

BRP Inc. Fiscal 2014 Q3 Update



December 12, 2013

Forward-Looking Statements

Certain statements 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.

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Fiscal 2014 Q3 Update

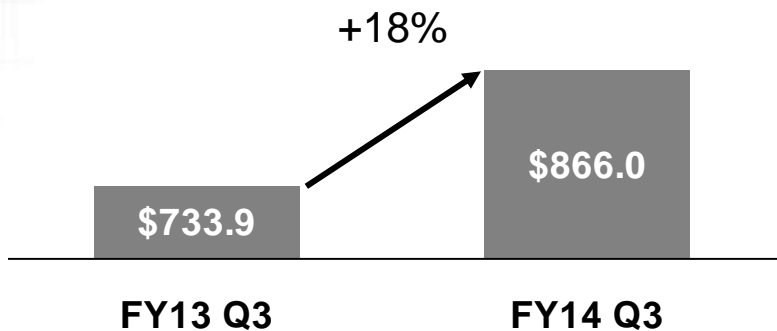
José Boisjoli
PRESIDENT & CEO



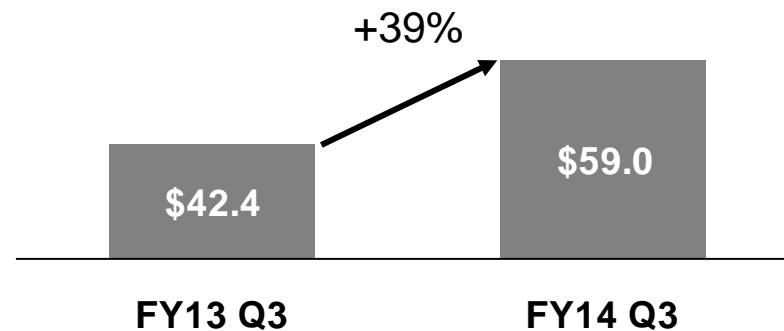
PASSION & INNOVATION

FY14 Q3 Revenues and Net Income

Q3 Revenues (CA\$M)



Q3 Normalized Net Income (CA\$M)



- Record quarterly revenues
- 18% growth in Q3 revenues, driven by *Seasonal Products*, up 38%
- International revenues up 17%
- Gross profit margin percentage up 170 bps to 25.9%
- Basic normalized EPS up 19% to \$0.50

Full-year revenue and normalized EBITDA guidance unchanged, full-year basic normalized EPS guidance revised upward due to a reduced effective tax rate

- **Normalized EPS:** \$1.49 - \$1.54 (up from \$1.45 - \$1.50)

FY14 Q3 Business Highlights

■ North American Markets:

- BRP N.A. retail sales of *Seasonal Products* and *Year-Round Products* up 13% in the aggregate for the three-month period ended October 31, 2013
- Model Year 13 PWC and Roadster end-of-season update:
 - PWC market share gains for a fourth consecutive season
 - Roadster retail sales growth slightly above motorcycle industry growth
- Snowmobile industry up low-double digits with Ski-Doo gaining market share

■ International Markets:

- Weak economic environment in some key international markets
- Strong results in Scandinavia, Russia and Western Europe
- First units of the new Spark PWC delivered in counter-seasonal markets (Brazil and Australia)

■ Operations:

- Inauguration of the Querétaro, Mexico facility on November 7



Strategic Initiatives Update

Continue Focus on Product Innovation

Grow Revenues from *Year-Round Products*

Expand North American Dealer Network

Grow International Product Sales

Drive Margin Increases



Continue Focus on Product Innovation – Club BRP Product Launches

Spark



Entry-level to “re-spark” the industry

Spyder RT



New Rotax 1330 ACE engine

Maverick 1000 X mr



“Mud-ready” Maverick

Commander MAX



Four-seat Commander

Outlander 6x6



Six-wheel Outlander

Continue Focus on Product Innovation - Sea-Doo Spark



- MSRP starting at US\$4,999 or \$79 per month with \$0 cash down¹
- More than 35% lower than the next lowest-priced PWC on the market
- Expanding the market for a new PWC by:
 - Converting buyers of used PWC (78% of all U.S. transactions)
 - Bringing more new entrants into the sport
 - Making it much easier to own and tow two units

**2 units + trailer + PAC starter kit
for US\$169 per month²**

¹ Current U.S. promotional offer, 84-month term

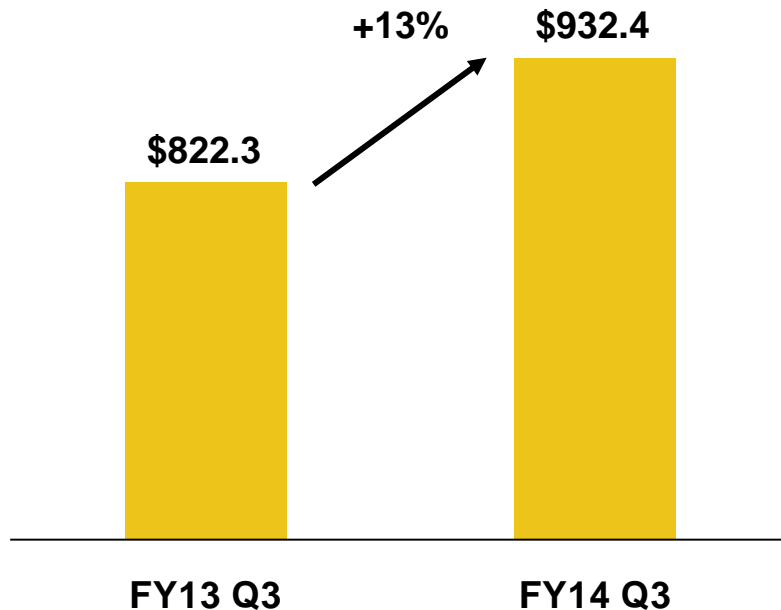
² US\$ 900 down payment, 84-month term

Strong worldwide reception with booking in line with expectations



Grow Revenues from *Year-Round Products*

9-Month Revenues (CA\$M)



- **Year-Round Products growth primarily driven by SSV**
 - SSV revenues up 35% year-to-date
 - 8 new SSV models introduced for MY14
- **New engine for MY14 Spyder RT**
- **Good momentum in ATV despite limited industry growth**

FY14 year-to-date has seen strong growth from *Year-Round Products*



Grow Revenues from *Year-Round Products* - SSV MY14

Commander



800



800 DPS



800 XT



1000



1000 DPS



1000 XT



1000 XT-P



1000 LTD



1000 MAX DPS



1000 MAX XT

MY14 Intro

Can-Am SSVs come in multiple configurations

- 2 platforms
- 2 engines
- 2-seat or 4-seat configurations
- 10 different packages

Maverick



1000R



1000 X rs



1000 X rs DPS



1000 X xc DPS



1000 X mr



MAX DPS



MAX X rs DPS

8 new models introduced for MY14

Currently 17 models in line-up and growing



Expand North American Dealer Network

U.S. Market



- Expand dealer network in select regions
 - FY2014 :** 35-40 new dealers
 - Next 4 years :** 200-300 new dealers

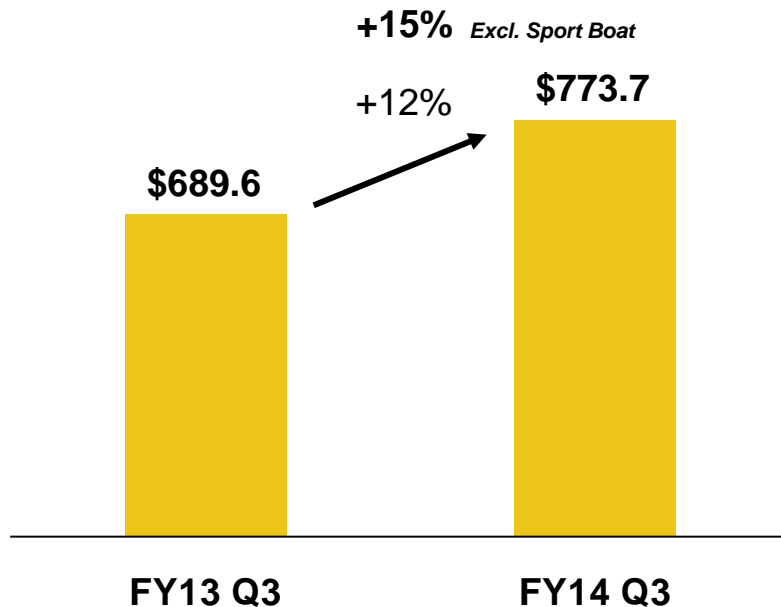
■ Key target markets for BRP *Year-Round Products*

Dealer network expansion is on plan



Grow International Product Sales

9-Month Revenues (CA\$M)



- Increasing popularity of SSV across international markets
- Spyder launched in Japan with shipments starting in Q4
- Strong reception for the Outlander 6x6 in Russia and Scandinavia
- Sea-Doo Spark expected to develop PWC demand in emerging markets

Strong year-to-date international growth driven primarily by *Year-Round Products*



Drive Margin Increases – Querétaro Plant Update

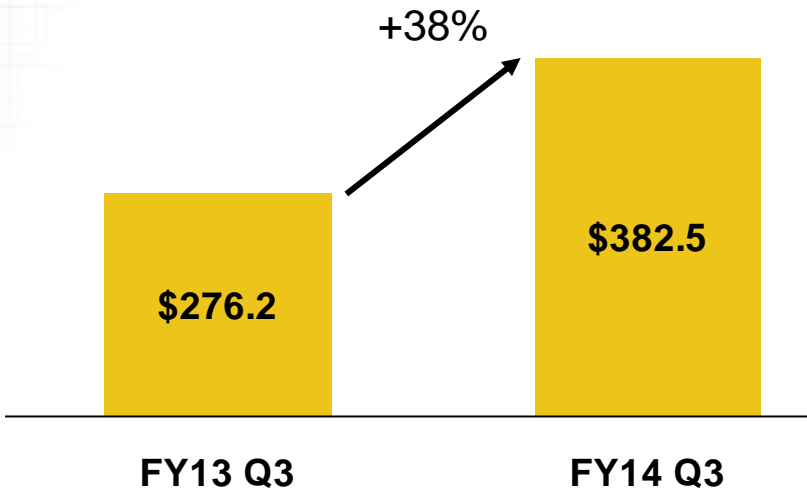
- Manufacturing of Off-road engines and transmissions in full operation
- PWC manufacturing ramping up
 - Sea-Doo Spark in production – Querétaro facility allowed for the significant vehicle cost reduction required to launch the Spark
 - Progressive transition planned for other PWC models: 100% of the PWC line-up will be produced in Querétaro by FY17



The Querétaro facility is expected to generate annual margin improvements of \$20M to \$25M by FY2017

Seasonal Products Q3 Highlights

BRP Revenues (CA\$M)



Industry & Competitive Dynamics

■ Snowmobile

- Dealer orders for MY14 were higher than for MY13 due to strong end-of-season in MY13 and positive reception to MY14 line-up
- Incremental MY14 orders were mostly shipped in Q3
- Early in the season, industry was up mid-double digits, and BRP has already gained market share

■ PWC

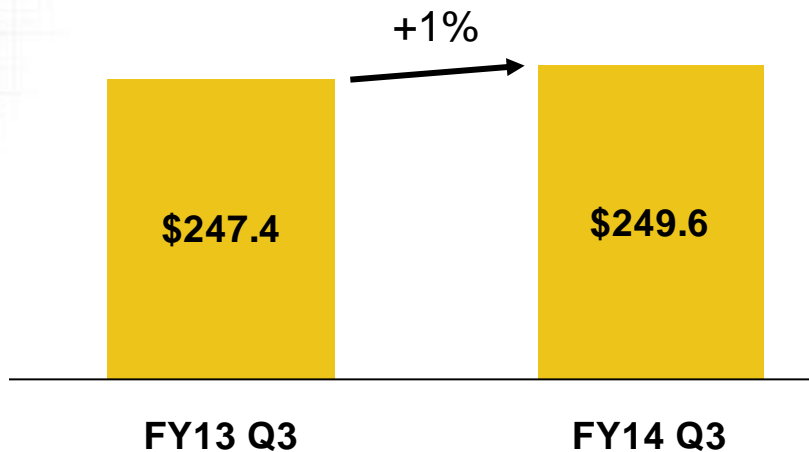
- Season ended September 30, 2013 with industry down low-single digits
- BRP N.A. retail up low-single digits due to market share gains both in Canada and in the U.S.
- Spark shipments to international markets started in the quarter, in time for the southern hemisphere summer period

New ACE 900 Snowmobile and PWC Engine



Year-Round Products Q3 Highlights

BRP Revenues (CA\$M)



Industry & Competitive Dynamics

■ Off-Road Vehicles

- Very strong quarter for SSV, with revenues up approximately 38% due to line-up expansion and market share gains worldwide
- ATV revenues down approximately 20% primarily due to FY13 third quarter higher ATV shipments driven by the introduction of 8 new Outlander models
- ATV fundamentals remain solid: Four months into the season, N.A. industry up mid-single digits and BRP gained market share both in Canada and the U.S.

■ Roadsters

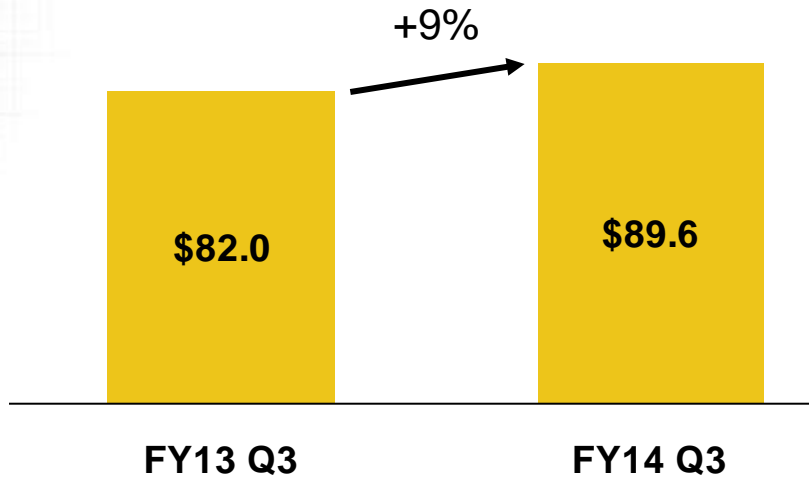
- N.A. motorcycle industry ended its 2013 retail season up low-single digits, with BRP retail growing slightly faster than industry
- Realigning marketing campaign for season 2014
- New Spyder RT 1330 well received by dealers, customers and media

New MY14 Spyder RT



Propulsion Systems and PAC Q3 Highlights

Propulsion Systems Revenues (CA\$M)



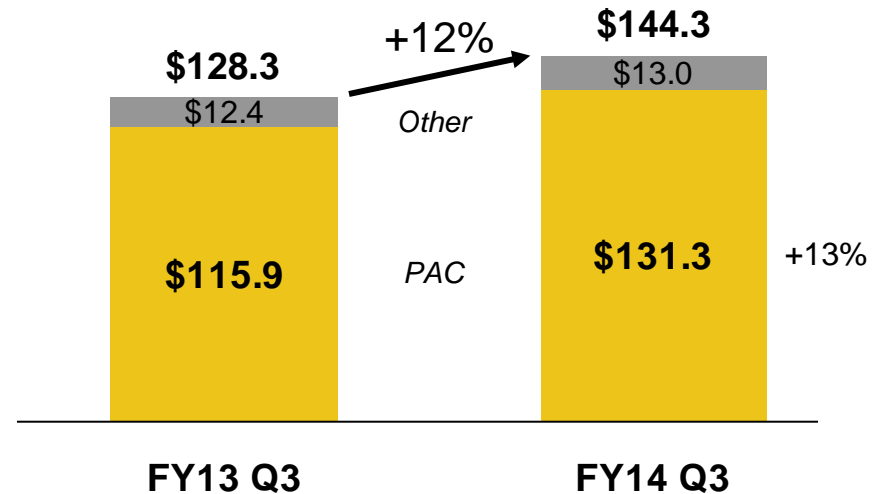
■ Outboard Engines

- N.A. industry retail up high double digits, 4 months into the season
- BRP retail sales were up low single digits

■ Rotax Propulsion Systems

- Low double digits revenue growth in the quarter mostly driven by aircraft engines sales performance

PAC Revenues (CA\$M)



■ Parts, Accessories and Clothing

- Quarterly growth primarily driven by off-road vehicle and snowmobile

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Claude Ferland
CHIEF FINANCIAL OFFICER



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FY14 Q3 – Financial Highlights

CA\$M	Q3 comparison			First 9 months comparison		
	FY14	FY13	Change	FY14	FY13	Change
Revenues by Category						
Seasonal Products	\$382.5	\$276.2	\$106.3	\$729.8	\$685.9 ¹	\$43.9
Year-Round Products	249.6	247.4	2.2	932.4	822.3	110.1
Propulsion Systems	89.6	82.0	7.6	268.4	263.6	4.8
PAC	144.3	128.3	16.0	360.6	332.9	27.7
Total Revenues	\$866.0	\$733.9	\$132.1	\$2,291.2	\$2,104.7	\$186.5
Growth	18.0%			8.9%		
Gross Profit	\$223.9	\$177.4	\$46.5	\$584.5	\$539.2	\$45.3
As a % of revenues	25.9%	24.2%		25.5%	25.6%	
Operating Income	\$95.0	\$44.6	\$50.4	\$216.9	\$148.6	\$68.3
As a % of revenues	11.0%	6.1%		9.5%	7.1%	
Normalized EBITDA	\$119.0	\$83.9	\$35.1	\$274.2	\$247.2	\$27.0
As a % of revenues	13.7%	11.4%		12.0%	11.7%	
Normalized Net Income	\$59.0	\$42.4	\$16.6	\$120.0	\$110.2	\$9.8
EPS	\$0.41	\$0.31	\$0.10	\$0.60	\$0.82	(\$0.22)
Normalized EPS	\$0.50	\$0.42	\$0.08	\$1.08	\$1.09	(\$0.01)

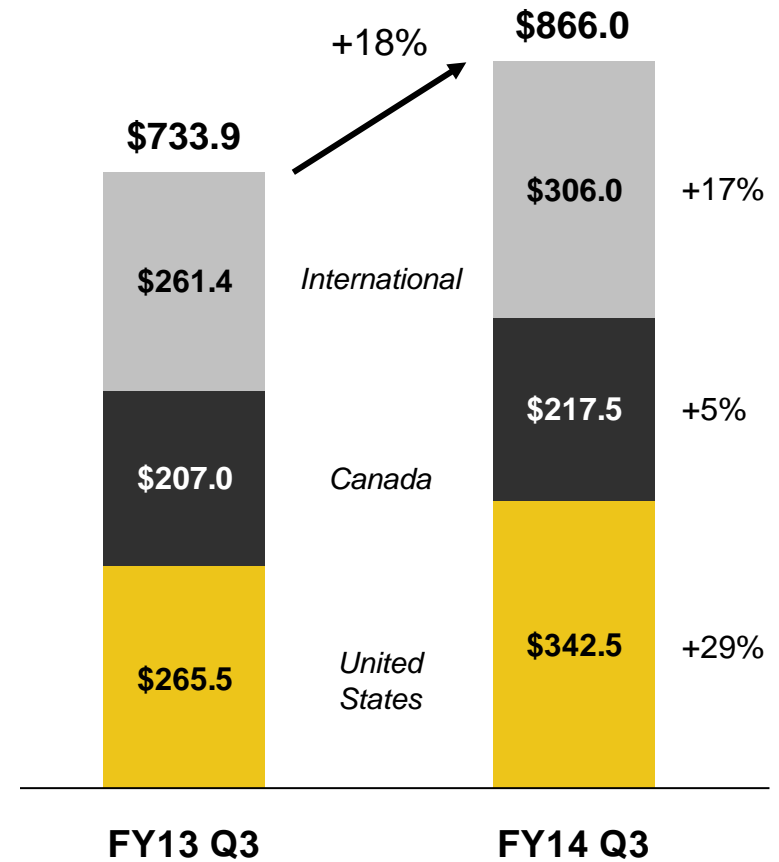
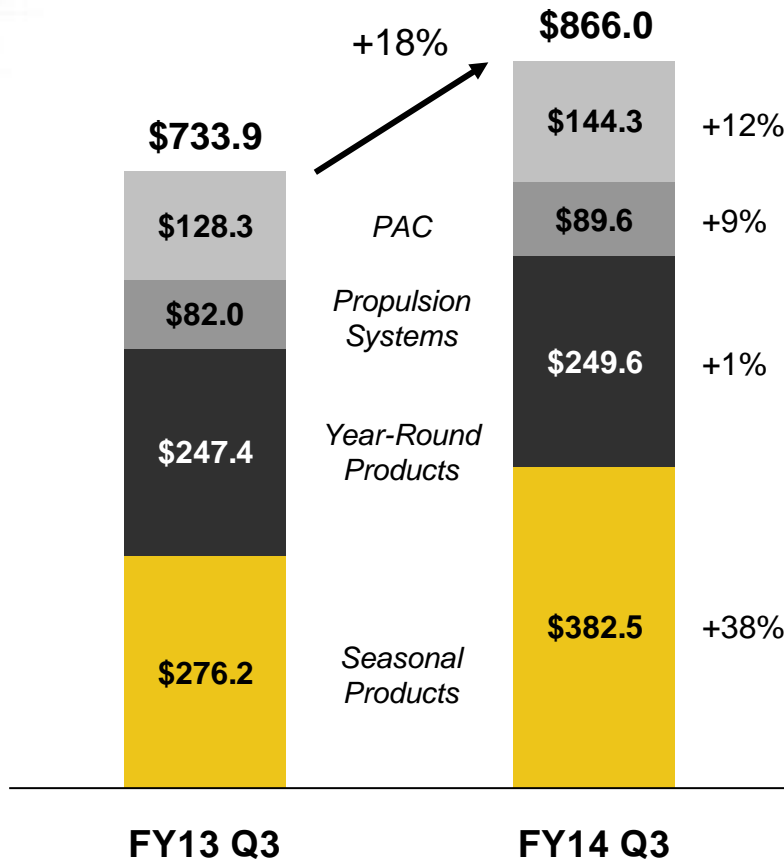
¹ Including \$71M in revenues from Sport Boat, a business which BRP exited in the fall of 2012



Q3 Revenues by Product Category and Geography

Revenues by Product Category (CA\$M)

Revenues by Geography (CA\$M)

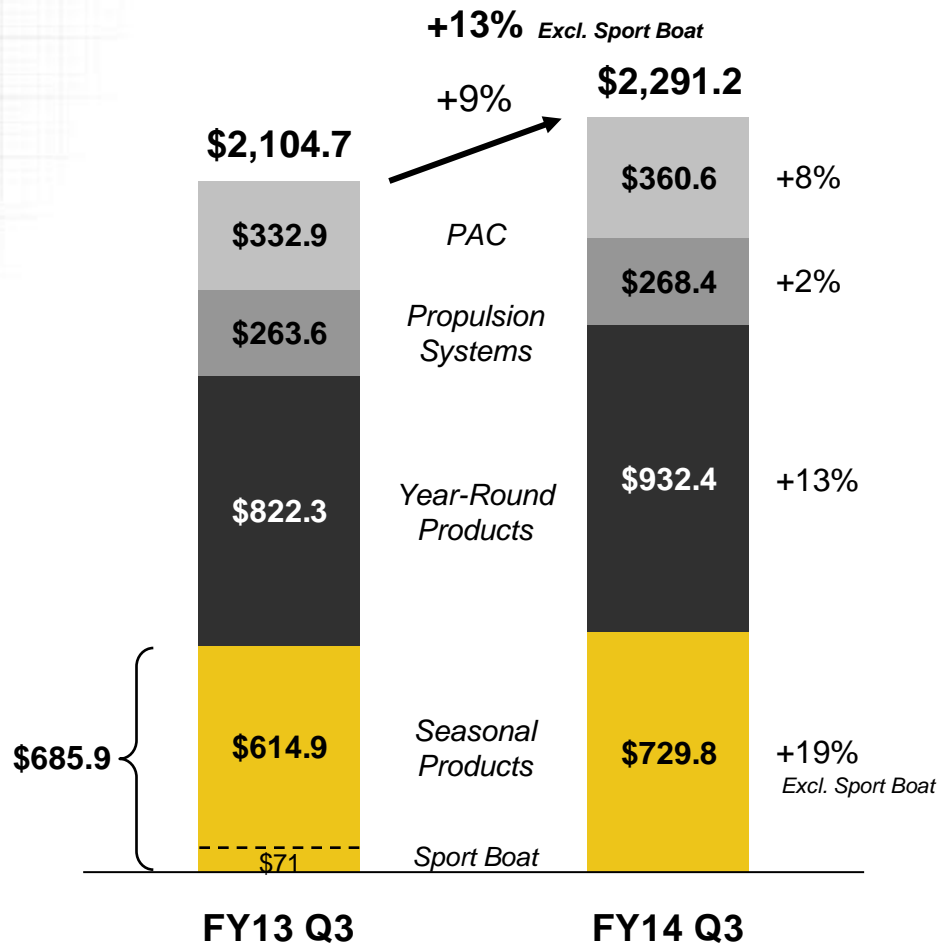


Growth in revenues driven by *Seasonal Products* across all regions

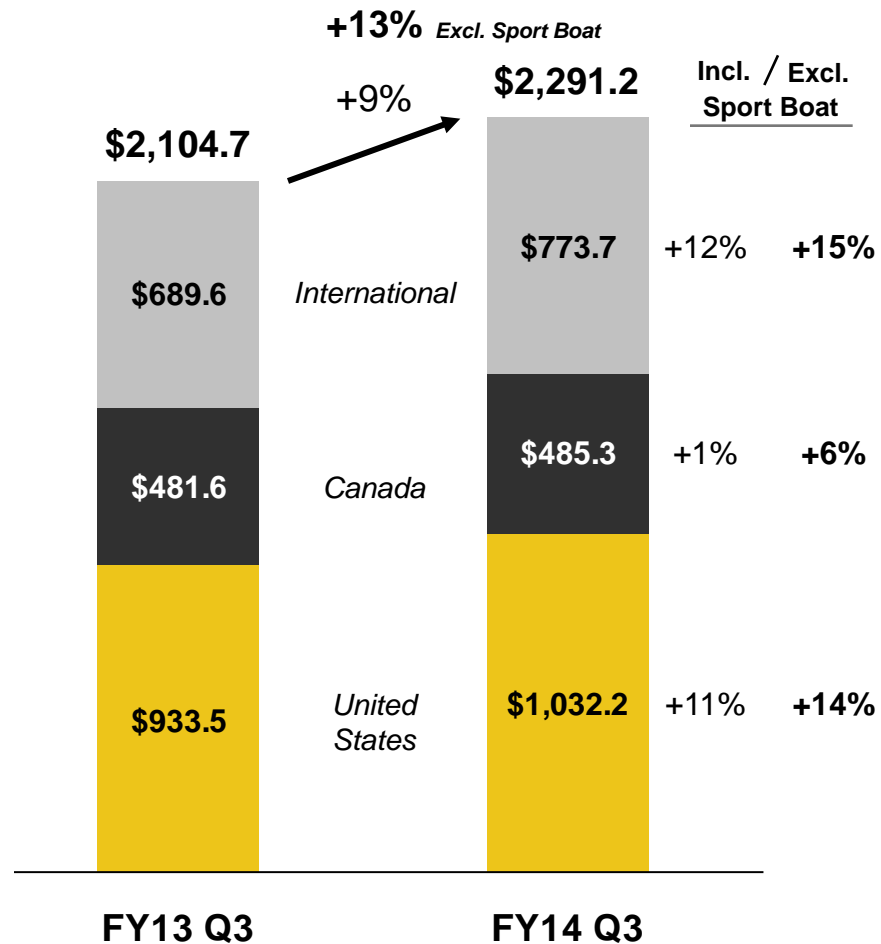


9-Month Revenues by Product Category and Geography

Revenues by Product Category (CA\$M)



Revenues by Geography (CA\$M)

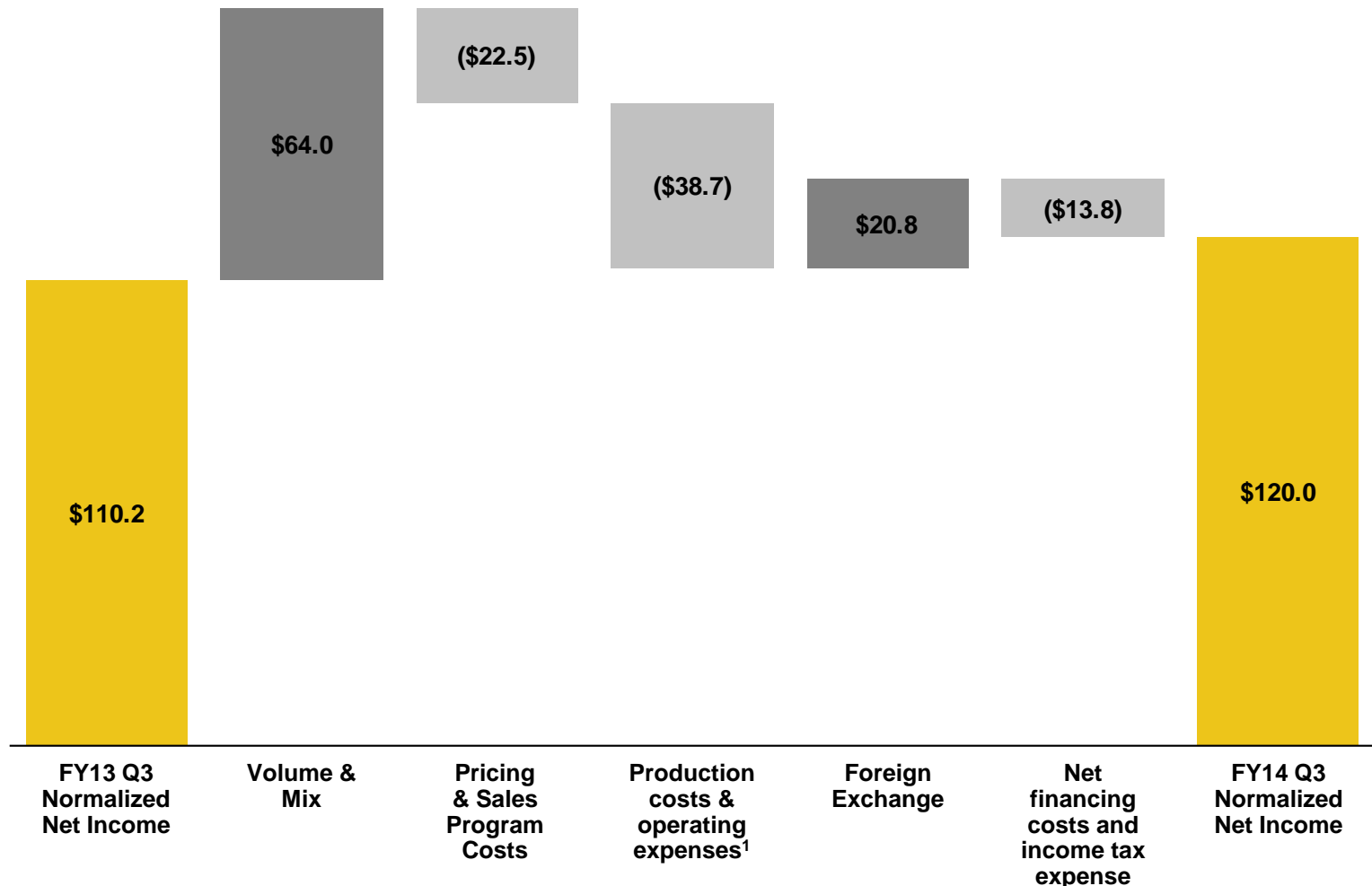


Growth in revenues driven by *Year-Round* and *Seasonal Products* across all regions



Bridge from FY13 First Nine Months to FY14 First Nine Months Normalized Net Income

CA\$M



¹ Includes increased costs due to the transfer of PWC production to Mexico



FY14 Q3 – Financial Position and Liquidity Profile

CA\$M	As of Oct. 31	As of Jan. 31	Change
	2013	2013	
Cash	\$6.6	\$542.4	(\$535.8)
Net working capital	174.1	(26.7)	200.8
Revolving Credit Facilities	59.9	-	59.9
Long term debt*	834.0	1,054.6	(220.6)

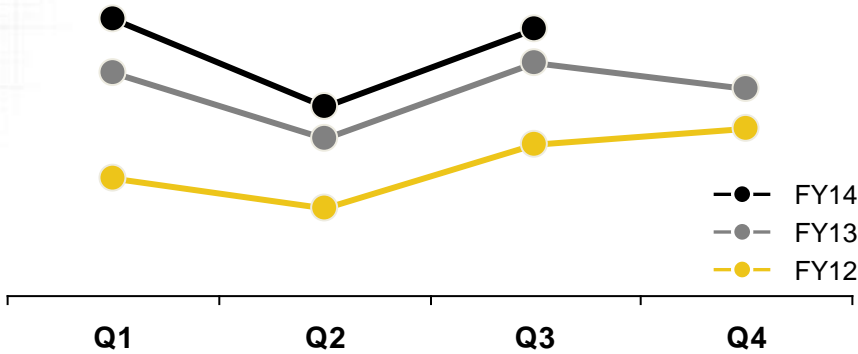
* BRP repaid US\$258M of its Term Facility following the May IPO

CA\$M	First 9 months comparison		
	FY14	FY13	Change
Capital expenditures	(\$93.5)	(\$104.0)	\$10.5
Free cash flow	(52.0)	226.1	(278.1)

BRP North America Powersports Dealer Inventory

North America Network Inventory *(units)*

Excluding Sport Boat and Outboard Engines

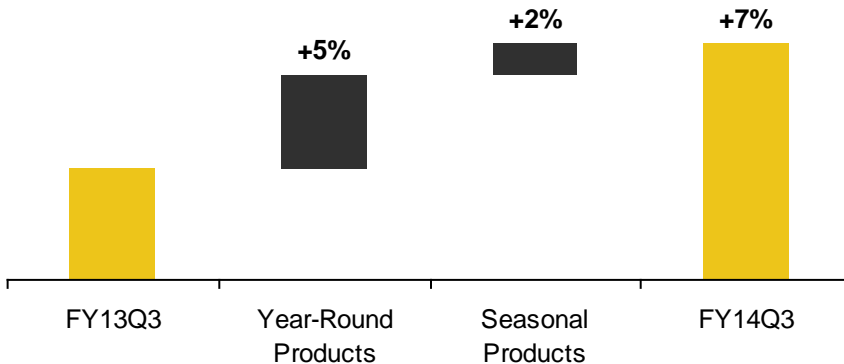


■ Dealer inventory ended Q3 up 7% from FY13 Q3

- Mostly driven by the addition of the 2-seat and 4-seat Maverick models to our SSV line-up
- Slightly impacted by higher PWC and Roadster inventory due to lower than expected industry growth for the year

Network Inventory Growth

Excluding Sport Boat and Outboard Engines



FY14 Full-Year Guidance

Financial Metric	FY14 Guidance vs FY13
Revenues	
Seasonal Products ¹	Flat to up low-single digits
Year-Round Products	Up high-double digits %
Propulsion Systems	Up mid to high-single digits %
PAC	Up high-single digits %
Total Company Revenues	Up high-single digits %
Normalized EBITDA	Up low-double digits %
Effective Tax Rate²	26% - 27% (down from 28% - 29%)
Normalized Net Income	Up mid-double digits % (up from low-double digits %)
Normalized Earnings per Share - Basic (assuming 112.6 million shares) ³	\$1.49 - \$1.54 (up from \$1.45 - \$1.50)
CAPEX	Flat

¹ Including Sport Boat

² Effective tax rate based on a Normalized Earnings before Income Tax

³ The number of shares represents the weighted average number of shares for the period, assuming that each quarterly transaction happens at mid-quarter

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Q&A Period



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Global Leader in Powersports Vehicles and Engines

Seasonal Products

ski-doo
LYNX
SEA-DOO



Snowmobiles



Personal Watercraft

Year-Round Products

can-am



All-Terrain Vehicles



Recreational Side-by-Side Vehicles



Roadsters

Propulsion Systems

EVINRUDE
ROTAX



Outboard Engines



OEM Engines

Diversified Product Portfolio AND Powerful Brands



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Closing Remarks



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SKI-DOO® LYNX® SEA-DOO® EVINRUDE® ROTAX® CAN-AM®

