

# ANALYST AND INVESTOR MEETING

PALM BAY, FLORIDA | OCTOBER 29, 2019



ADVENTURE BY DESIGN

# Forward-Looking Statements

## Caution concerning forward-looking statements

Certain information included in this presentation, including, but not limited to, statements relating to our previously disclosed Challenge 2020 and Fiscal Year 2020 guidance, our new 5-Year Plan referred to as “Mission 2025” or “M25” (including, as applicable, targeted revenues, Normalized EBITDA, effective tax rate, Normalized earnings per share, net income, depreciation expense and capital expenditures); our ability to deliver on our 2020 Challenge objectives and to achieve our Fiscal Year 2020 guidance, the objectives and targets underlying our 5-Year Plan and our expected timing and progress in the execution of such objectives and targets; other objectives, targets, goals, priorities and strategies, our financial position, market position, capabilities, competitive strengths, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; the nature, timing, benefits and costs of certain projects including, “Project Ghost”, “Project M” and other projects; general economic conditions (including changes in interest rates, currency exchange rates, commodity prices and inflation), the prospects and trends of the industries in which we operate; the expected growth in demand for products and services in the markets in which we compete; research and product development activities, including projected design, characteristics, capacity or performance of future products and their expected scheduled entry to market expected financial requirements and the availability of capital resources and liquidities, the declaration and payment of dividends; and other statements that are not historical facts, are “forward-looking statements” within the meaning of Canadian securities laws. Forward-looking statements are typically identified by the use of terminology such as “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.

Forward-looking statements are presented for the purpose of assisting investors and others 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. Forward looking statements, by their very nature, involve inherent risks and uncertainties and are based on several assumptions, both general and specific, as further described below. BRP cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the powersports industry to be materially different from the outlook or any future results or performance implied by such statements. Key assumptions used in determining forward-looking information are set forth below.

In addition, many factors could cause our 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” in the Company’s most recent Annual Information Form dated March 21, 2019 filed with the Canadian Securities Administrators (available at [sedar.com](http://sedar.com)) and on Form 40-F with the Securities and Exchange Commission in the United States (available at <https://www.sec.gov/>): 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; 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; 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 presentation are made as of the date of this presentation and BRP undertakes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities regulations. In the event that BRP does update any forward-looking statement, no inference should be made that BRP will make additional updates with respect to that statement, related matters, or any other forward-looking statement.



# Forward-Looking Statements

## Key assumptions

The Company made a number of economic, market and operational assumptions in preparing its Challenge 2020, Fiscal Year 2020 financial guidance and 5-Year Plan, including assumptions regarding the performance of the economies in which it operates, market competition, the Company's ability to understand customer needs and develop a portfolio of products driving increased market demand; the alignment of production rates to market demand; the ability of the supply base to support product development and planned production rates on commercially acceptable terms in a timely manner; the ability to leverage the global manufacturing footprint and transfer best practices and technology across production sites; the ability to recruit and retain highly skilled resources to deploy the product development strategy; the ability to have sufficient liquidity to execute the 5-Year Plan and the Company's other objectives, targets and strategies; the Company's ability to meet its financial covenants and to pay refinance its debt on reasonable market terms from time to time; no new material capital projects; the accuracy of the analyses and assumptions underlying our business case, including estimated capital requirements, cash flows and revenues over the expected life of our objectives, targets and strategies; the stability of the competitive global environment; the stability of global political conditions; no significant changes in tax laws or free trade or other similar agreements, particularly as among countries in which the Company carries significant operations, sales and activities, including Canada, the United States and Mexico.

The Company is assuming 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. The Company is also assuming the stability of global economic conditions, including that interest rates will increase modestly, currencies will remain at near current levels and inflation will remain in line with central bank expectations in countries where the Company is doing business

## Non-IFRS Measures

This presentation 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 and Normalized earnings per share.

Normalized EBITDA is defined as net income before financing costs, financing income, income tax expense (recovery), depreciation expense and normalized elements, and 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. Other elements, such as restructuring costs, 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 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 is calculated by dividing the Normalized net income by the weighted average number of shares – diluted. Normalized Net Income, Normalized income tax expense, Normalized effective tax rate and Normalized 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. BRP refers the reader to the "Reconciliation Tables" section of this presentation for more details on the non-IFRS measures and the reconciliations of Normalized EBITDA, Normalized Net Income, Normalized income tax expense, Normalized effective tax rate and Normalized earnings per share presented by the Company to the most directly comparable IFRS measure.

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 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.

*All amounts in this presentation are expressed in Canadian dollars, unless otherwise indicated.*





# Presentation Agenda

TIME	PRESENTER	TOPICS
8:00 - 8:30	<b>JOSÉ BOISJOLI</b> PRESIDENT AND CHIEF EXECUTIVE OFFICER	“Challenge 2020” Recap and “M25” Introduction
8:30 - 8:55	<b>SANDY SCULLION</b> SENIOR VICE-PRESIDENT, GLOBAL RETAIL AND SERVICES, POWERSPORTS	Powersports Update and Opportunities
8:55 - 9:20	<b>JOSÉE PERREAULT</b> SENIOR VICE-PRESIDENT, CAN-AM ON-ROAD VEHICLES	Can-Am 3WV Update and Opportunities
9:20 - 9:45	<b>TRACY CROCKER</b> PRESIDENT, BRP MARINE GROUP	Marine Update and Opportunities
9:45 - 10:00		Break
10:00 - 10:25	<b>ANNE-MARIE LABERGE</b> SENIOR VICE-PRESIDENT, GLOBAL BRANDS AND COMMUNICATION	Becoming a more Customer-centric Organization
10:25 - 10:45	<b>THOMAS UHR</b> SENIOR VICE-PRESIDENT, PRODUCT ENGINEERING AND MANUFACTURING OPERATIONS, POWERSPORTS	Perform to Win
10:45 - 11:05	<b>SÉBASTIEN MARTEL</b> CHIEF FINANCIAL OFFICER	M25: Financial Plan
11:05 - 11:30	<b>JOSÉ BOISJOLI</b> PRESIDENT AND CHIEF EXECUTIVE OFFICER	Closing Remarks and General Q&A







# “CHALLENGE” 2020” RECAP AND “M25” INTRODUCTION

JOSÉ BOISJOLI | President and Chief Executive Officer



# Challenge 2020 Recap

“ By January 2021, with a **primary** focus on **GROWTH, AGILITY** and **LEAN ENTERPRISE**, BRP will have delivered 10% annual revenue growth and 15% annual profit growth, thereby doubling Normalized EPS<sup>[1]</sup> to \$3.50 ”

**20**  
**20**  
**CHALLENGE**

<sup>[1]</sup>Normalized Earnings per Share - Diluted  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"



# Challenge 2020 Recap

FY20 Normalized EPS<sup>[1]</sup> Guidance<sup>[2]</sup>

**\$3.65 to \$3.80**

(Up 18% to 23% from FY19 Normalized EPS<sup>[1]</sup>)

We are on track to deliver our Challenge 2020 financial objective this year, one year earlier than planned

**20**  
**20**  
**CHALLENGE**

<sup>[1]</sup>Normalized Earnings per Share - Diluted  
<sup>[2]</sup>Based on FY20 guidance as at August 29, 2019  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"





Not only are we in-line to achieve our objective one year earlier than planned, but we also set solid foundations that makes BRP a stronger company, **well positioned to continue on its growth trajectory**



# We delivered strong growth in all of our key regions



## REVENUE GROWTH FY15 to FY20Q2 LTM<sup>[1]</sup>

NORTH AMERICA	+68%
EMEA	+45%
ASIA-PACIFIC	+63%
LATIN AMERICA	+39%

<sup>[1]</sup>Last-twelve-month period ended on July 31, 2019

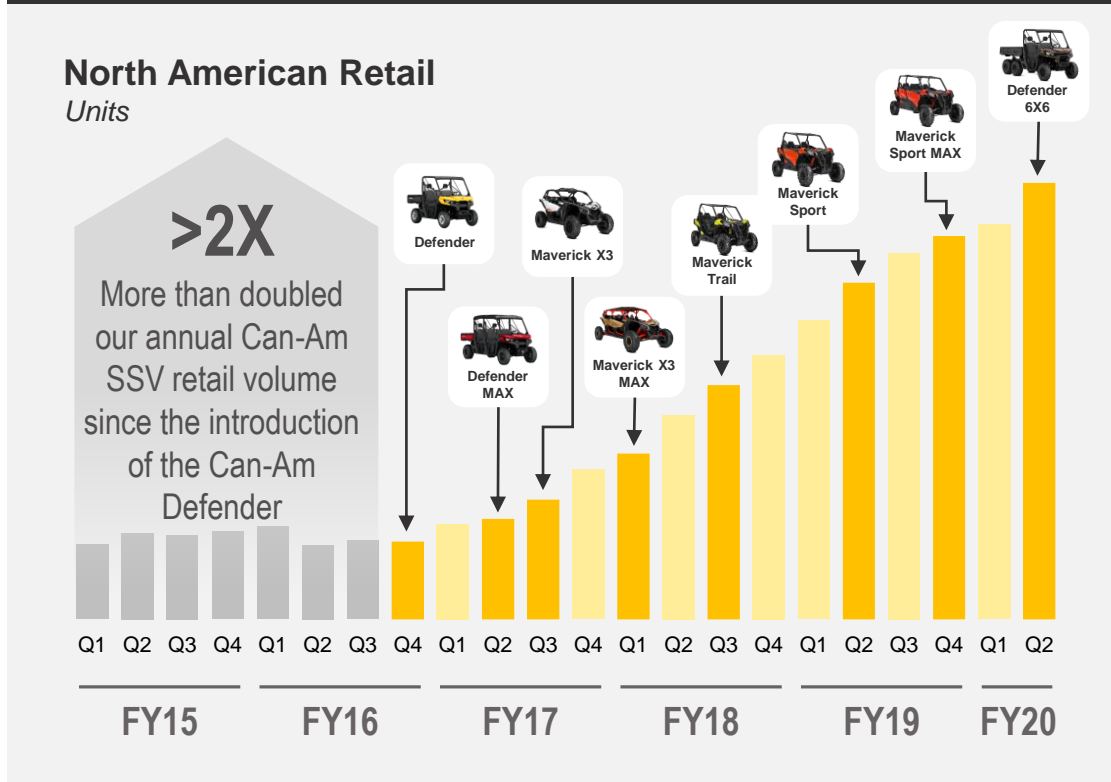
Strengthening our position as a global leader in the Powersports industry



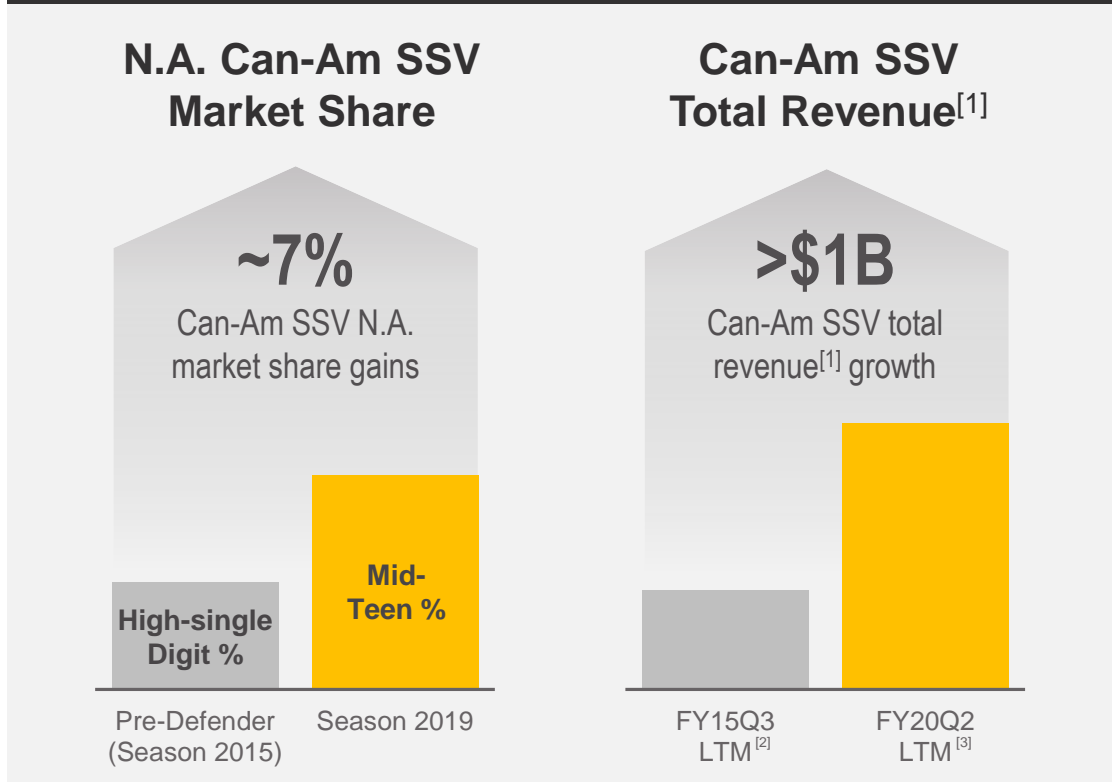


# We disrupted the SSV industry by delivering on a bold commitment: 1 new platform every 6 months for the next 4 years

## Built a solid line-up that is driving strong consumer demand...



## ... and that generated significant market share gains and revenue growth



<sup>[1]</sup>Total SSV revenue including PAC  
<sup>[2]</sup>Last-twelve-month period ended October 31, 2014  
<sup>[3]</sup>Last-twelve-month period ended July 31, 2019





# We expanded our market leadership position in Seasonal Products through continued product innovation



**>50%**

Highest Worldwide Market share



**>55%**

Highest Worldwide Market share

Achieved record market share in both Snowmobile and PWC



# With the success of Spark and Ryker, we reinvented the way we design and market entry-level products



**SKU  
simplification**

**New marketing  
approach**

**Customization at  
dealership**

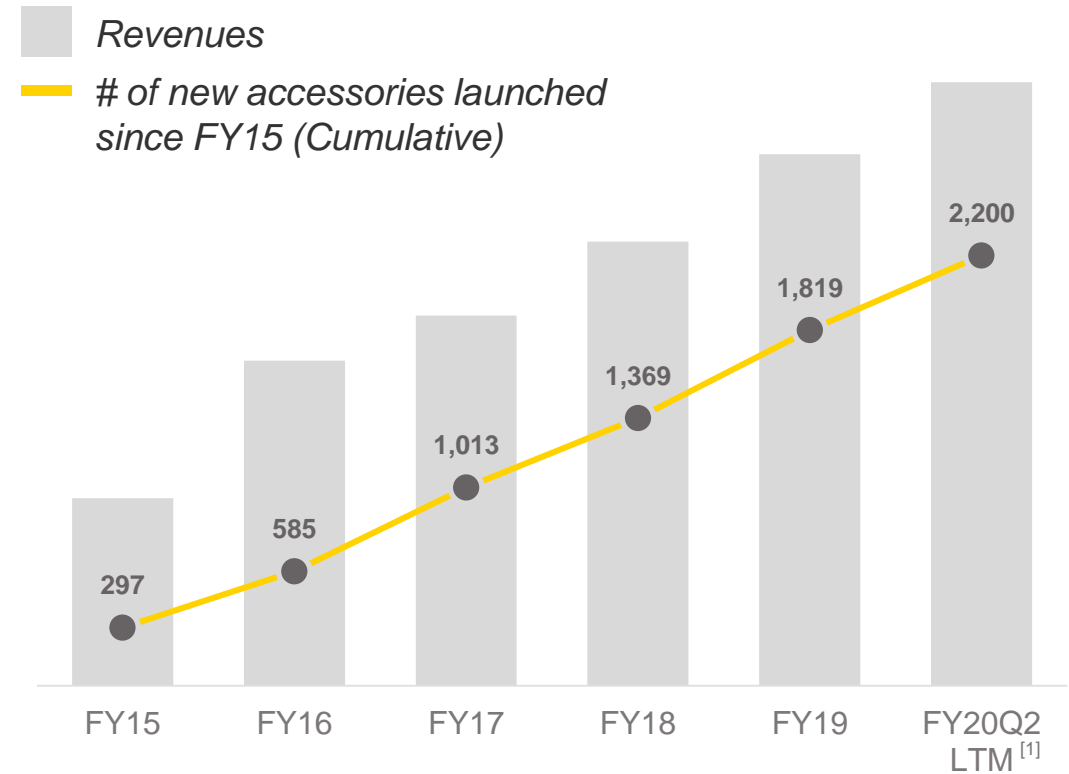




# We developed a strategy to create a unified ecosystem for accessories and vehicles with an innovative and easy-to-use product line-up



## Mid-twenty % CAGR in accessory Revenues since FY15

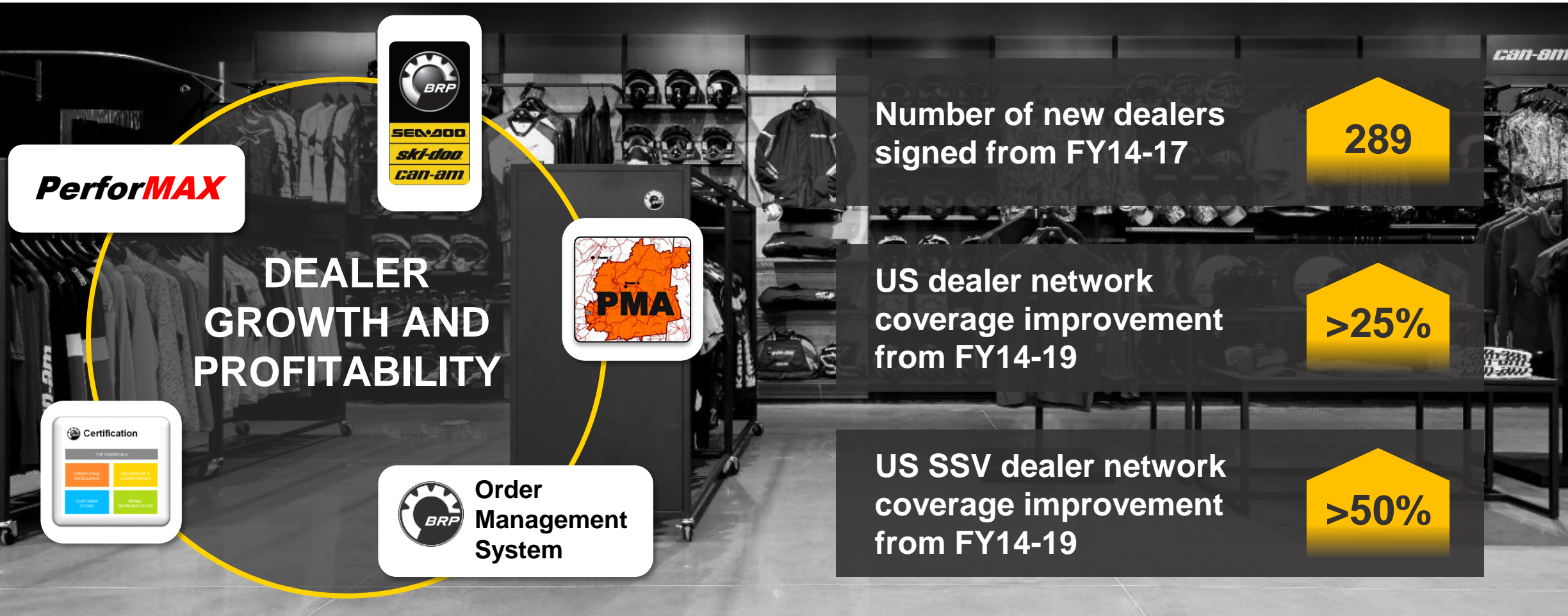


<sup>[1]</sup>Last-twelve-month period ended on July 31, 2019





# We implemented the best Dealer Value Proposition



# We launched an innovative marine strategy, integrating Evinrude and our three newly acquired boat companies



## BUY

### 2018-2019

- BRP marine strategy
- Finalization of integration (Alumacraft, Manitou and Telwater)
- Future acquisitions
- Integration of current and future BoatCo into BRP Marine by FY21



## BUILD

### 2019+

- Optimization of dealer network
- Dealer expansion
- Expansion of manufacturing capability and capacity
- Synergies opportunities where appropriate (Design, Engineering, Manufacturing, Sales and PAC Marketing)



## TRANSFORM

### 2021+

- Coordination of design and engineering services to build 5-year boat lineup utilizing aluminum expertise
- Transform the on-water experience
- Connected boating experience
- Direct-to-Consumer coordination



# Our goal is to become the most innovative marine company





# Supported our growth and delivered a competitive edge with the rapid implementation of a stronger and more agile manufacturing footprint in Mexico

## Leveraging our product know-how and innovation

*Canada, US, Finland, Austria, Australia*

- Operations and product development working in close collaboration
- Providing manufacturing capacity close to certain end-markets
- Leveraging an experienced and engaged workforce

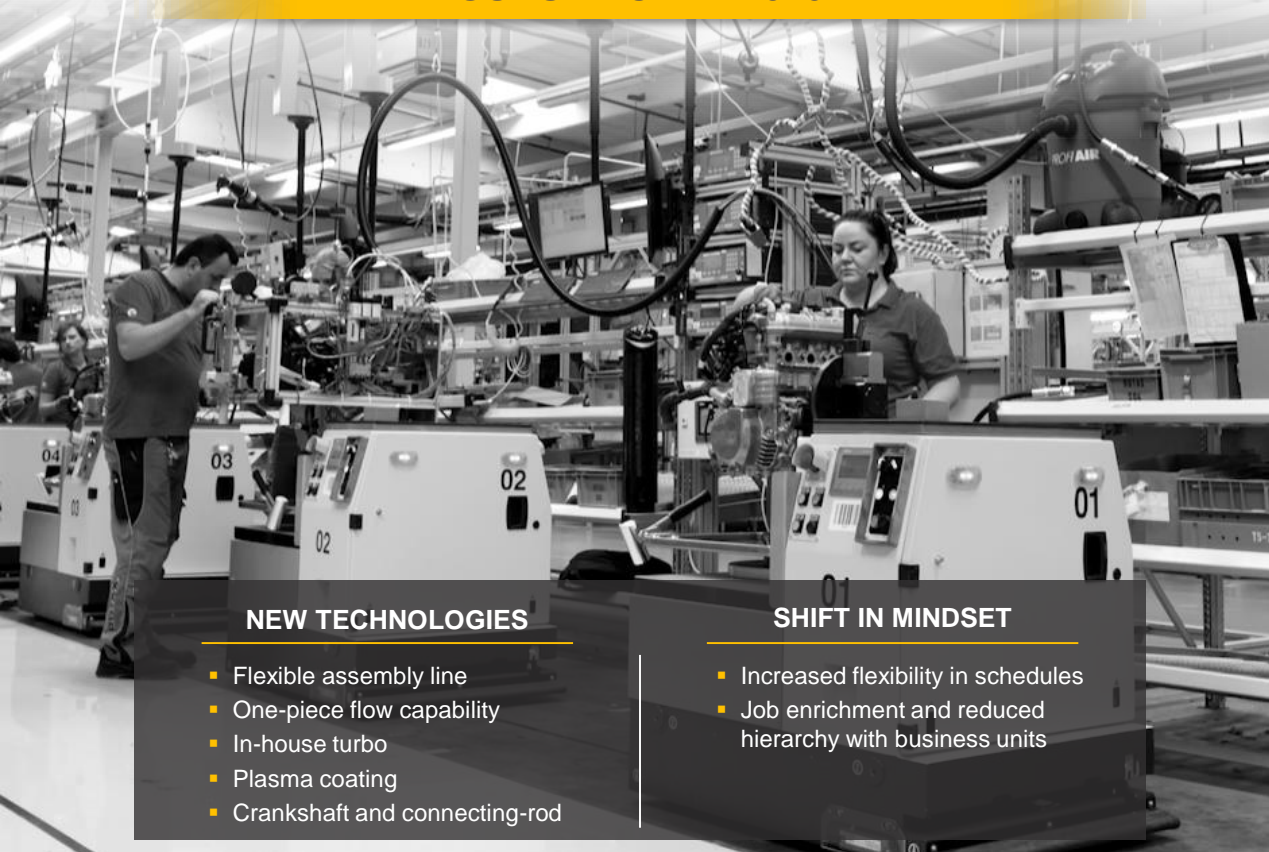
## Supporting the expansion of our business in better-cost of operations sites

*Mexico*

- Great culture with a highly skilled and dependable workforce
- Strategically located with close proximity to our high-demand markets
- Facilitate collaboration with only two-hour time difference from Valcourt

# Successful shift in mindset and technology with GK2020 and V2020, on budget and on time

GUNSKIRCHEN 2020



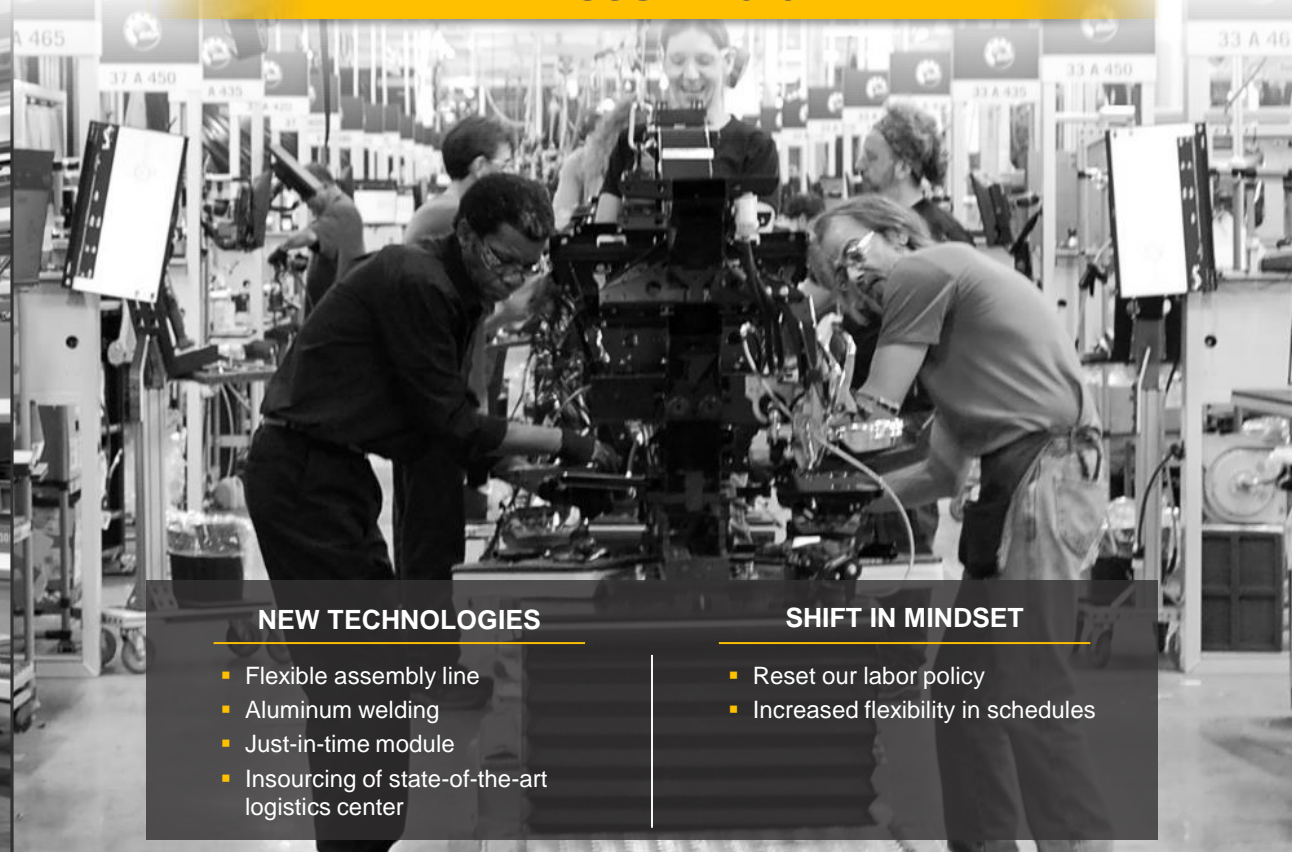
## NEW TECHNOLOGIES

- Flexible assembly line
- One-piece flow capability
- In-house turbo
- Plasma coating
- Crankshaft and connecting-rod

## SHIFT IN MINDSET

- Increased flexibility in schedules
- Job enrichment and reduced hierarchy with business units

VALCOURT 2020



## NEW TECHNOLOGIES

- Flexible assembly line
- Aluminum welding
- Just-in-time module
- Insourcing of state-of-the-art logistics center

## SHIFT IN MINDSET

- Reset our labor policy
- Increased flexibility in schedules

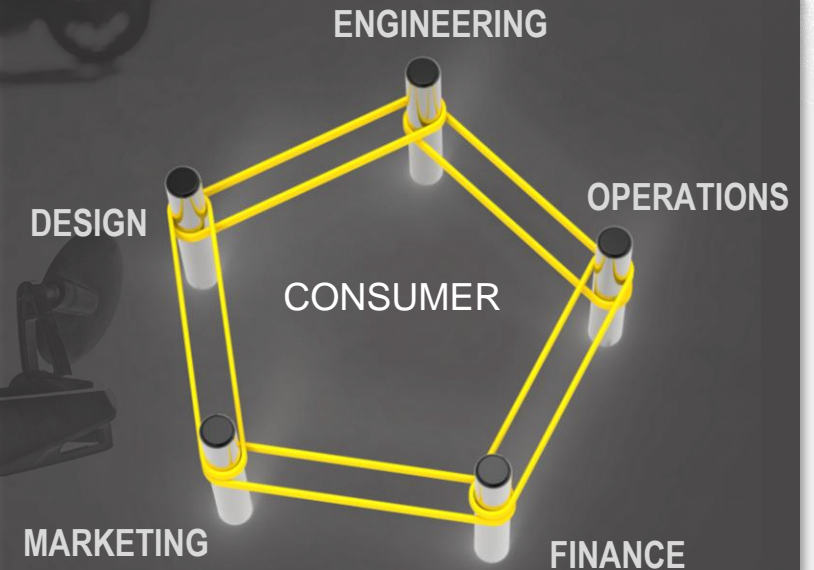
Improved the agility of our sites to support our growth



# Continued to improve our rigorous product planning and development process which delivered a high pace of product introduction propelling BRP as the industry innovator



THE CONSUMER IS AT  
THE HEART OF  
EVERYTHING WE DO





# We deepened our connection to our community of riders by humanizing our brands, elevating the experience of our products

## HUMANIZING OUR BRANDS

Strengthening  
our 8 brands globally

Leveraging data to speak  
to the hearts and minds of  
our riders

Increasing accessibility to  
both riders and non-riders

Leverage communities to  
become experience  
advocates



# We strengthened our employees' engagement with the launch of BRP's purpose and values

## PURPOSE

We exist to  
**CREATE NEW WAYS TO MOVE PEOPLE,**  
so that experiences are measured in emotion rather than distance.  
We reimagine the way you access your world.

## POSITIONING

We uniquely claim we make  
**DARINGLY INNOVATIVE PRODUCTS & EXPERIENCES**  
that move you.

## CHARACTER & TONE

We are the bold adventurer leading you forward:  
**DRIVEN, RESOURCEFUL, THOUGHTFUL, AND GUTSY.**

## VALUES

We are unified by our  
**PASSION**  
to keep moving; **DRIVE**  
to deliver on our commitments;  
**INGENUITY**  
to defy conventions; and **TRUST**  
to build strong partnerships.

## BRAND PROMISE

**ADVENTURE BY DESIGN**

## POINTS OF DIFFERENCE

We are different because we're  
**BETTER ENGINEERED**  
across every environment, we have a  
**CULTURE OF DARING,**  
and we are proudly  
**OBSESSED.**

Endorsement from our employees

**92%**



# Previous missions and Challenge 2020 have allowed us to achieve BRP 1.0

- › A global leader in the Powersports industry with close to \$6B in revenues<sup>[1]</sup>
- › Well diversified company with a product portfolio less reliant on Seasonal Products, strong worldwide sales growth, and a global manufacturing footprint
- › Industry-leading product line-ups with plenty of growth opportunities to seize, especially with Can-Am
- › Entered the boating industry with a solid strategy, and the acquisition of three boat OEMs
- › Proven track record of industry-leading innovation capabilities providing us with a strong pipeline of future product introductions
- › Solid momentum with our dealer network supported by our best-in-class dealer value proposition
- › Agile and Lean manufacturing capabilities, with capacity to support our growth
- › Talented and passionate workforce, committed to our success

<sup>[1]</sup>Based on FY20 guidance as at August 29, 2019  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

**We set solid foundations making BRP a stronger company  
and positioning us to pursue further growth**





# M25 Target

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Deliver annual **revenue**  
**growth of 10% to \$9.5B** and  
**15% annual Normalized EPS<sup>[1]</sup>**  
**growth to \$7.50** by FY25

# M25: Our strategy is built around 4 key pillars that are an evolution from the Challenge 2020

Challenge 2020 pillars

**GROWTH**

**AGILE**

**PEOPLE**

**LEAN**

M25 pillars

*Carried over*

*NEW*

*Modified*

*Merged*

**GROWTH**

**CUSTOMER X**

**EMPLOYEE X**

**LEAN**

Market share runway is still significant in most of BRP's key segments

Customer expectations have changed – they value experiences above all else

Our employees are BRP ambassadors – they drive us forward with their passion

Focus on delivering innovative, high quality products, efficiently and on time



# M25: Our priorities

## Where we are going: Setting the course for BRP 2.0

**Build on Can-Am momentum: Grow Can-Am to \$5B in revenues**

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**Make waves in Marine: Double Marine revenues to \$1B+**

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**Exceed customer expectations: Increase our Net Promoter Score & improve our Customer Lifetime Value**

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**Fuel the BRP Heartbeat: Shape a culture that moves our people and delivers outstanding results**

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**Perform to win: Achieve \$300M of Lean Value**

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**Pursue something bigger: Sustain BRP's growth beyond 2025**

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"





# M25: Framework

## M25: Setting the course for **BRP 2.0**

PILLARS

**GROWTH**

**CUSTOMER X**

**EMPLOYEE X**

**LEAN**

TARGET

Deliver annual revenue growth of 10% to \$9.5B  
and 15% annual Normalized EPS<sup>[1]</sup> growth to \$7.50 by FY25

PRIORITIES

Build on  
Can-Am  
momentum

Make waves  
in Marine

Exceed customer  
expectations

Fuel the BRP  
heartbeat

Perform to win

Pursue  
something bigger

<sup>[1]</sup>Normalized Earnings per Share - Diluted  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"



# Priorities that will shape a culture that moves our people and delivers outstanding results...

## FUEL THE BRP HEARTBEAT

- Move towards 0 incident and 0 impact – Health, Safety and Security (HSS) care mindset
- Deploy the Employee X strategy to offer compelling moments that matter
- Nurture leadership behaviors across the organization
- Boost key differentiators that set BRP apart

## PURSUE SOMETHING BIGGER

- Provide wider access to the BRP experience
- Pursue the exploration of electric vehicles as part of a broader sustainable development plan
- Grow markets through geographic diversification

...and sustain BRP's growth beyond 2025










## POWERSPORTS UPDATE AND OPPORTUNITIES

SANDY SCULLION | Senior Vice-President, Global Retail and Services, Powersports



# Powersports Global Retail and Services Group



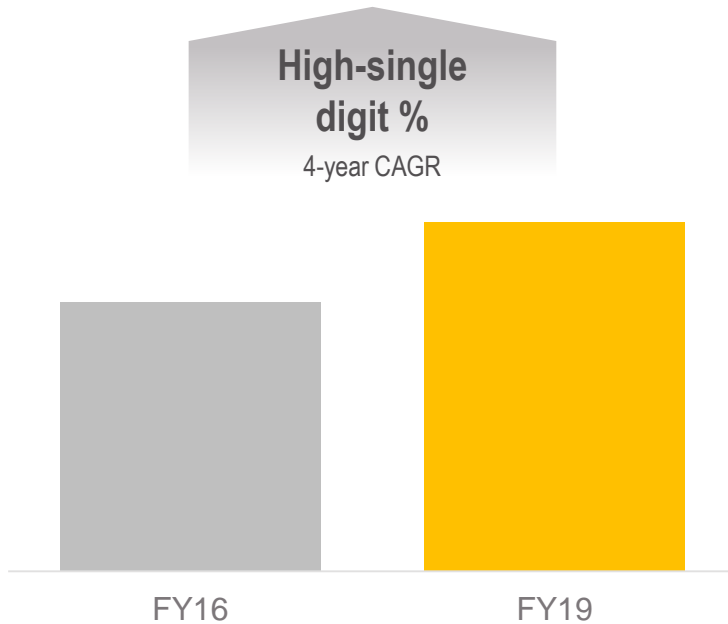
We manage and support retail operations in over **120** countries through a solid network of over **3,000** dealers, now retailing over **270,000** units annually

# We have delivered solid growth over the last 4 years

Delivered significant retail sales growth...

## Worldwide BRP Powersports Retail

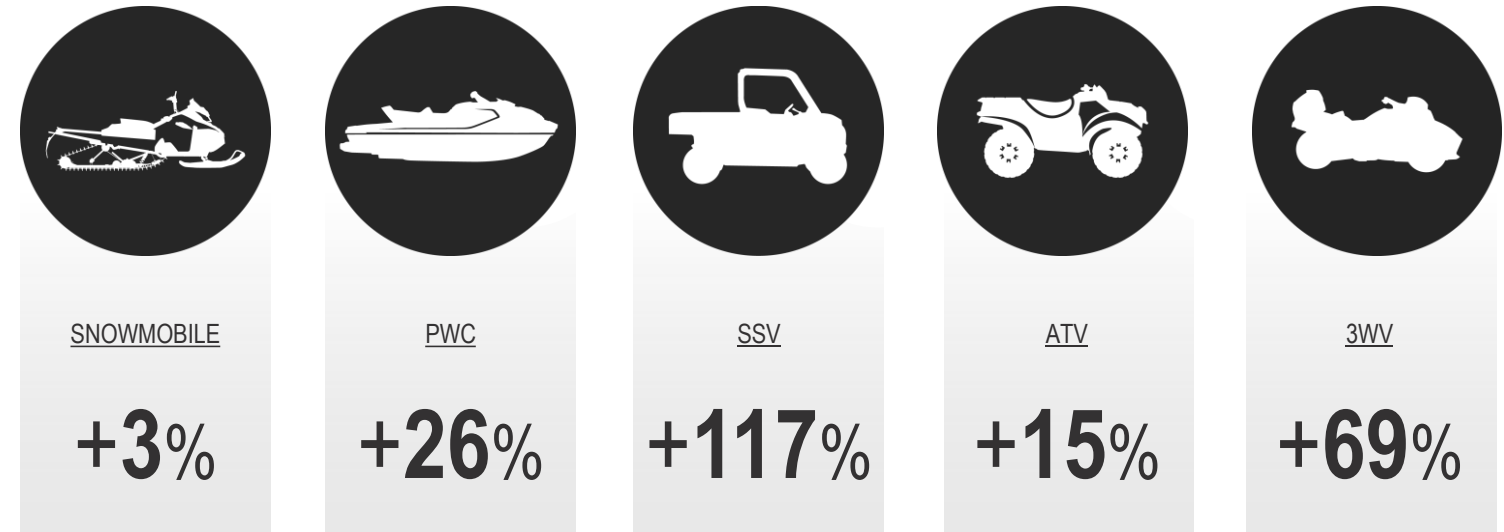
Percentage of retail increase based on units



... and retail growth across the product portfolio

## Worldwide BRP Powersports Retail

Percentage of retail increase based on units count of last 4 seasons








25% of Powersports units sold worldwide are BRP units












# And the momentum continued into FY20

## Across our product lines... FY20 H1 worldwide retail sales growth

	BRP RANK	BRP GROWTH
<b>PWC</b>	<b>#1</b>	 Low-single digit %
<b>SNOW</b>	<b>#1</b>	 High-single digit %
<b>ATV</b>	<b>#3</b>	 Mid-teen %
<b>SSV</b>	<b>#2</b>	 High-teen %
<b>3WV</b>	<b>#5</b>	 Over 100%

## ... and in all key regions FY20 H1 retail sales growth

	BRP GROWTH	INDUSTRY GROWTH
<b>CANADA</b>	 Mid-single digit %	 Low-single digit %
<b>USA</b>	 High-teen %	 Low-single digit %
<b>EMEA</b>	 Mid-teen %	 Low-single digit %
<b>LATAM</b>	FLAT	Not Available
<b>APAC</b>	FLAT	 High-single digit %

**#1 player in Seasonal Products and fastest growing OEM in both On- and Off-road**



# Fueling our momentum: Key focus areas

**1** Maintain market leadership in Seasonal Products

**2** Accelerate growth in Can-Am Off-Road Vehicles

**3** Leverage our Parts and Accessories business

**4** Best-in-class dealer network





# Fueling our momentum: Key focus areas

**1** Maintain market leadership in Seasonal Products

**2** Accelerate growth in Can-Am Off-Road Vehicles

**3** Leverage our Parts and Accessories business

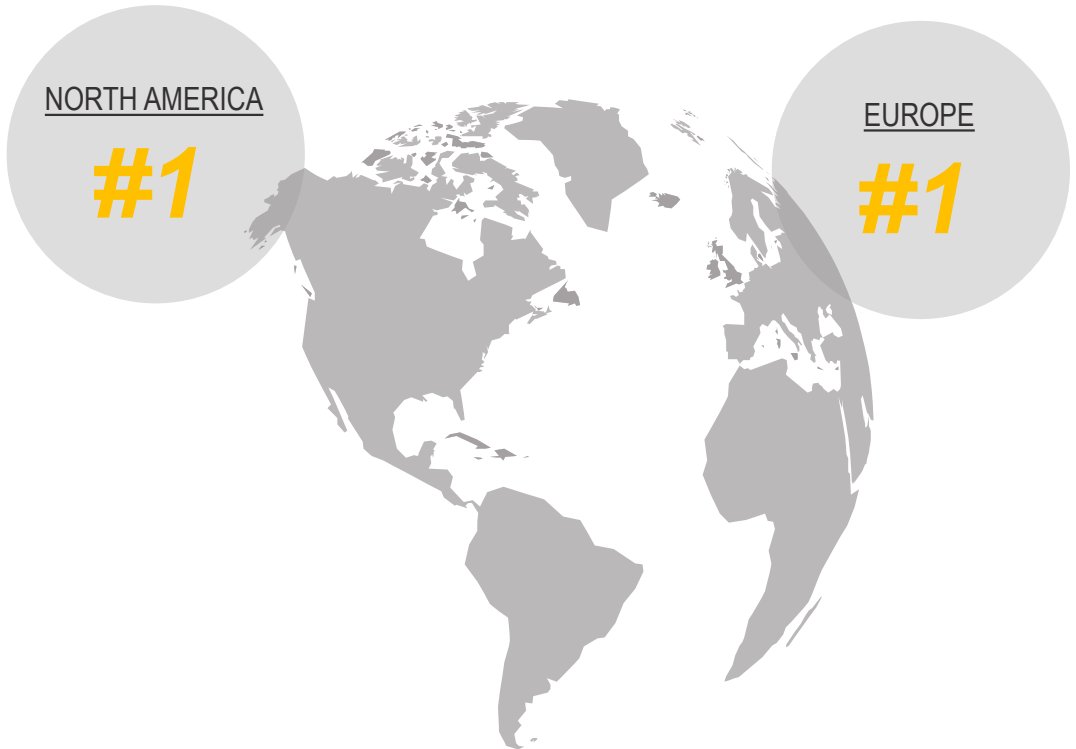
**4** Best-in-class dealer network



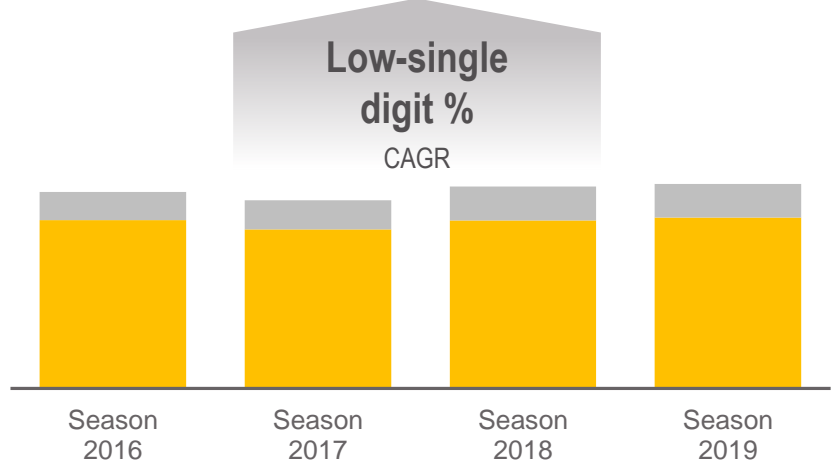
# Snowmobile: Growth led by Lynx brand internationally

BRP is the global leader in the industry

Snowmobile volume has grown at a low-single digit % pace in recent years primarily driven by strong Lynx sales in Europe



Worldwide Snowmobile Industry Retail  
Units



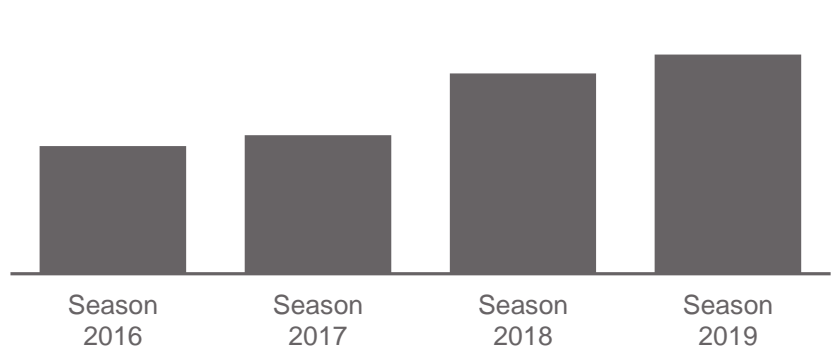
INTERNATIONAL

Mid-single digit % CAGR

NORTH AMERICA

About Flat

Lynx European Retail  
Units



LYNX

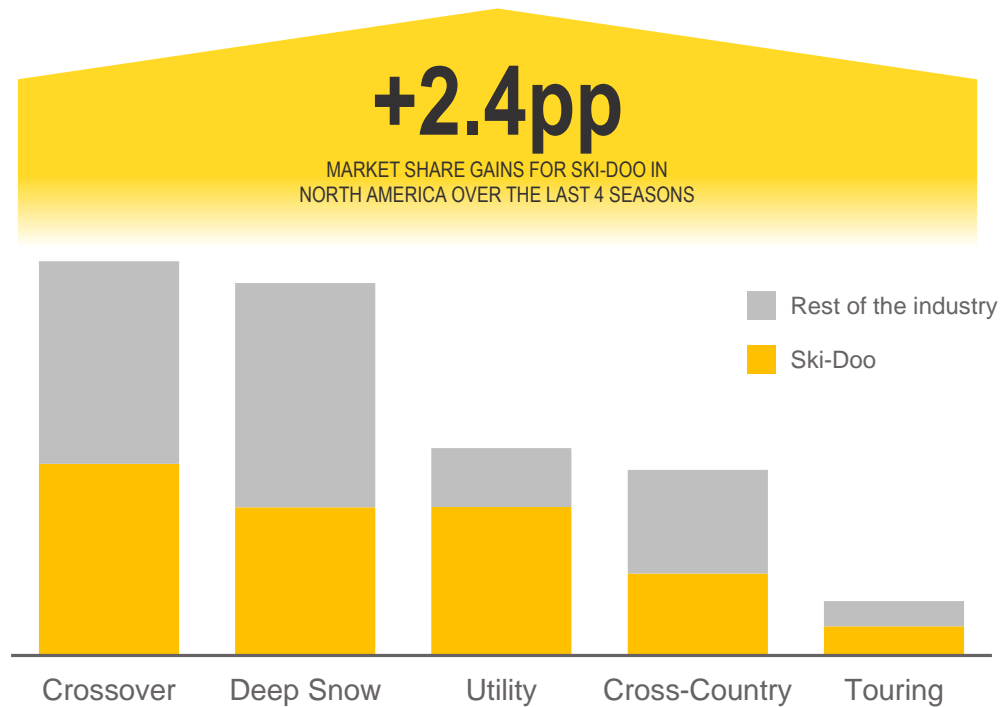
High-teen % CAGR



# Ski-Doo has gained 2.4pp of market share in North America over the last 4 seasons

Market share gains in the Crossover, Touring and Utility segments

North American Snowmobile Industry Retail Sales by Segment  
Units



Building on the new platform's success



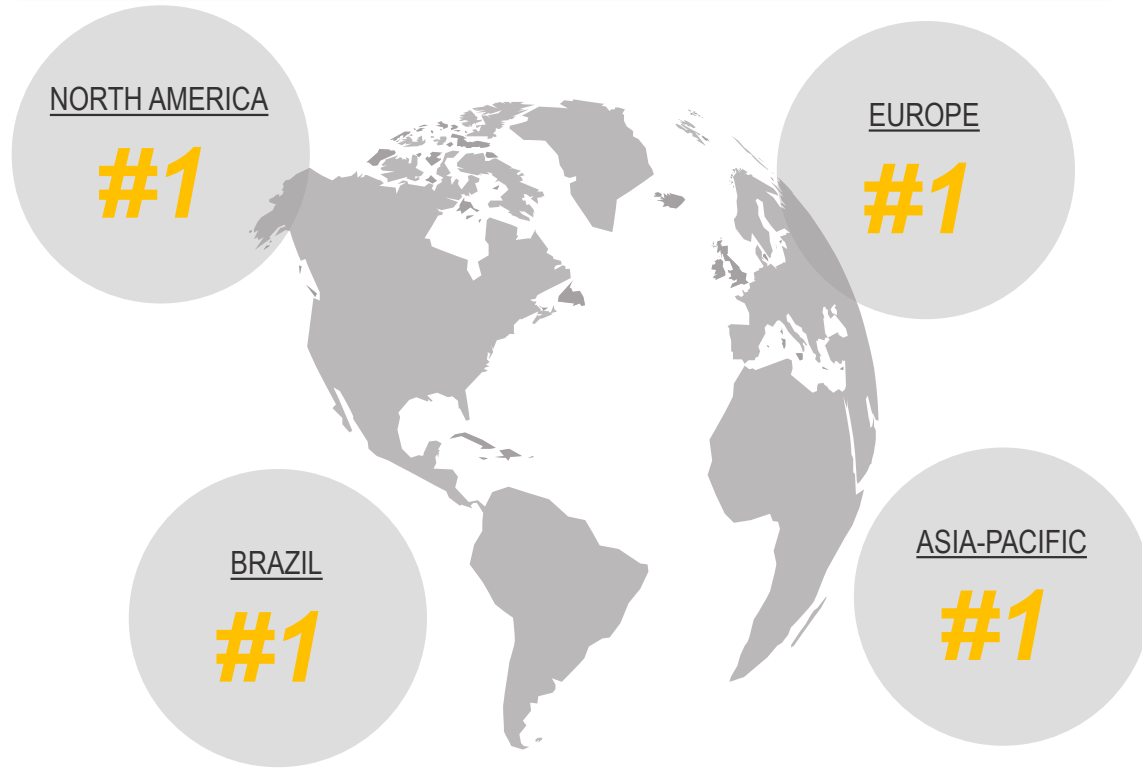
We are well positioned to continue expanding our market leadership position in North America





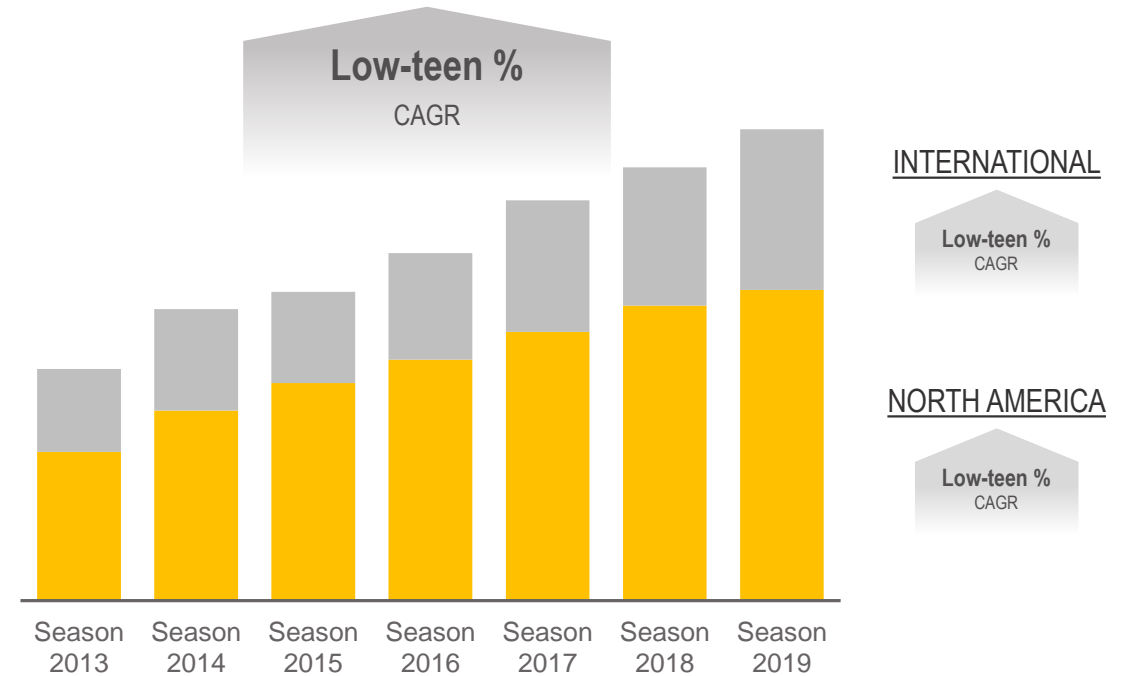
# Sea-Doo: Market leader in a fast growing industry

Sea-Doo is the global leader in the industry



The PWC industry has been growing at a fast pace since the introduction of the Sea-Doo Spark in 2013

Worldwide PWC Industry Retail  
Units



Our ability to constantly innovate drove industry growth and market share gains



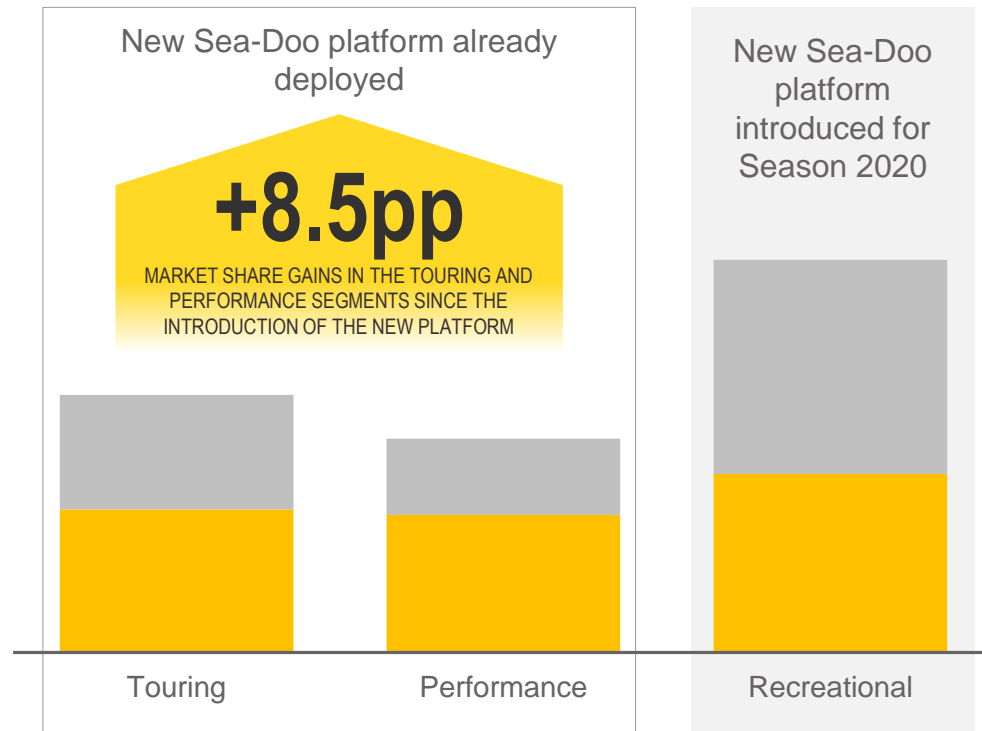
# Growing our market leadership through the deployment of the new PWC platform across the line-up, and continued product innovation

The new Sea-Doo platform is being deployed across the line-up

Specialized models are driving strong consumer demand

N.A. PWC Industry Retail Sales by Segment  
Units

Rest of the industry  
Sea-Doo



Well positioned to continue expanding our market leadership position in the growing global PWC industry



# Fueling our momentum: Key focus areas

1 Maintain market leadership in Seasonal Products

2 Accelerate growth in Can-Am Off-Road Vehicles

3 Leverage our Parts and Accessories business

4 Best-in-class dealer network





# M25: Build on Can-Am momentum

## Key Initiatives

### CAN-AM OFF-ROAD VEHICLES

- › Shift gears to increase Can-Am off-road vehicles presence in under-represented segments
- › Pursue international market development and access to playgrounds
- › Grow our portfolio of innovative accessories that improve customer experience

### CAN-AM THREE-WHEEL VEHICLES

- › Unlock the 3WV potential

## Objective

Grow Can-Am  
to **\$5B** in  
**revenues** by  
**FY25<sup>[1]</sup>**



<sup>[1]</sup>Total Can-Am revenues including Parts, Accessories and Clothing  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

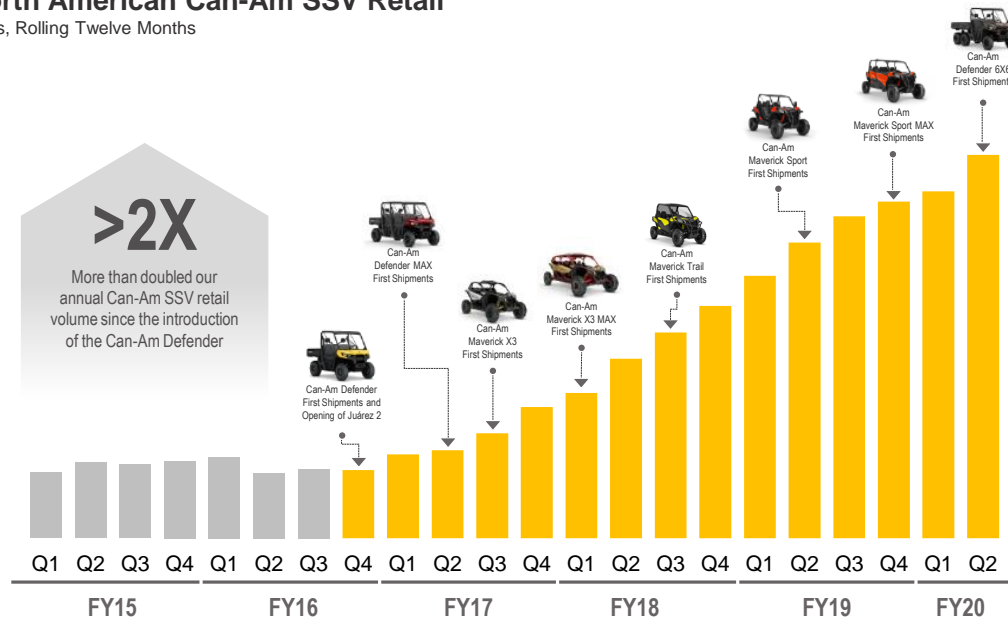
**Continuing our Can-Am Off-road vehicles momentum is key to achieve our M25 objective**



# Can-Am SSV: Strong progress made since the Defender introduction

Built a solid line-up that is driving strong consumer demand...

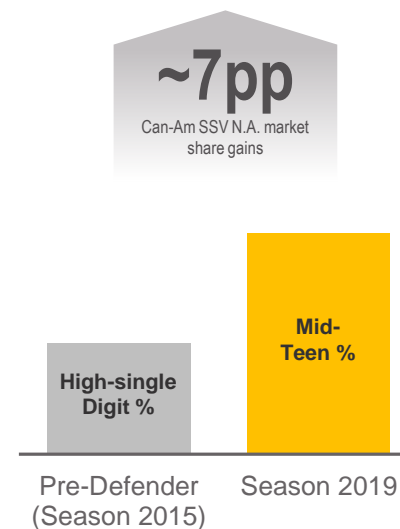
North American Can-Am SSV Retail  
Units, Rolling Twelve Months



Completed our objective of introducing a new SSV platform every six months over 4 years and intend to keep the same pace of innovation going forward

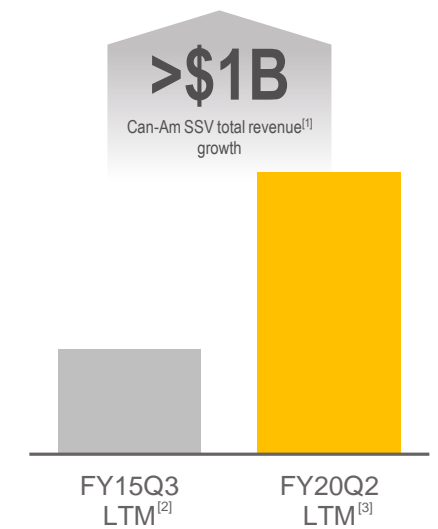
... and that generated significant market share gains and revenue growth

North American Can-Am SSV Market Share



Doubled market share, and generated over CA\$1 billion in incremental revenues<sup>[1]</sup> since the introduction of the Can-Am Defender

Can-Am SSV Total Revenue<sup>[1]</sup>



Our fast pace of highly innovative product introduction and grass roots growth plays delivered important market share gains and revenue growth

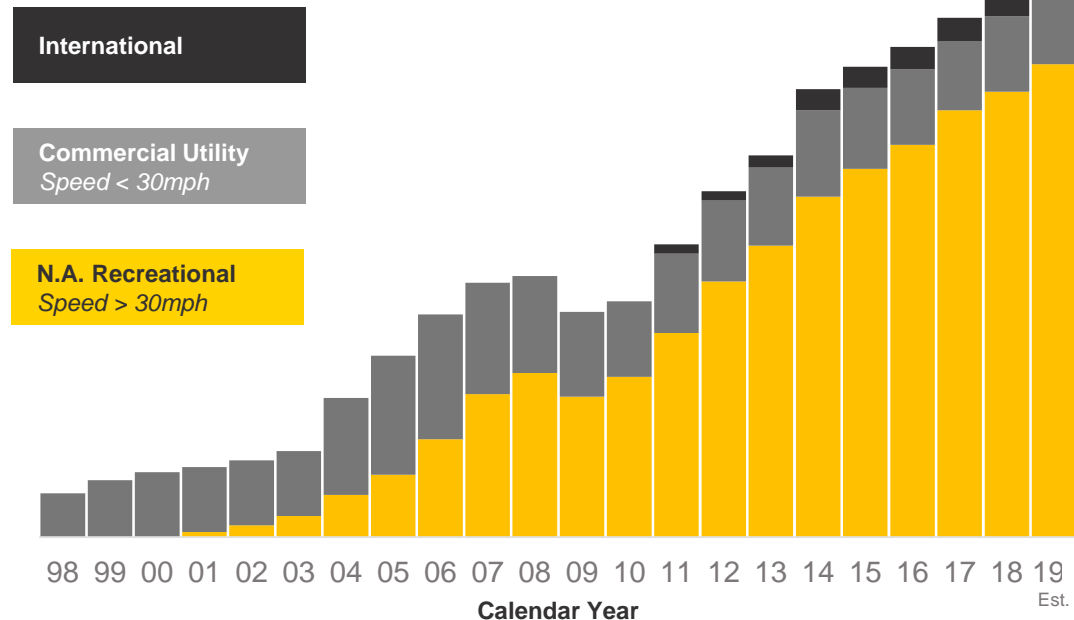


<sup>[1]</sup>Total SSV revenue including PAC  
<sup>[2]</sup>Last-twelve-month period ended October 31, 2014  
<sup>[3]</sup>Last-twelve-month period ended July 31, 2019

# Can-Am SSV: Still significant upside potential ahead

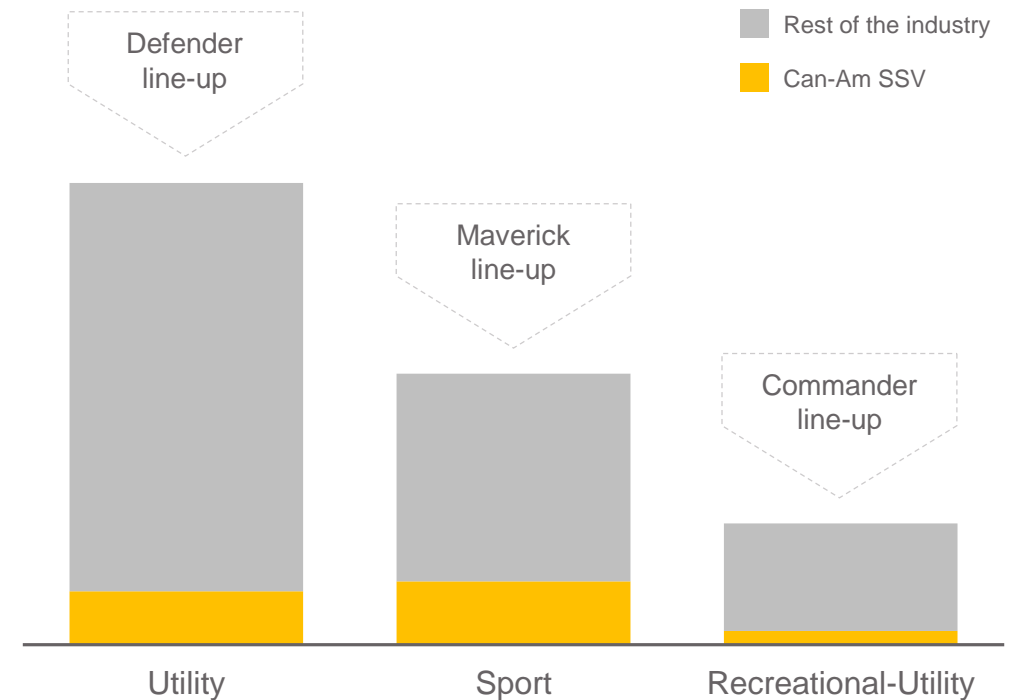
Strong industry fundamentals with continued growth fuelled by the North American Recreational SSV market...

Worldwide SSV Industry Retail Units



... and plenty of market share upside left for Can-Am

U.S. Recreational SSV Industry Retail Sales by Segment Units



Significant growth opportunity for Can-Am with very favourable industry fundamentals and, despite our recent rapid growth, plenty of market share upside left to capture



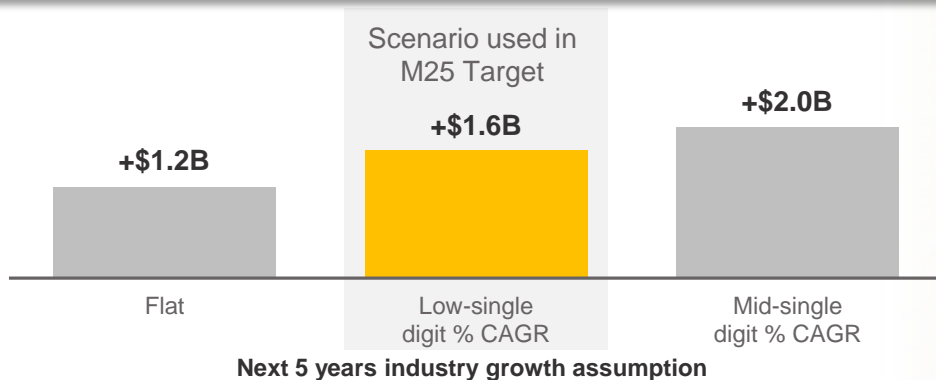


# Can-Am SSV: Targeting to double our market share<sup>[1]</sup> over the next 5 years

We are better positioned to double our market share now than we were 4 years ago

- › We have the most competitive SSV line-up in our history
- › We have a stronger and more engaged dealer network
- › We have greater ability to innovate as we leverage our experienced design and engineering teams

Doubling our market share could bring as much as \$2B in additional total SSV revenue<sup>[2]</sup>



“ For the next 3 years, we commit to introduce twice a year, either a new platform, a significant new model or innovative technologies to our SSV line-up ”



<sup>[1]</sup>Double North American SSV market share from season 2019 results  
<sup>[2]</sup>Incremental total SSV revenue including PAC vs. FY20 guidance as at August 29, 2019  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

We are committed to continue delivering solid growth with our SSV business



# Can-Am SSV: International opportunities

## International Market Creation Opportunities

### Australia

Recreational riding in Australia could become a double digit growth opportunity for Can-Am



### Russia

Russian sport segment potential



### Scandinavia

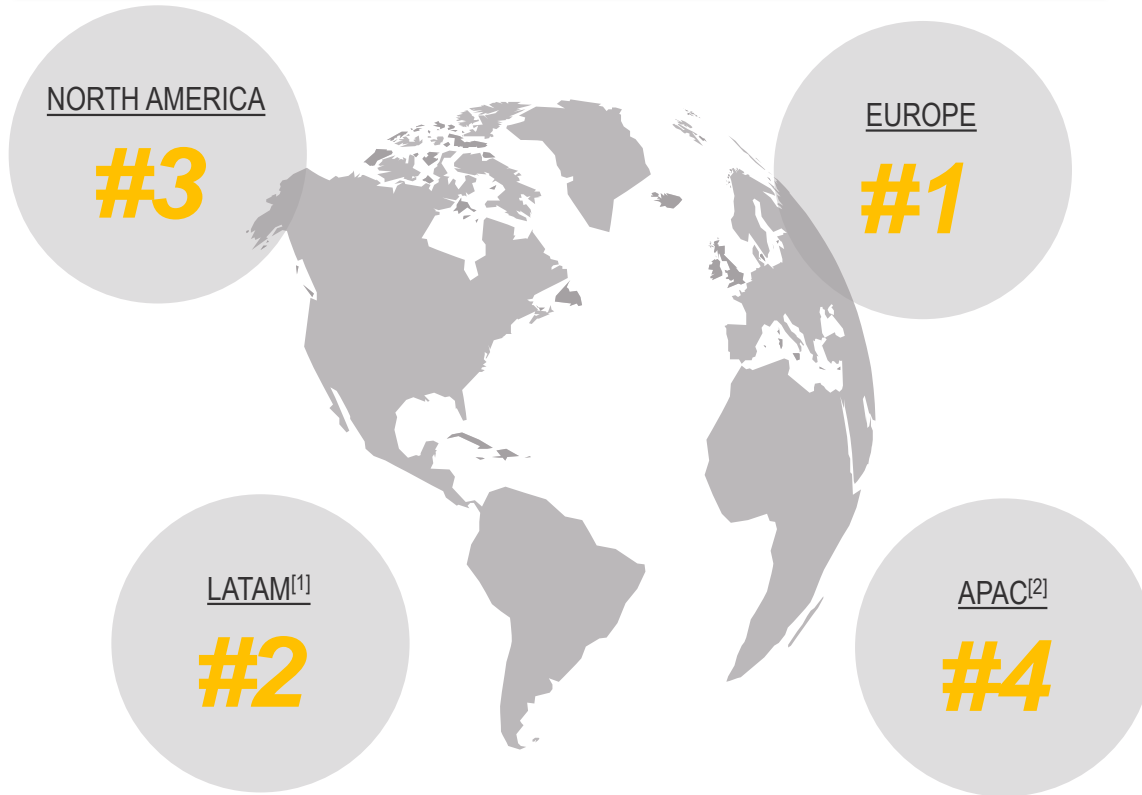
Scandinavian market has doubled in recent years and is expected to continue growth



Many key international markets are still in the early phase of SSV adoption and Can-Am is well positioned to seize these growth opportunities representing 10k to 12k units annually

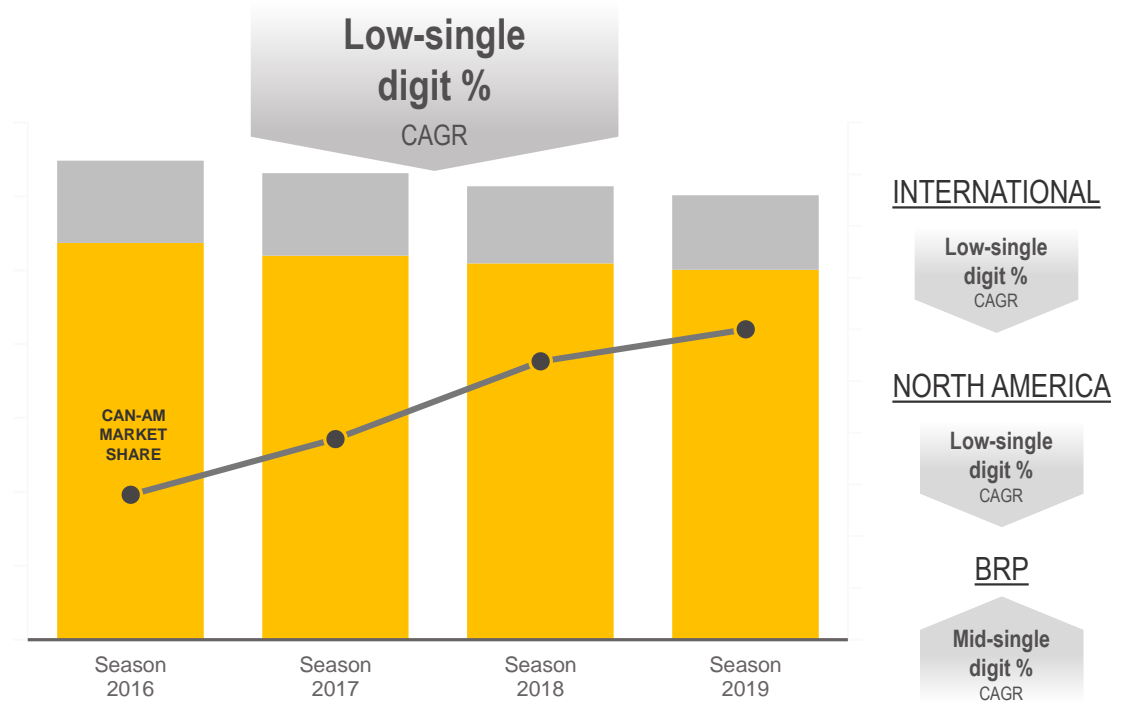
# ATV: Gaining share in a mature industry

ATV is gaining market share in NA market, and recently became #1 in Europe



Mature global ATV market

Worldwide ATV Industry Retail  
Units



<sup>[1]</sup>As per the three-month period ended August 30<sup>th</sup> 2019 based on imports data in Brazil

<sup>[2]</sup>As per the three-month period ended July 31<sup>st</sup> 2019 based on data from Australia and New-Zealand

Can-Am ATV gaining market share in a mature industry driven by competitive line-up and supported by the halo effect from Can-Am SSV success





# Fueling our momentum: Key focus areas

**1** Maintain market leadership in Seasonal Products

**2** Accelerate growth in Can-Am Off-Road Vehicles

**3** Leverage our Parts and Accessories business

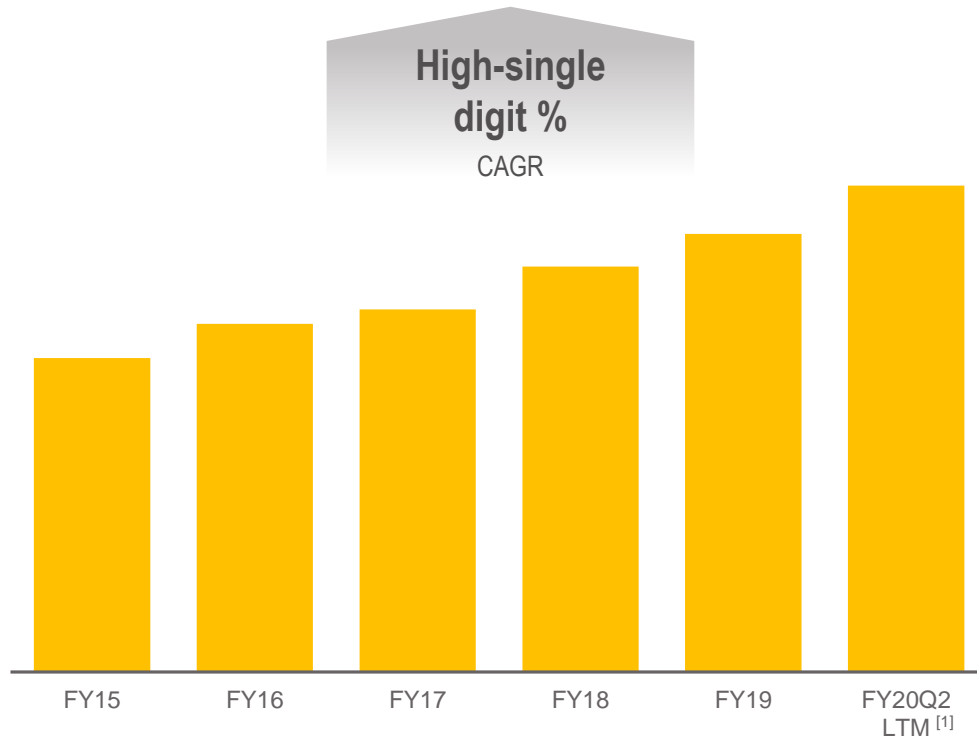
**4** Best-in-class dealer network



# Powersports Parts, Accessories and Clothing

Worldwide PAC sales have grown in past 5 years

Worldwide PAC Sales  
Revenue



Strong growth potential for our PAC business with an expanding fleet and innovative line-up of accessories

Solid accessories \$ per unit growth in recent years driven by innovation and unique LinQ system allowing customers to use their accessories across the BRP line-up



Parts sales continue to increase driven by growing fleet

<sup>[1]</sup>Last-twelve-month period ended on July 31, 2019

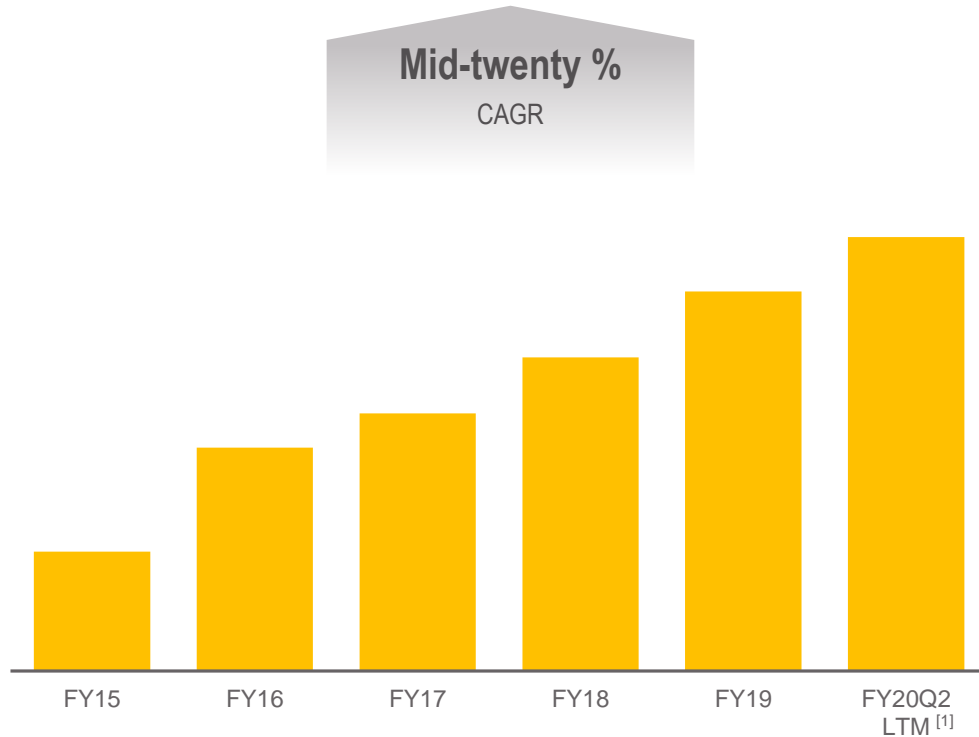
Parts, Accessories & Clothing business continues to be a success story with revenues growing at a high-single digit % pace since FY15



# Accessories driving overall growth for PAC business

Our accessories line-up is driving strong consumer demand

Worldwide Accessories Revenue Growth  
Revenue



Driving growth through innovation

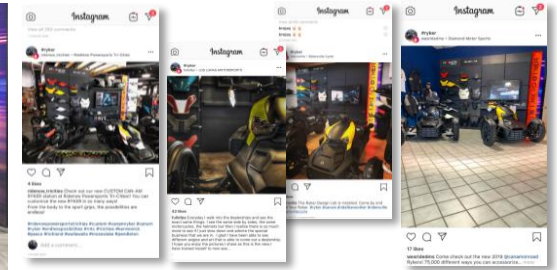
## LinQ system

Enables the use of accessories across product lines generating high value for our customers



## Can-Am Ryker Design Lab

Now in the vast majority of dealers, it is facilitating the customization process which is driving momentum with both the dealers and the customers



<sup>[1]</sup>Last-twelve-month period ended on July 31, 2019

Our accessories development process has delivered solid results and remains a growth vector for the future





# Fueling our momentum: Key focus areas

**1** Maintain market leadership in Seasonal Products

**2** Accelerate growth in Can-Am Off-Road Vehicles

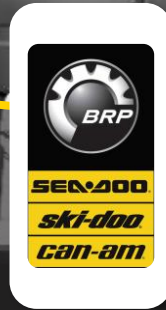
**3** Leverage our Parts and Accessories business

**4** Best-in-class dealer network



# Our dealer value proposition is driving momentum with our existing dealers and helped us attract quality new dealers

**PerforMAX**

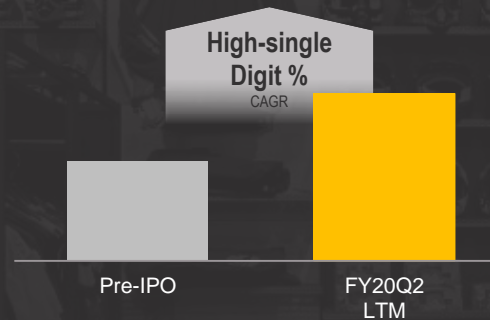


**DEALER  
GROWTH AND  
PROFITABILITY**



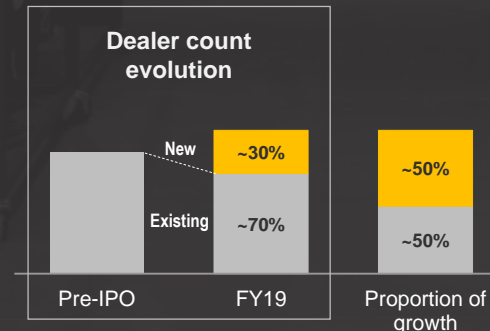
Our North American same dealership sales have increased significantly from pre-IPO level

North America sales per dealer  
Powersports Units



Our network transformation is paying-off

The dealers we added since the IPO were of high quality and supported our growth

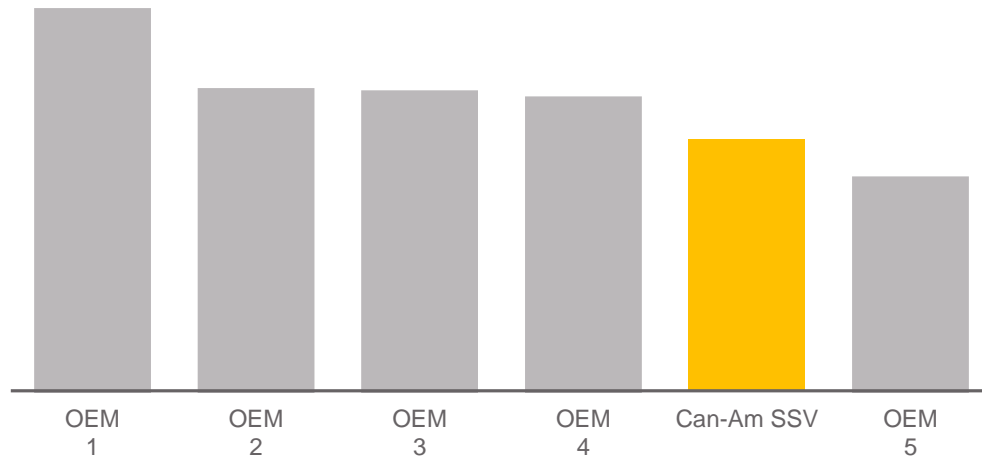


Network expansion focused on quality dealers



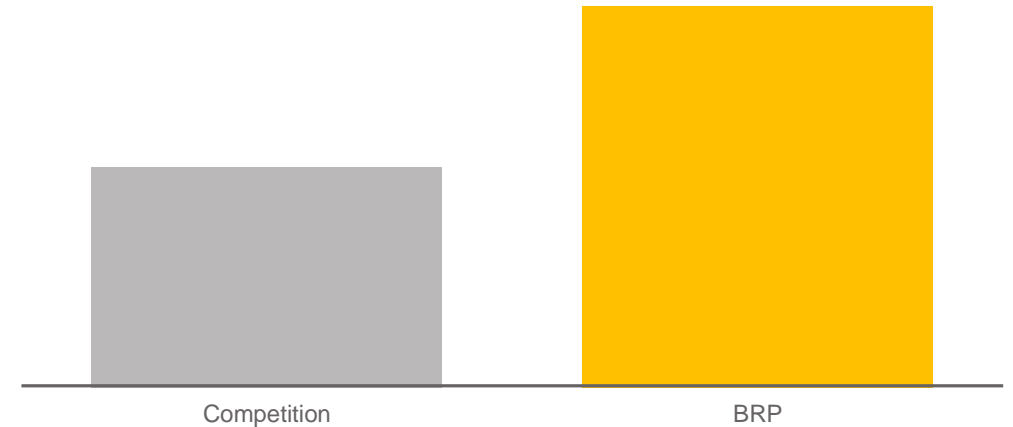
# Can-Am dealers sell more units and are more profitable

Number of SSV dealers by OEM in the United States



We achieved the #2 market share position while being #5 in terms of number of dealers selling our SSV

Dealer profitability is on average over 30% higher with Can-Am SSV than with other OEMs



Our diligent approach to network coverage is driving better profitability for our dealers

**We continue to diligently manage our dealer network and see the opportunity to add up to 50 SSV dealers over the next 2 years**





# **Powersports summary**

**BRP momentum driven by solid foundation in seasonal products**

**Large growth potential in ORV industry**

**Parts and accessories continue to be a strong contributor to growth**

**Supported by our strong dealer network and commitment to profitability**





## CAN-AM 3WV UPDATE AND OPPORTUNITIES

JOSÉE PERREAULT | Senior Vice-President, Can-Am On-Road Vehicles



# M25: Build on Can-Am momentum

## Key Initiatives

## Objective

### CAN-AM OFF-ROAD VEHICLES

- › Shift gears to increase Can-Am off-road vehicles presence in under-represented segments
- › Pursue international market development and access to playgrounds
- › Grow our portfolio of innovative accessories that improve customer experience

### CAN-AM THREE-WHEEL VEHICLES

- › Unlock the 3WV potential

Grow Can-Am  
to **\$5B** in  
revenues by  
FY25<sup>[1]</sup>



<sup>[1]</sup>Total Can-Am revenues including Parts, Accessories and Clothing

<sup>[2]</sup>Double from FY20 3WV revenues - Based on FY20 guidance as at August 29, 2019

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

We aim to at least double Can-Am 3WV revenues<sup>[2]</sup> over the next 5 years





# Unlocking 3WV potential: Key priorities

1

Continue to attract new-entrants to the category with the entry level Can-Am Ryker and by easing the access to the product trials and training schools

2

Maintain momentum with traditional Spyder line-up



We had a very good season 2019 and we are well positioned to continue to grow





# Unlocking 3WV potential: Key priorities

1

Continue to attract new-entrants to the category with the entry level Can-Am Ryker and by easing the access to the product trials and training schools

2

Maintain momentum with traditional Spyder line-up



# Focused on growing the category by attracting new entrants

By continuing to promote and develop the Can-Am Ryker

Significantly enlarge 3WV addressable market with its lower price point and improved category perception



By easing the access to product trials and training schools

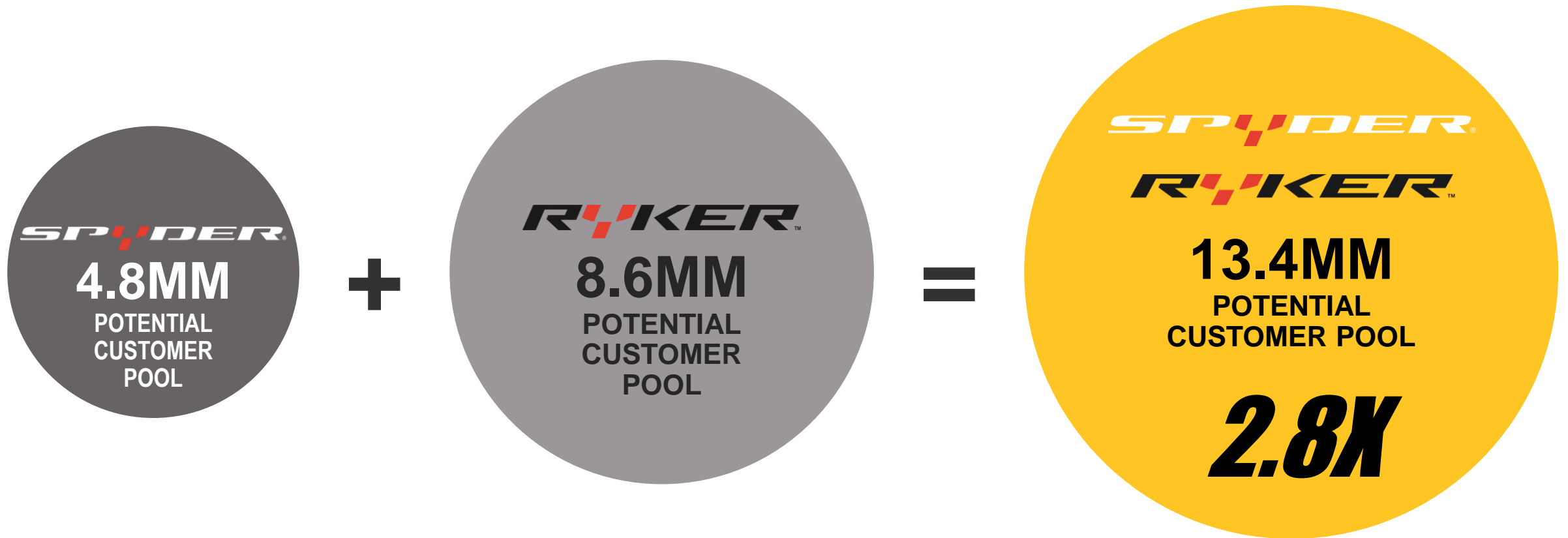


Facilitate new entrants participation by improving access to 3WV training schools and alternative product trials models

The introduction of the Can-Am Ryker and the development of our Rider Education Programs are providing solid foundations on which to build and grow the 3WV business



# The introduction of the Can-Am Ryker is key to unlocking the full potential of 3WV as it significantly increases the category's addressable market



Almost tripling our 3WV addressable market

# The strong Ryker marketing launch campaign was successful in changing the perception of 3WV and attracting new people to the category

## Key messages

> FUN

> ACCESSIBLE

> CUSTOMIZABLE

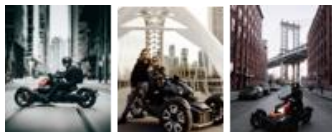
## Articulated in multiple consumers touchpoints

### INFLUENCERS

PR, Influencers & Celebrities

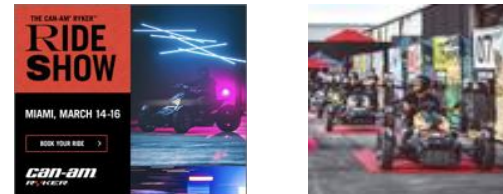


Esquire  
MEN'S JOURNAL  
Rolling Stone



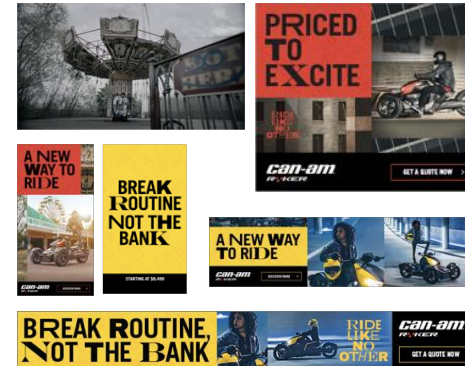
### EXPERIENTIAL

Ride Show & Pop-Up



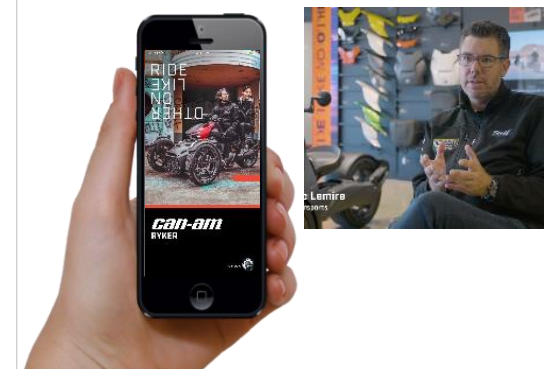
### PAID MEDIA

Full 360 Paid Media Campaign



### RETAIL AND CUSTOMIZATION

Design Lab, Retail and Augmented Reality App



LED TO OVER 2 BILLION IMPRESSIONS AND 5 MILLION WEB VISITS

MASS AWARENESS



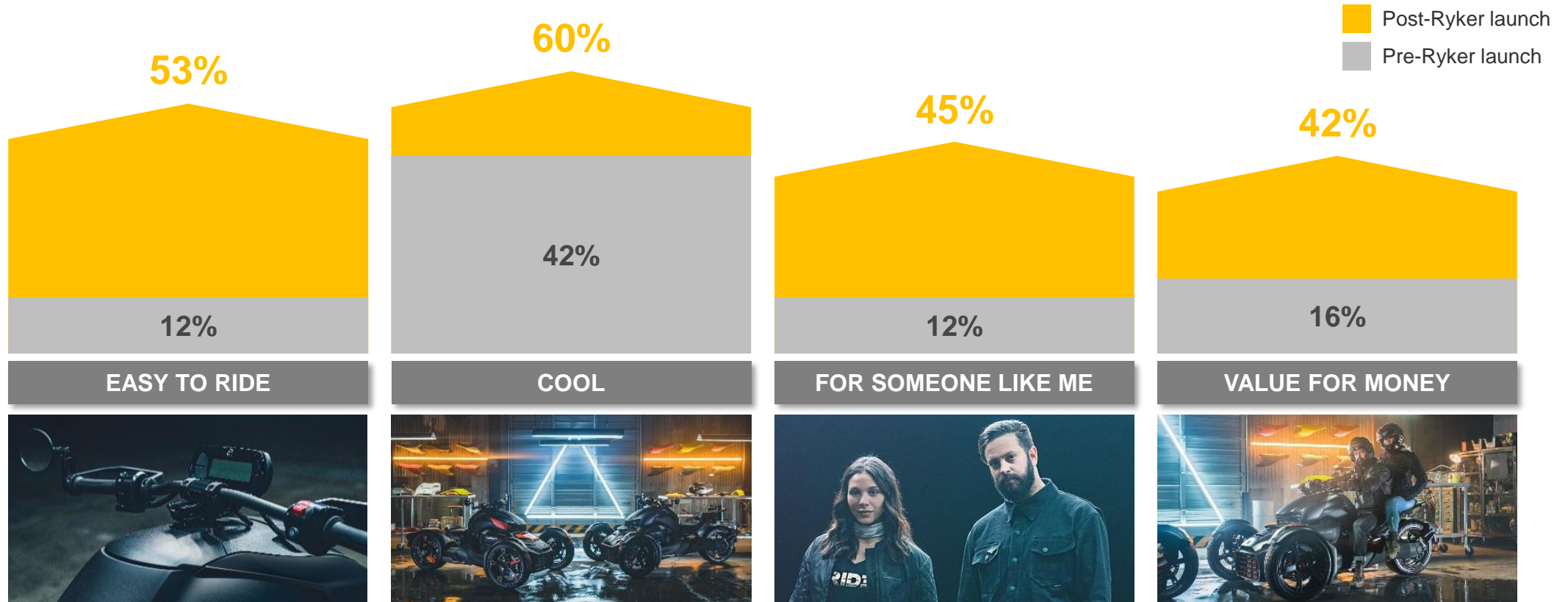
BRAND PERCEPTION



YOUNGER, DIVERSE  
NEW ENTRANTS

# The introduction of the Can-Am Ryker is key to unlocking the full potential of 3WV as it significantly increases the category's addressable market

## Target customers perception of 3WV



Ryker shifts the way our target customers perceive 3WV as a majority believes Ryker is for someone like them, easy to ride and cool



# The introduction of the Can-Am Ryker is key to unlocking the full potential of 3WV as it significantly increases the category's addressable market

## Ryker customer profile

NEW ENTRANTS



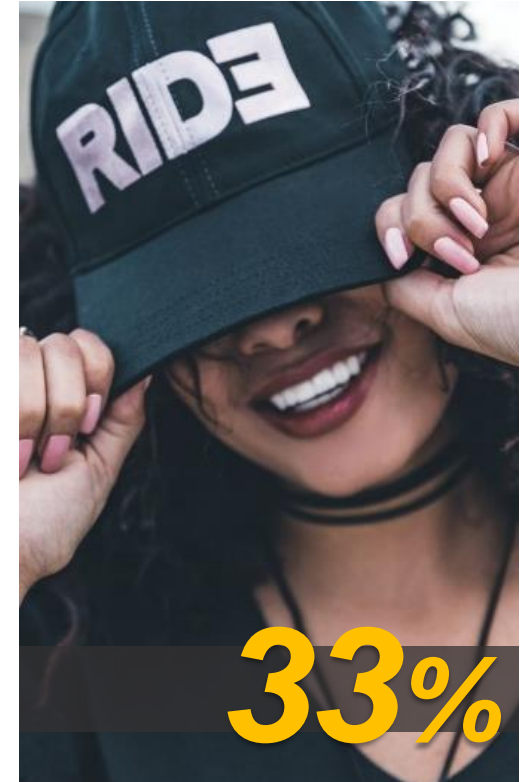
FEMALE



UNDER THE AGE OF 55



VISIBLE MINORITIES



Ryker is successful in attracting new entrants to the category

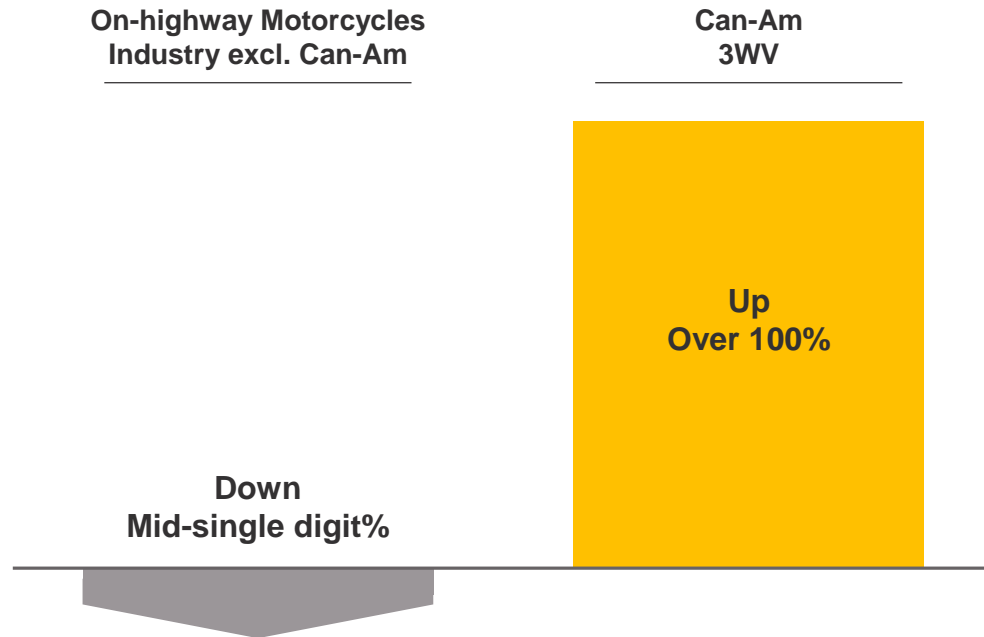
# Ryker drove strong retail demand and market share gains in a declining North American on-highway motorcycle industry

Can-Am 3WV grew rapidly while the on-highway motorcycle industry continued to decline...

... and now holds the #5 market share position in the North American on-highway motorcycle industry

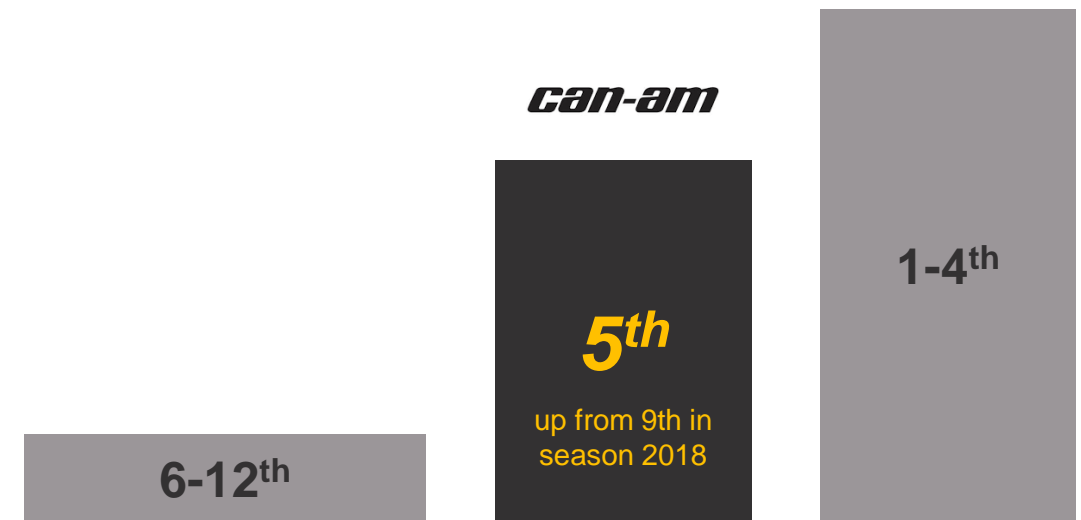
## North American Motorcycle Industry

Units growth, season-to-date as at September 30th



## North American Motorcycle Industry

Units market share, season-to-date as at September 30th



Ryker drove significant momentum at the retail level



# And our customization strategy paid off with increased engagement from dealers and consumers

## Retail and customization

DESIGN LAB, RETAIL AND AUGMENTED REALITY APP



## Results

**500** *IN-DEALER DESIGN LABS INSTALLED*

**200K** *BUILD YOUR OWN IN-STORE*

**60K** *“RIDE BUILDER” APP DOWNLOADS*

**600K** *WEB BUILD YOUR OWN*

Driving strong customization

RYKER AVERAGE  
ACCESSORIES \$ PER UNIT

**\$1,065** ▲ **30%** vs. target



# Rider Education Program remains essential to attracting new entrants

## Rider Education Program update



Active  
Schools

193

Addressed all key markets



Courses  
Completed

>20k

Over the last 2 years

Targetting 14k courses  
for FY21



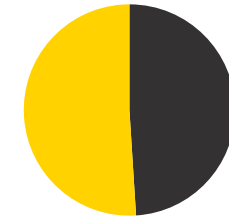
New Units Conversion  
Rate

>20%

Conversion of over 35%  
when including used  
Can-Am 3WV

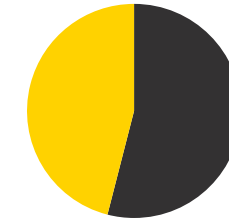
## Participants profile: Attracting key targets

PRODUCT  
FAMILY



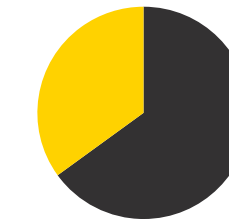
Ryker  
Spyder

GENDER



Male  
Female

AGE



Below 55  
Above 55

The Rider Education Program is successful in alleviating a barrier to purchase  
and to attract new entrants to the category



# Unlocking 3WV potential: Key priorities

1

Continue to attract new-entrants to the category with the entry level Can-Am Ryker and by easing the access to the product trials and training schools

2

Maintain momentum with traditional Spyder line-up



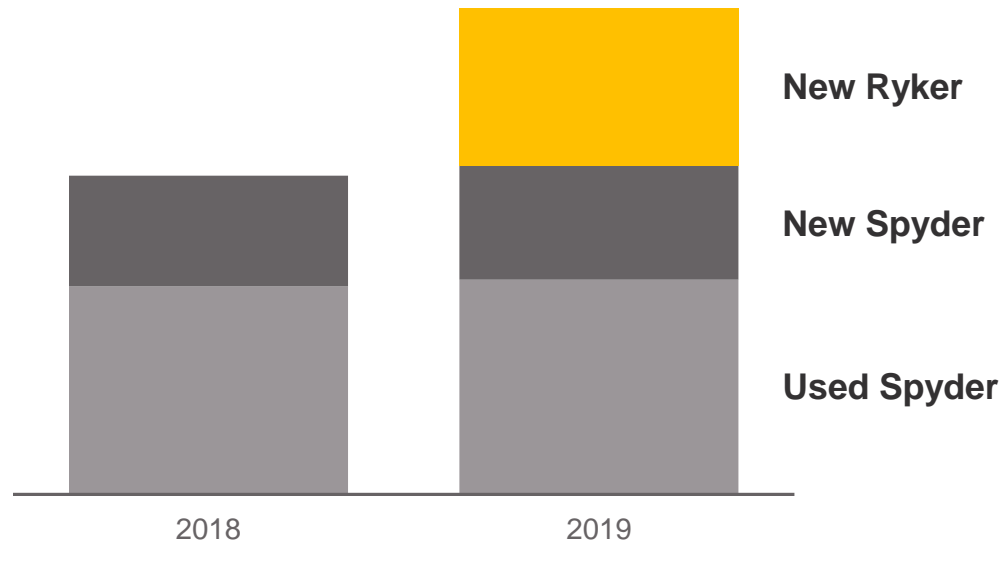


# 3WV: Sustained demand for the Spyder line-up in spite of Ryker introduction

No signs of cannibalization between the Can-Am Ryker and the Spyder line-up, and between new and used Can-Am 3WV

## Can-Am U.S. 3WV Retail

Units, New and used vehicles, for the eight-month period ending June 30



Ryker sales have been incremental to the Can-Am 3WV retail so far this season



There is an important market for the Spyder line-up, especially in the premium touring category





# The new 2020 Spyder RT – Inspired by our owners

## 1<sup>ST</sup> FULL REDESIGN IN OVER 10 YEARS



Addresses 10+ of the most important upgrades as identified by current owners

- › New modern design
- › Extra leg room and flexibility
- › Extra seating room
- › More usable storage
- › Better handling
- › LED lights
- › Removable top case
- › Features to extend riding season
- › Improved wind protection for two
- › Enhanced UX for audio controls

# The new Spyder RT is expected to drive strong interest from existing Touring owners

LARGEST  
OWNER GROUP

**50,000**

RT OWNERS

MOST ENGAGED  
AND  
BIGGEST SPENDERS

IN-MARKET TO  
REPURCHASE

**30,000**

60% OF OWNERS

There is significant pent-up demand for a new Spyder RT





# 3WV summary: Ryker is off to a very good start

## SEA-DOO SPARK



### IMPACT

- Brought in new entrants: a younger and more diverse customer base
- Improved brand awareness
- Improve product perception
- Drove momentum with the dealers

**68%**

WORLDWIDE PWC INDUSTRY  
GROWTH SINCE THE SEA-DOO  
SPARK INTRODUCTION

## CAN-AM RYKER



### IMPACT

- Bringing in new entrants: a younger and more diverse customer base
- Improving brand awareness
- Improving product perception
- Driving momentum with the dealers

Strong  
Upside potential

**>2X**

CAN-AM 3WV RETAIL  
GROWTH IN SEASON 2019

Ryker is driving similar trends for 3WV as the Sea-Doo Spark did for PWC



# 3WV summary: Continuing to build on the success of Ryker



**RYKER™**

**CONTINUE TO GROW NEW ENTRANTS BASE,  
PUSH BOUNDARIES AND MAKE MORE  
PEOPLE WALK INTO DEALERSHIPS**



**SPYDER®**

**CONVERT CURRENT OWNERS TO  
RE-PURCHASE AND TRANSITION  
MOTORCYCLISTS FROM 2WV TO 3WV**



## MARINE STRATEGY UPDATE

TRACY CROCKER | President, BRP Marine Group



# OUR MARINE VISION

Become the **most innovative marine company** which builds and **integrates boats and engines** in a way that gives consumers an unparalleled experience on water

**ALUMA** *Craft*

*Manitou*





# Consumer base represents great opportunity

Transferring brand equity from existing consumer base to new boating segments



**SEA-DOO**

**44%**  
of PWC owners also own  
a powerboat



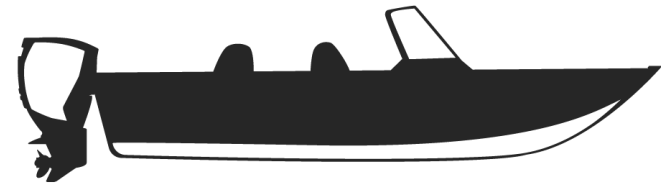
**ski-doo**

**34%**  
of snowmobile owners  
also own a powerboat



**can-am**

**27%**  
of ATV owners also own  
a powerboat

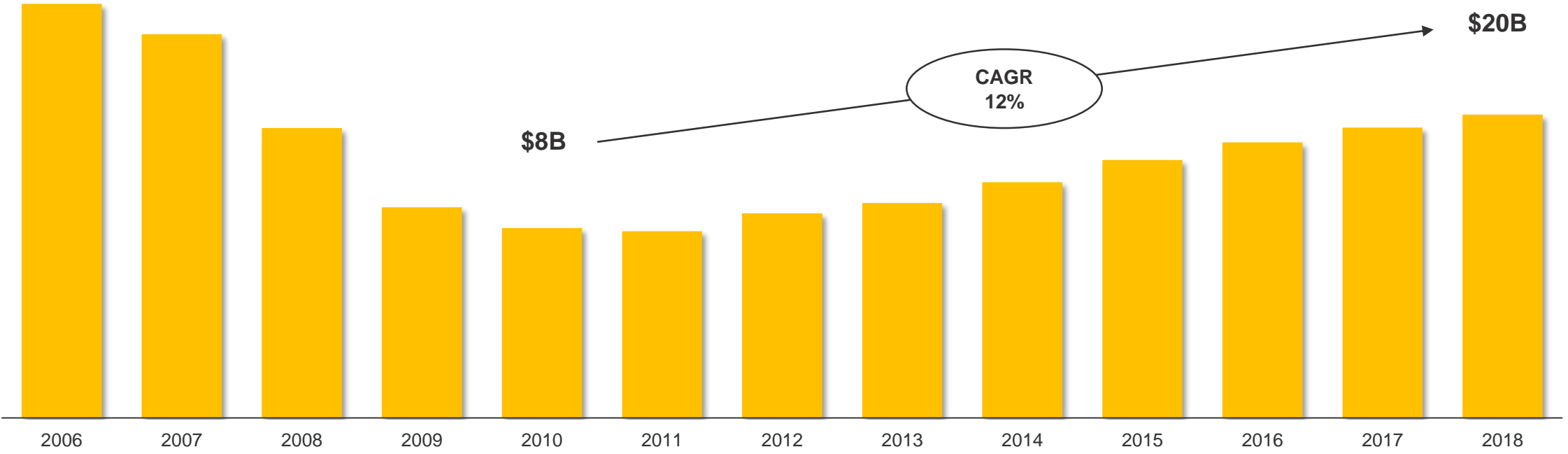


# Although still below pre-recession level, our addressable market has seen double-digit growth over the last 8 years

## Total New Recreational Boat Market

U.S. Boat and Outboard Engines Market Size  
\$CA billions

**\$30B+**  
Worldwide Addressable Market



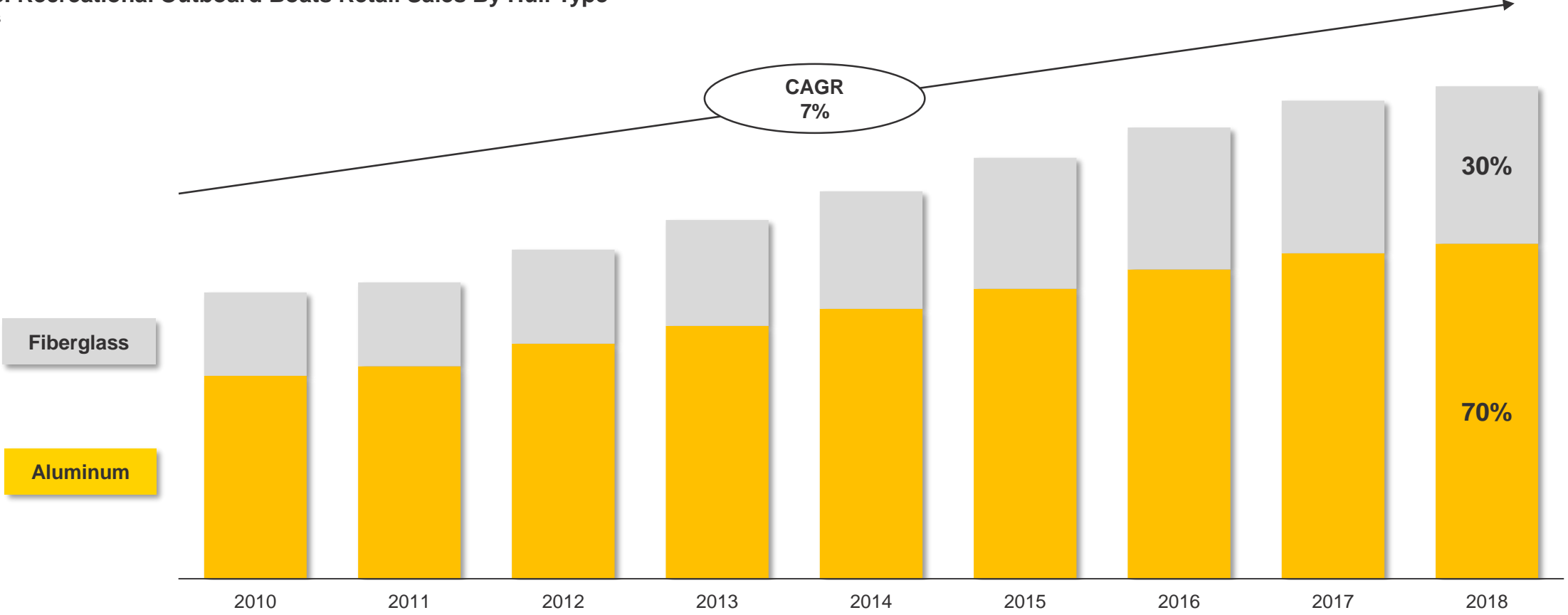
Sources: NMMA U.S. and Canadian Recreational Boating Statistical Abstracts 2018; ICOMIA Recreational Boating Industry Statistics 2018



# Aluminum boats represent 70% of the recreational outboard industry

Growth has been largely driven by aluminum outboard powered boats

U.S. Recreational Outboard Boats Retail Sales By Hull Type  
Units



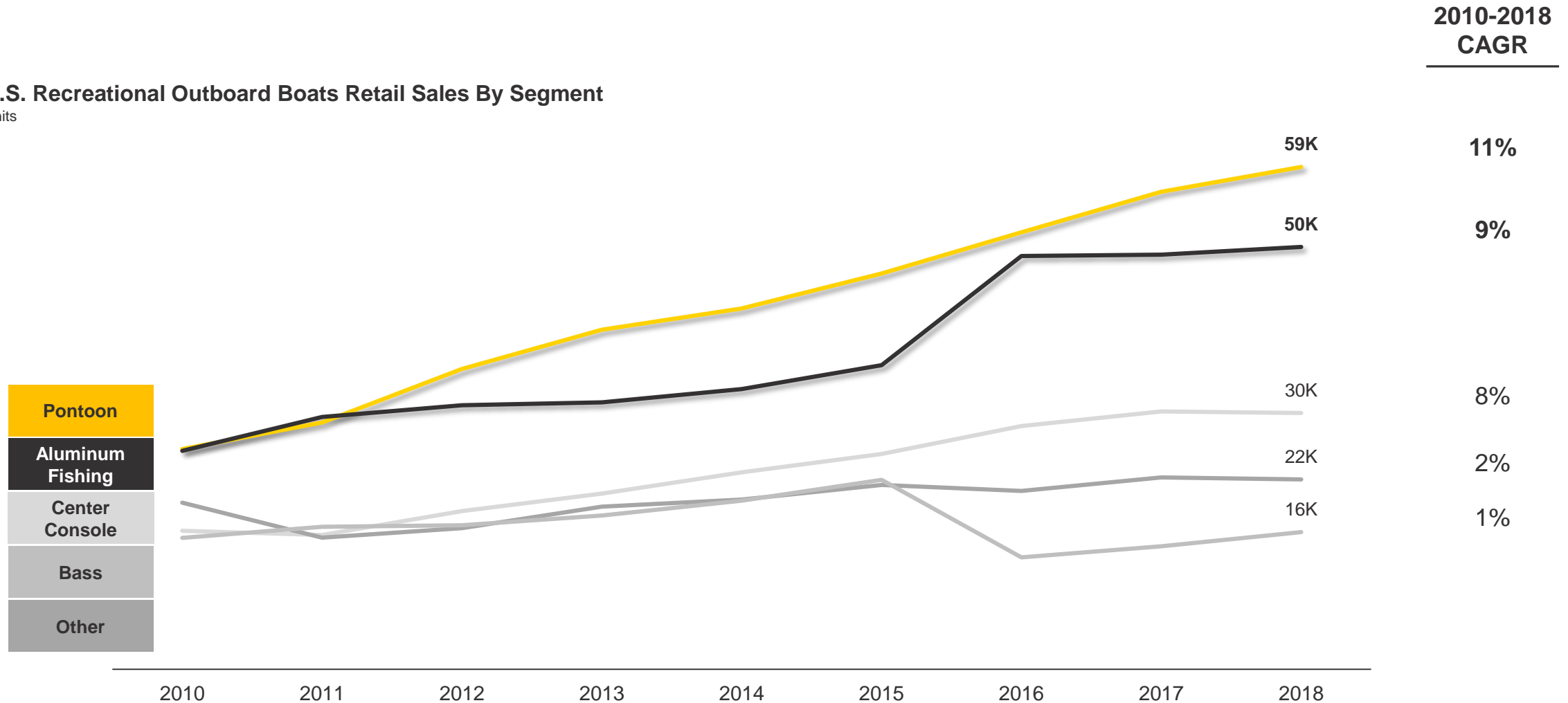
Sources: NMMA U.S. and Canadian Recreational Boating Statistical Abstracts 2018; SSI





# BRP is now present in the two largest and fastest growing segments: Pontoon and Aluminium Fishing

U.S. Recreational Outboard Boats Retail Sales By Segment  
Units



Source: NMMA U.S. and Canadian Recreational Boating Statistical Abstracts 2018

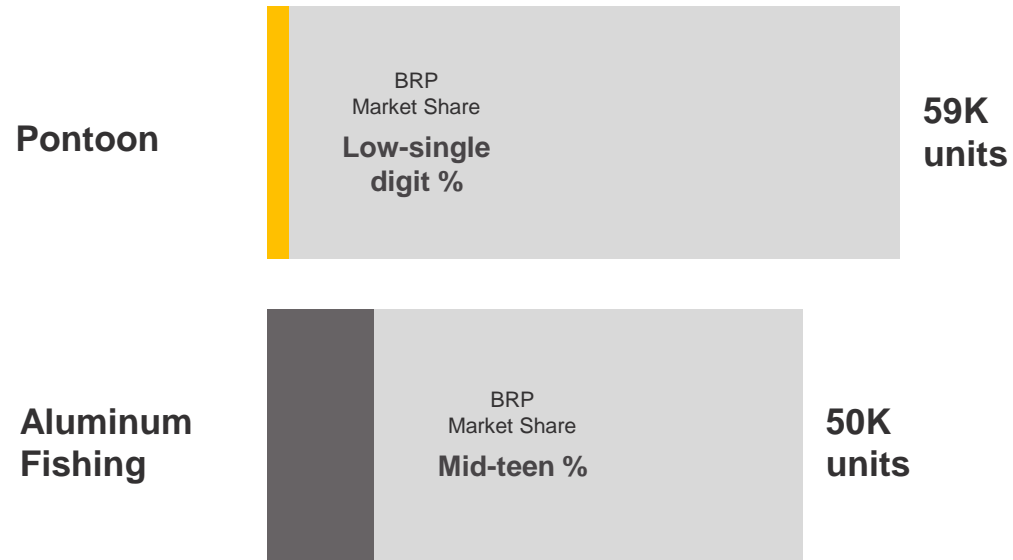


# Pontoon and aluminum fishing offer both attractive volume and runway for future growth

## Market Share by Boat Segment

### U.S. Recreational Outboard Boats Retail Sales by Segment

Units



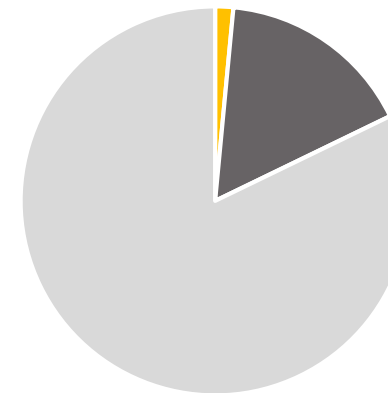
## Market Share by Boat Length

### U.S. Recreational Outboard Boats Retail Sales by Boat Length

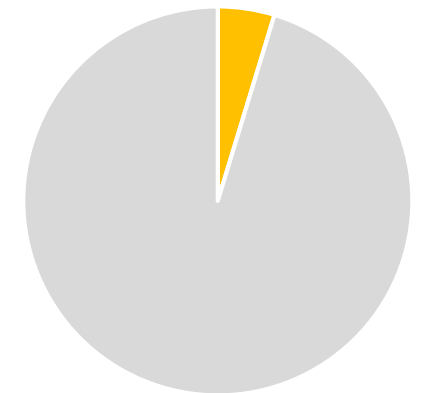
Units

**ALUMINUM BOATS < 21'**  
(~60% of Pontoon and Aluminum fishing)

**ALUMINUM BOATS 21' +**  
(~40% of Pontoon and Aluminum fishing)



BRP  
Market Share  
Mid-teen %



BRP  
Market Share  
Low-single  
digit %

Manitou Alumacraft

Source: NMMA U.S. and Canadian Recreational Boating Statistical Abstracts 2018



# Our strategy: Make waves in Marine

## BUY. BUILD. TRANSFORM.



### BUY

2018-2019

Create a global marine business through acquisitions to reach a “critical mass” allowing us to become a significant player in the industry

- › Acquisition of Alumacraft
- › Acquisition of Manitou
- › Acquisition of Telwater



### BUILD

2019+

Drive growth and efficiency:

- › Expand the dealer network
- › Increase global engine attachment rate
- › Convert engines to Evinrude
- › Realize synergies leveraging BRP’s manufacturing know-how and innovation
- › Capitalize on international cross-selling opportunities



### TRANSFORM

2021+

Transform the marine industry as we did in the Powersports business by leveraging our ingenuity, our technical expertise, and our design and innovation capabilities



# Disciplined approach to acquire strong brands in key select segment and geographies



BUY

## Reputable boating brands, strong potential for GROWTH

### Enter the North American Fishing Market



- › A leading manufacturer of aluminum riveted fishing boats
- › Founded in 1946, headquartered in Saint Peter, MN and employs 326 people in two facilities
- › Known for its revolutionary twin-plated 2XB hull reducing noise and vibration without compromising agility

### Enter the North American Pontoon Market



- › A leading manufacturer of pontoons
- › Founded in 1985, headquartered in Lansing, MI and employs 173 people
- › Known for its game-changing Patented Tri-Toon technology giving pontoon boats performance and handling of a traditional V-hull vessel

### Enter the International Market



- › A leading manufacturer of aluminum welded boats
- › Founded in 1945, headquartered in Coomera, Australia and employs 230 people
- › Known for its complete spectrum of offering, from boat trailers to high-end plate boats, including popular Yellowfin

**Strong assets well positioned in healthy and growing segments**

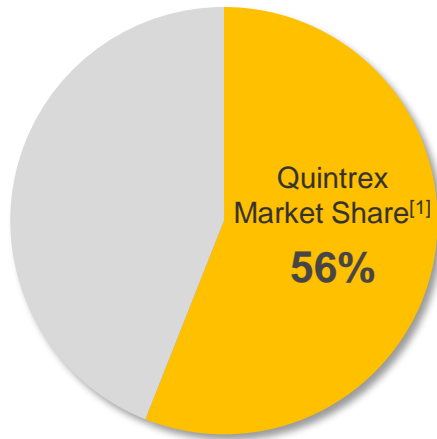


# Quintrex: Capitalizing on the complementarity of the #1 aluminum boat brand in Australia and Evinrude



## Australian Market

**Boat market**  
Percentage Breakdown



## Quintrex Opportunities



### Develop Dealer Network

- › Well established network of 160+ dealers across Australia
- › Potential to add dealers with the large plate boat offering



### Increase Attachment Rate

- › Expand Boat-Motor-Trailer (BMT) to grow engine attachment rate by FY23 to 20% (+100%)



### Maximize Evinrude Conversion

- › Continue expanding BMT offering to further benefit Evinrude penetration in that market

<sup>[1]</sup>Includes all brands related to the acquisition of Telwater

**Consolidating the leading brand in Australia and explore international expansion**



# Transfer BRP core competencies to boat brands



## Continue integration of boat companies with BRP's DNA



### Develop Dealer Network

- › Primary Market Area ("PMA") model to identify expansion markets
- › One BRP Marine value proposition to attract best fit dealers by PMA
- › Grow dealers in the U.S. by FY23
  - Alumacraft: +150 (+75%)
  - Manitou: +120 (+80%)



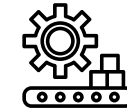
### Increase Attachment Rate

- › Expand Boat-Motor-Trailer (BMT) offering through the network
- › Grow engine attachment rate by 15% by FY23



### Maximize Evinrude Conversion

- › Leverage Evinrude asset and build on momentum
- › Grow Evinrude conversion rate by 25%+ by FY23



### Realize Synergies

- › Short to medium term gains on synergies at Alumacraft, Manitou and Quintrex
- › Long term manufacturing strategy and capacity plan
- › BRP innovation DNA

**With 14K+ transoms and integrating BRP core competencies, we have established the foundation to deliver a new on-water experience**



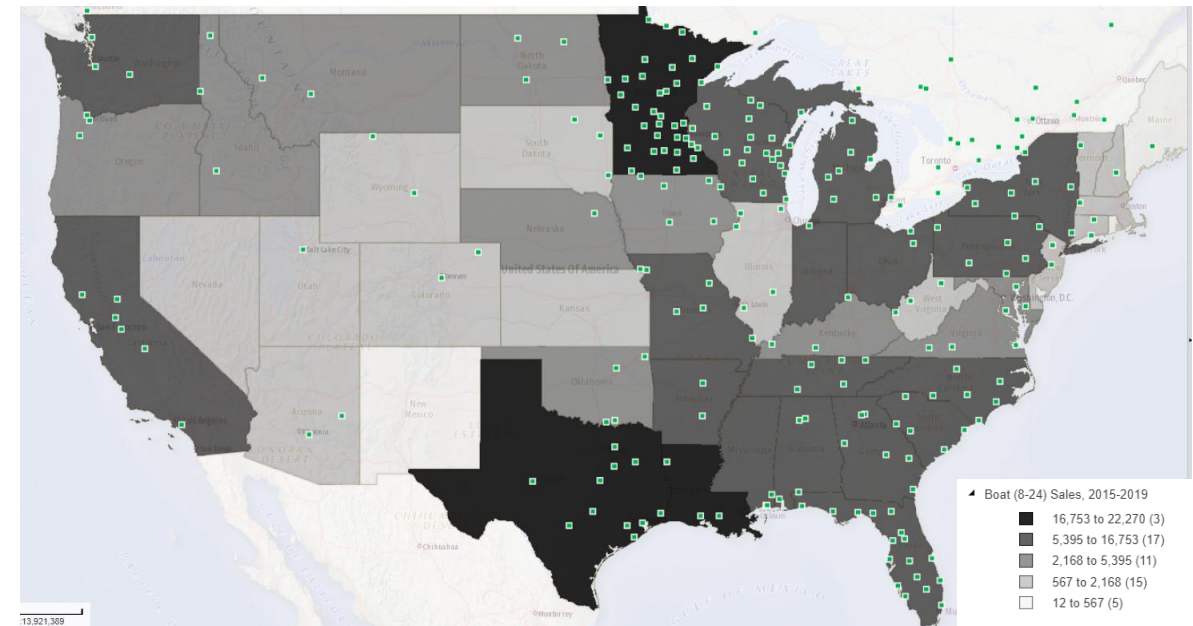
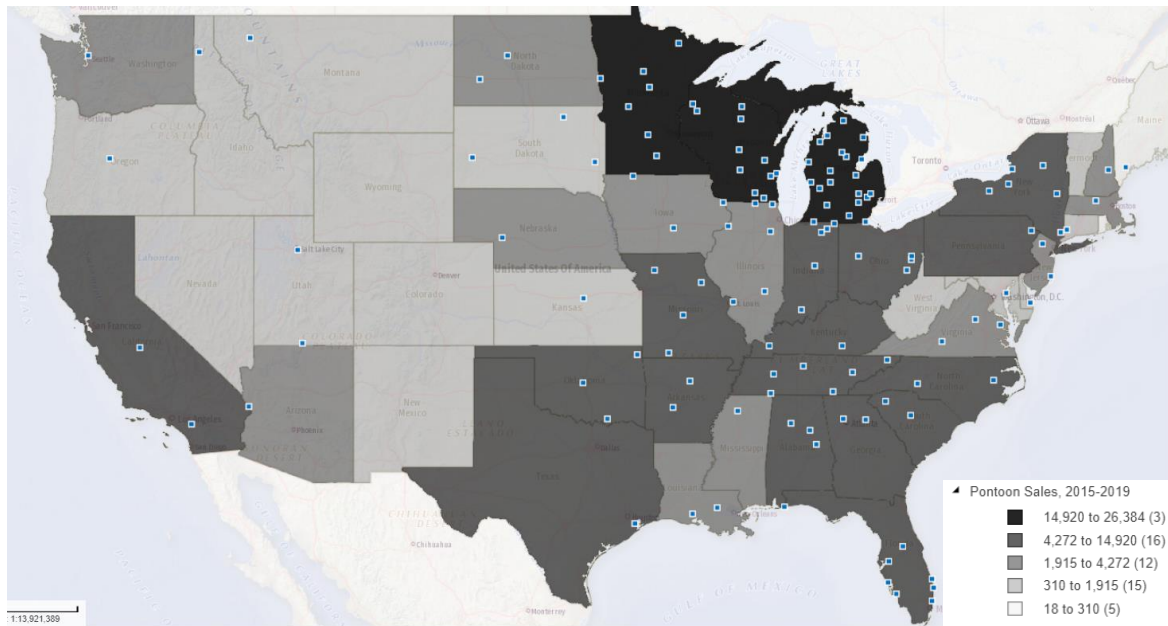


# Network development coverage map



*Manitou*

**ALUMA***Craft*



Current network coverage for both brands offers attractive growth opportunities in key regions



# Transforming the industry through innovation



TRANSFORM

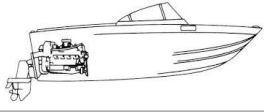








	Project Ghost	Project M
Brief	Providing more usable space in the deck area with an unseen and integrated engine architecture	Create the Spark equivalent within the pontoon industry with a family of boats under 20 feet in length
Objective	High impact on the market with its functionality and increased layout space	Create value for the consumer at a very competitive pricing
Top Differentiating Elements	<ul style="list-style-type: none"><li>› Increased deck space due to unique architecture</li><li>› Flexibility in layouts</li><li>› Open rear access</li><li>› Outboard completely out of sight</li></ul>	<ul style="list-style-type: none"><li>› Platform with multiple variances and sizes</li><li>› Ease of operating</li><li>› Unique fun factor and functionality combination</li><li>› Leveraging our know-how and innovation from the PWC industry</li></ul>



# Project Ghost: Innovation addressing any outboard engines paradigm



TRANSFORM

The boater wants...	Engine <u>I</u> nside the Boat		Engine <u>O</u> utside the Boat	
	Sterndrive 	Inboard Engine 	Outboard Engine 	Project Ghost 
 attractive value	-	-	+	++
 performance, easy handling and trimming	+	-	+	+
 easy storage and less maintenance	-	-	+	+
 a swimming / casting platform	+	+	-	+
 more space ON the boat	-	-	+	++

Delivering a better boating experience by designing for the first time an integrated outboard engine and boat product for consumers delivered from factory



*With Evinrude G2*

**ALUMA** *Craft*





... with Ghost

**ALUMA** *Craft*





**With Evinrude G2**

*Manitou*





**... with Ghost**

*Maritou*





*With Evinrude G2*





... with Ghost







TRANSFORM

# Project M: Creating the “Spark” of the pontoon industry

TRADITIONAL

SEA-DOO



MSRP U.S.  
\$8,999 - \$17,199



SEA-DOO SPARK



MSRP U.S.  
\$5,499 - \$7,599

Now represents 21% of the N.A. PWC market

CAN-AM SPYDER



MSRP U.S.  
\$15,999 - \$27,299



CAN-AM RYKER



MSRP U.S.  
\$8,499 - \$11,499

Now represents 31% of the N.A. 3WV market in its first year

REINVENTED  
ACCESSIBILITY





# Project M Recreational Edition





# Project M Fishing Edition

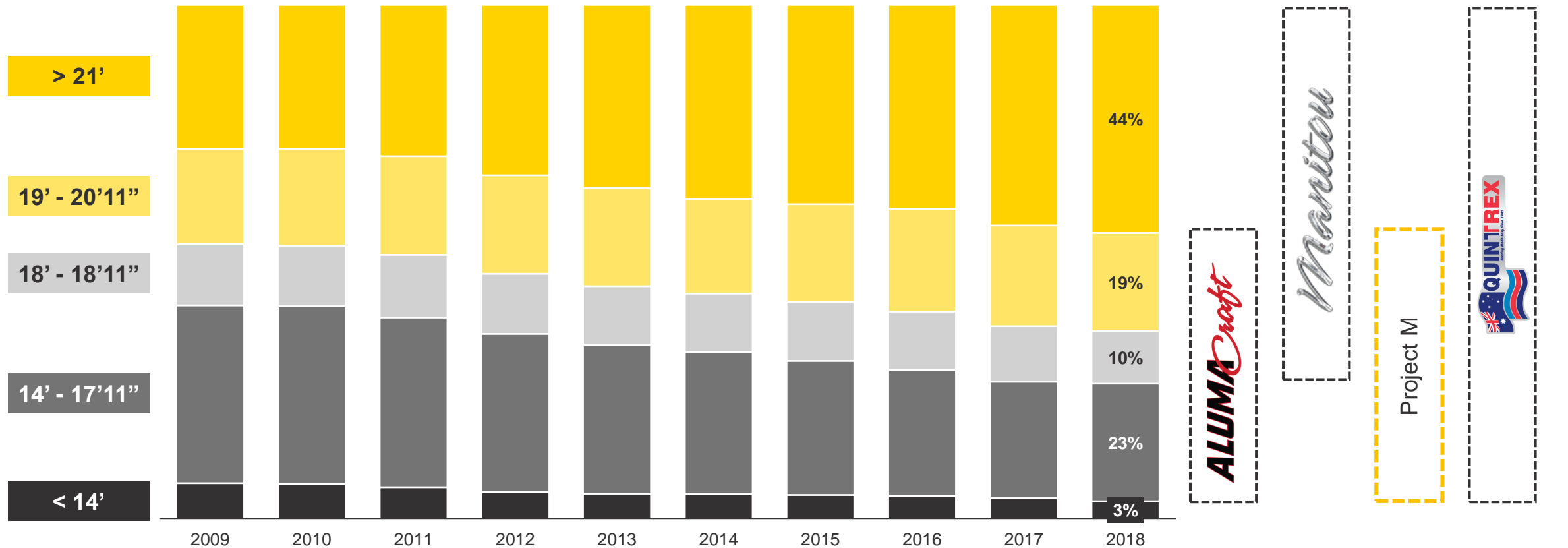




# Brand portfolio poised to seize growing demand for larger sized outboard boats

BRP brands cover the entire spectrum of boat sizes

U.S. Outboard Boats Retail Unit Sales By Length  
Percentage Breakdown



Source: NMMA U.S. and Canadian Recreational Boating Statistical Abstracts 2018 (percentages don't add up to 100 due to rounding)



# Make waves in marine

BUY. BUILD. TRANSFORM.



Enter the North American Fishing Market

**ALUMA**Craft

Enter the North American Fishing Market

Manitou

Enter the International Market



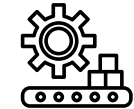
Develop Dealer Network



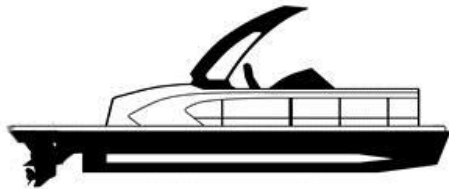
Increase Attachment Rate



Maximize Evinrude Conversion



Realize Synergies



Reinvent the Marine Industry with *Project Ghost* and *Project M*



<sup>[1]</sup>Double from FY20 Marine Group revenues - Based on FY20 guidance as at August 29, 2019  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

Our objective is to double the Marine Group revenues<sup>[1]</sup> to \$1B+ by FY25





## BECOMING A MORE CUSTOMER-CENTRIC ORGANIZATION

ANNE-MARIE LABERGE | Senior Vice-President, Global Brands and Communication



In 2016, BRP embarked on a **transformation rooted in the customer**

Today, with the introduction of M25 and its Consumer X pillar, we are committing to **delivering best-in-class customer experiences**







## Objective

Unleash the power of our iconic brands to win consumers hearts and minds, while driving strong business outcomes



# Our path to customer centricity

**SUMMIT**  
The new frontier of rider experiences

**CAMP #5**  
Breaking new grounds

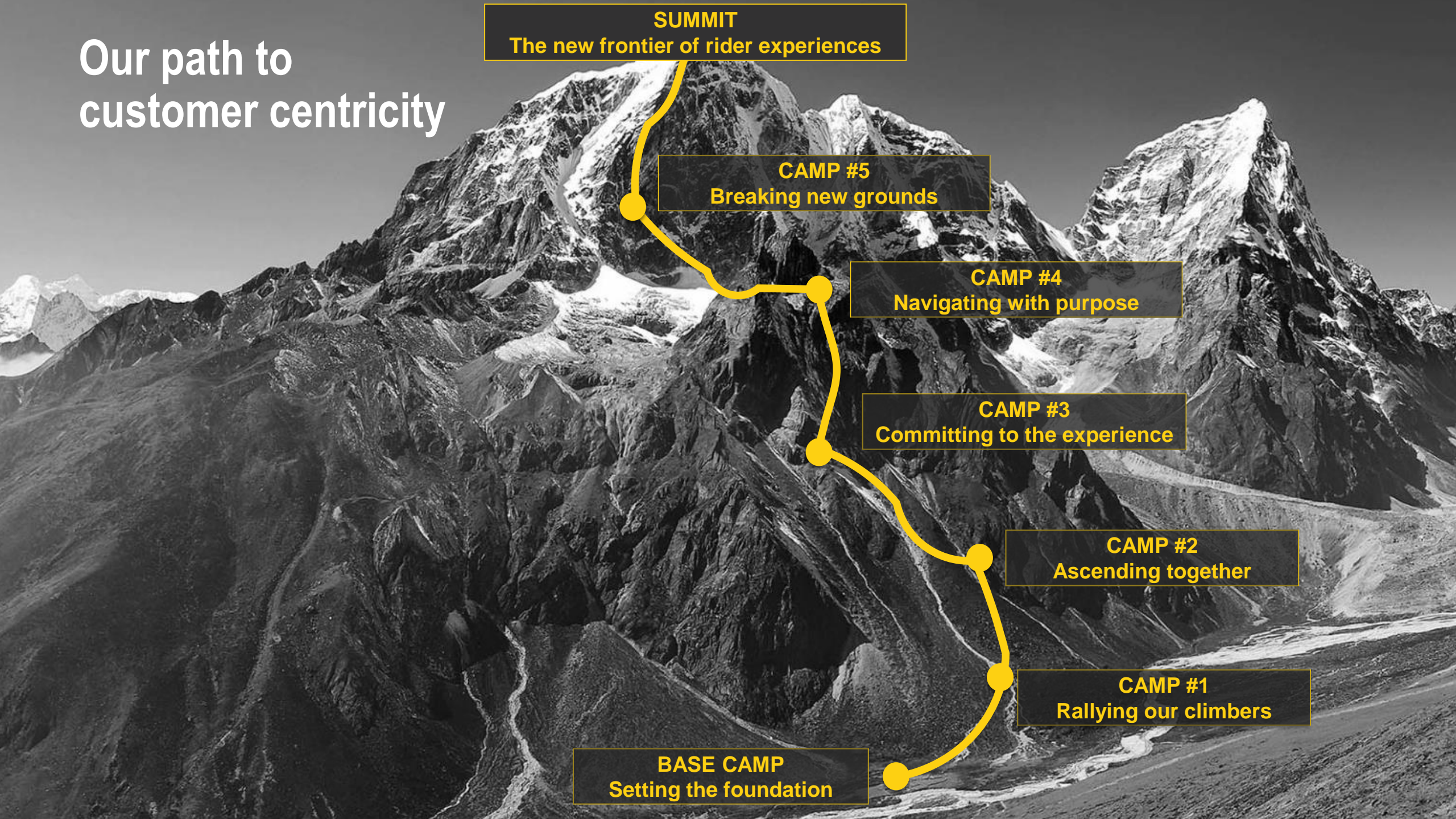
**CAMP #4**  
Navigating with purpose

**CAMP #3**  
Committing to the experience

**CAMP #2**  
Ascending together

**CAMP #1**  
Rallying our climbers

**BASE CAMP**  
Setting the foundation





Phase 1

# A journey of self discovery and change

**BASE CAMP**  
Setting the foundation

**CAMP #1**  
Rallying our climbers

**CAMP #2**  
Ascending together

**CAMP #3**  
Committing to the experience





# BRP BRAND FRAMEWORK

## PURPOSE

We exist to

**CREATE NEW WAYS  
TO MOVE PEOPLE,**

so that experiences are measured in  
emotion rather than distance.

We reimagine the way you access your world.

## POSITIONING

We uniquely claim we make  
**DARINGLY INNOVATIVE**

**PRODUCTS &  
EXPERIENCES**

that move you.

## CHARACTER & TONE

We are the bold adventurer  
leading you forward:

**DRIVEN,  
RESOURCEFUL,  
THOUGHTFUL,  
AND GUTSY.**

## VALUES

We are unified by our

**PASSION**

to keep moving;

**DRIVE**

to deliver on our commitments;

**INGENUITY**

to defy conventions; and

**TRUST**

to build strong partnerships.

## POINTS OF DIFFERENCE

We are different because we're

**BETTER ENGINEERED**

across every environment, we have a

**CULTURE OF DARING,**

and we are proudly

**RIDER-OBSSESSED.**

## BRAND PROMISE

**ADVENTURE  
BY DESIGN**

## LEGEND

- 1 PROGRESS DOESN'T COME FROM STANDING STILL
- 2 BEING OUTDOORS MAKES US FEEL ALIVE
- 3 WE RIDE FOR THE JOURNEY NOT THE DESTINATION

● CORE BRAND ELEMENT

--- BRAND PATH







*ADVENTURE BY DESIGN*





# A global communication platform for the launch of Ryker is driving results

## Brand Awareness

Improving customer perception  
via our brand promise

*Story Telling*



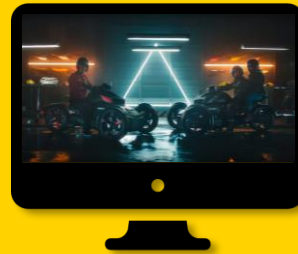
Can-Am Ryker Unaided  
Awareness<sup>[1]</sup>  
**+ 225%**



## Brand Equity

Driving consideration through  
superior product benefit

*Story Doing*



Market Share<sup>[2]</sup>

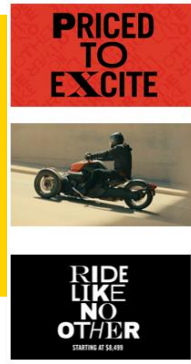
**+ 2.9pp** of 2-wheel On-Highway  
**+ 20.2pp** of 3-wheel On-Highway



## Purchase

Driving Sales

*Story Selling*



Retail Sales<sup>[2]</sup>

**> 100%**



<sup>[1]</sup>FY20 Mid Campaign Tracking Ryker Core Target (Pre Wave = 4%, Mid Wave = 9%)  
<sup>[2]</sup>BRP Retail Units, North America, FY20 Q1-Q2

# Evolving our online experiences to match those of our products



## WEBSITE

Global deployment of new websites, including new 'build your own' and dealer locator

Translation Management System

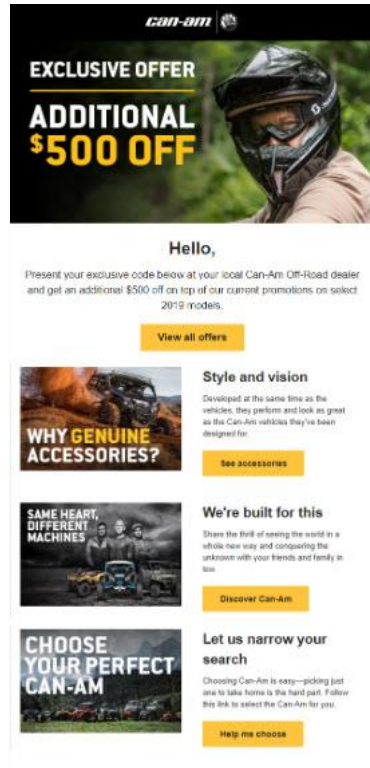
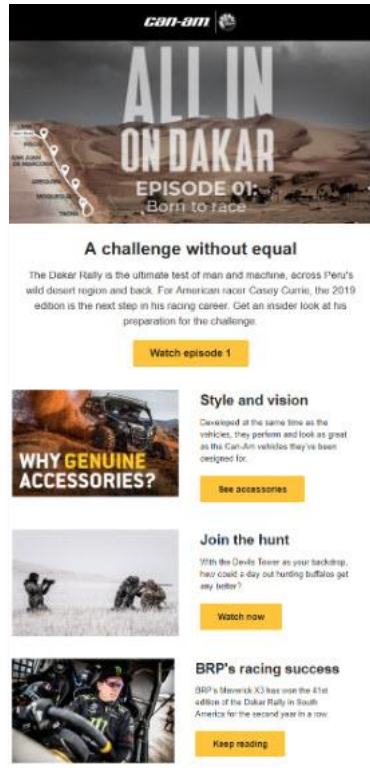
## TIMELINE

2019 launch

2020 full deployment

**+ 23,000**  
**incremental leads in FY20**

# Enabling personalization at scale through CRM



## CRM

Marketing Automation

Lead Management System

Customer 360

Global compliance of lead capture and management

**1.5M → 7.5M**  
**Personalized emails in FY20**

## TIMELINE

Full deployment from 2019 through 2021



# Leveraging and improving our digital channels is delivering business outcomes

## Search (SEO)



**+32%**

Websites organic traffic

## Site Speed



**99.7%**

Website up-time

**5.3s**

Website avg load time

## Dealership Visits



**+23%**

Store visits year-over-year increase

## Lead Generation

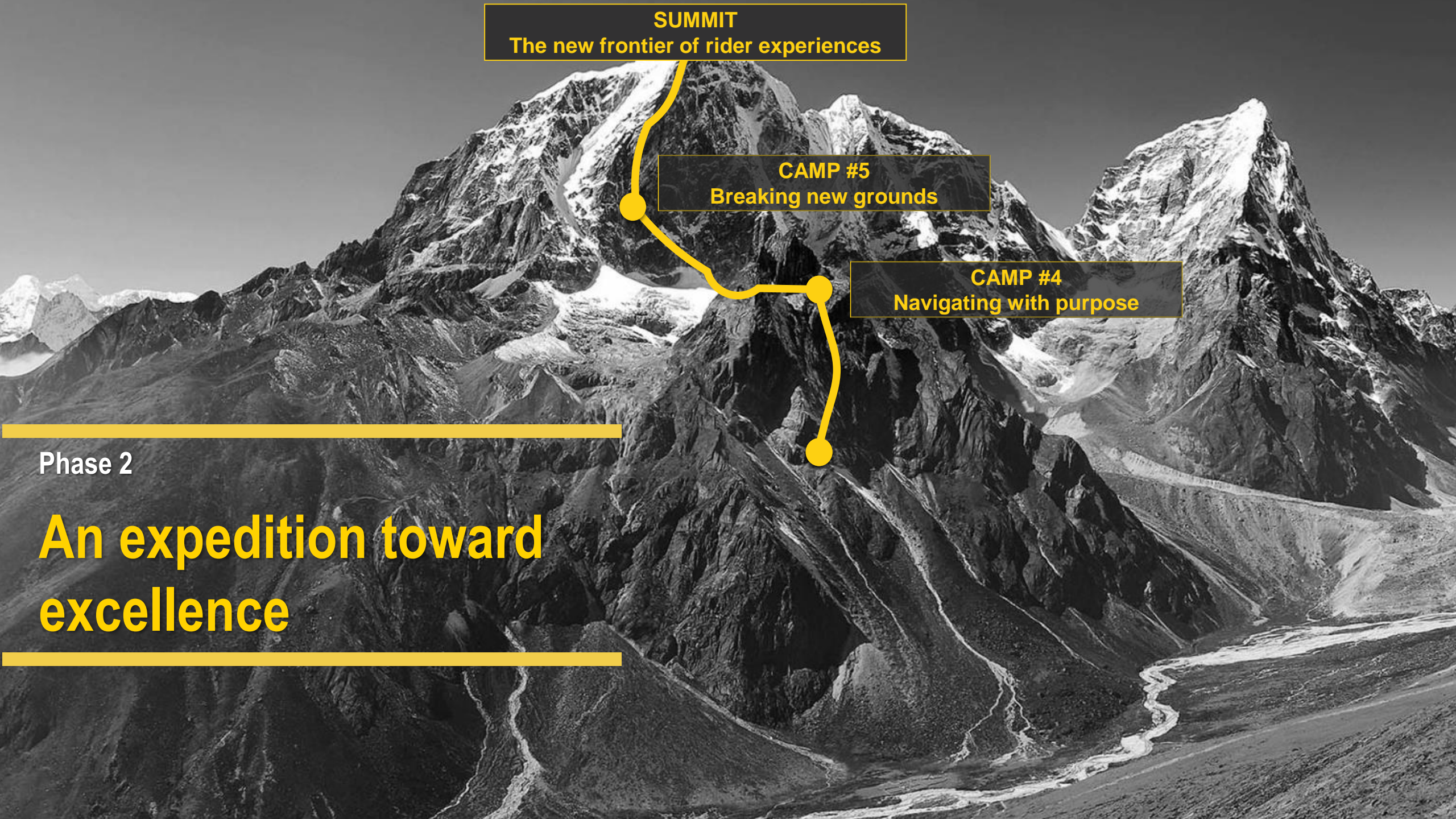


**+53%**

Leads from Web and Facebook

**-10%**

Cost per lead



**SUMMIT**  
The new frontier of rider experiences

**CAMP #5**  
Breaking new grounds

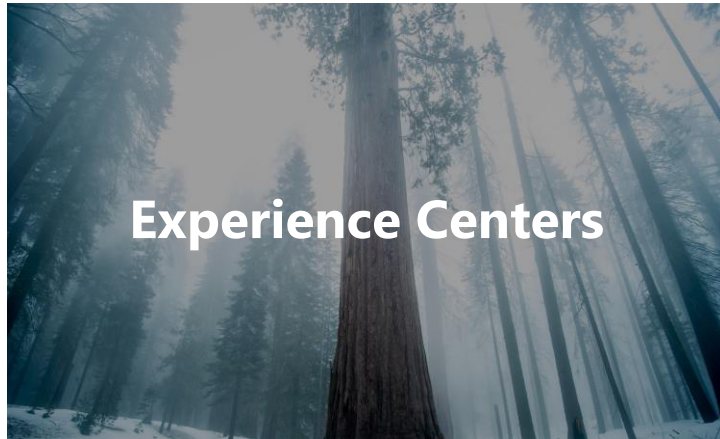
**CAMP #4**  
Navigating with purpose

Phase 2

**An expedition toward  
excellence**



# BRP-X opportunity spaces and market size



## How it was defined

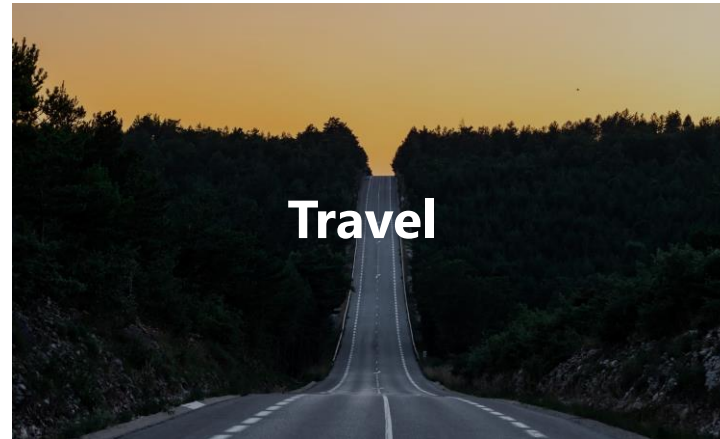
Elements of the physical space or playground that enable users to experience the full capabilities of BRP products.

## Who it targets

New & Existing users

MARKET SIZE  
(RENTAL MARKET ANALYSIS - FH212)

**\$200 - 400M**



## How it was defined

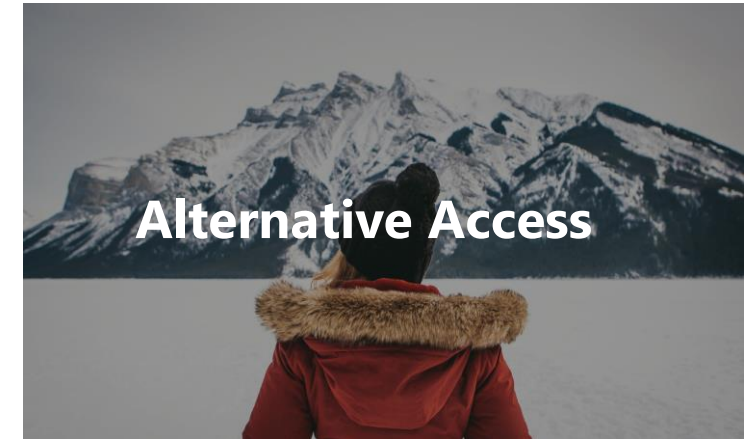
Experiences and activities that are carefully researched and planned in advance.

## Who it targets

New and existing users

MARKET SIZE  
(ADVENTURE TRAVEL - ALLIED RESEARCH)

**\$1.3B**



## How it was defined

Means of access that overcome key barriers to participation in the category (cost, storage, transportation, etc).

## Who it targets

New users

MARKET SIZE  
(SHARED MOBILITY - MCKINSEY)

**\$54B**



UNCHARTED SOCIETY



# THE UNCHARTED SOCIETY

UNCHARTED SO

UNCHARTED SOCIETY

# Our path to customer centricity

**SUMMIT**  
The new frontier of rider experiences

**CAMP #5**  
Breaking new grounds

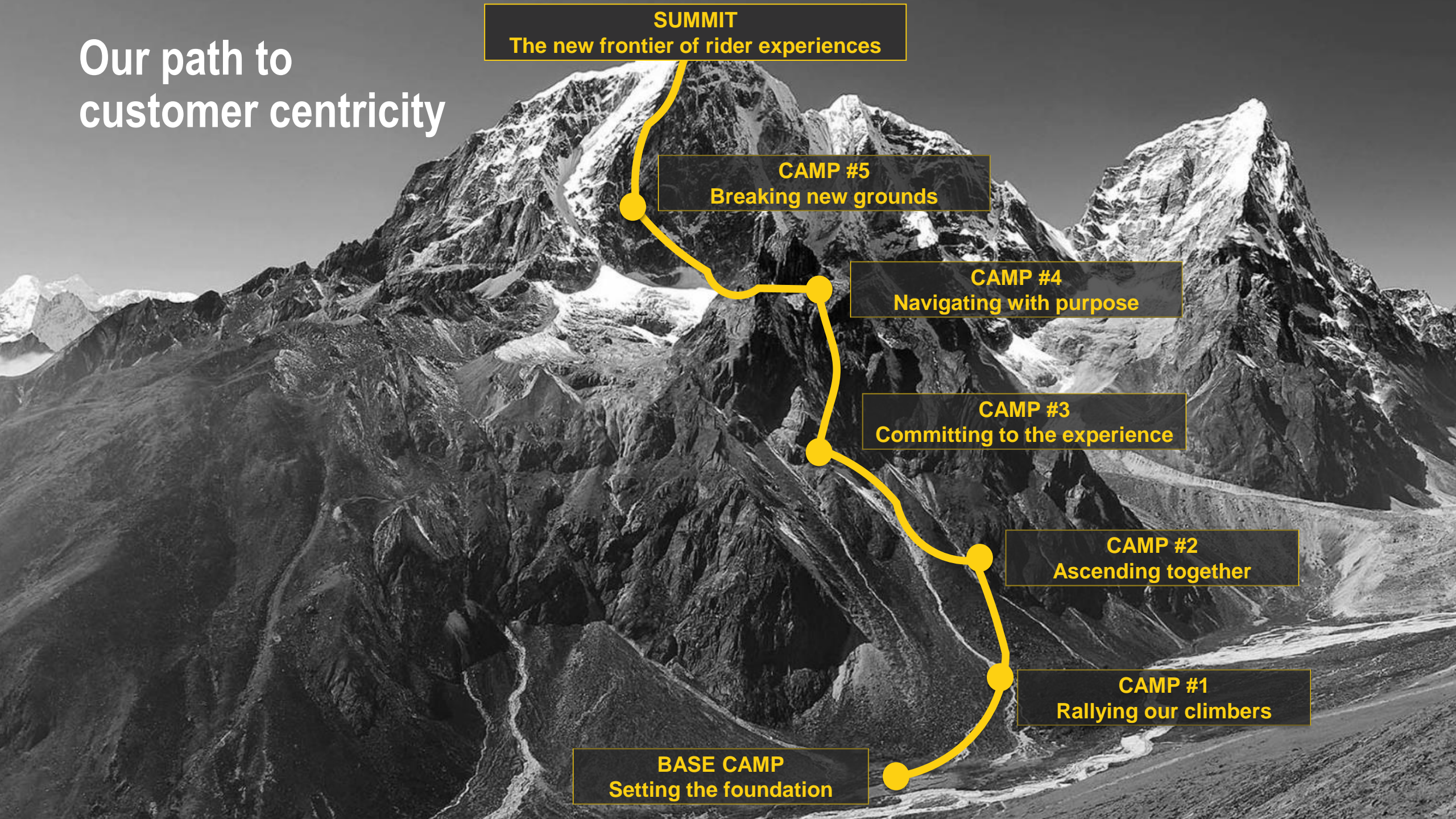
**CAMP #4**  
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Ascending together

**CAMP #1**  
Rallying our climbers

**BASE CAMP**  
Setting the foundation







## PERFORM TO WIN

THOMAS UHR | Senior Vice-President, Product Engineering and Manufacturing Operations, Powersports



# BRP manufacturing and engineering footprint



## POWERSPORTS FACILITIES *(main activities)*

1	VALCOURT, CANADA	Ski-Doo snowmobiles and Can-Am 3WV
2	JUAREZ 1, MEXICO	Can-Am ATV, SSV and 3WV
3	JUAREZ 2, MEXICO	Can-Am SSV
4	QUERÉTARO, MEXICO	Rotax engines and Sea-Doo PWC
5	GUNSKIRCHEN, AUSTRIA	Rotax engines
6	ROVANIEMI, FINLAND	Ski-Doo and Lynx snowmobiles and Can-Am ATV 6x6

## MARINE FACILITIES *(main activities)*

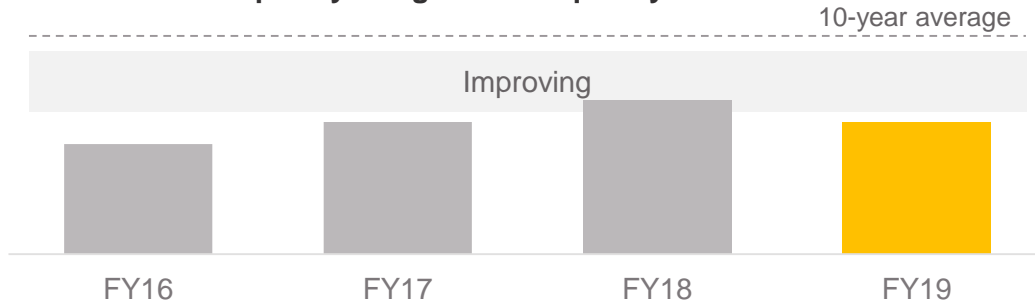
7	STURTEVANT, USA	Evinrude outboard engines and Rotax jet propulsion systems
8	SPRUCE PINE, USA	Mainly components for Evinrude and Rotax engines
9	LANSING, USA	Manitou pontoons
10	ST. PETER, USA	Alumacraft aluminum fishing boats
11	ARKADELPHIA, USA	Alumacraft aluminum fishing boats
12	COOMERA, AUSTRALIA	Quintrex aluminum boats

Strategically located state of the art manufacturing facilities

# Powersports Group operations update

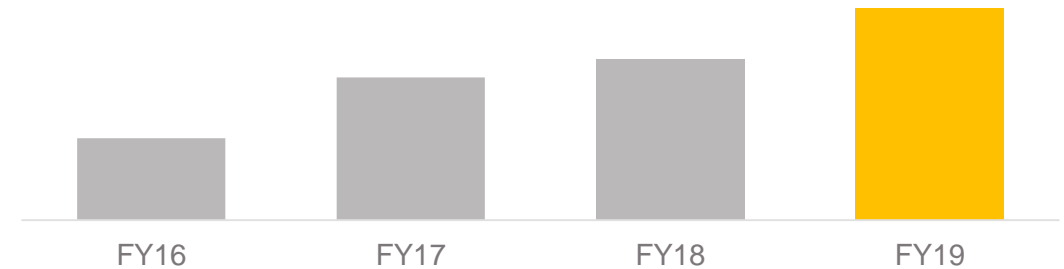
## Safety

Lost time and temporary assignment frequency



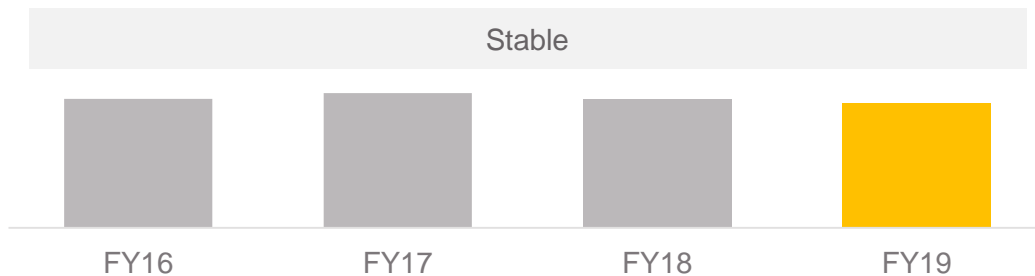
## Volume

Number of units produced



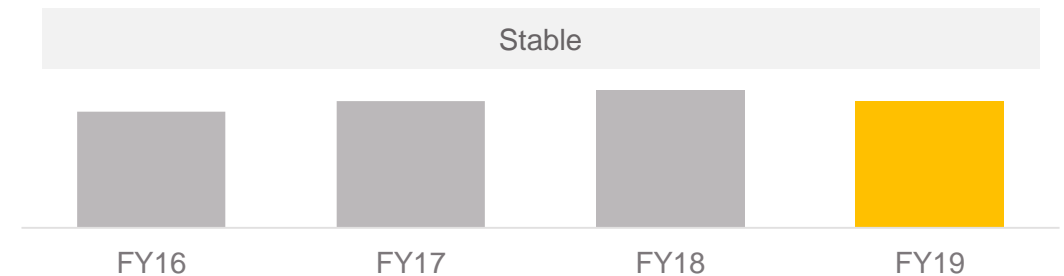
## Right the first time

Percentage of units produced "right the first time"



## Warranty

Warranty as a percentage of revenues



**We maintained the same level of production quality and improved the safety of our operations while adapting to rapid growth in volume, multiple new product introductions, new facilities and capacity expansion**

# Safety: Moving towards ZERO incidents - Roadmap

## GOAL ZERO 2025

Goal Zero is a joint commitment to a healthy, safe workforce. We must all work together to reach to zero incident and zero impact.



COMMITTING TO A  
CARING CULTURE



✓ ZERO INCIDENT



✓ ZERO IMPACT

Safe product and safe place to work: key to efficient operations



# Strategic priority: Perform to Win

M25 OBJECTIVE

- 1 Continue building an agile and resilient global manufacturing footprint and supply chain
- 2 Deploy a smart way to fulfill customer needs and orders swiftly
- 3 Lift quality to deliver a superior experience
- 4 Lead by enhancing our processes to increase efficiency

**Achieve  
\$300M of  
Lean Value  
by FY25**

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"



# Perform to win: Agile and resilient global manufacturing footprint and supply chain

## Manufacturing footprint

NORTH AMERICAN  
FACILITIES

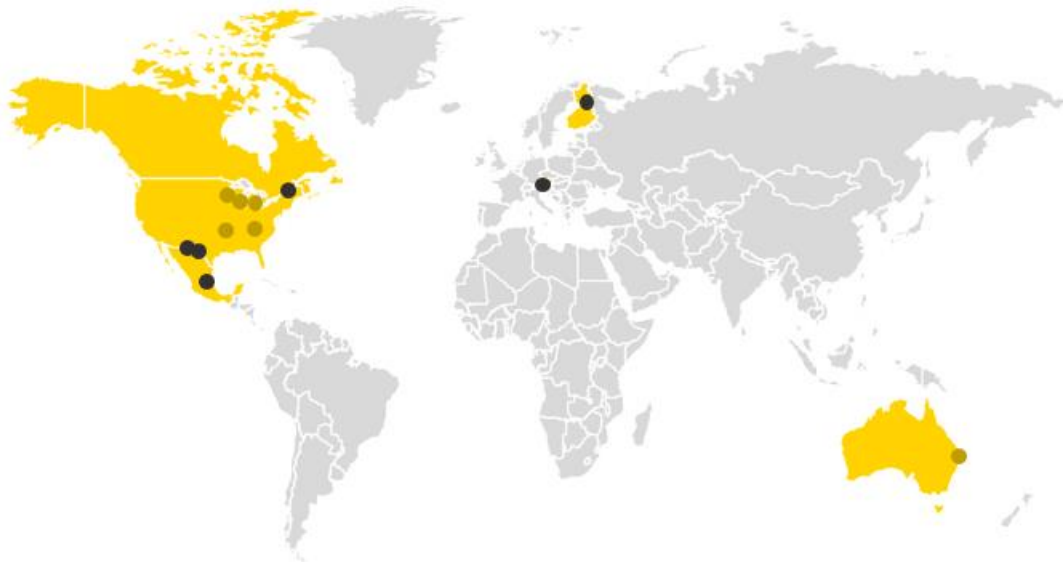
9

EUROPEAN  
FACILITIES

2

APAC  
FACILITIES

1



## Key initiative

- › **Stay close to our customers**  
Both in terms of production and development
- › **International sourcing concept**  
Optimization of local content and international sourcing
- › **Insourcing of high-tech components**  
Focused on key powersports technology

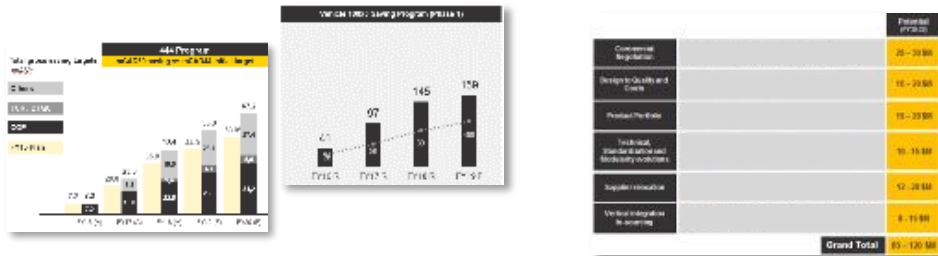
# Our sourcing strategy targets both cost savings and quality increases

## Cost savings

### CONTINUOUS COST SAVING EFFORTS

#### Wave 1 (to FY20)

#### Wave 2 (to FY25)



### WHILE MITIGATING INFLATION

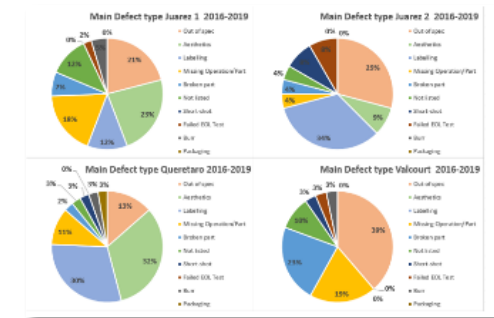
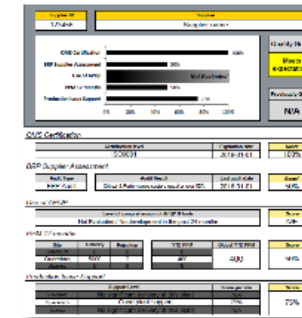
Reduced commodity impacts

Agile cost optimization

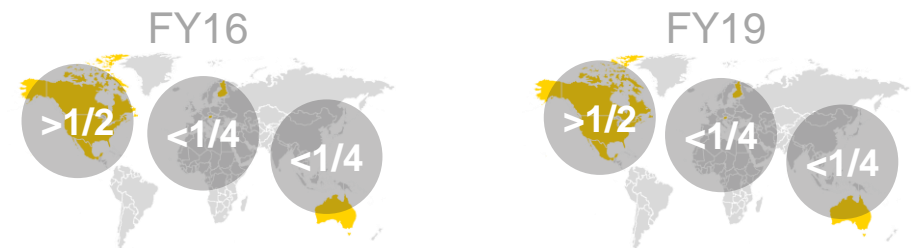
Risk management

## Quality increase

### WORLD CLASS SUPPLIER QUALITY



### STRATEGIC SOURCING FOOTPRINT



Stable global footprint while increasing LCC content

Realize material cost savings and quality improvements, while maintaining free trade agreement compliance



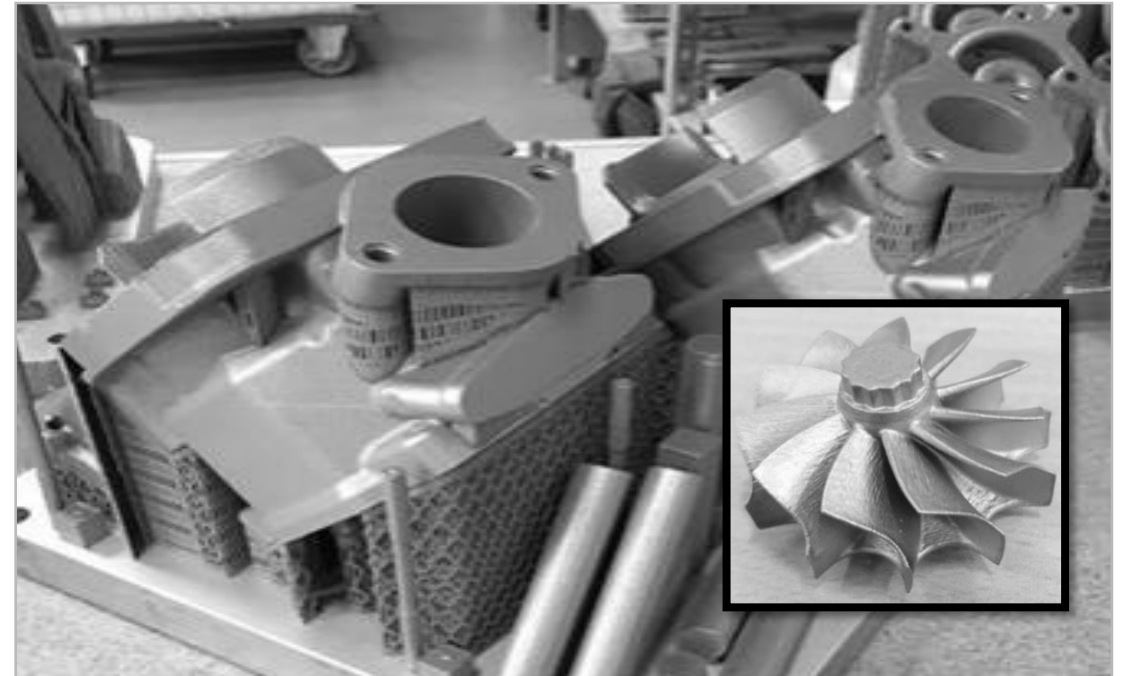
# New manufacturing technologies to accelerate tooling availability and time to market

## Implemented



**3D print:** Jigs, prototypes, small series  
**in-house turbo manufacturing**

## Further potential



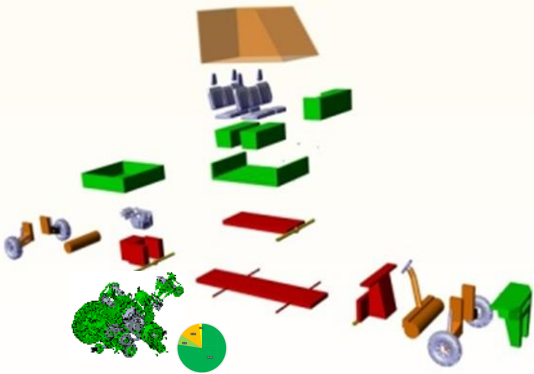
**Advanced 3D metal printing**  
**Integrated boosting technology**

Outperform in time to market, quality, product features and cost

# Perform to win: Integrated engineering and production strategy based on global footprint

## BRP modularity model BM2

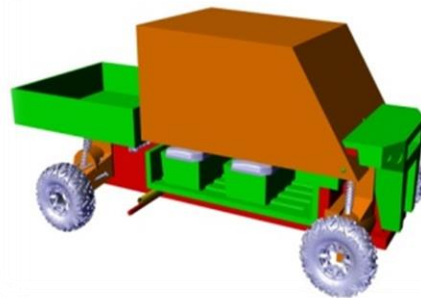
### Modular vehicle and engine parts



Focus on engineering agility, speed and product variety

Powersports roll-out completed at ~70%

### Modular products



## Key initiative

Deploy a smart way to fulfill customer needs and orders swiftly

- › **Lean development processes**  
Improve development times through product lifecycle management, digital testing and prototyping
- › **Modularity and intelligent platform concepts**  
Leverage economies of scale, while increasing product variations
- › **Improve logistic**  
Ship what customers need when they want it

# Manufacturing capacity SSV and PWC: Continuously tuned to meet demand

## Capacity management

### Efficiently managed increase in demand

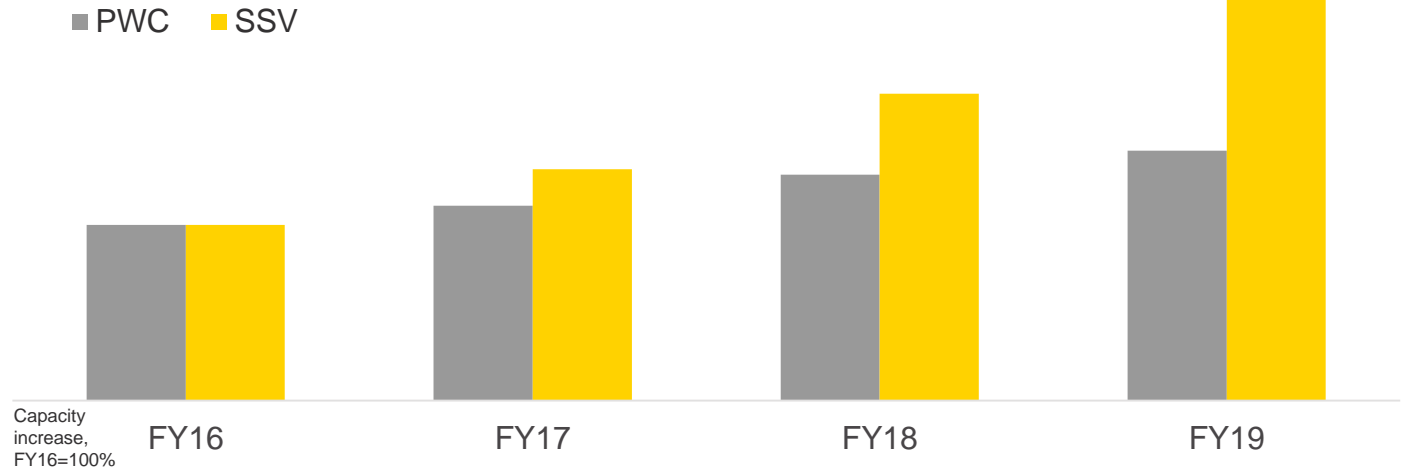
- › Adjusted line speed and work schedule
- › Expanded plant sqft and equipment investments

Build up capacity just in time for efficient CAPEX/OPEX spend and risk mitigation

## Capacity evolution



### Juarez 2 and Queretaro Production capacity increase



Since 2015, we opened the Juarez 2 facility, and delivered 3 capacity expansion projects in our Mexican facilities, all on time and on budget



# Perform to win: Quality is our home turf when it comes to customer experience

## Quality mapping

Supplier

BRP

Dealer

Customer



## Key initiative

**Lift quality to deliver a superior experience**

- › **Being the leader in powersports also means being the leader in quality**  
Quality assurance concept (including leveraging certified aircraft design and manufacturing capabilities), Advanced New Product Development process and Product Lifecycle Management
- › **Quality fuels our long-term customer relation**  
Focus on flawless customer experience

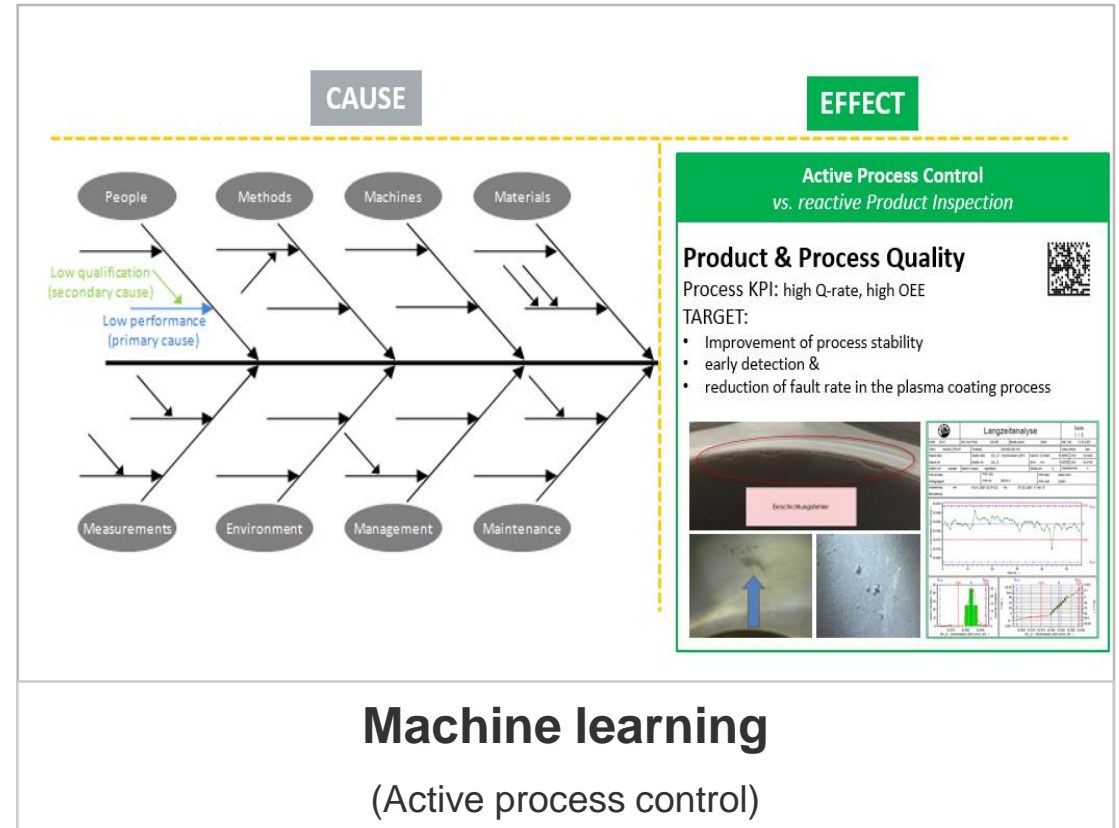
# Digitalization will play a key role in further quality optimization

## Implemented



Advanced quality measuring systems

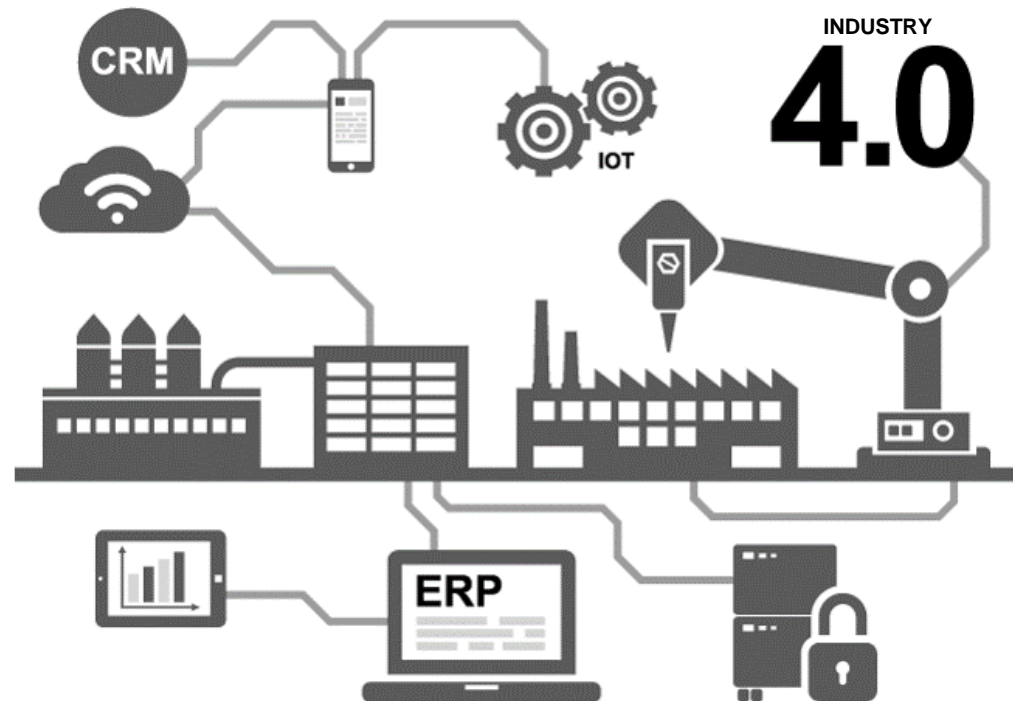
## Further potential



Taking quality costs and manufacturing up-times to the next level

# Perform to win: Multiplying our growth mode with efficiency gains to boost the yield

Reinforce our IS&T infrastructure and processes



Key initiative

Lead by enhancing our processes to increase efficiency

- › **FIT program**  
Reinforce our IS&T infrastructure and processes
- › **Efficiency in operating expenses**  
Simplification of processes to increase real value-added time
- › **Intelligent automation**  
Automation of processes with an aggressive ROI and/or strategic advantages



# Selected initiatives monitored by top management will accelerate our way to win



## PRODUCT

Consequent Design to Quality and Cost platform engineering. Be first to market with market shaping technologies and offerings. Continue to outperform with superior design.



## MANUFACTURING

Flexibility and quality are key. One-piece-flow capable manufacturing sites in a global BRP production system standard.



## SOURCING

Agile local sourcing environment for our production sites pursuing aggressive cost savings while respecting international trade agreements



## LOGISTICS

Offer best-in-class value in delivering on our dealers and customers needs. Agile, fast and responsive outbound logistics with lean inventory.

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

**Our objective is to achieve \$300M of Lean Value by FY25**





## M25: FINANCIAL PLAN

SÉBASTIEN MARTEL | Chief Financial Officer

# We have delivered significant growth through market share gains since the launch of the Challenge 2020



## North American Powersports Retail Sales Evolution<sup>[1]</sup>

Evolution since FY15 (indexed at 100)



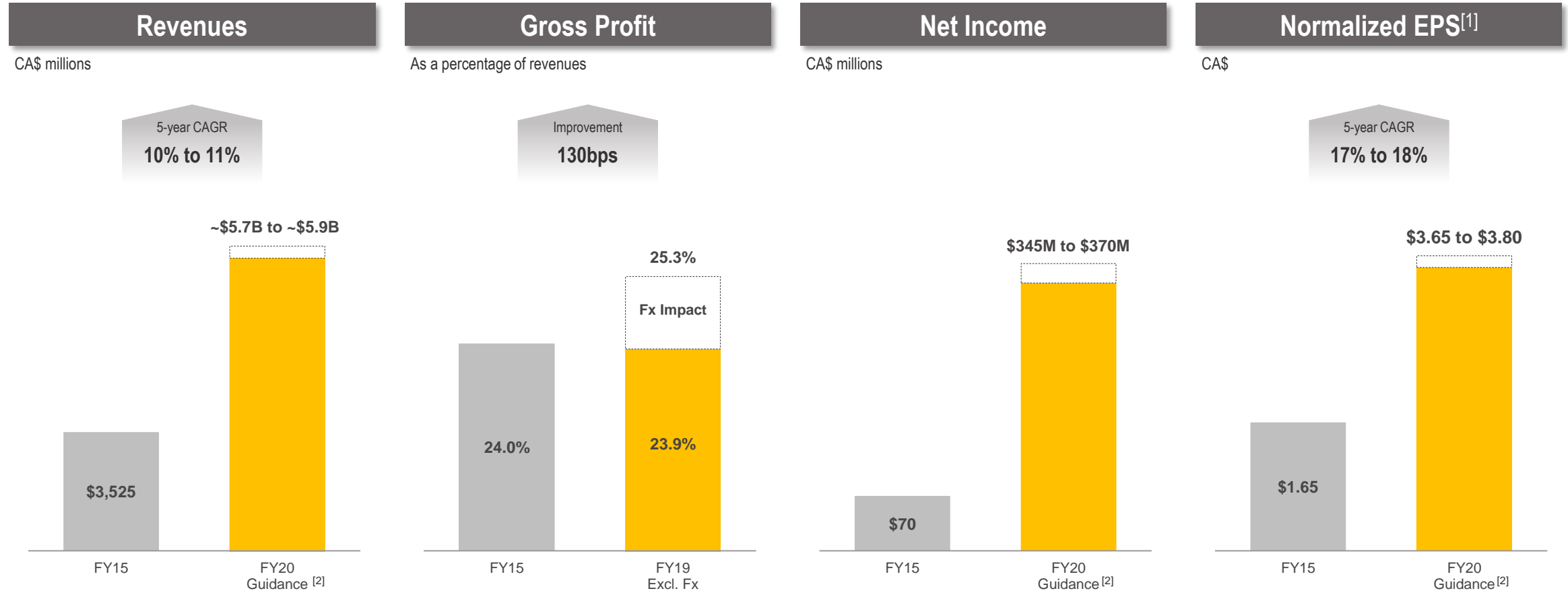
<sup>[1]</sup>Powersports Units  
<sup>[2]</sup>Last-twelve-month period ended July 31, 2019

Outpacing the industry through relentless focus on excellence and innovation





# Resulting in a solid financial performance



<sup>[1]</sup>Normalized Earnings per Share - Diluted

<sup>[2]</sup>Based on FY20 guidance as at August 29, 2019

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

**We are tracking to deliver our Challenge 2020 financial objectives this year, one year earlier than initially planned**

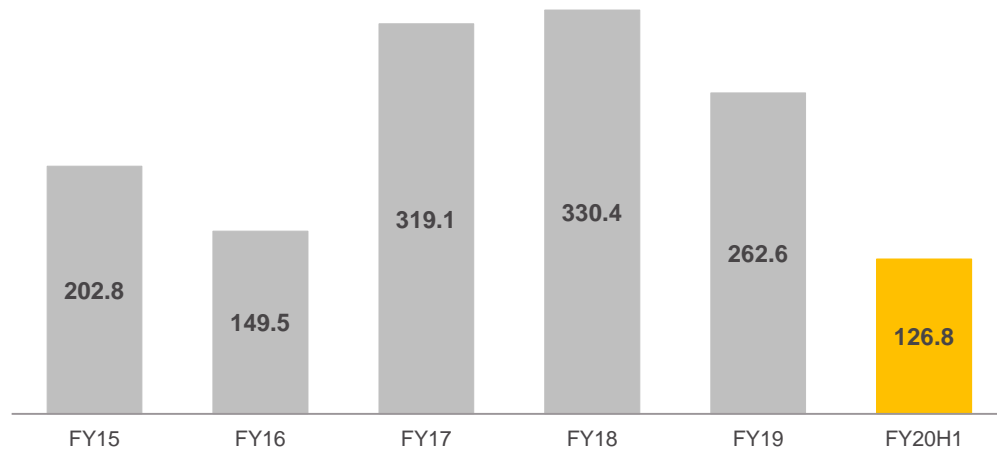


# We generated strong free-cash-flow, allowing us to provide attractive return of capital to our shareholders

## Strong free-cash-flow generation

CA\$ millions

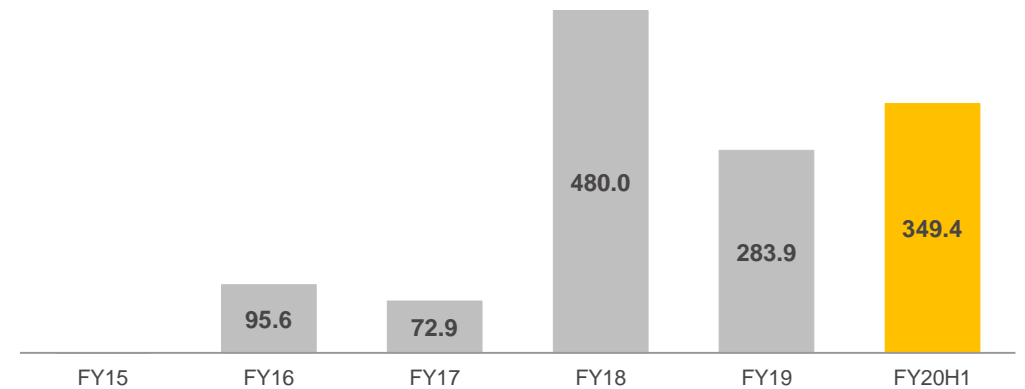
Generated ~\$1.4B of free-cash-flow since FY15



## Provided attractive return of capital to our shareholders

CA\$ millions

Returned ~\$1.3B of capital to our shareholders through share repurchases and dividends since FY15



Focused on creating value for our shareholders



# Maintained a strong balance sheet

## Diligently managed our balance sheet

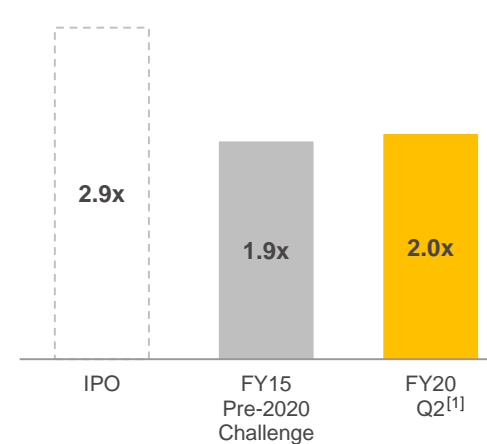
### BALANCE SHEET PRIORITIES

- › Ensure sufficient access to liquidity to fund operations through seasonality and provide cushion to continue to invest throughout the cycle
  - Increased our total availability on our revolving credit facility to \$700M
- › Limit exposure to short term obligations
  - Extended the maturity of our long-term debt to 2025
- › Maintain access to favorable borrowing conditions
  - Covenant lite structure
  - Low cost of borrowing

## Maintained Leverage Ratio

Net Debt-to-Normalized EBITDA

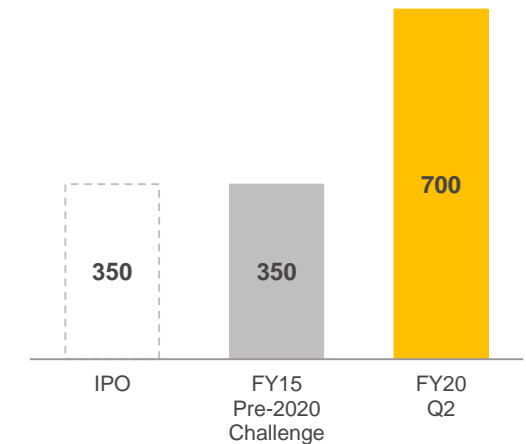
Healthy leverage level providing balance sheet flexibility to seize opportunities



## Improved Financial Flexibility

Revolver, CA\$ millions

Doubled our revolver since FY15 providing us with greater financial flexibility throughout the cycle



<sup>[1]</sup>Based on the normalized EBITDA for the twelve-month-period ended on July 31, 2019

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

**Strong balance sheet positioning us well to continue investing and growing the business all the while providing the flexibility to return capital to shareholders**



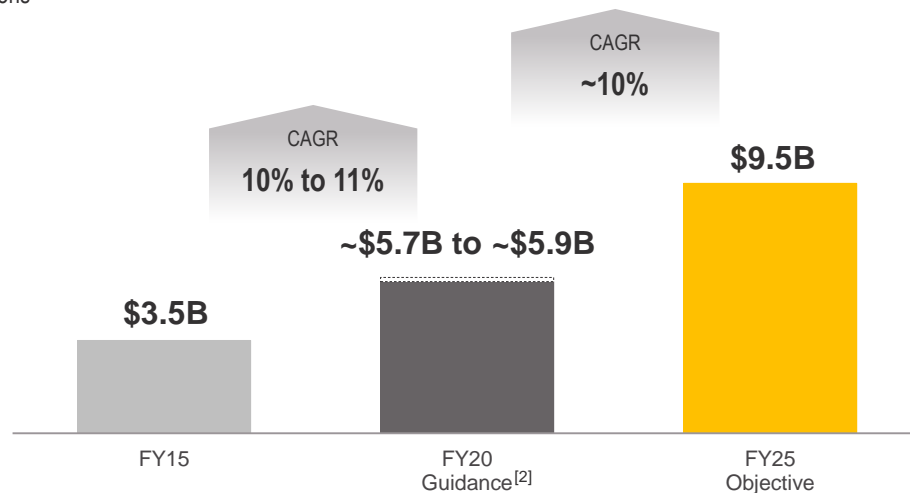


# M25 Financial Objective

“ Deliver average annual revenue growth of **10% to \$9.5B** and average annual Normalized EPS<sup>[1]</sup> growth of **15% to \$7.50** by FY25 ”

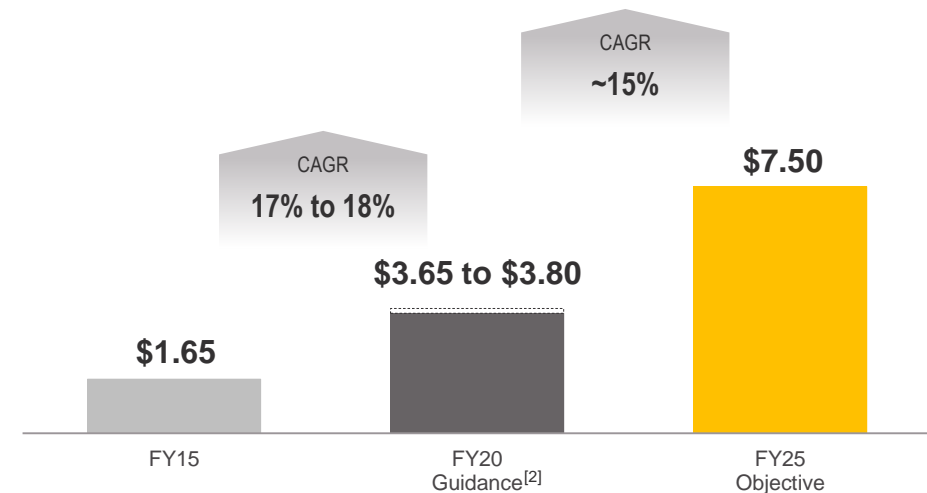
## Revenues

CA\$ billions



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

CA\$



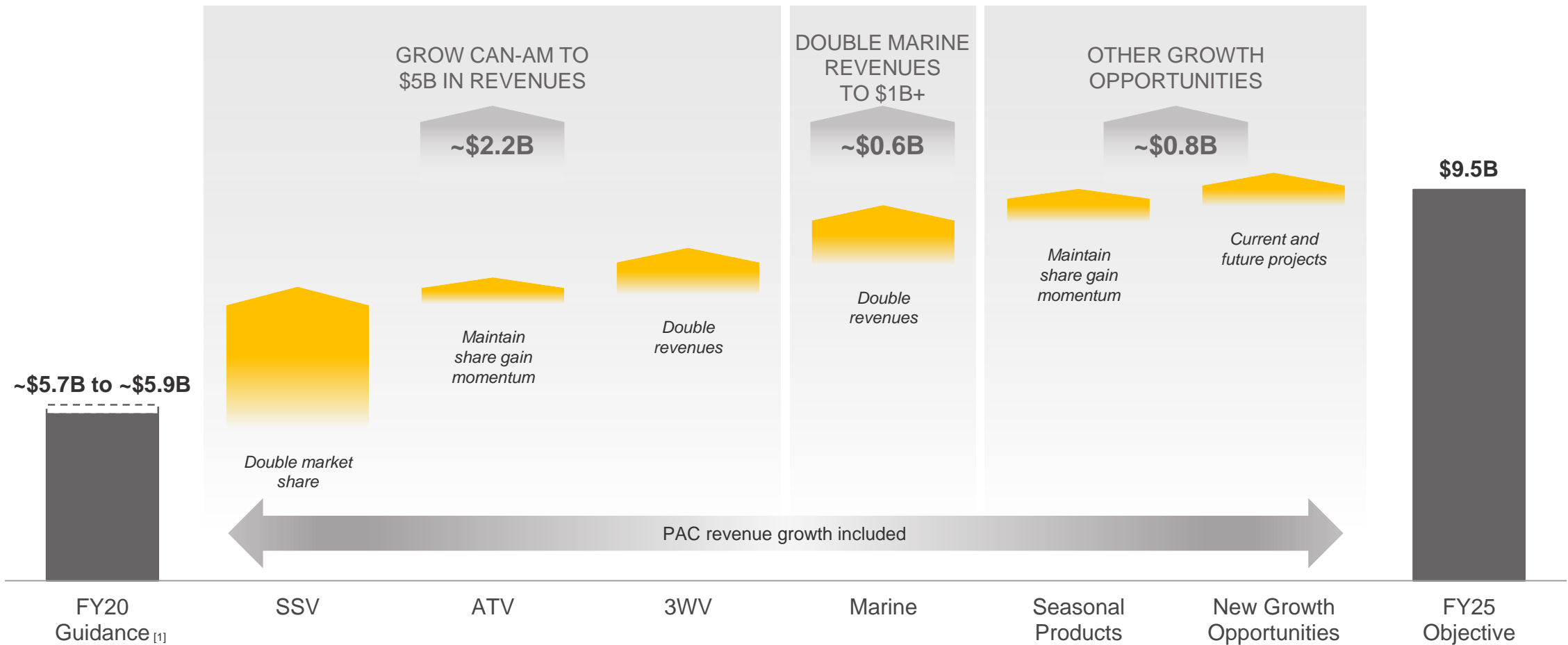
<sup>[1]</sup>Normalized Earnings per Share - Diluted

<sup>[2]</sup>Based on FY20 guidance as at August 29, 2019

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"



# M25 Financial Objective: Path to \$9.5B of revenues

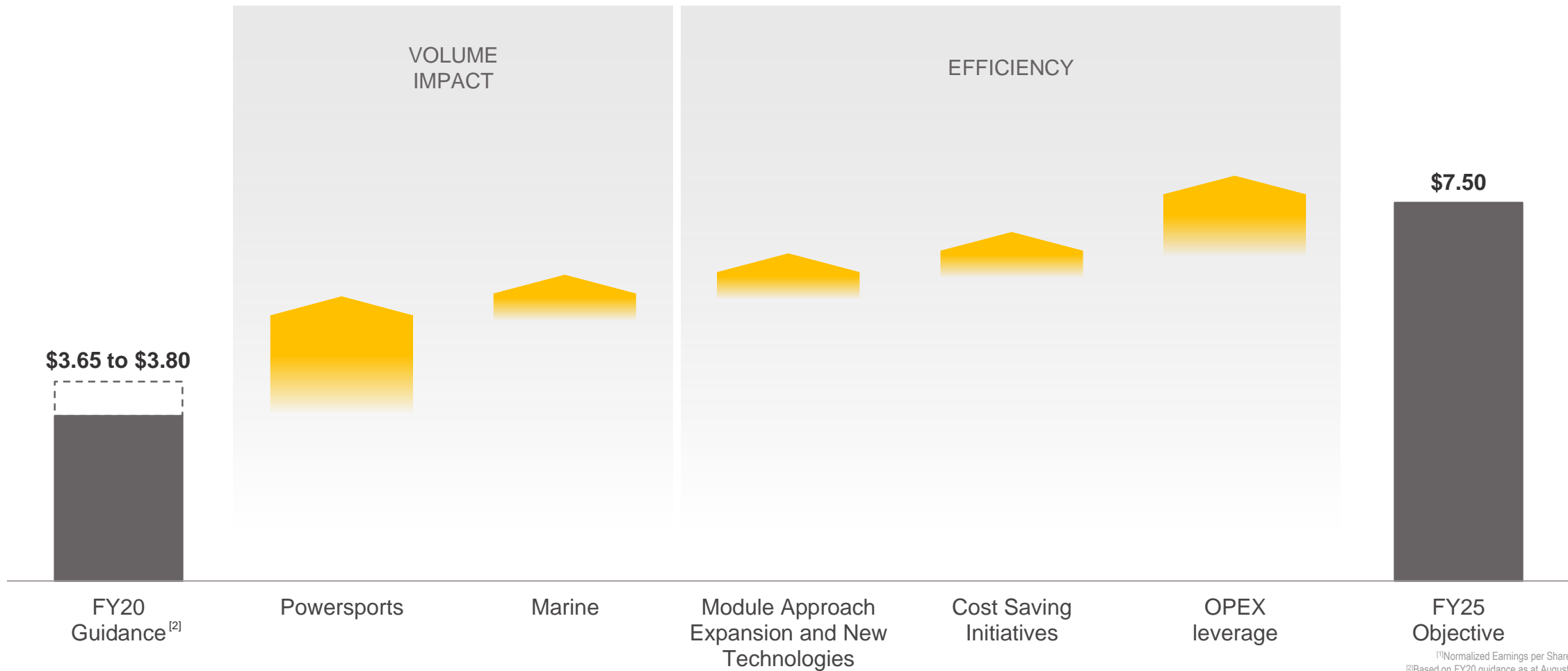


<sup>(1)</sup>Based on FY20 guidance as at August 29, 2019  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

**Solid path to reach the \$9.5B revenue objective**



# M25 Financial Objective: Path to \$7.50 of Normalized EPS<sup>[1]</sup>



<sup>[1]</sup>Normalized Earnings per Share - Diluted  
<sup>[2]</sup>Based on FY20 guidance as at August 29, 2019

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

**Our plan calls for continued mid-teen % Normalized EPS<sup>[1]</sup> CAGR over the next 5 years**



# M25 Financial Plan: Capital allocation priorities

## Capital allocation priorities

### 1. Fuel our growth

- › Deliver on our SSV and 3WV ambitions
- › Transform the marine industry with projects “Ghost” and “M”
- › Maintain market leadership in Seasonal Products
- › Position the business for BRP 2.0

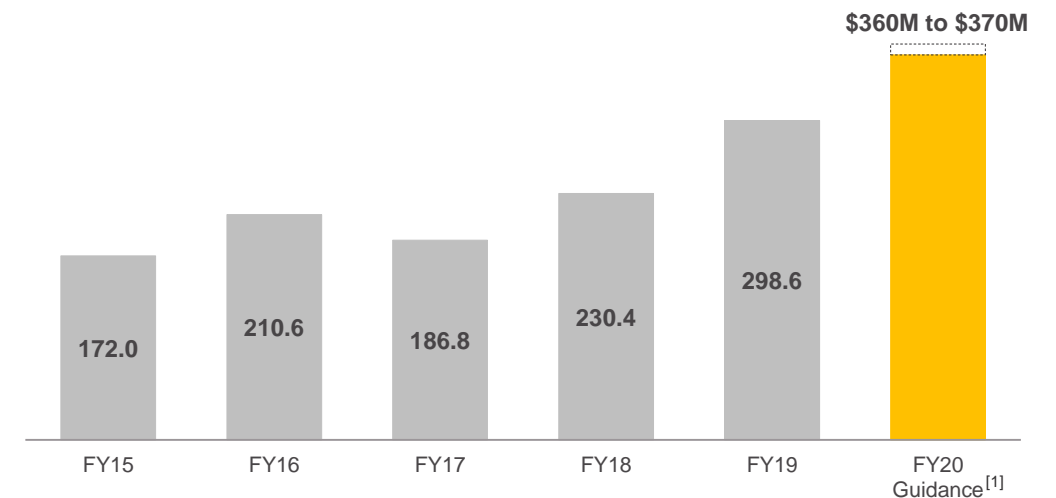
### 2. Return capital to shareholder

- › Return capital through our quarterly dividend
- › Opportunistically execute share repurchases when the stock is trading below intrinsic value

## CAPEX investments

CA\$ millions

Expecting sustained level of CAPEX investments given strong pipeline of attractive projects providing high ROIC



<sup>[1]</sup>Based on FY20 guidance as at August 29, 2019  
Please refer to the cautionary statements appearing at the beginning of this presentation under “Forward-Looking Statements” and “Non-IFRS Measures”

**Diligently managing our capital allocation to provide strong return to our shareholders**





## CLOSING REMARKS

JOSÉ BOISJOLI | President and Chief Executive Officer

# In closing...

- › We set solid foundations that makes BRP a stronger company and that position us to continue on our growth trajectory
- › We have multiple growth opportunities, and solid strategies to go after them:
  - › Grow Can-Am revenues to \$5B by FY25 notably through doubling our SSV market share and doubling our 3WV revenues
  - › Double our marine revenues to \$1B+ by pursuing our Buy, Build and Transform strategy
  - › Maintain our market leadership position in seasonal products on the back of solid line-ups and brand equity
- › Our team is focused on delivering best-in-class consumer experiences and is exploring new business avenues
- › We have a clear roadmap to deliver \$300M of Lean value by FY25 and improve our margin
- › We have talented and passionate workforce of 13k+ employees, committed to our success

Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"

**We have solid foundations and a robust plan to continue on our growth trajectory  
and generate value for our shareholders**





# M25 Framework

## M25: Setting the course for **BRP 2.0**

PILLARS

**GROWTH**

**CUSTOMER X**

**EMPLOYEE X**

**LEAN**

TARGET

Deliver annual revenue growth of 10% to \$9.5B  
and 15% annual Normalized EPS<sup>[1]</sup> growth to \$7.50 by FY25

PRIORITIES

Build on  
Can-Am  
momentum

Make waves  
in Marine

Exceed customer  
expectations

Fuel the BRP  
heartbeat

Perform to win

Pursue  
something bigger

<sup>[1]</sup>Normalized Earnings per Share - Diluted  
Please refer to the cautionary statements appearing at the beginning of this presentation under "Forward-Looking Statements" and "Non-IFRS Measures"



# APPENDIX

ANALYST AND INVESTOR MEETING  
OCTOBER 29, 2019



# Reconciliation Tables

CA\$ millions	Three-month periods ended		6-month periods ended	
	Jul. 31, 2019	Jul. 31, 2018	Jul. 31, 2019	Jul. 31, 2018
<b>Net Income</b>	<b>\$93.3</b>	<b>\$41.0</b>	<b>\$117.1</b>	<b>\$54.4</b>
Normalized Elements:				
Foreign Exchange (Gain)/Loss on Long-term Debt and Lease Liabilities	(27.2)	17.3	0.4	58.8
Transaction Costs and Other Related Expenses <sup>[1]</sup>	1.4	1.2	1.7	1.2
Restructuring and Related Costs <sup>[2]</sup>	1.9	0.6	1.9	0.8
Loss on Litigation <sup>[3]</sup>	0.2	0.2	0.4	0.8
Transaction Costs on Long-term Debt	-	8.9	-	8.9
Pension Plan Past Service Gains	-	(1.4)	-	(1.4)
Depreciation of Intangible Assets Related to Business Combinations	0.6	-	1.3	-
Other Elements	(0.5)	1.2	-	(0.8)
Income Tax Adjustment	(0.9)	(2.6)	(1.3)	(2.8)
<b>Normalized Net Income</b>	<b>68.8</b>	<b>66.4</b>	<b>121.5</b>	<b>119.9</b>
Normalized Income Tax Expense	22.4	20.8	42.4	40.8
Financing Costs Adjusted <sup>[4]</sup>	21.2	16.7	41.9	30.8
Financing Income Adjusted <sup>[4]</sup>	(0.8)	(0.5)	(1.6)	(1.1)
Depreciation Expense Adjusted <sup>[5]</sup>	56.1	40.8	110.2	80.4
<b>Normalized EBITDA</b>	<b>\$167.7</b>	<b>\$144.2</b>	<b>\$314.4</b>	<b>\$270.8</b>
Weighted Average Number of Shares – Diluted	96,886,605	99,938,657	97,331,397	100,897,037
<b>Normalized Earnings per Share – Diluted</b>	<b>\$0.71</b>	<b>\$0.66</b>	<b>\$1.25</b>	<b>\$1.18</b>

<sup>[1]</sup>Costs related to business combinations.

<sup>[2]</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>[3]</sup>The Company is involved in patent infringement litigation cases with one of its competitors.

<sup>[4]</sup>Adjusted for transaction costs on long-term debt and NCIB gains and losses in net income.

<sup>[5]</sup>Adjusted for depreciation of intangible assets acquired through business combinations.



# Reconciliation Tables

CA\$ millions	Twelve-month periods ended	
	Jan. 31, 2019	Jan. 31, 2018
<b>Net Income</b>	<b>\$227.3</b>	<i>Restated</i> <b>\$239.1</b>
Normalized Elements:		
Foreign Exchange (Gain)/Loss on Long-term Debt	69.8	(53.3)
Transaction Costs and Other Related Expenses <sup>[1]</sup>	2.7	-
Restructuring and Related Costs <sup>[2]</sup>	1.3	2.9
Loss on Litigation <sup>[3]</sup>	1.3	5.9
Transaction Costs on Long-term Debt	8.9	2.1
Pension Plan Past Service Gains	(1.4)	-
Depreciation of Intangible Assets Related to Business Combinations	1.2	-
Other Elements	1.3	1.5
Income Tax Adjustment	(3.8)	47.3
<b>Normalized Net Income</b>	<b>308.6</b>	<b>245.5</b>
Normalized Income Tax Expense	105.4	90.2
Financing Costs Adjusted <sup>[4]</sup>	68.0	53.5
Financing Income Adjusted <sup>[4]</sup>	(2.2)	(2.2)
Depreciation Expense Adjusted <sup>[5]</sup>	176.1	149.2
<b>Normalized EBITDA</b>	<b>\$655.9</b>	<b>\$536.2</b>
Weighted Average Number of Shares – Diluted	99,588,888	107,917,087
<b>Normalized Earnings per Share – Diluted</b>	<b>\$3.10</b>	<b>\$2.27</b>

<sup>[1]</sup>Costs related to business combinations.

<sup>[2]</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>[3]</sup>The Company is involved in patent infringement litigation cases with one of its competitors.

<sup>[4]</sup>Adjusted for transaction costs on long-term debt and NCIB gains and losses in net income.

<sup>[5]</sup>Adjusted for depreciation of intangible assets acquired through business combinations.

**Restated:** 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 condensed consolidated interim financial statements for the year ended January 31, 2019.

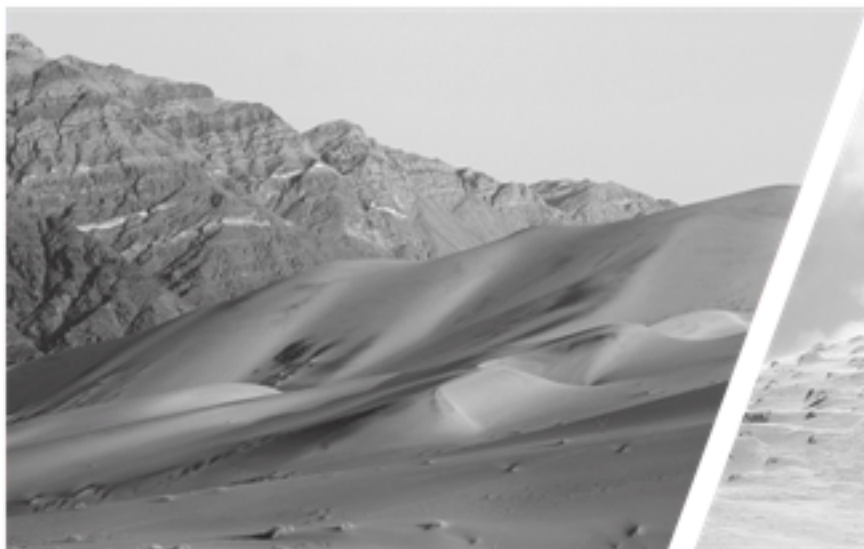
# Reconciliation Tables

CA\$ millions	Fiscal Year Ended			
	Jan. 31, 2017	Jan. 31, 2016	Jan. 31, 2015	Jan. 31, 2014
<b>Net Income</b>	<b>\$257.0</b>	<b>\$51.6</b>	<b>\$70.1</b>	<b>\$59.7</b>
Normalized Elements:				
Foreign Exchange (Gain)/Loss on Long-term Debt	(82.0)	105.8	123.9	96.4
Increase in Fair Value of Common Shares	-	-	-	19.6
Restructuring and Related Costs/(Reversal) <sup>[1]</sup>	(1.1)	4.6	8.3	0.9
Impairment Charge/(Reversal)	-	70.3	-	(0.3)
(Gain)/Reversal from Insurance Recovery	-	-	1.4	(11.0)
Loss on Litigation <sup>[2]</sup>	70.7	-	-	-
Pension Plan Past Service Gains	(6.3)	-	(5.2)	(0.5)
Other Elements	2.7	(7.5)	(1.4)	2.6
Income Tax Adjustment <sup>[3]</sup>	(19.0)	(24.0)	(0.9)	0.9
<b>Normalized Net Income</b>	<b>222.0</b>	<b>200.8</b>	<b>196.2</b>	<b>168.3</b>
Normalized Income Tax Expense	89.1	72.8	55.3	56.5
Financing Costs Adjusted	60.0	62.6	59.3	64.5
Financing Income Adjusted	(1.5)	(2.4)	(2.7)	(2.5)
Depreciation Expense	133.1	126.2	113.2	93.4
<b>Normalized EBITDA</b>	<b>\$502.7</b>	<b>\$460.0</b>	<b>\$421.3</b>	<b>\$380.2</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>The Company is involved in patent infringement litigation cases with one of its competitors.

<sup>[3]</sup>For the twelve-month period ended January 31, 2018, the income tax adjustment is mainly related to the tax rate changes on deferred income taxes following the U.S. tax reform.



*skidoo LYNX SEADOO EVERSE ROTAX CAN-DI ALUMA with Manitou*