

# QUARTERLY REVIEW

FOURTH QUARTER ENDED JANUARY 31, 2019



# Forward-Looking Statements

## Caution concerning forward-looking statements

Certain information included in this presentation about the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct or that the Company's business guidance, objectives, plans and strategic priorities will be achieved.

## Key assumptions

The Company made a number of economic and market assumptions in preparing and making forward-looking statements. The Company is assuming reasonable industry growth ranging from flat to high-single digits, moderate market share gains in Year-Round Products and Seasonal Products and constant market share for the Marine segment. The Company is also assuming interest rates increase modestly, currencies remain at near current levels and inflation remains in line with central bank expectations in countries where the Company is doing business.

In addition, many factors could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail under the heading "Risk Factors" of our Annual Information Form: impact of adverse economic conditions on consumer spending; decline in social acceptability of the Company's products; fluctuations in foreign currency exchange rates; high levels of indebtedness; unavailability of additional capital; unfavourable weather conditions; seasonal sales fluctuations; inability to comply with product safety, health, environmental and noise pollution laws; large fixed cost base; inability of dealers and distributors to secure adequate access to capital; supply problems, termination or interruption of supply arrangements or increases in the cost of materials; competition in product lines; inability to successfully execute growth strategy; international sales and operations; failure of information technology systems or security breach; loss of members of management team or employees who possess specialized market knowledge and technical skills; inability to maintain and enhance reputation and brands; significant product liability claim; significant product repair and/or replacement due to product warranty claims or product recalls; reliance on a network of independent dealers and distributors; inability to successfully manage inventory levels; intellectual property infringement and litigation; inability to successfully execute manufacturing strategy; covenants in financing and other material agreements; changes in tax laws and unanticipated tax liabilities; deterioration in relationships with employees; pension plan liabilities; natural disasters; failure to carry proper insurance coverage; volatile market price for Subordinate Voting Shares; conduct of business through subsidiaries; significant influence by Beaudier Group and Bain Capital; and future sales of Subordinate Voting Shares by Beaudier Group, Bain Capital, directors, officers or senior management of the Company. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully.

The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's financial performance and may not be appropriate for other purposes; readers should not place significant reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this presentation are made as of the date of this presentation, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities regulations. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

# JOSÉ BOISJOLI

PRESIDENT AND CHIEF EXECUTIVE OFFICER

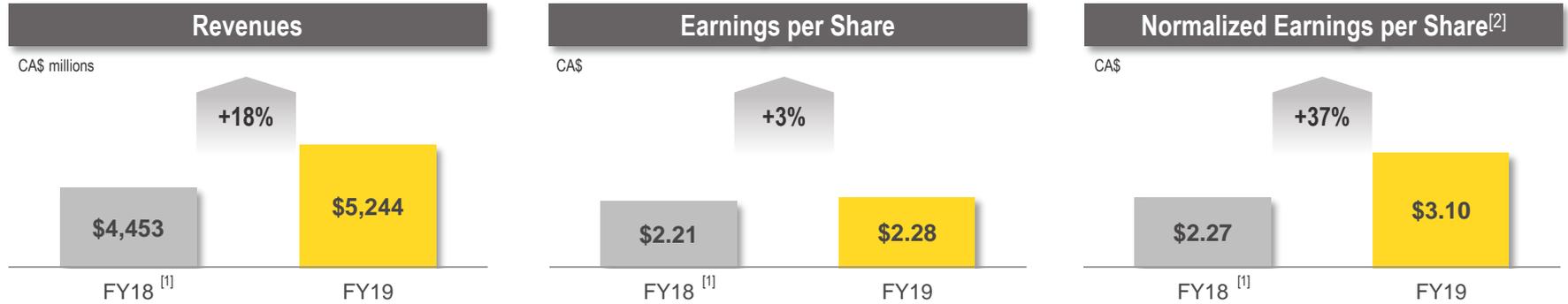
QUARTERLY REVIEW

FOURTH QUARTER ENDED JANUARY 31, 2019



ADVENTURE BY DESIGN

# FY19 Revenues, EPS and Normalized EPS



## Highlights vs. Last Year

- Increase of 18% in revenues mainly driven by higher wholesale of Year-Round Products and Seasonal Products
- Net income decreased 5% to \$227.3M and diluted earnings per share increased 3% to \$2.28
- Normalized EBITDA [2] grew 22% to \$655.9M and normalized diluted earnings per share [2] was up 37% to \$3.10
- FY19 North American BRP retail sales for Seasonal Products and Year-Round Products increased 11%

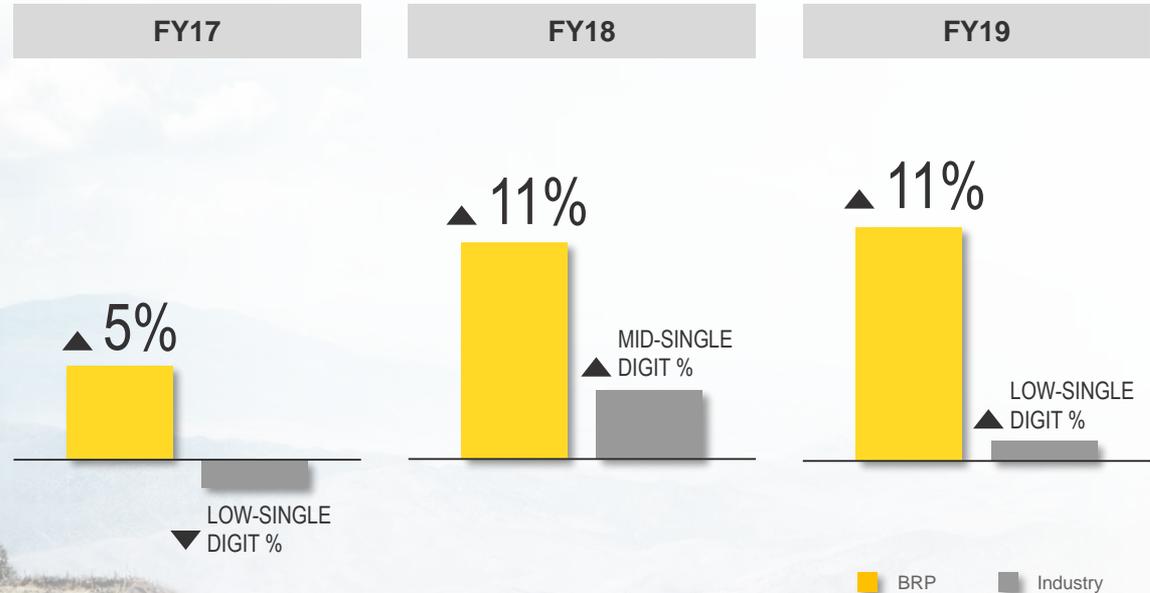
[1]See "Restated" section in appendix  
[2]For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix

**Delivered robust Normalized EPS growth of 37%**



# Constantly Outpacing the Industry for the last 3 Years

## North American Powersports Retail Sales Growth<sup>[1]</sup>



<sup>[1]</sup>Units, Year-over-year growth

Outpacing the industry through relentless focus on excellence and innovation



# FY19 Highlights

## STRATEGIC PRIORITIES

### GROWTH

Accelerate growth

Create a strong pipeline of new growth opportunities

### AGILITY

Implement a more flexible supply chain to improve consumer experience and reduce working capital

### LEAN ENTERPRISE

Relentless pursuit of EPS improvement through organizational excellence and a lean mindset across BRP

## FY19 HIGHLIGHTS

### Delivered industry-leading performance

- Achieved 11% North American Powersports retail sales growth for the year on the back of a solid portfolio of products, sustained customer experience centric marketing efforts and continued focus on offering the best value proposition to our dealers
- Maintained worldwide #1 market position in snowmobile and continued gaining market shares in the PWC, ATV and SSV industries
- Recognized by the industry with 15 design awards

### Maintained a high pace of innovation

- Introduced an entry-level three-wheel vehicle starting at US\$8,499, the Can-Am Ryker and two new SSV platforms, the Can-Am Maverick Sport and Can-Am Maverick Sport MAX
- Expanded our line-ups with multiple new impactful models: Ski-Doo - Rotax 900 ACE Turbo, Sea-Doo Fish Pro, expansion of Xrc and Xmr models throughout the Can-Am SSV line-up
- Record year for accessories introduction with over 450 new accessories for MY19

### Expanded into new markets

- Entering the boating industry with the acquisitions of Alumacraft in the aluminum fishing segment and Manitou in the pontoon segment
- Introduced a direct distribution model in Russia

### Continued the deployment of the “2020 Plan” across our manufacturing sites

- Completed Phase 1 of capacity increase in Juarez 2, increasing SSV production capacity by ~30%, and launched Phase 2 with a potential of adding an additional ~50% of SSV production capacity
- Added ~20% of PWC production capacity in Queretaro

### Actively managed our capital structure and improved shareholders’ return

- Improved our financial flexibility with a US\$111M increase of our Term Loan facility, a CA\$100M increase of our revolving credit facility and a reduction of both facilities’ pricing
- Returned over CA\$280M of capital to shareholders through share repurchases and dividends

The alignment of all our employees around our key strategic priorities allowed us to achieve robust results in FY19, all the while positioning us to continue delivering growth in the future



# FY19 Q4: Continued Strong Retail Results in North America...

## North American Powersports Retail Growth by Product Line

FY19 Q4 compared to FY18 Q4

▲ GROWTH ▼ DECLINE

|  | BRP                  | INDUSTRY             | BRP VS. INDUSTRY |
|--|----------------------|----------------------|------------------|
|  TOTAL POWERSPORTS      | ▲ 9%                 | FLAT                 | ▲                |
| POWERSPORTS EXCL. SNOWMOBILES  | ▲ 19%                | ▼ LOW-SINGLE DIGIT % | ▲                |
|  SIDE-BY-SIDE VEHICLES  | ▲ HIGH-TEEN %        | ▲ LOW-SINGLE DIGIT % | ▲                |
|  ALL-TERRAIN VEHICLES   | ▲ LOW-TEEN %         | ▼ LOW-SINGLE DIGIT % | ▲                |
|  THREE-WHEELED VEHICLES | ▲ ~TRIPLED VOLUME    | ▲ HIGH-THIRTY %      | ▲                |
|  PERSONAL WATERCRAFT    | ▲ LOW-SINGLE DIGIT % | ▲ LOW-SINGLE DIGIT % | ◄►               |
|  SNOWMOBILES            | ▲ LOW-SINGLE DIGIT % | ▲ LOW-SINGLE DIGIT % | ◄►               |

**Continued strong performance across the portfolio**



# ... And Around the World



|                                 | BRP   | INDUSTRY <sup>[2]</sup> |
|---------------------------------|-------|-------------------------|
| NORTH AMERICA                   | ▲ 9%  | FLAT                    |
| NORTH AMERICA EXCL. SNOWMOBILES | ▲ 19% | ▼ LOW-SINGLE DIGIT %    |
| LATIN AMERICA                   | ▲ 8%  | NOT AVAILABLE           |
| EMEA <sup>[1]</sup>             | ▲ 6%  | ▼ LOW-SINGLE DIGIT %    |
| ASIA-PACIFIC <sup>[1]</sup>     | ▲ 3%  | ▼ ABOUT 10%             |

<sup>[1]</sup>Three-month period from October to December

<sup>[2]</sup>Industry includes Three-Wheeled Motorcycles in North America and On-Highway Heavyweight Motorcycles in international markets

**Outpacing the industry in all key regions**

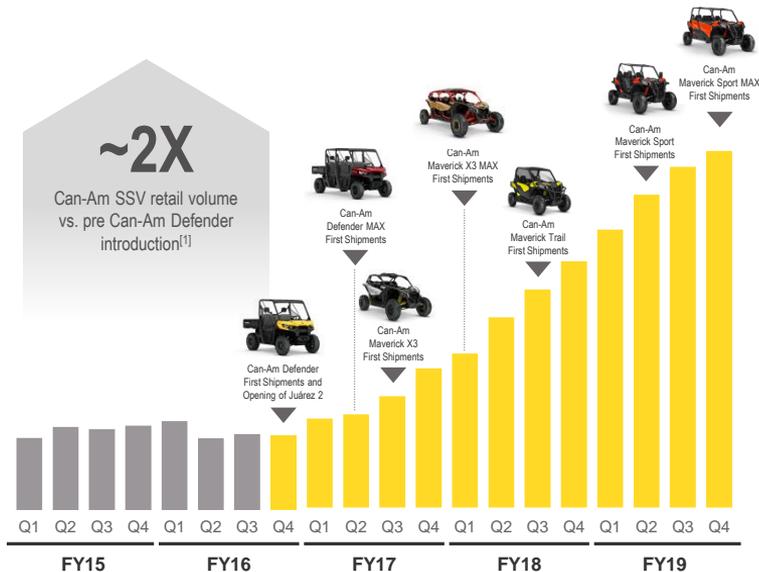


# Continuing to Seize Untapped Opportunities in the SSV Industry

Our line-up continued to drive strong retail growth in FY19...

## North American Can-Am SSV Retail

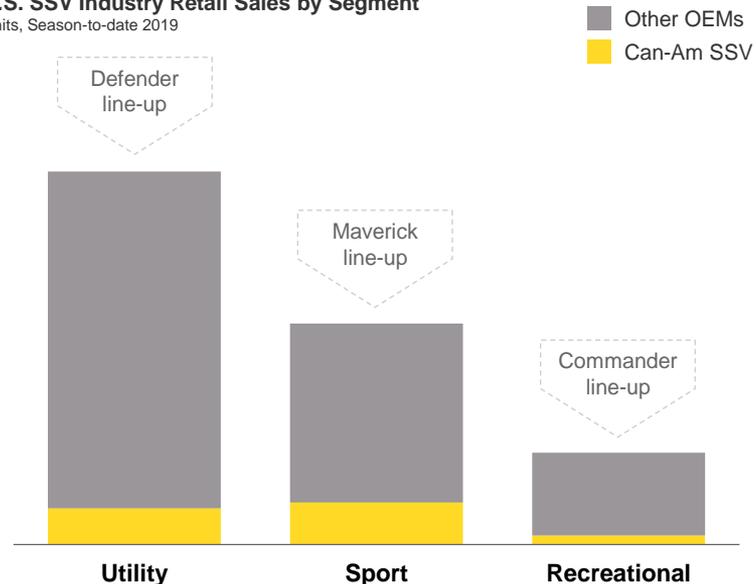
Units, Rolling Twelve Months



... and there are still significant opportunities to further grab market shares

## U.S. SSV Industry Retail Sales by Segment

Units, Season-to-date 2019



<sup>[1]</sup>For the twelve-month period ended January 31, 2019 vs. the twelve-month period ended October 31, 2015

We delivered significant growth in SSV over the last 3 years and intend to keep the same pace of innovation going forward to grab market share and further grow the business



# Phase 2 of Juárez 2 Capacity Expansion Update

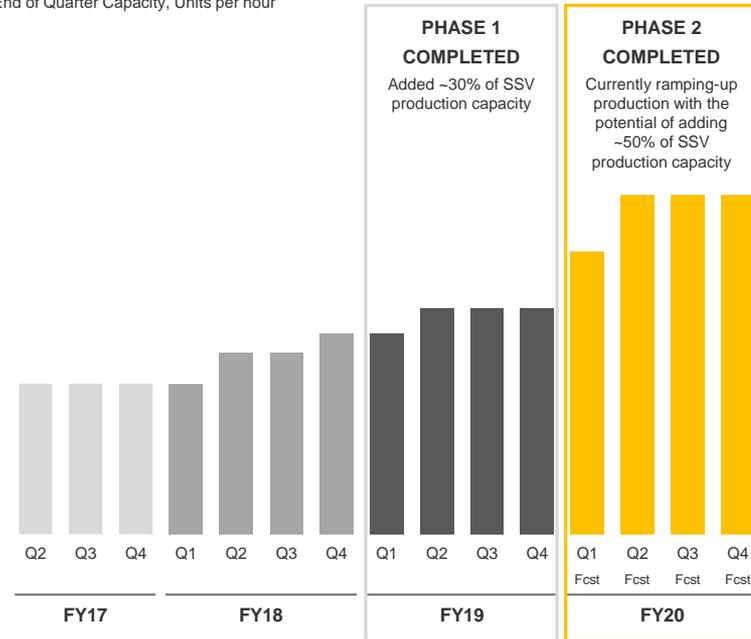
Juárez 2 Facility



Phase 2 of Juárez 2 capacity expansion is completed

## Juárez 2 SSV Production Capacity

End of Quarter Capacity, Units per hour



Construction completed and progressively ramping-up production with the potential of adding ~50% of capacity, providing us with the ability to continue to grow and seize market share opportunities in the SSV industry



# Can-Am Ryker Launch Update

› PRODUCTION AND SHIPMENTS



› RYKER DESIGN LAB INSTALLATION



› DEALER TRAINING



› MARKETING CAMPAIGN



IMPRESSIONS: 484M  
WEBSITE VISIT: 1.5M  
BUILD YOUR OWN: +178%

MSRP STARTING AT  
US\$8,499,  
LOWERING PRICING  
BY ALMOST 50%<sup>[1]</sup>



<sup>[1]</sup>Vs. previous Can-Am Spyder lowest-priced unit

**Successful launch and good early traction for the Can-Am Ryker,  
positioning us well for the upcoming season**



# Year-Round Products

## Highlights

### Year-Round Products revenues up 17%

- Mainly driven by a higher volume of SSV sold, the introduction of the Can-Am Ryker and a favourable foreign exchange rate variation

### Side-by-Side Vehicles (SSV)

- Seven months into the 2019 season, the North American SSV industry is up mid-single digit %
  - Can-Am SSV retail was up low-twenty % over the same period driven by continued market share gains in the Utility and Sport segments
- Can-Am SSV also growing rapidly in many international markets with double-digit % growth in the quarter in European direct markets, Brazil and the Asia-Pacific region

### All-Terrain Vehicles (ATV)

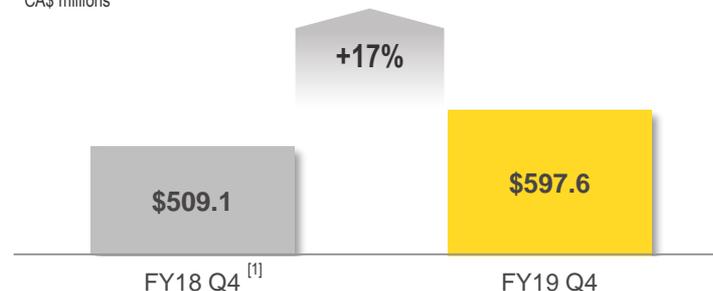
- Seven months into the 2019 season, the North American ATV industry is down low-single digit %
  - Can-Am ATV retail was up high-single digit % over the same period driven by market share gains in the high-cc segment

### Three-Wheeled Vehicles (3WV)

- Early in the 2019 season, the North American Three-Wheeled motorcycles industry is up high-thirty %
  - Tripled Can-Am 3WV retail volume vs. last year level season-to-date

## Revenues

CA\$ millions



## Can-Am 3WV Rider Education Program Update



<sup>[1]</sup>See "Restated" section in appendix

<sup>[2]</sup>Conversion to new and used units for 2018



# Seasonal Products

## Highlights

### Seasonal Products revenues up 32%

- Mainly driven by a higher volume and favourable product mix of snowmobile sold and from a favourable foreign exchange rate variation

### Snowmobile

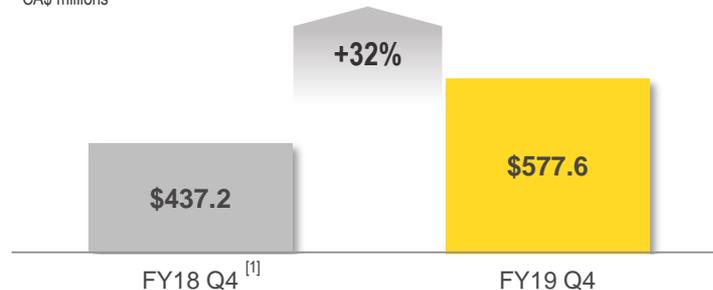
- Ten months into the 2019 season, the North American snowmobile industry was down low-single digit %
  - Ski-Doo retail was also down low-single digit % over the same period
  - Ski-Doo retail decline driven by limited availability of non-current units in the network
- Ski-Doo and Lynx quarterly retail up high-single digit % in EMEA driven by strong demand for the line-ups, especially Russia

### Personal Watercraft (PWC)

- Four months into the 2019 season, the North American PWC industry was up low-single digit %
  - Sea-Doo PWC retail was also up low-single digit % over the same period
- Good season for counter-seasonal markets with quarterly retail up high-single digit % in Australia and New-Zealand, and up about 30% in Brazil
  - Sea-Doo Fish Pro sold out in its first season in Australia and New-Zealand

## Revenues

CA\$ millions



## MY20 Ski-Doo Line-up News

### Highlights

Introduction of a completely redesigned, easier to ride Ski-Doo Expedition sport-utility line

Introduction of the Ski-Doo Summit X Expert package that offers the pinnacle of deep snow performance



<sup>[1]</sup>See "Restated" section in appendix



# Powersports PAC and OEM Engines / Marine

## Powersports PAC and OEM Engines

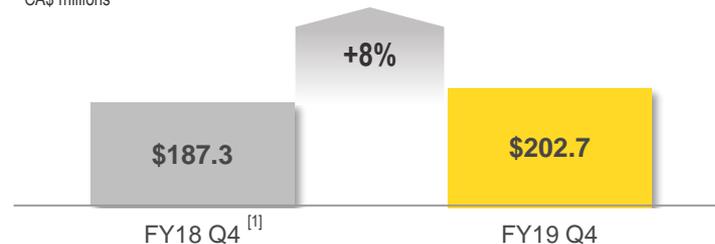
### Highlights

#### Powersports PAC and OEM Engines revenues up 8%

- Mainly driven by a higher volume of snowmobile parts and clothing, a higher volume of 3WV accessories driven by the introduction of the Can-Am Ryker and a favourable foreign exchange rate variation
- MY20 Ski-Doo Expedition: Over 200 accessories available at launch including a complete LinQ accessories line-up supporting both work and recreational activities

### Revenues

CA\$ millions



## Marine

### Highlights

#### Marine revenues up 39%

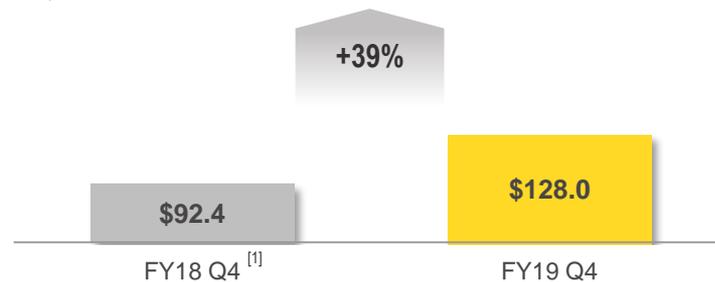
- Mainly due to the acquisition of Alumacraft and Manitou, partially offset by a lower volume of outboard engines sold

#### Outboard Engines

- Seven months into the 2019 season, the North American outboard engines industry is up low-single digit %
  - Evinrude outboard engines retail was down about 10% over the same period
- Evinrude quarterly retail up double digit % in Asia-Pacific and Latin America

### Revenues

CA\$ millions



<sup>[1]</sup>See "Restated" section in appendix



# SÉBASTIEN MARTEL

CHIEF FINANCIAL OFFICER

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2019



ADVENTURE BY DESIGN



# FY19 Q4 - Financial Highlights

| CAS millions                                  | Q4 Comparison    |                     |                  | 12-month Comparison |                     |                 |
|---|------------------|---------------------|------------------|---------------------|---------------------|-----------------|
|   | FY19             | FY18 <sup>[1]</sup> | Change           | FY19                | FY18 <sup>[1]</sup> | Change          |
| <b>Total Revenues</b>                         | <b>\$1,505.9</b> | <b>\$1,226.0</b>    | <b>\$279.9</b>   | <b>\$5,243.8</b>    | <b>\$4,452.5</b>    | <b>\$791.3</b>  |
| Growth  |                  |                     | +22.8%           |                     |                     | +17.8%          |
| <b>Gross Profit</b>                           | <b>\$334.9</b>   | <b>\$282.1</b>      | <b>\$52.8</b>    | <b>\$1,253.4</b>    | <b>\$1,045.1</b>    | <b>\$208.3</b>  |
| As a % of revenues                            | 22.2%            | 23.0%               |                  | 23.9%               | 23.5%               |                 |
| <b>Operating Income</b>                       | <b>\$126.5</b>   | <b>\$117.7</b>      | <b>\$8.8</b>     | <b>\$472.6</b>      | <b>\$377.7</b>      | <b>\$94.9</b>   |
| <b>Normalized EBITDA<sup>[2]</sup></b>        | <b>\$181.9</b>   | <b>\$162.2</b>      | <b>\$19.7</b>    | <b>\$655.9</b>      | <b>\$536.2</b>      | <b>\$119.7</b>  |
| Growth  |                  |                     | +12.1%           |                     |                     | +22.3%          |
| <b>Net Income</b>                             | <b>\$82.7</b>    | <b>\$70.0</b>       | <b>\$12.7</b>    | <b>\$227.3</b>      | <b>\$239.1</b>      | <b>(\$11.8)</b> |
| <b>EPS – Diluted</b>                          | <b>\$0.84</b>    | <b>\$0.68</b>       | <b>\$0.16</b>    | <b>\$2.28</b>       | <b>\$2.21</b>       | <b>\$0.07</b>   |
| Growth  |                  |                     | +23.5%           |                     |                     | +3.2%           |
| <b>Normalized Net Income<sup>[2]</sup></b>    | <b>\$85.8</b>    | <b>\$76.2</b>       | <b>\$9.6</b>     | <b>\$308.6</b>      | <b>\$245.5</b>      | <b>\$63.1</b>   |
| <b>Normalized EPS – Diluted<sup>[2]</sup></b> | <b>\$0.88</b>    | <b>\$0.74</b>       | <b>\$0.14</b>    | <b>\$3.10</b>       | <b>\$2.27</b>       | <b>\$0.83</b>   |
| Growth  |                  |                     | +18.9%           |                     |                     | +36.6%          |
| <b>Free Cash Flow<sup>[3]</sup></b>           | <b>\$64.9</b>    | <b>\$167.7</b>      | <b>(\$102.8)</b> | <b>\$262.6</b>      | <b>\$330.4</b>      | <b>(\$67.8)</b> |
| <b>CAPEX</b>                                  | <b>(\$117.8)</b> | <b>(\$84.6)</b>     | <b>(\$33.2)</b>  | <b>(\$298.6)</b>    | <b>(\$230.4)</b>    | <b>(\$68.2)</b> |

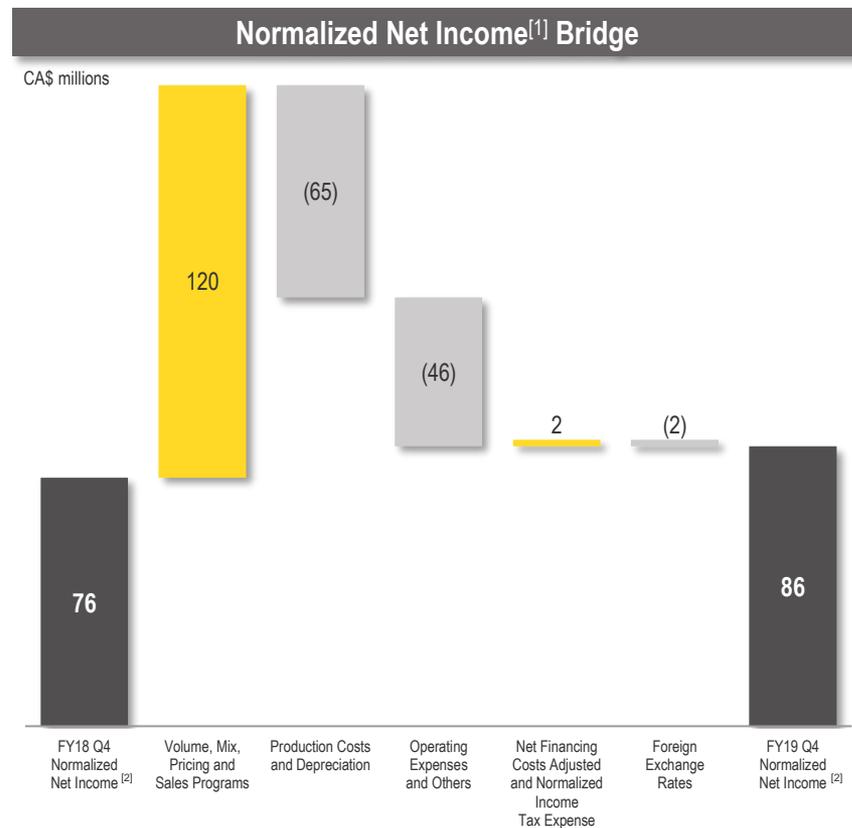
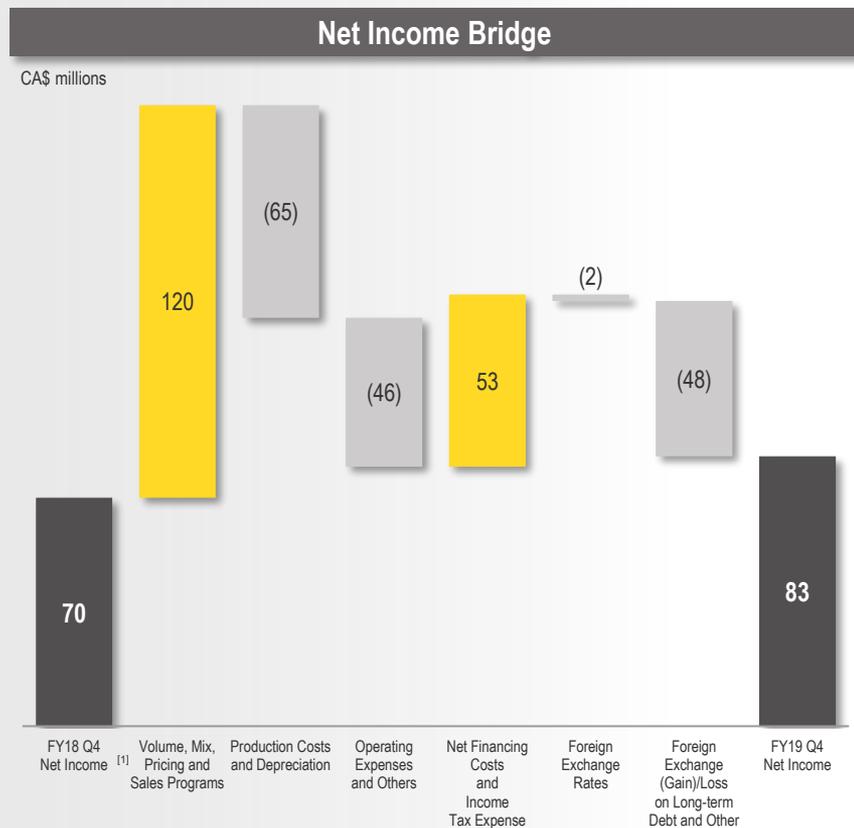
<sup>[1]</sup>See "Restated" section in appendix

<sup>[2]</sup>For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix

<sup>[3]</sup>Free cash flow is defined as net cash flow from operating activities minus capital expenditures



# FY19 Q4 - Net Income and Normalized Net Income<sup>[1]</sup> Bridge

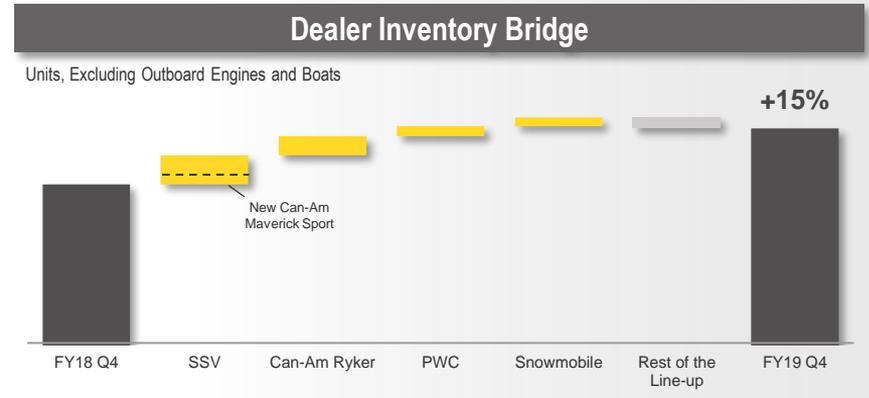
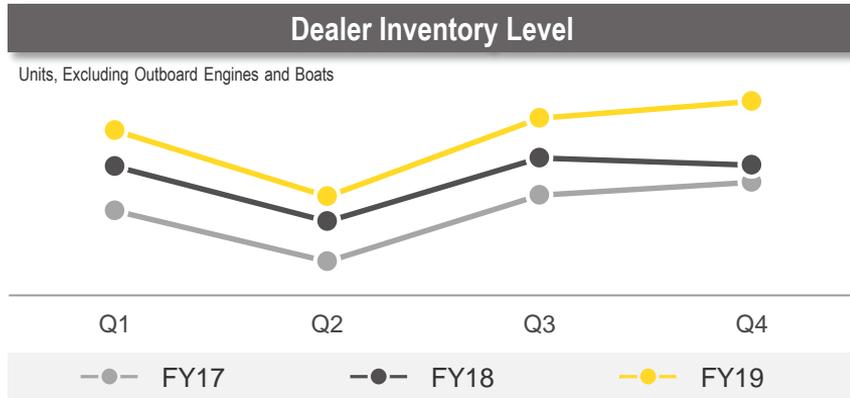


<sup>[1]</sup>See "Restated" section in appendix

<sup>[2]</sup>For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix



# BRP North American Powersports Dealer Inventory



## Highlights

### Dealer inventory<sup>[1]</sup> ended FY19 Q4 up 15% from FY18 Q4 level

- Increase primarily driven by:
  - Continued strong demand for the Can-Am SSV line-up,
  - Initial shipments of the Can-Am Ryker ahead of the core retail period for 3WV,
  - Slight increase in PWC inventory to support continued growth in the business, and;
  - Slight increase in snowmobile inventory due to weak snow conditions

<sup>[1]</sup>Network inventory excluding outboard engines and boats



# FY20 Full-Year Guidance - as at March 22, 2019

The table below sets forth BRP's financial guidance for Fiscal Year 2020 which reflects the adoption of new *IFRS 16 - Leases* standard effective as of February 1, 2019. Under *IFRS 16 - Leases*, operating lease expenses are recorded as depreciation and interest expense rather than operating costs within Normalized EBITDA<sup>[1]</sup>. No restatement of prior periods will be made.

| Financial Metric   | FY19           | FY20 Guidance <sup>[3]</sup> vs FY19   |
|--|----------------|--|
| Revenues   |                |  |
| Year-Round Products  | \$2,240.6      | Up 12% to 17%  |
| Seasonal Products  | 1,803.5        | Flat to up 3%  |
| Powersports PAC and OEM Engines                              | 707.5          | Up 2% to 7%  |
| Marine   | 492.2          | Up 15% to 20%  |
| <b>Total Company Revenues</b>                                | <b>5,243.8</b> | <b>Up 7% to 11%</b>  |
| <b>Normalized EBITDA<sup>[1]</sup></b>                       | <b>655.9</b>   | <b>Up 19% to 23%</b> (would have been "Up 14% to 18%" excluding the impact of IFRS 16) |
| Effective Tax Rate <sup>[1][2]</sup>                         | 25.5%          | 26.5% to 27.0%   |
| <b>Normalized Earnings per Share – Diluted<sup>[1]</sup></b> | <b>\$3.10</b>  | <b>Up 13% to 19%</b> (\$3.50 to \$3.70)  |
| Net Income   | 227.3          | \$340M to \$365M (assuming no impact from Fx gain/(loss) on long-term debt)            |

#### Other guidance:

- Expecting ~\$227M of Depreciation Expense compared to \$176M in FY19, ~\$85M of Net Financing Costs Adjusted and ~98.2M shares
- Expecting Capital Expenditures of ~\$360M to \$370M in FY20 compared to \$299M in FY19

<sup>[1]</sup>See the "Non-IFRS Measures" in appendix

<sup>[2]</sup>Effective tax rate based on Normalized Earnings before Normalized Income Tax

<sup>[3]</sup>Please see Forward-Looking Statements at the beginning of this presentation for a summary of key assumptions and important risk factors underlying the FY20 guidance



# FY20 Guidance – Normalized Net Income<sup>[1]</sup> by Half Year

## Normalized Net Income Contribution by Half Year



## Normalized Net Income Impact: FY20 vs FY19

### First Half of the Year

- ⊕ Continued SSV momentum
- ⊕ Introduction of the Can-Am Ryker
- ⊕ Boat companies acquisition
- ⊖ Investments in OPEX
- ⊖ Higher debt level and interest rate

### No Impact

SSV production capacity: Addition of Phase 1 of Juárez 2 SSV production capacity increase offset by a 2-week plant closure for work related to Phase 2 of capacity increase

### Second Half of the Year

- ⊕ Continued SSV momentum supported by Phase 2 of Juárez 2 production capacity increase
- ⊕ Shipments of new product introductions

<sup>[1]</sup>See "Restated" section in appendix

**Expecting Normalized Net Income<sup>[1]</sup> split between H1 and H2 in FY20 to be similar to FY18 with all the growth compared to FY19 coming in H2**



# CLOSING REMARKS

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2019



# 2020 Objective Update: Growth

## GROWTH

- Accelerate growth
- Create a strong pipeline of new growth opportunities

### ➤ GAINED MARKET SHARE THROUGH INNOVATION AND CUSTOMER EXPERIENCE CENTRIC MARKETING APPROACH

SKI-DOO: +3.5%<sup>[1]</sup> | SEA-DOO: +4.5%<sup>[1]</sup> | CAN-AM ATV: +4.6%<sup>[1]</sup>

### ➤ ACCELERATED SSV GROWTH BY ENTERING INTO NEW SEGMENTS

INTRODUCED 7 NEW PLATFORMS OVER THE LAST 3 YEARS | MORE THAN DOUBLED OUR RETAIL VOLUME<sup>[2]</sup>

### ➤ SET SOLID FOUNDATIONS TO UNLEASH 3WV POTENTIAL

RIDER EDUCATION PROGRAM | LEASING OPTION | INTRODUCTION OF A 3WV ENTRY LEVEL: CAN-AM RYKER

### ➤ IMPROVED OUR DISTRIBUTION FOOTPRINT

289 NEW DEALERS SIGNED IN NORTH AMERICA<sup>[3]</sup> | TEXAS MANAGEMENT OFFICE | DEALER DIRECT IN RUSSIA AND CHINA

### ➤ ENTERED INTO NEW MARKETS: CREATION OF THE MARINE GROUP

COMPLETED 2 BOAT COMPANY ACQUISITIONS ALLOWING US TO BETTER LEVERAGE EVINRUDE ASSETS



<sup>[1]</sup>North American market share gains, FY19 vs. FY15

<sup>[2]</sup>For the twelve-month period ended January 31, 2019 vs. the twelve-month period ended October 31, 2015

<sup>[3]</sup>Between FY14 and FY17

**Delivered solid growth over the last 4 years and well positioned to achieve our 2020 revenue growth objective**



# 2020 Objective Update: Agility and Lean Enterprise

## AGILITY AND LEAN ENTERPRISE

- Implement a more flexible supply chain to improve consumer experience and reduce working capital
- Relentless pursuit of EPS improvement through organizational excellence and a lean mindset across BRP

### ➤ HIGH PACE OF INNOVATION SUPPORTED BY THE MODULAR PRODUCT DESIGN APPROACH

51 DESIGN AWARD SINCE 2015

### ➤ CAPACITY EXPANSION IN JUÁREZ 2 AND QUERETARO

JUÁREZ 2 PHASE 1: ~+30% | JUÁREZ 2 PHASE 2: ~+50% | QUERETARO: ~+20%

### ➤ MODERNIZATION OF VALCOURT OPERATIONS

FROM TWO ASSEMBLY LINES TO ONE

### ➤ IMPLEMENTED A FLEXIBLE ORDERING SYSTEM

FOR SSV, ATV AND 3WV

### ➤ DELIVERED MARGIN IMPROVEMENT (NET OF FX)

GROSS PROFIT MARGIN UP 130BPS SINCE FY15 WHEN EXCLUDING FX IMPACT



**Targeting to deliver at least \$3.50 of Normalized EPS in FY20, one year earlier than initially planned**



# Q&A PERIOD

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2019



# APPENDIX

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2019



# Reconciliation Tables

| CA\$ millions  | Three-month periods ended |                                  | Twelve-month periods ended |                                   |
|--|---------------------------|----------------------------------|----------------------------|-----------------------------------|
|  | Jan. 31, 2019             | Jan. 31, 2018                    | Jan. 31, 2019              | Jan. 31, 2018                     |
| <b>Net Income</b>  | <b>\$82.7</b>             | <i>Restated</i><br><b>\$70.0</b> | <b>\$227.3</b>             | <i>Restated</i><br><b>\$239.1</b> |
| Normalized Elements:   |                           |                                  |                            |                                   |
| Foreign Exchange (Gain)/Loss on Long-term Debt                     | 0.8                       | (47.4)                           | 69.8                       | (53.3)                            |
| Transaction Costs and Other Related Expenses <sup>[1]</sup>        | 1.0                       | -                                | 2.7                        | -                                 |
| Restructuring and Related Costs <sup>[2]</sup>                     | 0.4                       | 2.9                              | 1.3                        | 2.9                               |
| Loss on Litigation <sup>[3]</sup>                                  | 0.2                       | 0.2                              | 1.3                        | 5.9                               |
| Transaction Costs on Long-term Debt                                | -                         | -                                | 8.9                        | 2.1                               |
| Pension Plan Past Service Gains                                    | -                         | -                                | (1.4)                      | -                                 |
| Depreciation of Intangible Assets Related to Business Combinations | 0.7                       | -                                | 1.2                        | -                                 |
| Other Elements   | 0.2                       | 1.0                              | 1.3                        | 1.5                               |
| Income Tax Adjustment  | (0.2)                     | 49.5                             | (3.8)                      | 47.3                              |
| <b>Normalized Net Income</b>                                       | <b>85.8</b>               | <b>76.2</b>                      | <b>308.6</b>               | <b>245.5</b>                      |
| Normalized Income Tax Expense                                      | 24.0                      | 31.1                             | 105.4                      | 90.2                              |
| Financing Costs Adjusted <sup>[4]</sup>                            | 19.9                      | 13.8                             | 68.0                       | 53.5                              |
| Financing Income Adjusted <sup>[4]</sup>                           | (0.7)                     | (0.3)                            | (2.2)                      | (2.2)                             |
| Depreciation Expense Adjusted <sup>[5]</sup>                       | 52.9                      | 41.4                             | 176.1                      | 149.2                             |
| <b>Normalized EBITDA</b>   | <b>\$181.9</b>            | <b>\$162.2</b>                   | <b>\$655.9</b>             | <b>\$536.2</b>                    |
| Weighted Average Number of Shares – Diluted                        | 97,975,542                | 103,197,608                      | 99,588,888                 | 107,917,087                       |
| <b>Normalized Earnings per Share – Diluted</b>                     | <b>\$0.88</b>             | <b>\$0.74</b>                    | <b>\$3.10</b>              | <b>\$2.27</b>                     |

<sup>[1]</sup>Costs related to business combinations.

<sup>[2]</sup>The Company is involved, from time to time, in restructuring and reorganization activities in order to gain flexibility and improve efficiency. The costs related to these activities are mainly composed of severance costs and retention salaries.

<sup>[3]</sup>The Company is involved in patent infringement litigation cases with one of its competitors.

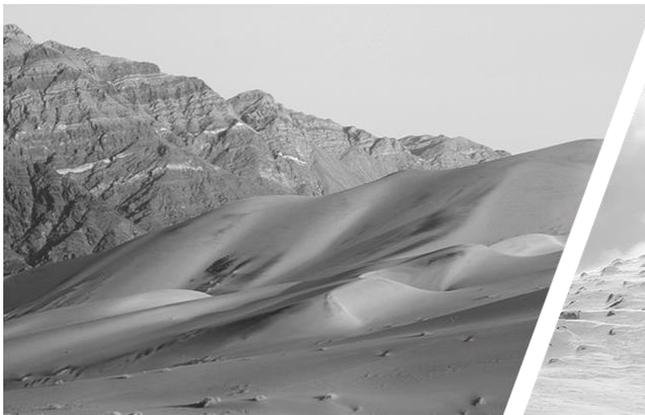
<sup>[4]</sup>Adjusted for transaction costs on long-term debt and NCIB gains and losses in net income.

<sup>[5]</sup>Adjusted for depreciation of intangible assets acquired through business combinations.

**Restated:** Restated to reflect the adoption of IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments" standards as explained in Note 31 of the audited condensed consolidated interim financial statements for the year ended January 31, 2019.

**Non-IFRS Measures:** Normalized EBITDA is defined as net income before financing costs, financing income, income tax expense (recovery), depreciation expense and normalized elements. Normalized Net Income is defined as net income before normalized elements adjusted to reflect the tax effect on these elements. Normalized income tax expense is defined as income tax expense adjusted to reflect the tax effect on normalized elements and to normalize specific tax elements. Normalized effective tax rate is based on normalized net income before normalized income tax expense. Normalized earnings per share – diluted is calculated by dividing the normalized net income by the weighted average number of shares – diluted. For more details on non-IFRS measures, refer to the section entitled Non-IFRS Measures of the Company's MD&A for the year ended January 31, 2019.





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