



## QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2019



# Forward-Looking Statements

## Caution concerning forward-looking statements

Certain information included in this presentation, including, but not limited to, statements relating to our Fiscal Year 2020 financial outlook (including revenues, Normalized EBITDA, Effective Tax Rate, Normalized earnings per share, net income, depreciation expense and capital expenditures), the declaration and payment of dividends, the Company's ability to achieve its Fiscal Year 2020 guidance, the Company's intention to undertake a substantial issuer bid ("Offer") and the terms thereof (including the maximum dollar value of subordinate voting shares the Company may purchase under the Offer and the timing for launch and completion of the Offer), the Company's intention to incur a new term loan tranche (including the terms and conditions of such new term loan tranche) 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 believed 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 2020 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. 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 Offer not occurring as expected, any failure of any condition to the Offer, any inability to obtain any required regulatory approvals or exemptive relief, the extent to which shareholders elect to tender their shares under the Offer, the Company having sufficient financial resources and working capital following completion of the Offer, the market for the Company's shares following completion of the Offer being materially less liquid than the market that exists at the time the Offer is commenced, the Offer launching and/or being completed on time and the Company's and its subsidiaries' success in anticipating and managing the foregoing factors, and the following factors, which are discussed in greater detail under the heading "Risk Factors" in the Company's most recent Annual Information Form filed with the Canadian Securities Administrators (available at [sedar.com](http://sedar.com)) and on Form 40-F with the Securities and Exchange Commission in the United States (available at <https://www.sec.gov/>): 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; 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; 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.

The forward-looking statements contained in this presentation are made as of the date of this presentation and 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.



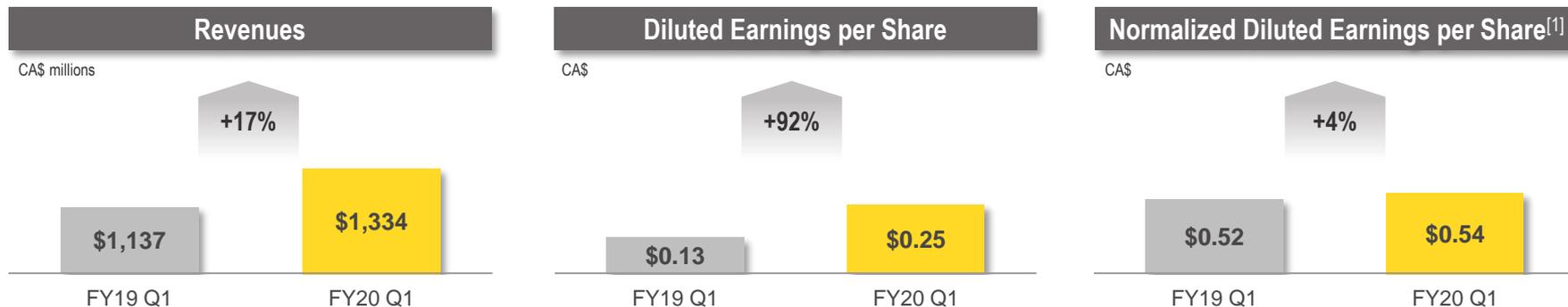
# JOSÉ BOISJOLI

PRESIDENT AND CHIEF EXECUTIVE OFFICER

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2019



# FY20 Q1 Revenues, EPS - Diluted and Normalized EPS - Diluted<sup>[1]</sup>



## Highlights vs. Last Year

- Increase of 17% in revenues mainly driven by higher wholesale of Year-Round Products
- Strong growth in all regions with revenues up 19% in the United States, 12% in Canada and 17% at International
- Net income increased 78% to \$23.8M and diluted earnings per share increased 92% to \$0.25
- Normalized EBITDA<sup>[1]</sup> grew 16% to \$146.7M and normalized diluted earnings per share<sup>[1]</sup> was up 4% to \$0.54
- North American BRP retail sales for Seasonal Products and Year-Round Products increased 14%, or 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

**Increasing our Normalized EPS - Diluted<sup>[1]</sup> guidance to a range of \$3.55 to \$3.75, up 15% to 21% from FY19 Normalized EPS - Diluted<sup>[1]</sup>**



# Strong Retail Growth in North America, EMEA and Asia-Pacific



	BRP	INDUSTRY <sup>[2]</sup>
NORTH AMERICA	▲ 14%	▲ HIGH-SINGLE DIGIT %
NORTH AMERICA EXCL. SNOWMOBILES	▲ 17%	▲ MID-SINGLE DIGIT %
LATIN AMERICA	▼ 13%	NOT AVAILABLE
EMEA <sup>[1]</sup>	▲ 18%	▲ MID-TEEN %
ASIA-PACIFIC <sup>[1]</sup>	▲ 5%	▼ MID-SINGLE DIGIT %

<sup>[1]</sup>Three-month period from January to March  
<sup>[2]</sup>Industry includes Three-Wheeled Motorcycles in North America and On-Highway Heavyweight Motorcycles in international markets

**Continuing to outpace the industry**



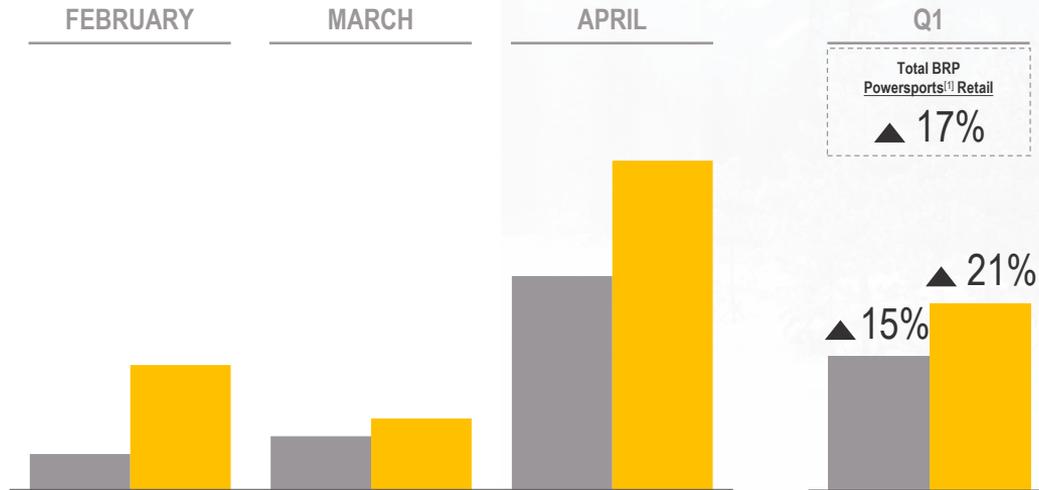
# FY20 Q1: Retail Impacted by a Cold and Wet Spring Season in Northern US and Canada

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

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

Units, excluding snowmobile

■ Snowbelt ■ Sunbelt



<sup>[1]</sup>Excluding snowmobile

The cold and wet spring impacted our retail in Q1, especially in the snowbelt, However, we saw improved retail trend late in April and throughout May



# FY20 Q1: Solid Growth with all Product Lines in North America

## North American Powersports Retail Growth by Product Line

FY20 Q1 compared to FY19 Q1

▲ GROWTH ▼ DECLINE

		BRP	INDUSTRY	BRP VS. INDUSTRY
	TOTAL POWERSPORTS	▲ 14%	▲ HIGH-SINGLE DIGIT %	▲
	POWERSPORTS EXCL. SNOWMOBILES	▲ 17%	▲ MID-SINGLE DIGIT %	▲
	SIDE-BY-SIDE VEHICLES	▲ HIGH-SINGLE DIGIT %	▲ MID-SINGLE DIGIT %	▲
	ALL-TERRAIN VEHICLES	▲ HIGH-SINGLE DIGIT %	▲ LOW-SINGLE DIGIT %	▲
	THREE-WHEELED VEHICLES	▲ OVER 110%	▲ MID-FORTY %	▲
	PERSONAL WATERCRAFT	▲ HIGH-SINGLE DIGIT %	▲ LOW-TEEN %	▼
	SNOWMOBILES	▲ MID-SINGLE DIGIT %	▲ HIGH-TEEN %	▼

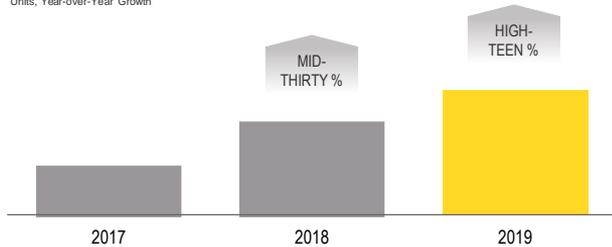
**Strong growth both for BRP and the industry across all sectors in Q1 despite unfavorable weather**



# Well Positioned to Continue on our Growth Trajectory in SSV

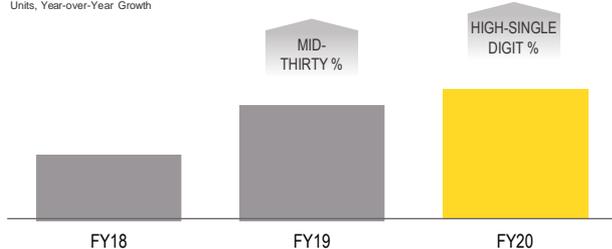
## Can-Am SSV Season-to-Date Retail Growth

North American Can-Am SSV Retail Sales  
Units, Year-over-Year Growth



## Can-Am SSV Q1 Retail Growth

North American Can-Am SSV Retail Sales  
Units, Year-over-Year Growth



### > Strong retail growth season-to-date

- Largest market share taker in the industry, gaining shares in both the Utility and Sport segments

### > FY20 Q1 high-single digit % retail growth vs. a very strong FY19 Q1

- Ability to further grow hampered by limited Can-Am Defender availability resulting from the planned 2-week production shut down to complete Phase 2 of capacity expansion
- Challenging weather and promotions from competition also impacted retail

### > Well positioned to continue delivering sustained growth in FY20

- High-teen % retail growth in April and momentum continuing in May
- Eighth new SSV platform coming up in June
- Full availability of Juarez 2 Phase 2 production capacity increase

**Solid momentum with Can-Am SSV and well positioned to continue to grow**



# Year-Round Products

## Highlights

### Year-Round Products revenues up 19%

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

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

- Ten months into the 2019 season, the North American SSV industry is up mid-single digit %
  - Can-Am SSV retail was up high-teen % over the same period
- Can-Am SSV continued gaining shares in EMEA and Asia-Pacific regions

### All-Terrain Vehicles (ATV)

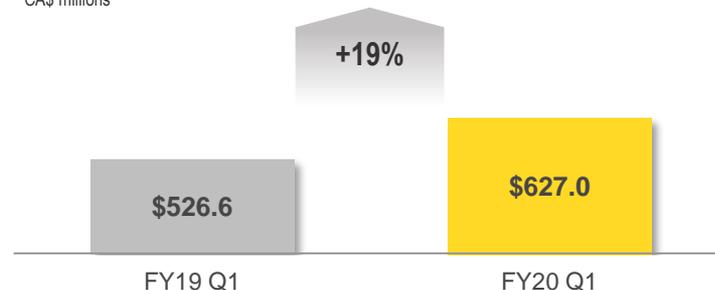
- Ten months into the 2019 season, the North American ATV industry is down low-single digit %
  - Can-Am ATV retail was up high-single digit % over the same period driven by market share gains in the high-cc segment

### Three-Wheeled Vehicles (3WV)

- Six months into the 2019 season, the North American Three-Wheeled motorcycles industry is up low-forty %
  - Can-Am 3WV retail up over 120% season-to-date driven by the introduction of the Can-Am Ryker

## Revenues

CA\$ millions



## Strong Momentum for the Can-Am Ryker

WORLDWIDE  
IMPRESSIONS

>1B

WEBSITE  
VISITS<sup>(1)</sup>

+144%

BUILD  
YOUR OWN<sup>(1)</sup>

+563%

RIDE SHOW  
REGISTRATIONS

>8K



<sup>(1)</sup> Compared to the same period last year



# Seasonal Products

## Highlights

### Seasonal Products revenues up 7%

- Mainly driven by a favourable product mix and price increases in PWC and a favourable foreign exchange rate variation

### Snowmobile

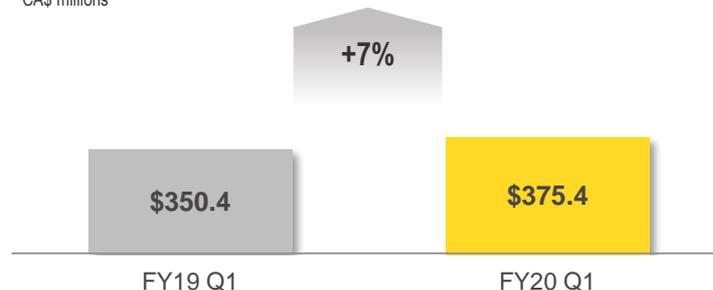
- The North American snowmobile industry completed its 2019 season with retail up low-single digit %
  - Ski-Doo retail was slightly down for the season
  - Ski-Doo retail decline driven by limited availability of non-current units in the network early in the season
- Ski-Doo and Lynx retail up mid-teen % in EMEA for the quarter

### Personal Watercraft (PWC)

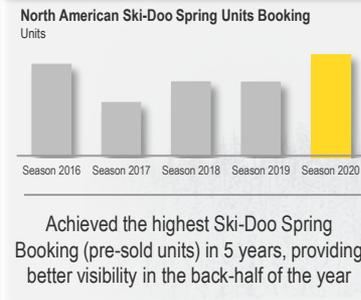
- Still early into the 2019 season, the North American PWC industry was up high-single digit %
  - Sea-Doo PWC retail was also up high-single digit % over the same period
- Continued strong momentum late in counter-season markets, Brazil and Australia/New-Zealand

## Revenues

CA\$ millions



## Strong Spring Units Booking for Ski-Doo



# Powersports PAC and OEM Engines

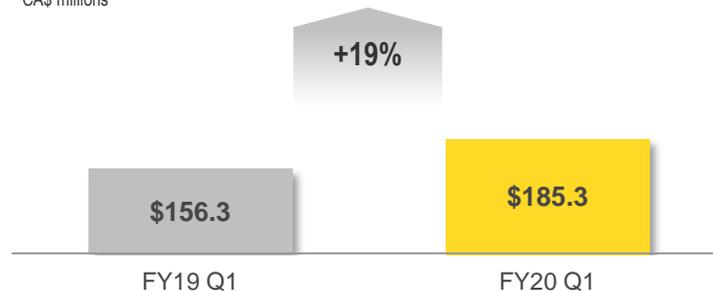
## Highlights

### Powersports PAC and OEM Engines revenues up 19%

- Mainly driven by a higher volume of 3WV, SSV and PWC accessories and a higher volume of snowmobile and PWC parts
- Strong end of season for snowmobile parts sales driven by the extended riding season due to the late spring
- Can-Am Ryker accessories sales per unit trending about 50% above target

## Revenues

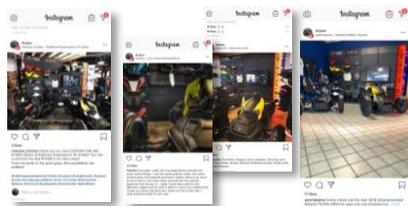
CA\$ millions



## Can-Am Ryker Design Lab



The Design Lab is now in the vast majority of dealers and it is facilitating the customization process which is driving momentum with both the dealers and the customers



## LinQ System



The LinQ system enables the use of accessories across product lines generating high value for our customers



# Marine

## Highlights

### Marine revenues up 33%

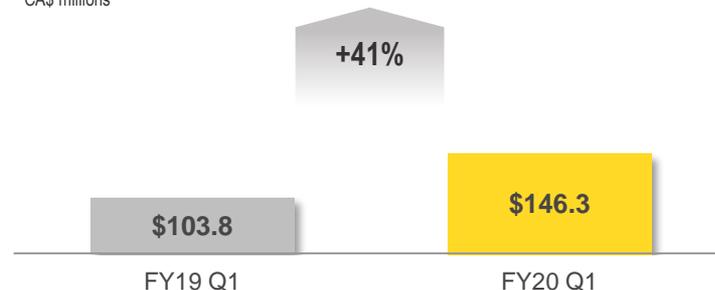
- Mainly due to the acquisition of Alumacraft and Manitou, partially offset by a lower volume of outboard engines sold

### Outboard Engines

- Ten months into the 2019 season, the North American outboard engines industry is up low-single digit %
  - Evinrude outboard engines retail was down low-teen % over the same period
- Evinrude quarterly retail up over 20% in EMEA and Asia-Pacific regions

## Revenues

CA\$ millions



## Strengthening our Marine Group: To Acquire an 80% Stake in Telwater

### ALUMACRAFT



Premier manufacturer of aluminum fishing boat  
Strong brand with over 70 years history  
Over 275 dealers in North America

Acquired in June 2018

### MANITOU



Leading manufacturer of pontoon  
Industry-leader in innovation  
Over 150 dealers in North America

Acquired in August 2018

### TELWATER



Australia's leading manufacturer of aluminum boats  
Over 180 dealers in Australia and Asia-South Pacific

Expected Closing in Q2

### OUR MARINE STRATEGY

SHORT-TERM  
**BUY**



MID-TERM  
**BUILD**



LONG-TERM  
**TRANSFORM**



Continuing to develop a critical mass through the acquisition of high quality boat OEMs with the objective of transforming the industry and becoming a leading global marine company



# SÉBASTIEN MARTEL

CHIEF FINANCIAL OFFICER

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2019



ADVENTURE BY DESIGN



# FY20 Q1 - Financial Highlights

CAS\$ millions	Q1 Comparison		
	FY20	FY19	Change
<b>Total Revenues</b>	<b>\$1,333.7</b>	<b>\$1,136.7</b>	<b>\$197.0</b>
Growth			+17.3%
<b>Gross Profit</b>	<b>\$300.6</b>	<b>\$281.6</b>	<b>\$19.0</b>
As a % of revenues	22.5%	24.8%	
<b>Operating Income</b>	<b>\$89.0</b>	<b>\$86.2</b>	<b>\$2.8</b>
<b>Normalized EBITDA<sup>[1]</sup></b>	<b>\$146.7</b>	<b>\$126.6</b>	<b>\$20.1</b>
Growth			+15.9%
<b>Net Income</b>	<b>\$23.8</b>	<b>\$13.4</b>	<b>\$10.4</b>
<b>EPS – Diluted</b>	<b>\$0.25</b>	<b>\$0.13</b>	<b>\$0.12</b>
Growth			+92.3%
<b>Normalized Net Income<sup>[1]</sup></b>	<b>\$52.7</b>	<b>\$53.5</b>	<b>(\$0.8)</b>
<b>Normalized EPS – Diluted<sup>[1]</sup></b>	<b>\$0.54</b>	<b>\$0.52</b>	<b>\$0.02</b>
Growth			+3.8%
<b>Free Cash Flow<sup>[2]</sup></b>	<b>\$52.3</b>	<b>\$36.0</b>	<b>\$16.3</b>
<b>CAPEX</b>	<b>(\$52.2)</b>	<b>(\$49.3)</b>	<b>(\$2.9)</b>

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

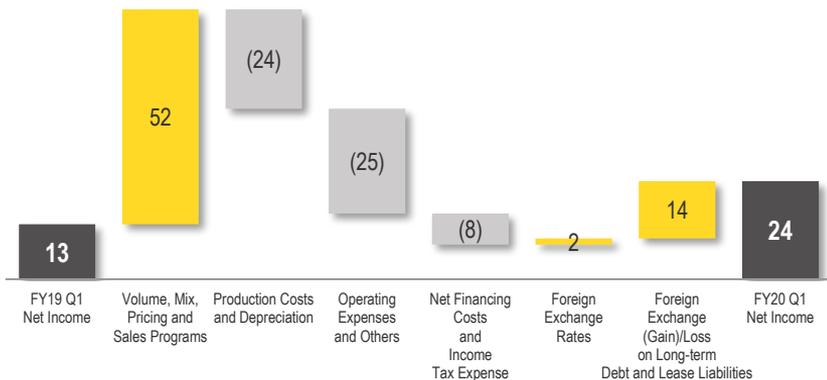
<sup>[2]</sup>Free cash flow is defined as net cash flow from operating activities minus capital expenditures



# FY20 Q1 - Net Income and Normalized Net Income<sup>[1]</sup> Bridge

## Net Income Bridge

CA\$ millions



## Normalized Net Income<sup>[1]</sup> Bridge

CA\$ millions



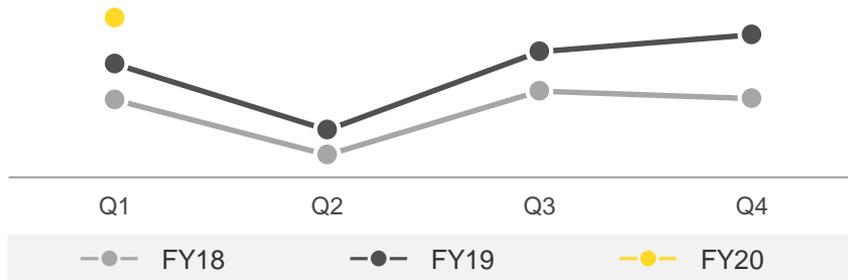
<sup>[1]</sup>For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix



# BRP North American Powersports Dealer Inventory

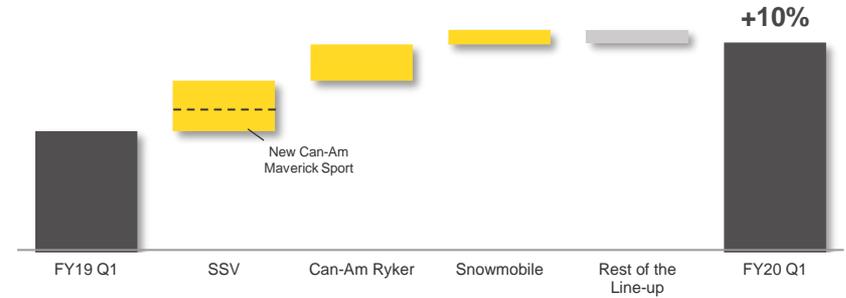
## Dealer Inventory Level

Units, Excluding Outboard Engines and Boats



## Dealer Inventory Bridge

Units, Excluding Outboard Engines and Boats



## Highlights

### Dealer inventory<sup>[1]</sup> ended FY20 Q1 up 10% from FY19 Q1 level

- Increase primarily driven by:
  - Strong demand for the Can-Am SSV line-up
  - The introduction of the Can-Am Ryker, and;
  - A slight increase in snowmobile network inventory
- Partially offset by a reduction in network inventory for the rest of the line-up,

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



# FY20 Full-Year Guidance - as at May 30, 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 was made.

Financial Metric	FY19	FY20 Guidance <sup>[3]</sup> vs FY19
Revenues		vs. Previous Guidance
Year-Round Products	\$2,240.6	↑ Up 14% to 19% (previously up 12% to 17%)
Seasonal Products	1,803.5	↑ Up 2% to 5% (previously Flat to up 3%)
Powersports PAC and OEM Engines	707.5	↑ Up 5% to 9% (previously up 2% to 7%)
Marine	492.2	↑ Up 17% to 22% (previously up 15% to 20%)
<b>Total Company Revenues</b>	5,243.8	↑ Up 9% to 13% (previously up 7% to 11%)
<b>Normalized EBITDA<sup>[1]</sup></b>	655.9	↑ Up 20% to 23% (previously up 19% to 23%)
Effective Tax Rate <sup>[1][2]</sup>	25.5%	26.5% to 27.0%
<b>Normalized Earnings per Share - Diluted<sup>[1]</sup></b>	\$3.10	↑ Up 15% to 21% (\$3.55 to \$3.75) (previously \$3.50 to \$3.70)
Net Income	227.3	\$350M to \$375M (assuming an Fx loss on long-term debt and lease liabilities of \$27.6M)

#### Other guidance:

- Expecting ~\$227M of Depreciation Expense compared to \$176M in FY19, ~\$85M of Net Financing Costs Adjusted and ~97.5M shares (decreased from 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



# CLOSING REMARKS

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2019



# Q&A PERIOD

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2019



# APPENDIX

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2019



# Reconciliation Tables

CA\$ millions	Three-month periods ended	
	Apr. 30, 2019	Apr. 30, 2018
<b>Net Income</b>	<b>\$23.8</b>	<b>\$13.4</b>
Normalized Elements:		
Foreign Exchange Loss on Long-Term Debt and Lease Liabilities	27.6	41.5
Transaction Costs and Other Related Expenses <sup>[1]</sup>	0.3	-
Restructuring and Related Costs <sup>[2]</sup>	-	0.2
Loss on Litigation <sup>[3]</sup>	0.2	0.6
Depreciation of Intangible Assets Related to Business Combinations	0.7	-
Other Elements	0.5	(2.0)
Income Tax Adjustment	(1.4)	(0.2)
<b>Normalized Net Income</b>	<b>52.7</b>	<b>53.5</b>
Normalized Income Tax Expense	20.0	20.0
Financing Costs	20.7	14.1
Financing Income Adjusted <sup>[4]</sup>	(0.8)	(0.6)
Depreciation Expense Adjusted <sup>[5]</sup>	54.1	39.6
<b>Normalized EBITDA</b>	<b>\$146.7</b>	<b>\$126.6</b>
Weighted Average Number of Shares – Diluted	97,771,532	101,821,392
<b>Normalized Earnings per Share – Diluted</b>	<b>\$0.54</b>	<b>\$0.52</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.

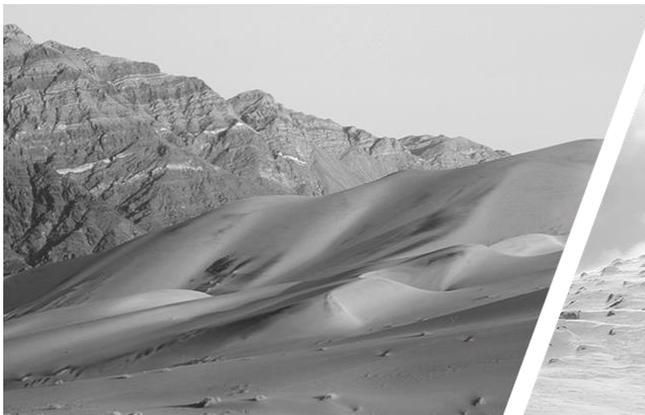
<sup>[3]</sup>The Company is involved in patent infringement litigation cases with one of its competitors.

<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.

**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 quarter ended April 30, 2019.





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