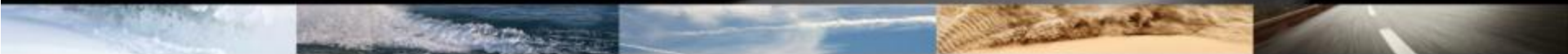




THE ULTIMATE POWERSPORTS EXPERIENCE



# QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2016

# 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, 2016 dated March 17, 2016: 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 OEM customers for its outboard engine and Rotax engine business; unsuccessful management of inventory levels; risks associated with international operations; unsuccessful execution of growth strategy; protection of 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; volatile market price for Subordinate Voting Shares; no current plans to pay dividends; conduct of business through subsidiaries; significant influence by Beaudier Group and Bain Capital; and future sales of 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 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**

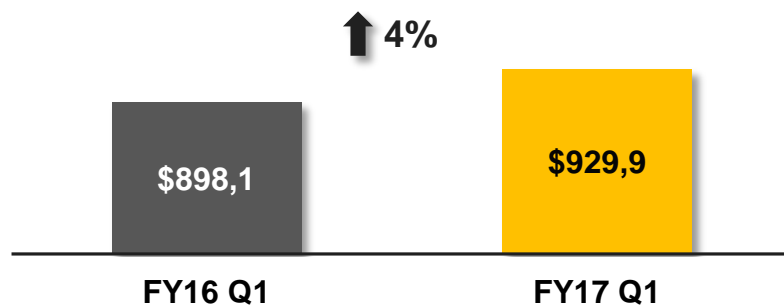
FIRST QUARTER ENDED APRIL 30, 2016



# FY17 Q1 Revenues and Normalized EPS

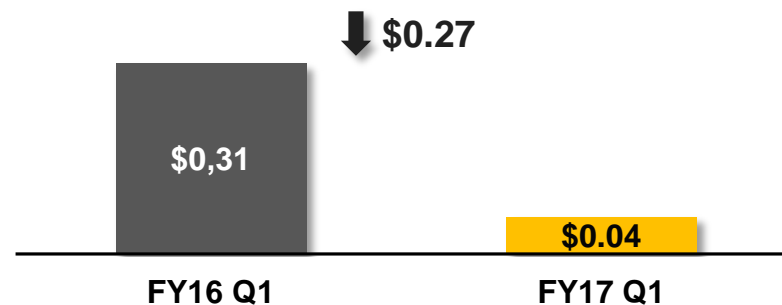
## Revenues

CA\$ millions



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

CA\$



## Highlights

- Results in-line with outlook given for Q1
- **Increase of 4% in revenues** primarily driven by favourable foreign exchange rate variations
- **Normalized EBITDA<sup>[1]</sup> down 38% to \$57.1M** and **Normalized diluted earnings per share<sup>[1]</sup> was down \$0.27 to \$0.04**
- Net income of \$110.7M, an increase of \$27.6M vs the same period last year

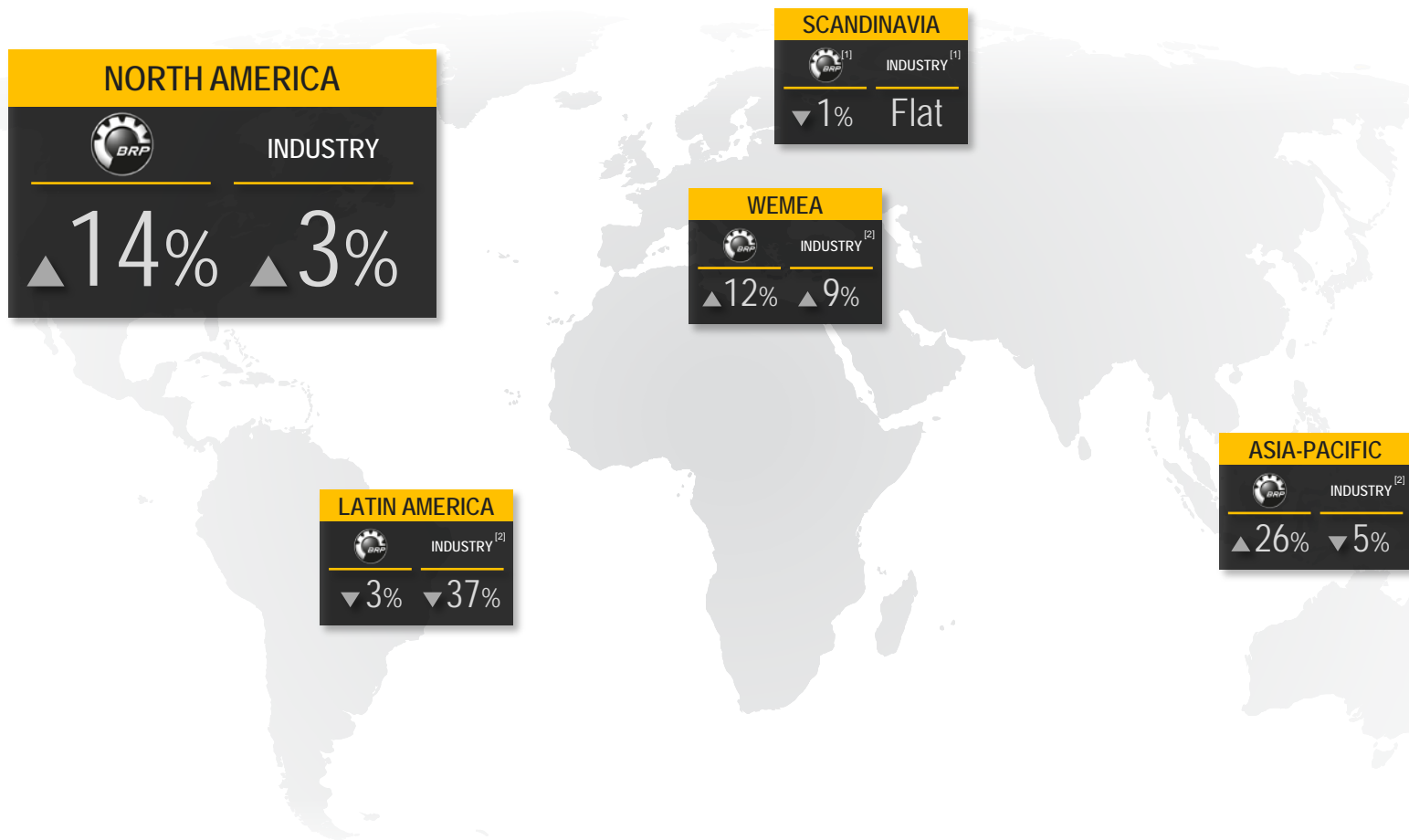
<sup>[1]</sup> For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix





# Strong Worldwide Powersports Retail Momentum

FY17 Q1 Retail Variation



[1] ATV and snowmobile only, based on data from February and March

[2] Latin America, WEMEA and Asia-Pacific industries estimated based on data from February and March

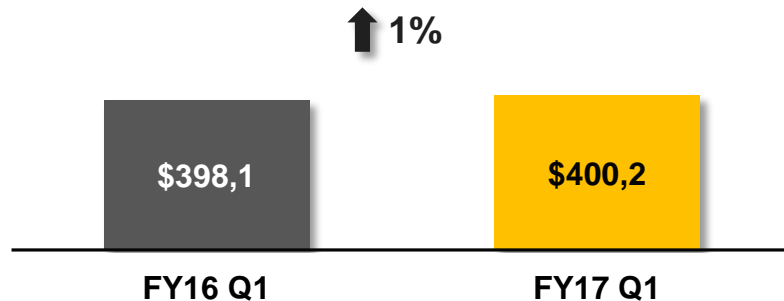
**Excellent quarter for Powersports products retail**



# Year-Round Products

## Revenues

CA\$ millions



## MY17 Can-Am Defender MAX XT



"A new SSV every 6 months for the next 4 years" - Introduction #2  
Shipments to begin in June

## Business Dynamics

### Revenue increase of 1%:

- Mainly driven by higher volume of ATV sold and a favourable foreign exchange rate variation;
- Mostly offset by lower wholesale volume for Spyder

### Off-Road Vehicles

- Ten months into the 2016 season, North American ATV industry is down low-single digits %
  - Can-Am ATV retail was up high-single digits %
- Over the same period, North American SSV industry is up high-single digits %
  - Can-Am SSV retail was up mid-single digits %
  - Good early momentum for the Can-Am Defender despite competing against discounted non-current products

### Spyder

- Six months into the 2016 season, North American motorcycle industry is about flat
  - Can-Am Spyder retail was down high-single digits %
  - Industry growth continues to be driven by lower priced motorcycles
- Strong performance for the Can-Am Spyder in Europe with retail up in the twenty % driven by the continued success of the Can-Am Spyder F3 model





# MY17 ORV Line-up News

## Defender and Outlander Mossy Oak® Hunting Edition

The ultimate factory-ready hunting package



## Maverick Max X mr and Renegade X mr 570

Strengthening our leadership position in the mud segment



### > Strengthening our Can-Am ORV offering with new more specialized vehicles to address customers needs

- Mossy Oak® Edition of the Can-Am Defender HD10 and Outlander 1000R
- Extending the mud line-up with the Maverick MAX X mr and Renegade X mr 570
- Maverick xc 1000R without DPS

### > Building on our mid-cc momentum

- New entry price for the Outlander 450
- New Outlander XT 570 and Outlander MAX XT 570

### > Enhanced performance attributes accross all models

- All new FOX Podium QS3 shocks standard on nine Can-Am SSVs and four Can-Am ATVs
- Transmission with Quick Response System (QRS) on new Maverick X mr and Maverick MAX X mr
- New front sway bar on all Commander and Maverick models

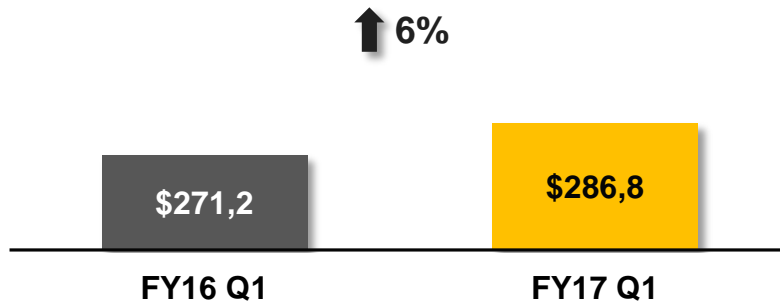
**Building on our strong Can-Am ORV momentum by introducing our most complete line-up to date**



# Seasonal Products

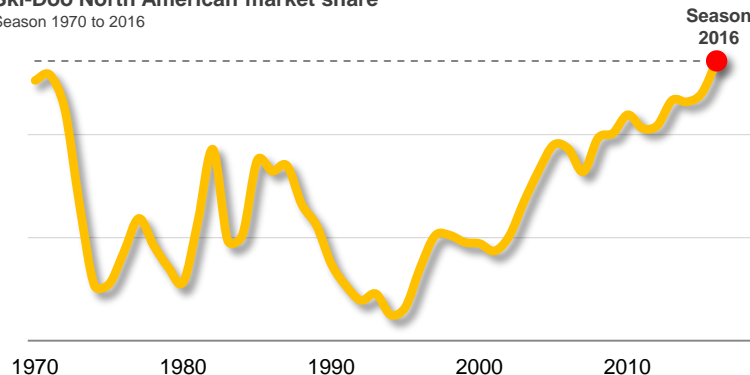
## Revenues

CA\$ millions



## Ski-Doo: Highest Market Share Ever!

Ski-Doo North American market share  
Season 1970 to 2016



Ski-Doo achieved in Season 2016 its highest North American market share since industry numbers were recorded

## Business Dynamics

### Revenue increase of 6%:

- Mainly driven by a higher volume and a favourable mix of PWC sold, and a favourable foreign exchange rate variation;
- Partially offset by additional sales programs costs for snowmobile to mitigate the impact of poor snow conditions in North America

### Snowmobiles

- North American snowmobile industry retail ended season 2016 down mid-single digits %
  - Ski-Doo gained 3pp of market share and achieved its highest market share ever
- Season-to-date Scandinavian industry is down low-single digits %
  - BRP retail was also down low-single digits % over the same period

### PWCs

- Early in the season, the North American PWC industry retail was up mid-single digits %
  - Sea-Doo retail sales were also up mid-single digits % over the same period
- Australia and New Zealand ended their 2016 season on March 31 with Sea-Doo gaining 2pp of market share

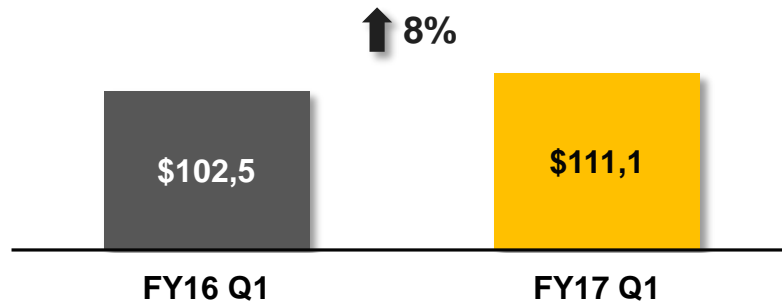




# Propulsion Systems

## Revenues

CA\$ millions



## Club Evinrude 2017



# CLUB 2017

JUNE 26-29, 2016 | MILWAUKEE, WI, USA

## Business Dynamics

### Revenue increase of 8%:

- Mainly driven by a favourable foreign exchange rate variation and a higher volume of aircraft engines sold

### Outboard Engines

- Ten months into the 2016 season, North American outboard engines industry is up high-single digits %
  - Evinrude retail was down low-single digits %
  - Added 15 new dealers during the quarter

Evinrude will be holding its second dealer meeting in two years from June 26 to 29 in Milwaukee, WI

- New products reveal on June 26
- Expecting over 800 participants from around the world
- On water demos with over 30 boats equipped with Evinrude engines

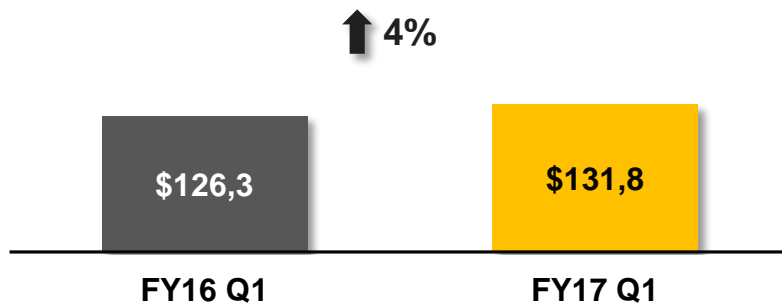
EVINRUDE



# Parts, Accessories and Clothing

## Revenues

CA\$ millions



## Business Dynamics

Revenue increase of 4%:

- Mainly driven by favourable foreign exchange rate variations and good momentum in Can-Am Off-Road accessories sales;
- Partially offset by lower snowmobile parts sales due to poor snow conditions in North America

## New Can-Am Defender Accessories



Strengthening the Can-Am Defender accessories line-up to enhance its versatility and capabilities







**SÉBASTIEN MARTEL**

CHIEF FINANCIAL OFFICER

QUARTERLY **REVIEW**

FIRST QUARTER ENDED APRIL 30, 2016

# FY17 Q1 - Financial Highlights

CA\$ millions	Q1 comparison		
	FY17	FY16	Change
<b>Total Revenues</b>	<b>\$929.9</b>	<b>\$898.1</b>	<b>\$31.8</b>
Growth	+3.5%		
<b>Gross Profit</b>	<b>\$194.1</b>	<b>\$212.9</b>	<b>(\$18.8)</b>
As a % of revenues	20.9%	23.7%	
<b>Operating Income</b>	<b>\$6.5</b>	<b>\$63.8</b>	<b>(\$57.3)</b>
As a % of revenues	0.7%	7.1%	
<b>Net Income</b>	<b>\$110.7</b>	<b>\$83.1</b>	<b>\$27.6</b>
As a % of revenues	11.9%	9.3%	
<b>Normalized Net Income<sup>[1]</sup></b>	<b>\$4.8</b>	<b>\$37.2</b>	<b>(\$32.4)</b>
<b>Normalized EBITDA<sup>[1]</sup></b>	<b>\$57.1</b>	<b>\$91.5</b>	<b>(\$34.4)</b>
<b>EPS - Diluted</b>	<b>\$0.96</b>	<b>\$0.70</b>	<b>\$0.26</b>
<b>Normalized EPS – Diluted<sup>[1]</sup></b>	<b>\$0.04</b>	<b>\$0.31</b>	<b>(\$0.27)</b>

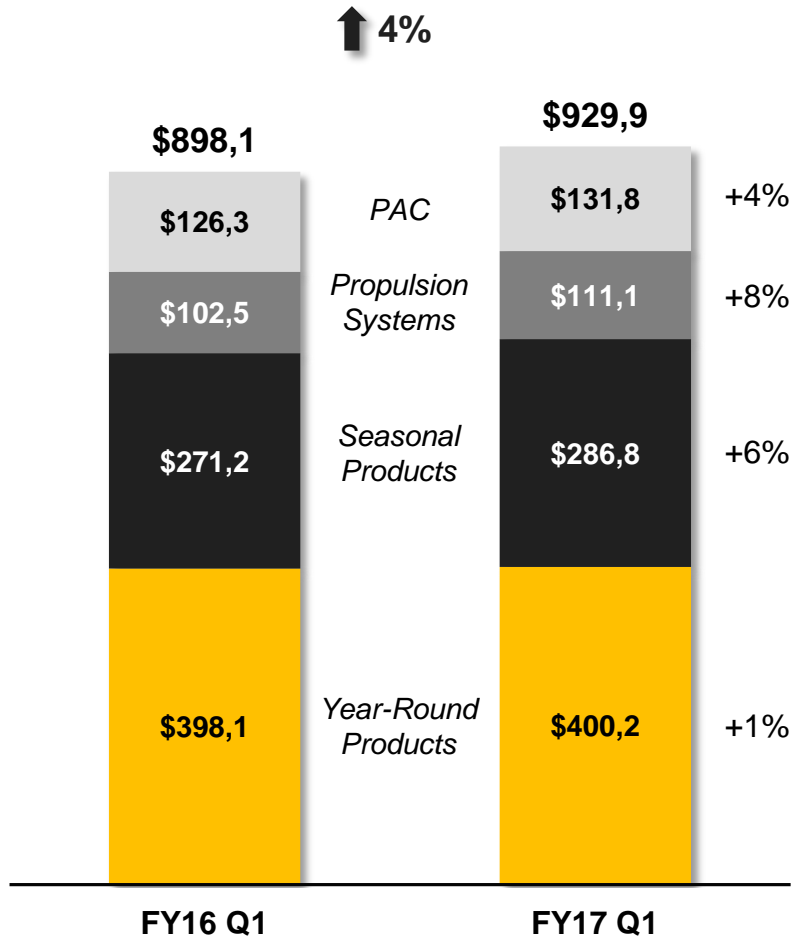
<sup>[1]</sup> For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix



# FY17 Q1 - Revenues by Product Category and Geography

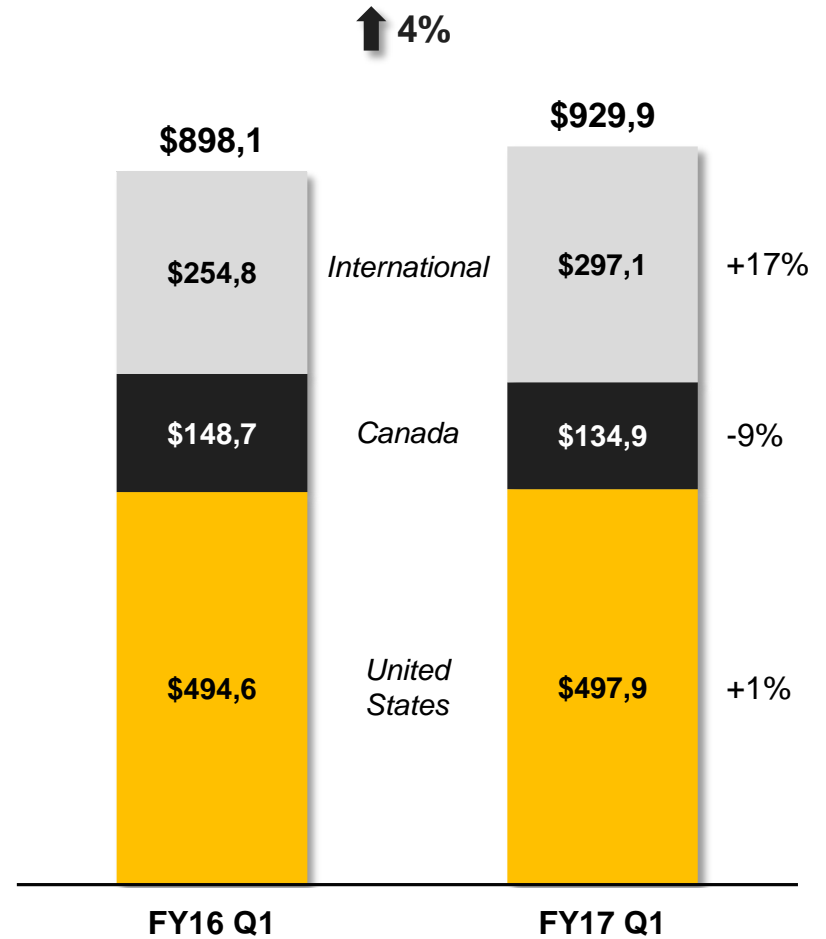
## Revenues by Product Category

CA\$ millions



## Revenues by Geography

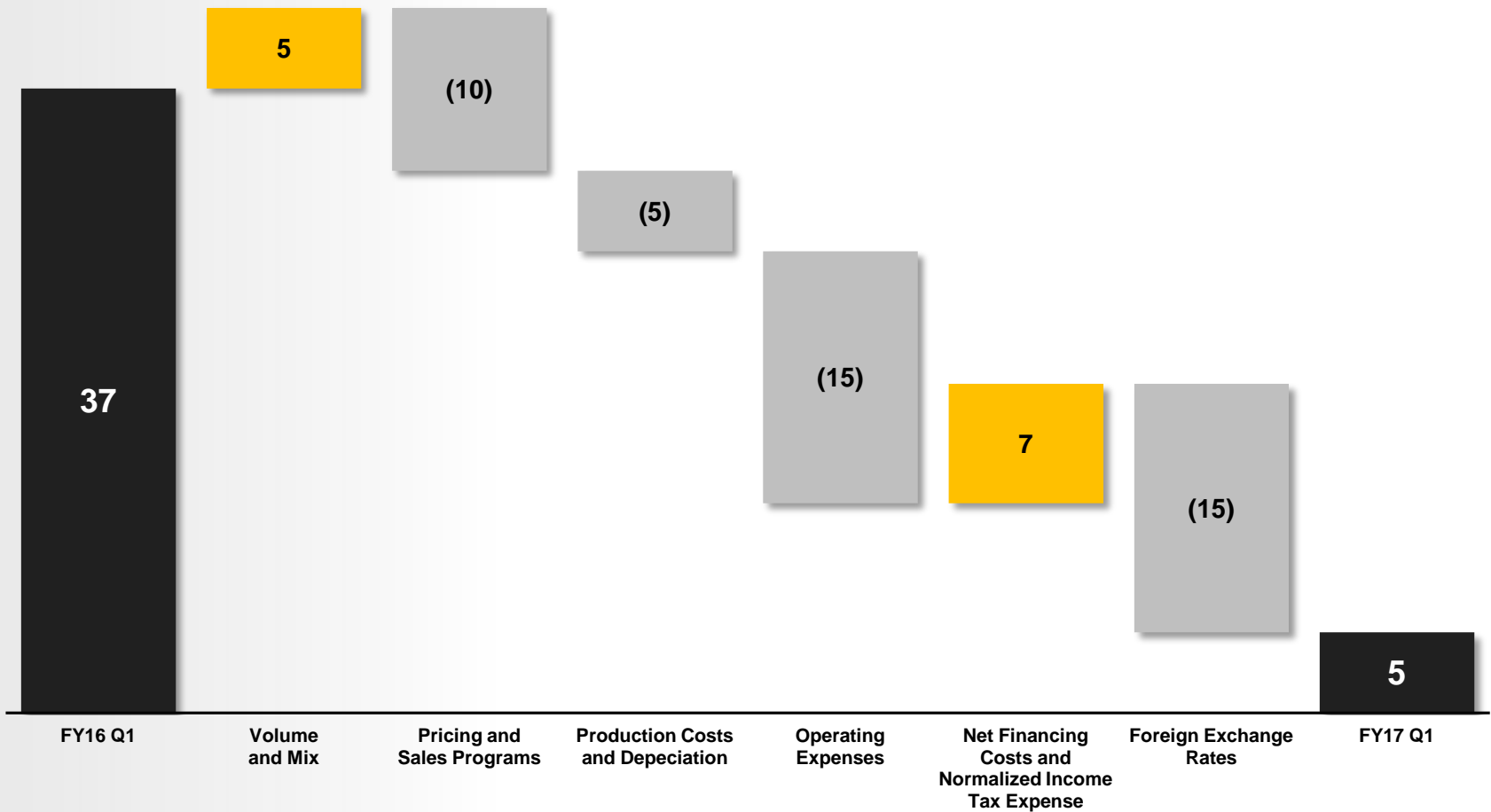
CA\$ millions





# FY17 Q1 - Normalized Net Income Bridge

CA\$ millions



**Normalized Net Income down \$32M primarily driven by higher snowmobile sales programs, higher operating expenses and unfavourable foreign exchange rate variations**



# FY17 Q1 - Financial Position and Liquidity Profile

CA\$ millions	As at Apr. 30	As at Jan. 31	Change
	2016	2016	
Cash	\$183.2	\$235.0	(\$51.8)
Working capital	313.1	364.0	(50.9)
Revolving credit facilities	-	-	-
Long-term debt <sup>[1]</sup>	1,027.0	1,146.6	(119.6)

CA\$ millions	3-month comparison		
	FY17	FY16	Change
Capital expenditures	(\$36.5)	(\$37.9)	\$1.4
Free cash flow <sup>[2]</sup>	(40.3)	6.2	(46.5)

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

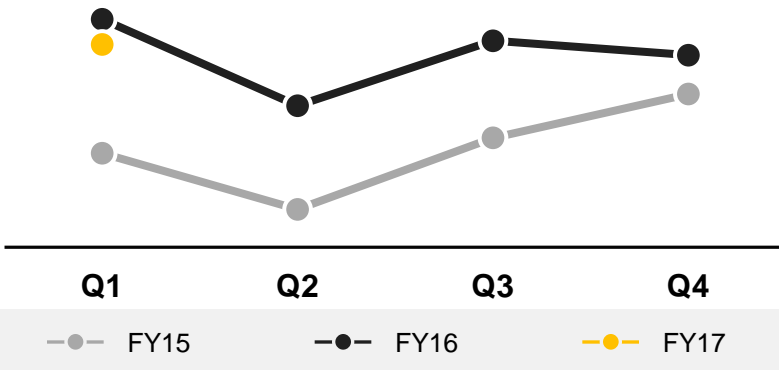
<sup>[2]</sup> Free cash flow is defined as net cash flow from operating activities minus capital expenditures



# BRP North American Powersports Dealer Inventory

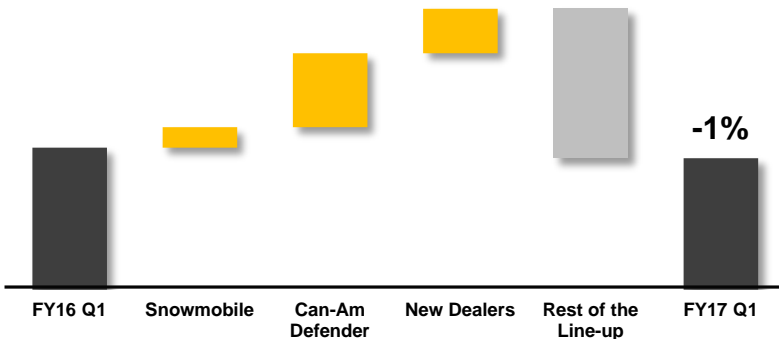
## Dealer Inventory Level

Units, Excluding Outboard Engines



## Dealer Inventory Bridge

Units, Excluding Outboard Engines



Dealer inventory<sup>[1]</sup> ended FY17 Q1 down 1% from FY16 Q1 level

- Network inventory is up in certain areas of the business primarily driven by:
  - Slightly higher network inventory for snowmobile in Canada due to poor snow conditions and weak economic environment in Western Canada
  - Shipments ramp-up of the Can-Am Defender, and;
  - Increase in the number of dealers over the last 3 years
- More than offset by network inventory decrease in the rest of the line-up

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



# FY17 Full-Year Guidance - as at June 9, 2016

Financial Metric	FY17 Guidance vs FY16	
Revenues		
Year-Round Products	Up 6% to 10%	
Seasonal Products	Flat to up 4%	
Propulsion Systems	Up 5% to 10%	
PAC	Up 5% to 10%	
Total Company Revenues	Up 4% to 8%	
Normalized EBITDA	Up 7% to 10%	
Effective Tax Rate <sup>[1]</sup>	27% - 28%	(Compared to 26.6% in FY16)
<b>Normalized Net Income<sup>[2]</sup></b>	<b>Up 2% to 8%</b> (increased from Flat to up 7%)	
<b>Normalized Earnings per Share – Diluted</b>	<b>\$1.79 to \$1.89</b> (increased from \$1.75 to \$1.85)	(Up 5% to 11% from \$1.71 in FY16)
Capital Expenditures	\$190M to \$205M	(Compared to \$211M in FY16)

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

<sup>[2]</sup> Assuming \$145M Depreciation Expense (down from \$150M) compared to \$126M in FY16, \$62M Net Financing Costs and 114.7M shares (down from 115.4M shares)

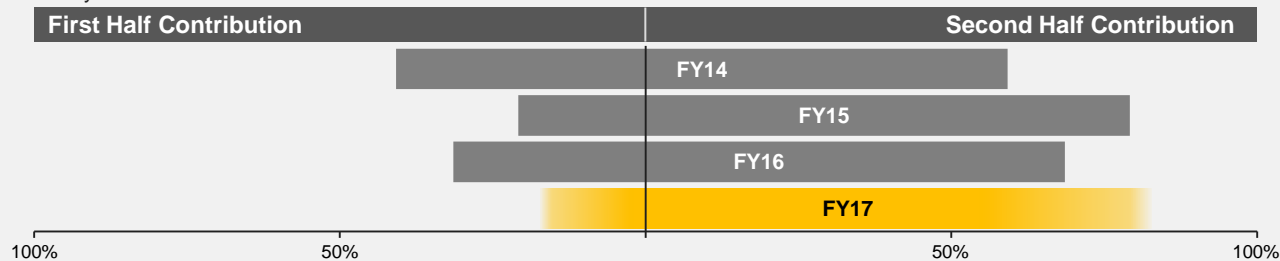




# FY17 Guidance - Back Half Loaded Profitability

## Normalized EBITDA by Half Year

As a percentage of full fiscal year normalized EBITDA



### Elements Impacting H1 FY17 vs. FY16

- Additional snowmobile sales programs due to the lack of snowfall in North America and difficult economic conditions in Western Canada
- Shift of snowmobile production to H2 due to the introduction of the new platform
- Increased operating expenses
- Increased costs related to Juárez 2
- + Shipments of the Can-Am Defender
- + Positive mix of PWC due to the introduction of the 300 hp engine
- + Completion of PWC transfer to Querétaro

### Elements Impacting H2 FY17 vs. FY16

- Increased costs related to Juárez 2
- + Shift of snowmobile production to H2 due to the introduction of the new platform
- + Shipments of the Can-Am Defender
- + Shipments of new product introductions
- + Richer product mix

**Expecting FY17 Q2 Normalized EBITDA to be similar to FY15 Q2 Normalized EBITDA**





## CLOSING REMARKS

### QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2016

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





## Q&A PERIOD

### QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2016

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, 2016

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

# Reconciliation Tables

CA\$ millions	Three-month periods ended	
	Apr. 30, 2016	Apr. 30, 2015
<b>Net Income (loss)</b>	<b>\$110.7</b>	<b>\$83.1</b>
Normalized elements:		
Foreign exchange loss on long-term debt	(119.2)	(46.0)
Restructuring and related costs (reversal) <sup>[1]</sup>	(0.5)	0.6
Loss on litigation <sup>[2]</sup>	19.5	-
Income taxes adjustment	(5.7)	(0.5)
<b>Normalized Net Income</b>	<b>4.8</b>	<b>37.2</b>
Normalized income taxes expense	5.6	13.4
Financing costs	15.8	14.6
Financing income adjusted	(0.7)	(0.8)
Depreciation expense adjusted	31.6	27.1
<b>Normalized EBITDA</b>	<b>\$57.1</b>	<b>\$91.5</b>

<sup>[1]</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>[2]</sup> For the three-month period ended April 30, 2016, the Company recorded a loss of \$19.5 million related to patent infringement litigation with one of its competitors.





Ski-Doo®

Lynx®

Sea-Doo®

Evinrude®

Rotax®

Can-Am®



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