



THE ULTIMATE POWERSPORTS EXPERIENCE



# INVESTOR PRESENTATION

DECEMBER 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.



# Company Overview

## A World Leader in Powersports

### Diversified product portfolio

- 4 product categories
- 6 powerful brands
- 7 product lines

### Market leader in R&D

- ~750 engineers and technicians
- 4 state-of-the-art development centers
- Invest annually ~4.5% of revenues in R&D

### Established global distribution network

- ~4,200 dealers in over 100 countries

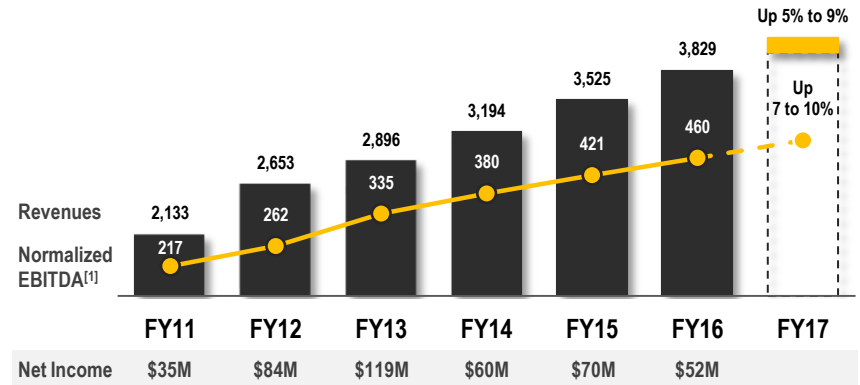
### Global, modern manufacturing footprint

- 7 facilities in 5 countries
- ~7,900 employees worldwide

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

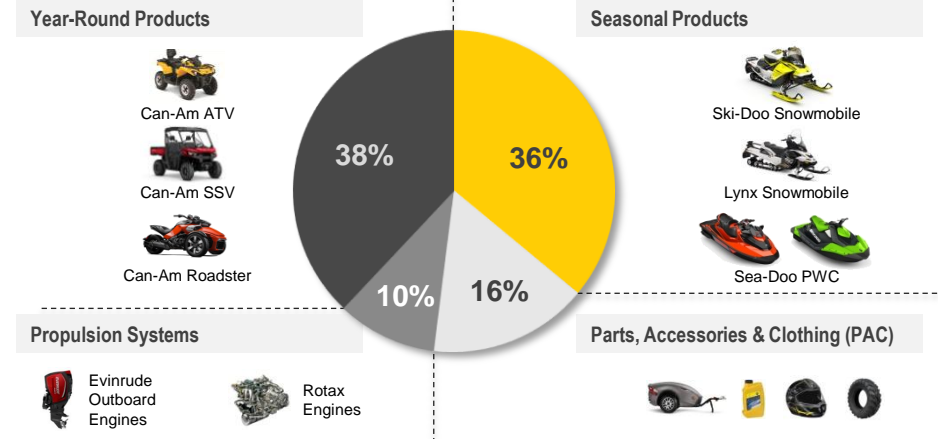
## Financial Performance

CA\$ millions

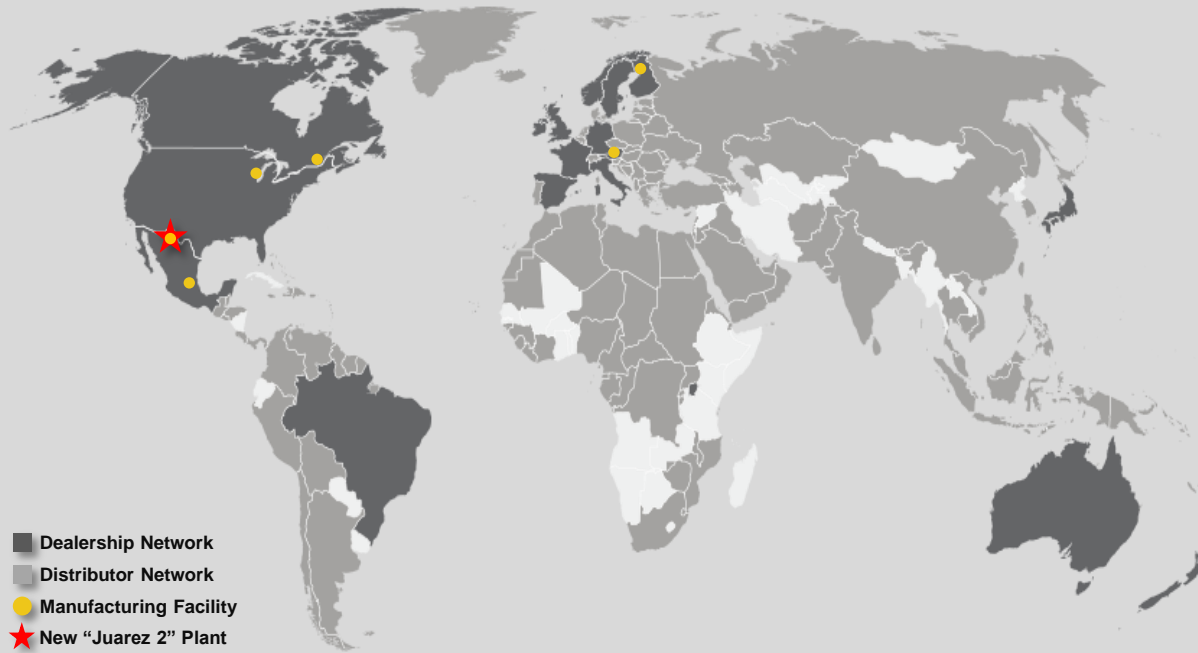


## Product Portfolio

Based on FY16 Revenues



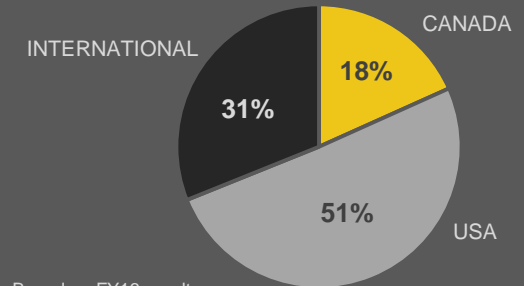
# Global Presence



## Vast International Dealer Network

DEALERS	COUNTRIES
~4,200	Over 100

## Diversified Revenue Generation



Based on FY16 results

## Manufacturing Facilities

### Centers of Expertise



#### Valcourt, Canada

- Snowmobile
- Roadster



#### Sturtevant, USA

- Outboard Engines
- Jet Propulsion Systems



#### Gunskirchen, Austria

- Engines (Snowmobile, PWC, Roadster, Aircraft, Motorcycles and Kart)



#### Rovaniemi, Finland

- Snowmobile
- 6x6 ATV assembly



#### Juarez I, Mexico

- ATV
- SSV



#### Juarez II, Mexico

- SSV



#### Querétaro, Mexico

- PWC
- PWC and ORV Engines Assembly





## STRATEGIC PRIORITIES UPDATE

## INVESTOR **PRESENTATION**

DECEMBER 2016

# Focused on our key strategic initiatives to allow us to deliver our long-term objectives

## GROWTH

Accelerate Can-Am growth

Define the next wave of growth

## AGILITY

Implement one-piece flow, a modular approach and a more flexible supply chain to better serve our consumers and dealers

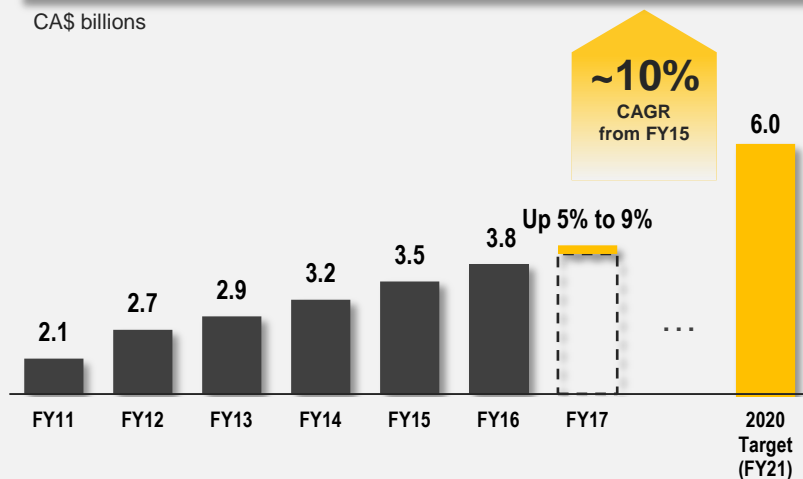
## LEAN ENTERPRISE

Implement new core technologies and drive margin improvement on new products launches

## 2020 OBJECTIVE

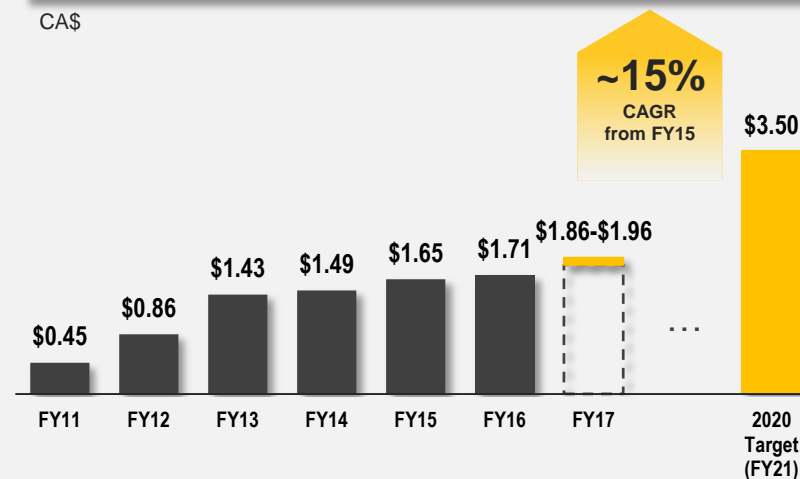
### Revenues<sup>[1]</sup>

CA\$ billions



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

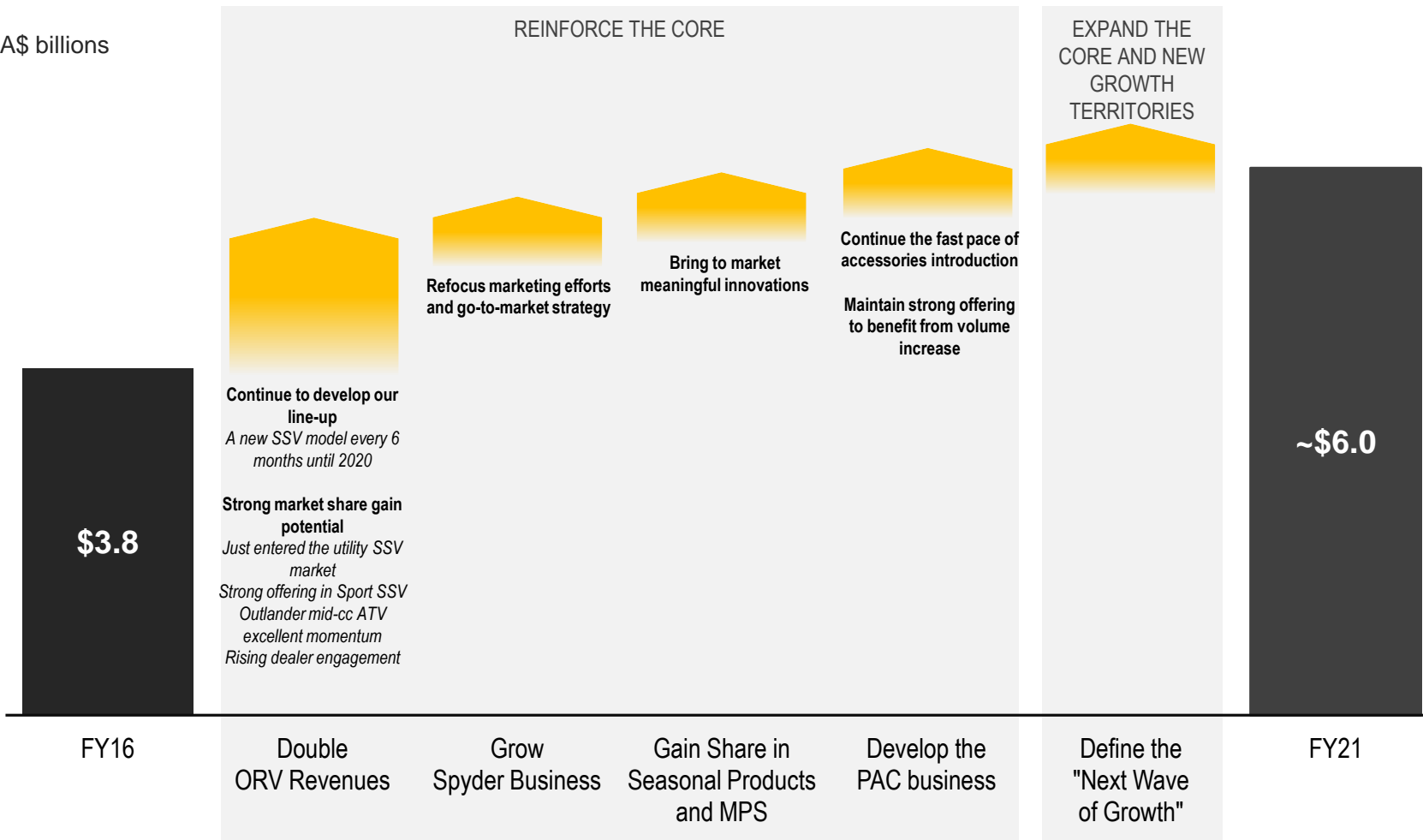
CA\$



# Path to the 2020 Objective

## REVENUE GROWTH

CA\$ billions



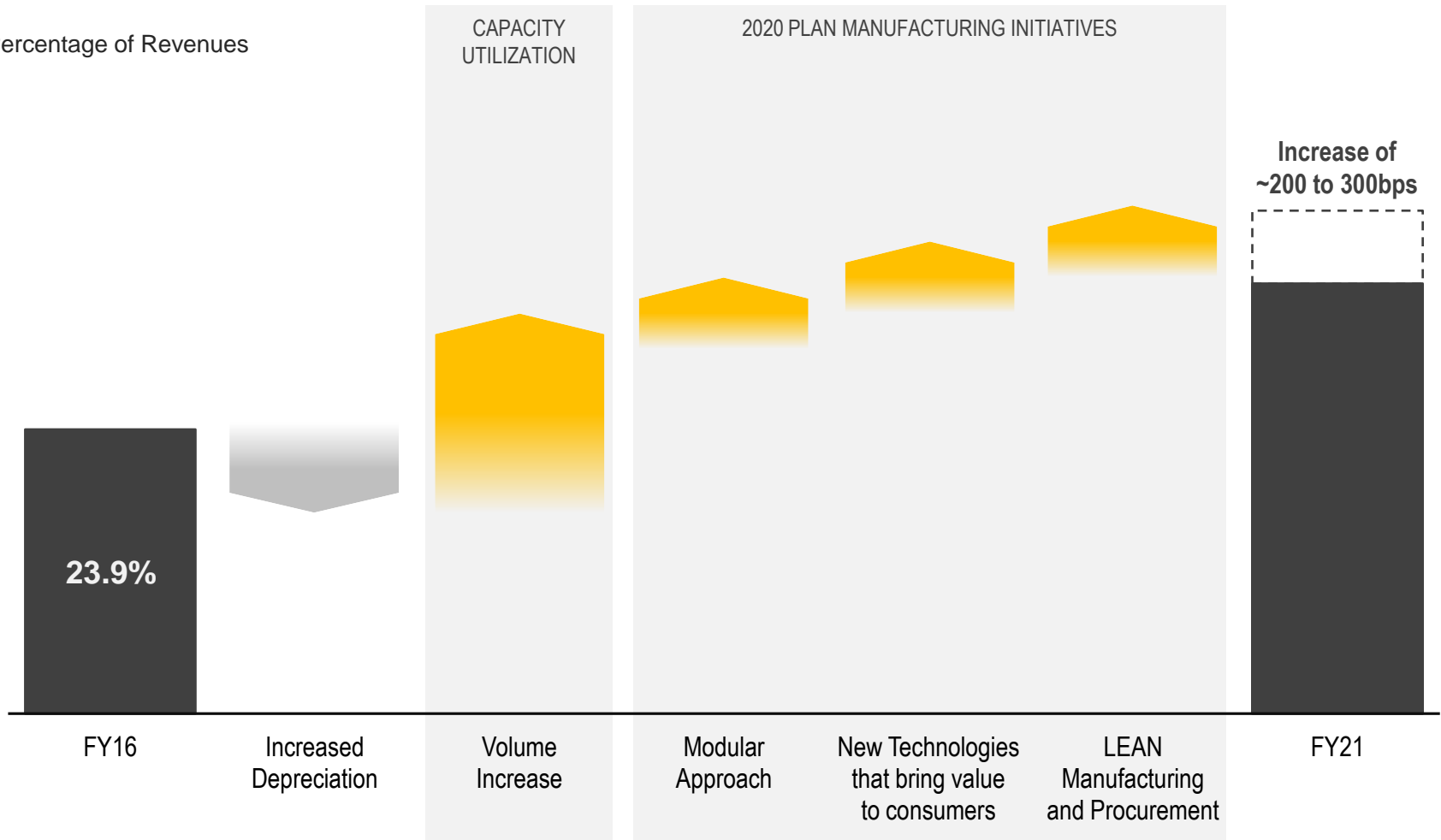
Promising growth avenues to reach the \$6B revenue objective



# Path to the 2020 Objective

## MARGIN EXPANSION

Percentage of Revenues



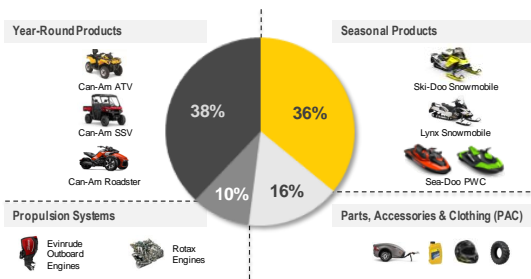
**Expecting gross profit margin improvement of 200 to 300 bps through capacity utilization and manufacturing / design improvement**





# Our diversification is a key differentiator in the industry

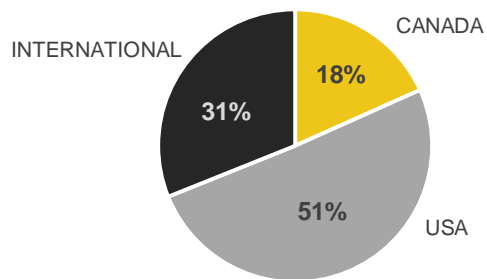
## DIVERSIFIED PRODUCT PORTFOLIO



- 7 product lines/6 brands
- On road, dirt, water and air
- Less dependent on ORV and motorcycles
- Industry leader in snowmobile and PWC

Good momentum in all of our product lines

## GEOGRAPHIC SALES DIVERSIFICATION



- ~4,220 dealers in over 100 countries
- ~50% of sales generated outside of the United States
- Focusing on dealer profitability - A different approach that drives dealer engagement

Growing market share position across the globe

## COMPREHENSIVE MANUFACTURING FOOTPRINT



- 7 manufacturing facilities
- Strong expertise in higher cost countries creating value for the customers
- Manufacturing capacity in lower cost countries

Margin expansion upside by leveraging our investments in all of our manufacturing sites

Our diversification is allowing us to keep growing despite volatility in our markets



# Strategic Priorities - Highlights

All of BRP's employees are rallied around our key strategic priorities:  
Growth, Agility and Lean Enterprise

Our initiatives are progressing as planned and we are starting to reap the benefits

The diversification of our product portfolio, geographic sales and manufacturing footprint is allowing us to deliver our plan despite volatile industries

Our capacity to innovate, our agility, our manufacturing expertise and our diversification are putting us in a unique position in the industry





FY17 UPDATE

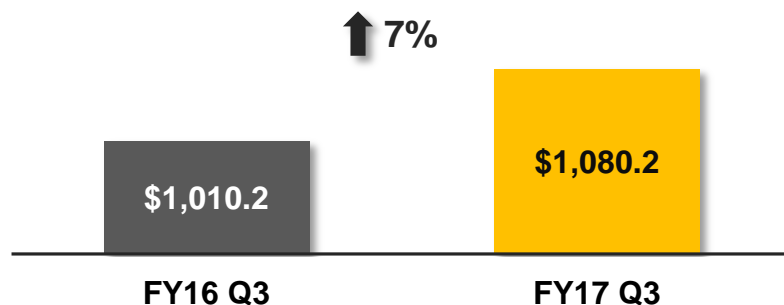
INVESTOR **PRESENTATION**

DECEMBER 2016

# FY17 Q3 Revenues and Normalized EPS

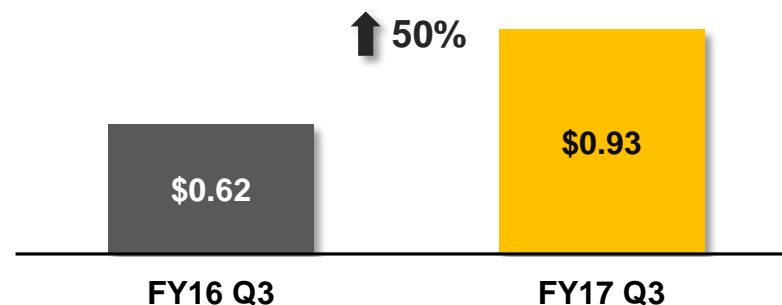
## Revenues

CA\$ millions



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

CA\$









## Highlights vs. Year Ago

- **Increase of 7% in revenues** primarily driven by higher wholesale in Year-Round Products, partially offset by lower wholesales in Seasonal Products
- **Gross profit margin increased 400 basis points to 28.4%**
- **Normalized EBITDA<sup>[1]</sup> of \$196.9M**, an increase of \$55.4M, and **Normalized diluted earnings per share<sup>[1]</sup> of \$0.93**, an increase of \$0.31
- Net income of \$78.7M, an increase of 20%
- North American BRP retail sales for *Seasonal Products* and *Year-Round Products* decreased 12%, or **increased 10%** when excluding snowmobiles

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



# FY17 Q3 Retail Performance Update

		SEASON-TO-DATE RETAIL GROWTH	
		INDUSTRY	BRP
 <p><b>ALL-TERRAIN VEHICLES</b> Period: July to October</p>	▼	HIGH-SINGLE DIGIT %	▲ LOW-SINGLE DIGIT %
 <p><b>SIDE-BY-SIDE VEHICLES</b> Period: July to October</p>	▲	LOW-SINGLE DIGIT %	▲ OVER 20%
 <p><b>SPYDER</b> Period: November to October (season completed)</p>	▼	LOW-SINGLE DIGIT %	▼ HIGH TEENS %
 <p><b>SNOWMOBILES</b> Period: April to November</p>	▼	MID TWENTIES %	▼ MID THIRTIES %
 <p><b>PERSONAL WATERCRAFT</b> Period: October to September (season completed)</p>	▲	HIGH-SINGLE DIGIT %	▲ HIGH-SINGLE DIGIT %
 <p><b>OUTBOARD ENGINES</b> Period: July to October</p>	▲	MID-SINGLE DIGIT %	▲ LOW-SINGLE DIGIT %

**Strong retail performance for ORV and PWC, Snowmobile and Outboard engines tracking in-line with expectations**



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

Financial Metric	FY17 Guidance vs FY16	
Revenues		
<b>Year-Round Products</b>	<b>Up 11% to 13%</b> (increased from up 8% to 12%)	
<b>Seasonal Products</b>	<b>Up 2% to 6%</b> (increased from flat to up 4%)	
Propulsion Systems	Up 5% to 10%	
<b>PAC</b>	<b>Flat to up 3%</b> (lowered from up 3% to 8%)	
<b>Total Company Revenues</b>	<b>Up 5% to 9%</b> (increased from up 4% to 8%)	
Normalized EBITDA	Up 7% to 10%	
<b>Effective Tax Rate<sup>[1]</sup></b>	<b>28.5% to 29.0%</b> (increased from 27% to 28%)	(Compared to 26.6% in FY16)
<b>Normalized Net Income<sup>[2]</sup></b>	<b>Up 5% to 11%</b> (increased from up 3% to 9%)	
<b>Normalized Earnings per Share – Diluted</b>	<b>\$1.86 to \$1.96</b> (increased from \$1.82 to \$1.92)	(Up 9% to 15% 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 **\$135M Depreciation Expense** (down from \$145M) compared to \$126M in FY16, **\$60M Net Financing Costs** and **113.4M shares** (down from 113.6M shares)





## APPENDIX

## INVESTOR PRESENTATION

DECEMBER 2016

# North American Sales Cycle

## Monthly % of fiscal year N.A. volumes

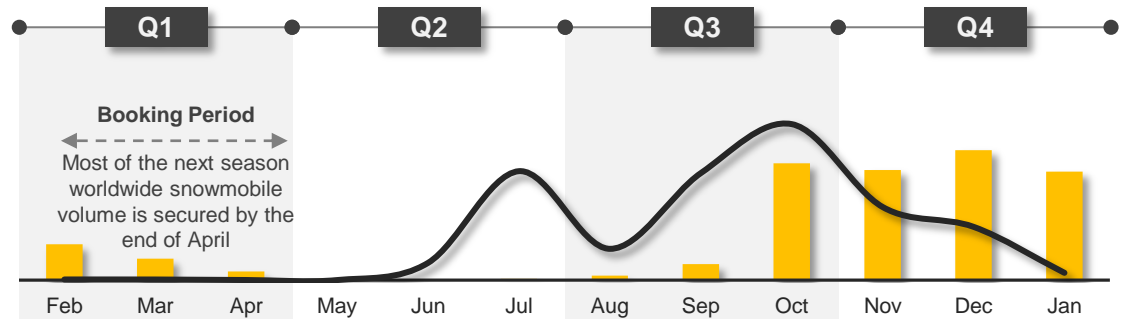
Units, average of FY15 and FY16

■ Retail ■ Wholesale

### Snow

Main Periods:

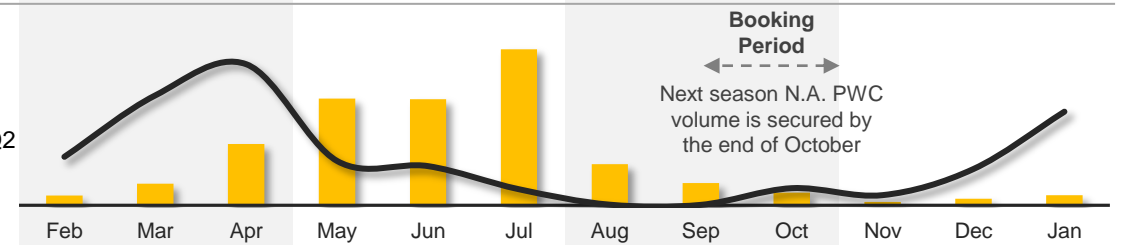
- Booking: Q1
- Shipping: Q3 & Q4
- Retail: Q3 & Q4
- Season: Apr to Mar



### PWC

Main Periods:

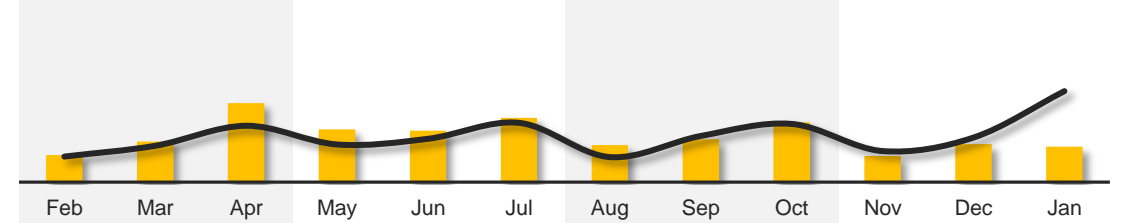
- Booking: Q3
- Shipping: Q4, Q1 & Q2
- Retail: Q2
- Season: Oct to Sep



### ORV

Main Periods:

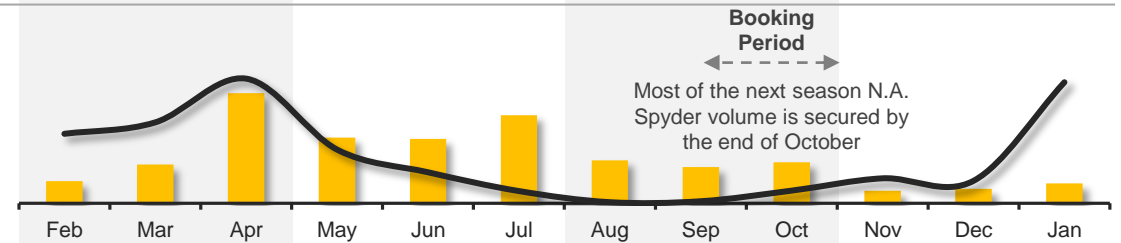
- Booking: All year
- Shipping: All year
- Retail: All year
- Season: Jul to Jun



### Spyder

Main Periods:

- Booking: Q3
- Shipping: Q4 & Q1
- Retail: Q1 & Q2
- Season: Nov to Oct





# Reconciliation Tables

CA\$ millions	Three-month periods ended		9-month periods ended	
	Oct. 31, 2016	Oct. 31, 2015	Oct. 31, 2016	Oct. 31, 2015
<b>Net Income</b>	<b>\$78.7</b>	<b>\$65.5</b>	<b>\$120.6</b>	<b>\$80.3</b>
Normalized elements:				
Foreign exchange (gain) loss on long-term debt	24.5	2.8	(56.7)	28.4
Restructuring and related costs reversal <sup>[1]</sup>	(0.4)	5.6	(0.8)	6.6
Loss on litigation <sup>[2]</sup>	0.3	-	62.9	-
Other elements	1.1	-	2.7	-
Income taxes adjustment	0.2	(1.1)	(18.5)	(1.3)
<b>Normalized Net Income</b>	<b>104.4</b>	<b>72.8</b>	<b>110.2</b>	<b>114.0</b>
Normalized income taxes expense	43.7	22.5	46.1	39.6
Financing costs adjusted	14.8	15.3	46.2	45.7
Financing income adjusted	-	(1.1)	(1.5)	(2.7)
Depreciation expense	34.0	32.0	97.4	89.5
<b>Normalized EBITDA</b>	<b>\$196.9</b>	<b>\$141.5</b>	<b>\$298.4</b>	<b>\$286.1</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 and nine-month periods ended October 31, 2016, the Company recorded losses of respectively \$0.3 million and \$62.9 million related to patent infringement litigation with one of its competitors.



# Reconciliation Tables - Fiscal Year-end

CA\$ millions	Fiscal year ended					
	Jan 31, 2016	Jan 31, 2015	Jan 31, 2014	Jan 31, 2013	Jan 31, 2012	Jan 31, 2011
<b>Net Income</b>	<b>\$51.6</b>	<b>\$70.1</b>	<b>\$59.7</b>	<b>\$119.2</b>	<b>\$83.5</b>	<b>\$35.0</b>
Normalized Elements:						
Foreign exchange (gain) loss on long-term debt	105.8	123.9	96.4	(3.6)	1.8	(41.1)
Increase in fair value of common shares	-	-	19.6	11.0	9.0	8.8
Restructuring and related costs (reversal) <sup>[1]</sup>	4.6	8.3	0.9	26.0	-	3.9
Impairment charge (reversal) <sup>[1]</sup>	70.3	-	(0.3)	7.1	-	-
(Gain) reversal from insurance recovery <sup>[1]</sup>	-	1.4	(11.0)	-	-	-
Pension plan past service costs <sup>[1]</sup>	-	-	-	-	-	28.8
Other elements <sup>[1]</sup>	(7.5)	(6.6)	2.1	(2.9)	(7.5)	18.9
Income taxes adjustment	(24.0)	(0.9)	0.9	(10.1)	1.7	(8.3)
<b>Normalized Net Income</b>	<b>200.8</b>	<b>196.2</b>	<b>168.3</b>	<b>146.7</b>	<b>88.5</b>	<b>46.0</b>
Normalized income taxes expense	72.8	55.3	56.5	42.5	27.9	19.9
Financing costs	62.6	59.3	64.5	62.6	62.4	65.9
Financing income	(2.4)	(2.7)	(2.5)	(1.9)	(11.7)	(9.3)
Normalized depreciation expense	126.2	113.2	93.4	85.1	95.1	94.8
<b>Normalized EBITDA</b>	<b>\$460.0</b>	<b>\$421.3</b>	<b>\$380.2</b>	<b>\$335.0</b>	<b>\$262.2</b>	<b>\$217.3</b>

<sup>[1]</sup> For more details on the nature of these normalized items, please refer to the Company's Management Discussion and Analysis for the year ended January 31, 2016 dated March 17 2016, the year ended January 31 2015 dated March 26 2015, and the quarter ended April 30 2013 dated June 12 2013



Ski-Doo®

Lynx®

Sea-Doo®

Evinrude®

Rotax®

Can-Am®



## THE ULTIMATE POWERSPORTS EXPERIENCE



© 2015 BRP. All rights reserved. / ™ ® and the BRP logo are trademarks of BRP or its affiliates.