

INNOVATION+INSPIRATION ON THE WATER



BRUNSWICK



The Added Value of a Boat Club

The Docks Expo, Nashville, TN
December 7, 2022

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This data is internal to Brunswick.

Freedom Boat Club - Current Metrics



End of Nov-2022

50k Memberships
70k Members

370 Locations
100 FBC | 270 Franchise

5k Boats in Fleet
1.5k FBC | 3.5k Franchise

End of Dec-2019

28K Memberships

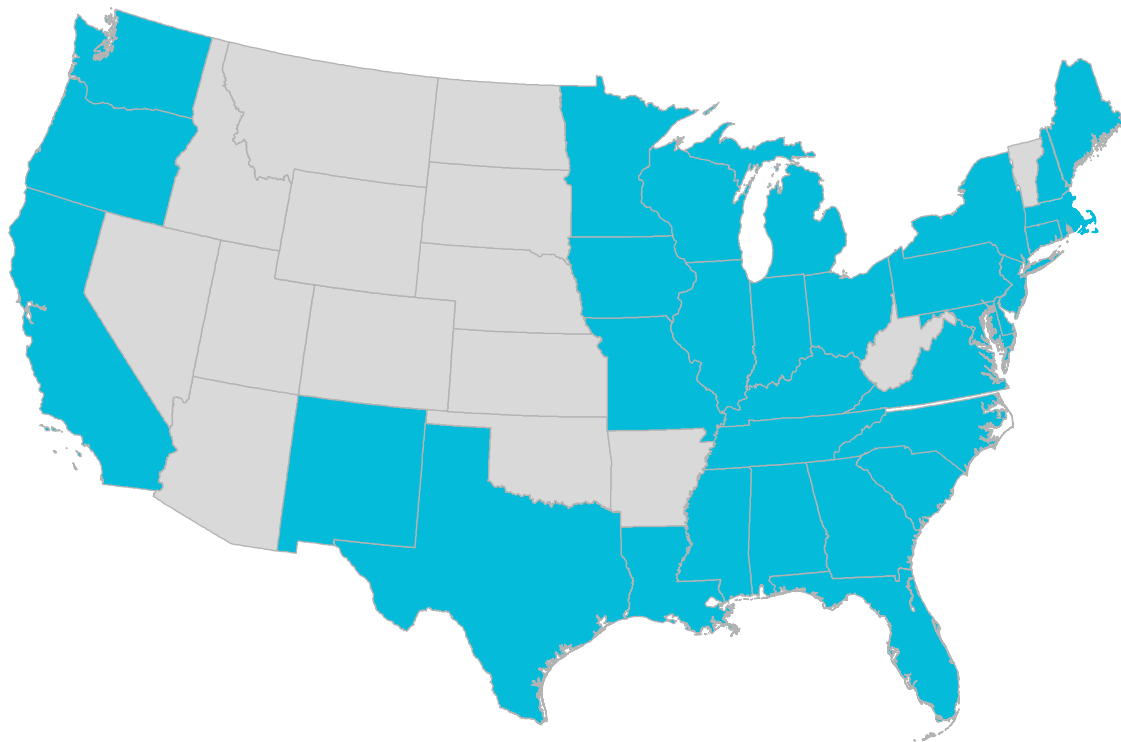
210 Locations

2.4k Boats in Fleet



Where We Operate

Freedom operates over 370 clubs across the United States, Canada and Europe



Boating Made Simple

How a Boat Club Works



Club buys the Boats

Club takes care of everything – maintenance, cleaning, repairs, fuelling, insurance, storage and more!



Join the Club

Members join and benefit from unlimited use to a variety of boats and reciprocal access.



Unlimited Training

Clubs usually provide some level of training to ensure member safety.



Reserve & Enjoy

Members reserve online using dedicated reservation system. Their boat will be waiting on dock, fuelled, cleaned and ready to go!

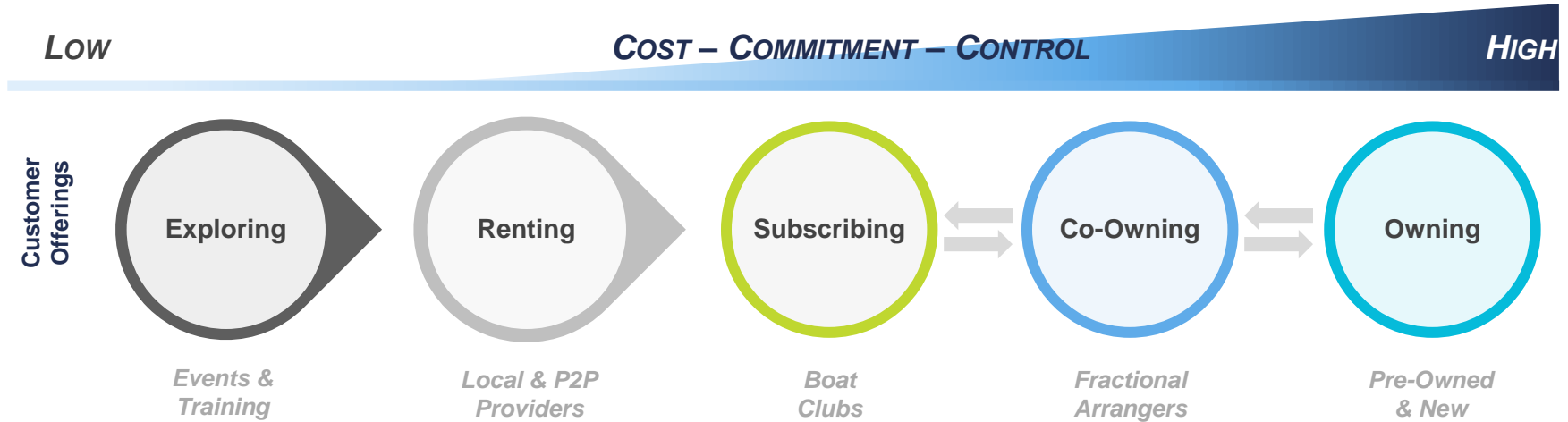


Join a Worldwide Community

Many clubs hold regular member events. Friends and families always welcome, dogs too! Joining a boat club can give members access to our larger boating community.

Market Landscape

Where does a boat club fit among boaters?



The industry is capitalizing on broader consumer trends to expand boating participation via new “shared access” models (that will benefit marinas)

Interesting Boater Insights....

Boat Clubs create unique value for consumers and marinas

Market Landscape

Rental

44 < 50

Average age is ~6 years
younger than boat club
members

Club

62%

Of boat club members have
never owned a boat

92%

Of boat club members had
no intention of owning a
boat previously

Own

83%

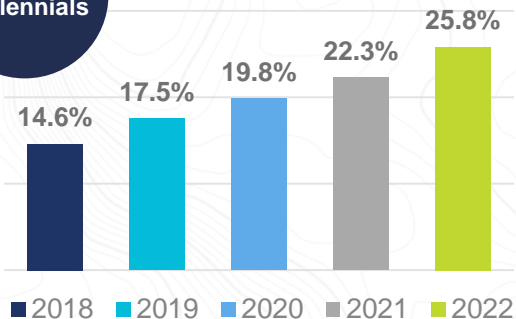
Of 1st time boat buyers buy
a pre-owned boat

1 out of 5

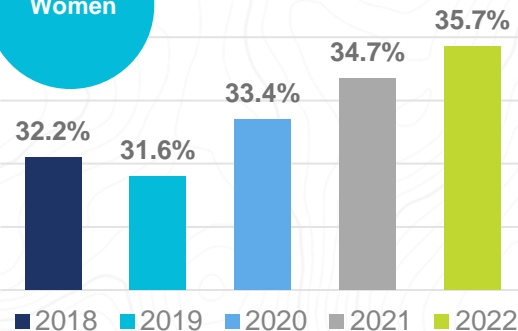
Club members graduate to
boat ownership

Consumer Landscape | Freedom Boat Club – YTD Last 5 Years

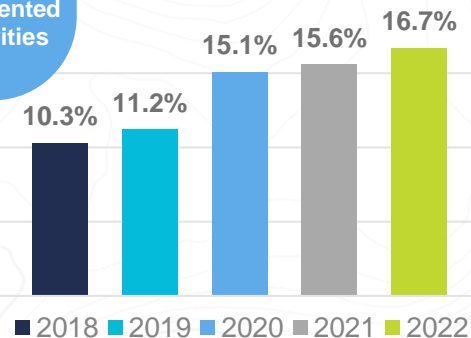
NextGen/ Millennials



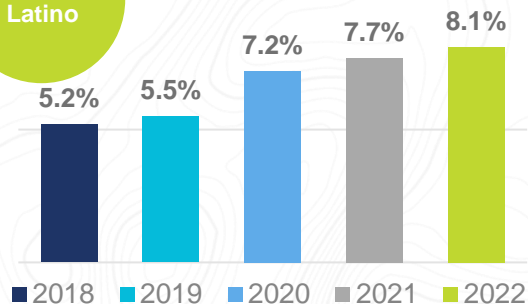
Women



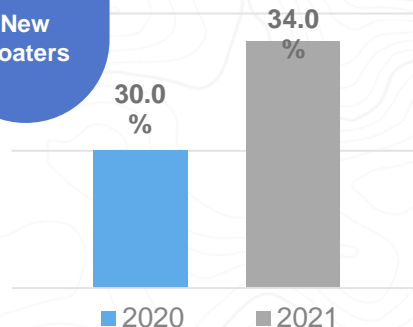
Under- represented Minorities



Hispanic / Latino



New Boaters

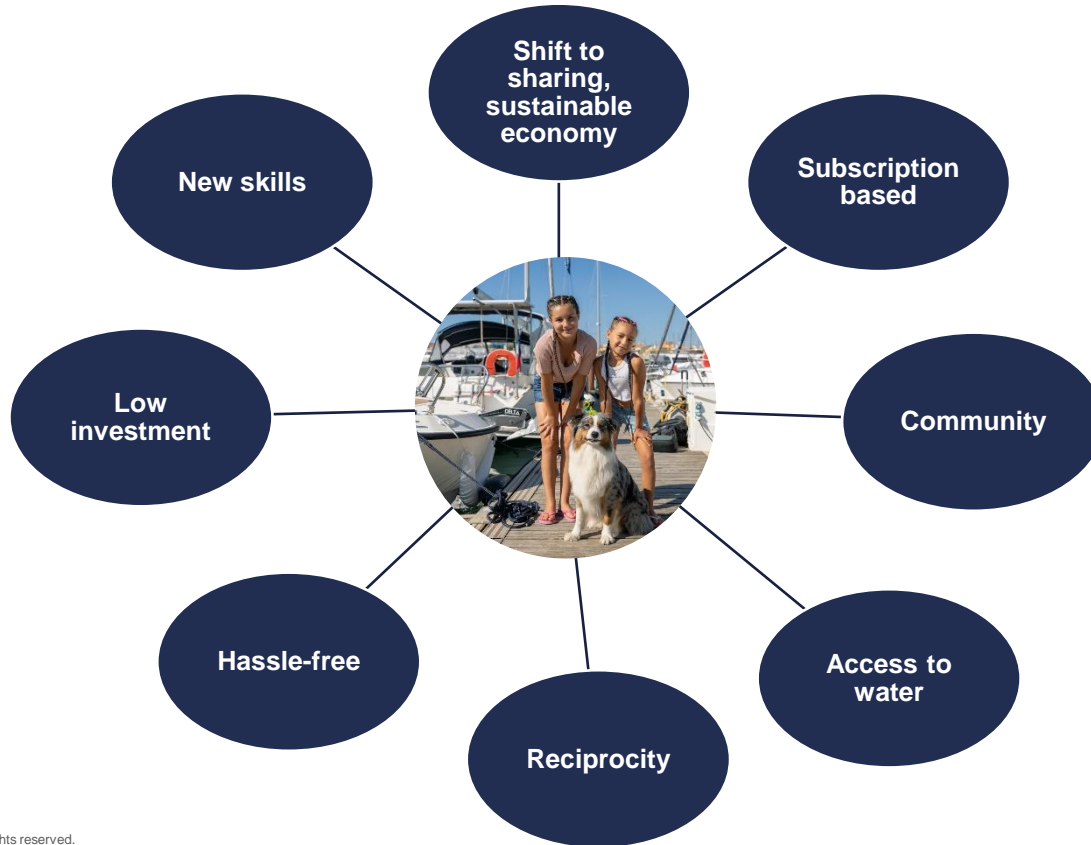


Key Observations

- All segments have **grown year-over-year**
- **Younger** consumers are entering the boat club category
- Greater **diversity** of female and Hispanic boaters are joining clubs

Why Do Consumers Join a Boat Club?

The motivators



Boat Club Member Training

Comprehensive boat club training leads to fewer incidents than other forms of recreational boating

Typically, boat club members receive some level of training

Freedom Training consists of:

- USCG licensed instructors
- Classroom curriculum
- On-water training
- Unlimited on-going training
- NASBLA Certified

Incident Frequency

Club	Recreational
< 0.02%	~4%
Of Freedom Boat Club member trips lead to accidents	Of recreational boating experiences lead to accidents

*FBC's USCG Captain-trained Members are
~30 times safer than the average
recreational boat/yacht owner in the U.S.*

Slip Rental

Boat clubs provide stable and consistent slip rental
(and winter storage)

Host FBC marinas received over \$40M in slip and storage rental in 2022

- ✓ One timely payment for all slips, office space, fuel, etc.
- ✓ Additional staff on your docks
- ✓ Winter storage



More Fuel Sales

Increased boat usage translates to higher per-slip fuel sales

Our members purchased over \$50M of fuel in 2022...

- ✓ Boats often fill up daily, some even twice daily
- ✓ Clubs may be staffed to fuel boats



Office Space

Boat clubs can also add to your upland rent roll

Our operators lease ~400 sq. ft. on average of retail and office space, totaling \$2.5 million in yearly revenue...

- ✓ Typically a smaller space (100 - 1000 sf)
- ✓ Houseboats
- ✓ Portables



Increased Service Potential

Boat club boats require more frequent maintenance and service

Our clubs spent more than \$18 million in 2022 on boat maintenance and repairs

- ✓ Oil changes
- ✓ Detailing
- ✓ Fiberglass
- ✓ Reconditioning



Increased Amenities usage

More club members and guests means more \$\$ for marina revenue streams

More patrons for your onsite amenities...

- ✓ Ship Store
- ✓ Restaurant
- ✓ Equipment rentals
- ✓ Bait and tackle
- ✓ Ice



More consistent traffic to your marina

Increased traffic drives greater exposure for your marina

Members take boats out 5-10x more than boat owners, which results in more marina traffic

- ✓ Boat club members bring guests
- ✓ Our biggest lead source is our members
- ✓ Marina is a destination



Marketing and PR

Boat clubs can become a partner to marina marketing efforts

- ✓ Clubs hold 1-2 open houses a month, adding to marina traffic and exposure (pre-Covid)
- ✓ Opportunity for joint marketing and sales events
- ✓ Clubs have charitable events and drives throughout the year
- ✓ Positive club reputation in the community creates a favorable halo around your marina



Show Me The Money!!

Boat Clubs contribute considerable revenue to marina partners

Slip Lease Income

- Annually, the average individual FBC marina captured **\$100k** in slip lease revenue from our clubs

FBC spends over **\$40 million** annually on total slip lease fees at marinas

Fuel Spending

- Annually, our members purchased **over \$60k** in fuel at each individual host marina

FBC members spend over **\$16 million** annually in fuel

Office Rent

- Our operators leased ~400 sq. Ft. in office space totaling **near \$10k** in lease revenue for the average individual host marina

FBC spends over **\$2.5 million** annually on office leases

Maintenance

- We spent over **\$50k** in fleet maintenance at the average individual host marina

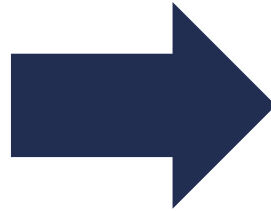
FBC spends over **\$18 million** annually on fleet maintenance

Boat Clubs
can generate
**5-10x More
Marina
Traffic Than
the Average
Slip Tenant**

We Are a Preferred Tenant of Large Marina Chains

Our business model professionalizes marinas, resulting in our services being sought after by the largest industry participants

Freedom's Marina Partners Include:



STRATEGIC BENEFITS

Boat clubs create value for marina partners in all economic cycles

- Clubs lead to improved profit per slip and increased revenue for ancillary businesses and are highly desired tenants
- Clubs desire long-term leases (i.e., 3, 5, 10-year terms)
- Partner on “build-to-suit” transactions
- Shifting economic environment highlights the benefit of “sticky” revenue that clubs bring

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BRUNSWICK

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APPENDIX - Freedom Boat Club – Overview

Business Model

Fully-Owned Locations (FBC)

Membership Entry Fee



Range: \$5k - \$7k

Monthly Membership Dues



Current: ~\$400



Franchise Locations (FFS)

Franchise Start-Up Fees



\$38K, \$19K, \$7.5K
(Initial, new territory, new satellite in existing)

Franchise Royalty Fees



6% of Revenues

APPENDIX - Freedom Fleet Overview

Boats selected based on local market needs

~30%



~45%

~20%



~5%