



# QUARTERLY REVIEW

FIRST QUARTER ENDED APRIL 30, 2022



ADVENTURE BY DESIGN

# Forward-Looking Statements

## Caution concerning forward-looking statements

Certain statements included in this presentation, including, but not limited to those relating to our Fiscal Year 2023 financial guidance (including revenues, Normalized EBITDA, Effective Tax Rate, Normalized earnings per share, net income, depreciation expense, net financing costs adjusted, weighted average of the number of shares diluted and capital expenditures), additional production capacity through the expansion of its production facilities or the reorganisation of existing facilities, the management of the supply chain to limit possible future disruption on the operations, future retail purchase of our products, the Company's ability to convert new entrants into life-long customers, its intention to launch a new products, as well other statements about our current and future plans, expectations, anticipations, intentions, results, levels of activity, performance, objectives, targets, goals, achievements, priorities and strategies, financial position, market positions, capabilities, competitive strengths, research and product development activities, including projected design, characteristics, capacity or performance of future products and their expected scheduled entry to market or any other future events or developments and other statements that are not historical facts constitute forward-looking statements within the meaning of applicable securities laws.

The words "may", "will", "would", "should", "could", "expects", "forecasts", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "outlook", "predicts", "projects", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are presented for the purpose of assisting 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. Investors and others are cautioned that such information may not be appropriate for other purposes. Investors and others should not place undue reliance on forward-looking statements made in this presentation. Forward-looking statements, by their very nature, involve inherent risks and uncertainties and are based on a number of assumptions, both general and specific, as further described below.

Many factors could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors discussed in section "Risk Factors" of the Company's management's discussion and analysis (MD&A) for the quarter ended on April 30, 2022 and in the Company's other continuous disclosure filings (available on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov)).

The forward-looking statements contained in this presentation are made as of the date of this presentation and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities regulations. In the event that the Company does update any forward-looking statement, no inference should be made that the Company will make additional updates with respect to that statement, related matters or any other forward-looking statement.

## Key assumptions

The Company made a number of economic, market and operational assumptions in preparing and making certain forward-looking statements contained in this presentation, including the following: reasonable long-term industry growth ranging from slightly down to up high-single digits, that is based on the assumption that the supply chain disruptions do not worsen; market share that will remain constant or moderately increase; stable global and North American economic conditions and a limited impact from the military hostilities in Ukraine and the ongoing global health crisis; main currencies in which the Company operates will remain at near current levels; inflation is expected to remain elevated from strong demand, supply shortages and high energy prices, and is expected to gradually decline as central banks gradually increase interest rates; there will be no significant changes in tax laws or free trade arrangements or treaties applicable to the Company; the Company's current margins will remain around current levels; the supply base will remain able to support product development and planned production rates on commercially acceptable terms in a timely manner; no new trade barriers will be imposed amongst jurisdictions in which the Company carries operations; the absence of unusually adverse weather conditions, especially in peak seasons. BRP cautions that its assumptions may not materialize and that current economic conditions may render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty.

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



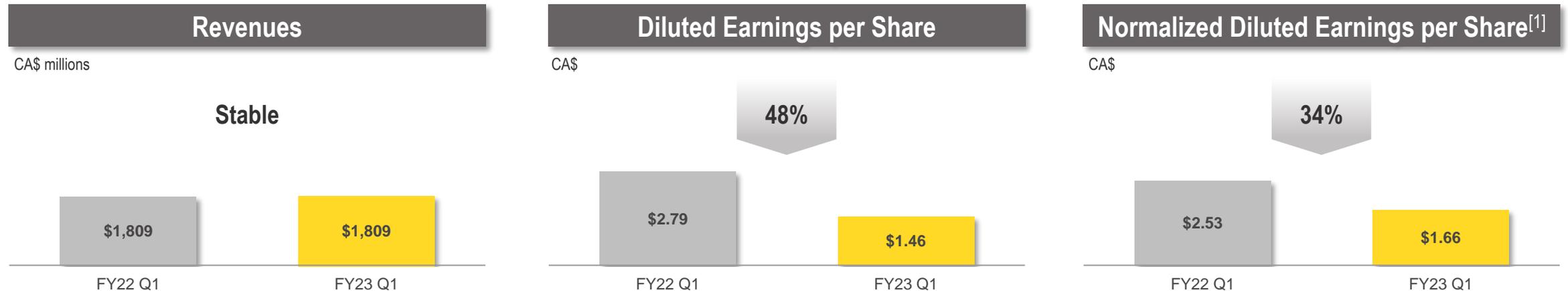
# JOSÉ BOISJOLI

PRESIDENT AND CHIEF EXECUTIVE OFFICER

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2022



# FY23 Q1 Financial Highlights



## Highlights vs. Last Year

- Revenues flat vs last year, benefitting from a higher volume of SSV sold and favourable pricing, offset by lower volume of PWC and 3WV sold, for which more units are planned to be delivered in the second quarter
- Normalized EBITDA<sup>[1]</sup> was down 28% to \$272M and normalized diluted earnings per share<sup>[1]</sup> declined 34% to \$1.66
- Net income was down 51% to \$121M and diluted earnings per share declined 48% to \$1.46
- Product availability limited North American BRP Powersports retail sales which were down 9%, outpacing the industry which was down low-twenty %

<sup>[1]</sup>For a reconciliation of net income to Normalized Net Income, Normalized EBITDA and Normalized Earnings per Share – Diluted, see the reconciliation table in appendix

**Delivered results slightly ahead of expectations despite on-going supply chain disruptions**



# FY23 Q1 Powersports Retail Update

## North American Powersports Retail Growth by Product Line

FY23 Q1 retail sales in units compared to FY22 Q1

		INDUSTRY	BRP VS. INDUSTRY
<b>TOTAL POWERSPORTS</b>	<b>↓ 9%</b>	<b>↓ LOW 20%</b>	<b>▲</b>
 SIDE-BY-SIDE VEHICLES	<b>↑ LOW-TEEN %</b>	<b>↓ LOW 20%</b>	<b>▲</b>
 ALL-TERRAIN VEHICLES	<b>↓ LOW-TEEN %</b>	<b>↓ HIGH 20%</b>	<b>▲</b>
 THREE-WHEELED VEHICLES	<b>↓ MID 50%</b>	<b>↓ MID 40%</b>	<b>▼</b>
 PERSONAL WATERCRAFT	<b>↓ ABOUT 40%</b>	<b>↓ ABOUT 30%</b>	<b>▼</b>
 SNOWMOBILES	<b>↑ MID 90%</b>	<b>↑ HIGH 50%</b>	<b>▲</b>

## Powersports Retail Growth by Region<sup>[1]</sup>

FY23 Q1 retail sales in units compared to FY22 Q1

		INDUSTRY	BRP VS. INDUSTRY
 NORTH AMERICA	<b>↓ 9%</b>	<b>↓ LOW-TWENTY %</b>	<b>▲</b>
 EMEA <sup>[2]</sup>	<b>↓ 14%</b>	<b>↓ MID-SINGLE DIGIT %</b>	<b>▼</b>
 LATIN AMERICA	<b>↓ 8%</b>	<b>NOT AVAILABLE</b>	<b>NOT AVAILABLE</b>
 ASIA-PACIFIC	<b>↑ 13%</b>	<b>↓ HIGH-SINGLE DIGIT %</b>	<b>▲</b>

<sup>[1]</sup>Industry outside of North America includes On-Highway Heavyweight Motorcycles instead of Three-Wheeled Vehicles

<sup>[2]</sup>Industry retail growth is based on the three-month period from January to March

**Outperformed the North American Powersports industry**

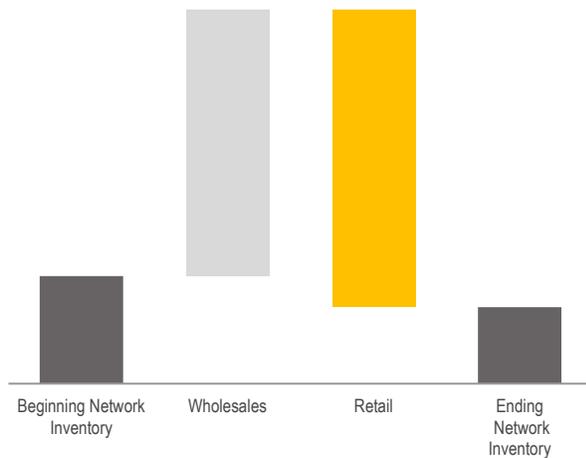


# Continuing to Experience Strong Consumer Demand

Retail was only limited by the availability of units as demand continued to outpace the supply of vehicles in Q1

## POWERSPORTS RETAIL VS WHOLESALES

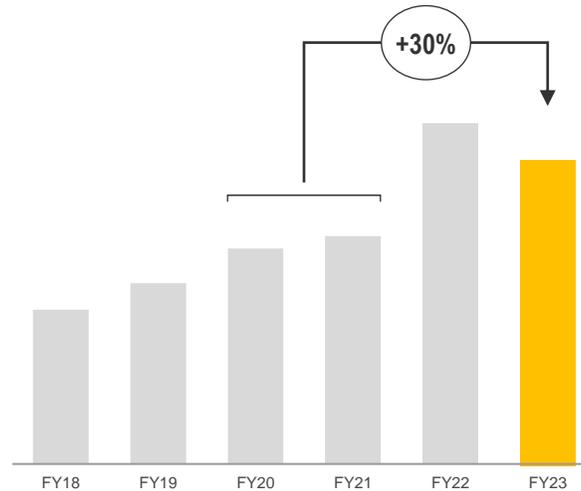
FY23 Q1, North America, Units



While down vs last year, it was very strong for a first quarter, up ~30% vs FY20/21 levels

## Q1 POWERSPORTS RETAIL

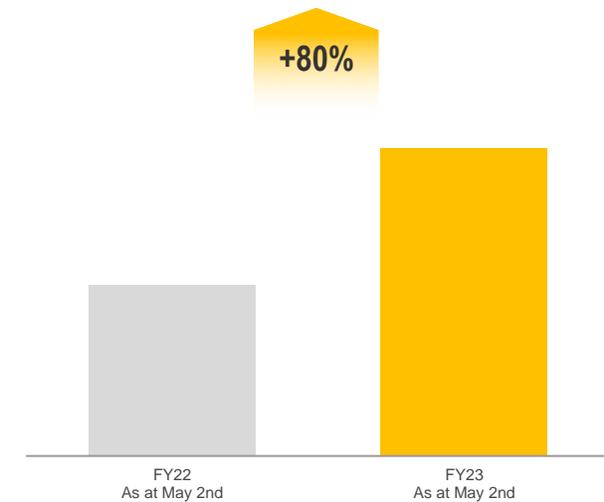
North America, Units



On top of the solid retail, we continue to see strong traction with customer pre-orders

## POWERSPORTS UNITS PRE-ORDERS

North America, Units



**Strong consumer interest for Powersports, which continues to outpace product availability**



# Supply Chain Update

Continued to operate in a volatile supply chain environment in Q1, notably with incremental disruptions resulting from China's Covid lockdowns

## Key mitigation actions

SUPPLY CHAIN CHALLENGES	TREND
 <b>SEMICONDUCTOR</b> Global demand continues to outpace supply	As Expected
 <b>OTHER COMPONENTS</b> Covid lockdowns in China resulting in incremental disruptions across the supply chain	More challenging resulting in delays
 <b>LOGISTIC</b> Covid lockdowns in China resulting in additional pressure on global logistics	More challenging but manageable
 <b>COMMODITY INFLATION</b> Elevated, but trending as expected	As Expected

**Optimized our production output based on component availability and seasonality**

- Resulted in more production of ORV in Q1

**Seeking alternative sources of supply**

- Leading to certain delays in deliveries, but securing production

**Continued producing substantially completed units that we retrofit as we receive missing components**

- Incremental disruptions in Q1 led to higher level of work-in-progress inventory

**The actions we have taken are paying off as we continued to outperform the industry in terms of total Powersports retail for the quarter**



# Year-Round Products

## Highlights

### Year-Round Products | Revenues up 1%

- + Higher volume of SSV sold
- + Favourable pricing
- Lower volume of 3WV sold
- Unfavourable Fx variation

### Retail Sales Update

North American year-over-year retail growth		 SIDE-BY-SIDE VEHICLES	 ALL-TERRAIN VEHICLES	 THREE-WHEELED VEHICLES
Quarterly	BRP	↑ LOW-TEEN %	↓ LOW-TEEN %	↓ MID 50%
	INDUSTRY	↓ LOW 20%	↓ HIGH 20%	↓ MID 40%
Season-to-Date	BRP	↓ LOW-TEEN %	↓ HIGH-TEEN %	↓ HIGH 50%
	INDUSTRY	↓ LOW 20%	↓ MID 20%	↓ ABOUT 40%

#### Side-by-Side Vehicles (SSV):

- Can-Am SSV gaining shares season-to-date in every segments of the industry

#### All-Terrain Vehicles (ATV):

- Can-Am ATV gaining shares in the high-cc categories season-to-date

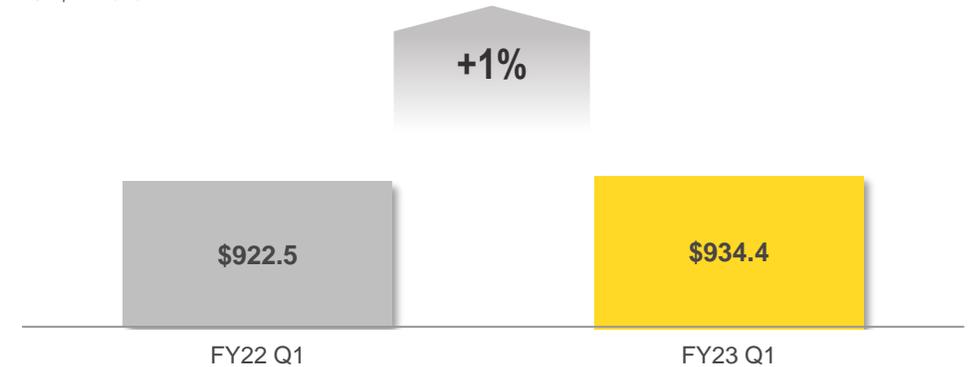
#### Three-Wheeled Vehicles (3WV):

- Can-Am 3WV quarterly retail in North America limited by product availability early in the season
- Continued solid momentum with the Rider Education Program with year-to-date course completions up mid-teen % vs last year

\*All variations above represent a change vs. the same period in the previous year  
\*\*See appendix for definition of seasons by product line

## Revenues

CA\$ millions



## New Can-Am SSV Introductions



**Strengthening our SSV utility line-up with the introduction of two new premium Can-Am Defender models**



# Seasonal Products

## Highlights

### Seasonal Products | Revenues down 12%

- ⊖ Lower volume of PWC sold
- ⊖ Unfavourable Fx variation
- ⊕ Higher volume of snowmobiles sold
- ⊕ Favourable Pricing

### Retail Sales Update

North American year-over-year retail growth		 PERSONAL WATERCRAFT	 SNOWMOBILES
Quarterly	BRP	↓ ABOUT 40%	↑ MID 90%
	INDUSTRY	↓ ABOUT 30%	↑ HIGH 50%
Season-to-Date	BRP	↓ LOW 40%	↑ HIGH-SINGLE DIGIT % <sup>[1]</sup>
	INDUSTRY	↓ HIGH 20%	↓ MID-SINGLE DIGIT % <sup>[1]</sup>

#### Personal Watercraft (PWC):

- Sea-Doo quarterly retail in North America limited by product availability early in the season
- Good performance in Asia-Pacific and Brazil with retail up low-teen % for the quarter

#### Snowmobiles:

- Ended the season with record high market share in North America, up ~6p.p. vs last season, and with the #1 market position in all industry segments in which we participate
- Reached record high market share in Scandinavia season-to-date, up ~9p.p. vs last season
- Solid snowmobile Spring Booking (pre-sold units) representing ~70% of Season 2023 volume for North America and ~40% for Scandinavia

<sup>[1]</sup>Performance for the full 2022 season ended on March 31, 2022

\*All variations above represent a change vs. the same period in the previous year \*\*See appendix for definition of seasons by product line

## Revenues

CA\$ millions

12%

\$463.4

\$408.7

FY22 Q1

FY23 Q1

## Snowmobile: Record Market Share for Season 2022

North American BRP Snowmobile Market Share  
Units



BRP gained 6p.p. of market share in snowmobiles for Season 2022 to reach its highest market share ever



# Powersports PA&A and OEM Engines

## Highlights

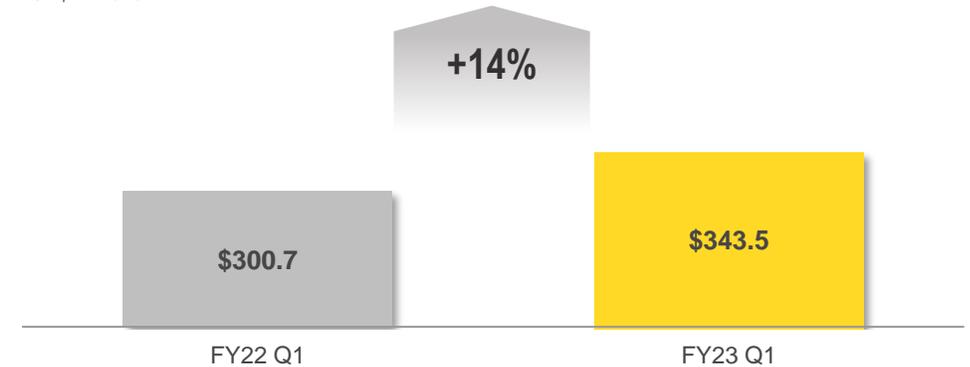
### Powersports PA&A and OEM Engines | Revenues up 14%

- ⊕ Higher volume of PA&A and aircraft engines    ⊕ Favourable pricing and lower sales programs
- ⊖ Unfavourable Fx
- **Parts:** Revenue up over 30% for SSV driven by the growth in the number of units in use
- **Accessories and Apparels:** Double digit % revenue growth for SSV and snowmobile, and strong early take rate for our Sea-Doo Switch accessories line-up

*\*All variations above represent a change vs. the same period in the previous year*

## Revenues

CA\$ millions



## Continued solid momentum for our PA&A business



Our extensive line-up of parts, accessories and apparels, notably with our proprietary LinQ system, continues to drive strong consumer demand and revenue growth



# Marine

## Highlights

### Marine | Revenues up 1%

- + Favourable product mix of boats
- + Favourable pricing
- Lower volume of boats and PA&A sold

### Retail Sales Update

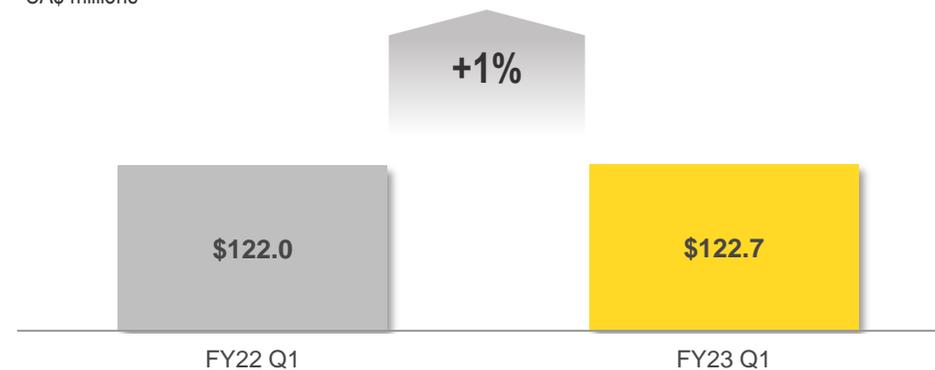
Local market year-over-year retail growth		<i>ALUMAcraft</i>	<i>Manitou</i>	<i>telwater</i>
Quarterly	BRP	↓ MID 50%	↓ MID 20%	↓ MID-SINGLE DIGIT %
Season-to-Date	BRP	↓ LOW 40%	↑ LOW-SINGLE DIGIT %	↑ LOW-SINGLE DIGIT %

### First quarter retail:

- North American retail limited by engines and parts availability

## Revenues

CA\$ millions



## Project Ghost Upcoming Introduction

First BRP designed boats with the Project Ghost propulsion system to be introduced at our August dealer event

Announced key upgrades to our marine manufacturing footprint to support the growth:

- › Expansion of Manitou's manufacturing facility, doubling its production capacity
- › Optimization of Alumacraft's operations to increase its production capacity for premium models

Entering the next phase of growth for our Marine business

\*All variations above represent a change vs. the same period in the previous year



# SÉBASTIEN MARTEL

CHIEF FINANCIAL OFFICER

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2022

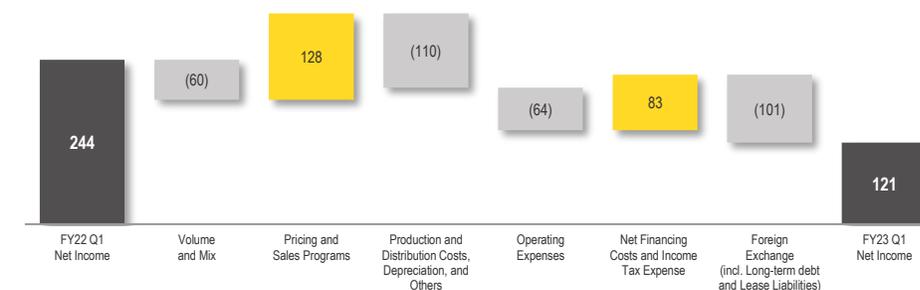


# FY23 Q1 Financial Overview

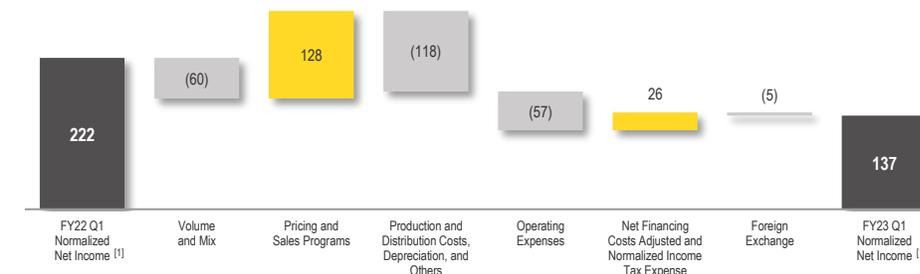
## Financial Highlights

CA\$ millions	Q1 Comparison		
	FY23	FY22	Change
<b>Total Revenues</b>	<b>\$1,809.3</b>	<b>\$1,808.6</b>	<b>\$0.7</b>
Growth			+0.0%
<b>Gross Profit</b>	<b>\$454.4</b>	<b>\$542.0</b>	<b>(\$87.6)</b>
As a % of revenues	25.1%	30.0%	
<b>Operating Income</b>	<b>\$199.6</b>	<b>\$316.5</b>	<b>(\$116.9)</b>
<b>Normalized EBITDA<sup>[1]</sup></b>	<b>\$272.1</b>	<b>\$379.0</b>	<b>(\$106.9)</b>
Growth			-28.2%
<b>Net Income</b>	<b>\$121.0</b>	<b>\$244.4</b>	<b>(\$123.4)</b>
<b>EPS – Diluted</b>	<b>\$1.46</b>	<b>\$2.79</b>	<b>(\$1.33)</b>
Growth			-47.7%
<b>Normalized Net Income<sup>[1]</sup></b>	<b>\$137.1</b>	<b>\$222.0</b>	<b>(\$84.9)</b>
<b>Normalized EPS – Diluted<sup>[1]</sup></b>	<b>\$1.66</b>	<b>\$2.53</b>	<b>(\$0.87)</b>
Growth			-34.4%
<b>Free Cash Flow<sup>[2]</sup></b>	<b>(\$442.1)</b>	<b>\$67.7</b>	<b>(\$509.8)</b>
<b>CAPEX</b>	<b>\$109.0</b>	<b>\$97.2</b>	<b>\$11.8</b>

## Q1 Net Income Bridge



## Q1 Normalized Net Income<sup>[1]</sup> Bridge



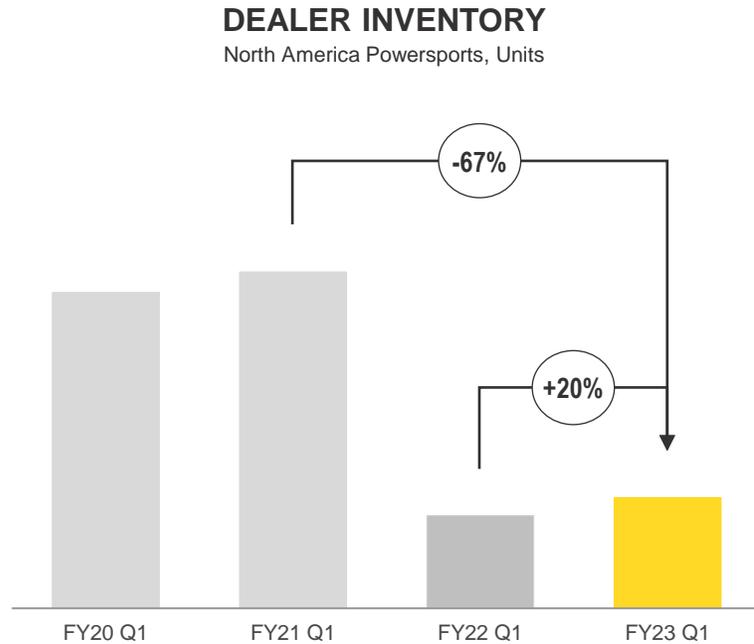
<sup>[1]</sup>For a reconciliation of net income to Normalized Net Income, Normalized EBITDA and Normalized Earnings per Share – Diluted, see the reconciliation table in appendix

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



# BRP North American Powersports Dealer Inventory

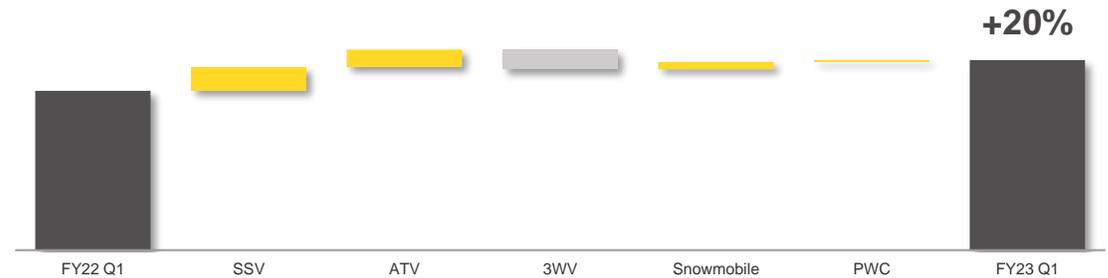
## FY23 Q1: Inventory Position Overview



Powersports dealer network inventory up 20% from FY22 Q1 level driven by strong shipments of missing components to dealers late in the quarter

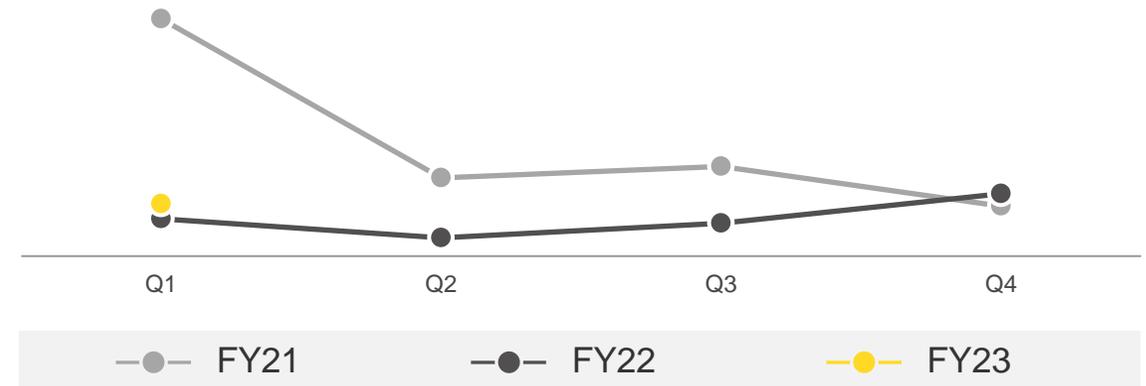
## Dealer Inventory Year-over-Year Bridge

Units, Excluding Boats



## Dealer Inventory Evolution

Units, Excluding Boats



# FY23 Full-Year Guidance - as at June 3, 2022

Financial Metric	FY22 <sup>[4]</sup>	FY23 Guidance <sup>[3]</sup> vs FY22
Revenues		vs. Previous Guidance
Year-Round Products	\$3,467.5	Up 30% to 35%
Seasonal Products	2,524.1	Up 22% to 27%
Powersports PA&A and OEM Engines	1,143.5	Up 17% to 22%
Marine	512.8	Up 12% to 17%
<b>Total Company Revenues</b>	<b>\$7,647.9</b>	<b>Up 24% to 29%</b>
<b>Normalized EBITDA<sup>[1]</sup></b>	<b>\$1,462.1</b>	<b>Up 12% to 15%</b>
Effective Tax Rate <sup>[1][2]</sup>	25.4%	26.0% to 26.5%
<b>Normalized Earnings per Share - Diluted<sup>[1]</sup></b>	<b>\$9.92</b>	<b>↑ Up 11% to 14% (\$11.00 to \$11.35)</b> (previously "\$10.75 to \$11.10")
Net Income	\$794.6	~\$885M to \$910M

## Other assumptions for FY23 Guidance:

- Depreciation expense Adjusted: **~\$335M** (Previously ~\$350M)
- Net Financing Costs Adjusted: **~\$87M** (Previously ~\$72M)
- Weighted average number of shares – diluted: **~81.5M shares** (Previously ~83.5M shares)
- Capital Expenditures: **~\$675M to \$700M**

<sup>[1]</sup>See the "Non-IFRS Measures" at the end of this presentation

<sup>[2]</sup>Effective tax rate based on Normalized Earnings before Normalized Income Tax

<sup>[3]</sup>Please see Forward-Looking Statements at the beginning of this presentation for a summary of key assumptions and important risk factors underlying the FY23 guidance

<sup>[4]</sup>All numbers are in \$CA millions, except for the effective tax rate and per share figures



# CLOSING REMARKS

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2022



# Closing Remarks

## WELL-POSITIONED TO DELIVER SOLID RESULTS IN FY23

Focused on delivering our production plan for the year to meet dealer orders and achieving our guidance with Normalized Diluted EPS<sup>[1]</sup> expected to reach between \$11.00 and \$11.35



## CONSUMER DEMAND REMAINS VERY HEALTHY

Experiencing sustained strong consumer interest in Powersports and Marine, resulting in demand that continues to outpace supply



## CONTINUING TO OUTPACE THE INDUSTRY DESPITE SUPPLY CHAIN DISRUPTIONS

Reaping the benefits of our modular design and diversified product portfolio as they represent a key competitive advantage that allows us to optimize our production output and maximize our retail sales in the context of supply chain disruptions



## SOLID SETUP FOR CONTINUED GROWTH IN FY24 AND BEYOND

Strong inventory replenishment cycle coupled with industry-leading line-ups and additional production capacity are positioning us well for continued growth

[1] For a reconciliation of net income to Normalized Net Income, Normalized EBITDA and Normalized Earnings per Share – Diluted, see the reconciliation table in appendix

**Well positioned to deliver a record year in FY23 and sustain our growth in FY24 and beyond**



# Q&A PERIOD

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2022



# APPENDIX

QUARTERLY REVIEW  
FIRST QUARTER ENDED APRIL 30, 2022



# Reconciliation Tables

CA\$ millions	Three-month periods ended	
	Apr. 30, 2022	Apr. 30, 2021
<b>Net Income/(Loss)</b>	<b>\$121.0</b>	<b>\$244.4</b>
Normalized Elements:		
Foreign Exchange (Gain)/Loss on Long-term Debt and Lease Liabilities (Gain)/Loss on NCIB	16.1	(78.6)
Depreciation of Intangible Assets Related to Business Combinations	(1.8)	21.3
Transaction Costs on Long-term Debt <sup>[1]</sup>	1.1	1.1
Transaction Costs and Other Related Expenses <sup>[2]</sup>	-	44.3
Evinrude Outboard Engine Wind-down <sup>[3]</sup>	-	0.2
Restructuring and Related Costs <sup>[4]</sup>	-	0.7
Other	-	(0.1)
Income Tax Adjustment <sup>[5]</sup>	1.3	
	(0.6)	(11.3)
<b>Normalized Net Income<sup>[6]</sup></b>	<b>137.1</b>	<b>222.0</b>
Normalized Income Tax Expense <sup>[6]</sup>	49.3	77.0
Financing Costs Adjusted	16.5	17.1
Financing Income Adjusted	(1.0)	(1.2)
Depreciation Expense Adjusted	70.2	64.1
<b>Normalized EBITDA<sup>[6]</sup></b>	<b>\$272.1</b>	<b>\$379.0</b>
Weighted Average Number of Shares – Diluted	82,701,016	87,606,457
<b>Normalized Earnings per Share – Diluted<sup>[6]</sup></b>	<b>\$1.66</b>	<b>\$2.53</b>

<sup>[1]</sup>During Fiscal 2022, the Company incurred a prepayment premium of \$15.1 million and derecognized unamortized transaction costs of \$29.2 million related to the full repayment of its outstanding U.S. \$597.0 million Term Loan B-2.

<sup>[2]</sup>Costs related to business combinations.

<sup>[3]</sup>The Company incurred costs related to the wind-down of the outboard engine production such as, but not limited to, idle costs and other exit costs.

<sup>[4]</sup>The Company is involved, from time to time, in restructuring and reorganization activities in order to gain flexibility and improve efficiency. The costs related to these activities are mainly composed of severance costs and retention salaries.

<sup>[5]</sup>Income tax adjustment is related to income tax on Normalized elements subject to tax and for which income tax has been recognized.

<sup>[6]</sup>See “Non-IFRS Measures” section.



# Appendix - Continued

## Non-IFRS Measures

Normalized revenues is defined as revenues before normalized elements. Normalized gross profit is defined as gross profit before normalized elements. Normalized EBITDA is defined as net income before financing costs, financing income, income tax expense (recovery), depreciation expense and normalized elements. Normalized Net Income is defined as net income before normalized elements adjusted to reflect the tax effect on these elements. Normalized income tax expense is defined as income tax expense adjusted to reflect the tax effect on normalized elements and to normalize specific tax elements. Normalized effective tax rate is based on normalized net income before normalized income tax expense. Normalized earnings per share – diluted is calculated by dividing the normalized net income by the weighted average number of shares – diluted.

Additional details for these non-IFRS can be found in section “Non-IFRS Measures and Reconciliation Tables” of the Company’s MD&A for the quarter ended April 30, 2022, which is posted on BRP’s website at [www.BRP.com](http://www.BRP.com), and filed on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [[www.sec.gov](http://www.sec.gov)].

## Product Lines Seasons

- SSV: July to June
- ATV: July to June
- 3WV: November to October
- Snowmobile: April to March
- PWC: October to September
- Boat: August to July



