Total cash and short-term investments in marketable securities | 342.8 | 613.0 | 503.6 |
| Accounts and notes receivable, net | 568.2 | 543.0 | 557.7 |
| Inventories | | | |
| Finished goods | 825.4 | 836.1 | 754.4 |
| Work-in-process | 194.5 | 209.1 | 224.0 |
| Raw materials | 425.1 | 426.2 | 451.4 |
| Net inventories | 1,445.0 | 1,471.4 | 1,429.8 |
| Prepaid expenses and other | 85.3 | 67.8 | 103.9 |
| Current assets | 2,441.3 | 2,695.2 | 2,595.0 |
| Net property | 1,311.6 | 1,270.8 | 1,221.1 |
| Other assets | | | |
| Goodwill | 1,007.6 | 967.6 | 962.2 |
| Other intangibles, net | 999.8 | 997.4 | 1,005.4 |
| Deferred income tax asset | 150.9 | 203.3 | 137.7 |
| Operating lease assets | 136.2 | 114.8 | 111.4 |
| Equity investments | 35.6 | 54.0 | 47.7 |
| Other long-term assets | 17.9 | 18.2 | 44.4 |
| Other assets | 2,348.0 | 2,355.3 | 2,308.8 |
| Total assets | \$ 6,100.9 | \$ 6,321.3 | \$ 6,124.9 |
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Short-term debt and current maturities of long-term debt | \$ 455.3 | \$ 89.0 | \$ 84.9 |
| Accounts payable | 493.4 | 662.6 | 631.6 |
| Accrued expenses | 710.5 | 738.3 | 662.8 |
| Current liabilities | 1,659.2 | 1,489.9 | 1,379.3 |
| Debt | 1,975.7 | 2,420.0 | 2,419.1 |
| Other long-term liabilities | 380.2 | 369.1 | 325.5 |
| Shareholders' equity | 2,085.8 | 2,042.3 | 2,001.0 |
| Total liabilities and shareholders' equity | \$ 6,100.9 | \$ 6,321.3 | \$ 6,124.9 |
| Supplemental Information | | | |
| Debt-to-capitalization rate | 53.8 % | 55.1 % | 55.6 % |

Brunswick Corporation
Comparative Condensed Consolidated Statements of Cash Flows
(in millions)
(unaudited)

| | Nine Months Ended | |
|--|-------------------|-----------------|
| | Sep 30, 2023 | Oct 1, 2022 |
| Cash flows from operating activities | | |
| Net earnings | \$ 359.5 | \$ 535.3 |
| Less: net loss from discontinued operations, net of tax | (2.1) | (5.7) |
| Net earnings from continuing operations, net of tax | 361.6 | 541.0 |
| Stock compensation expense | 15.0 | 16.8 |
| Depreciation and amortization | 201.4 | 167.9 |
| Pension funding, net of expense | (1.2) | (0.5) |
| Asset impairment charges | 6.4 | 19.2 |
| Deferred income taxes | 0.9 | 4.0 |
| Impairment of equity method investment | 19.2 | — |
| Changes in certain current assets and current liabilities | (161.2) | (426.8) |
| Long-term extended warranty contracts and other deferred revenue | 14.0 | 12.2 |
| Income taxes | 21.2 | (17.0) |
| Other, net | (19.2) | (3.0) |
| Net cash provided by operating activities of continuing operations | 458.1 | 313.8 |
| Net cash used for operating activities of discontinued operations | (7.8) | (2.4) |
| Net cash provided by operating activities | 450.3 | 311.4 |
| Cash flows from investing activities | | |
| Capital expenditures | (233.1) | (299.3) |
| Purchases of marketable securities | — | (60.0) |
| Sales or maturities of marketable securities | 3.8 | 26.3 |
| Investments | (1.6) | (4.9) |
| Acquisition of businesses, net of cash acquired | (89.6) | (95.7) |
| Proceeds from the sale of property, plant and equipment | 10.6 | 5.7 |
| Cross currency swap settlement | — | 16.7 |
| Net cash used for investing activities | (309.9) | (411.2) |
| Cash flows from financing activities | | |
| Proceeds from issuances of short-term debt | 2.3 | 127.8 |
| Payments of short-term debt | (5.4) | (125.0) |
| Net proceeds from issuances of long-term debt | — | 741.8 |
| Payments of long-term debt including current maturities | (81.8) | (58.5) |
| Common stock repurchases | (220.0) | (360.0) |
| Cash dividends paid | (84.6) | (82.4) |
| Tax withholding associated with shares issued for share-based compensation | (13.4) | (16.4) |
| Other, net | — | (3.9) |
| Net cash (used for) provided by financing activities | (402.9) | 223.4 |
| Effect of exchange rate changes | (4.0) | (21.2) |
| Net (decrease) increase in Cash and cash equivalents and Restricted cash | (266.5) | 102.4 |
| Cash and cash equivalents and Restricted cash at beginning of period | 608.5 | 366.7 |
| Cash and cash equivalents and Restricted cash at end of period | 342.0 | 469.1 |
| Less: Restricted cash | 11.1 | 11.7 |
| Cash and cash equivalents at end of period | \$ 330.9 | \$ 457.4 |
| Reconciliation | | |
| Free cash flow | | |
| Net cash provided by operating activities of continuing operations | \$ 458.1 | \$ 313.8 |
| Net cash (used for) provided by: | | |
| Plus: Capital expenditures | (233.1) | (299.3) |
| Plus: Proceeds from the sale of property, plant and equipment | 10.6 | 5.7 |
| Plus: Effect of exchange rate changes | (4.0) | (21.2) |
| Free cash flow | \$ 231.6 | \$ (1.0) |