

# QUARTERLY REVIEW

FOURTH QUARTER ENDED JANUARY 31, 2020



# Forward-Looking Statements

## Caution concerning forward-looking statements

Certain statements included in this presentation, including, but not limited to, statements relating to our previously disclosed Challenge 2020, our new 5-Year Plan referred to as "M25" and our expectations for FY21 as well other statements about our current and future plans, expectations, anticipations, intentions, results, levels of activity, performance, objectives, targets, goals, achievements, priorities and strategies, financial position, market positions, capabilities, competitive strengths, research and product development activities, including projected design, characteristics, capacity or performance of future products and their expected scheduled entry to market or any other future events or developments and other statements that are not historical facts constitute forward-looking statements within the meaning of applicable securities laws. The words "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, are intended to identify forward-looking statements.

Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, goals, targets, strategic priorities, expectations and plans, and in obtaining a better understanding of our business and anticipated operating environment. Investors and others are cautioned that such information may not be appropriate for other purposes. Investors and others should not place undue reliance on forward-looking statements made in this presentation. Forward-looking statements, by their very nature, involve inherent risks and uncertainties and are based on a number of assumptions, both general and specific, as further described below.

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, following risk factors: the impact of adverse economic conditions such as those resulting from the ongoing COVID-19 health crisis (including on consumer spending, the Company's operations, supply and distribution chains, the availability of credit and the Company's workforce); 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; failure to maintain an effective system of internal control over financial reporting and to produce accurate and timely financial statements; 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; increase freight and shipping costs or disruptions; 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. This presentation should be read in conjunction with our annual management's discussion and analysis and our audited consolidated financial statements for Fiscal 2019, our management's discussion and analysis and interim financial statements for the first three quarters of Fiscal 2020 and our other recent and future filings with applicable Canadian and U.S. securities regulatory authorities, available on SEDAR at [sedar.com](http://sedar.com) or EDGAR at [sec.gov](http://sec.gov), respectively.

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

## Key assumptions

The Company made a number of economic, market and operational assumptions in preparing and making certain forward-looking statements contained in this presentation, including the following: 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; no further deterioration and a relatively rapid stabilization of global and North American economic conditions, including with respect to the ongoing coronavirus health crisis; any increase in interest rates will be modest; currencies will remain at near current levels; inflation will remain in line with central bank expectations in countries where the Company is doing business; the Company's current margins will remain at current or improved levels; the supply base will remain able to support product development and planned production rates on commercially acceptable terms in a timely manner; there will be no significant changes in tax laws or free trade arrangements or treaties applicable to the Company; no trade barriers will be imposed amongst jurisdictions in which the Company carries operations; the absence of unusually adverse weather conditions, especially in peak seasons. BRP cautions that its assumptions may not materialize and that current economic conditions, including all of the current uncertainty resulting from the ongoing Covid-19 health crisis and its broader repercussions on the global economy, render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty.

*All amounts in this presentation are expressed in Canadian dollars, unless otherwise indicated.*



# JOSÉ BOISJOLI

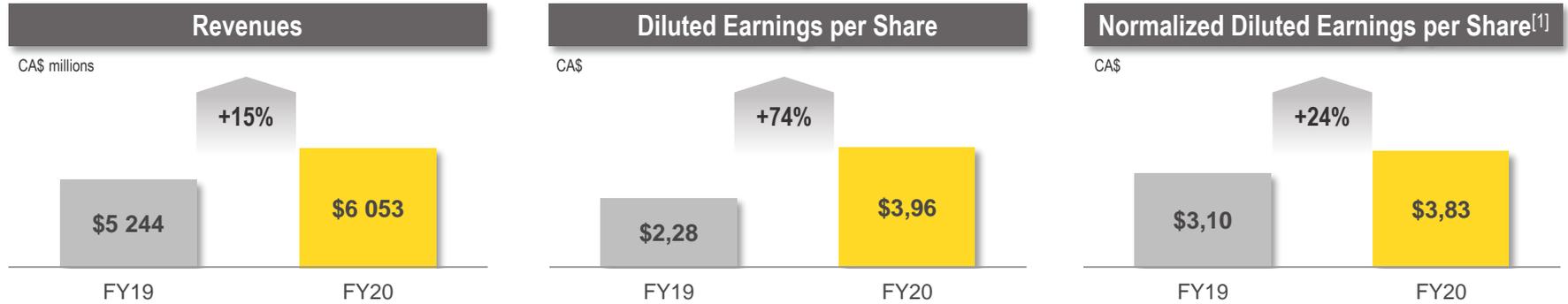
PRESIDENT AND CHIEF EXECUTIVE OFFICER

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2020



ADVENTURE BY DESIGN

# FY20 Revenues, EPS - Diluted and Normalized EPS - Diluted<sup>[1]</sup>



## Highlights vs. Last Year

- Increase of 15% in revenues primarily driven by higher wholesale of Year-Round Products
- Net income increased 63% to \$370.6M and diluted earnings per share increased 74% to \$3.96
- Normalized EBITDA<sup>[1]</sup> grew 23% to \$804.4M and normalized diluted earnings per share<sup>[1]</sup> was up 24% to \$3.83
- FY20 North American BRP retail sales for Seasonal Products and Year-Round Products increased 15%, or increased 17% when excluding snowmobile

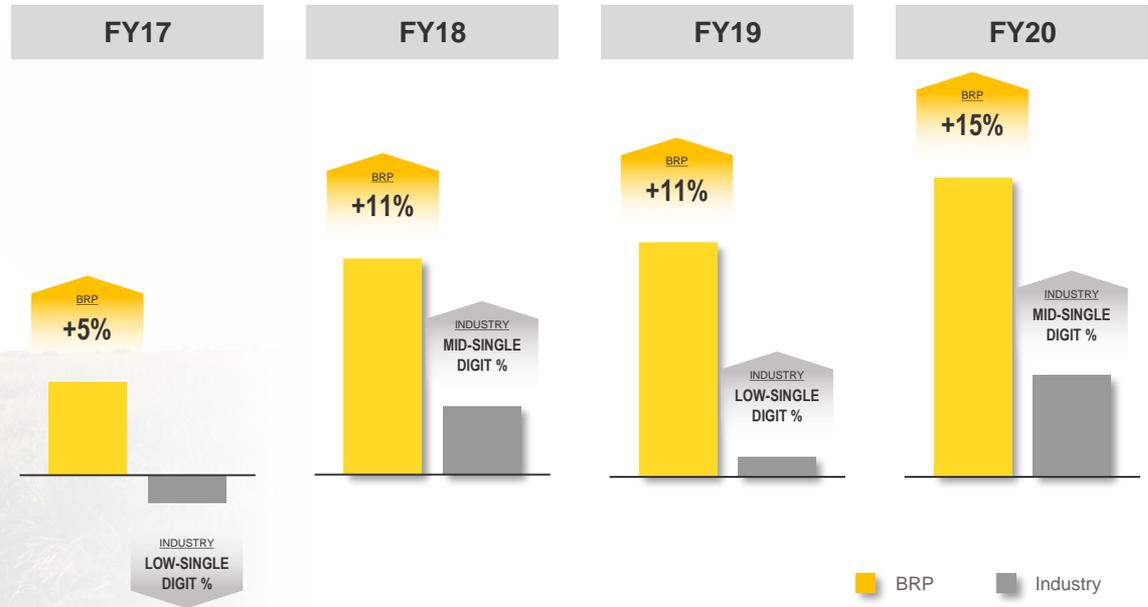
<sup>[1]</sup>For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix

**Delivered strong Normalized EPS - Diluted<sup>[1]</sup> growth of 24%**



# Constantly Outpacing the Industry for the last 4 Years

## North American Powersports Retail Growth



Outpacing the industry through relentless focus on innovation, dealer value proposition and execution



# Delivered our 2020 objective one year earlier than planned

**20**  
**20**  
**CHALLENGE**

	<u>REVENUES</u>	<u>NORMALIZED EPS<sup>[1]</sup></u>
OBJECTIVE	\$6.0B	\$3.50
FY20 RESULT	↑ \$6.1B	↑ \$3.83

<sup>[1]</sup>For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix

**We completed our 2020 Challenge one year in advance  
and we have set solid foundations for our future**

# Strong FY20 Q4 Retail<sup>[1]</sup> Growth Globally



	BRP	INDUSTRY <sup>[4]</sup>
NORTH AMERICA	▲ 12%	▲ LOW-SINGLE DIGIT %
NORTH AMERICA EXCL. SNOWMOBILES	▲ 21%	▲ MID-SINGLE DIGIT %
LATIN AMERICA <sup>[2]</sup>	▲ 19%	NOT AVAILABLE
EMEA <sup>[3]</sup>	▲ 7%	▼ LOW-SINGLE DIGIT %
ASIA-PACIFIC <sup>[3]</sup>	▲ 9%	▲ MID-SINGLE DIGIT %

<sup>[1]</sup>Powersports products retail

<sup>[2]</sup>Based on regions where retail data is available (excludes markets served through distributors)

<sup>[3]</sup>Industry is based on the three-month period from October to December

<sup>[4]</sup>Industry includes Three-Wheeled Motorcycles in North America and On-Highway Heavyweight Motorcycles in international markets

Delivered robust retail growth globally



# FY20 Q4: Continued Growth with all Product Lines in North America

## North American Powersports Retail Growth by Product Line

FY20 Q4 compared to FY19 Q4

▲ GROWTH ▼ DECLINE

		BRP	INDUSTRY	BRP VS. INDUSTRY
	TOTAL POWERSPORTS	▲ 12%	▲ LOW-SINGLE DIGIT %	▲
	POWERSPORTS EXCL. SNOWMOBILES	▲ 21%	▲ MID-SINGLE DIGIT %	▲
	SIDE-BY-SIDE VEHICLES	▲ LOW-THIRTY %	▲ HIGH-SINGLE DIGIT %	▲
	ALL-TERRAIN VEHICLES	▲ ABOUT 10%	▲ LOW-SINGLE DIGIT %	▲
	THREE-WHEELED VEHICLES	▲ LOW-SINGLE DIGIT %	▲ LOW-SINGLE DIGIT %	◀▶
	PERSONAL WATERCRAFT	▲ LOW-TEEN %	▲ LOW-TEEN %	◀▶
	SNOWMOBILES	▲ MID-SINGLE DIGIT %	▼ HIGH-SINGLE DIGIT %	▲

**Strong performance across the portfolio in Q4**



# Year-Round Products

## Highlights

### Year-Round Products revenues up 18%

- Mainly driven by a higher volume of SSV sold, partially offset by an unfavourable foreign exchange rate.

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

- Seven months into the 2020 season, the North American SSV industry is up high-single digit %
  - Can-Am SSV retail was up low-thirty % over the same period driven by continued market share gains in the Utility and Sport segments
- Can-Am SSV continued strong performance in international markets with over 30% retail growth for the quarter in EMEA, Latin America and Asia-Pacific regions

### All-Terrain Vehicles (ATV)

- Seven months into the 2020 season, the North American ATV industry is up low-single digit %
  - Can-Am ATV retail was up low-teen % over the same period primarily driven by market share gains in the mid-cc segments

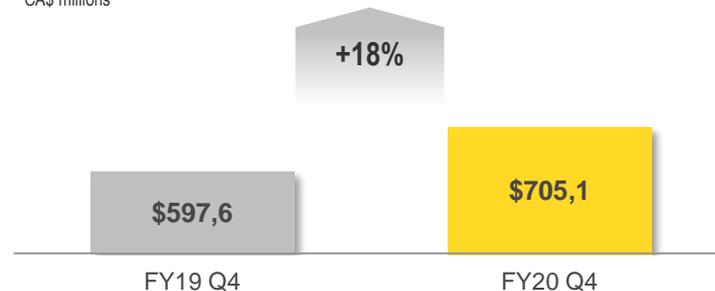
### Three-Wheeled Vehicles (3WV)

- Early into the 2020 season, the North American Three-Wheeled motorcycles is up low-single digit %
  - Can-Am 3WV retail was also up low-single digit %
- Can-Am 3WV retail up over 90% for the quarter in international markets

*\*All variations above represent a change vs. the same period in the previous year*

## Revenues

CA\$ millions



## Can-Am SSV: Strong Worldwide Retail Growth

FY20 Q4 Can-Am SSV Retail Sales Growth

Units



Can-Am SSV drove strong double-digit % retail growth in our key markets around the world

<sup>1</sup>Based on regions where retail data is available (excludes markets served through distributors)



# Seasonal Products

## Highlights

### Seasonal Products revenues down 6%

- Mainly driven by lower volume of PWC sold and an unfavourable foreign exchange rate variation

### Personal Watercraft (PWC)

- Four months into the 2020 season, the North American PWC industry is up low-teen %
  - Sea-Doo PWC retail is also up low-teen %
- Good season for counter-seasonal markets with continued market share gains in Australia and New-Zealand, and retail growth for the quarter of mid-twenty % in Brazil

### Snowmobile

- Ten months into the 2020 season, the North American snowmobile industry is about flat
  - Ski-Doo retail is up about 10%
  - Ski-Doo holding a record market share position season-to-date and holds the #1 market position in all segments of the industry in which it competes
- Seven months into the 2020 season, the Scandinavian snowmobile industry is down mid-teen % driven by difficult snow conditions
  - Ski-Doo and Lynx combined retail is down mid-single digit %

*\*All variations above represent a change vs. the same period in the previous year*

## Revenues

CA\$ millions

-6%

\$577,6

\$542,7

FY19 Q4

FY20 Q4

## MY21 Ski-Doo Line-up News

### Highlights

- › Rotax 600 EFI engine
- › Digital gauge pairable with the BRP GO! App
- › New suspension for Trail line-up



# Introducing the world's first factory-built 2-stroke turbocharged engine with an all-new Ski-Doo Summit 850 E-TEC Turbo snowmobile



## Offering Industry-leading Performance

- › First-ever factory-built 2-stroke turbocharged engine
- › Provides full 165 HP up to 8,000 feet of elevation and maintains a 40-HP advantage compared to normally aspirated engines
- › Purpose-built for a better deep-snow experience with lower seat height, shorter riser, smaller diameter handlebars, low handlebar strap and a lighter hood

## Significant Market Opportunity

### North American Snowmobile Industry

Units, Season 2019



Deep snow is one of the largest segment in the industry, and the one in which Ski-Doo has its lowest market share

## Successful Product Launch



Reached 3x more people than a typical Ski-Doo Launch

Introducing a game-changing technology to support our growth aspirations in one of the largest and most profitable segment in the snowmobile industry



# Powersports PA&A and OEM Engines / Marine

## Powersports PA&A and OEM Engines

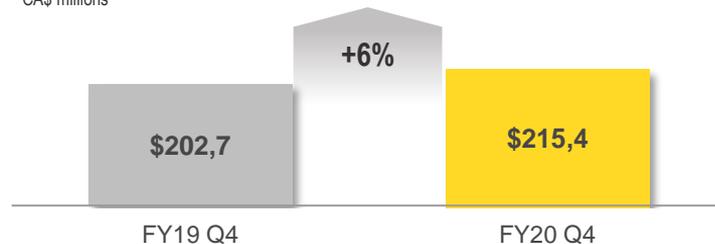
### Highlights

#### Powersports PA&A and OEM Engines revenues up 6%

- Primarily driven by a higher volume of Year-Round Products parts and accessories
  - Delivered double digit % accessories revenue growth with all Powersports product lines

### Revenues

CA\$ millions



## Marine

### Highlights

#### Marine revenues up 19%

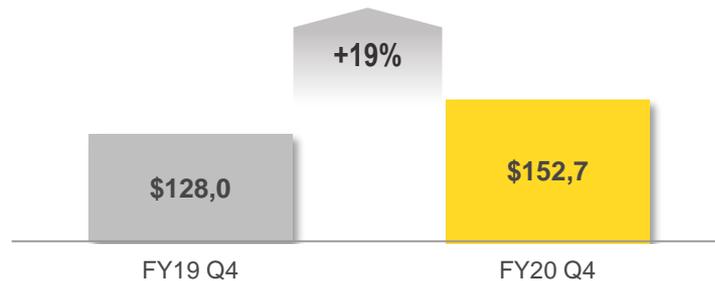
- Mainly due to the additional revenues following the acquisition of Telwater and a higher volume of outboard engines sold

#### Outboard Engines

- Seven months into the 2020 season, the North American outboard engines industry is about flat
  - Evinrude outboard engines retail was down about high-teen %

### Revenues

CA\$ millions



*\*All variations above represent a change vs. the same period in the previous year*



# SÉBASTIEN MARTEL

CHIEF FINANCIAL OFFICER

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2020



ADVENTURE BY DESIGN



# FY20 Q4 - Financial Highlights

CAS\$ millions (Unaudited)	Q4 Comparison			12-month Comparison		
	FY20	FY19	Change	FY20	FY19	Change
<b>Total Revenues</b>	<b>\$1,615.9</b>	<b>\$1,505.9</b>	<b>\$110.0</b>	<b>\$6,052.7</b>	<b>\$5,243.8</b>	<b>\$808.9</b>
Growth			+7.3%			+15.4%
<b>Gross Profit</b>	<b>\$383.7</b>	<b>\$334.9</b>	<b>\$48.8</b>	<b>\$1,454.0</b>	<b>\$1,253.4</b>	<b>\$200.6</b>
As a % of revenues	23.7%	22.2%		24.0%	23.9%	
<b>Operating Income</b>	<b>\$197.4</b>	<b>\$126.5</b>	<b>\$70.9</b>	<b>\$604.3</b>	<b>\$472.6</b>	<b>\$131.7</b>
<b>Normalized EBITDA<sup>[2]</sup></b>	<b>\$221.8</b>	<b>\$181.9</b>	<b>\$39.9</b>	<b>\$804.4</b>	<b>\$655.9</b>	<b>\$148.5</b>
Growth			+21.9%			+22.6%
<b>Net Income</b>	<b>\$118.2</b>	<b>\$82.7</b>	<b>\$35.5</b>	<b>\$370.6</b>	<b>\$227.3</b>	<b>\$143.3</b>
<b>EPS – Diluted</b>	<b>\$1.32</b>	<b>\$0.84</b>	<b>\$0.48</b>	<b>\$3.96</b>	<b>\$2.28</b>	<b>\$1.68</b>
Growth			+57.1%			+73.7%
<b>Normalized Net Income<sup>[2]</sup></b>	<b>\$100.2</b>	<b>\$85.8</b>	<b>\$14.4</b>	<b>\$358.4</b>	<b>\$308.6</b>	<b>\$49.8</b>
<b>Normalized EPS – Diluted<sup>[2]</sup></b>	<b>\$1.12</b>	<b>\$0.88</b>	<b>\$0.24</b>	<b>\$3.83</b>	<b>\$3.10</b>	<b>\$0.73</b>
Growth			+27.3%			+23.5%
<b>Free Cash Flow<sup>[3]</sup></b>	<b>\$11.0</b>	<b>\$64.9</b>	<b>(\$53.9)</b>	<b>\$224.8</b>	<b>\$262.6</b>	<b>(\$37.8)</b>
<b>CAPEX</b>	<b>(\$127.8)</b>	<b>(\$117.8)</b>	<b>(\$10.0)</b>	<b>(\$330.7)</b>	<b>(\$298.6)</b>	<b>(\$32.1)</b>

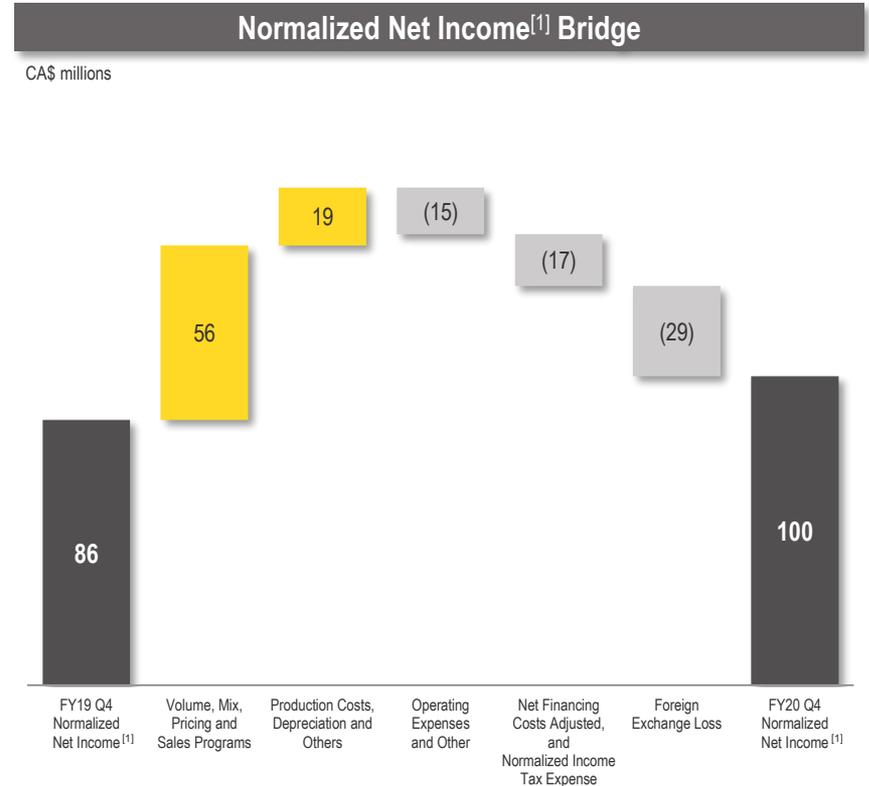
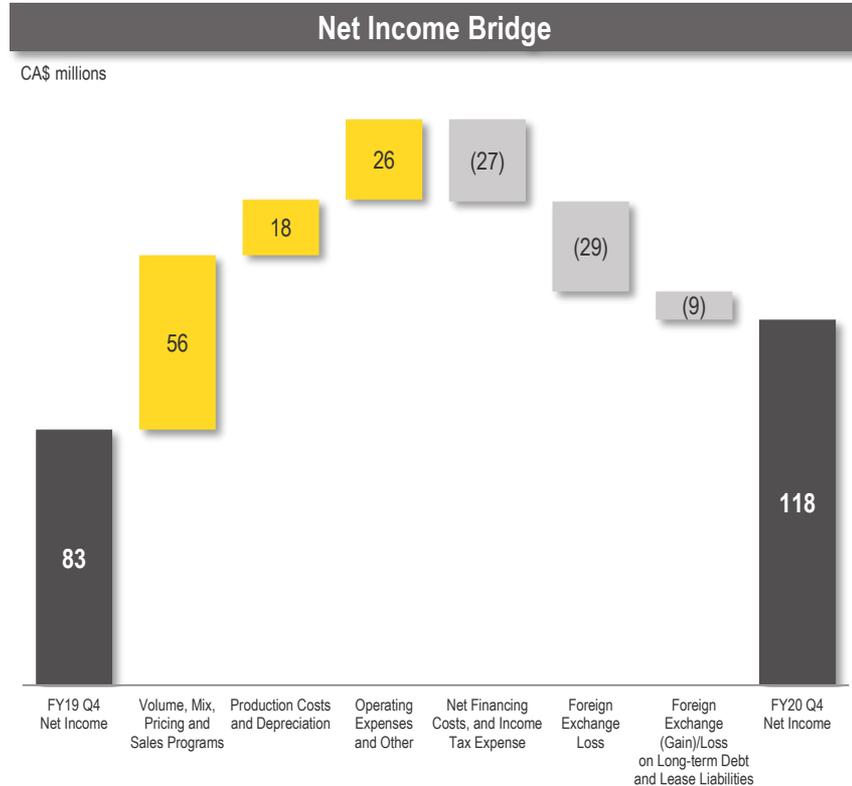
<sup>[1]</sup>See "Restated" section in appendix

<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



# FY20 Q4 - Net Income and Normalized Net Income<sup>[1]</sup> Bridge



<sup>[1]</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 FY20 Q4 up 7% from FY19 Q4 level

- Increase primarily driven by:
  - Strong demand for Can-Am SSV line-up, and;
  - Shipments of MY20 Can-Am Ryker
- Partially offset by a decrease in network inventory for snowmobile and PWC

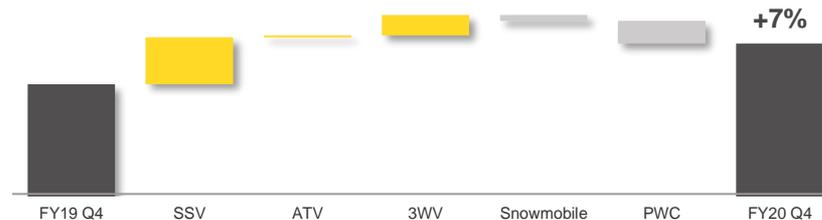
## Healthy network inventory level

- Number of days of inventory in-line with targets across all product lines
- Very low level of aged inventory
  - Network inventory over 18 months old represents less than 2.5% of total inventory

**Constantly monitoring our network inventory to maintain healthy levels**

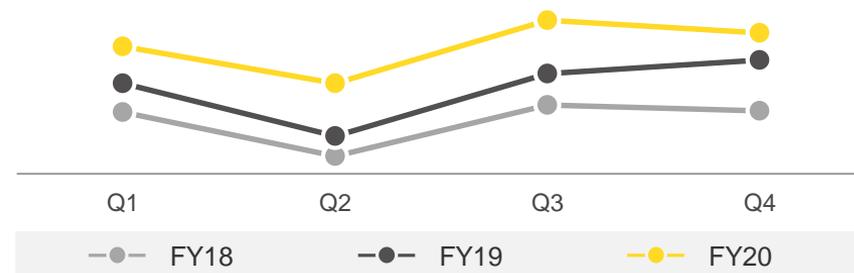
## Dealer Inventory Year-over-Year Bridge

Units, Excluding Outboard Engines and Boats



## Dealer Inventory Evolution

Units, Excluding Outboard Engines and Boats



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



# FY21 Outlook

## › Ended FY20 with strong foundations in a healthy industry backdrop

- Achieved record financial results and retail performance in FY20
- Industry dynamics remained positive throughout FY20 with continued growth across most of our product lines, especially with SSV

## › Started FY21 well positioned to continue outpacing the industry, and our plan for the year<sup>[1]</sup> called for:

- Top line growth across all our product segments, with SSV continuing to lead the way, driven by our solid product line-ups, best-in-class dealer value proposition, and a solid pipeline of product introductions
- Normalized EPS - Diluted<sup>[2]</sup> growth primarily driven by volume increase
- Continued investments in the business to support our product introductions, and the modernization of our IT systems

## › Managing through the COVID-19 uncertainty

- The coronavirus situation is evolving quickly, and its potential impact on our business and the global economy remains unknown and difficult to predict
- While the impact on the company has been limited so far, it will likely represent a headwind to the business over the next months and we are taking action accordingly
  - Assessment of potential impacts and development of action plans are on-going
  - Cost mitigation procedures are already put in place



<sup>[1]</sup>Prior to the uncertainties created by COVID-19  
<sup>[2]</sup>For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix  
Please refer to "Forward-Looking Statements" at the beginning of this presentation for a summary of key assumptions and important risk factors underlying our expectations for FY21

**While we are well positioned to continue to lead the Powersports industry,  
due to the volatility of the situation, we will not be issuing guidance for FY21 at this time**



# CLOSING REMARKS

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2020



# Q&A PERIOD

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2020



ADVENTURE BY DESIGN



# APPENDIX

QUARTERLY REVIEW  
FOURTH QUARTER ENDED JANUARY 31, 2020



# Reconciliation Tables

CA\$ millions (Unaudited)	Three-month periods ended		Twelve-month periods ended	
	Jan. 31, 2020	Jan. 31, 2019	Jan. 31, 2020	Jan. 31, 2019
<b>Net Income</b>	<b>\$118.2</b>	<b>\$82.7</b>	<b>\$370.6</b>	<b>\$227.3</b>
Normalized Elements:				
Foreign Exchange Loss on Long-term Debt and Lease Liabilities	9.9	0.8	10.4	69.8
Transaction Costs and Other Related Expenses <sup>[1]</sup>	0.6	1.0	2.9	2.7
Restructuring and Related Costs (Reversal) <sup>[2]</sup>	(0.3)	0.4	1.7	1.3
(Gain)/Loss on Litigation <sup>[3]</sup>	(40.4)	0.2	(40.0)	1.3
Transaction Costs on Long-term Debt	-	-	-	8.9
Pension Plan Past Service Gains	-	-	-	(1.4)
Depreciation of Intangible Assets Related to Business Combinations	1.2	0.7	3.6	1.2
Other Elements	0.9	0.2	0.9	1.3
Income Tax Adjustment	10.1	(0.2)	8.3	(3.8)
<b>Normalized Net Income<sup>[6]</sup></b>	<b>100.2</b>	<b>85.8</b>	<b>358.4</b>	<b>308.6</b>
Normalized Income Tax Expense <sup>[6]</sup>	35.0	24.0	126.8	105.4
Financing Costs Adjusted <sup>[4][6]</sup>	24.9	19.9	90.9	68.0
Financing Income Adjusted <sup>[4][6]</sup>	(0.3)	(0.7)	(2.2)	(2.2)
Depreciation Expense Adjusted <sup>[5][6]</sup>	62.0	52.9	230.5	176.1
<b>Normalized EBITDA<sup>[6]</sup></b>	<b>\$221.8</b>	<b>\$181.9</b>	<b>\$804.4</b>	<b>\$655.9</b>
Weighted Average Number of Shares – Diluted	89,888,161	97,975,542	93,813,815	99,588,888
<b>Normalized Earnings per Share – Diluted<sup>[6]</sup></b>	<b>\$1.12</b>	<b>\$0.88</b>	<b>\$3.83</b>	<b>\$3.10</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 normal course issuer bid program ("NCIB") gains and losses in net income.

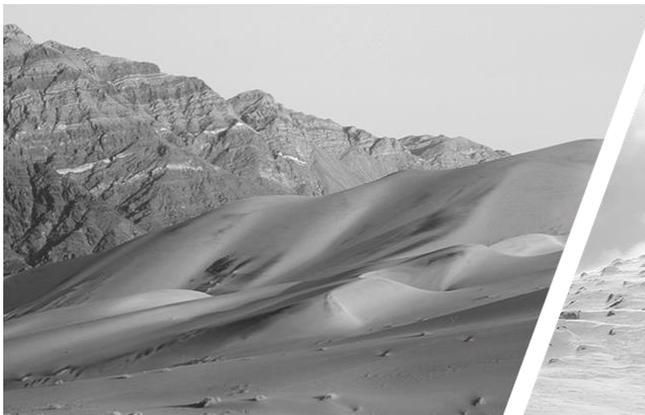
<sup>[5]</sup>Adjusted for depreciation of intangible assets acquired through business combinations.

<sup>[6]</sup>See "Non-IFRS Measures" section below.

**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 press release for the quarter ended January 31, 2020.





*SKI-DOO LYNX SEADOO EVIRUDE ROTAX CAN-AM*