BRP REPORTS FOURTH-QUARTER AND RECORD FISCAL YEAR 2018 RESULTS

March 21, 2018

Highlights for the year vs FY2017:

- Record revenues of $4,487 million, an 8% increase;
- Normalized EBITDA[1] of $559 million, an 11% increase;
- Net income of $275 million resulting in a diluted earnings per share (EPS) of $2.54, an increase of 12% or $0.27 per share;
- Normalized net income[1] of $257 million resulting in a normalized diluted EPS[1] of $2.38, an increase of 21% or $0.42 per share;
- Returned $480M of capital to shareholders through share repurchases and the introduction of a quarterly dividend;
- Entered the trail SSV segment with the Can-Am Maverick Trail model, introduced a new Sea-Doo PWC platform and expanded the Ski-Doo and Lynx REV Gen4 snowmobile platform to more models;
- Relocated its North American sales office to Texas to be closer and better connected to the U.S.market, the largest for BRP; and
- Invested to increase the production capacity of its Juarez 2 and Queretaro manufacturing facilities to meet demand in Year-Round and Seasonal products.

Highlights for the quarter vs Q4 FY2017:

- Revenues of $1,263 million for the fourth quarter of FY2018, a 3% decrease, as expected;
- Net income of $115 million resulting in a diluted EPS of $1.12, a decrease of 16% or $0.10 per share;
- Normalized diluted EPS[1] of $0.96, a decrease of 4% or $0.04 per share;
- Announced a quarterly dividend of $0.09 per share, an increase from the $0.08 dividend paid in the previous quarter; and
- Announced renewal of its normal course issuer bid.

[1] See the reconciliation table in “Non-IFRS Measures” section.

VALCOURT, Québec, March 21, 2018 (GLOBE NEWSWIRE) -- BRP Inc. (TSX:DOO) today reported its financial results for the three- and twelve-month periods ended January 31, 2018. All financial information is in Canadian dollars unless otherwise noted. The complete financial results are available at www.sedar.com, as well as in the Quarterly Reportssection of BRP’s website.

“I am very pleased with our excellent year-end results; we set a strong growth objective and we surpassed it once again with record results,” said José Boisjoli, President and CEO. “Our plan was well-executed worldwide by our employees and yielded impressive results, in particular with our retail momentum that outpaced both the competition and the industries in all our markets.”

The results for the year, the strongest in BRP’s history, are partly based on the excellent worldwide momentum of its retail sales and the increased demand for its Can-Am side-by-side vehicles. For example, BRP’s global market share for this product has reached the #3 position in the past year, only seven years after our entry into the industry.

“Model year 2018 products, including two new Can-Am side-by-side platforms and a cutting-edge Sea-Doo platform, were well-received by our consumers, dealers and the media,” Boisjoli added. “We have also established a record year for accessory introductions, providing our consumers with the just-right parts, accessories and clothing, fully adapted and customized to their vehicle, to enhance their riding experience.”

“For fiscal year 2019, we continue to aim for high-paced growth from the Year-Round and Seasonal product categories. To this end, our planned increase in capacity in both Juarez 2 and Queretaro manufacturing facilities will be a key enabler,” Boisjoli concluded. “In the current economic environment, I am confident that we are well-positioned to deliver our fiscal year 2019 guidance that calls for 5 to 8% revenue growth as well as 20 to 25% normalized EPS growth."

Highlights for the Three- and Twelve-Month Periods Ended January 31, 2018

As expected, **Revenues** decreased by $42.1 million, or 3.2%, to $1,263.2 million for the **three-month period** ended January 31, 2018, compared with $1,305.3 million for the corresponding period ended January 31, 2017. The revenue decrease was mainly due to lower wholesale in Seasonal Products and an unfavourable foreign exchange rate variation of $14 million.

Gross profit decreased by $18.4 million, or 5.5%, to $317.2 million for the **three-month period** ended January 31, 2018, compared with $335.6 million for the corresponding period ended January 31, 2017. The gross profit decrease includes an unfavourable foreign exchange rate variation of $1 million. Gross profit margin percentage decreased by 60 basis points to 25.1% from 25.7% for the three-month period ended January 31, 2017. The decrease was primarily due to higher production costs and higher sales program costs driven by the increase in retail sales, partially offset by a higher volume of products sold.

Revenues increased by $315.4 million, or 7.6%, to $4,486.9 million for the **twelve-month period** ended January 31, 2018, compared with $4,171.5 million for the corresponding period ended January 31, 2017. The revenue increase was primarily attributable to higher wholesale of Year-Round Products and Seasonal Products. The increase was partially offset by an unfavourable foreign exchange rate variation of $36 million.

Gross profit increased by $58.6 million, or 5.8%, to $1,067.5 million for the **twelve-month period** ended January 31, 2018, compared with $1,008.9 million for the corresponding period ended January 31, 2017. The gross profit increase includes an unfavourable foreign exchange rate variation of $11 million. Gross profit margin percentage decreased by 40 basis points to 23.8% from 24.2% for the twelve-month period ended January 31, 2017. The decrease was primarily due to higher production costs and higher sales program costs driven by the increase in retail sales, partially offset by a favourable product mix and a higher volume in SSV as well as general price increases.

Net Income data

	Three-month periods ended		**Twelve-month periods ended**		
(in millions of Canadian dollars)	**January 31, 2018**	**January 31, 2017**	**January 31, 2018**	**January 31, 2017**	**January 31, 2016**
Revenues by category					
Year-Round Products	**$ 538.8**	$ 527.3	**$ 1,829.5**	$ 1,637.7	$ 1,439.2
Seasonal Products	**443.3**	489.5	**1,560.1**	1,473.9	1,367.3
Propulsion Systems	**90.2**	111.5	**394.7**	416.7	395.4
PAC	**190.9**	177.0	**702.6**	643.2	627.3
Total Revenues	**1,263.2**	1,305.3	**4,486.9**	4,171.5	3,829.2
Cost of sales	**946.0**	969.7	**3,419.4**	3,162.6	2,915.0
Gross profit	**317.2**	335.6	**1,067.5**	1,008.9	914.2
As a percentage of revenues	***25.1%***	*25.7%*	***23.8%***	*24.2%*	*23.9%*
Operating expenses					
Selling and marketing	**68.8**	67.0	**288.6**	281.5	265.0
Research and development	**52.6**	46.7	**198.6**	184.1	164.4
General and administrative	**40.3**	45.2	**166.3**	163.9	143.5
Impairment charge	**—**	—	**—**	—	70.3
Other operating expenses	**2.8**	9.3	**13.9**	73.1	5.7
Total operating expenses	**164.5**	168.2	**667.4**	702.6	648.9
Operating income	**152.7**	167.4	**400.1**	306.3	265.3
Net financing costs	**16.0**	13.8	**57.9**	61.2	59.1
Foreign exchange (gain) loss on long-term debt	**(46.2)**	(25.3)	**(51.9)**	(82.0)	105.8
Income before income taxes	**182.9**	178.9	**394.1**	327.1	100.4
Income tax expense	**67.8**	42.5	**119.6**	70.1	48.8
Net income	**$ 115.1**	$ 136.4	**$ 274.5**	$ 257.0	$ 51.6
Attributable to shareholders	**$ 115.2**	$ 136.6	**$ 274.2**	$ 257.2	$ 51.6
Attributable to non-controlling interest	**$ (0.1)**	$ (0.2)	**$ 0.3**	$ (0.2)	$-
Normalized EBITDA [1]	**$ 197.2**	$ 204.3	**$ 558.6**	$ 502.7	$ 460.0
Normalized net income [1]	**$ 98.7**	$ 111.8	**$ 256.9**	$ 222.0	$ 200.8
Weighted average number of shares – basic	**102,073,886**	111,624,207	**106,961,014**	112,946,239	117,013,234
Weighted average number of shares – diluted	**103,197,608**	111,987,290	**107,917,087**	113,205,095	117,457,146
Earnings per share - basic	$ 1.13	$ 1.22	$ 2.56	$ 2.28	$ 0.44
Earnings per share - diluted	1.12	1.22	2.54	2.27	0.44

Normalized earnings per share – basic [1]	0.97	1.00	2.40	1.97	1.72
Normalized earnings per share – diluted [1]	0.96	1.00	2.38	1.96	1.71

[1] See “Non-IFRS Measures” section.

QUARTERLY REVIEW BY CATEGORIES

Year-Round Products

Revenues from Year-Round Products increased by $11.5 million, or 2.2%, to $538.8 million for the three-month period ended January 31, 2018, compared with $527.3 millionfor the corresponding period ended January 31, 2017. The increase resulted mainly from a higher volume of SSV and Spyder vehicles sold, partially offset by an unfavourable product mix of SSV sold and by an unfavourable foreign exchange rate variation of $9 million.

Seasonal Products

Revenues from Seasonal Products decreased by $46.2 million, or 9.4%, to $443.3 million for the three-month period ended January 31, 2018, compared with $489.5 million for the corresponding period ended January 31, 2017. The decrease was driven by a lower volume of snowmobiles sold resulting from the late introduction of the REV Gen4 platform last year and from an unfavourable foreign exchange rate variation of $3 million. The decrease was partially offset by a higher volume of PWC sold due to industry growth.

Propulsion Systems

Revenues from Propulsion Systems decreased by $21.3 million, or 19.1%, to $90.2 million for the three-month period ended January 31, 2018, compared with $111.5 millionfor the corresponding period ended January 31, 2017. The decrease was mainly attributable to a lower volume of motorcycle engines sold and to a lower wholesale of outboard engines. The decrease was partially offset by a favourable foreign exchange rate variation of $1 million.

PAC (Parts, Accessories, Clothing and other services)

Revenues from PAC increased by $13.9 million, or 7.9%, to $190.9 million for the three-month period ended January 31, 2018, compared with $177.0 million for the corresponding period ended January 31, 2017. The increase was mainly attributable to a higher volume of SSV accessories, partially offset by an unfavourable foreign exchange rate variation of $3 million.

Operating expenses remained relatively stable at $164.5 million for the three-month period ended January 31, 2018, compared with $168.2 million for the three-month period ended January 31, 2017.

Declaration of dividend

The Board of Directors approved a $0.01 increase for its quarterly dividend to $0.09 per subordinate and multiple voting share that will be paid on April 13, 2018 to shareholders of record as at the close of business on March 30, 2018. The payment of each quarterly dividend will remain subject to declaration of that dividend by the Board of Directors. The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date, is subject to the discretion of the Board of Directors.

Fiscal Year 2019 Guidance

The table below sets forth BRP’s financial guidance for Fiscal Year 2019 when compared to actual results for Fiscal Year 2018, as revised to reflect the adoption of new IFRS 9 Financial instruments (IFRS 9) and IFRS 15 Revenue from contracts with customers (IFRS 15) standards effective as of February 1, 2018.

Financial Metric	**FY18 Results (based on new IFRS standards)**[1]	**FY19 Guidance vs FY18 Results (based on new IFRS standards)**[1]
Revenues		
Year-Round Products	$1,810.8	Up 11% to 14%
Seasonal Products	$1,554.0	Up 2% to 5%
Propulsion Systems	$385.9	Down 8% to 4%
PAC	$720.6	Up 1% to 5%
Total Company Revenues	**$4,453.3**	**Up 5% to 8%**
Normalized EBITDA[2]	**$536.9**	**Up 16% to 18%**
Effective Tax Rate[3]	26.8%	26.5% - 27.5%
Normalized Earnings per Share – Diluted[2]	**$2.25**	**Up 20% to 25%** ($2.70 to $2.82)

Other guidance:

- Expecting **~$180M Depreciation Expense** compared to $149M in FY18, **~$65M Net Financing Costs** and **~101.5M shares**.
- Expecting **Capital Expenditures of ~$315M to $330M in FY19** compared to $230M in FY18.

[1] "FY18 (based on new IFRS standards)" figures represent the Company's actual results for Fiscal Year 2018, which are presented above under "Net Income data", as revised to reflect the adoption of IFRS 9 and IFRS 15 standards. Such figures have not been audited and reflect the Company's estimated impact of the adoption of IFRS 9 and IFRS 15 standards, which may differ from the actual impact. Please refer to Note 4 – Future Accounting Changes of the Company's Consolidated Financial Statements for the years ended January 31, 2018 and 2017 and the "Future Accounting Changes" section of the Company's management's discussion and analysis of financial condition and results of operations for the three- and twelve-month periods ended January 31, 2018 for further explanation of the expected impacts of adopting IFRS 9 and IFRS 15 on the Company's consolidated financial statements.
[2] See "Non-IFRS Measures" section.
[3] Effective tax rate based on Normalized Earnings before Normalized income tax expense.

The above targets are based on a number of economic and market assumptions the Company has made in preparing its Fiscal Year 2019 financial guidance, including assumptions regarding the performance of the economies in which it operates, foreign exchange currency fluctuations, market competition and tax laws applicable to its operations. The Company cautions that the assumptions used to prepare the forecasts for Fiscal Year 2019, although reasonable at the time they were made, may prove to be incorrect or inaccurate. In addition, the above forecasts do not reflect the potential impact of any non-recurring or other special items or of any new material commercial agreements, dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after March 20, 2018. The financial impact of such transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Accordingly, our actual results could differ materially from our expectations as set forth in this news release. The outlook provided constitutes forward-looking statements within the meaning of applicable securities laws and should be read in conjunction with the "Caution Concerning Forward-Looking Statements" section.

Conference Call and Webcast Presentation

Today at 9 a.m. ET, BRP will host a conference call and webcast to discuss its FY2018 fourth-quarter and year-end results. The call will be hosted by José Boisjoli, President and CEO, and Sébastien Martel, CFO. To listen to the conference call by phone (event number 4283086), please dial 514-392-0235 or 800-564-3880 (toll-free in North America). Click for international dial-in numbers.

The Company's fourth-quarter and year-end FY2018 MD&A, financial statements and webcast presentation are posted in the Quarterly Reports section of BRP's website, while its Annual Information Form can be found in the Annual Reports section.

About BRP

We are a global leader in the world of powersports vehicles and propulsion systems built on over 75 years of ingenuity and intensive consumer focus. Our portfolio of industry-leading and distinctive products includes Ski-Doo and Lynx snowmobiles, Sea-Doo watercraft, Can-Am on- and off-road vehicles, Evinrude and Rotax marine propulsion systems as well as Rotax engines for karts, motorcycles and recreational aircraft. We support our lines of product with a dedicated parts, accessories and clothing business to fully enhance your riding experience. With annual sales of CA$4.5 billion from over 100 countries, our global workforce is made up of over 10,000 driven, resourceful people.
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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Certain information included in this release, including, but not limited to, statements relating to our Fiscal Year 2019 financial outlook (including revenues, gross profit margin, operating expenses, Normalized EBITDA, Effective Tax Rate, Normalized net income and Normalized earnings per share), statements relating to the declaration and payment of dividends, statements relating to the proposed increase in production capacity of the Company and other statements that are not historical facts, are "forward-looking statements" within the meaning of Canadian securities laws. Forward-looking statements are typically identified by the use of terminology such as "may", "will", "would", "should", "could", "expects", "forecasts", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "outlook", "predicts", "projects", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases. Forward looking statements, by their very nature, involve inherent risks and uncertainties and are based on several assumptions, both general and specific. BRP cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the powersports industry to be materially different from the outlook or any future results or performance implied by such statements. Key assumptions used in determining forward-looking information are set forth below.

KEY ASSUMPTIONS

The Company made a number of economic and market assumptions in preparing its Fiscal Year 2019 financial guidance, including assumptions regarding the performance of the economies in which it operates, market competition, tax laws applicable to its operations and foreign exchange currency fluctuation. 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 its 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 BRP's subordinate voting shares; conduct of business through subsidiaries; significant influence by Beaudier Inc. and 4338618 Canada Inc. (together the "Beaudier Group") and Bain Capital Luxembourg Investments S. à r. l. ("Bain Capital"); and future sales of BRP's 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.*

BRP undertakes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable Canadian securities laws. In the event that BRP does update any forward-looking statement, no inference should be made that BRP will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

NON-IFRS MEASURES

This press release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including Normalized EBITDA, Normalized Net Income, Normalized income tax expense, Normalized effective tax rate, Normalized basic earnings per share and Normalized diluted earnings per share.

Normalized EBITDA is provided to assist investors in determining the financial performance of the Company's operating activities on a consistent basis by excluding certain non-cash elements such as depreciation expense, impairment charge and foreign exchange gain or loss on the Company's long-term debt denominated in U.S. dollars. Other elements, such as restructuring costs, may also be excluded from net income in the determination of Normalized EBITDA as they are considered not being reflective of the operational performance of the Company. Normalized Net Income, Normalized income tax expense, Normalized effective tax rate, Normalized basic earnings per share and Normalized diluted earnings per share, in addition to the financial performance of operating activities, take into account the impact of investing activities, financing activities and income taxes on the Company's financial results.

The Company believes non-IFRS measures are important supplemental measures of financial performance because they eliminate items that have less bearing on the Company's financial performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. Management also uses non-IFRS measures in order to facilitate financial performance comparisons from period to period, prepare annual operating budgets, assess the Company's ability to meet its future debt service, capital expenditure and working capital requirements and, also, as a component in the determination of the short-term incentive compensation for the Company's employees. Because other companies may calculate these non-IFRS measures differently than the Company does, these metrics are not comparable to similarly titled measures reported by other companies.

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 - basic and normalized earnings per share – diluted are calculated respectively by dividing the normalized net income by the weighted average number of shares – basic and the weighted average number of shares – diluted. The Company refers the reader to the "Selected Consolidated Financial Information" section of this MD&A for the reconciliations of Normalized EBITDA and Normalized Net Income presented by the Company to the most directly comparable IFRS measure.

The following table presents the reconciliation of Net income to Normalized net income [1] and Normalized EBITDA [1].

	Three-month periods ended		**Twelve-month periods ended**		
(in millions of Canadian dollars)	**January 31, 2018**	**January 31, 2017**	**January 31, 2018**	**January 31, 2017**	**January 31, 2016**
Net income	**$ 115.1**	$ 136.4	**$ 274.5**	$ 257.0	$ 51.6
Normalized elements					
Foreign exchange (gain) loss on long-term debt	**(46.2)**	(25.3)	**(51.9)**	(82.0)	105.8
Restructuring and related costs (reversal) [2]	**2.9**	(0.3)	**2.9**	(1.1)	4.6
Impairment charge [3]	**—**	—	**—**	—	70.3
Loss on litigation [4]	**0.2**	7.8	**5.9**	70.7	—
Gain on disposal of property, plant and equipment	**—**	—	**—**	—	(6.4)
Pension plan past service gains	**—**	(6.3)	**—**	(6.3)	—
Other elements	**1.0**	—	**1.5**	2.7	(1.1)
Income tax adjustment [5]	**25.7**	(0.5)	**24.0**	(19.0)	(24.0)
Normalized net income [1]	**98.7**	111.8	**256.9**	222.0	200.8
Normalized income tax expense [1]	**42.1**	43.0	**95.6**	89.1	72.8
Financing costs adjusted	**15.3**	13.8	**59.1**	60.0	62.6
Financing income adjusted	**(0.3)**	—	**(2.2)**	(1.5)	(2.4)

Depreciation expense	**41.4**	35.7	**149.2**	133.1	126.2
Normalized EBITDA [1]	**$ 197.2**	$ 204.3	**$ 558.6**	$ 502.7	$ 460.0

[1] See "Non-IFRS Measures" section.

[2] 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.

[3] During the twelve-month period ended January 31, 2016, the Company recorded an impairment charge of $70.3 million related to its outboard engines cash generating unit ("CGU").

[4] The Company is involved in patent infringement litigation cases with one of its competitors (see "Operating expenses" section in the "Analysis of Results for the twelve-month period ended January 31, 2018" section of the Company's MD&A).

[5] For the three- and twelve-month periods ended January 31, 2018, the income tax adjustment is mainly related to the tax rate changes on deferred income taxes following the U.S. tax reform.

For media enquiries:	**For investor relations:**
Magali Valence	Philippe Deschênes
Manager, External Communications	Financial Analyst
Tel.: 450.532.6155	Tel.: 450.532.6462
magali.valence@brp.com	philippe.deschenes@brp.com

A photo accompanying this announcement is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/811fe22a-ecc8-47b0-9007-ce6ecd34cb79