BRUNSWICK



2017 Brunswick Investor Day

New York, New York | November 7, 2017

Mark D. Schwabero
Chairman and Chief Executive Officer



Mark D. Schwabero is Chairman and Chief Executive Officer of Brunswick Corporation, having been elected to that post in February 2016. Previously, Mr. Schwabero had been President and Chief Operating Officer of Brunswick Corporation, having been appointed to that position in May 2014.

Previously, he had served as President - Mercury Marine since 2008. Mr. Schwabero joined Mercury in 2004 as President - Mercury Outboards with 28 years experience as a senior executive in the automotive and commercial vehicle industries. Prior to joining Mercury, he was President and Chief Executive Officer of Hendrickson International of Woodridge, Ill., a leading manufacturer of heavy truck and trailer suspension systems and components.

Before that he served as President, Automotive Products and Regional President for Pilkington Libbey-Owens-Ford. Earlier, Mr. Schwabero was President of Bosch Braking Systems, North America, formed from an acquisition of AlliedSignal's Braking Systems business, where he had served as President. A 17-year career with Navistar International preceded these more recent roles and during that tenure he was a Group Vice President of the truck business, Group Vice President of operations and general manager of medium duty products. He also spent two years in sales with Navistar.

Mr. Schwabero holds both a bachelor's of science degree and master's of science degree in industrial and systems engineering from The Ohio State University, where he was recognized with the University's Distinguished Alumnus Award in 1991 and a Meritorious Service Award in 2008.

William L. Metzger
Senior Vice President – Chief Financial Officer



William L. Metzger became Brunswick Corporation's Senior Vice President - Chief Financial Officer in March 2013. Previously, he had been Vice President - Treasurer of the Company since May 2001.

Mr. Metzger joined Brunswick in 1987 as Manager of Special Projects in the Accounting Department. In 1991, he was assigned to Brunswick's internal audit staff as a Manager, and in 1996 was named Director - Corporate Accounting. In 2000, Mr. Metzger was named Assistant Vice President - Corporate Finance.

Mr. Metzger has a bachelor's degree from Illinois State University and a master's degree in management from Northwestern University's Kellogg School of Management.

John C. Pfeifer
President – Marine Engine Segment



John C. Pfeifer was named President of Mercury Marine in May 2014. Previously, he served as Vice President, Mercury Marine Global Operations since 2012. During his tenure in that role, Mercury executed a multi-year manufacturing capacity expansion to better position the company for growth and profitability. Mr. Pfeifer currently serves on the Board of Directors for the National Exchange Bank and Trust, and the Wisconsin Manufacturers & Commerce Association.

Mr. Pfeifer joined Brunswick in 2006 as President, Brunswick Asia Pacific Group based in Hong Kong, China. In 2008 he was appointed President, Brunswick Marine in EMEA (Europe, Middle East and Africa), based in Verviers, Belgium.

Prior to joining Brunswick, Mr. Pfeifer held executive positions with ITT Corporation, first as Executive Vice President and General Manager of ITT's joint venture with Sanoh Industrial. The joint venture designed, manufactured and supplied fuel and fluid handling systems to Toyota, Honda, and Nissan. Subsequently, he served as Vice President and General Manager, responsible for ITT's Asian and European electronic components businesses.

Mr. Pfeifer earned a bachelor's degree in Economics and a Bachelor's degree in Japanese language from the University of Michigan, Ann Arbor, in 1989.

Huw Bower
President – Boat Segment



Huw Bower was named President of the Brunswick Boat Group in April 2016. Most recently, he was President – Boston Whaler Group. Mr. Bower is responsible for the 15 brands that comprise the Brunswick Boat Group.

As President – Boston Whaler Group, Mr. Bower had been responsible for managing the Boston Whaler, Brunswick Commercial & Government Products, Rayglass and Brunswick's European boat brands. He had been in that position since 2013.

Prior to that, Mr. Bower served as President - Lowe Boats, where his efforts led to significantly strengthening and expanding the product portfolio, building strong dealer relationships while adding new stores to the dealer body, and driving market share gains. He joined Brunswick in 2006, initially leading the strategic planning and business development functions for Brunswick's outboard-powered boat brands.

Mr. Bower has a Master of Arts from the University of Edinburgh and an MBA from Harvard Business School. He was a captain in the British Army, and served with Royal Marine Commando units in both Iraq and Afghanistan.

Jaime A. Irick
President – Fitness Segment



Jaime A. Irick was named President of the Fitness Segment in January 2017.

Mr. Irick joined Brunswick following 14 years at GE, where he was a GE Company Officer. While at GE, Jaime served in a variety of leadership roles across GE Industrial, GE Lighting, and GE Corporate, and worked most recently as Chief Commercial Officer of Current, Powered by GE. During his tenure, Jaime's roles spanned P&L leadership, strategy, and sales and marketing; and for most of the past decade, he has been at the forefront of driving transformational business models that involve hardware, software, services, and IoT.

An Army veteran, Mr. Irick is a graduate of the United States Military Academy at West Point, and a qualified Airborne Ranger, serving both stateside and abroad. He earned his MBA from the Harvard Business School.

Agenda

9:00am – 10:40am: Management Presentations

- Mark Schwabero – Chairman and CEO
- John Pfeifer – President, Mercury Marine

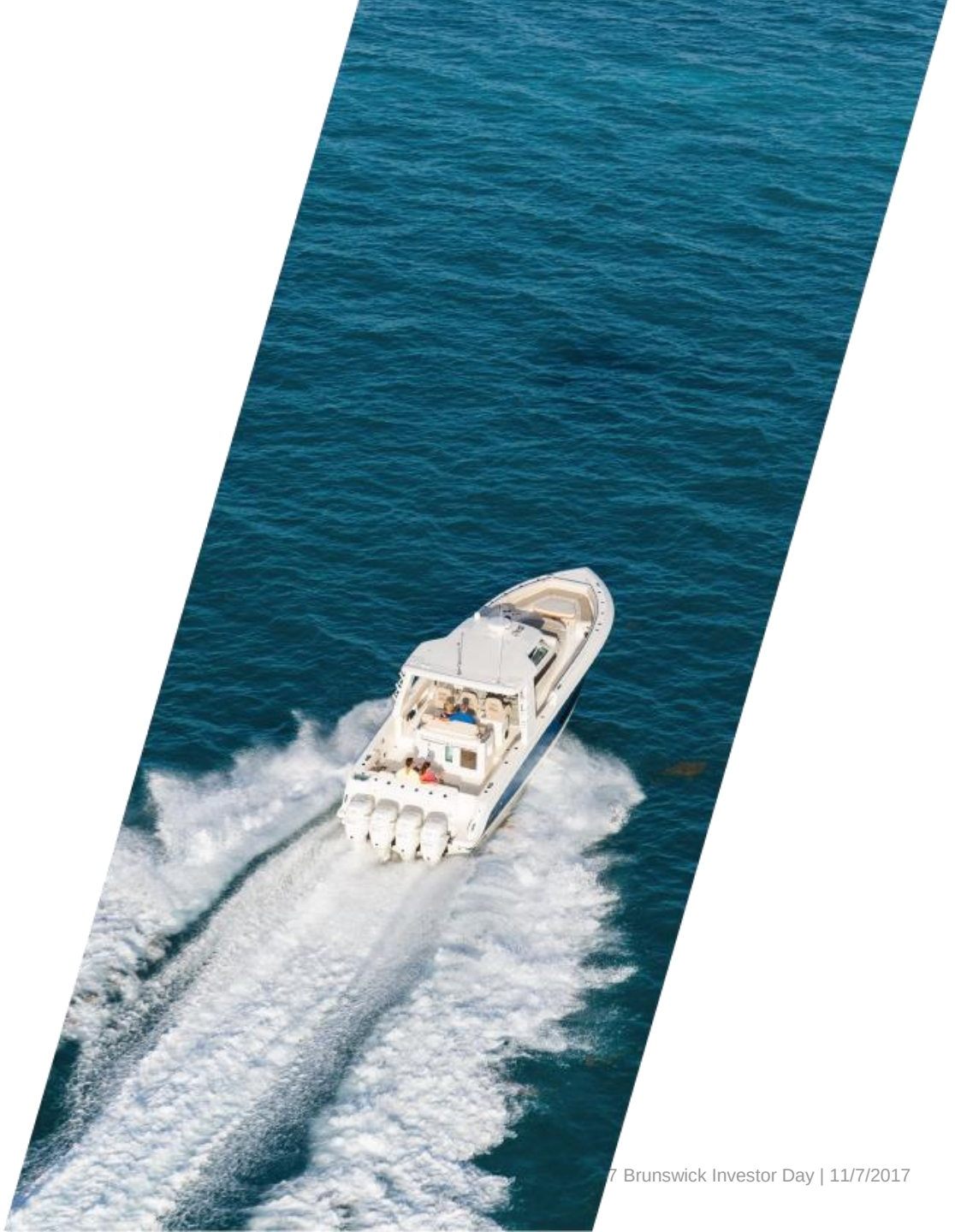
10:40am – 10:55am: Break

10:55am – 12:15pm: Management Presentations

- Huw Bower – President, Brunswick Boat Group
- Jaime Irick – President, Life Fitness
- Bill Metzger – CFO

12:15pm – 12:30pm: Questions & Answers

12:30pm – 2:00pm: Lunch with Brunswick management team and product displays



Forward-Looking Statement

Certain statements in this presentation are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations, estimates and projections about Brunswick's business and by their nature address matters that are, to different degrees, uncertain. Words such as "may," "could," "expect," "intend," "target," "plan," "seek," "estimate," "believe," "predict," "outlook" and similar expressions are intended to identify forward-looking statements. Such statements are not guarantees of future performance and involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this presentation. These risks include, but are not limited to: adverse general economic conditions, including reductions in consumer discretionary spending; negative currency trends; our ability to complete and integrate targeted acquisitions; our ability to implement our strategic plan and growth initiatives; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; retaining our relationships with dealers, distributors and independent boat builders; credit and collections risks; retaining key customers; protecting our brands and intellectual property; absorbing fixed costs in production; managing expansion or consolidation of manufacturing facilities; meeting supply objectives; meeting pension funding obligations; managing our share repurchases; higher energy and fuel costs; competitive pricing pressures; developing new and innovative products at a competitive price, in legal compliance; maintaining product quality and service standards; outages or breaches of technology systems; competitor activity; product liability, warranty and other claims risks; increased costs of legal and regulatory compliance; having to record an impairment to the value of goodwill and other assets; international business risks; attracting and retaining key contributors; and weather and catastrophic event risks.

Additional risk factors are included in the Company's Annual Report on Form 10-K for 2016. Forward-looking statements speak only as of the date on which they are made and Brunswick does not undertake any obligation to update them to reflect events or circumstances after the date of this presentation or for changes by wire services or Internet service providers.

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Use of Non-GAAP Financial Information

In this presentation, Brunswick uses certain non-GAAP financial measures, which are numerical measures of a registrant's historical or future financial performance, financial position or cash flows that exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets or statements of cash flows of the registrant; or include amounts, or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Slides including such measures include an asterisk (*) denoting such non-GAAP usage, with the exclusions or adjustments described in the Appendix to this presentation.

Brunswick has used certain non-GAAP financial measures that are included in this presentation for several years, both in presenting its results to shareholders and the investment community and in its internal evaluation and management of its businesses. Brunswick's management believes that these measures (including those that are non-GAAP financial measures) and the information they provide are useful to investors because they permit investors to view Brunswick's performance using the same tools that Brunswick uses and to better evaluate Brunswick's ongoing business performance. For additional information, please see Brunswick's Current Report on Form 8-K issued on October 26, 2017, which is available at www.brunswick.com.

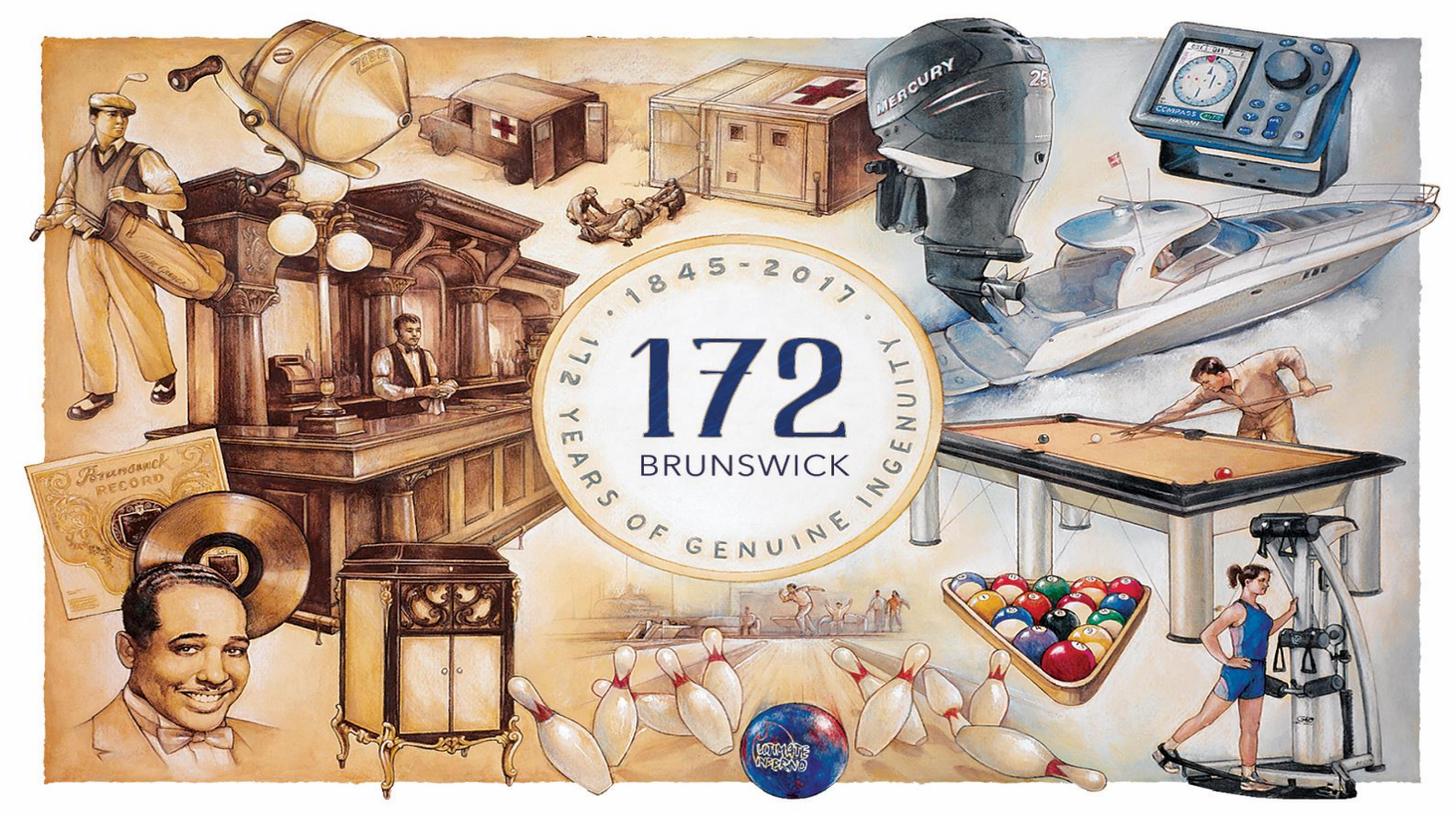
Brunswick does not provide forward-looking guidance for certain financial measures on a GAAP basis because it is unable to predict certain items contained in the GAAP measures without unreasonable efforts. These items may include pension settlement charges, restructuring and integration costs, special tax items and certain other unusual adjustments.

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Mark Schwabero
Chairman and CEO
Brunswick Overview

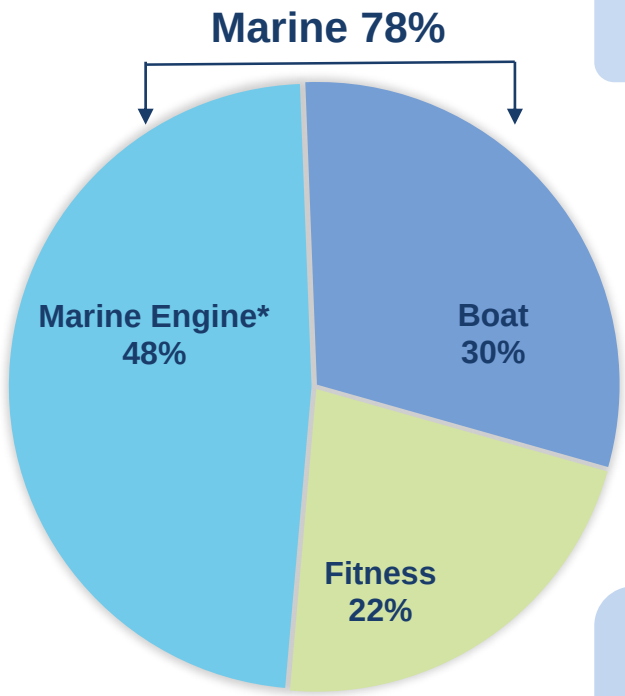
Brunswick Corporation



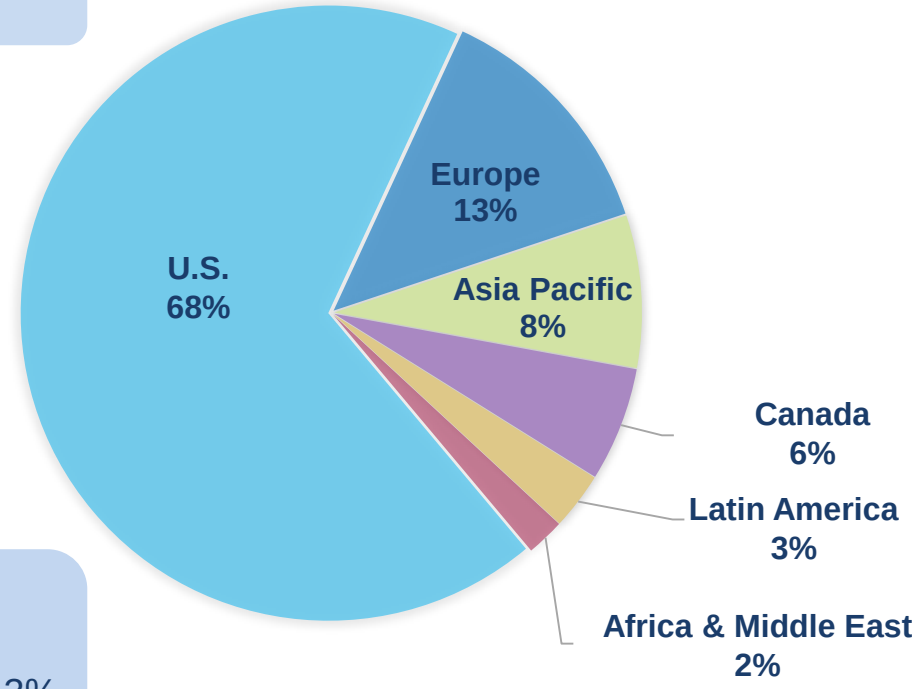
NYSE

For 172 years, Brunswick has set the standard in excellence and innovation

Revenue Mix By Segment And Region



2016 Revenue of $4.5 Billion



2016 Growth Rates

Revenue = +9%

Adjusted Operating Earnings* = +13%

Adjusted EPS* = +19%

We are global leaders in the Marine and Fitness markets

Our Previous Plans Have Targeted Strong Performance

2012-2014

- ✓ 2014 EPS of $2.00 to $2.45
- ✓ Operating earnings at double-digit CAGR
- ✓ Revenue growth at mid-single digit CAGR

STRENGTHEN

2014-2016

- ✓ 2016 EPS of $3.00 to $3.40
- ✓ Operating margin 10 to 11%
- ✓ Revenue growth 5 to 7%

INVEST

2016-2018

- 2018 EPS of $4.55 to $4.95×
- Operating margin 12.0 to 12.5%
- Revenue growth 7 to 9%

GROW

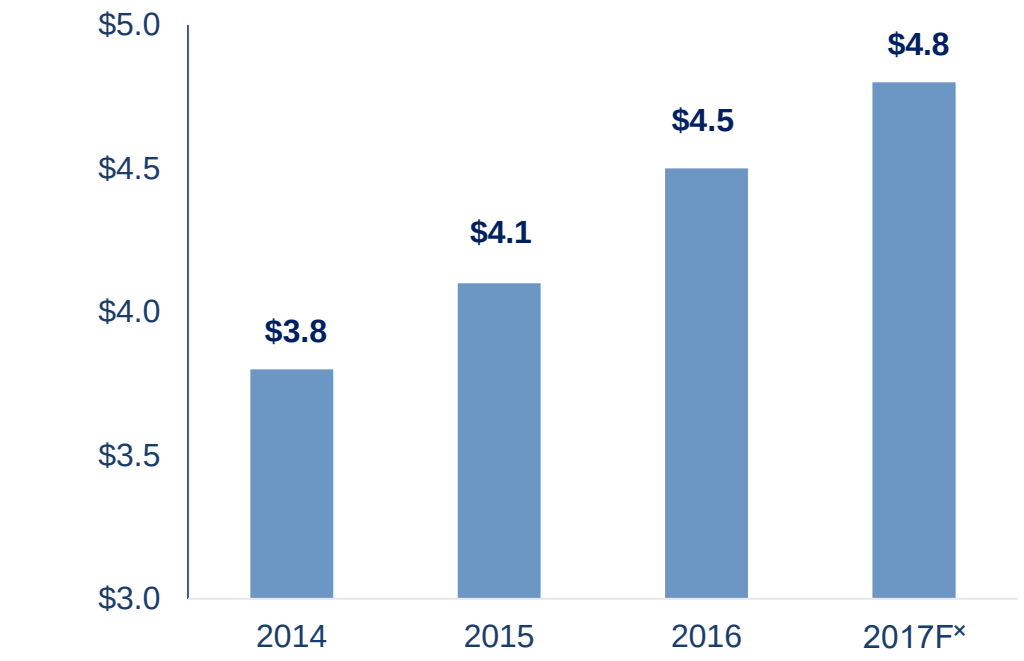
× Preliminary 2018 EPS guidance revised to $4.20 - $4.40

Our plans form the foundation for how we operate our business and drive performance

Strong Revenue Growth – Built On Product Leadership

Revenue Growth – Consolidated

3-Year CAGR of 8%



× Estimate based on October 26, 2017 guidance

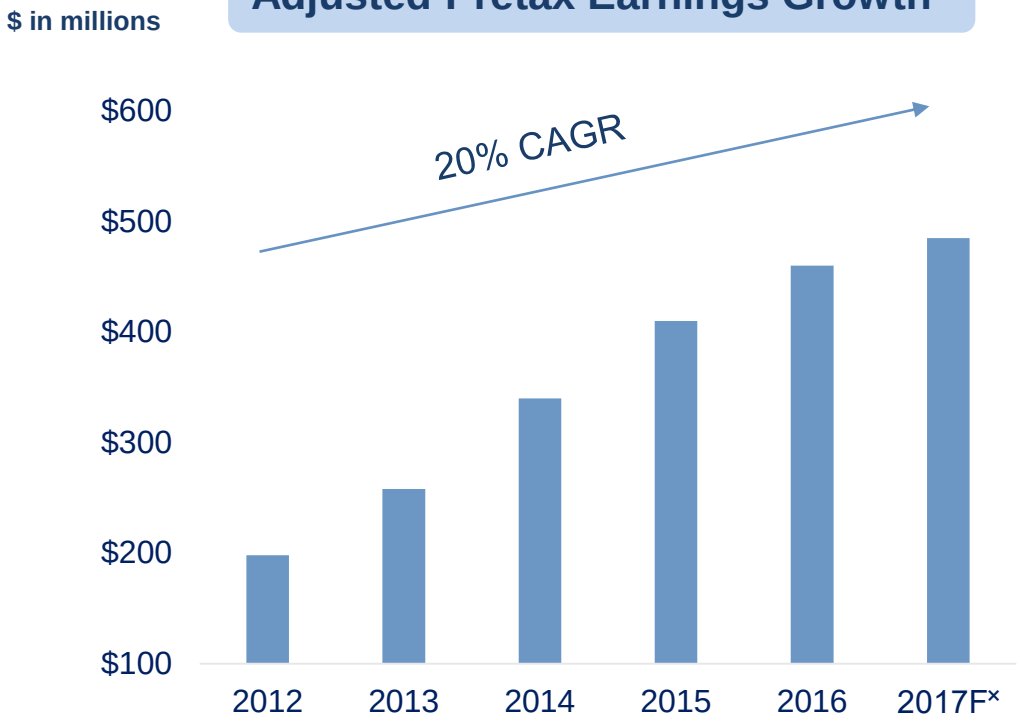
Revenue Growth 2014 -2017 3-Year CAGR by Segment

Engine	*3-year CAGR of 6.1%*
Boat	*3-year CAGR of 9.1%*
Fitness	*3-year CAGR of 10.3%*

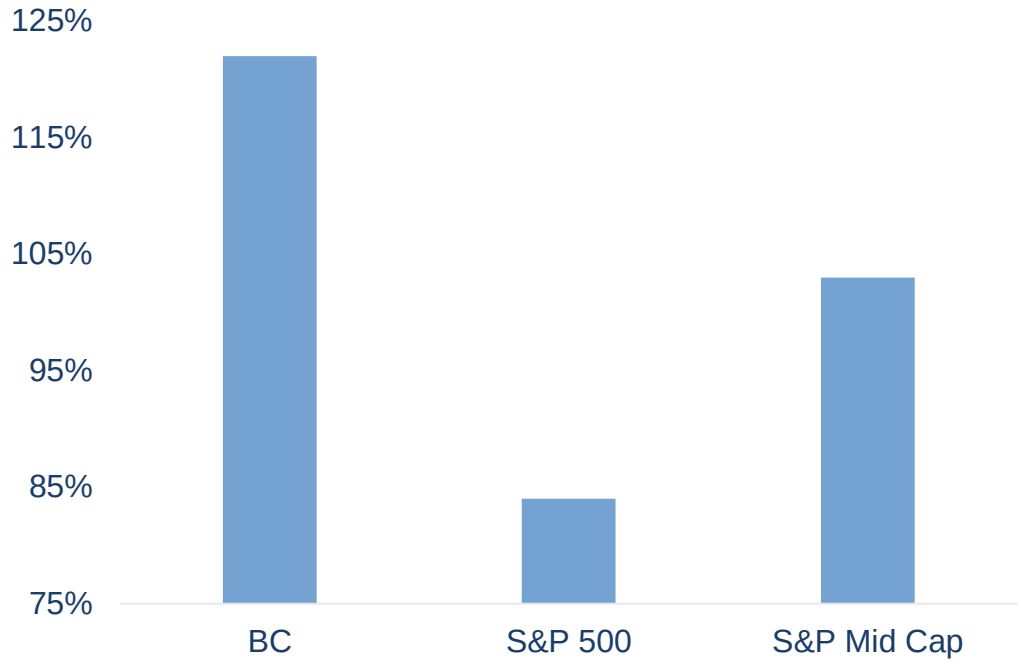
Revenue growth has been strong and in line with expectations

Earnings Growth Translates To Stock Performance

Adjusted Pretax Earnings Growth*



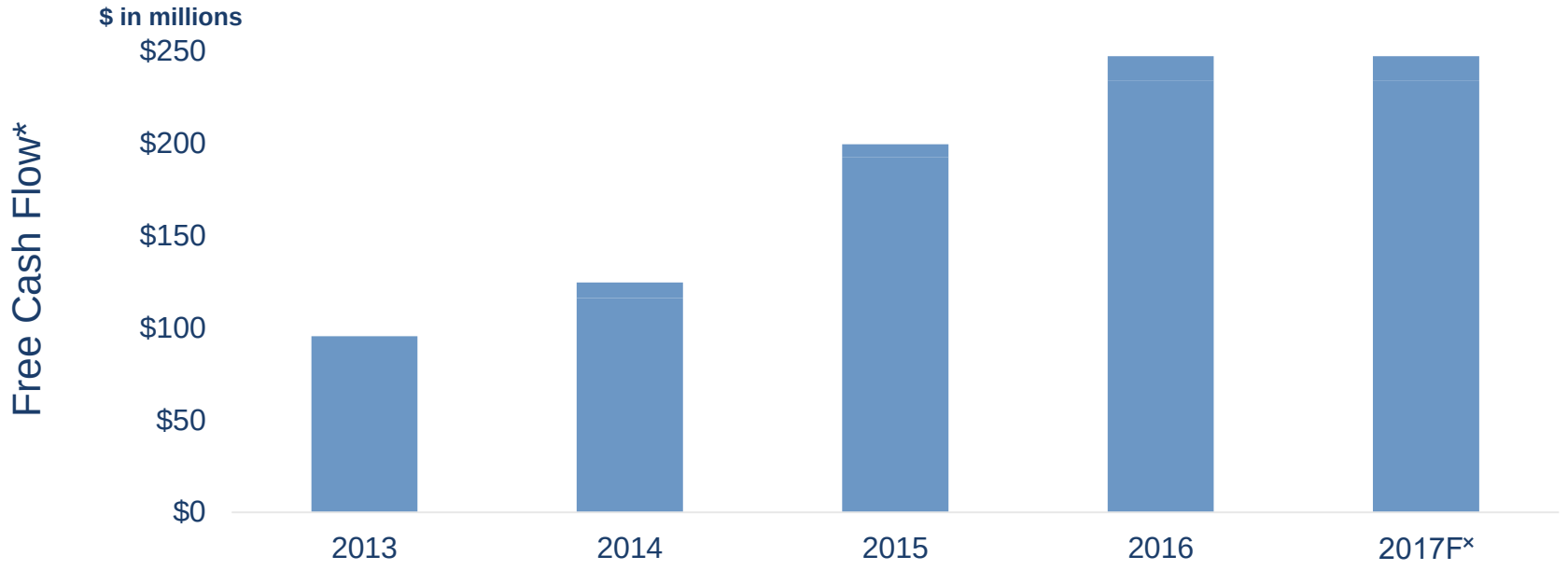
5-Year Total Shareholder Return



× Estimate based on October 26, 2017 guidance

Earnings growth has led to attractive returns to Brunswick shareholders

Strong Free Cash Flow And Balance Sheet



FCF Conversion	**41%**	**54%**	**72%**	**77%**	**72%**
Debt/EBITDA*	**1.2x**	**1.0x**	**0.9x**	**0.7x**	**0.7x**

× Estimate based on October 26, 2017 guidance

We are positioned to continue to invest for growth while maintaining a conservative balance sheet and returning cash to shareholders

Current Strengths Position Us For Future Growth

Current Position

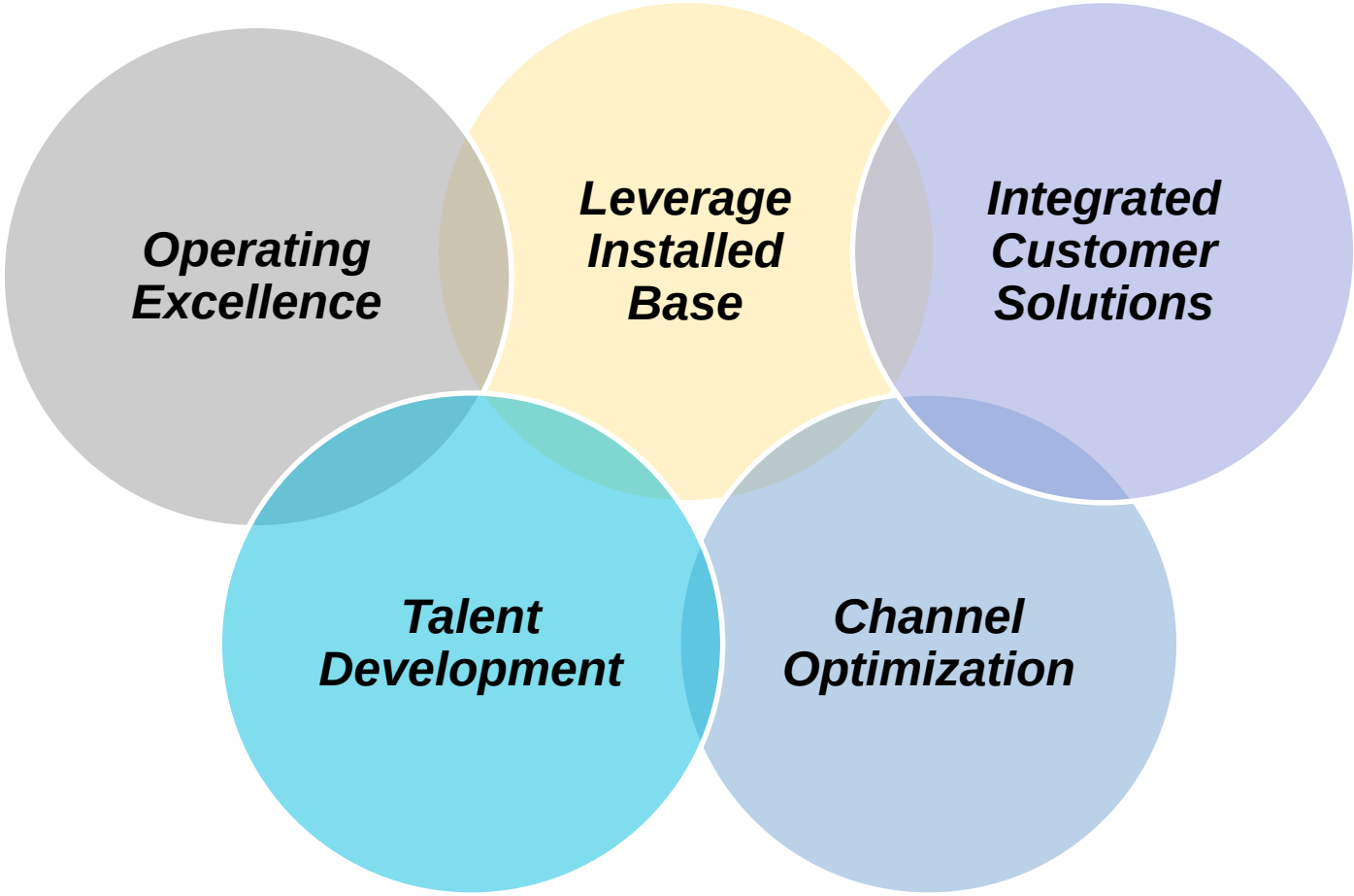
- Leading share in both marine and fitness including best brands
- Significant installed product base and channel relationships
- History of continuous revenue and profit growth
- Healthy balance sheet

2018-2020 Strategy

- Invest in growth while returning cash to shareholders
- Improve margins
- Build on best businesses and brands
- Utilize digital technology and services to improve leading position in key markets
- Efficiently translate revenue to free cash flow

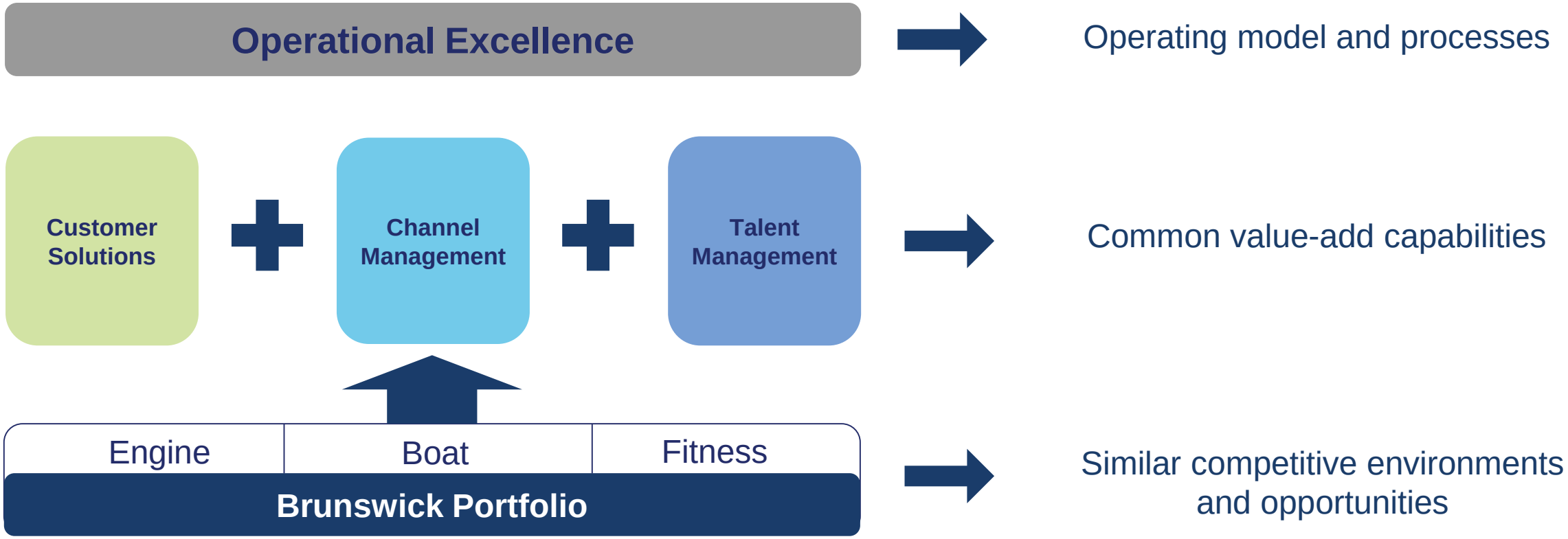
Our businesses are in markets we like, play an important portfolio role, generate positive return, and benefit from our strategy

Our Strategy Depends On Five Key Priorities



Our business strategies incorporate these priorities

Brunswick Operating Model Enables Our Strategic Priorities



Our 2018-2020 strategy, supported by our operating model, establishes a roadmap for continued success

Each Business Segment Is An Important Portfolio Contributor

Engine

- Leading brands, market position, and installed base
- Global propulsion and P&A markets are growing
- Strong track record of new products and innovation
- Growth opportunities in propulsion solutions and P&A products
- Highly profitable with strong ROIC

Boat

- Several market leading brands
- Presence in growing activity-based, outboard boat categories
- Product white space growth opportunities
- Profit expansion opportunities with improving ROIC

Fitness

- Leading brands and share
- Broad relationships in commercial clubs and verticals
- Positive macro fitness trends
- Growth opportunities with new product and customer solutions
- Margin expansion through operating improvement and improved customer value

Each segment: 1) is a market leader in an attractive market; 2) has profitable growth opportunities; 3) contributes financially; and 4) benefits from our strategy

2018 To 2020 Plan Annual Revenue Growth Targets: 6 To 8 Percent

	Growth Rate	Drivers
Market Growth	**2 to 4% CAGR**	• GDP growth, low unemployment rate, and favorable consumer confidence • Moderate market unit growth in marine and fitness core markets, consistent with recent performance • Key international markets continue to grow
Product Leadership	**2% CAGR**	• Market share gains through innovative features and key new product launches • Product mix improvement; higher average sales price trends in marine continues
Complementary M&A	**2% CAGR**	• Mercury P&A and Fitness focus • Actively working high value targets • Priority around high margin targets that reduce cyclicality

We will exceed market growth through share gains and targeted M&A

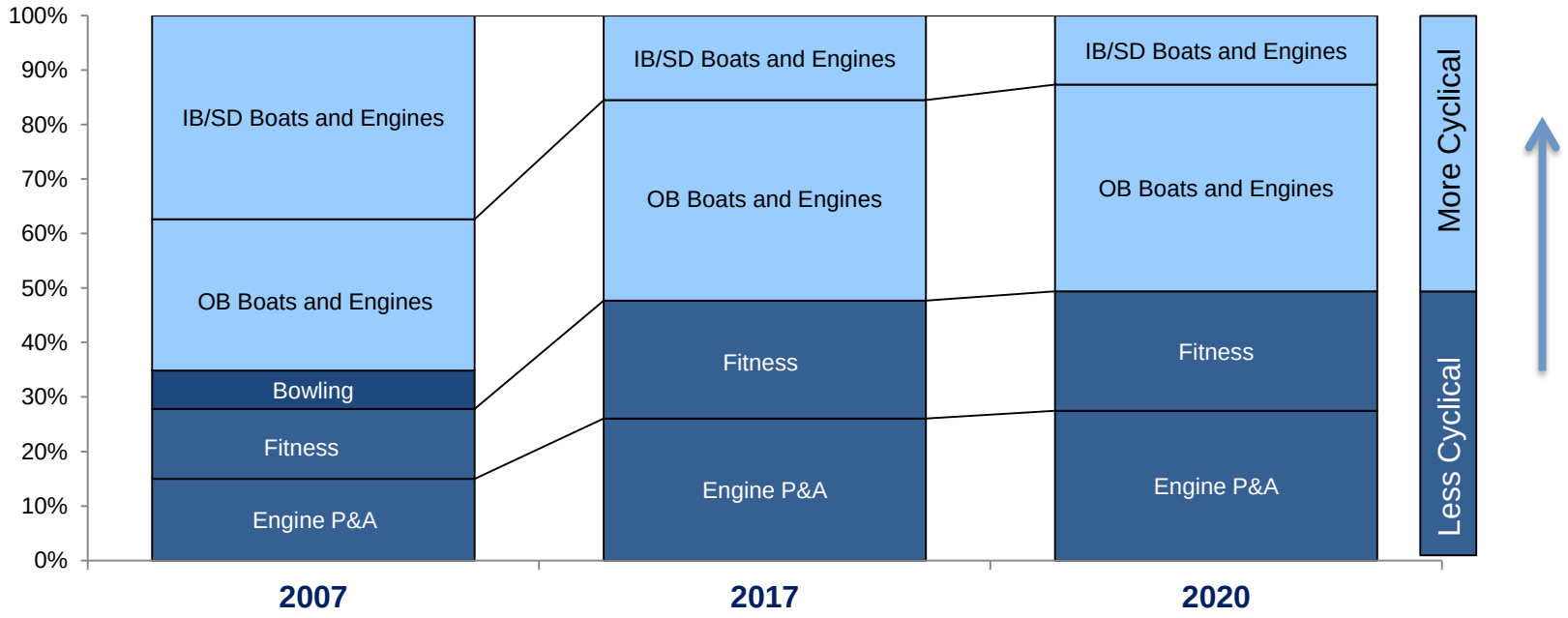
2018 To 2020 Plan Consolidated Financial Targets

	2018 – 2020 Plan Targets
Revenue Dollars - 2020	$5.7 – $6.0 billion
Annual Growth Rate (Including Acquisitions)	6.0 – 8.0%
Annual Acquisition Contribution	2.0%
Operating Margin - 2020	12.0 – 13.0%
Average Operating Leverage	Low-twenty percent range
Annual Pre-Tax Growth Rate	11.0 – 15.0%
EPS - 2020	$5.25 – $5.75
Free Cash Flow - 2020	$325 – $375 million

Operational excellence and targeted revenue growth will drive improvements in margin and EPS

Well Positioned To Perform Throughout Economic Cycles

	2007	2017F×	2020
Total Revenue:	**$5.7B**	**$4.8B**	**$5.7 to $6.0B**
Op Earnings:	**$195M***	**$495M**	**$675 to $775M**



× Estimate based on October 26, 2017 guidance

Our portfolio of businesses continues to become less cyclical

We Are Stronger Today Than Pre-Downturn With Lower Risk

2007 vs. 2017 Comparison

	2007	2017F[×]
Revenue	$5.7B	$4.8B
Variable Margin	28%	32%
Fixed Manufacturing and SG&A	$1.3B	$1.0B
Cruiser/Yacht Pipeline (units)	3,800	400
Outstanding Floorplan	$1.0B	$0.5B
Total Debt	$0.7B	$0.4B

- Portfolio realignment lowers revenue volatility and improves margin profile
- Improvements in variable margin and lower fixed manufacturing and SG&A lower breakeven points
- Pipeline risk associated with the boat business significantly reduced
- Strong financial position

[×] Estimate based on October 26, 2017 guidance

Although our plan anticipates a healthy marine market, our marine business is positioned to remain profitable in all parts of the cycle

Business Strategy Overview

Marine
(2016 Revenue $3.8B*)

Propulsion
(2016 Revenue $1.2B)

- ❑ Operational Excellence
- ❑ Engineered System Solutions
- ❑ Underserved Markets

Parts and Accessories
(2016 Revenue $1.2B)

- ❑ Leverage and Expand Installed Base
- ❑ Systems Integration Leadership
- ❑ Channel Expansion

Boat
(2016 Revenue $1.4B)

- ❑ Product Leadership
- ❑ Operational Excellence
- ❑ Customer Lifecycle Management
- ❑ Marine Strategy Alignment

Fitness
(2016 Revenue $1.0B)

- ❑ Operational Excellence
- ❑ Product Enabled Customer Solutions

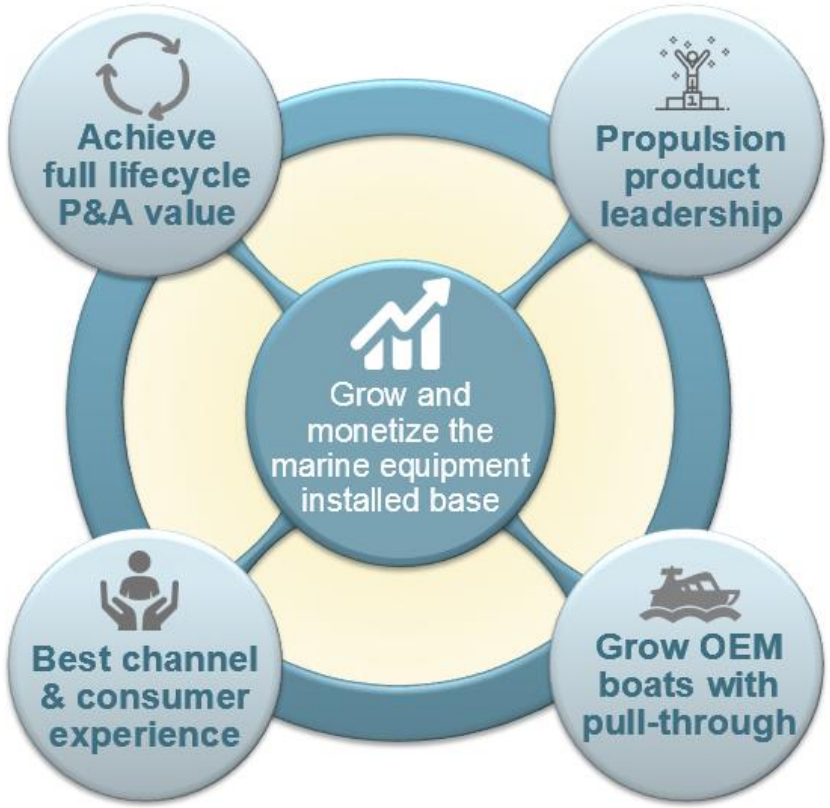
We will start by reviewing the overall marine market

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Mark Schwabero
Chairman and CEO
Marine Summary

Our Marine Position Is A Unique Advantage



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

Predictable profitability from aftermarket revenue streams reduces overall business cyclicality with healthy ROIC

Each Component Of Our Marine Position Adds Value

Revenue Streams

	Scope/Size	Value
Installed Base	• 1 out of every 2 boats in the U.S. powered by Mercury	• Ongoing relationship with millions of consumers
Propulsion Product	• Strong, growing global share position with largest product portfolio	• Large, profitable stand alone business supports healthy installed base and P&A business
OEM Boats	• Global boat producer with broad category and geographic participation	• Leading brands in key segments • Contributes additional Mercury sales
Channel and Consumer	• Most global points of service and sales	• Supports P&A products by providing service to consumers • Share of wallet opportunities
P&A Products	• Largest P&A products business with broadest product range	• Large and profitable business • Supports keeping boaters on the water

Each of these components works together to create a strong and resilient ecosystem

Marine Plan Assumes An Economic Environment Similar To Today

Economic Assumptions

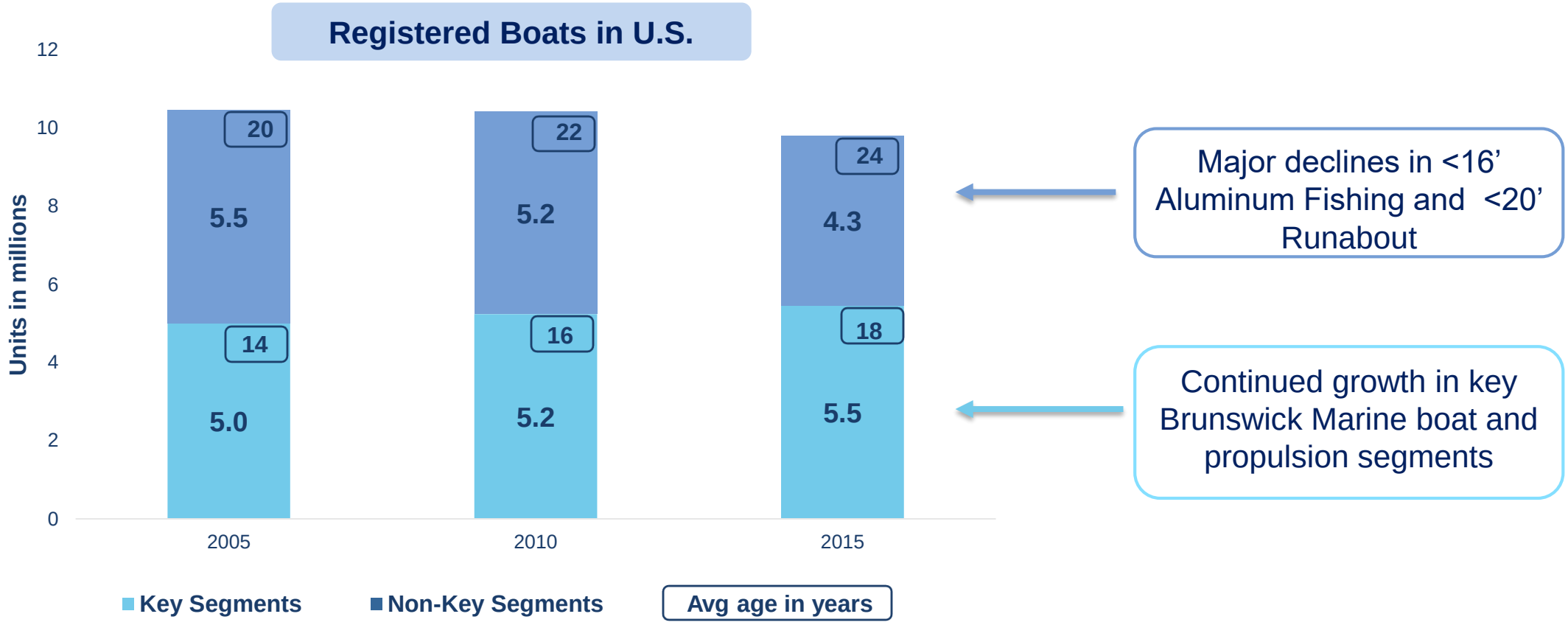
- Continued global GDP growth
- Favorable consumer confidence
- Rising but still favorable interest rate and lending environment
- Continued strong dollar
- Upside opportunity with potential tax reform
- Positive dealer sentiment

Global Marine Unit Growth: 2 to 4%

- Consistent with recent performance
- Dollar growth greater than units
- Outboard product growing faster than rest of market
- International markets growing

These market assumptions support continued growth in marine earnings

Boat Registrations Growing In Key Market Segments



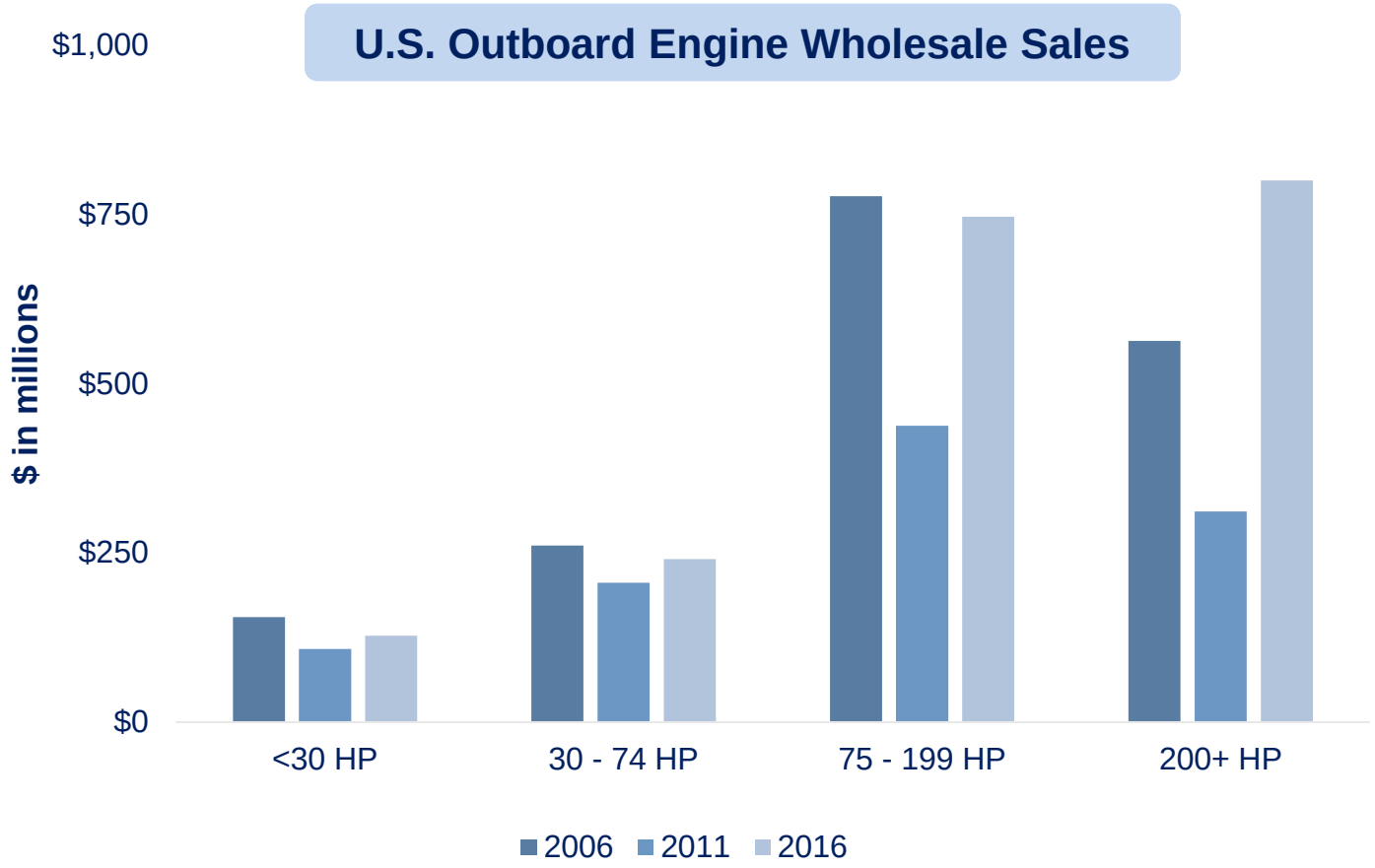
Major declines in <16' Aluminum Fishing and <20' Runabout

Continued growth in key Brunswick Marine boat and propulsion segments

Note: Key segments defined as all powerboats except <16' Aluminum Fishing, <20' Runabouts, inflatables and jet boats

Growing installed base in key segments demonstrates the health of the consumer, supports growing replacement demand, and provides increasing revenue opportunities

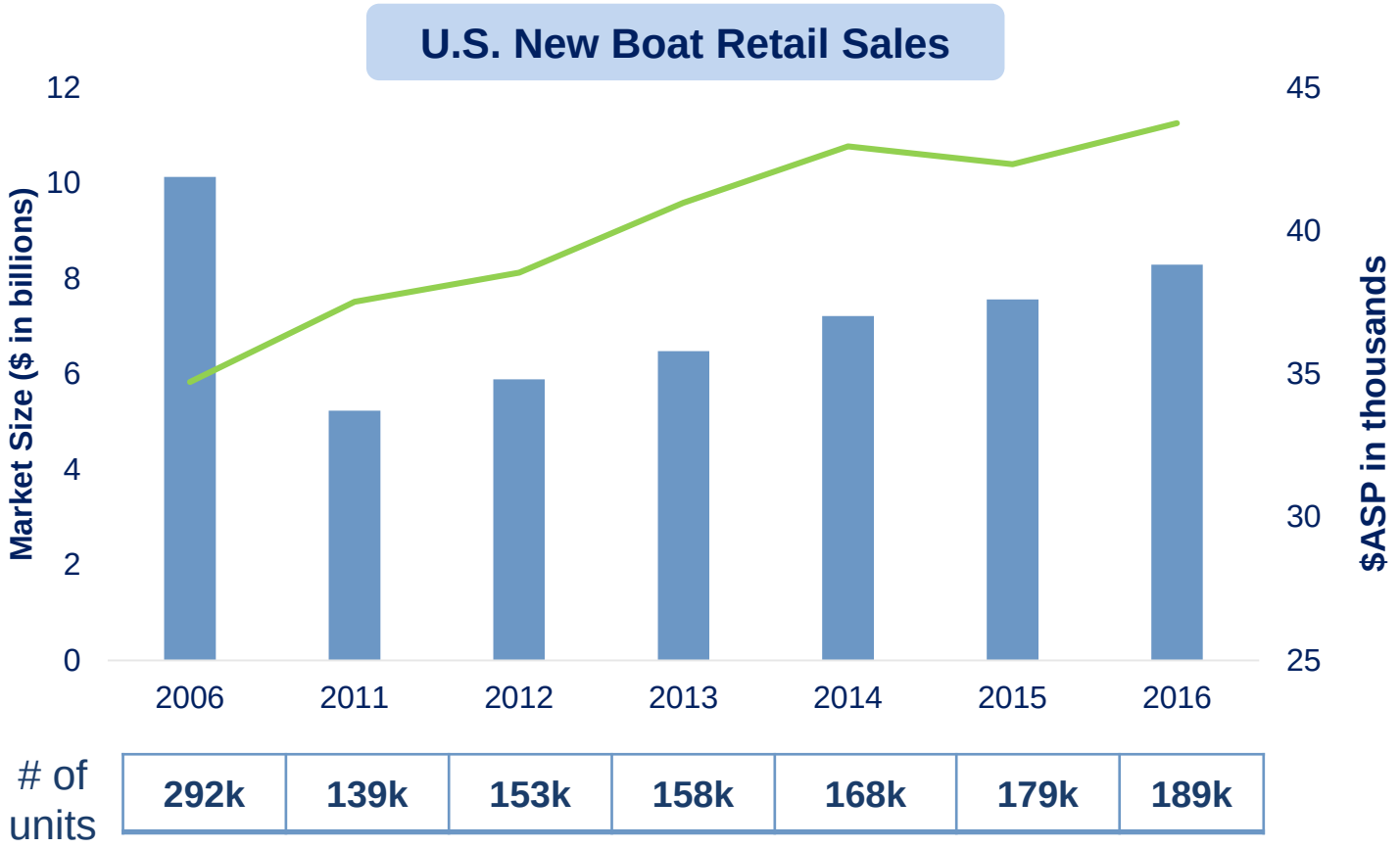
The Trend Towards Larger HP Outboard Engines Continues



- Recovery trend fueled by larger four-stroke engines
- 300+ horsepower segment now approaching 20% of total market (non-existent in 2006)

The scope and effectiveness of our product development capabilities provide an advantage and position us to continue to lead this transition

Boat Market Recovery In Dollars Outpacing Units



Recovery Since 2006 Peak

Units: 65%
Dollars: 82%

Market Revenue Growth
2011 – 2016 CAGR

Units: 6%
Dollars: 10%
Brunswick Dollars: 12%

Our boat business has outperformed the market and is positioned for continued growth

Fishing Popularity Will Continue To Drive Outboard Powered Boats

#1
Fishing is the most popular boating activity

75%
Proportion of fishing that takes place on freshwater

New fishing participants are younger and more diverse



#2
Fishing is the second most popular outdoor activity

45.7 Million
fishing participants

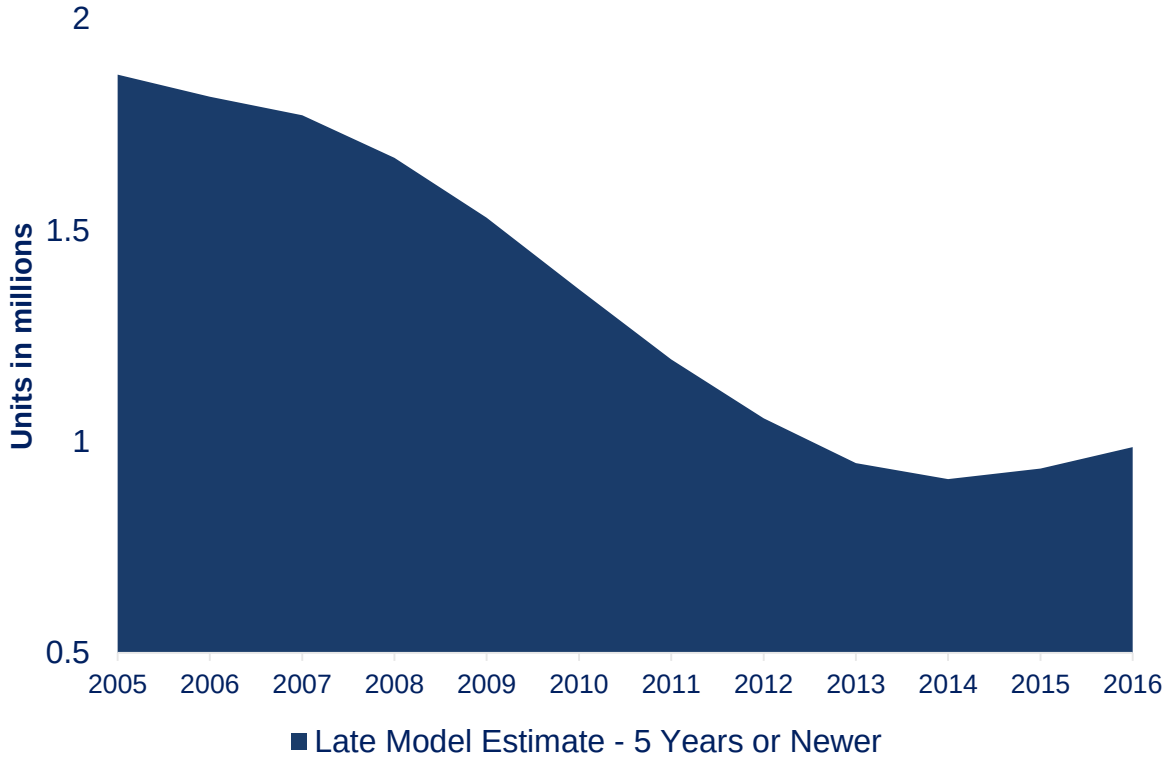
Dealers indicate fishing boat buyers are trading up to more premium boats

Source: Recreational Boating and Fishing Foundation – 2016

Fishing participation forms a strong and resilient foundation for boat demand and usage

Innovation Is Widening The Value Gap Between New And Used Boats

Limited Late Model Used Boats



Source: NMMA

- Pace and impact of innovation increasing
  - Significant technological advancements
  - Hassle reduction features (e.g., joystick) are triggering new purchases



Joystick Piloting



Active Trim

Our technology leadership and product development pipeline position us to capitalize on this trend

Favorable Marine Consumer and Market Trends

Committed Boater



- Core boater is older, affluent, and committed to boating
- Many more years of significant boating activity

- Continued market growth driven by traditional customer

Family Boaters



- Positive on boating as a family activity
- Early boating experiences an important influencer

- New ownership/use options and boat features benefit this trend

Millennials



- Millennials are boating, including through different participation models (boat clubs, partial ownership)

- Capitalize on opportunity through products, better solutions, technology, and easier use options

The consumer and market trends driving today's growth will continue to support future new boat growth

P&A Products Market Is Growing

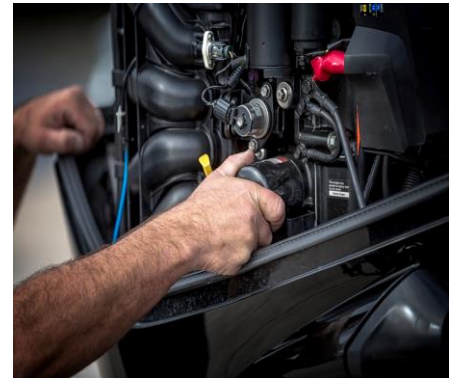
OEM Products



- Continued retail growth in new boats
- OEM P&A content is contributing to increasing average selling prices for boats
- Continued technology-driven innovation

Aftermarket

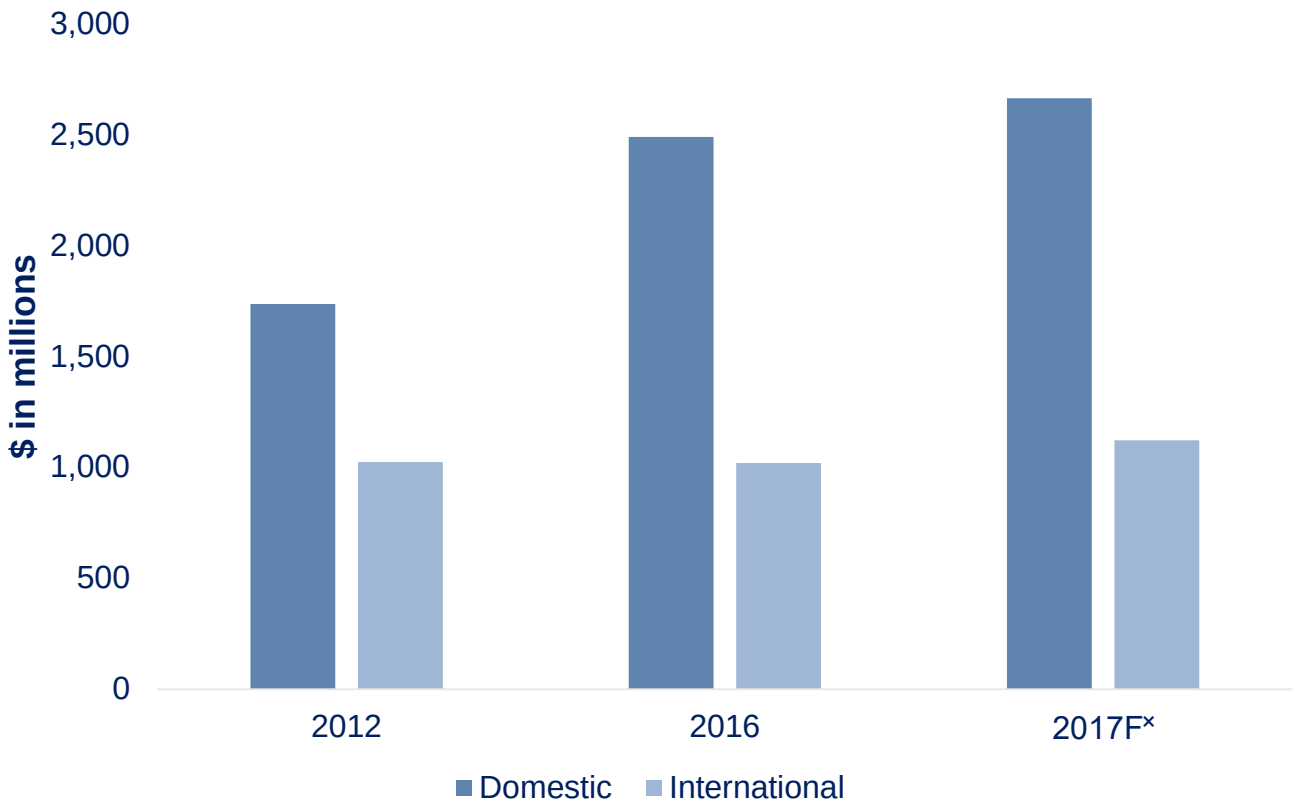




- Large installed base of engines
- Boat population growing in Brunswick core segments

Both the OEM and aftermarket portion of the P&A market have positive long term growth characteristics

Our Marine Growth Has Primarily Been Driven By The U.S. Market



Revenue Growth

$ in millions	2012-2016 (CAGR)	2017F×
Domestic	9%	6%
International	2%	11%

×Estimate based on October 26, 2017 guidance

In 2017 international sales growing faster than the U.S. with pace of recovery exceeding our long term outlook

Business Strategy Overview

Marine
(2016 Revenue $3.8B*)

Propulsion

(2016 Revenue $1.2B)

- ❑ Operational Excellence
- ❑ Engineered System Solutions
- ❑ Underserved Markets

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- ❑ Operational Excellence
- ❑ Customer Lifecycle Management
- ❑ Marine Strategy Alignment

Fitness

(2016 Revenue $1.0B)

- ❑ Operational Excellence
- ❑ Product Enabled Customer Solutions

We will now review the marine propulsion segment

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John Pfeifer

President, Mercury Marine

Engine Segment

Financial Overview

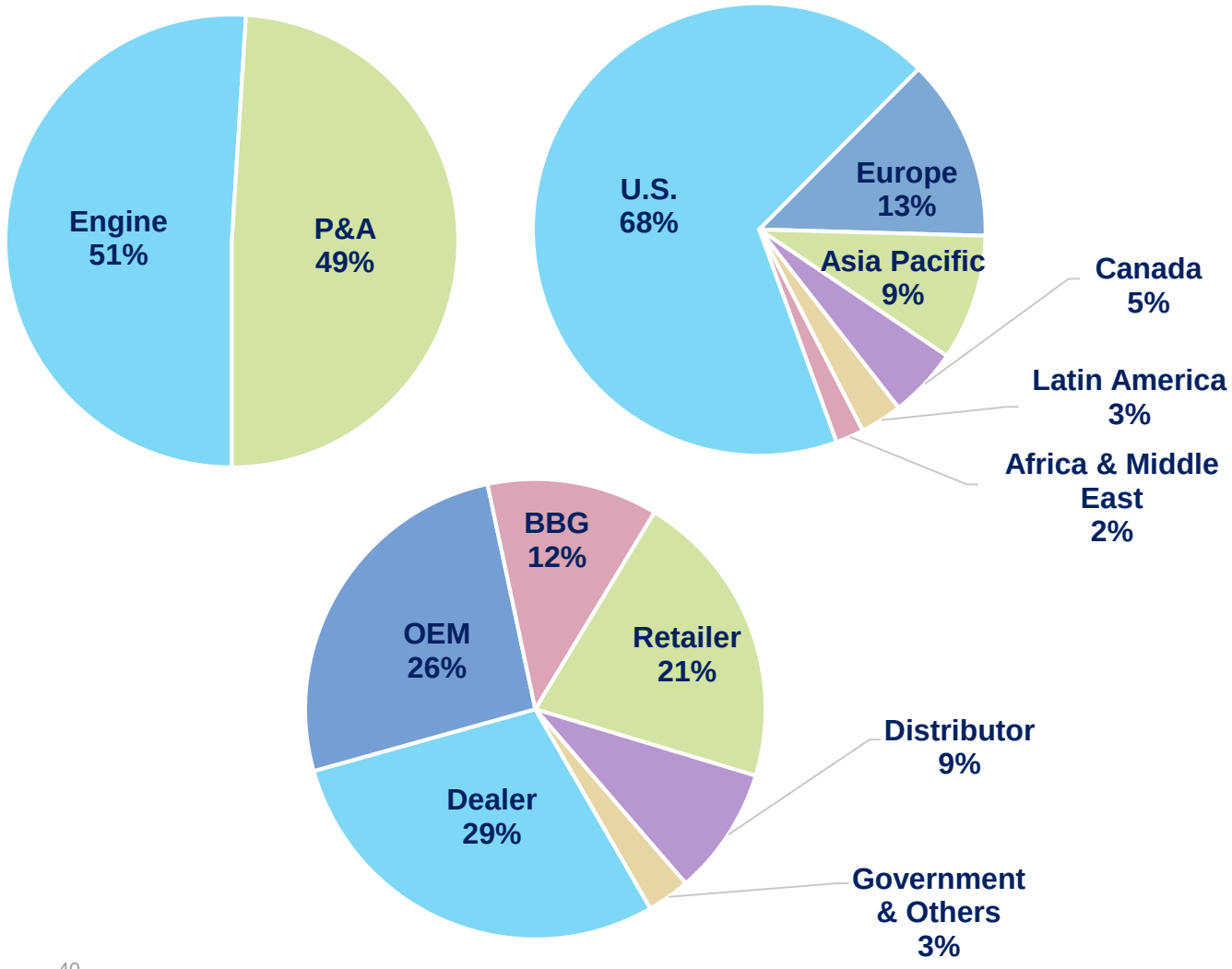
Financial Profile

	2015	2016	Change
Revenue	$2.3B	$2.4B	5%
Op. Margin	15.1%	15.5%	+40bps
CapEx/Sales	3.3%	4.6%	+130bps
R&D/Sales	3.4%	3.5%	+10bps

2017 Financial Targets×	
Revenue Growth	6 - 7%
Operating Margin	Modest Improvement

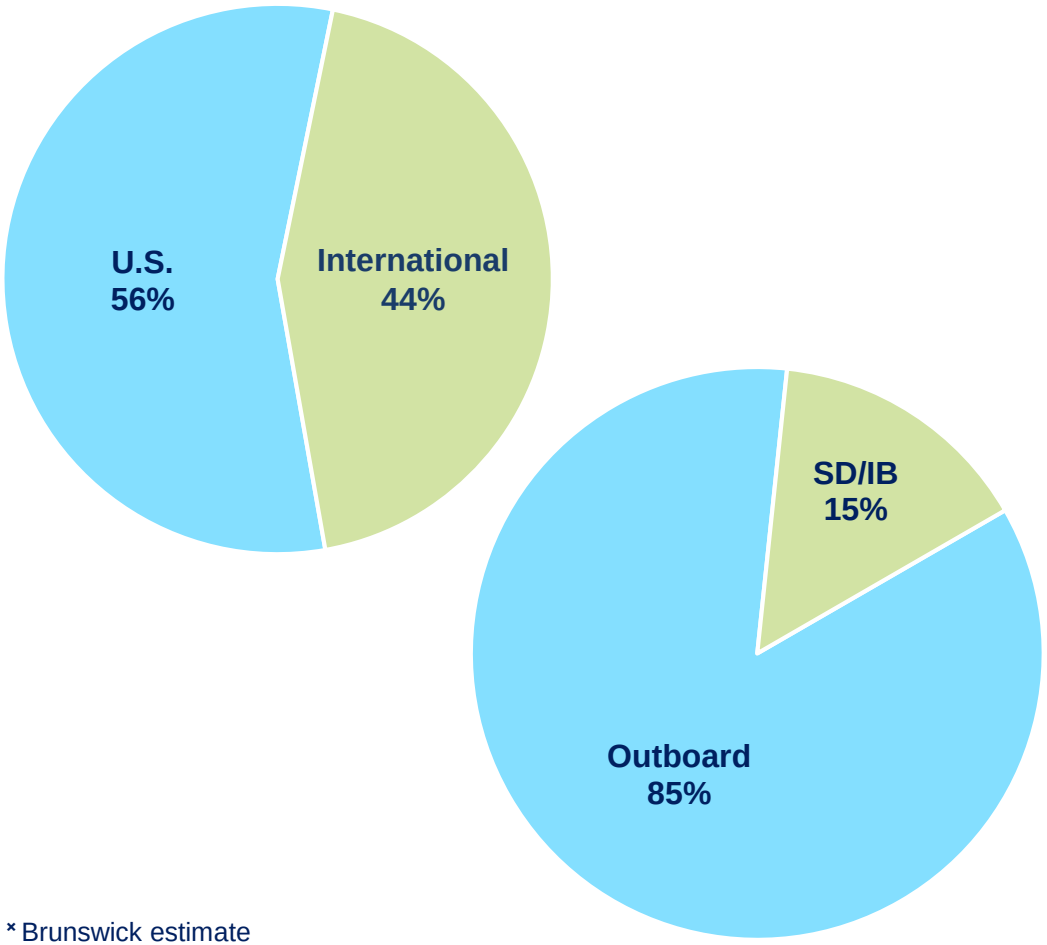
× Estimate based on October 26, 2017 guidance

2016 Revenue Mix



Propulsion - Market Overview

Global Market $4.0B*



Market Expectations

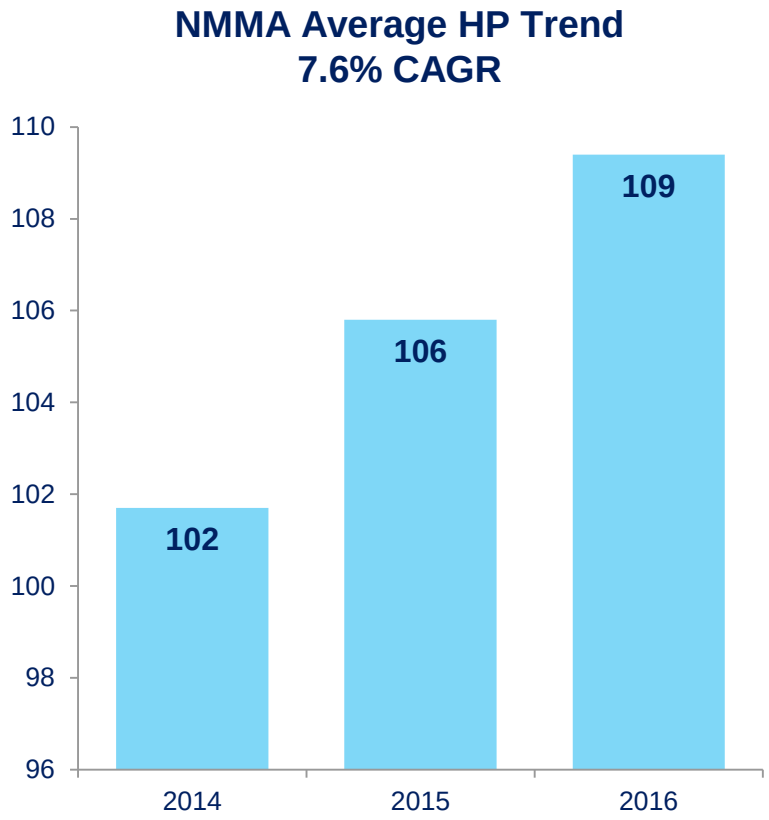
- Healthy global demand with strengthening mix
- Continued global shift from sterndrive to outboard power and from two-stroke to four-stroke engine technology
- OEM and consumer opportunity related to seamless integration of marine system components and technology

Competitive Landscape

- Breadth of product line, manufacturing capabilities, and advancing technology create high barriers to entry
- Two major competitors set the pace for technology and marine market development

* Brunswick estimate

Outboard Engine Demand Remains Strong



- High-horsepower demand is outpacing the broad market
  - Average HP up 38% since 2010
- Global commercial markets are moving to four-stroke technology
- Continued shift from sterndrive to outboard propulsion
- U.S. outboard engine 2014 – 2016 revenue CAGR of 11%
- <20% of global sales revenue is two-stroke engine technology

Average horsepower expected to exceed 125 HP by 2020 due to continued outboard boat and engine evolution (average 111 HP today)

Propulsion Competitive Advantages

Broadest and Most Current Product Portfolio



- 2.5 HP to 1750 HP engines
- 140,000 Parts and accessories SKU's

Vertical Integration



- Substantial control over design and cost

New Product Development Pace and Effectiveness



- 30+ new engines introduced 2012-2017
- Prolific development of P&A

Broadest Global Distribution Network



- Over 10,000 points of sales and service

Mercury is well positioned to continue to outperform the global marine market

Marine Propulsion Strategy

Operational Excellence



Expand distribution and service capabilities to meet evolving consumer demands

Engineered System Solutions



Leverage product leadership with integrated solutions

Underserved Markets



Continue share gain in saltwater, repower, and commercial markets

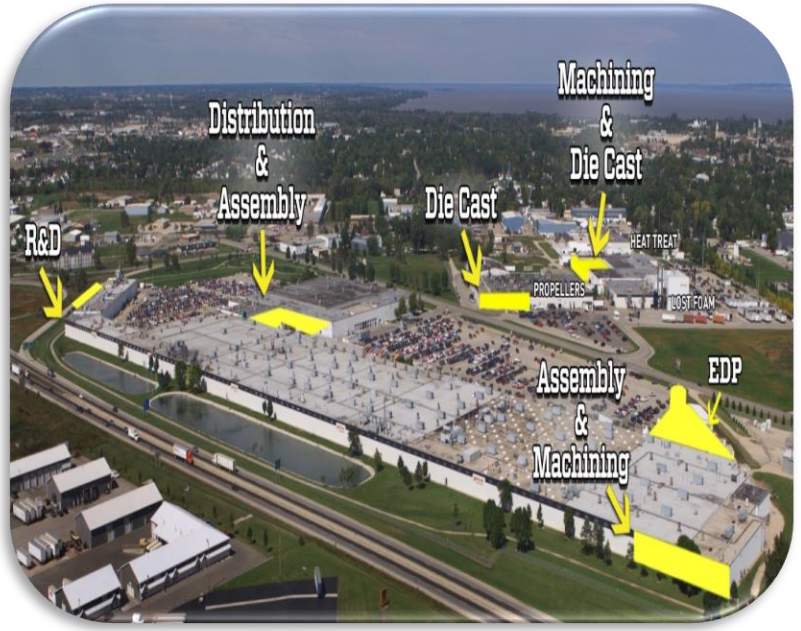
Investments Have Delivered Strong Returns

Product Development



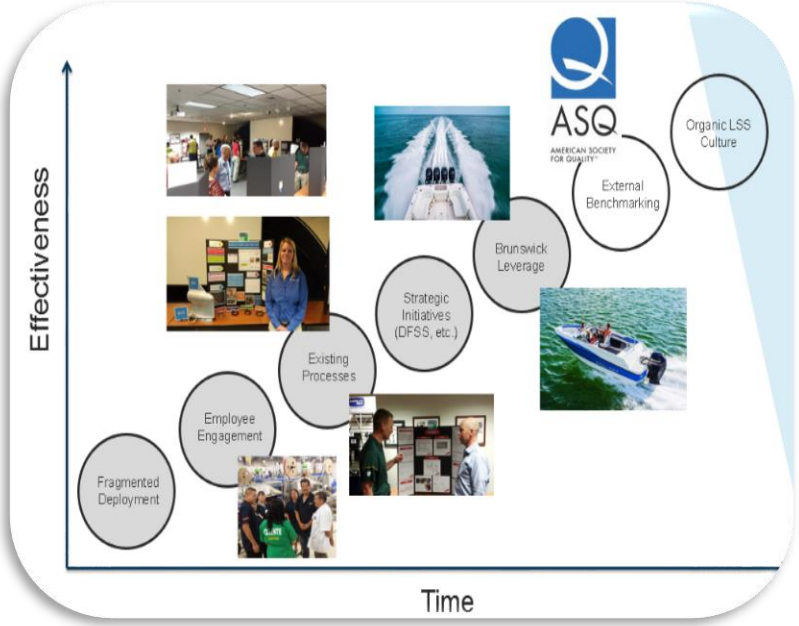
- New major product launch every 6 weeks
- Rich pipeline of new technology

Capacity and Quality



- Warranty 1% sales
- Continued margin improvement

Process Excellence



- Well established ‘lean’ practices in all regions and functions
- Leverage across Brunswick

Investments enhancing product range, quality, capability, and capacity

New Products Have Strengthened Our Market Position



Year Introduced	2012	2014	2014 – 2016	2015	2016
Horsepower	150	75 – 115	40 – 150	350 – 400	115

We have a rich technology pipeline that has and will produce class-leading products and share gains

Technology Integration – Proven Successes – Strong Momentum

VesselView – connected propulsion



- 15,000 app downloads in first 9 months
- 7,500 modules sold
- 3,800 active users

Joystick



- 30% of Mercury powered multi-engine boats are joystick equipped

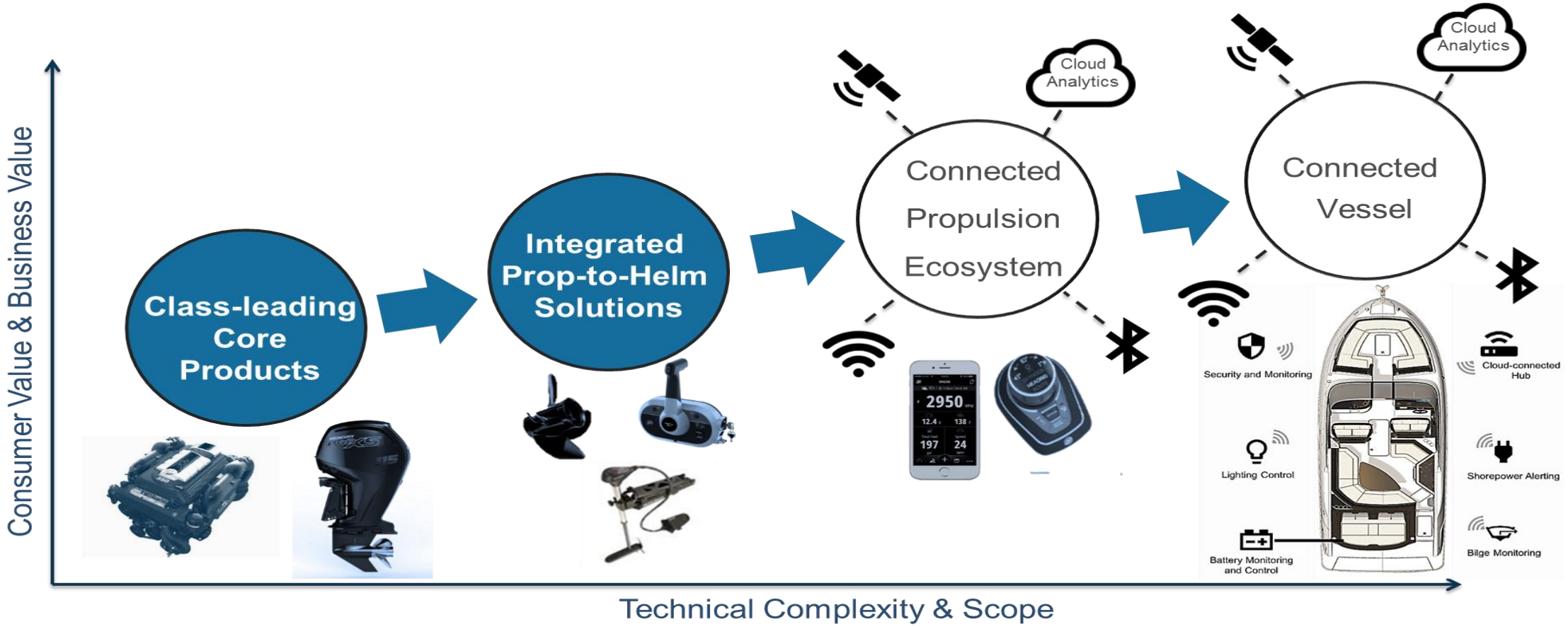
Active Trim



- Broad OEM and consumer adoption
  - Over 5,000 units sold
  - Retrofittable to large portion of installed engine base

Mercury continues to develop and integrate innovative technology to enhance the boating experience and broaden its base of global OEMs

Integrated Customer Solutions



Class-leading products are the foundation of a broader solution-focused offering to global boat OEMs and consumers

Digitally Connected Boats Will Create Significant Value





Value

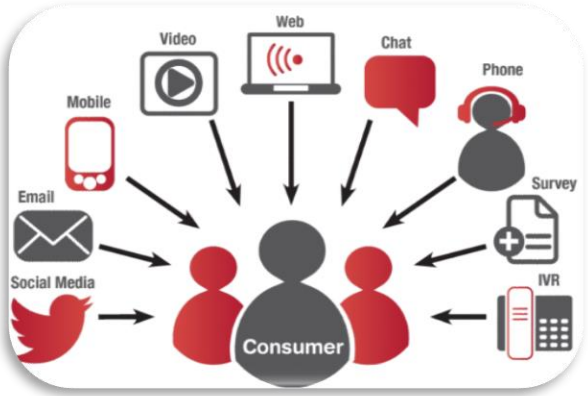
- Reduced consumer hassle
- Enable future revenue streams

Future Capabilities

- Autonomous docking
- Vessel remote monitoring
- Remote diagnostics and service
- Concierge services

We are running several pilots to test concepts and business opportunities

Evolving Route To Market And Service Network Create Additional Opportunities







Engage Customers

Gather Usable Data

Deliver Proactive Support

We will leverage technology to set the standard in service and support

Continued Focus On Large Underserved Markets

Saltwater

Market Opportunity

- U.S. market $500 million
- Mercury share mid-high 20 percent range

Strategy To Win

- ‘Best in class’ core products
- New integrated solutions drive expanded OEM relationships
- Consumer engagement events

Progress

- Share gains in each year since 2013





2006



2017

Share gains in saltwater will continue to drive growth

Continued Focus On Large Underserved Markets

Repower

Market Opportunity

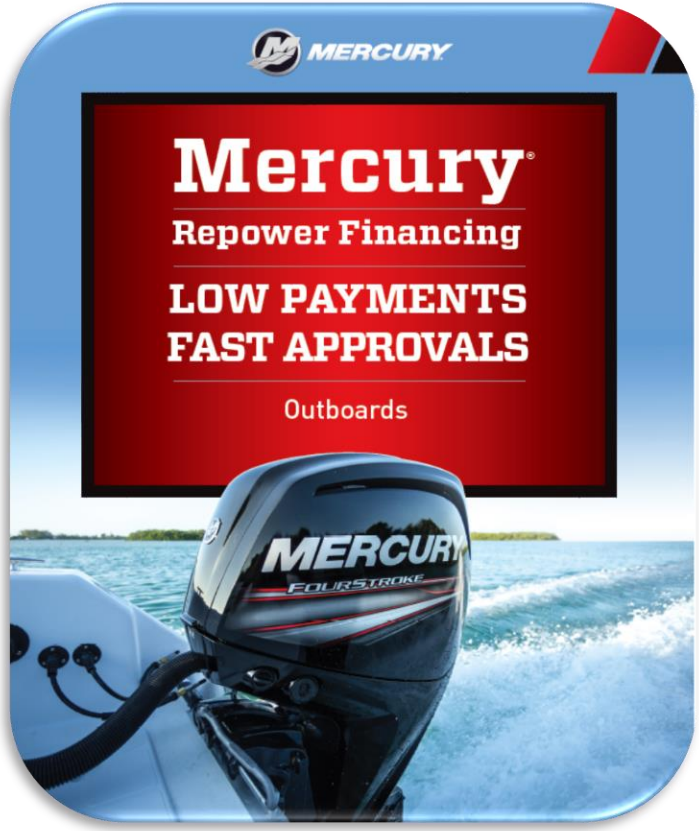
- U.S. market $425 million
- Mercury share mid-20 percent range

Strategy To Win

- Product development and integration
- Expanded compatibility with legacy mechanical systems

Progress

- Share gains in each year since 2013



Share gains in repower will continue to drive growth

Continued Focus On Large Underserved Markets

Commercial

Market Opportunity

- Global market $750 million (mainly two-stroke but early transition to four-stroke)
- Mercury share high-teens

Strategy To Win

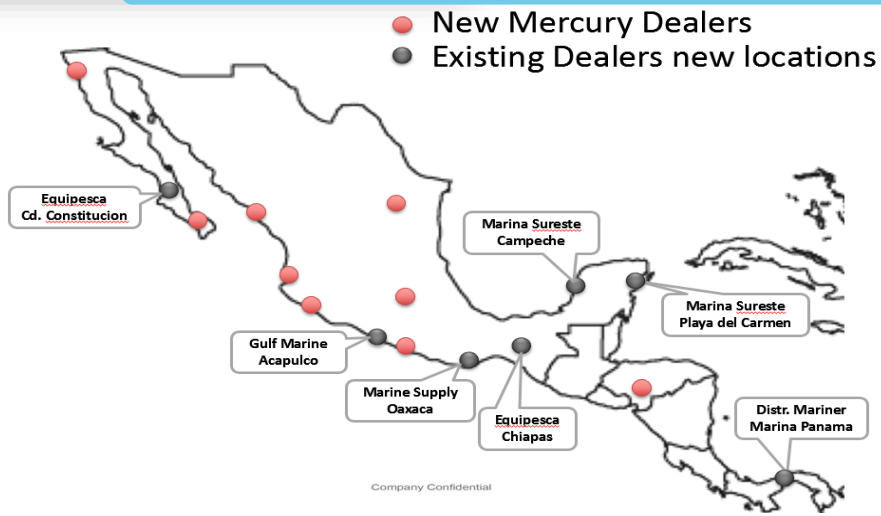
- Four-stroke commercial product development
- Commercial distribution expansion

Progress

- Expanded service and distribution channels in Asia, Mexico and Central America



Expanding Dealer Network (Mexico example)



Share gains in commercial markets will continue to drive growth

Business Strategy Overview

Marine
(2016 Revenue $3.8B*)

Fitness
(2016 Revenue $1.0B)

Propulsion
(2016 Revenue $1.2B)

Parts and Accessories
(2016 Revenue $1.2B)

Boat
(2016 Revenue $1.4B)

- ❑ Operational Excellence
- ❑ Engineered System Solutions
- ❑ Underserved Markets

- ❑ Leverage and Expand Installed Base
- ❑ Systems Integration Leadership
- ❑ Channel Expansion

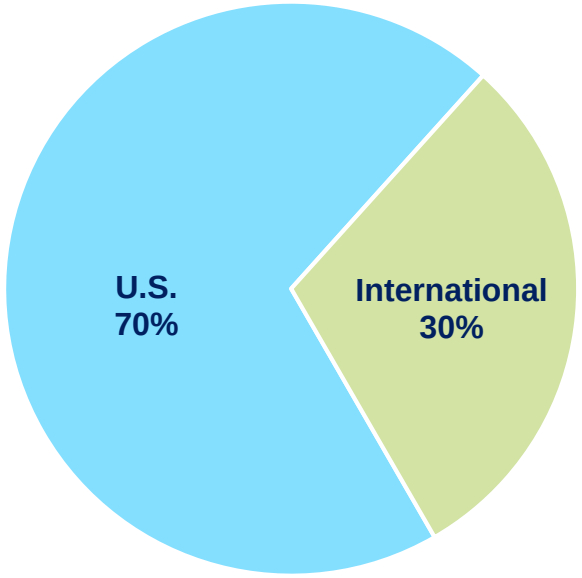
- ❑ Product Leadership
- ❑ Operational Excellence
- ❑ Customer Lifecycle Management
- ❑ Marine Strategy Alignment

- ❑ Operational Excellence
- ❑ Product Enabled Customer Solutions

We will now review the marine parts and accessories segment

Parts and Accessories - Market Overview

Global Market $5.6B*



Market Expectations

- Large and diverse product range
- Demand driven by aftermarket and boat usage
- Boating participation is healthy and increasing
- P&A content per boat increasing

Competitive Landscape

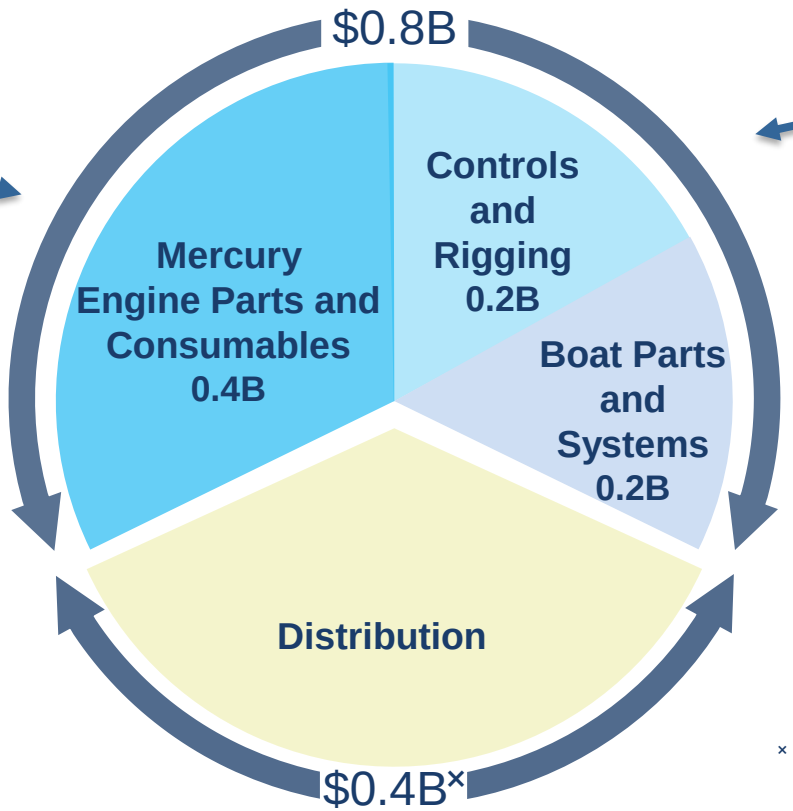
- Large and highly fragmented market
- Captive engineered engine/boat parts have higher margins
- Customer service is a differentiator

* Brunswick estimate

Overview of Brunswick Parts And Accessories Business

P&A Products: 80% Aftermarket and 20% OEM

- Directly tied to engines
  - Pistons
  - Powerheads
  - Consumables



- Engine-linked products
  - Controls
  - Rigging
  - Props

- Boat products
  - Water pumps
  - Seats
  - Lighting
  - Trolling motors
  - Accessories

× Mercury Products sold through captive distribution included in product categories; all figures represent 2016 data

Mercury intends to continue to grow its overall P&A business and execute against its goal to add $350 million of P&A sales growth through acquisitions by 2018

Mercury Parts And Accessories Product Scope

- Water / Pump Systems
- Fuel / Ventilation Systems
- New & Remanufactured Engine Service Parts
- Oils & Lubricants
- Boat & Engine Harnesses
- Propellers



- Seating
- Trolling Motors
- Covers & Bimini Tops
- Marine Hardware
- Displays & Gauges
- Throttle & Shift Systems

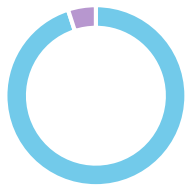
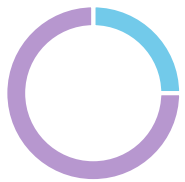
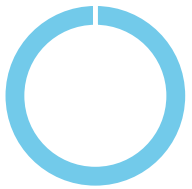
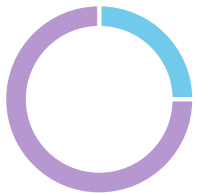
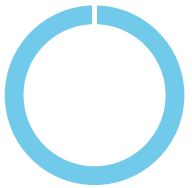
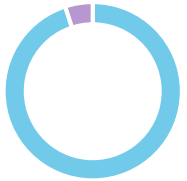
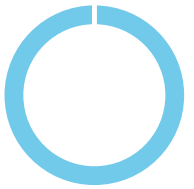
Legend

- Mercury Engine Parts and Consumables
- Controls and Rigging
- Boat Parts and Systems

P&A content per boat up 7% annually from 2015

Not All P&A Is Created Equal

"Mission critical" parts and components/margin profile

	Mercury Engine Parts	Controls & Rigging	Consumables	Boat Parts & Systems	Non-Mercury Engine Parts	Boating Accessories	Non-Marine P&A
Brief description	Mercury aftermarket engine parts	Steering, controls, propellers	Oils, lubricants, filters	Boat systems, electronics, trolling motors	Non-Mercury engine parts	Covers, trailer parts, life jackets, etc.	Auto, RV, Powersports
Channel							

80% of sales from engineered product categories with higher margins

Marine P&A Strategy

Leverage and Expand Installed Base



Systems Integration Leadership



Channel Expansion



Expand product and distribution business organically and through acquisitions

Largest Installed Base Of Marine Engines - Offering Strong P&A Growth Potential



New engine install on new boat

P&A for engine install

Consumables

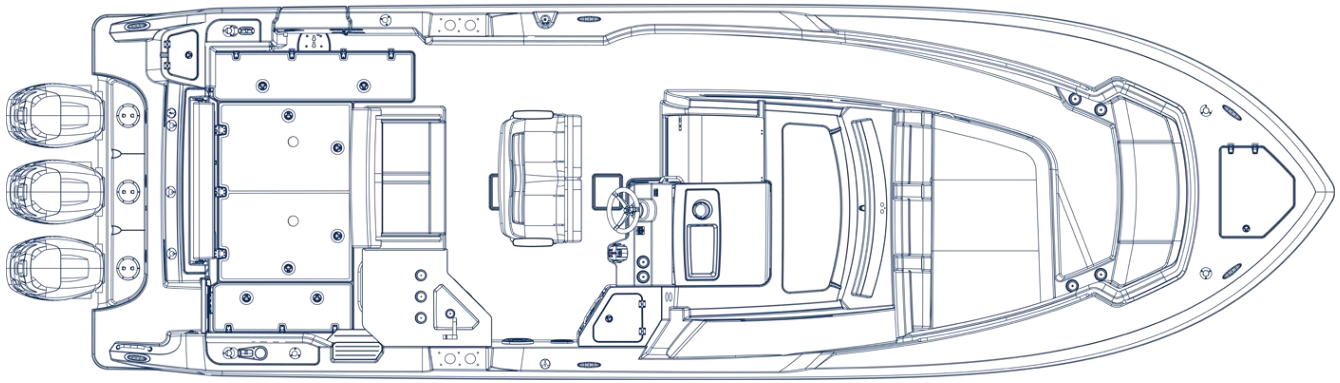
Replacement Parts

Engine Repower

Approximately 8 million engines in operation supported by extensive dealer network of 10,000 points of service

Mercury Is Well Positioned To Set The Standard For Marine Systems Integration



























Class-leading core products integrated with the industry's most intuitive prop-to-helm systems remain central to owning the integration relationship with OEMs

We Will Expand Our Distribution And Service Network To Serve Our Customers and Enhance Our Growth



Geographic Expansion

BLA boatinglifestyleadventure

Lankhorst Taselaar

Whale

GARELICK EEj-In

PMG PAYNES MARINE GROUP

- Increase sales to installed base
- Address underserved regions/territories

Enabling Technology



- Systems integration
- Remote diagnostics
- “Connected vessel”

New and Emerging Channels



- Mobile service
- E-commerce
- Proactive support

To be available where and when customers want to buy, we will expand our capabilities, make acquisitions, and form alliances



Enhanced Channels

Leverage P&A Distribution Business



- Largest global wholesale P&A distribution network
- Expand same-day and next-day service
- Expand dealer locations
- Enhance inventory availability (one-stop shop)

Expand into Emerging Channels (e-commerce)



- Expand e-commerce fulfillment for marine P&A retailers including Walmart.com
- Continue to leverage and expand through Amazon and other e-commerce channels

Service-intensive parts (approximately 60% of market) need specialized skills to diagnose, order, and install

Engine Segment Summary

Summary

- Propulsion
  - Engineered system solutions versus components
  - Underserved markets for growth opportunities
  - Operational excellence to drive quality and margins
- Parts and Accessories (P&A)
  - Leverage and expand the largest marine installed base
  - Systems integration drives OEM and customer satisfaction
  - Channel expansion into new regions and markets
  - Grow P&A products both organically and through M&A

2018 – 2020 Plan

- Revenue CAGR of 6 – 8%
- Continued improvement in operating margins

Business Strategy Overview

Marine
(2016 Revenue $3.8B*)

Propulsion
(2016 Revenue $1.2B)

- ❑ Operational Excellence
- ❑ Engineered System Solutions
- ❑ Underserved Markets

Parts and Accessories
(2016 Revenue $1.2B)

- ❑ Leverage and Expand Installed Base
- ❑ Systems Integration Leadership
- ❑ Channel Expansion

Boat
(2016 Revenue $1.4B)

- ❑ Product Leadership
- ❑ Operational Excellence
- ❑ Customer Lifecycle Management
- ❑ Marine Strategy Alignment

Fitness
(2016 Revenue $1.0B)

- ❑ Operational Excellence
- ❑ Product Enabled Customer Solutions

We will now review the boat segment

BRUNSWICK



Huw Bower

President, Brunswick Boat Group

Boat Segment

Financial Overview

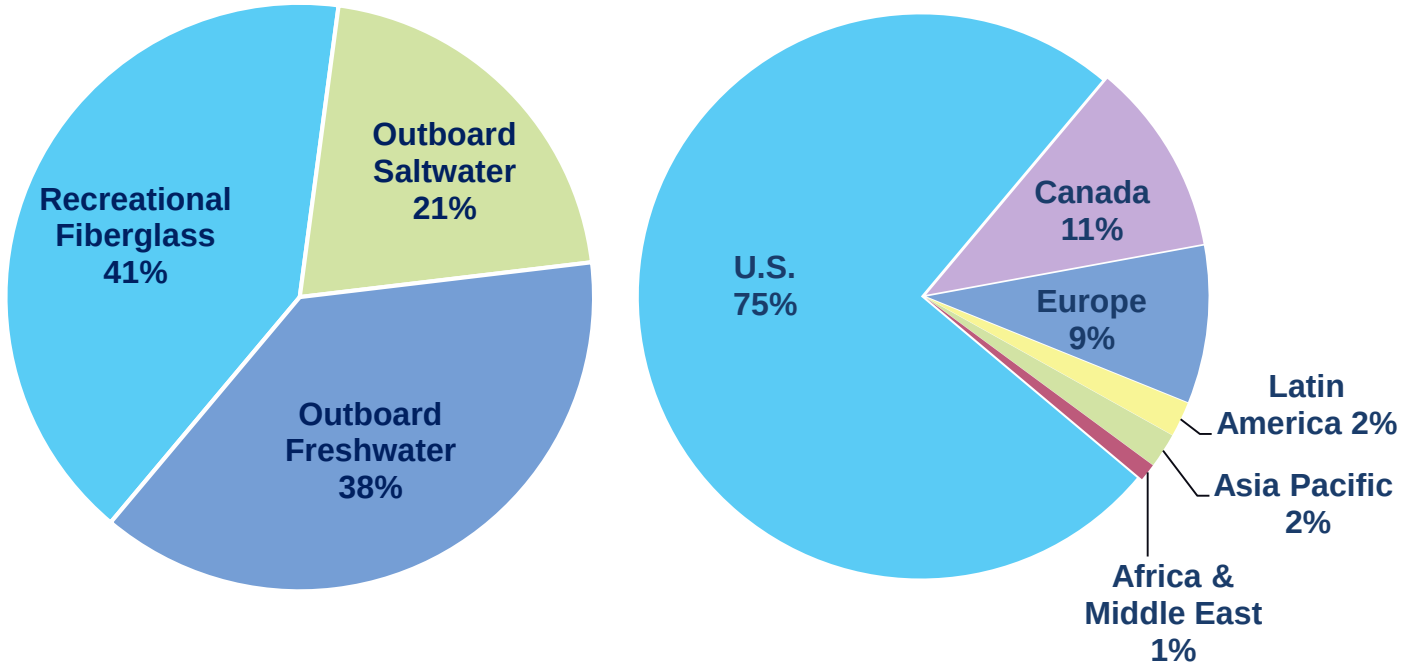
Financial Profile

	2015	2016	Change
Revenue	$1.3B	$1.4B	7%
Op. Margin*	3.6%	4.5%	+90bps
CapEx/Sales	3.0%	3.2%	+20bps
R&D/Sales	1.7%	1.5%	-20bps

2017 Financial Targets×	
Revenue Growth	7 – 8%
Operating Margin	Decrease

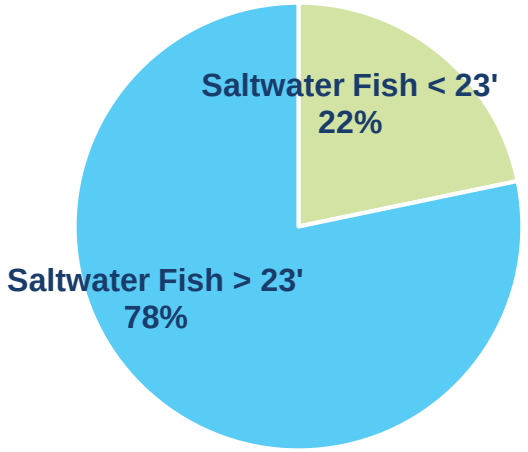
× Estimate based on October 26, 2017 guidance

2016 Revenue Mix



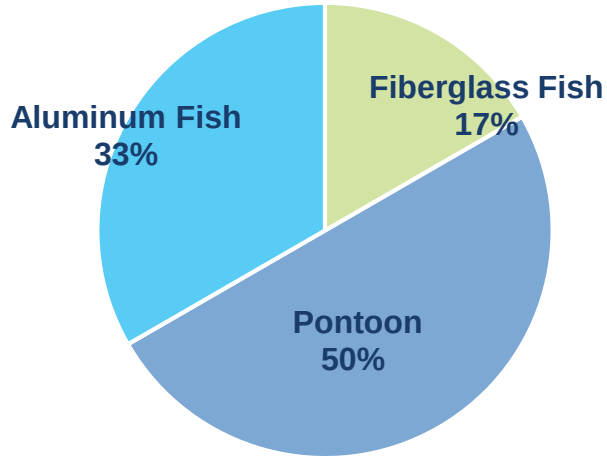
Market Overview And Competitive Landscape

Outboard Saltwater
$2.3B in U.S.



- Small boats value oriented
- Larger boats (23'+) driving growth
- Competitive intensity increasing
- New categories emerging

Outboard Freshwater
$3.0B in U.S.

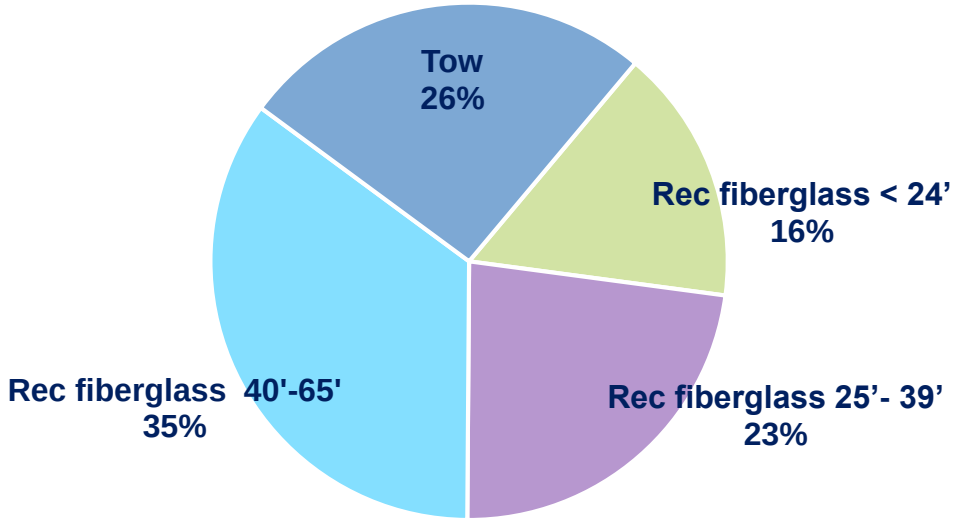


- Pontoon recovery exceeds pre-recession levels
- Fragmented segments but strong brands differentiate
- Pontoon growth affected by supply chain issues

The shift toward larger outboard boats with premium content continues

Market Overview And Competitive Landscape

Recreational Fiberglass
$3.1B in U.S.



- Most categories remain well below pre-recession levels
- Yacht category challenging
- Traditional category boundaries blurring
- Secular shift from SD to OB power preference

Recreational fiberglass categories continue to migrate toward activity based boat types (e.g. fishing, day boats, and tow sports) and outboard propulsion

Boat Group Portfolio Competitive Position

Portfolio Strength

- Differentiated product line addressing a wide variety of consumers
- Leading brands in key market segments
- Broad presence through established dealers
- Leverages overall Brunswick marine position and Mercury pull-through
- Share best practices across boat group businesses

Outboard Saltwater

- Leading brand with white space upside
- Loyal consumer base with high repurchase rates

Outboard Freshwater

- Portfolio of brands that addresses most market needs
- Leveraged operations within group

Recreational Fiberglass

- Leading market position in most segments
- Product lineup that serves broad customer demographic

Boat Group portfolio reinforces Brunswick's overall marine strategy and is positioned for continued success

We Continue To Execute On A Path To Our 2020 Plan

Successes

- Winning product across every segment
- Market leadership in key segments
- Improving financial profile in most businesses
- Continued presence in strongest dealers

Challenges

- Large boat market demand
- Brazilian market exit
- Hourly labor availability

Product Leadership



Sea Ray SLX 400



Boston Whaler 350 Realm

We are advancing our leadership position and pursuing opportunities to improve our business

Boat Strategy

Product Leadership



Efficient product development focused on high return opportunities

Operational Excellence



Drive margin expansion through institutionalizing Lean Six Sigma

Customer Lifecycle Management



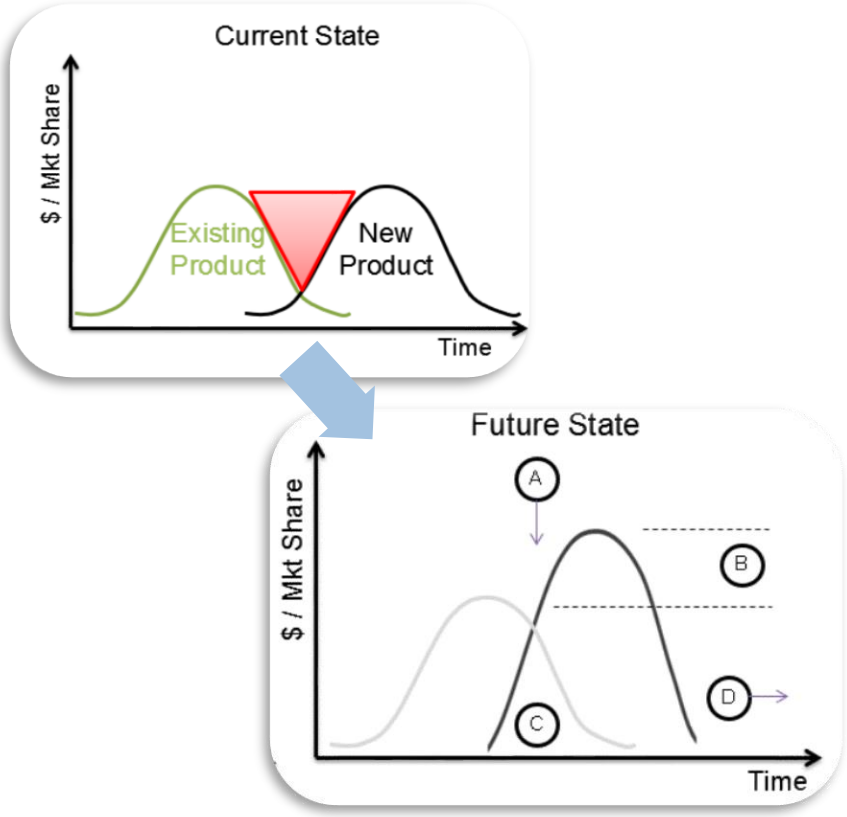
Winning long term consumer loyalty

Marine Strategy Alignment



Generate Brunswick marine value

Maximize Profitability Across The Product Lifecycle



Key Initiatives

1. Manage portfolio investments to maximize profitability
2. Customer insight driven development process
3. Design for cost and manufacturability
4. Efficient use of product platforms

Outcomes

- Optimize portfolio returns
- Improved market share in targeted segments
- Increased profitability of new models
- Lower investment per new boat model

Product leadership drives leading share and profit

Improve Cost And Quality



Key Initiatives

1. Expand deployment of Lean Six Sigma across the organization
2. Advance human capital management and automation opportunities
3. IT investments accelerating capability enhancements

Outcomes

- Reduce complexity and simplify business processes
- Improved product quality, productivity, and cultural change
- Improved accuracy and decision making

Operational excellence will drive higher quality, lower cost, and better returns

Optimize Customer Lifecycle Management



Boston Whaler Customer Rendezvous

Key Initiatives

1. Expand lead management and owner nurturing
2. Increased use of data-driven customer relationship management
3. Increased direct consumer engagement (e.g., customer experience events)

Outcomes

- Increased conversions and repeat purchases
- Enhanced dealer engagement and loyalty
- Improved Net Promoter Score

Customer lifecycle management drives loyalty and maximizes lifetime value capture

Generate Brunswick Marine Value







Key Initiatives

1. Collaborate on strategic product development projects
   - New technologies
   - Connected vessel
2. Participate in alternate ownership models
3. Utilize Brunswick marine products and services
4. Continually optimize boat portfolio

Outcomes

- Improve Brunswick marine profitability
- Deeper overall understanding of marine consumer
- Contribute to Brunswick marine installed base

Partnership between the boat group and other Brunswick brands creates value and provides better consumer solutions

Boat Segment Summary

Summary

- ❑ Efficient product development focused on high return opportunities
- ❑ Drive margin expansion through institutionalizing Lean Six Sigma
- ❑ Winning long term consumer loyalty
- ❑ Maximize Brunswick marine value

2018 – 2020 Plan

- ❑ Revenue CAGR of 6 – 8%
- ❑ Operating margins of 6 – 8%

Business Strategy Overview

Fitness
(2016 Revenue $1.0B)

Propulsion
(2016 Revenue $1.2B)

- ❑ Operational Excellence
- ❑ Engineered System Solutions
- ❑ Underserved Markets

Parts and Accessories
(2016 Revenue $1.2B)

- ❑ Leverage and Expand Installed Base
- ❑ Systems Integration Leadership
- ❑ Channel Expansion

Boat
(2016 Revenue $1.4B)

- ❑ Product Leadership
- ❑ Operational Excellence
- ❑ Customer Lifecycle Management
- ❑ Marine Strategy Alignment

- ❑ Operational Excellence
- ❑ Product Enabled Customer Solutions

We will now review the Fitness segment

BRUNSWICK



Jaime Irick

President, Life Fitness

Fitness Segment

Financial Overview

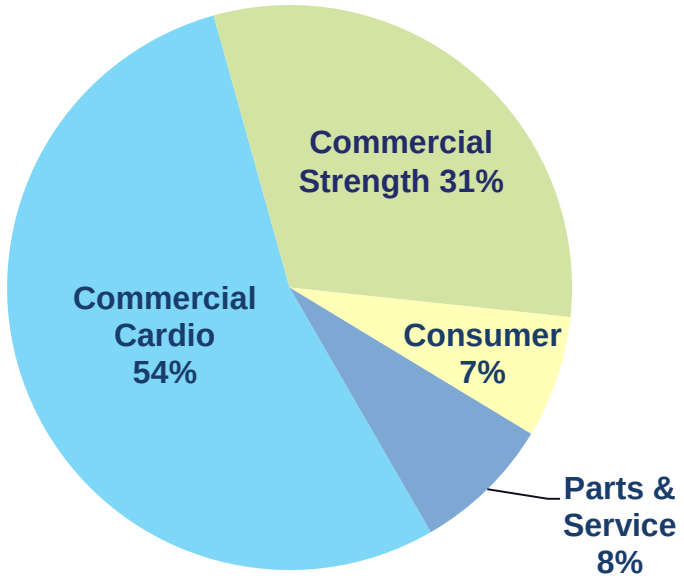
Financial Profile

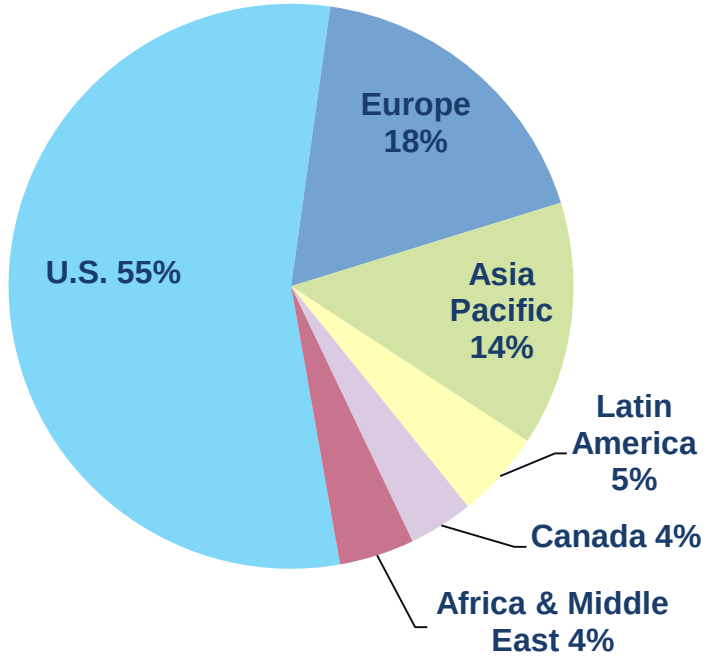
	2015	2016	Change
Revenue	$795M	$980M	23%
Op. Margin*	14.7%	13.3%	-140bps
CapEx/Sales	2.1%	3.6%	+150bps
R&D/Sales	3.1%	3.4%	+30bps

2017 Financial Targets×	
Revenue Growth	5 – 6%
Operating Margin	Decrease

× Estimate based on October 26, 2017 guidance

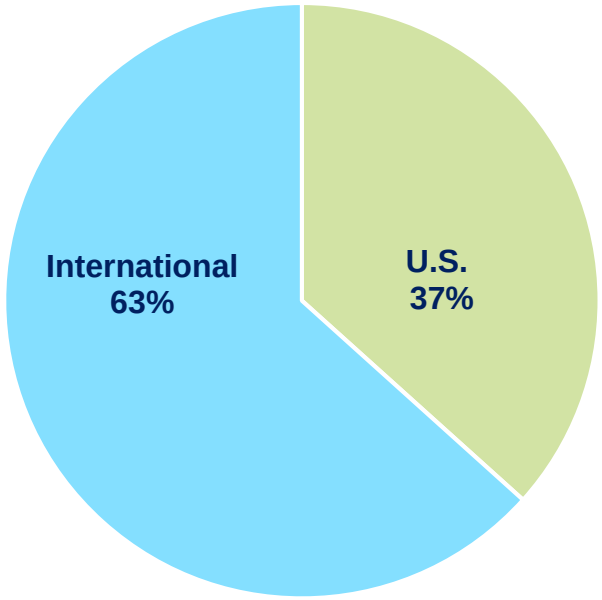
2016 Revenue Mix





Fitness – Market Overview

Global Market ~$3.4B*



Broader Addressable Market
(e.g. software, services)

Market Expectations

- Rise in number of global exercisers and health club revenues
- Increased participation in boutique and budget clubs
- Traditional clubs transitioning to meet evolving market needs
- Fitness growth in Asia outpacing developed markets
- Increasing demand from health clubs for technology solutions

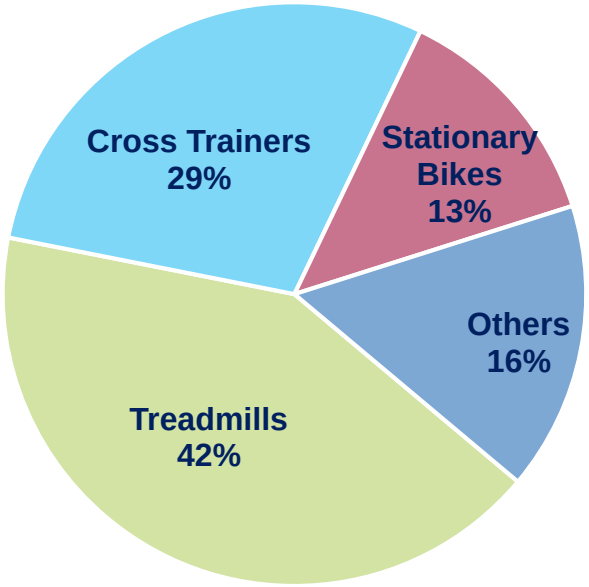
Competitive Landscape

- Four major equipment suppliers account for over two-thirds of equipment market share
- Remaining share held by large number of niche players
- Emergence of software startups focused on commercial health club

* Brunswick estimate

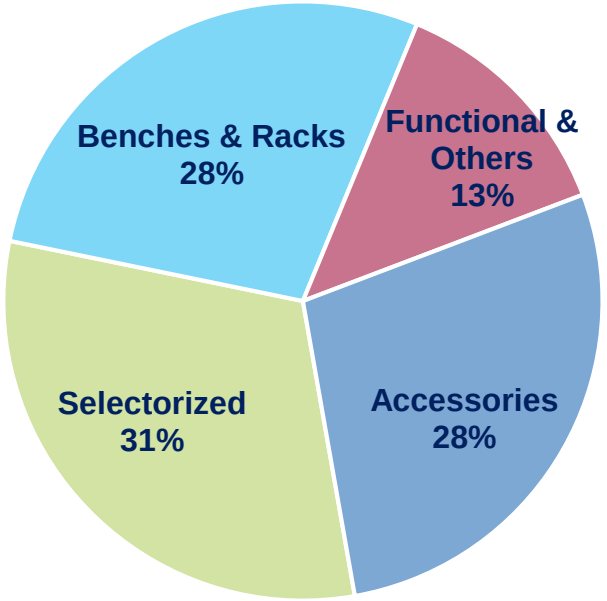
Fitness Segment Is Focused On Commercial Products

CARDIO
(~$1.9B Global Market)



- Market growth rate: Low-single digit
- Fitness segment share: ~28%
- Key trends:
  - Value migrating more to consoles
  - Modality variety increasing

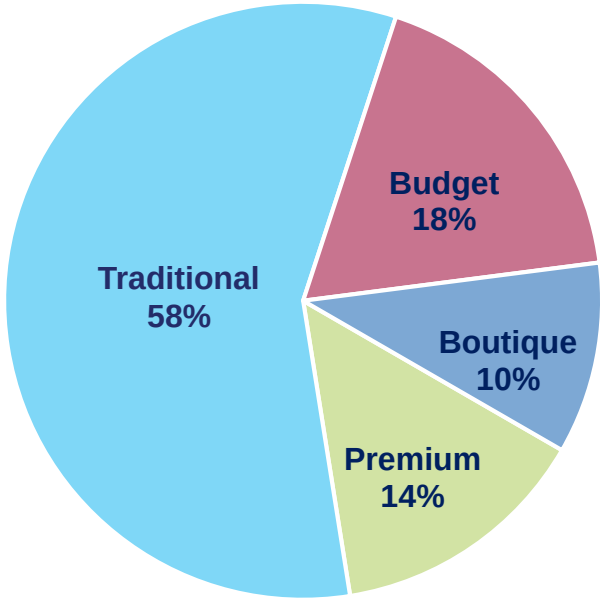
STRENGTH/ACCESSORIES
(~$1.5B Global Market)



- Market growth rate: Mid-single digit
- Fitness segment share: ~24%
- Key trends:
  - Fastest growth in functional strength and accessories

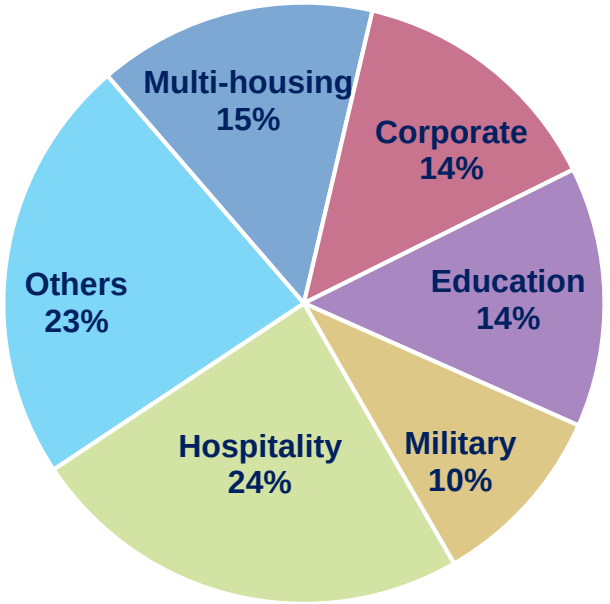
Fitness Segment Sells To Several Customer Types

CLUBS
(~$1.9B Global Market)



- Market growth rate: Low-single digit
- Fitness segment share: ~28%
- Key trends:
  – Boutiques and budget clubs growing faster

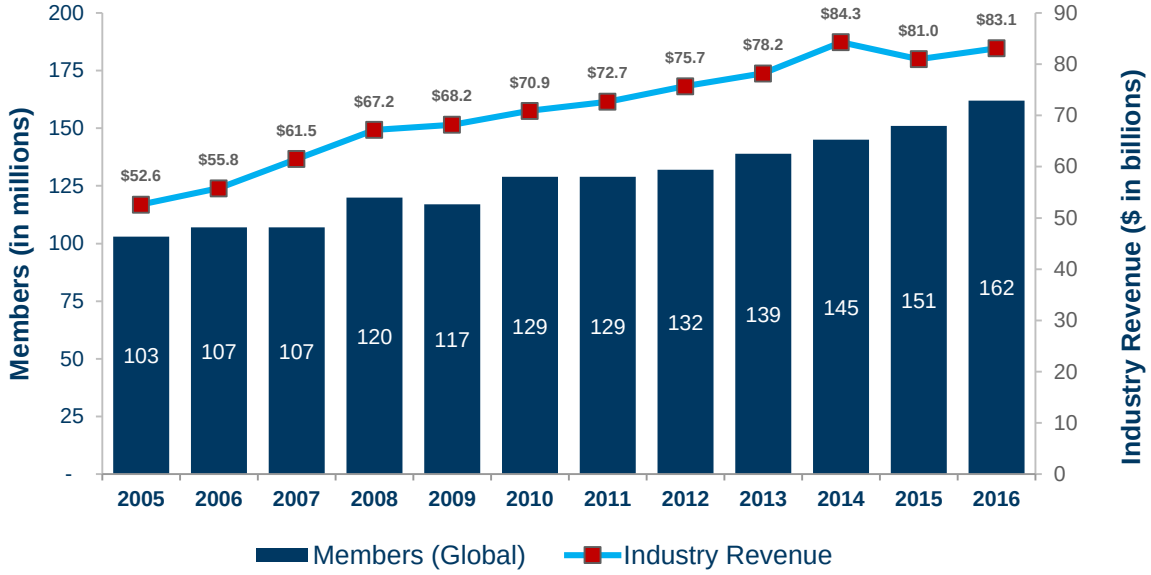
VERTICALS
(~$1.5B Global Market)



- Market growth rate: Mid-single digit
- Fitness segment share: ~24%
- Key trends:
  – Corporate and multi-housing growing faster

Broader Fitness Industry Is Healthy

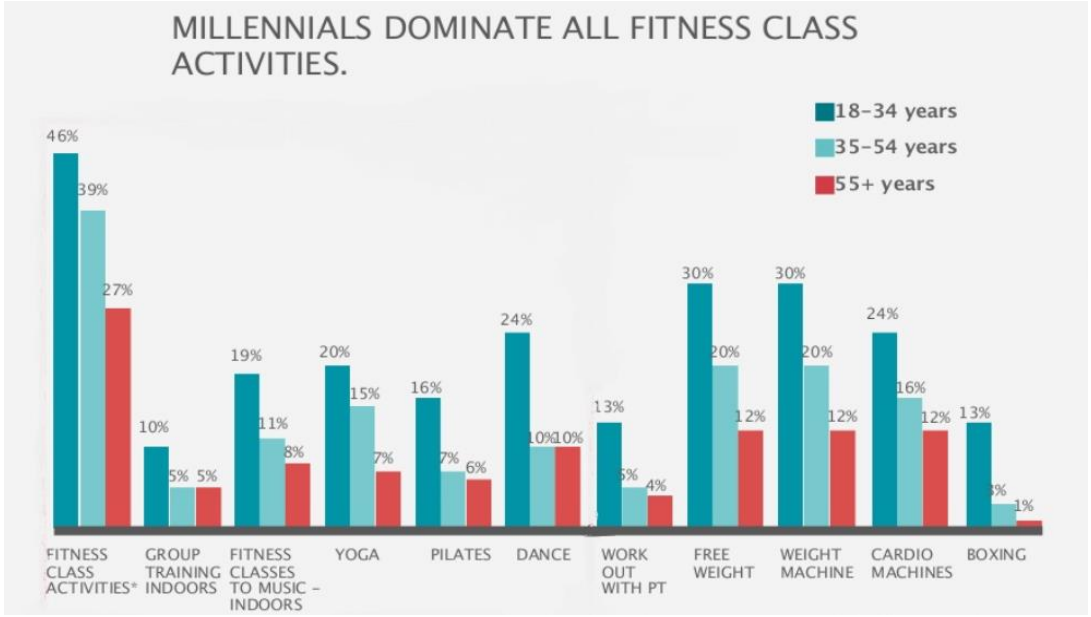
Strong Global Health Club Membership Environment



Source: IHRSA

- Emerging market opportunity
- 19% U.S. penetration versus <1% in China

High Millennial Fitness Participation



Source: Nielsen

- Millennial fitness participation drives future growth
- 81% of Millennials indicate affinity for exercise versus 61% of Boomers

Key Trends Are Shaping The Commercial Fitness Landscape

Functional Training



Trend is driving shift in club floor space

Group Exercise



Exercisers are paying for customized, high quality group exercise classes

Boutique and Budget Clubs



Boutique and budget clubs are outperforming traditional clubs

Digital Technology

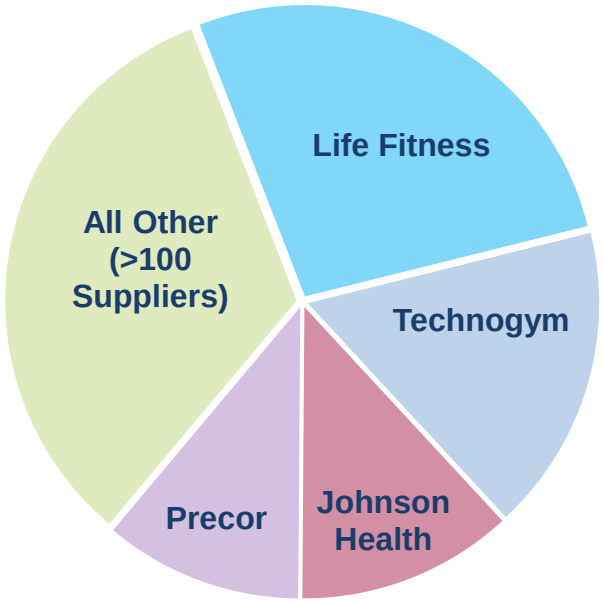


Demand for engaging digital experiences is on the rise in clubs

We have strategic initiatives in each of these areas to address customer needs

Fitness Segment Market Position

Global Fitness Equipment Share



- Biggest global player, broadest product mix and largest global footprint in fitness equipment
- Deep customer insight and relationships across the commercial fitness industry
- Largest installed base of equipment
- First to market with LFconnect – foundational open technology platform
- Most extensive sales, distribution, and service organization

We are in a strong position to take advantage of emerging trends

Current Fitness Business Climate

Headwinds



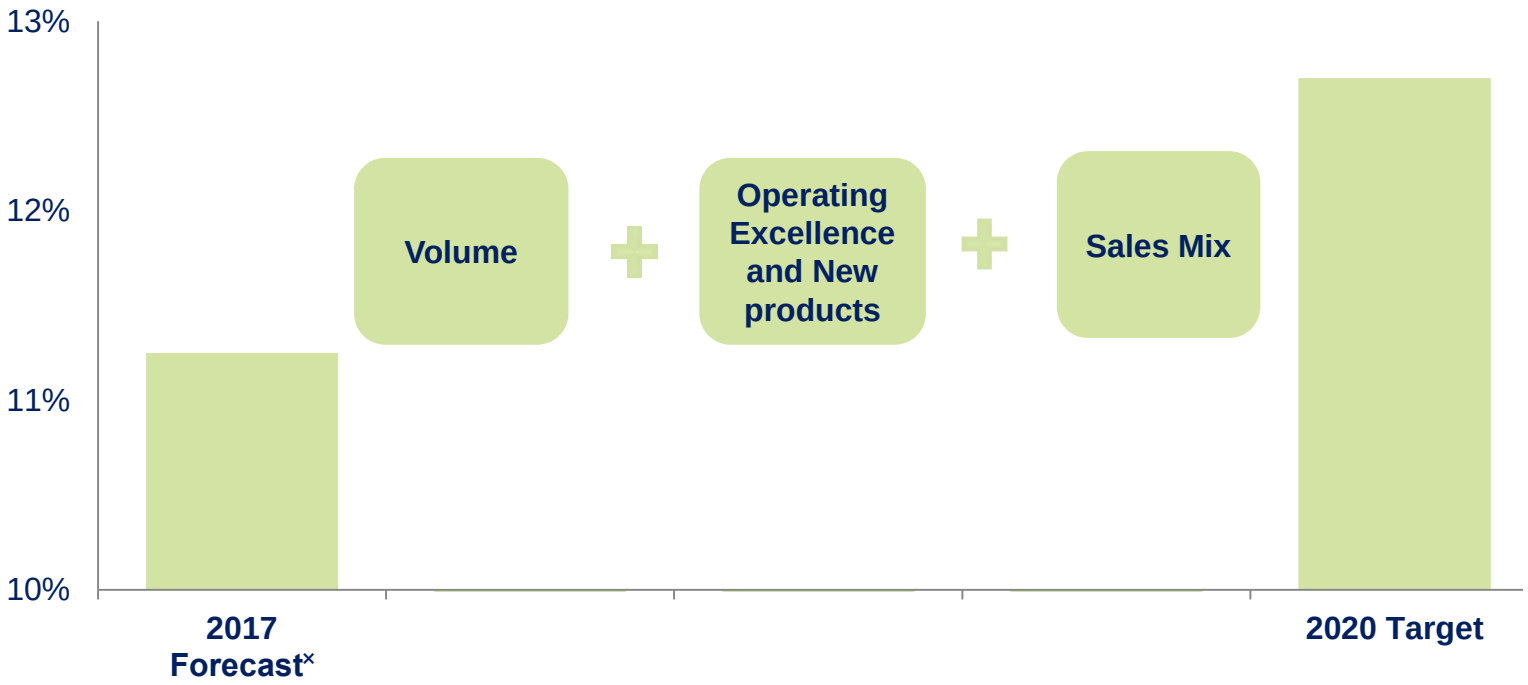
Tailwinds

- Slowing growth of North American and European equipment demand
- Margin pressure from increasing competitive activity and unfavorable sales mix
- Cybex transition: product and channels

- Robust equipment growth in Asia
- Strong position with growing key accounts
- Increasing customer adoption of technology
- Leading brand and product portfolio

Recent business performance challenged by variety of pressures, however, well positioned to address these issues and deliver improved performance

Drivers of Fitness Operating Margin Improvement



Key contributors:

- Volume
- Normalizing of pricing dynamics in certain international markets
- Operational Excellence – LSS, supply chain, and manufacturing investments
- New products driving lower cost and improved mix

×Estimate based on October 26, 2017 guidance

Volume and improved sales mix, along with new product initiatives and continued operating excellence, will result in increased operating margins

Fitness Strategy

Operational Excellence



Enhance operating performance and product development and launch efficiency

Product Enabled Customer Solutions

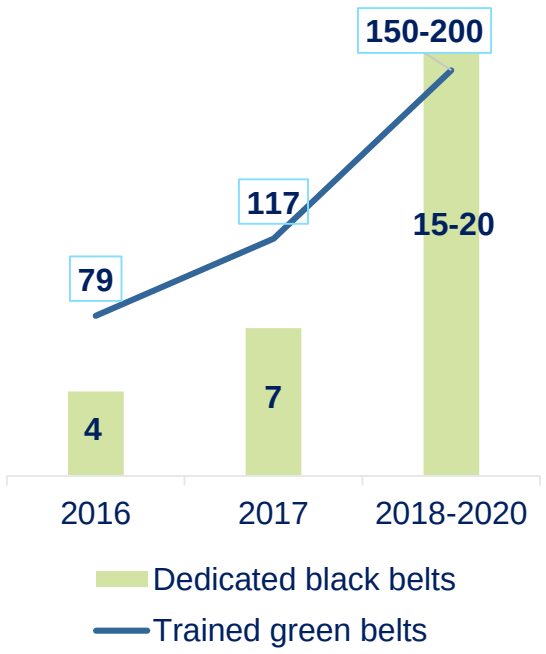


Develop solutions that integrate products, technology, and services to deliver unique and differentiated customer outcomes

These areas of focus will support future growth, drive margin enhancement, and increase value to customers

Operational Excellence Efforts Are Focused In Three Areas

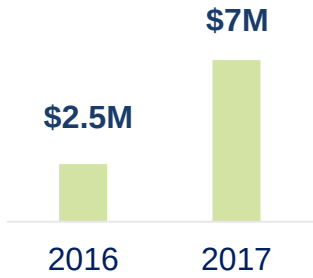
Lean Six Sigma



Key Areas of Focus

1. Product Development
2. Manufacturing and Supply Chain
3. Sales and Commercial Operations

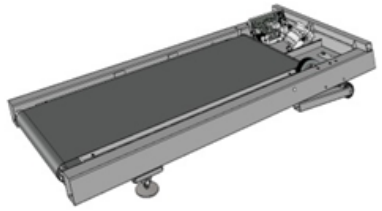
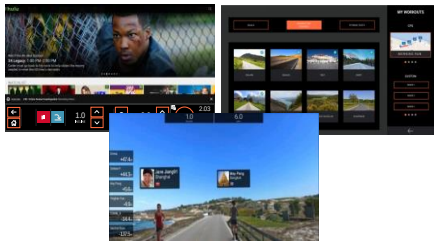
Target Savings ($M)



Additional $7 - $10M of savings per year during 2018-2020 Plan

Lean Six Sigma is the cornerstone of operational excellence and will contribute to our operating margin improvement

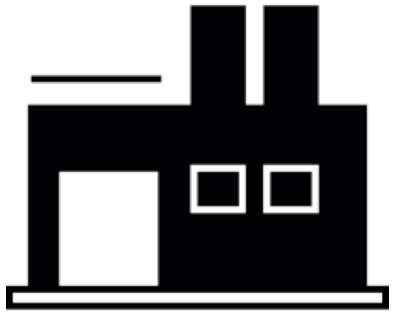
Accelerating Product Development Time To Market

	Base Platform	Industrial Design	Console Hardware	Console Software
				
Portfolio Options	**2 Bases** Heavy Lighter	**2 Industrial Designs** Premium Aesthetic Basic Aesthetic	**3 Consoles** Big HD Touch Screen Medium Touch Screen Basic LED	**2 Digital Experiences** Full Experience Simple TV
Future Refresh Cycle	**6 – 8 years**	**3 – 5 years**	**1.5 – 2 years**	**Ongoing**

Platforming and aligning refresh cycles with customer value will streamline our product development process

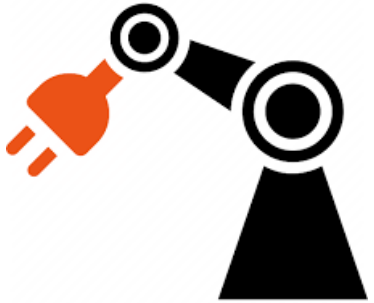
Manufacturing And Supply Chain Efficiency Improvements

Manufacturing Footprint



- Consolidation opportunities
- Global expansion of low cost footprint

Manufacturing Process



- Manufacturing automation
- Lean Six Sigma process improvements

Supply Chain



- Strategic global sourcing
- Demand planning process optimization

Improvements will leverage scale and positively impact margins and product quality

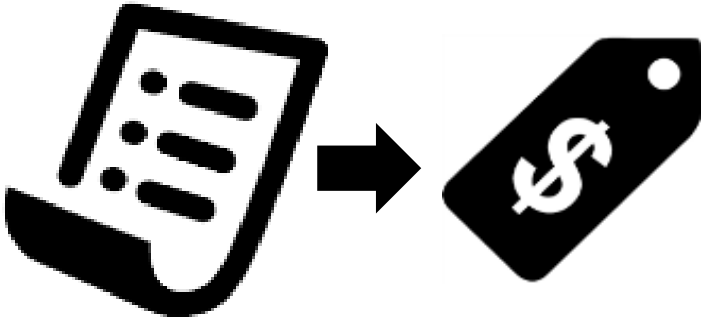
Sales And Commercial Operations Process Improvements

Coverage and Compensation



- Optimization of coverage model
  - Inside sales / telesales
  - E-commerce
  - Sales specialists

Capabilities



- Implementation of new quoting process and tool
- Order fulfillment process and lead time improvements
- Consultative technology selling capabilities

Connectivity and Analytics



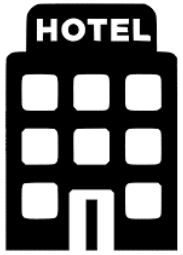
- Pipeline management optimization
- Salesforce.com competency development

Streamlining sales and commercial operations will increase margins and enhance the customer experience

Foundation of Customer Solutions Is Customer Intimacy

We serve many commercial customers with unique needs





CORPORATION



Each wishes to appeal to certain types of exercisers with distinct needs



Traditional Fitness



New to Fitness



Group Fitness



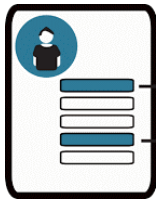
Active Aging

Our advantage will be insight into customers and exercisers



Installed base

70-80K facilities by 2020



Exerciser and Equipment Data

50M health club members using Life Fitness equipment by 2020



Insights

Foundation for solutions that will drive value for clubs and members

Largest Installed Base

Broadest Customer Offerings

Deepest Customer Insight

A focus on our customer is the foundation of our market leadership position

Our Platform And Ecosystem Will Deliver Customer Solutions

Asset Optimization
(e.g. remote monitoring and maintenance)



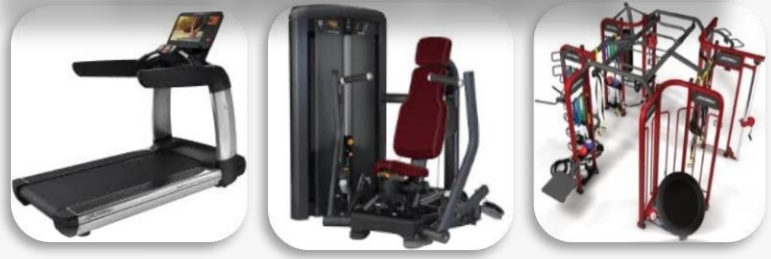
Software and Services
(e.g. member management)



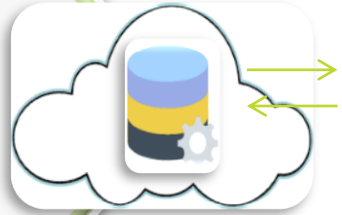
Group Exercise Solutions



Core Product Offering



APIs and Linkage to 3rd parties
(e.g. advertising, healthcare, insurance)

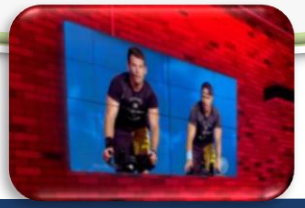


Accessories and Functional Strength





Content and Virtual Experiences



Apps and Wearable Integration



Surrounding core equipment offering with additional value drivers will enhance margins and open up opportunities for new revenue streams

Benefits of Delivering Outcomes For Customers

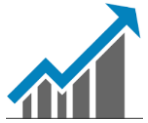
Benefits for Our Customers



Personalized experiences



Business intelligence



Commercial impact

Benefits for Us



Share gain



Better equipment margins



Additional revenue opportunities

Better customer value creates margin expansion for our business and additional revenue opportunities for our customers

Fitness Segment Summary

Summary

- Extend leadership position in global commercial fitness equipment market
- Continue to enhance operating capabilities and improve margins
- Deepen customer intimacy and build customer solutions offering
- Combine organic growth with targeted bolt-on acquisitions

2018 – 2020 Plan

- Revenue CAGR of 5 – 7%
- Operating margins increase 100 – 200bps

BRUNSWICK



Bill Metzger

CFO

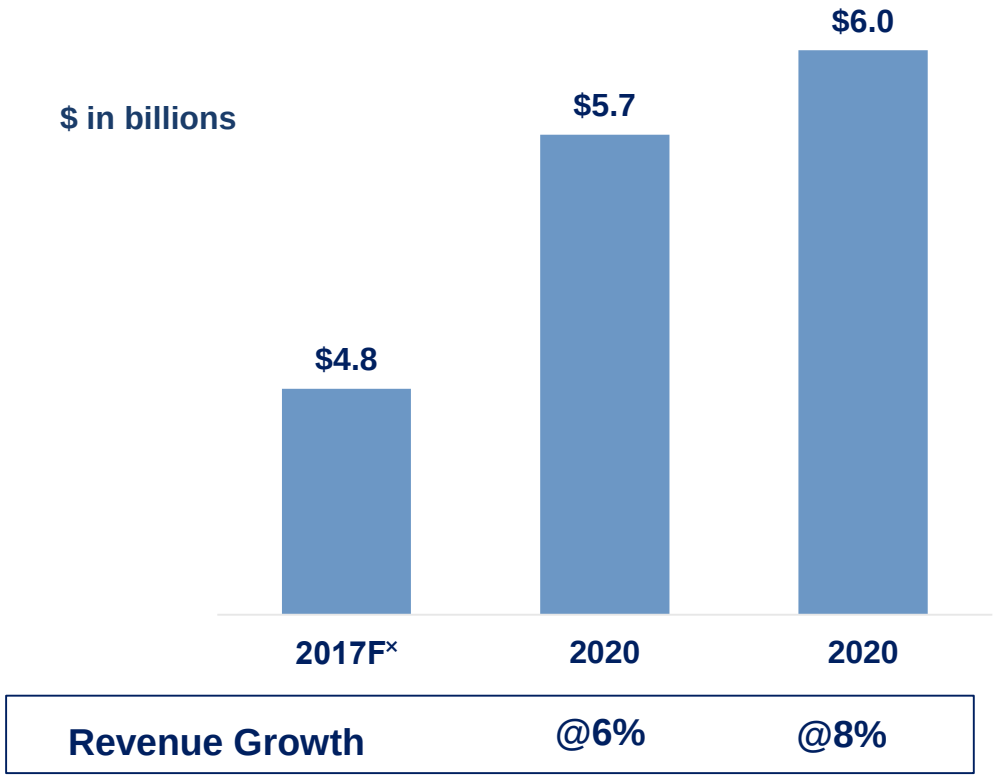
Brunswick Finance Overview

2018 To 2020 Plan Consolidated Financial Targets

	2018 – 2020 Plan Targets
Revenue Dollars - 2020	$5.7 – $6.0 billion
Annual Growth Rate (Including Acquisitions)	6.0 – 8.0%
Annual Acquisition Contribution	2.0%
Operating Margin - 2020	12.0 – 13.0%
Average Operating Leverage	Low-twenty percent range
Annual Pre-Tax Growth Rate	11.0 – 15.0%
EPS - 2020	$5.25 – $5.75
Free Cash Flow - 2020	$325 – $375 million

The 2020 plan will continue to deliver strong shareholder returns consistent with historical performance

Revenue Growth Of 6 To 8% CAGR

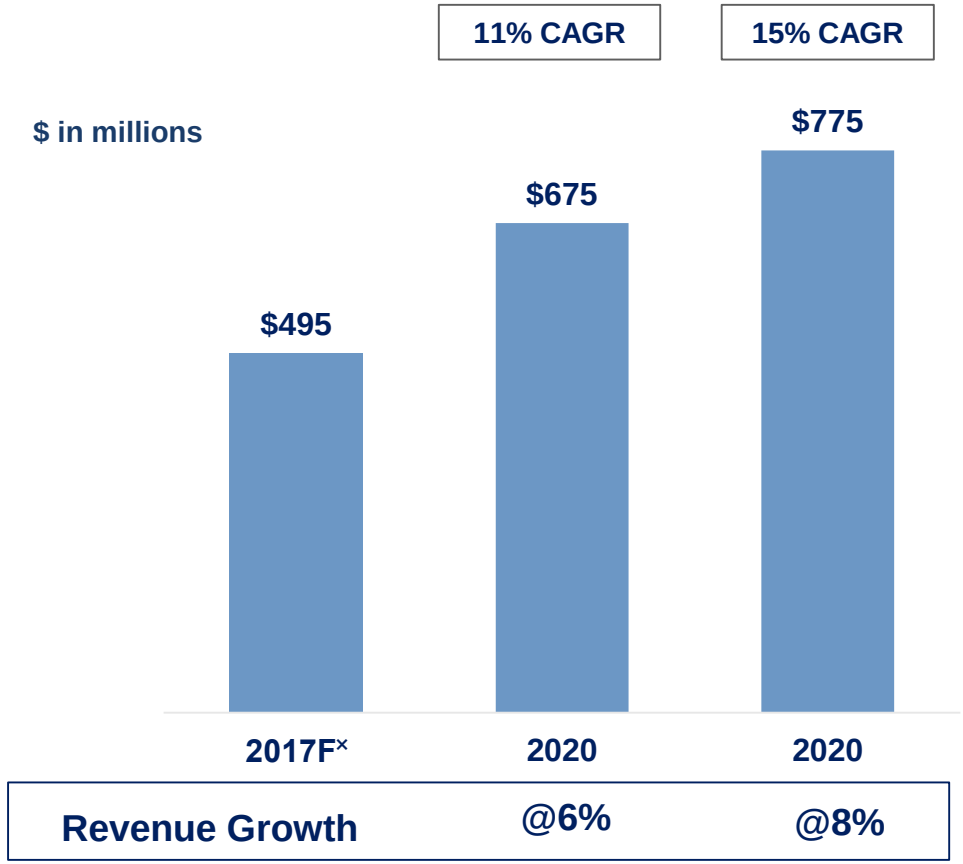


- Solid revenue growth across all segments
- Key contributors:
  - Overall global marine market growth consistent with past several years
  - Product development strategies and strong distribution capabilities drive market share improvements
  - Mix benefits (e.g. larger, higher horsepower products) continue to benefit marine
  - Acquisitions provide incremental growth

×Estimate based on October 26, 2017 guidance

Solid revenue growth projected to outpace global market growth

Strong Operating Earnings Growth

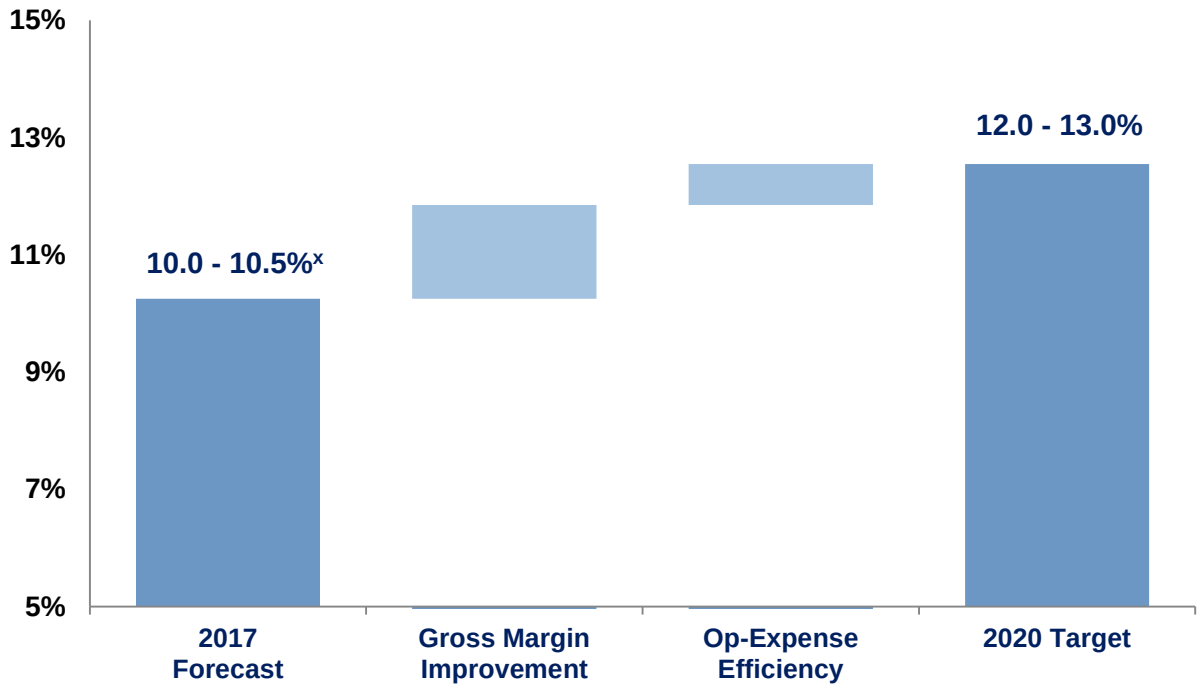


- Operating earnings leverage, including planned acquisition activity, to average in the low-twenty percent range
- Slight favorable impact from foreign currency, based on current exchange rates

×Estimate based on October 26, 2017 guidance

Operating earnings growth benefits from continued focus on operating leverage

Drivers of Operating Margin Expansion



- Key contributors:
  - Volume
  - New products drive lower cost and improved mix
  - Operational Excellence – LSS, supply chain, and manufacturing investments
  - Operating expenses as a percentage of sales decline
  - Cost discipline while investing in targeted growth areas

xEstimate based on October 26, 2017 guidance

Product initiatives, along with continued operating excellence and cost containment, will contribute to increases in operating margins

Overview Of Effective Tax Rate

Effective Tax Rate		
	2017 Estimate[×]	2018-2020 Plan
Effective tax rate, as adjusted	28 - 28.5%	31 - 32%
Effective tax rate, as adjusted, ex. share-based comp. tax impacts	30 - 30.5%	No impact included
Effective cash tax rate	Low to mid teens	20 - 23%

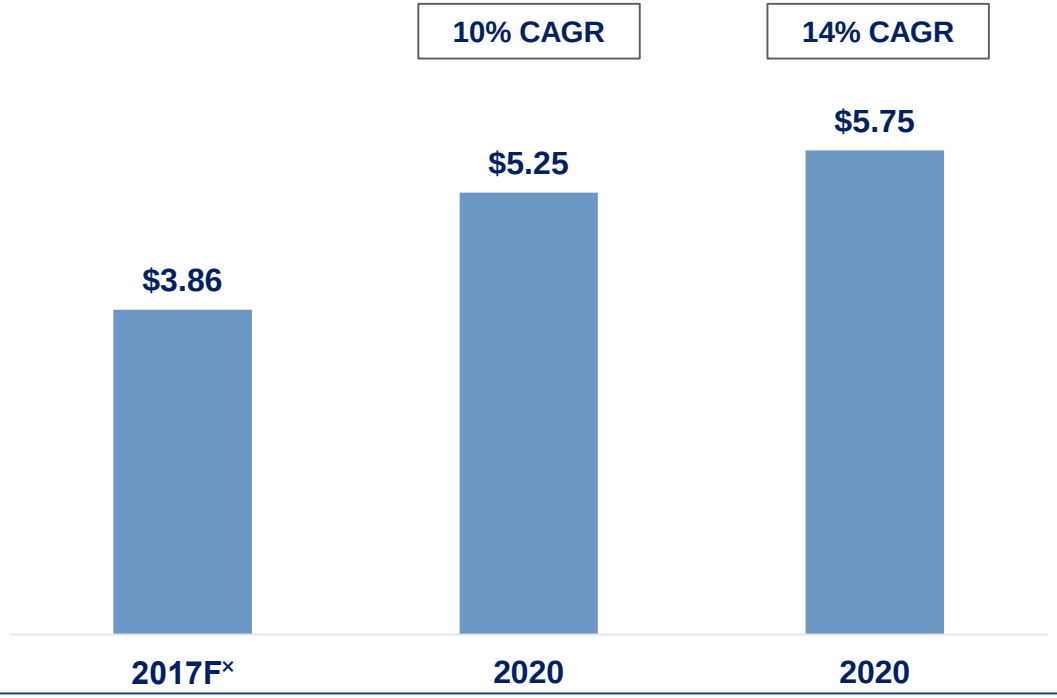
Tax Reform Considerations	
	Percent of Pre-tax
BC income taxable within U.S.	75 - 80%
Estimated effective tax rate on foreign earnings	20 - 22%
R&D tax credit	1.2 - 1.3%

- ❑ Effective tax rate, as adjusted, of 31 – 32% (excludes any future share-based compensation tax impacts)
- ❑ Assumes current year tax law for duration of plan
- ❑ Tax reform could have a favorable impact on book and cash tax rates

[×]Estimate based on October 26, 2017 guidance

Plan assumes slight increases in the Effective Tax Rate

Earnings Per Share Of $5.25 To $5.75 In 2020



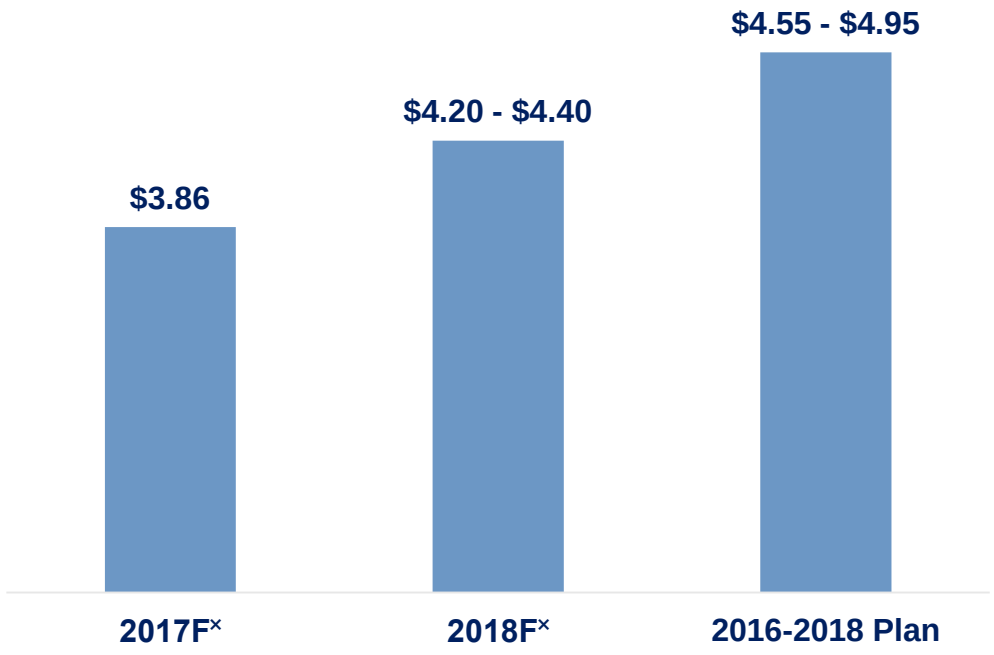
	2017F×	2020	2020
Pre-Tax Earnings	$485M	$660M	$720M
Pre-Tax CAGR		11%	15%
Revenue Growth		@6%	@8%

- No material changes in net interest expense or equity earnings
- Shares outstanding decline
- Effective tax rate increases

×Estimate based on October 26, 2017 guidance

Plan would extend our streak of record annual EPS through 2020

2018 Preliminary Guidance Outlook



- 2018 Preliminary Outlook – Key Assumptions:
  - Revenue growth towards bottom end of new three-year planning range
  - Operating leverage percentage exceeds three-year planning target
  - Pre-tax earnings growth of mid to high teens
  - Future M&A additive to the results
  - Share repurchases of $100 million in 2018

×Estimate based on October 26, 2017 guidance

Each of our businesses have plans in place for a successful 2018 and beyond

Generate Strong Free Cash Flow

	2017F[×]	2020 Target	2020 Pro Forma[××]
Free Cash Flow	$250M+	$325 - $375M	$395 - $450M
Free Cash Flow Conversion	~72%	~74%	~81%

- Key Assumptions:
  - Depreciation and amortization increases to between $150 and $160 million in 2020
  - Capital expenditures average 3.5 to 4.0 percent of sales
  - Modest increases in working capital
  - Pension contributions of $70 to $75 million per year
  - Effective cash tax rate increases

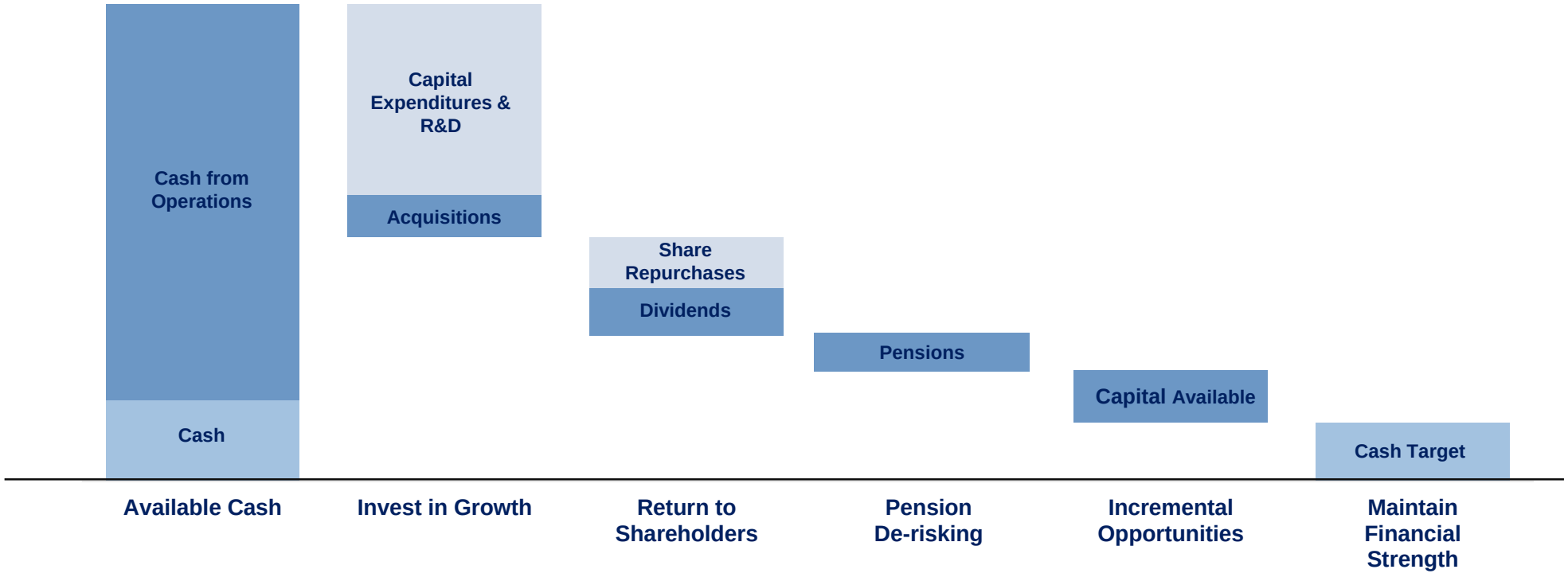
[×] Estimate based on October 26, 2017 guidance

[××]excluding pension

Strong operating performance continues to result in increased free cash flow generation

Capital Strategy Overview

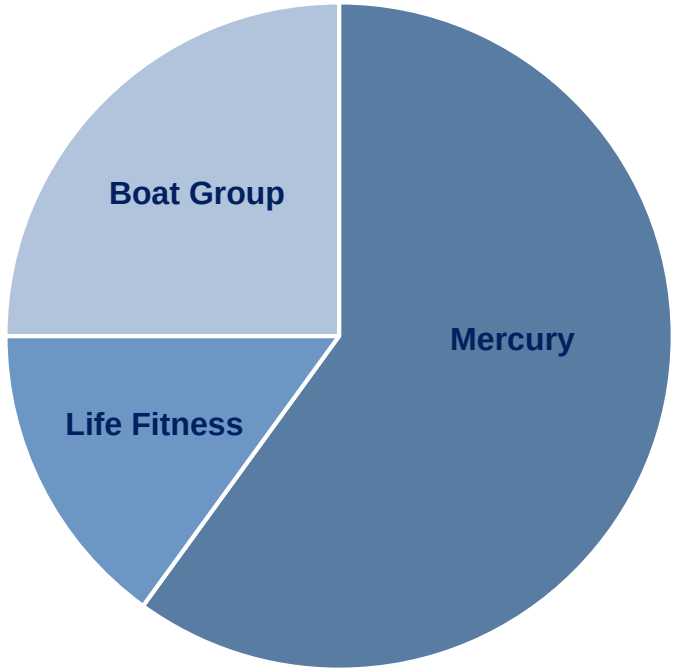
Invest in Growth + **Maintain Strong ROIC** + **Return Capital to Shareholders** + **Strong Financial Position**



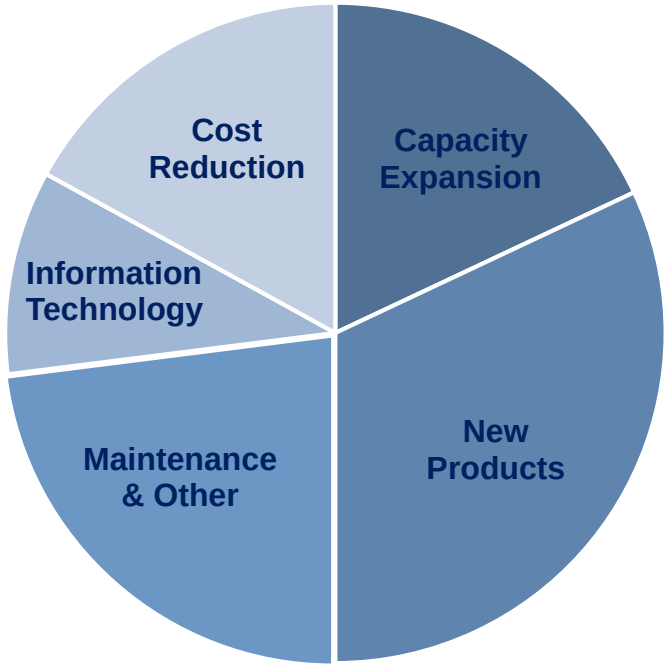
Capital allocation drives shareholder returns

Invest in Growth – Capital Expenditures

Segment

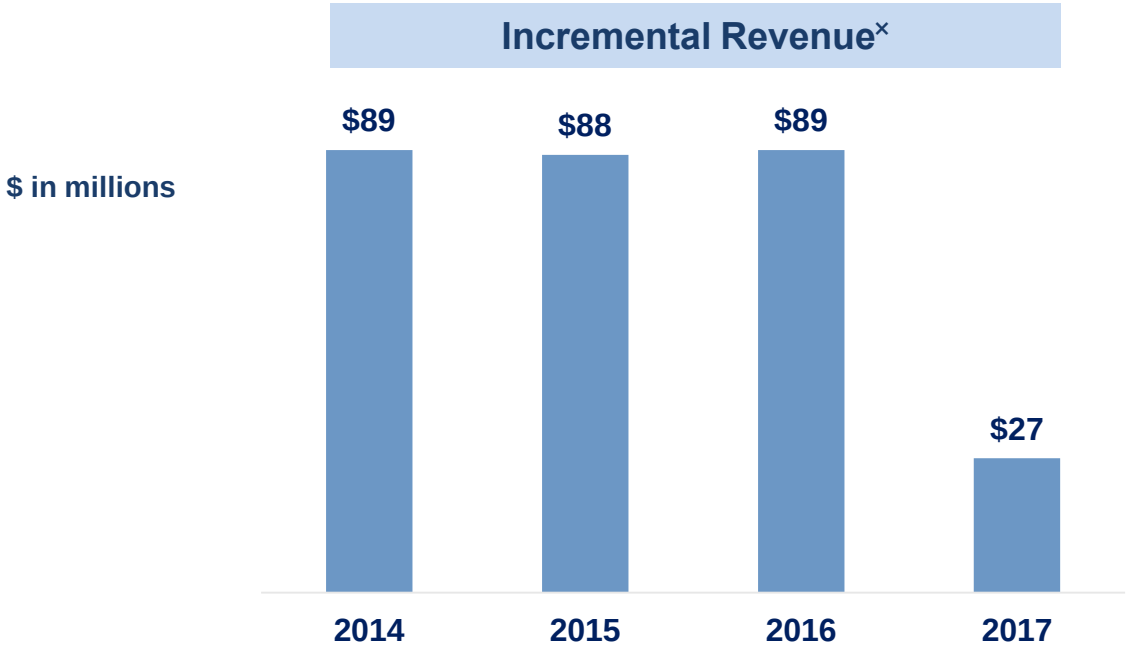


Category



Capital investments heavily focused on profit and return enhancing opportunities

Invest In Growth: Bolt-on Acquisitions



	2014	2015	2016	2017
Total Investment (in MM)	$42	$30	$82	$16
Number of Transactions	2	3	4	1

× Annual historical revenue at the time of acquisition; analysis excludes 2016 acquisition of Cybex which required adjustment to our 2016-2018 Plan

Plan Assumptions

- ❑ 2% revenue growth
- ❑ Incremental EPS averages approximately $0.10 per year

Strategic Objectives

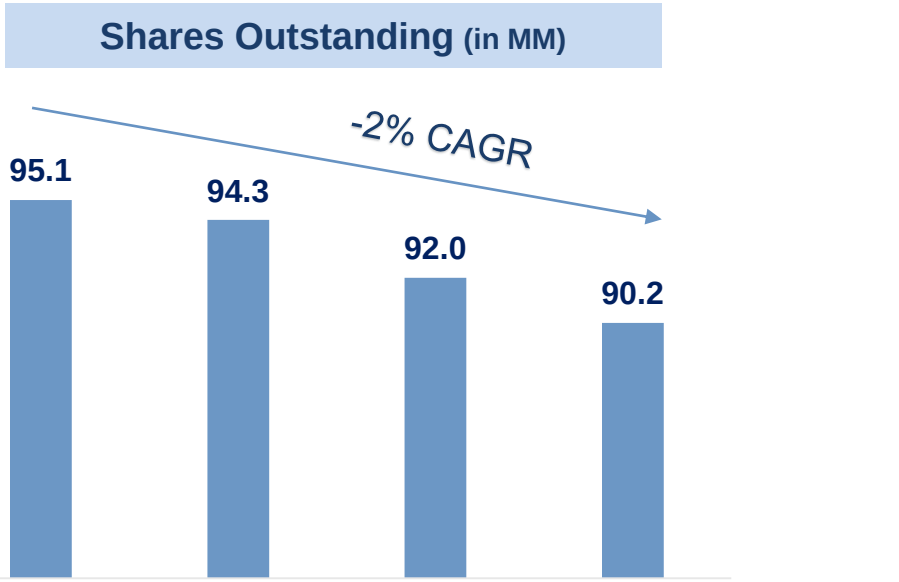
- ❑ Strategic Fit
- ❑ Organizational capacity
- ❑ Attractive markets

Financial Targets

- ❑ Accretive in year 1
- ❑ EPS accretion greater than share repurchase – achieved in a 3 to 5 year time horizon
- ❑ Returns range mid-to-high teens with synergies

We will continue to execute against our acquisition strategies

Return Capital to Shareholders - Share Repurchases

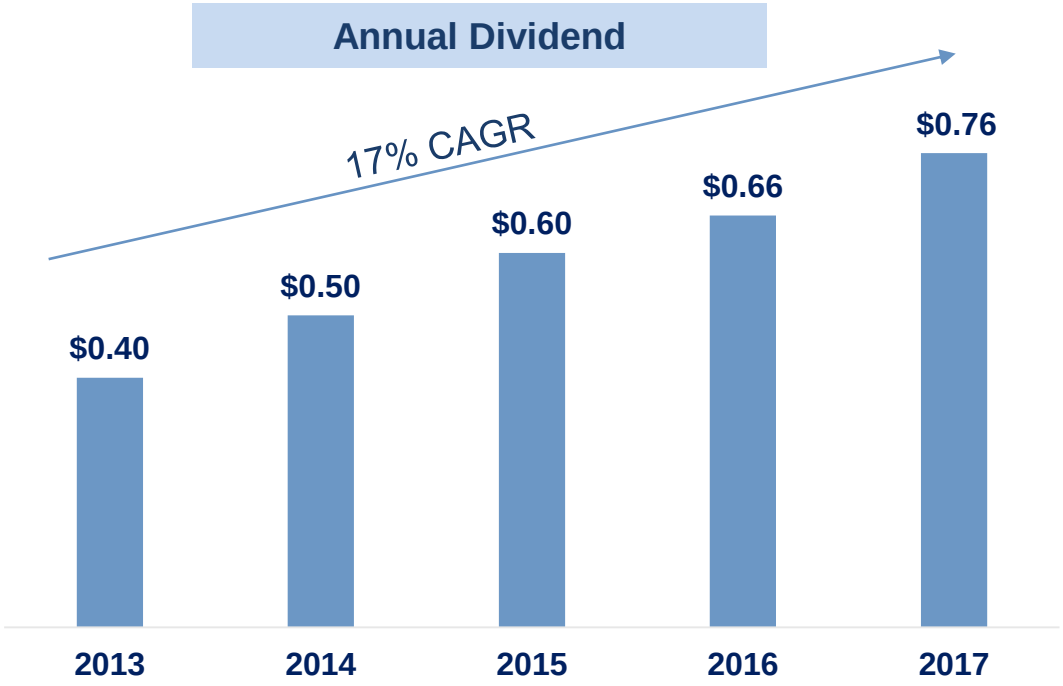


	2014	2015	2016	2017	Total
Shares (in MM)	0.412	2.338	2.695	2.147	7.592
Dollars (in MM)	$20	$120	$120	$120	$380
Avg. Purchase Price	$48.58	$51.80	$46.88	$55.90	$50.06

- Plan assumes repurchases continue at $100 million per year through 2020
- Remaining authorization of $120 million; will add additional capacity as required
- Continue to prioritize investment in M&A and organic opportunities

Share repurchases will continue to play a role in our capital strategy

Return Capital to Shareholders - Dividends



	2013	2014	2015	2016	2017
Avg. Yield[1]	1.08%	1.16%	1.16%	1.26%	1.35%
Payout Ratio[2]	15%	21%	20%	19%	20%×

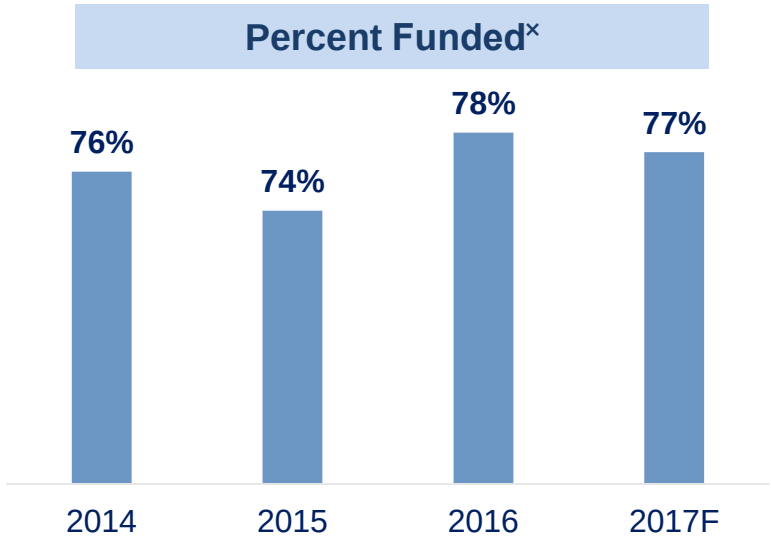
(1) Based on quarterly dividend payout at year-end divided by average annual stock price
(2) Based on quarterly dividend payout at year-end divided by full-year, as adjusted, EPS

× Estimate based on October 26, 2017 guidance

- ❑ Significant dividend increases since 2013
- ❑ Increased quarterly dividend to $0.19 per share in October 2017
- ❑ Growth in cash flow and strength of less cyclical businesses enable future increases
- ❑ Target payout ratio at 20 to 25 percent of net earnings

Will continue to increase dividends as earnings and cash flow improve

Strong Financial Position - Pension De-risking



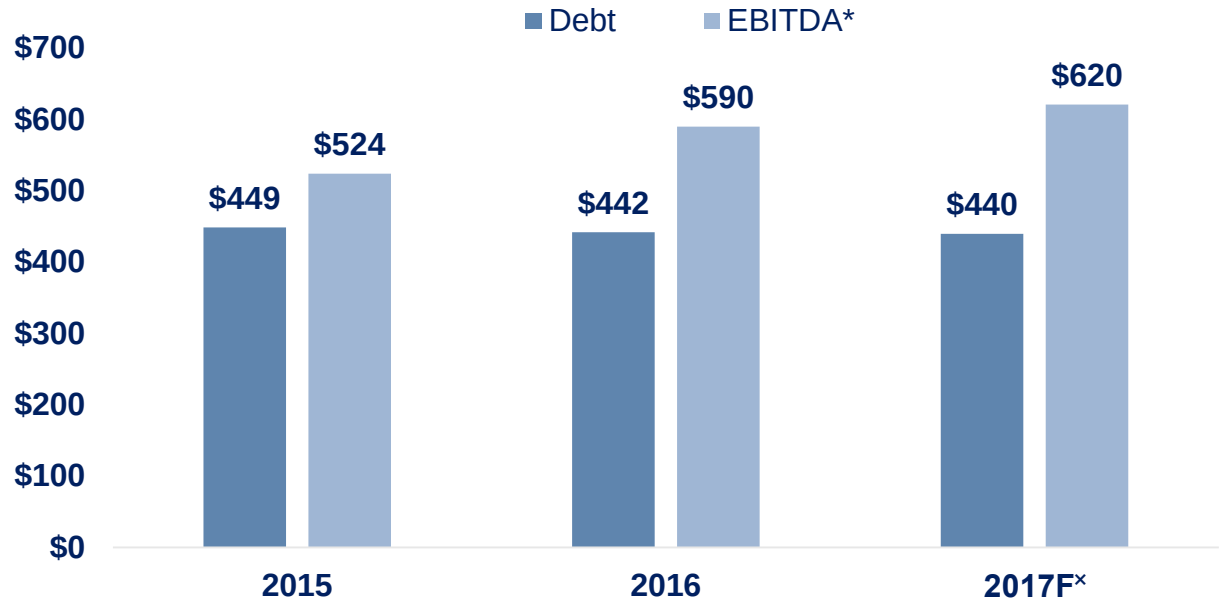
Unfunded Liabilities	$310M	$262M	$199M	$144M
Total Plan Liabilities	$1,276M	$999M	$887M	$637M
Cash Contributions	$70M	$70M	$70M	$70M
Settlement Charges	$28M	$82M	$55M	$90-100M

- Significant actions taken in 2014 through 2017 to settle obligations and lower liabilities
- Asset allocation is 95% in fixed income – we have substantially lowered our risk to changes in interest rates and equity returns
- Contributions of $70 million per year (pretax) may be adjusted or accelerated based on experience, cash availability and other capital priorities
- Current after tax cost to exit of approximately $140 million

× Percentages and amounts reflect qualified benefit plans only

De-risking plan continues – we expect to fully-fund our pension by 2020

Strong Financial Position – Investment Grade Balance Sheet



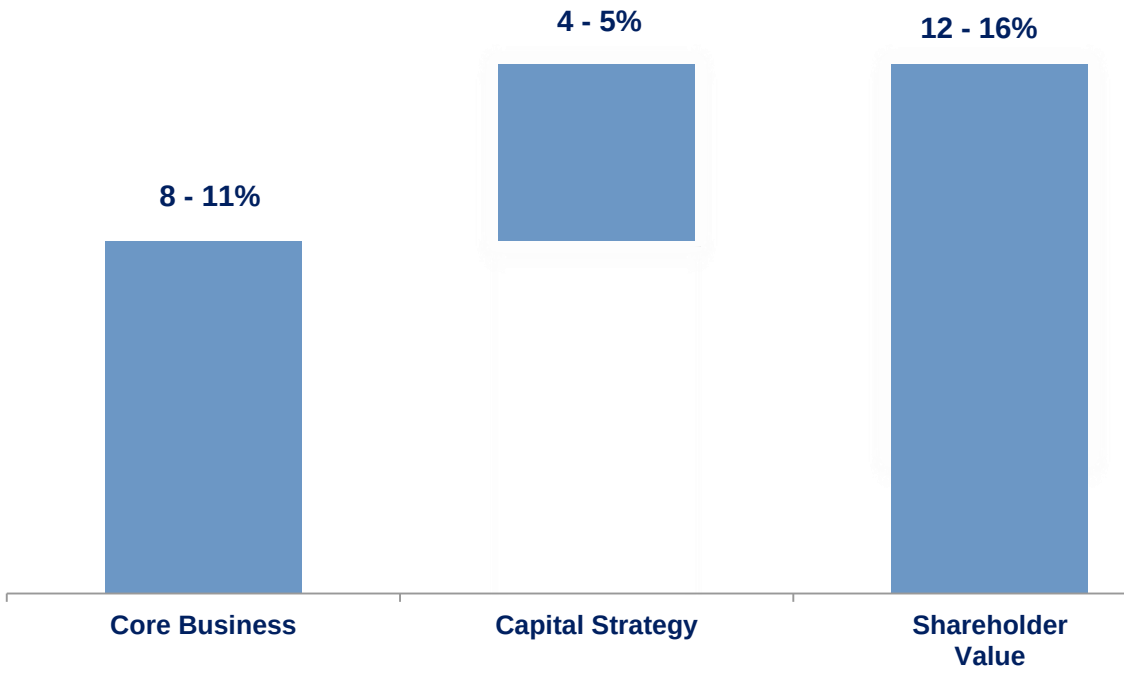
- Continue to strengthen investment grade credit ratings
- Next debt maturity is 2021 ($150 million)
- Debt levels could be increased to fund incremental M&A activity (maintain debt to EBITDA ratio below 1.5x)

Debt to EBITDA	0.9x	0.7x	0.7x
Cash Balance	$669M	$458M	$500M

× Estimate based on October 26, 2017 guidance

Strong financial position provides flexibility and enables investments incremental to the plan

Conclusion - Key Drivers Of Shareholder Return



- Markets healthy and growing with track record of revenue outperformance
- Margin expansion opportunities
- Solid cash flow funds investments and shareholder returns
- Maintain strong ROIC
- Potential upsides from tax reform, strong balance sheet, and ability to deploy incremental capital

We are confident that we can execute our 2018-2020 plan and deliver strong shareholder returns

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Appendix

- Slide 12 - Marine Engine revenue adjusted for marine eliminations; Adjusted Operating Earnings excludes $82.3 million of pension settlement charges and $12.4 million of restructuring, exit, integration and impairment charges in 2015 and $55.1 million of pension settlement charges and $15.6 million of restructuring, exit, integration and impairment charges in 2016
- Slide 12 - Adjusted EPS excludes a $0.54 per share pension settlement charge; $0.11 per share of restructuring, exit, integration and impairment charges and a $0.13 per share benefit from special tax items in 2015, and a $0.38 per share pension settlement charge; $0.11 per share of restructuring, exit, integration and impairment charges and a $0.01 per share charge from special tax items in 2016
- Slide 15 - Adjusted Pretax Earnings excludes $25.4 million of restructuring, exit, integration and impairment charges and $16.3 million of loss on early extinguishment of debt in 2012, $32.8 million loss on early extinguishment of debt and $16.5 million of restructuring, exit, integration and impairment charges in 2013, $27.9 million of pension settlement charges, $20.2 million of impairment of an equity method investment, $4.2 million of restructuring, exit, integration and impairment charges and $0.1 million of loss on early extinguishment of debt in 2014, $82.3 million of pension settlement charges and $12.4 million of restructuring, exit, integration and impairment charges in 2015 and $55.1 million of pension settlement charges and $15.6 million of restructuring, exit, integration and impairment charges in 2016
- Slide 16 and 106 - Free Cash Flow is defined as cash flow from operating and investing activities (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
- Slide 16 and 113 - EBITDA excludes $32.8 million loss on early extinguishment of debt and $16.5 million of restructuring, exit, integration and impairment charges in 2013, $27.9 million of pension settlement charges, $20.2 million of impairment of an equity method investment, $4.2 million of restructuring, exit, integration and impairment charges and $0.1 million of loss on early extinguishment of debt in 2014, $82.3 million of pension settlement charges and $12.4 million of restructuring, exit, integration and impairment charges in 2015 and $55.1 million of pension settlement charges and $15.6 million of restructuring, exit, integration and impairment charges in 2016
- Slide 23 - Operating Earnings excludes restructuring, exit, integration and impairment charges of $88.6 million in 2007
- Slides 25, 38, 54 and 65 - Revenue amounts do not include marine eliminations
- Slide 67 - Operating Margin excludes restructuring and impairment charges of $7.7 million in 2015 and $0.6 million in 2016
- Slide 80 - Operating Margin excludes restructuring and integration charges of $12.7 million in 2016
- Where shown, 2017 Estimated Operating Earnings and Margins, EBITDA, Pretax Earnings and EPS excludes the estimated impacts of pension settlement charges and restructuring, exit, integration and impairment charges