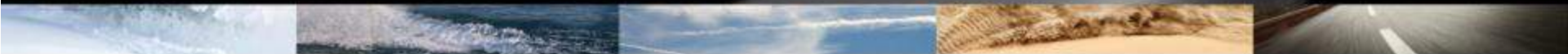




THE ULTIMATE POWERSPORTS EXPERIENCE



# QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2015

# 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.

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

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 the Company's Management Discussion and Analysis for the quarter ended January 31, 2015 dated March 26, 2015: 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; the Company's ability to comply with product safety, health, environmental and noise pollution laws; dependence on dealers, distributors, suppliers, financing sources and other strategic partners who may be sensitive to economic conditions; 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; covenants in the Company's financing and other material agreements; competition in product lines; loss of members of management team or employees who possess specialized market knowledge and technical skills; inability to maintain and enhance reputation and brands; adverse determination in any significant product liability claim against the Company; significant product repair and/or replacement due to product warranty claims or product recalls; reliance on a network of independent dealers and distributors to manage the retail distribution of its products; dependence on customer relationships for the sale of original equipment manufacturer products; unsuccessful management of inventory levels; risks associated with international operations; inability to enhance existing products and develop and market new products; inability to protect its intellectual property; failure of information technology systems; declining prices for used versions of products and oversupply by competitors; unsuccessful execution of manufacturing strategy; changes in tax laws and unanticipated tax liabilities; higher fuel costs; deterioration in relationships with employees; pension plan liabilities; natural disasters; failure to carry proper insurance coverage; no prior public market for subordinate voting shares; volatile market price for Subordinate Voting Shares; no current plans to pay dividends; public company expenses; conduct of business through subsidiaries; significant influence by principals shareholders; and future sales of shares by principal shareholders, directors, officers or senior management of the Company.

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





**JOSÉ BOISJOLI**

**PRESIDENT & CHIEF EXECUTIVE OFFICER**

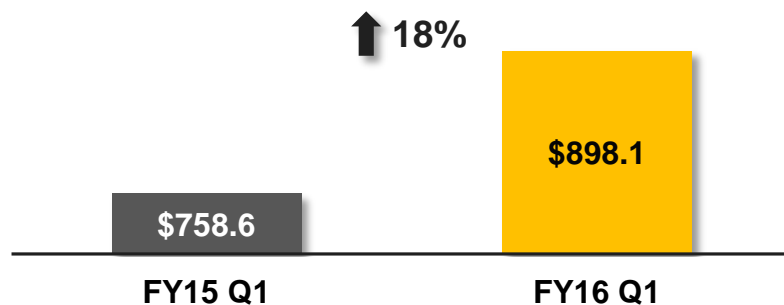
**QUARTERLY REVIEW**

FIRST QUARTER ENDED APRIL 30, 2015

# FY16 Q1 Revenues and Normalized EPS

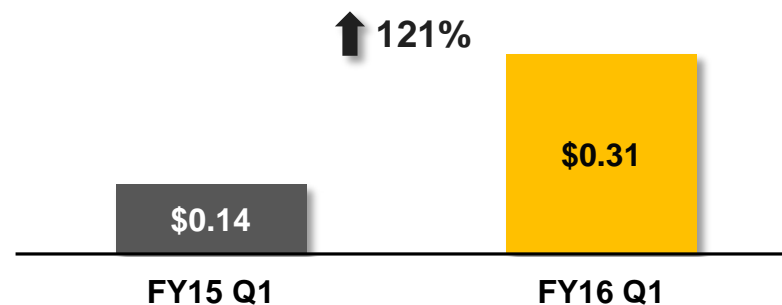
## Revenues

CA\$ millions



## Normalized EPS - Diluted<sup>[1]</sup>

CA\$ millions



## Financial Highlights

- Increase of 18% in revenues primarily driven by higher shipments of PWC, SSV and snowmobiles to Scandinavia
- Gross profit margin improved by 80bps to 23.7%
- Normalized EBITDA<sup>[1]</sup> grew 62% to \$91.5M
- Net income of \$83.1M, compared to a net income of \$28.0M for the same period last year
- Normalized diluted earnings per share<sup>[1]</sup> increased 121% to \$0.31

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





# FY16 Q1 Business Highlights

## Markets Dynamics

### North America

- Revenue growth of 28%
- BRP retail sales for *Seasonal Products* and *Year-Round Products* were up 6% in aggregate for the three-month period ended April 30, 2015 vs the same period last year
- Network inventory<sup>[1]</sup> was up 26% vs the end of FY15 Q1
  - Primarily driven by higher shipments of the Sea-Doo Spark in anticipation of increased retail demand and by higher snowmobile inventory compared to a record low level at the same time last year

### International

- Revenues down 1%
  - Driven by the weakening of the Euro against the Canadian dollar and difficult market conditions in Russia;
  - Offset by good end-of-season sales of snowmobile and related PAC in Scandinavia as well as good PWC momentum across Western Europe

## Operations

### Products

- Introduced MY16 snowmobile line-ups in March, and MY16 ORV line-up in June
- Won 4 Red Dot awards for high design quality for the Can-Am Spyder F3, the Sea-Doo Search and Rescue (SAR), the Evinrude E-TEC G2 and the Can-Am Outlander L ATV

### Business

- China joint venture effective as of February 1st 2015
- Launched share buyback program in April
- Completed PWC production transfer to Querétaro in May
- Repriced long-term facility reducing the interest rate by 25bps in May

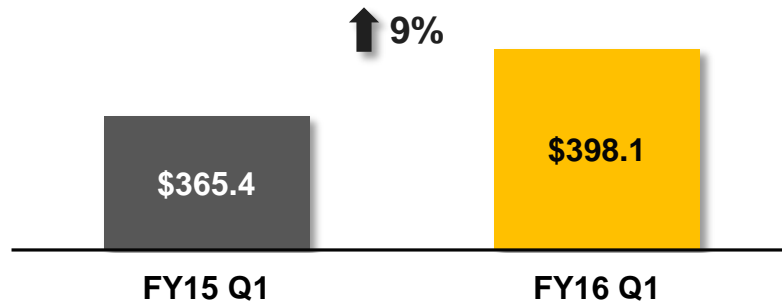
<sup>[1]</sup> Network inventory excluding *Propulsion Systems*



# Year-Round Products

## Revenues

CA\$ millions



## Can-Am ATV Outpacing the Industry



Excluding Youth ATV, season-to-date the N.A. industry is flat and Can-Am is up high-single digits %

## Business Dynamics

**Increase in *Year-Round Products* revenues primarily attributable to SSV with the introduction of the Maverick X ds Turbo**

### Off-Road Vehicles

- N.A. SSV industry retail was up mid-teens digits % ten months into the season
  - Can-Am SSV retail was up mid-single digits %
- N.A. ATV industry retail was up low-single digits % ten months into the season
  - Can-Am ATV retail was up mid-single digits % driven by the introduction of the Outlander L

### Roadsters

- Still early into the season, N.A. motorcycle industry retail was up high-single digits %
- Can-Am Spyder retail was down low-single digits %
  - Spyder F3 retailing as planned
  - The overall Spyder retail decline primarily driven by a tough comparable for the Spyder RT due to a strong Q1 last year when a new 1330cc engine was introduced in the RT



# MY16 ORV Line-up News



INTRODUCED THREE NEW CLASS-LEADING ROTAX ATV ENGINES: 570CC, 850CC AND 1000CC

INCREASED THE POWER OF THE 1000CC TURBO ENGINE TO 131HP AND EXTENDED ITS AVAILABILITY TO MORE AFFORDABLE MODELS

EXPANDED THE OUTLANDER L LINE-UP BY INTRODUCING NEW SPECIALIZED MODELS

**Can-Am ORV expanding its line-up to offer more functionality, affordability and industry-leading performance**





# New Partnership with Mossy Oak®



## BRP and Mossy Oak® Partnership

- **Who is Mossy Oak®?:**
  - Industry leader in modern camouflage designs
  - Broad credibility and appeal within the hunting community, with deep consumer knowledge
- **Partnership:**
  - 2016 Can-Am SSV Commander, ATV Outlander and Outlander L to feature Mossy Oak®'s all new Break-Up Country® pattern
  - Collaborate on a joint marketing effort

## Hunting Community Opportunity

- **Over 15 million hunters in North America**
- **Higher household income than the average off-road industry**
- **High percentage own ORVs**

Hunting community represents a sizeable untapped potential for Can-Am and our partnership with Mossy Oak® is expected to accelerate our presence in that market

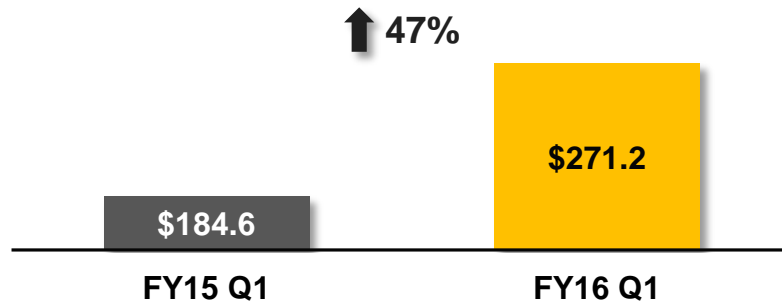




# Seasonal Products

## Revenues

CA\$ millions



## MY16 Sea-Doo Spark



Sea-Doo Spark continues to be the industry's main growth driver in its second season

## Business Dynamics

### Increase in *Seasonal Products* revenues driven by:

- Shipments pattern return to normal for traditional PWC following the completion of the production ramp-up phase at the Querétaro facility
- Additional Sea-Doo Spark shipments to sustain expected demand growth in the coming retail season

### PWC

- Early in the season, the North American industry retail was up mid-single digits %
  - Sea-Doo retail was up high-single digits % over the same period

### Snowmobiles

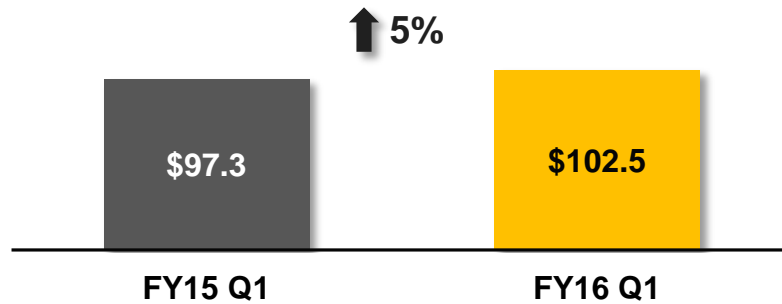
- North American snowmobile industry retail ended season 2015 up mid-single digits %
  - Ski-Doo retail sales were up high-single digits %, gaining share and maintaining the #1 position in the industry
- Scandinavian snowmobile industry season-to-date retail down mid-single digits %
  - Ski-Doo and Lynx combined market share declined slightly over the same period
  - Higher than anticipated shipments in Q1 due to improved snow condition at the end of the season



# Propulsion Systems

## Revenues

CA\$ millions



## Evinrude Network Expansion Update

Additions since the beginning of FY15<sup>[1]</sup>

BOAT  
MANUFACTURERS

+28

MARINE  
DEALERS

+99

## Business Dynamics

5% increase in *Propulsion Systems* revenues primarily attributable to a favourable mix of outboard engines driven by the introduction of Evinrude E-TEC G2 engines

### Outboard Engines

- Ten months into the 2015 season, North American industry retail was up high-single digits %
- BRP retail sales were also up high-single digits % over the same period



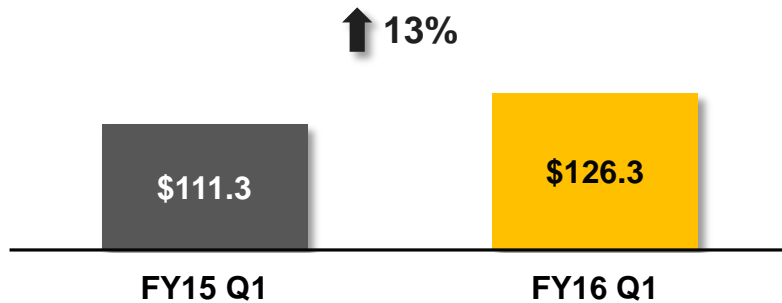
<sup>[1]</sup> Period from February 1, 2014 to April 30, 2015



# Parts, Accessories and Clothing

## Revenues

CA\$ millions



## Business Dynamics

### Parts, Accessories and Clothing

- Growth primarily driven by higher volume of *Year-Round Products* and outboard engines PAC resulting from new product introductions

## PAC Distribution Transfer



Transfer of PAC distribution activities to a third party is completed and the service level to our dealers is continuously improving





**SÉBASTIEN MARTEL**

CHIEF FINANCIAL OFFICER

**QUARTERLY REVIEW**

FIRST QUARTER ENDED APRIL 30, 2015

# FY16 Q1 - Financial Highlights

CA\$ millions	Q1 comparison		
	FY16	FY15	Change
<b>Total Revenues</b>	<b>\$898.1</b>	<b>\$758.6</b>	<b>\$139.5</b>
Growth	+18.4%		
<b>Gross Profit</b>	<b>\$212.9</b>	<b>\$173.4</b>	<b>\$39.5</b>
As a % of revenues	23.7%	22.9%	
<b>Operating Income</b>	<b>\$63.8</b>	<b>\$28.4</b>	<b>\$35.4</b>
As a % of revenues	7.1%	3.7%	
<b>Net Income</b>	<b>\$83.1</b>	<b>\$28.0</b>	<b>\$55.1</b>
As a % of revenues	9.3%	3.7%	
<b>Normalized Net Income<sup>[1]</sup></b>	<b>\$37.2</b>	<b>\$16.6</b>	<b>\$20.6</b>
<b>Normalized EBITDA<sup>[1]</sup></b>	<b>\$91.5</b>	<b>\$56.6</b>	<b>\$34.9</b>
<b>EPS - Diluted</b>	<b>\$0.70</b>	<b>\$0.24</b>	<b>\$0.46</b>
<b>Normalized EPS – Diluted<sup>[1]</sup></b>	<b>\$0.31</b>	<b>\$0.14</b>	<b>\$0.17</b>

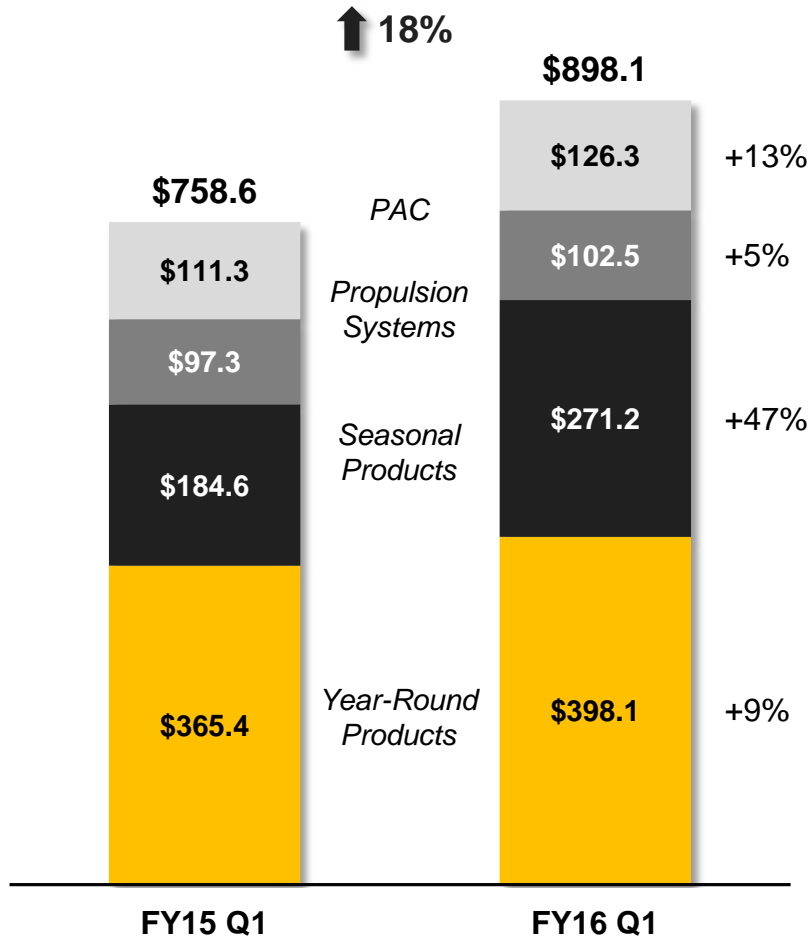
<sup>[1]</sup> For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix



# FY16 Q1 - Revenues by Product Category and Geography

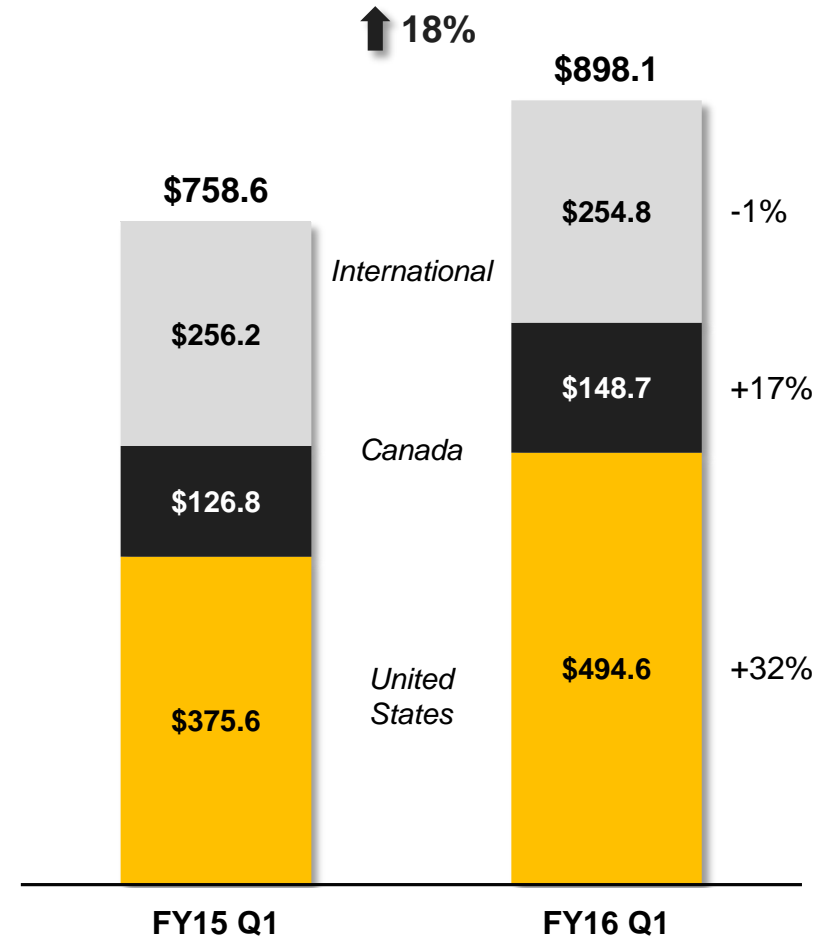
## Revenues by Product Category

CA\$ millions



## Revenues by Geography

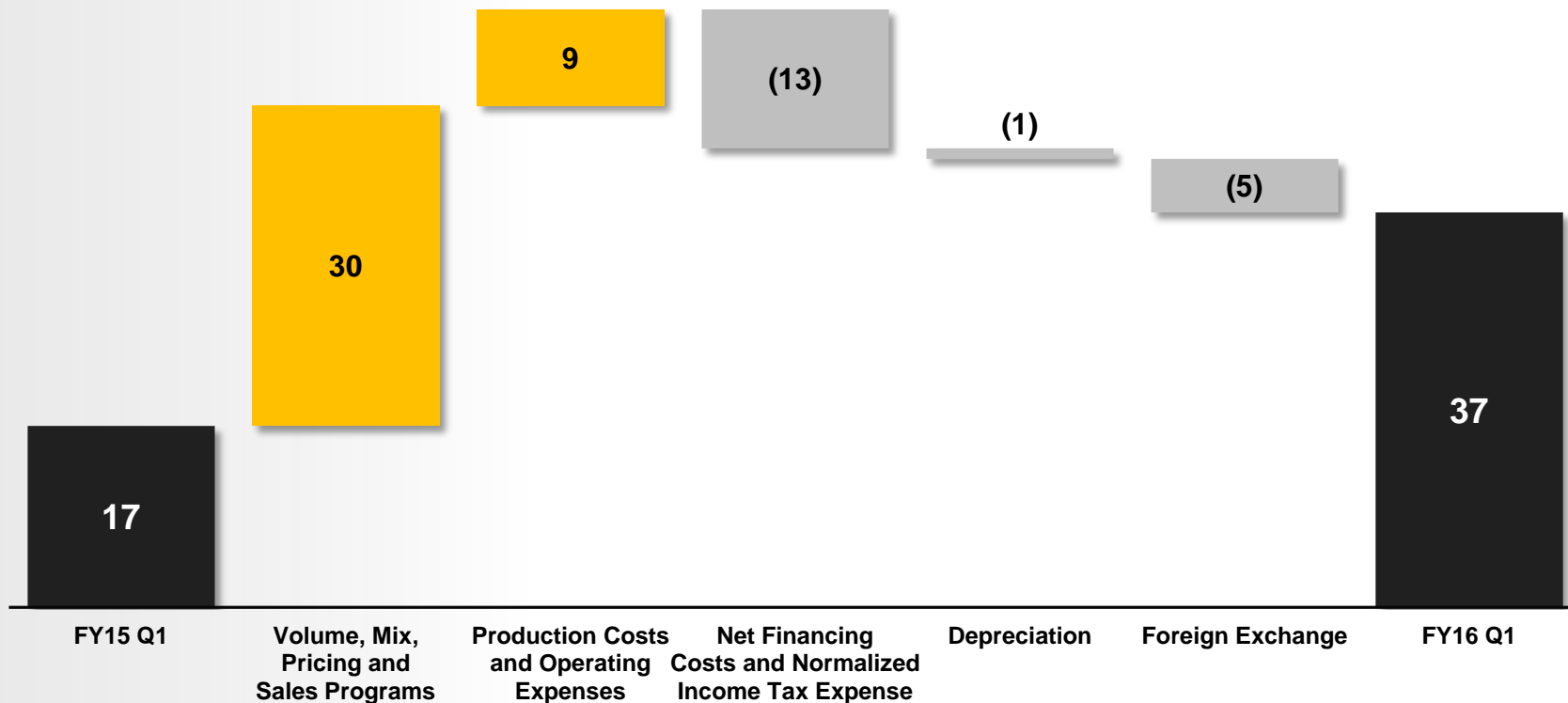
CA\$ millions





# Quarterly Normalized Net Income Bridge

CA\$ millions



**Normalized Net Income increased 124% compared to FY15 Q1**





# FY16 Q1 - Financial Position and Liquidity Profile

CA\$ millions	As at Apr. 30	As at Jan. 31	Change
	2015	2015	
Cash	\$235.3	\$232.0	\$3.3
Working capital	320.8	291.8	29.0
Revolving credit facilities	-	-	-
Long-term debt <sup>[1]</sup>	990.1	1,035.5	(45.4)

CA\$ millions	3-month comparison		
	FY16	FY15	Change
Capital expenditures	(\$37.9)	(\$22.9)	(\$15.0)
Free cash flow <sup>[2]</sup>	6.2	13.1	(6.9)

<sup>[1]</sup> Including current portion of long-term debt

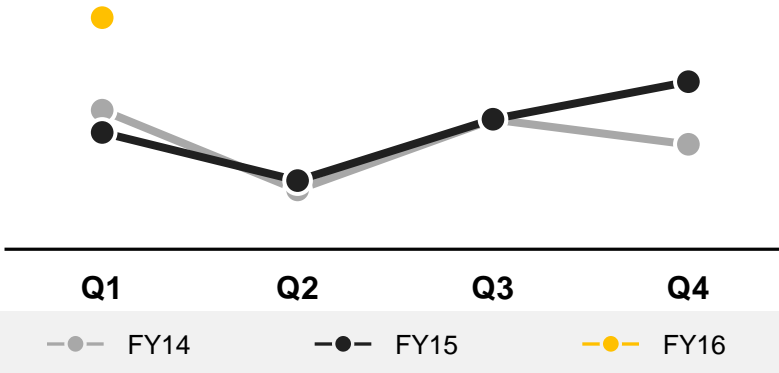
<sup>[2]</sup> Free cash flow is defined as net cash flow from operating activities minus capital expenditures



# BRP North American Powersports Dealer Inventory

## Dealer Inventory Level

Units, Excluding Outboard Engines



Dealer inventory<sup>[1]</sup> ended FY16 Q1 up 26% from FY15 Q1 level

### Year-Round Products - Inventory slightly up

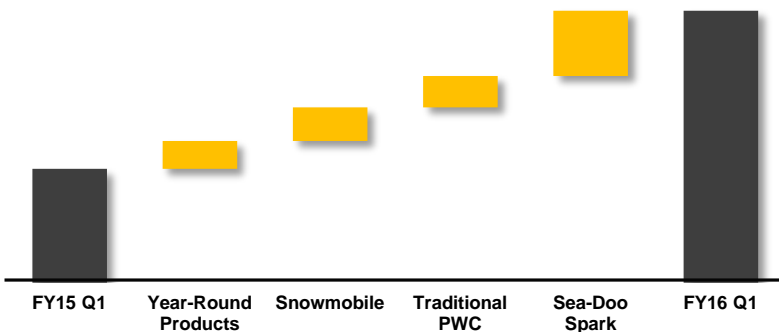
- Primarily driven by the addition of the Can-Am Outlander L to the line-up
- Initial shipments of the Can-Am Spyder F3 also contributed to the growth

### Seasonal Products - Inventory up

- Mostly driven by additional shipments of the Sea-Doo Spark to accommodate higher expected demand for the coming retail season
- Snowmobile inventory at a normal end-of-season level, up compared to last year's historical low
- Traditional PWC inventory at a normal level to begin the retail season, up compared to last year's low level caused by lower shipments due to production ramp-up in Querétaro

## Dealer Inventory Bridge

Units, Excluding Outboard Engines



<sup>[1]</sup> Network inventory excluding *Propulsion Systems*





# FY16 Full-Year Guidance - as at June 11, 2015

Financial Metric	FY16 Guidance vs FY15	
Revenues		
Year-Round Products	Up 7% to 11%	
Seasonal Products	Flat to up 4%	
Propulsion Systems	Up 7% to 10%	
PAC	Up 10% to 15%	
Total Company Revenues	Up 5% to 9%	
Normalized EBITDA	Up 6% to 10%	
Effective Tax Rate <sup>[1]</sup>	27% - 29%	Up from a normalized income tax rate of 22.0% in FY15
Normalized Net Income <sup>[2]</sup>	Down 9% to Flat	Flat to up 7% adjusting FY15 using FY16 estimated tax rates
Normalized Earnings per Share – Diluted	\$1.50 to \$1.65	
Capital Expenditures	\$200M to \$220M	

<sup>[1]</sup> Effective tax rate based on Normalized Earnings before Normalized Income Tax

<sup>[2]</sup> Assuming \$135M Depreciation Expense, compared to \$113M in FY15





## CLOSING REMARKS

### QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2015

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

# Three Strategic Priorities Going Forward

## GROWTH

- Gain market shares through innovation
  - Accelerate Year-Round Products growth by entering new segments
  - Continue the development of our dealer network
  - Define the next wave of growth
- 

## AGILITY

- Leverage modular approach for engines and vehicles
  - Increase supply chain flexibility to better serve our consumers and dealers worldwide
- 

## LEAN ENTERPRISE

- Accelerate the implementation of new core technologies and Design to Quality and Cost (DtQC) to drive margin improvement on new products launched
- Optimize our facilities utilization
- Improve margin by increasing focus on cost improvement





## Q&A PERIOD

### QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2015

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



# Global Leader in Powersports Vehicles and Engines

## Year-Round Products

**can-am**



All-Terrain Vehicles



Side-by-Side Vehicles



Roadsters

## Seasonal Products

**ski-doo**

**LYNX**

**SEA-DOO**



Snowmobiles



Personal Watercraft

## Propulsion Systems

**EVINRUDE**

**ROTAX**



Outboard Engines



OEM Engines

**Diversified Product Portfolio AND Powerful Brands**





## APPENDIX

### QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2015

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

# Reconciliation Tables

CA\$ millions	Three-month periods ended	
	Apr. 30, 2015	Apr. 30, 2014
<b>Net Income</b>	<b>\$83.1</b>	<b>\$28.0</b>
Normalized elements:		
Foreign exchange gain on long-term debt	(46.0)	(12.3)
Restructuring costs reversal <sup>[1]</sup>	-	(0.4)
Reversal of gain from insurance recovery <sup>[2]</sup>	-	1.4
Other elements <sup>[3]</sup>	0.6	0.6
Income taxes adjustment	(0.5)	(0.7)
<b>Normalized Net Income</b>	<b>37.2</b>	<b>16.6</b>
Normalized income taxes expense (recovery)	13.4	(0.2)
Financing costs	14.6	14.1
Financing income	(0.8)	(0.5)
Depreciation expense	27.1	26.6
<b>Normalized EBITDA</b>	<b>\$91.5</b>	<b>\$56.6</b>

<sup>[1]</sup>During the three-month period ended April 30, 2014, the Company revised its estimates related to the exit of the sport boat business and reversed in net income restructuring costs of \$0.4 million. These costs were previously recorded during the twelve-month period ended January 31, 2013.

<sup>[2]</sup>During the three-month period ended April 30, 2014, the Company revised its estimates in relation with the insurance recovery for the damages which occurred during the twelve-month period ended January 31, 2013 at the research & development centre located in Valcourt, Canada and reversed in net income \$1.4 million of the gain that was previously recorded during the twelve-month period ended January 31, 2014.

<sup>[3]</sup>Other normalized elements are retention salaries related to the transfer of the assembly of PWC from Canada to Mexico and the outsourcing of the majority of the North American powersports PAC distribution to a third-party logistics provider.



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Sea-Doo®  
Evinrude®  
Rotax®  
Can-Am®



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