



# BLAZING OUR OWN TRAIL

Our people are informed optimists who see the world as one big opportunity, with no boundaries to the road or their ambitions. Whenever there's an opportunity to be outdoors exploring and connecting with our passionate community, they take it. As navigators, they always find a way to overcome any barrier. This mentality allows them to naturally lead, which is displayed in both work and play.



# OUR VALUES

**They make our culture unique, inform how we act, and drive what we make.**

**PASSION, to keep moving** – Passion informs everything we do and is an integral part of every value we have. If it's not done with passion, it's not BRP. **It's passion you can feel.**

**DRIVE, to deliver on our commitments** – We say what we do. We do what we say. No excuses. Only sheer determination. Relentless drive and love of the ride push us ahead. **While we live for the ride, we always arrive at destination.**

**INGENUITY, to defy conventions** – We're not afraid to see things differently. Constant curiosity makes us the first to uncover new solutions. We question. We innovate. We progress. **Relentlessly.**

**TRUST, to build strong partnerships** – We take care of our people like family. We act with integrity. People can count on us like we count on them. **It's that simple.**

# BLAZING OUR OWN TRAIL

Our five-year strategic plan ended on a high note with FY2020 as we exceeded our own targets and proved once again our leadership in our sectors of activity. FY2021 kicked off almost immediately into a new era of uncertainty with the global COVID-19 crisis, an event of unforeseeable consequences. Yet BRP is well-placed to manage through it and beyond, in part because of our strong starting point.

In FY2016, when we began Challenge 2020, we set financial targets of \$6 billion in revenue and \$3.50 in normalized earnings per share. By focusing on our strategic pillars of Growth, Agility and Lean Enterprise, we were able to reach our objectives a full year in advance. In November 2019, we launched Mission '25, our next long-range strategic plan, the pillars of which will be guideposts for the months and years to come.



## ACHIEVING CHALLENGE 2020 AHEAD OF TIME

Reaching the Challenge 2020 target came from a balance of incremental growth, smart initiatives and game-changing innovations. To deliver 10% annual revenue growth and 15% annual profit growth, we enlarged and rethought our operations around the world. We sharpened our competitive edge with a strategy that combined product know-how with stronger and more agile manufacturing, and proximity to our key markets.

The modernization of our factories in Valcourt and Guns kirchen was completed in FY2020. More than just upgrading our infrastructure, we essentially rewrote the rules on how we work, from team composition and training, all the way to the integration of a best-in-class modular approach to manufacturing. We also completed the second phase of our Juarez 2 expansion during FY2020 and the site smoothly moved to increased capacity within weeks.

Modular design means we are even more efficient by increasing our engineering and manufacturing agility and flexibility, improving our ability to respond to consumer demand. Combined with our rigorous product planning and development process that puts the consumer at the heart of everything we do, this is central to delivering a targeted line-up of new products.

We disrupted the side-by-side vehicle industry by respecting a bold commitment of one new platform every six months for four years and establishing our first \$1 billion+ product line. We reinvented the way we design and market entry-level products, simplifying SKUs while allowing customization at the dealership and creating winning solutions with the Sea-Doo Spark and the Can-Am Ryker. We developed a strategy to create a unified ecosystem for accessories with an innovative and easy-to-use product line-up. This grew our accessories line by six times and represented 75% growth in revenue over the past four years.

In 2018, we began the first phase of an ambitious strategy to transform the marine industry in the same way we have done for powersports. The initial phase of our Buy-Build-Transform strategy was completed in FY2020, with the acquisition of a third boat company – Telwater, in Australia – and the integration of our first two boat companies. We are currently in the second phase, Build, and are redesigning our entire portfolio of boats to be a true marine innovator. This is a mid- to long-term strategy and by remaining true to this vision, even with the changes precipitated by the impact of COVID-19 this year, we believe that we can be a leader in the marine industry.

In 2019, we also celebrated 50 years of our Design and Innovation (D&I) team, the first department of its type in our industry and without a doubt, the most creative and ingenious.

To truly win the hearts and minds of our consumers, we also continued to emphasize our desired lifestyle approach to our marketing. We know that our products are popular with a wide range of consumers, but it is the experiences they generate that really resonate and bring them back. This emphasis in our marketing on the adventures our products allow and the experiences they create deepens our connection to our community of riders, some of the most loyal in the industry. For the dealer, we offer not only a portfolio of iconic brands but a best-in-class dealer value proposition. New dealer agreements, including primary market areas (PMA) and certifications, supported by a more flexible ordering system and attractive incentive programs, comprise a complete ecosystem that improves margins to the dealer and makes us their OEM of choice.

Our year-over-year growth could not have been achieved without the dedication of our extraordinary employees around the world in 25 countries. We have an exceptional work culture in all our locations and are proud that our workforce has an engagement level of 89%, a benchmark in the industry.

## LOOKING BACK, LOOKING AHEAD

Steady, relentless execution of the objectives defined in Challenge 2020 on a monthly, quarterly and yearly basis has built our credibility as leaders in the industry over the past five years. Our solid performance, strong governance and effective capital allocation strategy, has helped us build our credibility with investors. Our seamless execution allowed us to deliver results that surpassed our financial guidance and exceed market expectations over the past five years, in addition to achieving our stated goals.

Over the last decade, we have diversified our product portfolio, established a global sales and distribution network, and expanded our global manufacturing footprint. This, along with solid processes, strong governance and incredible employees, is what gives us the great foundation on which we will continue to build.

Today, it's impossible to know precisely what the months or years ahead will hold. However, given our track record, our excellent starting point for the year and the know-how we have accumulated over time, we are confident that while we are temporarily slowed down, it won't stop our momentum. Whether we are on a vehicle or in a boardroom,

we are driven by the same motivation: we are willing to push the limits in every way. Finding new, ingenious ways of delivering market-shaping products, and never relenting in our quest to reinvent the consumer experience.

## THE FUTURE OF ELECTRIC

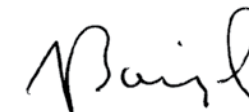
Part of this reinvention is to understand what the consumers of today and tomorrow are seeking. With global trends towards urbanization, environmental protection and sharing economies, there will be interest in new ways of moving people, including electric vehicles and alternative methods of transportation. When the demand will be there, we will be ready with an offer that enhance the consumer experience without compromises. Our research and design teams continue to explore the possibilities and have developed both new concept vehicles and adaptations of our existing products. In September 2019, to high acclaim, we showcased some of our early electric concepts during Club BRP.

## CONCLUSION

In FY2020 and the beginning of FY2021, we were on a roll: we had incredible momentum with every product line worldwide and we anticipated another great year ahead. In March 2020, like the rest of the world, we were suddenly faced with the challenge of the COVID-19 health crisis, bringing rapid changes that significantly disrupted our business and operations and forced us to quickly pivot.

The silver lining to this situation is that overcoming obstacles comes naturally to us. This is not the first difficult period we have been through and likely will not be the last. And our values as a company – our drive, our ingenuity, our passion and the trust we have in each other – are what unites us and allow us to grow. Our solid position in the market, our know-how and our experience allow us to be in a better position to tackle this kind of challenge head-on.

There is no doubt in my mind that we are blazing our own trail for the future.



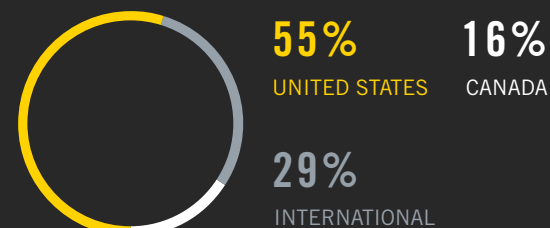
**JOSÉ BOISJOLI**  
President and CEO

# FINANCIAL HIGHLIGHTS / FISCAL YEAR 2020

REVENUE BASE BY CATEGORY  
At 31/01/20

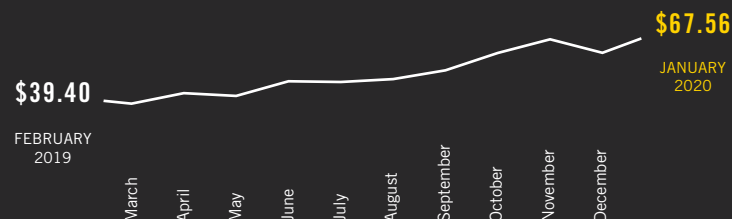


REVENUE BASE BY GEOGRAPHY  
At 31/01/20



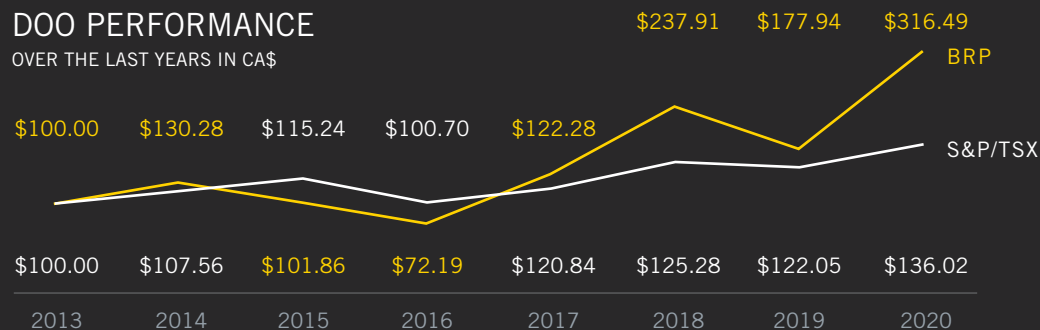
## SHARE PRICE

DOO MONTHLY CLOSING PRICE IN CA\$



## DOO PERFORMANCE

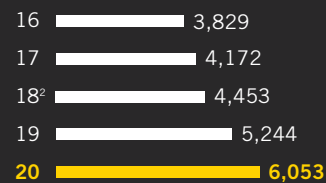
OVER THE LAST YEARS IN CA\$



## TOTAL REVENUES

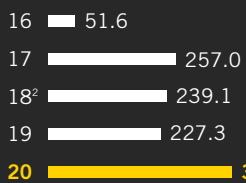
CA\$ millions / At 31/01/20

CAGR\* 12%



## NET INCOME

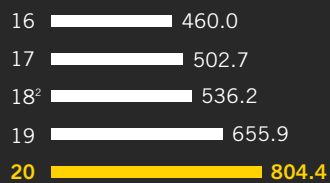
CA\$ millions / At 31/01/20



## NORMALIZED EBITDA<sup>1</sup>

CA\$ millions / At 31/01/20

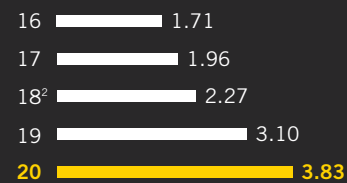
CAGR\* 15%



## NORMALIZED EARNINGS PER SHARE – DILUTED<sup>1</sup>

CA\$ / At 31/01/20

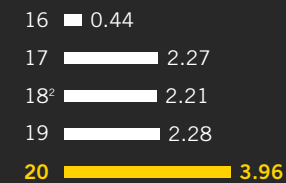
CAGR\* 23%



## EARNINGS PER SHARE – DILUTED<sup>1</sup>

CA\$ / At 31/01/20

CAGR\* 61%



<sup>1</sup> See Non-IFRS measures section on p. 33.

<sup>2</sup> Restated to reflect the adoption of IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments" standards as explained in Note 31 of the audited consolidated financial statements for the year ended January 31, 2019.

\* Compound Annual Growth Rate since 31 January 2016.

# ADVENTURE BY DESIGN

We are defined by our passion, ingenuity, trust and drive.

We are a global leader in the world of powersports vehicles and propulsion system built on over 75 years of ingenuity and intense consumer focus.

A STAND-ALONE  
COMPANY SINCE 2003

9

ICONIC  
BRANDS

*ski-doo*

*can-am*

*ALUMACraft*

*LYNX*

ROTAX

*Manitou*

*SEA-DOO*

*EVINRUDE*<sup>1</sup>

*QUINTREX*

## COMPANY OVERVIEW

(As of January 31, 2020)

\$6.1B

ANNUAL SALES

APPROXIMATELY

13,500

DRIVEN, RESOURCEFUL  
EMPLOYEES WORLDWIDE



TSX: DOO  
NASDAQ: DOOO

120+

COUNTRIES WHERE OUR  
PRODUCTS ARE AVAILABLE



**OUR  
PRODUCT  
LINES**



# POWERSPORTS YEAR-ROUND PRODUCTS

*can-am*





With our year-round products, we've extended the BRP experience to new terrains for work as well as play, appealing to a wide spectrum of people the world over. Our on-road vehicles include category-defying products that lead the industry into new territory, while our off-road vehicles challenge the status quo with innovations that delight customers.

### MARKET INDICATORS

**2,791.7** MILLIONS  
CA\$

GLOBAL SALES FOR THE YEAR ENDED  
ON JANUARY 31, 2020

**+24.6%**

GLOBAL SALES VS FY2019



We believe that all roads should be open to all people. The introduction of the Can-Am Ryker in FY2019 addressed that, bringing an incredibly fun, yet more accessible option to the masses, both in terms of cost and ease of riding. In FY2020, we also updated our luxury touring model, the Spyder RT, ensuring existing generations can stay with us for years to come. Last year's results show we're succeeding.

# ON - ROAD

- > The Can-Am Ryker has attracted new riders who are younger and more diverse, including higher numbers of female buyers, altogether driving strong retail demand.
- > The 2020 Can-Am Spyder RT was completely redesigned after more than 10 years and millions of miles reported by satisfied owners. With its modern, upscale look and enhanced comfort, the new design is expected to drive strong interest from existing touring owners both from within the Spyder community and the motorcycle community in general.
- > The Can-Am Rider Education Program has successfully reduced a core barrier to purchase and attracting new riders. There are nearly 200 active schools, and more than 20,000 courses have been completed with a >20% conversion rate to purchase a Can-Am 3WV after completion.
- > Can-Am 3WV grew substantially, up +104% in North American retail sales volume in FY2020. Can-Am now holds the #5 market-share position in the North American on-highway motorcycle market, up from #7 last year.





Can-Am Off-Road vehicles allow their riders to connect with the land in a variety of ways, making them feel more alive. A fearless ally to work or play, and often both, Can-Am ORVs continued to gain recognition in all categories, from both consumers and professional influencers. This is reflected in our results for the year.

# OFF-ROAD

- > Our new Defender platform, offering greater comfort and performance thanks to the new HD10 engine available in all Defender packages with 82hp and new improved cockpit area, strikes the perfect balance between work and play. It is now available in three versions: the PRO, with class-leading, industry-surpassing storage; the Limited, with the quietest climate-controlled cab; and a 6x6 with more traction and capabilities for extreme usage.
- > The new Maverick X3, featuring the Turbo RR, is the most powerful SSV engine in the industry, offering maximum reliability and performance with 195hp.
- > In addition to winning the Dakar Rally's side-by-side vehicle category outright for the third year running, Can-Am vehicles swept the podium and crossed the finish line in all of the top 20 positions, dominating the world's toughest race from start to finish.
- > Can-Am Off-Road continued to build awareness through a tribe of ambassadors of well-established, high-reach influencers in farming, ranching, racing and hunting; and through high-visibility programs such as a three-year partnership with Professional Bull Riders' Unleash the Beast Tour, including the "Can-Am Cage", TV advertising, and on-site booth and hospitality.
- > In FY2020, Can-Am Off-Road brand awareness increased 26%, from 27% to 34%, and global sales went up 23.8% to over \$2.2 billion.



# POWERSPORTS SEASONAL PRODUCTS

*ski-doo* LYNX SEA-DOO.





Snow and water were our first playgrounds, and seasonal products are a reminder of our proud heritage. They also play a major role in both our present and our future, as we continue to innovate in the product categories we created.

### MARKET INDICATORS

**1,901.4** MILLIONS  
CA\$

GLOBAL SALES FOR THE YEAR ENDED  
ON JANUARY 31, 2020

**+5.4%**

GLOBAL SALES VS FY2019



Ski-Doo invented recreational snowmobiling over 60 years ago, and has been reinventing it ever since, delivering winter experiences that defy expectations. Inspired by feedback from our brand ambassadors and experienced riders, each new product innovation takes the riding experience to new heights. In 2020, this was literally the case. And our sales results prove it.

- > The all-new Ski-Doo Summit 850 E-TEC Turbo snowmobile, with the world's first factory-built, turbocharged two-stroke engine, provides the same constant 165 horsepower from sea-level, all the way to an elevation of 8,000 ft.
- > Designed with input from some of the world's most respected deep-snow riders, the Summit X with Expert Package offers a range of features for responsive, deep-snow performance, a shorter tunnel length, lighter weight and ergonomic, deep-snow design.
- > The REV Gen4 platform welcomed the Rotax 600 ACE 4-stroke engine, the most fuel-efficient engine in the entire industry, with up to 29 mpg (8 L/100 km)<sup>1</sup>.
- > For the first time in 50 years, Ski-Doo reached a record high market share beyond 50% in North America.

<sup>1</sup> Data based on internal engineering trail testing in ECO mode





Lynx snowmobiles are equipped to take on nature's toughest challenges, and the brand has been helping riders make the most of every day of winter for over 50 years. In FY2020, the brand introduced several innovations enabling Nordic snow junkies to ride the best trails nature has to offer, and Scandinavian customers appreciated the efforts, as our market success shows.

- > The all-new Commander family, built on the RADIEN-X platform introduced last year, set the bar in wide-track crossover sleds – sales grew 33% compared to FY2019 and Commander was the top seller in EMEA.
- > The PPS DS+ rear suspension, made for deep snow riding only, was introduced on the Lynx BoonDocker DS models.
- > The Rotax 900 ACE Turbo made its debut on the Lynx Xterrain RE 3700 900 ACE Turbo, Commander 900 ACE Turbo and Commander Grand Tourer 900 ACE Turbo.
- > Model year 2020 was a big success for Lynx, with market share in Scandinavia at almost 40%, including an all-time high in Finland with more than 50%.
- > Together Lynx and Ski-Doo attained BRP's highest-ever market share in Scandinavia with approximately 65%.







In FY2019, to celebrate 50 years of Sea-Doo, we brought to market a revolutionary three-seater platform and a ground-breaking fishing-focused model, opening up even more possibilities for fun and freedom to water-lovers everywhere. These ingenious innovations have sustained our leading position in FY2020, and shifted the focus of growth in North America.

- > The platform launched in FY2018, with its onboard living room, offering comfortable seating for three or roomy lounging space, equipped with a fully-integrated sound system and innovative storage and able to accommodate a host of LinQ accessories, has been a key contributor to our success in FY2020, especially in Australia, Japan and China, (+19%) and in Latin America (+15%).
- > In North America, growth has been fuelled by full-size, higher-end PWCs for the first time, due to our consistent focus on the beyond-the-ride experience.
- > We have seen an increase in volume sales worldwide, even in markets where the industry declined, with most of the growth from Touring segments, leading to an increase in global margin in FY2020.
- > In FY2020, Sea-Doo remained #1 worldwide, with record high market share of more than 60%.
- > More and more people are using PWCs for activities beyond the ride, such as adventure riding, exploration and fishing, in the six largest PWC markets: U.S., Canada, Brazil, Sweden, New-Zealand and Australia.



# POWERSPORTS PA&A AND OEM ENGINES





For customers, our extensive line of parts, accessories and apparel (PA&A) contribute to a complete BRP experience, enabling us to extend the BRP brand as a lifestyle. Rotax engines, manufactured in Austria and Mexico, open up global OEM opportunities.

### MARKET INDICATORS

**799.8** MILLIONS  
CA\$

GLOBAL SALES FOR THE YEAR ENDED  
ON JANUARY 31, 2020

**+13.1%**

GLOBAL SALES VS FY2019

# PARTS, ACCESSORIES AND APPAREL (PA&A)

BRP parts, accessories and apparel enable our riders to fine-tune their adventure. As well as guaranteeing quality and performance, they let our customers adapt their vehicle to the work they're doing or the terrain they're exploring, and back again. Our unique, industry-leading, snap-on/snap-off LinQ system is the cornerstone of this versatility. All of these products enhance the overall consumer experience and lifestyle associated with powersports products.

- > There are now over 250 accessories available for owners of a Ski-Doo built on the REV Gen4 platform. LinQ accessories include a 135-litre (36 US gallons) cargo box, a chainsaw holder and a 3.78-litre (1 US gallon) fuel caddy. Other accessories include an adjustable windshield.
- > New accessories to fit both SSVs and ATVs improve comfort, add to the fun, and enable work or play in the snow. Riders welcomed the innovative Pro-Vent vented windshield and roof, the audio roof, and the Apache track system. Additionally, the Can-Am Defender SSV gained 66 new accessories this year.
- > For adventures on the water, Sea-Doo GTI, GTI SE, GTR and WAKE owners can now waterski, thanks to the retractable ski pylon; wakeboard, thanks to the wakeboard rack; and keep their picnic and other items

dry, thanks to the LinQ box and removable storage bin. They can also be sure not to run aground if they use the depth finder, or to take on water at rest, with our new cover.

- > BRP launched a complete line of branded merchandise, providing practical and fun accessories to enhance customers' adventures, as well as cool lifestyle products to simply express their pride in owning a BRP vehicle.
- > BRP expanded its lubricants portfolio while introducing a brand-new care products lineup. These products are expertly engineered to extend the life of vehicles and tested on all engine platforms and materials used in the powersports industry. They perform and protect in the harshest conditions.

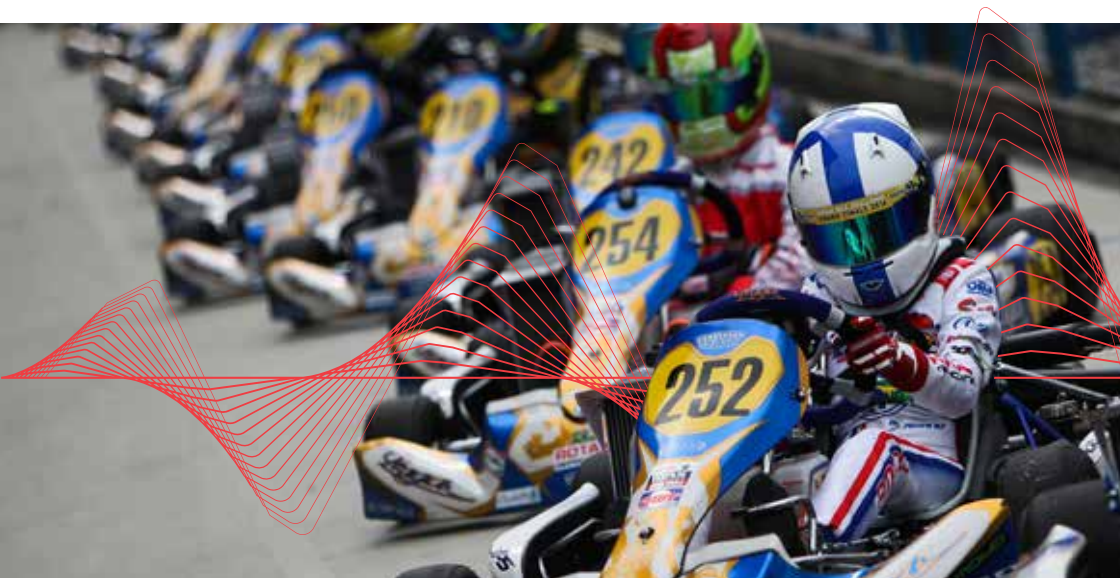


# OEM ENGINES

## ROTAX®

Rotax engines have been constantly innovating to reinvent mobility for 100 years now. In the last decades, BRP-Rotax has also found ingenious ways to showcase how it powers vehicles for the world's most thrilling playgrounds. In FY2020, it upped its game, quite literally, with a state-of-the-art, gamified experience with its engine at the heart.

- > 'Gunskirchen 2020', BRP-Rotax's modernization and innovation program of the plant in Austria, came to its end. Started in 2012, it has made it possible for BRP-Rotax to meet customers' needs better and more quickly, and to respond to the requirements of the market in a more flexible and specific way. New technologies were implemented, and machinery was updated, with the aim of a more flexible and agile production. Continuous improvement, even better teamwork, and waste elimination resulted from optimizing the BRP Management System (BRPMS).
- > Last July, BRP made a first venture into the world of direct consumer experience with the opening of the Rotax MAX Dome. This innovative and exciting indoor e-kart racing arena allows the public to prepare for and race Rotax electric karts in an augmented reality space for a truly immersive, virtual gamification experience.
- > The Rotax MAX Challenge Grand Finals in Sarno, Italy, marked 20 years since BRP-Rotax launched what has been described as the fairest, most international kart sporting event in the world, which has raised Formula 1 stars such as Jenson Button, Kimi Räikkönen and Lance Stroll. The event also saw the launch of Project E20, BRP-Rotax's in-house-developed electric powerpack, which promises to bring the e-kart to the same level as combustion engine racing karts.
- > Marking its seventh year, the Spyder Großglockner Challenge again brought together around 280 riders from all over the world with their 175 Can-Am Spyderys and, for the first time, the new Can-Am Ryker.
- > The year also brought a relaunch of the Rotax Fly-In which has already been held occasionally in the past years. In August, aircraft enthusiasts from Austria and central Europe landed in Wels, Upper Austria, for the 2019 edition of the Fly-In and enjoyed a great event in a relaxed atmosphere. The new Rotax 915iS aircraft engine was the center of interest and a lot of the participating aircraft were already equipped with the innovative powertrain.



# MARINE GROUP

**EVINRUDE**

**ALUMA***Craft*

*Manitou*





On the water, opportunities abound for recreation, whether powersports, fishing, or boating. Naturally, many customers are interested in all of the above, which is one reason we've added renowned leisure craft products to our portfolio within the new BRP Marine Group.

### MARKET INDICATORS<sup>1</sup>

**559.8** MILLIONS  
CA\$

GLOBAL SALES FOR THE YEAR ENDED  
ON JANUARY 31, 2020

**+13.7%**

GLOBAL SALES VS FY2019

<sup>1</sup> The sales figures and percentage of sales increase include Evinrude for which BRP announced, in May 2020, that the production was discontinued.



The Evinrude brand has been central to our marine strategy for many years and has served as an important jumping-off point for marine innovation in a variety of forms. In FY2020, Evinrude continued its course of supplying boaters around the world with some of the most performance-driven engines on the market, coupled with the highest environmental standards for both emissions and noise.

- > The E-TEC G2 I3 150 HP with power tiller was launched in 2019 with integrated power-steering assist and digital shift and throttle. This was an example of BRP's innovative spirit by introducing the industry's first factory-installed power tiller-controlled outboard. The design was created with beginners to advanced anglers in mind and demonstrates BRP's commitment to ease of use, even in the worst conditions.
- > BRP equipped all new three-cylinder E-TEC G2 outboard motors, from 115 H.O. to 150 horsepower with next-generation technology such as digital shift and throttle, the iTrim control system, digital instrumentation, custom colour panels and optional iSteer dynamic power steering, as well as a new look and feel. This is part of our BRP philosophy of remaining cutting edge in whatever we design for our customers.
- > BRP innovations continue to be recognized in the industry. The Evinrude E-TEC G2 115 H.O. Inline 3-cylinder engine was awarded the National Marine Manufacturers Association (NMMA) Innovation Award in the Outboard Engine category at the 2019 International Boat Builders' Exhibition & Conference (IBEX) for its extended cruising capabilities, power capacities, running quality, quiet operations, and low emissions rating.
- > BRP is now in the Guinness World Records, thanks to Evinrude. The Big Pull team set multiple single-boat barefoot waterskiing records using boats powered by two and three 300-horsepower Evinrude E-TEC G2 engine in the Ballet, Barefoot, Conventional Couples and Trios categories.

As of May 2020, BRP has decided to discontinue production of Evinrude outboard engines and to focus more energy on new products in the marine industry. Evinrude outboard engines will continue to be serviced and supplied with parts, and the Sturtevant, WI plant will be repurposed for exciting marine innovations to be announced in the future.







Alumacraft has been synonymous with fishing for over 70 years, helping people create memories with their family and friends. Durability and innovation are the hallmarks of the brand, fuelled by an unwavering dedication to the customer and the talent of its employees.

- > Recent advancements in our manufacturing technologies have enabled production speeds for aluminum boat building to be increased.
- > Boat dealers were offered several attractive rebate programs throughout the year to incentivize boat buyers to purchase, allowing dealerships to clear and renew inventory.
- > Factory-rigging Evinrude motors on Alumacraft boats at our Minnesota and Arkansas facilities, implemented in FY2019, has greatly impacted orders, with more dealers purchasing packages straight from the factory.





For over 34 years, Manitou has been driven to exceed its customers' expectations and needs, redefining what a pontoon boat can be. Building on a solid foundation of performance, quality, and technology, the brand leads the industry in product innovation.

- > A new ERP system was implemented to streamline the flow of communication through the production process, and improve production.
- > Short-term capacity planning was redesigned, from shipping and receiving to final assembly, reducing bottlenecks on the production line, and creating a solid foundation for future growth.
- > New safety initiatives were implemented to improve the total recordable incident rate (TRIR), with a target of 1.1% – since June there have been zero recordable incidents.
- > A Corporate Social Responsibility team was created to coordinate initiatives and lead employee and community events, which included sending a decorated pontoon float to the “Silver Bells in the City” parade and other community parades in the greater Lansing Area during the holiday season, and coordinating volunteers for “Vets with Nets” that helps veterans get out and fish on Lake Erie.
- > A project to develop a framework and guidelines for the Manitou brand was kicked off.





In FY2020, we acquired Telwater, the largest boat manufacturer in the South Pacific, with more than 60% of the Australian market. By continually setting industry standards with its innovative designs, advanced technology and ongoing research and development program, this division has the most iconic aluminum brands in the business, with Quintrex and the other members of the Telwater family – Stacer, Savage and Yellowfin Plate.

- > A purpose-built aluminum stretch former was installed to extend hull development and innovation possibilities – stretch forming enables an almost unlimited variety of shapes and cross-sections, and will allow us to maintain and expand our industry leadership.
- > Stacer's open, runabout, bowrider and cabin range were upgraded with unique technology that will improve the customer experience and simplify the sales process for Stacer dealers.
- > Quintrex's Yellowfin Plate range expanded from 10 to 27 models in a single year based on customer feedback – with the most hardcore Australian fisherman in mind, our research and development team showed great agility in applying this valuable knowledge and getting the new range into the market.



# A GLIMPSE INTO THE FUTURE

BRP was an early frontrunner in electric mobility, with the introduction of the Neighborhood Electric Vehicle in 1996, followed by an electric side-by-side vehicle, the development of a Can-Am Spyder electric prototype, and the commercialization of Sonic e-karts. In 2019, we pushed our limits further, unveiling six electric vehicle concepts to provide a glimpse of what the future might hold, and demonstrate our vision and thinking to unlock more sustainable ways to move people and explore new territories, while still delivering the fun and exhilaration that riders expect.



## THE SEA-DOO EV CONCEPT

The Sea-Doo EV Concept takes personal watercraft to the next level with smooth, quiet adventures across a wide variety of waterways: there are no limits with this futuristic solution to aquatic powersports.



## THE RYKER EV CONCEPT

The ultimate marriage of sustainability and innovation, the Ryker EV Concept allows riders to take to the open road with nothing between them and their passion, truly a ride like no other for the future.

## THE TWELVE CONCEPT

The TWELVE (Three Wheeled Electric Leaning Vehicle) Concept has already been tested in Paris and has demonstrated stability and agility for urban mobility, whether for personal, shared or commercial use.



## THE CT CONCEPTS

The CT1 and CT2 Concepts are part of a modular ecosystem intended for personal, shared and commercial mobility solutions for both urban and suburban areas. The concepts have already been successfully roadtested in Madrid, Paris, San Francisco and Montreal.



## ABOUT THE SONIC

SONIC is the newest way to experience karting: all the fun and speed with no emissions. From the inner city with the Rotax MAX Dome interactive racing concept to racetracks around the world, e-karting is the world's next thrill.



## THE eCOM CONCEPT

Incorporating the distinctive Y-design BRP is renowned for, the eCOM Concept is the ultimate in accessibility and stability for commuting to and within cities, and a great alternative to a second (or third) car, with many options for commercial use.



# CORPORATE SOCIAL RESPONSIBILITY

BRP considers the protection of the environment and the promotion of economic and social well-being as fundamental to its future success. For this reason, all BRP business units around the world build corporate social responsibility into their business strategy. We strive continuously to improve the environmental performance and social acceptability of our activities and products while maintaining their competitiveness.

Our natural surroundings are an important part of our activities. We care about designing, manufacturing and servicing products that have the least impact possible on natural ecosystems, while providing exciting opportunities for consumers around the world to experience the great outdoors. To do so, we provide an environment for all our employees that favours their health, safety and well-being, both at work and in their community.

## OUR CSR PROGRAM IS BUILT ON SIX PILLARS

- > GOVERNANCE
- > ENVIRONMENT
- > EMPLOYEES
- > PRODUCT RESPONSIBILITY
- > SUPPLY CHAIN MANAGEMENT
- > ROLE IN THE COMMUNITY

# FY 2020 HIGHLIGHTS

## EMPLOYEES (1)

Our Juárez facilities recognized as a “Company Committed to Human Rights”, by Chihuahua State. Principles such as respect of human rights, harmonious labor practices, inclusion, and protection of the environment are well integrated in our culture and daily operations.

## EMPLOYEES

Work-life-balance plays an important role at BRP-Rotax, and we offer our employees a variety of working models adapted to different phases of people’s lives and their corresponding needs. These efforts, and our family- and employee-friendly corporate culture, were recognized by the Upper Austria region with the “Felix Familia” family award 2020.

## EMPLOYEES

A new record was celebrated at the BRP-Rotax apprentice shop: 1,111 days without accident.

## EMPLOYEES, ENVIRONMENT, ROLE IN COMMUNITY, GOVERNANCE (2)

Our Mexican facilities received for the fourth consecutive time in Juárez and the third time in Querétaro the Socially Responsible Company (ESR) award from the Mexican Center for Philanthropy (CEMEFI). This is a recognition of our commitment to implementing environmental, ethical and socially responsible management as part of our culture and business strategy in all our Mexican facilities.

## ENVIRONMENT (3)

For the third consecutive year, BRP Evinrude was recognized among the top 20% of companies in the state as a Green Master. It continues to make sustainability a top priority, by implementing key changes to their business practices and supporting community outreach efforts that benefit the environment.



# FY2020 HIGHLIGHTS (CONT'D)

## ENVIRONMENT, ROLE IN COMMUNITY (4)

Since last September, BRP has been sponsoring two women citizens from the Hearts in the Ice project with Lynx snowmobiles, Evinrude motors and the appropriate gear. These women have been stationed in Svalbard, in Norway, near the Arctic Circle, on a nine-month expedition observing weather and wildlife, and collecting data for NASA, the Norwegian Polar Institute, Scripps Institution of Oceanography, University of Maine Climate Change Institute, and the United Nations International School (UNIS).

## ENVIRONMENT, ROLE IN COMMUNITY (5)

It's been over a year since the regeneration of the Samalayuca desert began in Chihuahua, Mexico. This project focuses on the conservation of natural habitats that can retain large amounts of carbon dioxide and water. With the help of Can-Am and the local BRP team who offered additional support, the Conciencias Biologicas foundation explored new areas using our side-by-side vehicles to identify the desert's vegetation density and research critical areas. The team is also keeping a record of the local flora and fauna to estimate the amount of carbon dioxide stored there.

## ROLE IN COMMUNITY

Established in 2016, Sea-Doo Club Indonesia (SCI) is a Sea-Doo rider community in Jakarta, Indonesia's capital city. The SCI community organizes weekend rides from Jakarta to Thousand Islands, a group of small nearby islands where basic educational infrastructure is lacking. The SCI community sponsored the building of a preschool on Tidung Island in the Thousand Islands area, and the local authorities renamed it the SCI Preschool in gratitude for SCI's support. When school is not in session, the preschool building can be used for other community activities. Over the past four years, BRP has supported the SCI's CSR initiatives on an ongoing basis and in 2019, we provided Sea-Doo demo units for the event days.

## PRODUCT RESPONSIBILITY (6)

Ski-Doo snowmobiles continue to support backcountry-rider education with free avalanche awareness and avoidance seminars for all snowmobilers – whatever their preferred brand – for the ninth year running in the US and the tenth in Canada.

## PRODUCT RESPONSIBILITY, ENVIRONMENT

BRP furthered its exploration of electric vehicles, and showcased six different concepts for its current product lines and beyond at Club BRP in September 2019.



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# FINANCIAL SECTION



## RECONCILIATION TABLES – FY2020

The following table presents the reconciliation of Net income to Normalized net income<sup>1</sup> and Normalized EBITDA<sup>1</sup>.

(in millions of Canadian dollars)	Twelve-month periods ended				
	January 31, 2020	January 31, 2019	January 31, 2018	January 31, 2017	January 31, 2016
<b>Net income</b>	<b>\$370.6</b>	\$227.3	\$239.1	\$257.0	\$51.6
Normalized elements			Restated <sup>2</sup>		
Foreign exchange (gain) loss on long-term debt and lease liabilities	10.4	69.8	(53.3)	(82.0)	105.8
Transaction costs and other related expenses <sup>3</sup>	2.9	2.7	--	--	--
Restructuring and related costs (reversal) <sup>4</sup>	1.7	1.3	2.9	(1.1)	4.6
Impairment charge	--	--	--	--	70.3
(Gain) loss on litigation <sup>5</sup>	(40.0)	1.3	5.9	70.7	--
Transaction costs on long-term debt	--	8.9	2.1	--	--
Pension plan past service gains	--	(1.4)	--	(6.3)	--
Gain on disposal of property, plant and equipment	--	--	--	--	(6.4)
Depreciation of intangible assets related to business combinations	3.6	1.2	--	--	--
Other elements	0.9	1.3	1.5	2.7	(1.1)
Income tax adjustment	8.3	(3.8)	47.3	(19.0)	(24.0)
<b>Normalized net income<sup>1</sup></b>	<b>358.4</b>	308.6	245.5	222.0	200.8
Normalized income tax expense <sup>1</sup>	126.8	105.4	90.2	89.1	72.8
Financing costs adjusted <sup>1,6</sup>	90.9	68.0	53.5	60.0	62.6
Financing income adjusted <sup>1,6</sup>	(2.2)	(2.2)	(2.2)	(1.5)	(2.4)
Depreciation expense adjusted <sup>1,7</sup>	230.5	176.1	149.2	133.1	126.2
<b>Normalized EBITDA<sup>1</sup></b>	<b>\$804.4</b>	\$655.9	\$536.2	\$502.7	\$460.0

<sup>1</sup> See "Non-IFRS Measures" section.

<sup>2</sup> Restated to reflect the adoption of *IFRS 15 "Revenue from contracts with customers"* and *IFRS 9 "Financial instruments"* standards as explained in Note 31 of the audited consolidated financial statements for the year ended January 31, 2019.

<sup>3</sup> Costs related to business combinations.

<sup>4</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>5</sup> The Company is involved in patent infringement litigation cases with one of its competitors.

<sup>6</sup> Adjusted for transaction costs on long-term debt and normal course issuer bid program ("NCIB") gains and losses in net income.

<sup>7</sup> Adjusted for depreciation of intangible assets acquired through business combinations.

# INFORMATION FOR INVESTORS

## Stock Exchange Information

BRP Inc. subordinate voting shares are traded on the Toronto Stock Exchange under the symbol "DOO" and on the Nasdaq Global Select Market under the symbol "DOO0".

## Research Coverage<sup>1</sup>

BMO Capital Markets • Canaccord Genuity • CIBC World Markets • Desjardins Securities • Morningstar • National Bank Financial • Northcoast Research • RBC Capital Markets • Robert W. Baird & Co. • UBS • Wells Fargo • Wolfe Research

## Fiscal Year 2020 Tentative Earnings Calendar

**First Quarter:** Thursday, May 28, 2020

**Second Quarter:** Thursday, August 27, 2020

**Third Quarter:** Wednesday, November 25, 2020

**Fourth Quarter:** Thursday, March 25, 2021

## FORWARD-LOOKING STATEMENTS

Certain statements included in this Annual Review, including, but not limited to, statements relating to our previously disclosed Challenge 2020, our new 5-year plan referred to as "Mission '25", our expectations for FY2021 and our ability to face the COVID-19 ongoing health crisis 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 readers 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. Readers are cautioned that such information may not be appropriate for other purposes. Readers 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

## NON-IFRS MEASURES

This Annual Review makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including Normalized EBITDA, Normalized net income, Normalized income tax expense, Normalized effective tax rate, Normalized basic earnings per share and Normalized diluted earnings per share.

Normalized EBITDA is provided to assist investors in determining the financial performance of the Company's operating activities on a consistent basis by excluding certain non-cash elements such as depreciation expense, impairment charge and foreign exchange gain or loss on the Company's long-term debt denominated in U.S. dollars and foreign exchange gain or loss on certain of the Company's lease liabilities. Other elements, such as restructuring costs and acquisition related-costs,

## Issued and Outstanding Shares

As of April 23, 2020, there were 41,407,024 Subordinate Voting Shares and 45,891,671 Multiple Voting Shares issued and outstanding, and no preferred shares were issued and outstanding.

## Annual Shareholders' Meeting

This meeting will be held at 11:00 a.m. (Eastern time) on May 28, 2020, at BRP's Valcourt Product Development Centre located at 841 Cartier Street, Valcourt, Québec, JOE 2L0, and via live webcast and conference call.

## Information Requests

Analysts, shareholders and interested investment professionals may direct their business-related inquiries to:

Investor Relations Department: BRP Inc., 726 St-Joseph, Valcourt, Québec, Canada JOE 2L0, T +1 (450) 532-2211, ir@brp.com

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.

The forward-looking statements contained in this Annual Review are made as of the date of this Annual Review and the Company has no intention and undertakes

may also be excluded from net income in the determination of Normalized EBITDA as they are considered not being reflective of the operational performance of the Company. Normalized net income, Normalized income tax expense, Normalized effective tax rate, Normalized basic earnings per share and Normalized diluted earnings per share, in addition to the financial performance of operating activities, take into account the impact of investing activities, financing activities and income taxes on the Company's financial results.

The Company believes non-IFRS measures are important supplemental measures of financial performance because they eliminate items that have less bearing on the Company's financial performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. Management also uses non-IFRS measures in order to facilitate financial performance comparisons from period to period, prepare annual operating budgets, assess the Company's ability to meet its future debt service, capital expenditure and working capital requirements and, also, as a component in the determination of the short-term incentive compensation

## Shareholder Services

For shareholder-related services, including estate change of name or address, stock, transfers, settlement, lost stock certificates and duplicate mailings, please contact the transfer agent at:

Computershare Investor Services Inc.: 100 University Ave., 8th Floor, Toronto, Ontario, Canada M5J 2Y1, T +1 (866) 245-4053, www-us.computershare.com/Investor

## For more information

To view the Company's Annual Review and related financial information, to learn more about the products, to download product brochures or to find dealer locations, please visit the Company's website at brp.com.

<sup>1</sup> Analyst coverage known to the Company as of April 30, 2020.

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 Annual Review, 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.

for the Company's employees. Because other companies may calculate these non-IFRS measures differently than the Company does, these metrics are not comparable to similarly titled measures reported by other companies.


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 – basic and Normalized earnings per share – diluted are calculated respectively by dividing the Normalized net income by the weighted average number of shares – basic and the weighted average number of shares – diluted. The Company refers the reader to the "Selected Consolidated Financial Information" section of the MD&A for the reconciliations of Normalized EBITDA and Normalized net income presented for the fiscal year ended January 31, 2020 by the Company to the most directly comparable IFRS measure.

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**CORPORATE  
HEADQUARTERS**

726 Saint-Joseph Street  
Valcourt, Québec J0E 2L0  
Canada



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