

BRP Inc. Fiscal 2014 Q4



March 28, 2014

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.

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Fiscal 2014 Q4

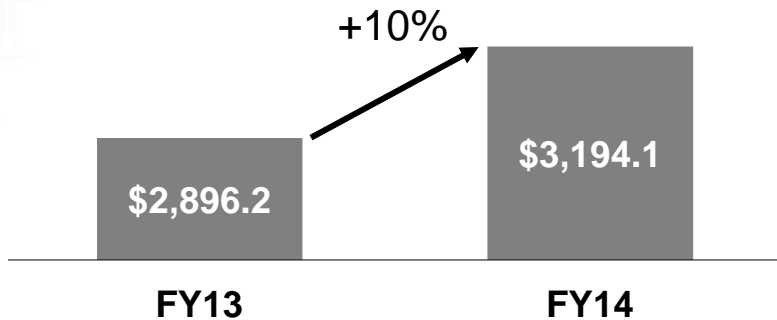
José Boisjoli
PRESIDENT & CEO



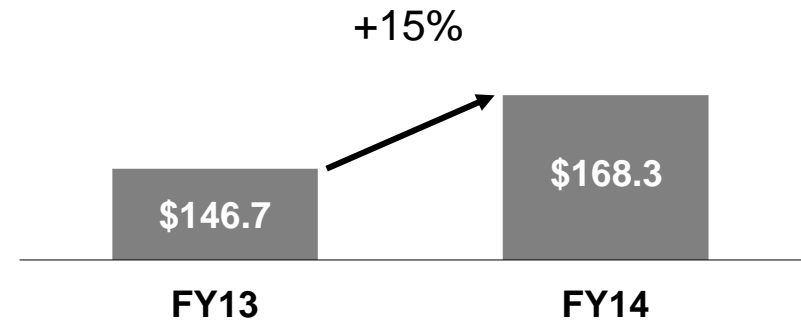
PASSION & INNOVATION

FY14 Revenues and Normalized Net Income

12-Month Revenues (CA\$M)



12-Month Normalized Net Income (CA\$M)



- Record revenues, **exceeding the \$3 billion mark for the first time**
- 10% growth in comparable full-year revenues, driven by 15% revenues increase in *Year-Round Products*
- Gross profit margin of 25.3%
- Basic Normalized EPS up 4% to \$1.50

FY14 Full-year Highlights

■ Global:

- Successful completion of IPO
- Strong year of product introductions:
 - Sea-Doo Spark PWC
 - Can-Am Maverick and Commander 4-seat SSV
 - Can-Am Spyder RT roadster with new ROTAX 1330 engine
 - ROTAX 900 ACE snowmobile engine
- Opening of new Querétaro plant for assembly of PWC and ORV engines
- Total annual revenues from *Year-Round Products* surpassed *Seasonal Products* revenues for the first time in BRP history

■ North America:

- 11% growth in revenues
- BRP retail sales of *Seasonal Products*¹ and *Year-Round Products* up 12% in aggregate for FY14, outpacing industry growth in the mid-single digits
- Snowmobile industry volume up for a third year in a row in its 2014 season, with Ski-Doo continuing to gain market share in the mountain segment
- Signed 38 new dealers

■ International:

- 10% growth in revenues

Main FY14 Introductions



North American Dealer Network Expansion Update

Key target markets for BRP
Year-Round Products

U.S. Market



FY14¹
Result

FY15
Target

New Dealers
Signed

38

65-75

Improved North American
Roadster and SSV dealer
coverage by 7%

Target remains 200 to 300 new dealers
by the end of FY17



Highlights of Design and Innovation Awards

Sea-Doo Spark



2014 Innovation Award
National Marine Manufacturers Association



Sea-Doo RXP-X



2013 Good Design Award
Australia International Design Award



Can-Am Outlander



2013 Good Design Award
Australia International Design Award



Can-Am Spyder RT



2013 Good Design Award
Australia International Design Award



Ski-Doo Summit



2013 Reddot Design Award

reddot design award
winner 2013



ACE 900 Engine



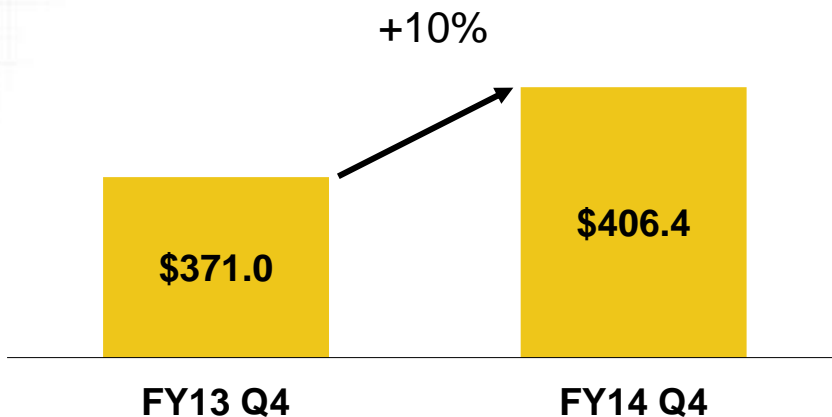
2013 Best New Tech
American Snowmobiler



Multiple awards received worldwide highlight and acknowledge BRP's leadership in product design and innovation

Seasonal Products

BRP Revenues (CA\$M)



MY15 Summit X T3 Package

- Lighter
- Longest track and tallest paddle track in the industry



Business Dynamics

Snowmobile

- North America
 - Very strong snowmobile season, with excellent snow coverage
 - As of January 31, industry and BRP retail up mid-double digits
 - Expect FY15 Q1 Ski-Doo retail trend to be lower than industry due to shortage of Ski-Doo snowmobiles at certain dealers

International

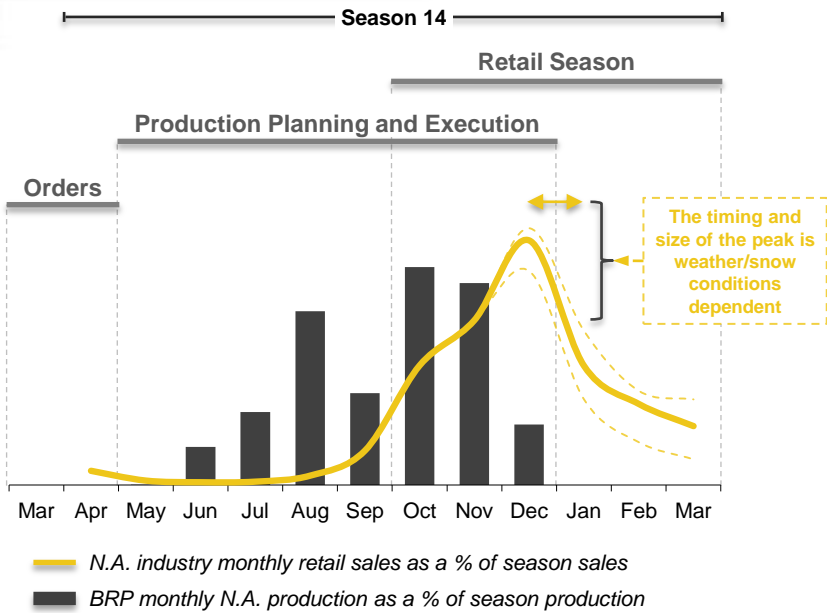
- Scandinavian and Russian markets experienced limited snow coverage
- Scandinavian season-to-date industry up low-single digits with BRP retail up high-single digits
- Political and economic instability in Russia is impacting retail

PWC

- Early in the season, as of January 31, North American industry down with BRP N.A. retail up slightly
- Sea-Doo Spark retail in counter-seasonal markets was in line with expectations
- Querétaro hull production ramp-up for traditional PWCs more difficult than planned, will impact FY15 Q1 deliveries

North American Snowmobile Season Cycle

Season Cycle



March to April

Dealers orders are taken at the BRP Ski-Doo Club and adjusted following the results of the Spring program

May to December

Production is planned and executed starting in the summer, until the first week of December

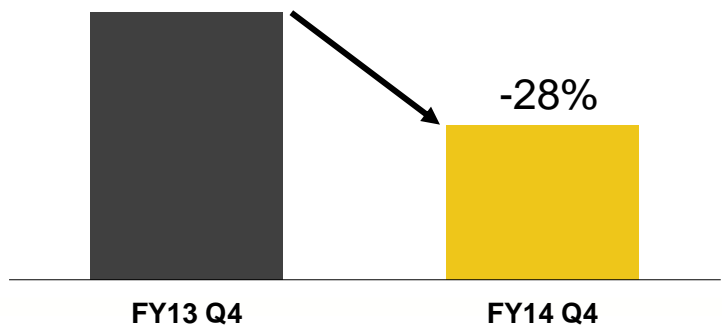
- The last day of production in Valcourt was December 9, 2013

October to March

Main retail period

- Retail peak in late December/early January
- In season 14, over 50% of the retail occurred after the last day of production

Dealer Inventory



Production lead times prevent any change in production volume, even if industry retail performs over/under forecast

Ski-Doo dealer inventory will be at an all-time low at the end of season 14, which bodes well for next season's wholesale volume



MY15 Ski-Doo

New models introduced

Renegade XRS



Summit X - T3 Package



174 in

MY15 Product News

New Renegade XRS model

- The most specialised crossover sled
- Reinforced chassis, wide running boards, and bottomless racing shocks

New Response Angle Suspension (RAS2) front suspension

- Available on 9 models

New Summit X - T3 package

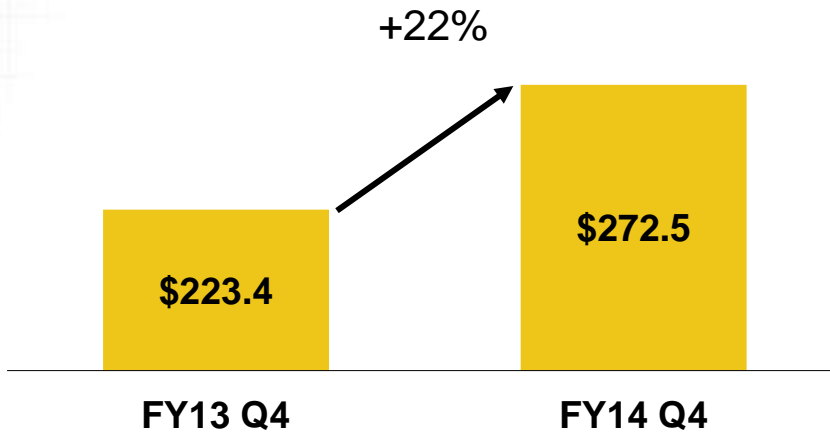
- 3 inch paddle track, the tallest ever offered by a manufacturer
- 174 inch track length, the longest ever offered by a manufacturer

Ground-breaking technologies available on more models than ever

- Rotax Advanced Combustion Efficiency (ACE) engines
- Intelligent Throttle Control (iTC) on 600 ACE
- Adjustable thumb or finger-operated throttle on all models featuring an ACE engine

Year-Round Products

BRP Revenues (CA\$M)



New MY14 Commander Max

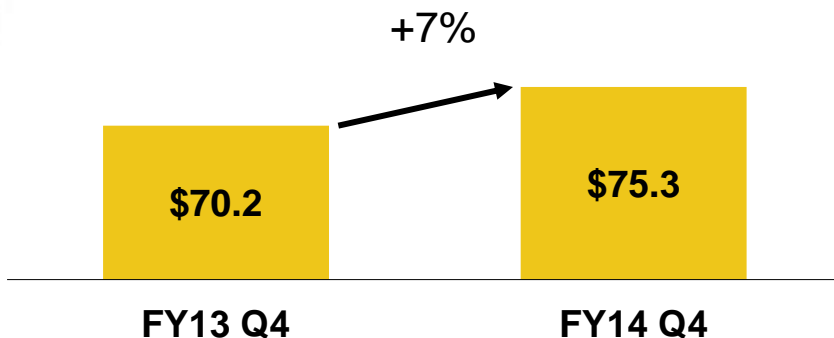


Business Dynamics

- Revenue growth driven primarily by new SSV product introductions
- Off-Road Vehicles
 - SSV season-to-date industry growth low-double digits, Can-Am SSV retail outpacing industry
 - ATV season-to-date industry up low-single digits driven by higher growth in the low to mid cc segments
 - Can-Am ATV retail growth mid-single digits with market share gains in high cc segment
 - Long N.A. 2013-14 winter will impact FY15 Q1 sales in the snowbelt area
- Roadsters
 - Early in the season, N.A. motorcycle industry was about flat
 - Started deliveries of Spyder RT with new ROTAX 1330 engine in Q4

Propulsion Systems

Propulsion Systems Revenues (CA\$M)



Business Dynamics

- **Outboard Engines**
 - Early in the season, N.A. industry retail up mid-teens, driven by growth in the pontoon segment
 - BRP slightly underperformed the industry, resulting in a small market share loss
 - Introduced a fourth engine (65hp) in new Evinrude Pontoon Series in December
- **Jet Boat Propulsion Systems**
 - Began shipments of Jet Propulsion Systems to Chaparral and Rec Boat Holdings

New 2014 Chaparral Vortex



Length:
20ft / 22ft / 24ft
Hp: 250-500

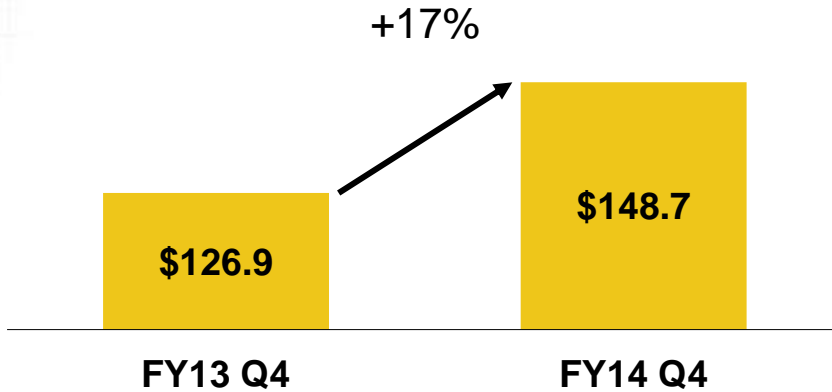
New 2014 Scarab



Length:
18ft to 21ft
Hp: 150-500

Parts, Accessories and Clothing

PAC Revenues (CA\$M)



Business Dynamics

- Parts, Accessories and Clothing
 - Growth primarily driven by off-road vehicle and snowmobile
 - Began the transfer of the Sherbrooke (Quebec) PAC distribution and logistics activities to a third-party provider

3rd Gen
Modular Helmet



LinQ
Snowboard/Ski Rack



Multi Mount Winch



New 2015 Season
snowmobile
accessories and
clothing

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Claude Ferland
CHIEF FINANCIAL OFFICER



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FY14 Q4 – Financial Highlights

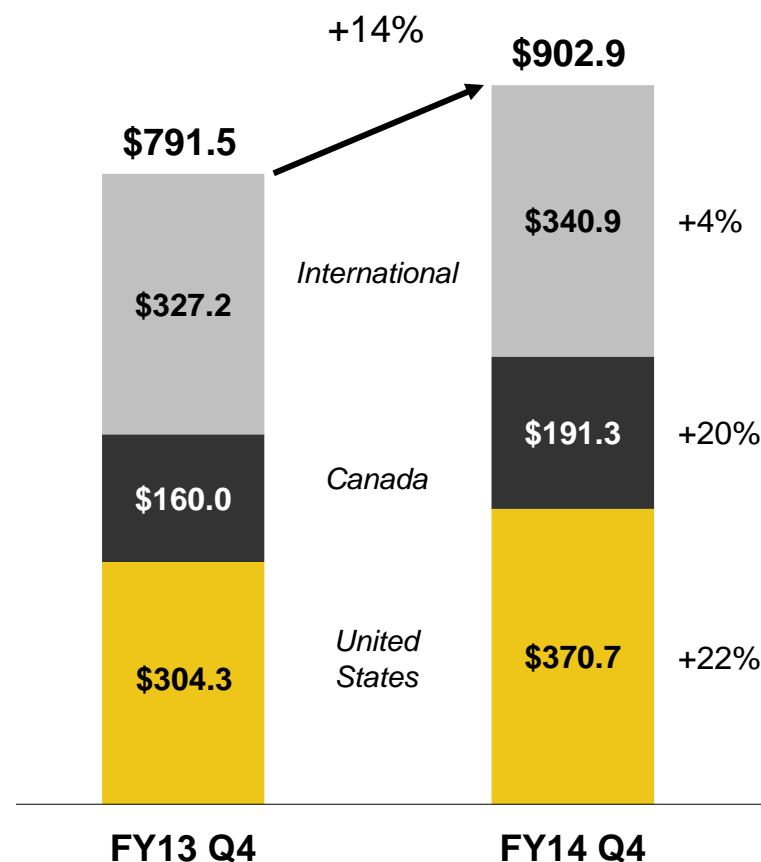
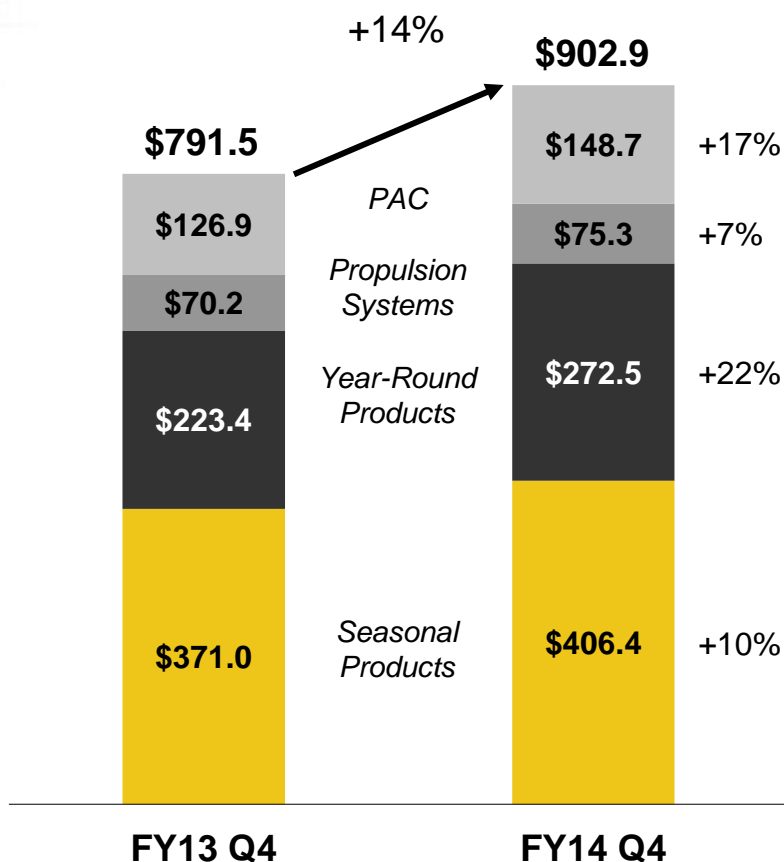
CA\$M	Q4 comparison			12-month comparison		
	FY14	FY13	Change	FY14	FY13	Change
Total Revenues	\$902.9	\$791.5	\$111.4	\$3,194.1	\$2,896.2¹	\$297.9
Growth	14.1%			10.3%		
Gross Profit	\$223.2	\$198.5	\$24.7	\$807.7	\$737.7	\$70.0
As a % of revenues	24.7%	25.1%		25.3%	25.5%	
Operating Income	\$78.2	\$71.1	\$7.1	\$295.1	\$219.7	\$75.4
As a % of revenues	8.7%	9.0%		9.2%	7.6%	
Normalized EBITDA	\$106.0	\$87.8	\$18.2	\$380.2	\$335.0	\$45.2
As a % of revenues	11.7%	11.1%		11.9%	11.6%	
Normalized Net Income	\$48.3	\$36.5	\$11.8	\$168.3	\$146.7	\$21.6
EPS	(\$0.05)	\$0.35	(\$0.40)	\$0.53	\$1.17	(\$0.64)
Normalized EPS	\$0.41	\$0.36	\$0.05	\$1.50	\$1.44	\$0.06

¹ Including \$74M in revenues from Sport Boat, a business which BRP exited in the fall of 2012

FY14 Q4 – Revenues by Product Category and Geography

Revenues by Product Category (CA\$M)

Revenues by Geography (CA\$M)

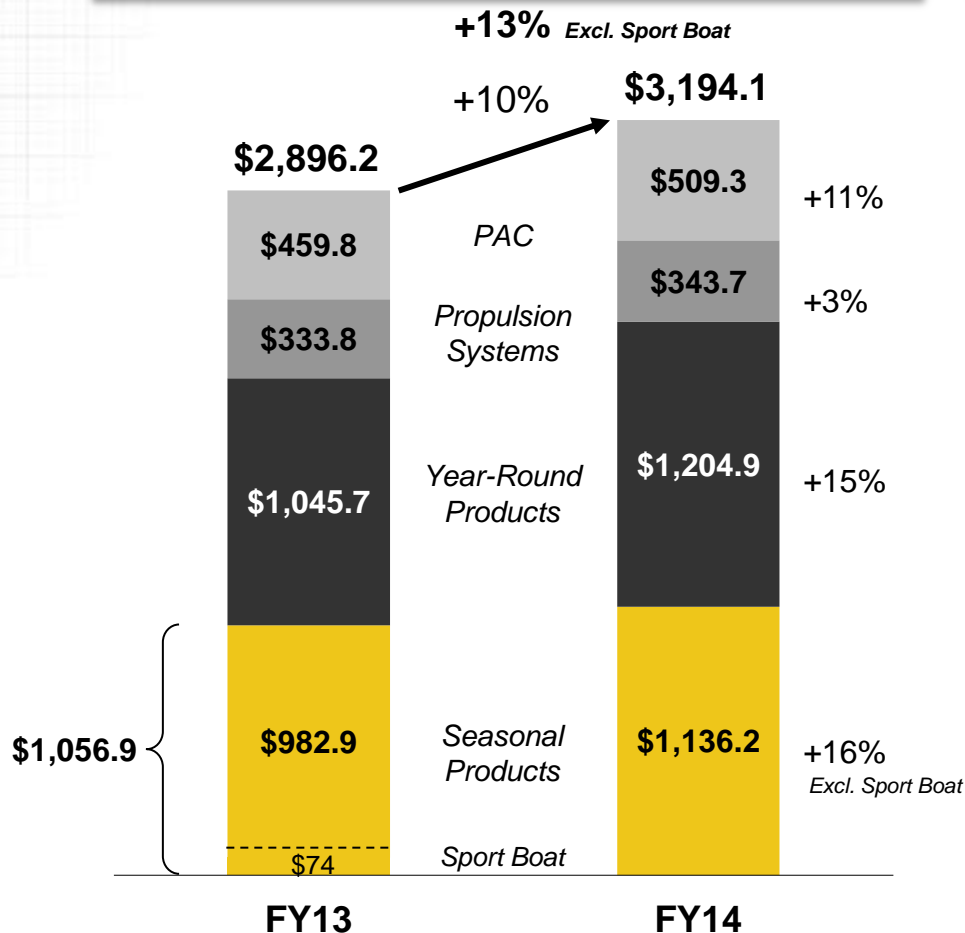


Growth in revenues driven by *Year-Round* and *Seasonal Products* across most regions

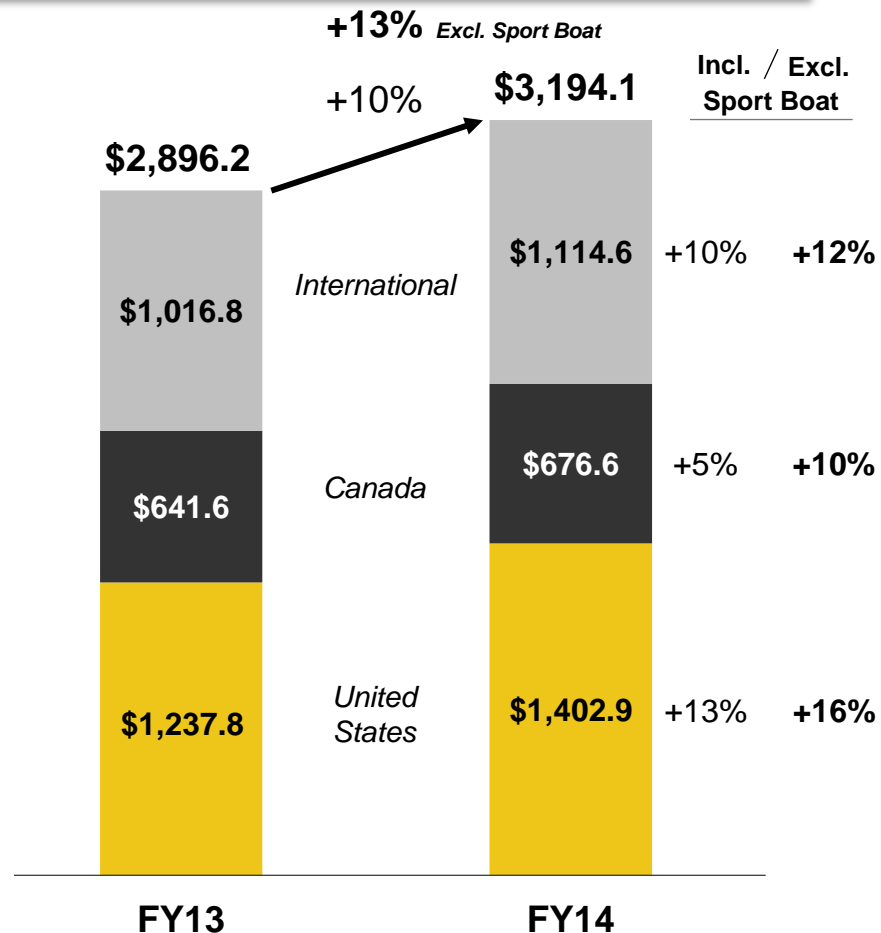


FY14 Revenues by Product Category and Geography

Revenues by Product Category (CA\$M)



Revenues by Geography (CA\$M)

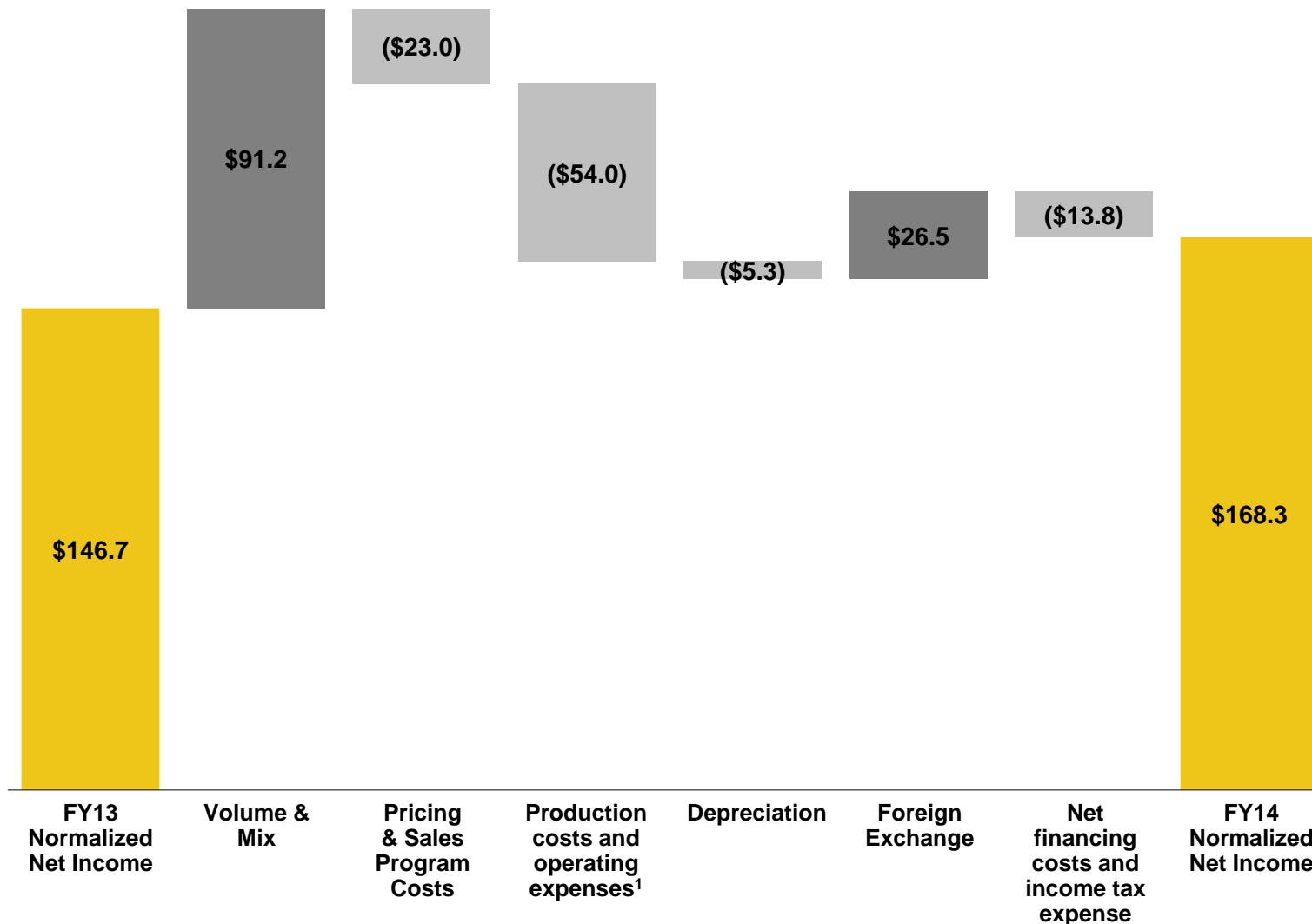


Growth in revenues driven by *Year-Round* and *Seasonal Products* across most regions



Normalized Net Income Bridge

CA\$M



¹ Includes increased costs due to the transfer of PWC production to Mexico



FY14 Q4 – Financial Position and Liquidity Profile

CA\$M	As of Jan. 31	As of Jan. 31	Change
	2014	2013	
Cash	\$75.4	\$542.4	(\$467.0)
Net working capital	97.1	(26.7)	123.8
Revolving credit facilities	10.5	-	10.5
Long term debt*	889.9	1,054.6	(164.7)

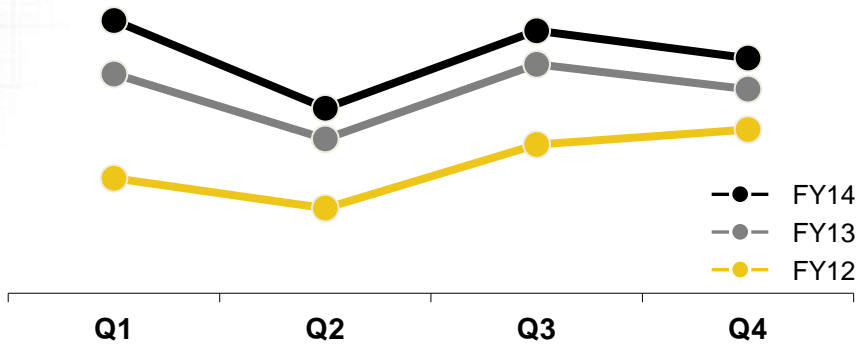
* BRP repaid US\$258M of its Term Facility following the May IPO

CA\$M	12-month comparison		
	FY14	FY13	Change
Capital expenditures	(\$153.3)	(\$154.8)	\$1.5
Free cash flow	61.5	290.0	(228.5)

BRP North America Powersports Dealer Inventory

N.A. Dealer Inventory (units)

Excluding Sport Boat and Outboard Engines



■ Dealer inventory ended FY14 Q4 up 7% from FY13 Q4

■ Year-Round Products:

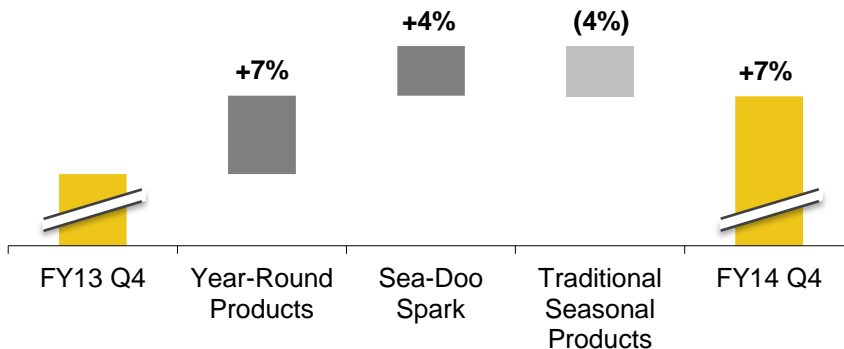
- Mostly driven by the addition of new SSV models
- Slightly impacted by higher Roadster inventory due to lower than expected industry growth last season

■ Seasonal Products:

- Very low level of snowmobile inventory
- Offset by higher level of PWC inventory mostly driven by the addition of the new Sea-Doo Spark, but also impacted by lower than expected industry growth last season

N.A. Dealer Inventory Bridge (units)

Excluding Sport Boat and Outboard Engines



FY15 Full-Year Guidance

Financial Metric	FY15 Guidance vs FY14
Revenues	
Seasonal Products	Up 5% to 10%
Year-Round Products	Up 12% to 15%
Propulsion Systems	Up 7% to 10%
PAC	Up 10% to 15%
Total Company Revenues	Up 9% to 13%
Normalized EBITDA	Up 11% to 15%
Effective Tax Rate ¹	26% - 27%
Normalized Net Income ²	Up 10% to 17%
Normalized Earnings per Share – Diluted	\$1.55 - \$1.65 (up 10 to 17%) ³
Capital Expenditures	\$165M to \$175M

¹ Effective tax rate based on Normalized Earnings before Income Tax

² Assuming 116M Depreciation Expense

³ The 10% to 17% increase assumes a constant weighted average number of diluted shares of 118.9 million for both Fiscal Year 2015 and Fiscal Year 2014.

FY15 Q1 Outlook

Revenues

Expected to be down 5% to 10% from FY14 Q1

Normalized EBITDA

Expected to be down approximately 50% from FY14 Q1

FY15 Q1 results will be impacted by :

- Planned incremental one-time expenses : transfer of our PAC distribution activities to a third party provider, acceleration of hull production ramp-up, Spark marketing campaigns and Evinrude product launch
- PWC hull production ramp-up difficulties which will delay some deliveries from Q1 to Q2
- Political and economic instability in Russia
- Longer winter in North America impacting our sales of summer products (mainly *Year-Round Products*)

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Closing Remarks



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Q&A Period



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Global Leader in Powersports Vehicles and Engines

Seasonal Products

ski-doo
LYNX
SEA-DOO



Snowmobiles



Personal Watercraft

Year-Round Products

can-am



All-Terrain Vehicles



Recreational
Side-by-Side Vehicles



Roadsters

Propulsion Systems

EVINRUDE
ROTAX



Outboard
Engines



OEM Engines

Diversified Product Portfolio AND Powerful Brands



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

