

Canadian Snowmobile Maker Cuts Forecast on Russia's Weak Ruble

By [The Moscow Times](#)

December 14, 2014

The  Moscow Times

BRP Inc, the maker of Ski-Doo snowmobiles and Sea-Doo watercraft, cut its full-year earnings and revenue forecast as it expects a weak ruble to hit sales in Russia, sending its shares down as much as 17 percent to a record low.

The Canadian recreational vehicle maker, which also reported a lower-than-expected third-quarter profit, said distributors in Russia have halved their snowmobile orders for the peak winter season because of the rising cost of imports.

The ruble has fallen by about a third against the euro since the end of July, hit by the decline in oil prices and Western sanctions over Moscow's involvement in Ukraine.

BRP, which also makes Can-Am all-terrain vehicles and side-by-side vehicles, counted Russia as its third-largest market for the year ended January 2014.

BRP, spun off from Bombardier Inc in 2003, cut its full-year adjusted earnings forecast to C\$1.47-C\$1.57 per share from C\$1.55-C\$1.65 and its full-year revenue growth forecast to 8-12 percent from 9-13 percent.

Analysts on average expect full-year earnings of C\$1.55 per share, according to Thomson Reuters I/B/E/S.

BRP reported an adjusted profit of 60 Canadian cents per share for the third quarter ended Oct. 31, below the average analyst estimate of 65 Canadian cents.

The company's net profit fell to C\$37.2 million (\$32.17 million) from C\$48.2 million a year earlier.

However, revenue rose 6 percent, mainly due to an 18.4 percent increase of sales of its seasonal products such as snowmobiles. International revenue rose 8 percent, helped by snowmobile sales in Scandinavia and increased volume of Sea-Doo Spark watercrafts in Asia-Pacific and Western Europe.

Original url:

<https://www.themoscowtimes.com/2014/12/14/canadian-snowmobile-maker-cuts-forecast-on-russias-weak-ruble-a42249>