POLARIS®

POLARIS INDUSTRIES INC.

DRIVEN



Scott W. Wine, Chairman & CEO

Raymond James Investor Conference

March 6, 2018

VIDEO: Levi Lavallee Super Bowl Jump

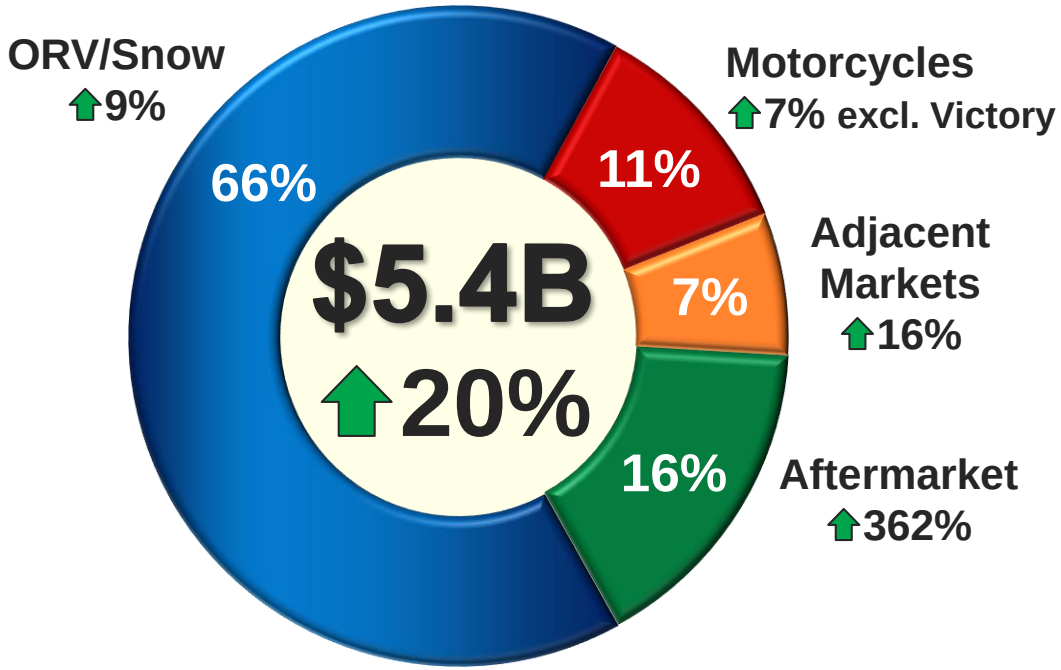




POLARIS INDUSTRIES INC. – A GLOBAL CORPORATION

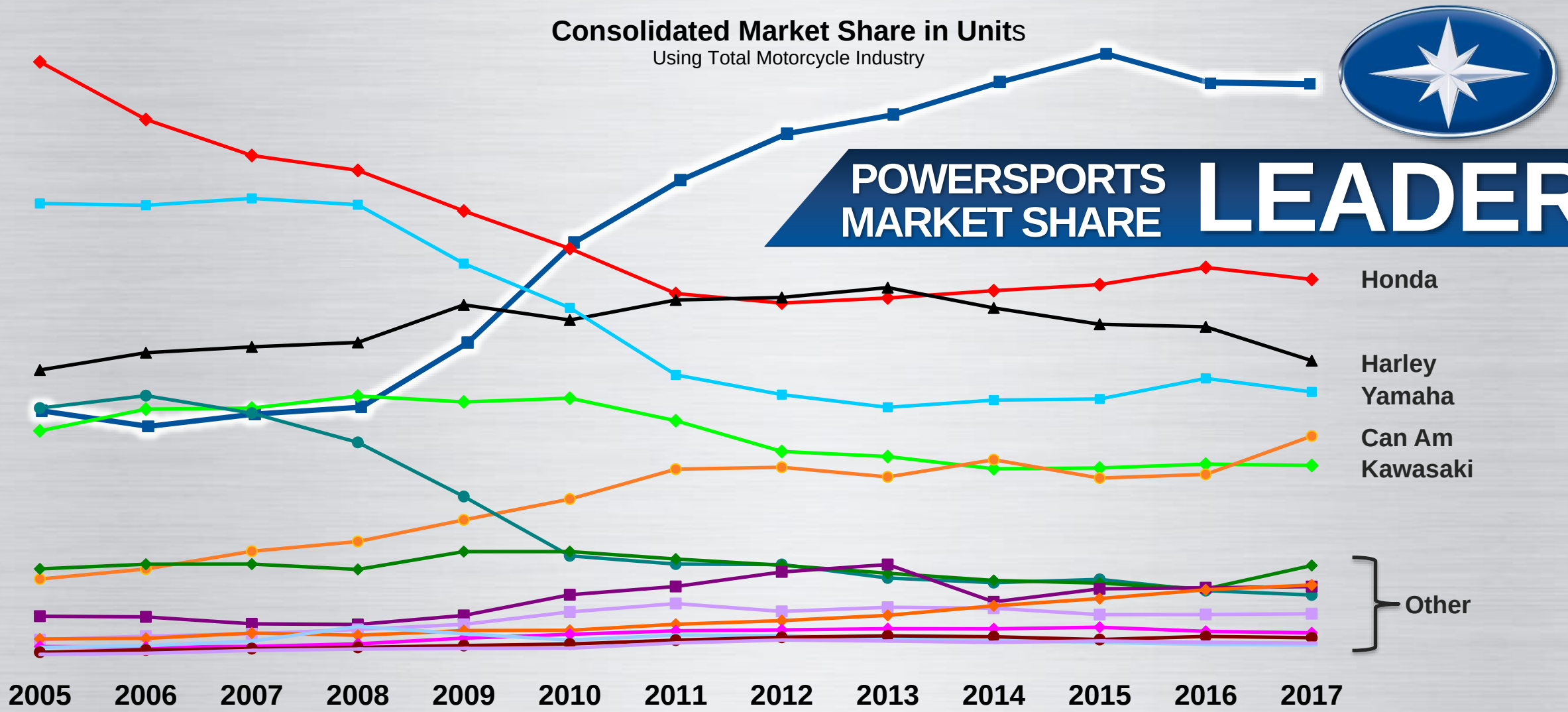
1954	Year Polaris was Founded
~11,000	Employees Worldwide
17	Manufacturing Locations
5	Research & Development Centers
~1,800	Dealers In North America
~1,400	Dealers Outside North America
>370,000	Units Shipped Worldwide in 2017
>100	Countries – Polaris Products Sold

2017 Sales* by Segment



FY 2017 Sales results are adjusted; see Appendix for GAAP/Non-GAAP Reconciliation

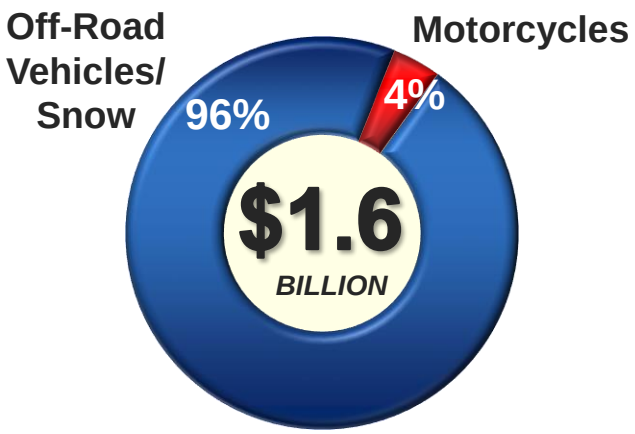
N.A. POWERSPORTS CONSOLIDATED MARKET SHARE



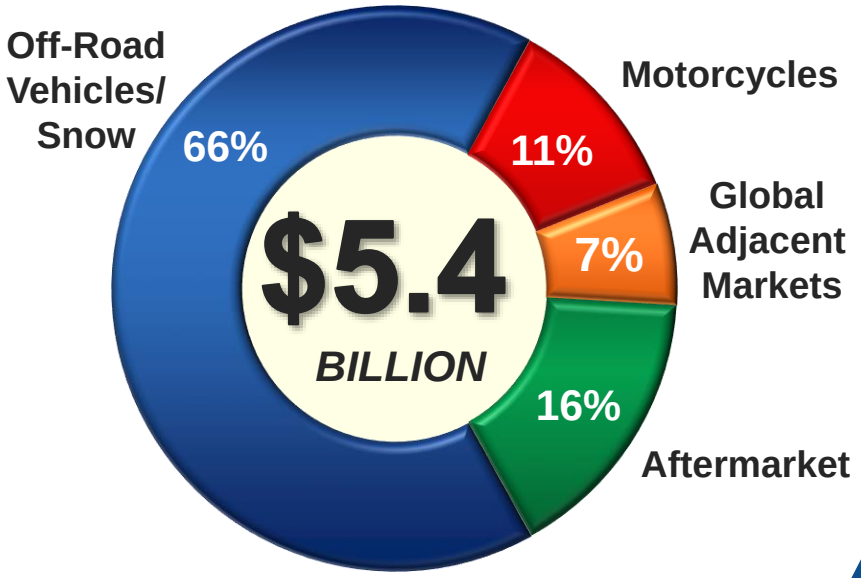
CLEAR #1 IN N.A. POWERSPORTS

STRONG TRACK RECORD OF GROWTH

2009 Sales



2017 Sales*



- ORGANIC GROWTH
- PLANT INVESTMENTS
- INDIAN MOTORCYCLES
- GLOBAL EXPANSION
- STRATEGIC ACQUISITIONS
- AFTERMARKET – TAP / PG&A

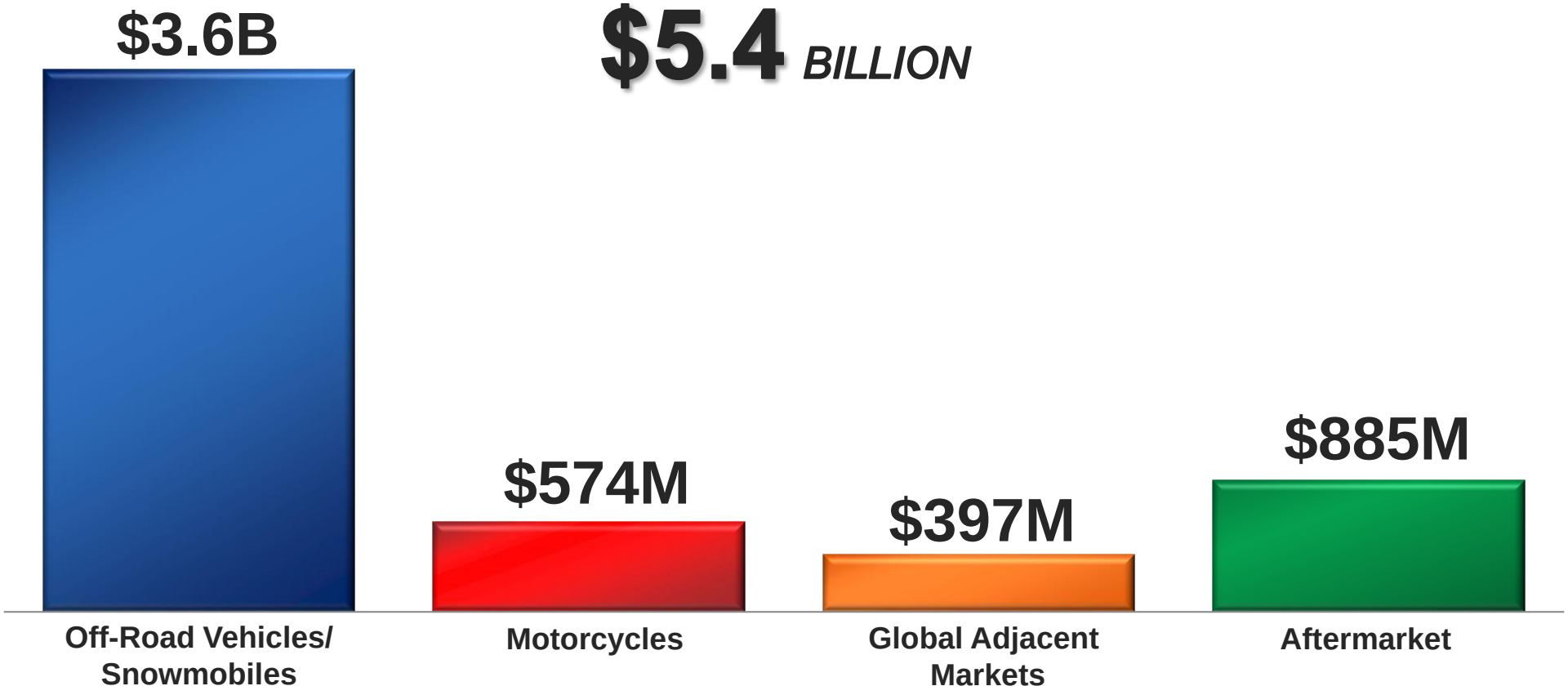
Adjusted Results: See Q4/FY'17 Appendix for GAAP/Non-GAAP Reconciliation

A MORE DIVERSE GROWTH COMPANY

STRONG TRACK RECORD OF GROWTH

2017 Sales*

$5.4 *BILLION*



**FY 2017 Sales results are adjusted; see Appendix for GAAP/Non-GAAP Reconciliation*

Platforms for Growth

Vision & Strategy

VISION

Fuel the passion of riders, workers and outdoor enthusiasts around the world by delivering innovative, high quality vehicles, products, services and experiences that enrich their lives.

STRATEGIC PURPOSE

Polaris is committed to being a customer centric, highly efficient growth company. We relentlessly pursue product superiority, safety and value improvement in all that we do. We enhance the lives of customers around the world by providing the best off-road and on-road vehicles and related offerings for recreation, transportation and work. Our winning advantages are our innovative culture and dedicated team, operational speed and flexibility, and passion to create quality products and experiences.

Guiding Principles

Best People, Best Team

Safety & Ethics Always

Customer Loyalty

Strategic Objectives

BEST IN POWERSPORTS PLUS
Industry leading organic growth

ACCELERATING GLOBAL GROWTH
Profitably increase International revenue %

PRODUCTIVITY POWERHOUSE
Consistently improve earnings leverage and asset utilization

GROWTH THROUGH ADJACENCIES
Strategic acquisitions and new market expansion

SAFETY & QUALITY AS A COMPETITIVE ADVANTAGE
Continuously drive customer and dealer satisfaction

Performance Priorities

Growth

Margin Expansion

Product & Quality Leadership

LEAN Enterprise

SALES CAGR >5% | NET INCOME CAGR >15% through 2022



POLARIS®

2018

BUILDING A CUSTOMER-CENTRIC, HIGHLY EFFICIENT GROWTH COMPANY

2018 GUIDANCE

GROWTH

Adjusted* Sales Guidance

$5.6 - $5.7 Billion

3%-5%

EFFICIENCY

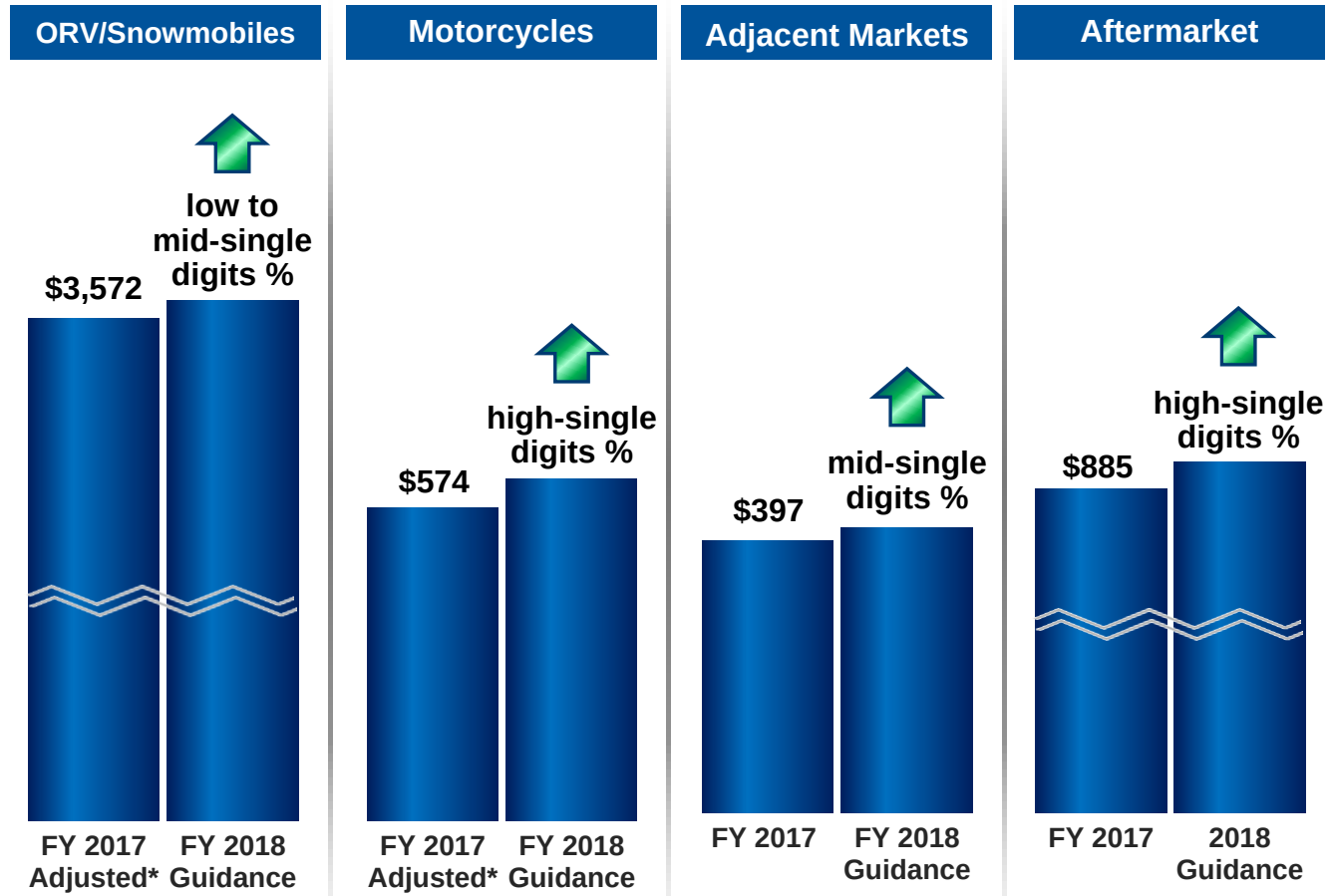
Adjusted* EPS Guidance

$6.00 to $6.20

24%-28%

2018 FULL YEAR GUIDANCE BY SEGMENT

($ in millions; PG&A sales included in each respective segment)



**FY 2017 Sales results and 2018 Sales & EPS guidance are adjusted; see Appendix for GAAP/Non-GAAP Reconciliation*

OFF-ROAD VEHICLES



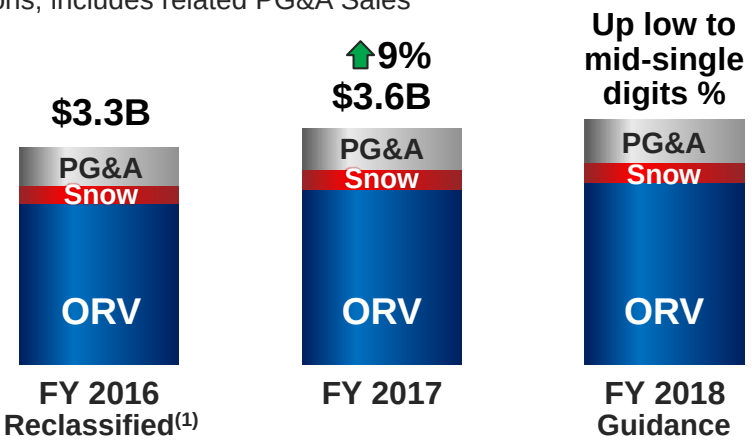






ORV / Snowmobile Segment Sales*

$ in billions; includes related PG&A Sales



Key Strategies

Drive Innovation

Activate the Core

Flawless Delivery / Execution

Resolve Regulatory Issues

Remain Clear #1 in Market Share

** See GAAP/Non-GAAP Reconciliation in Appendix*

(1) 2016 sales, for comparison purposes, have been reclassified to account for the new Aftermarket segment which included aftermarket brands previously reported in their respective segments

VIDEO: *RZR XP TURBO S*



SNOWMOBILES



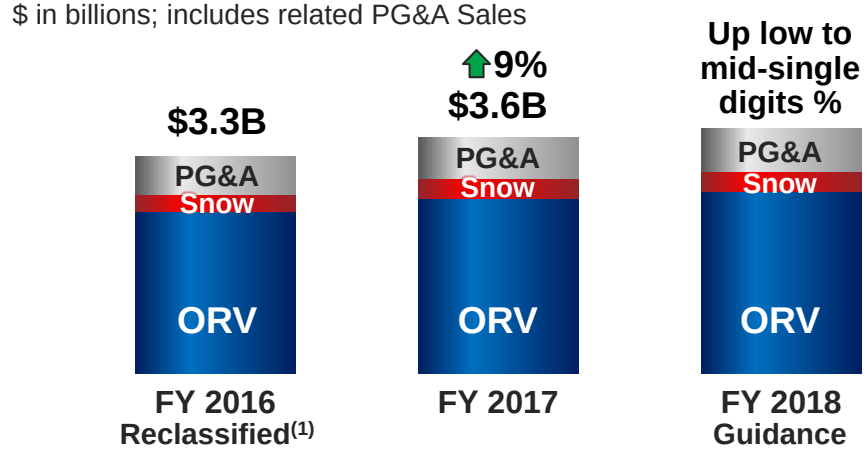






ORV / Snowmobile Segment Sales*

$ in billions; includes related PG&A Sales



Key Strategies

Win the Core

Drive Innovation

Create New Segments

Remains One of Our Most Profitable Businesses

** See GAAP/Non-GAAP Reconciliation in Appendix*

(1) 2016 sales, for comparison purposes, have been reclassified to account for the new Aftermarket segment which included aftermarket brands previously reported in their respective segments

MOTORCYCLES



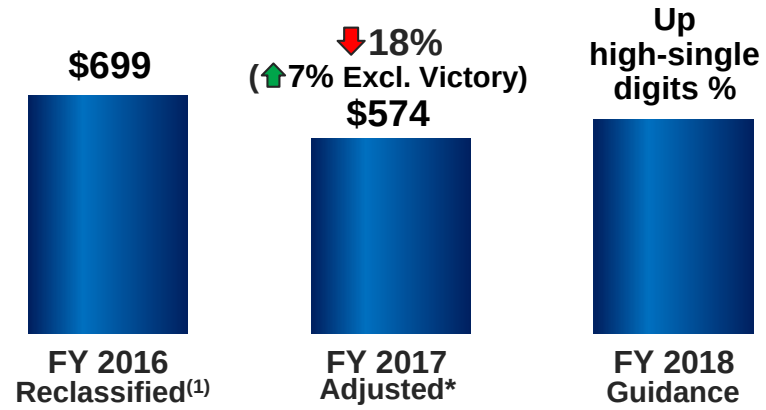






Motorcycle Segment Sales*

$ in millions; includes related PG&A Sales



Key Strategies

Drive Global Awareness

Deliver On-going Innovation

Margin Improvement

On-going Sales & Margin Expansion in 2018

** See GAAP/Non-GAAP Reconciliation in Appendix*

(1) 2016 sales, for comparison purposes, have been reclassified to account for the new Aftermarket segment which included aftermarket brands previously reported in their respective segments

GLOBAL ADJACENT MARKETS (GAM)



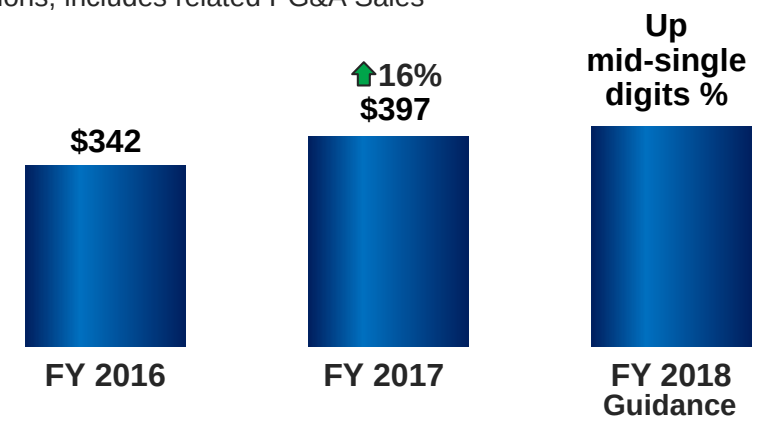






GAM Segment Sales

$ in millions; includes related PG&A Sales



Key Strategies

Capitalize on Emerging Trends

Expand Products and Channels

Drive Autonomous Capability

Building on Strong Momentum











POLARIS ADVENTURES℠

Unforgettable ride and drive experiences nationwide

https://adventures.polaris.com/

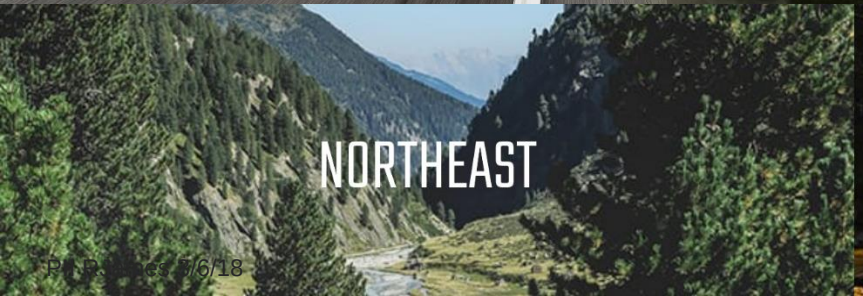


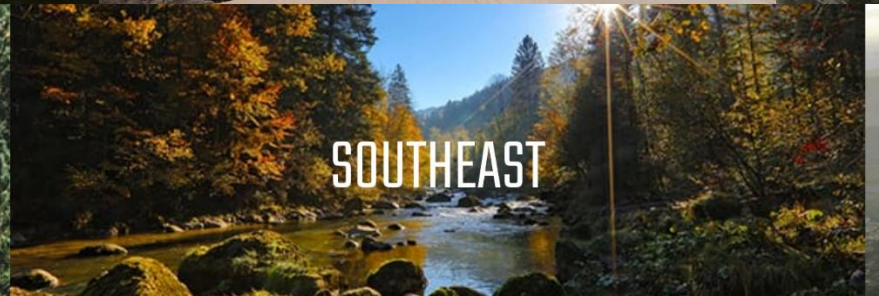


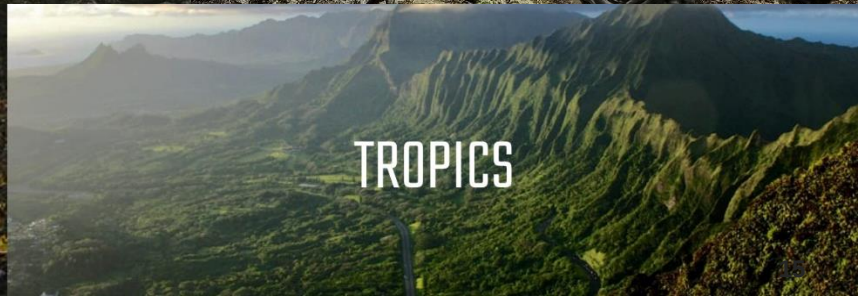












CORE PARTS, GARMENTS & ACCESSORIES (PG&A)

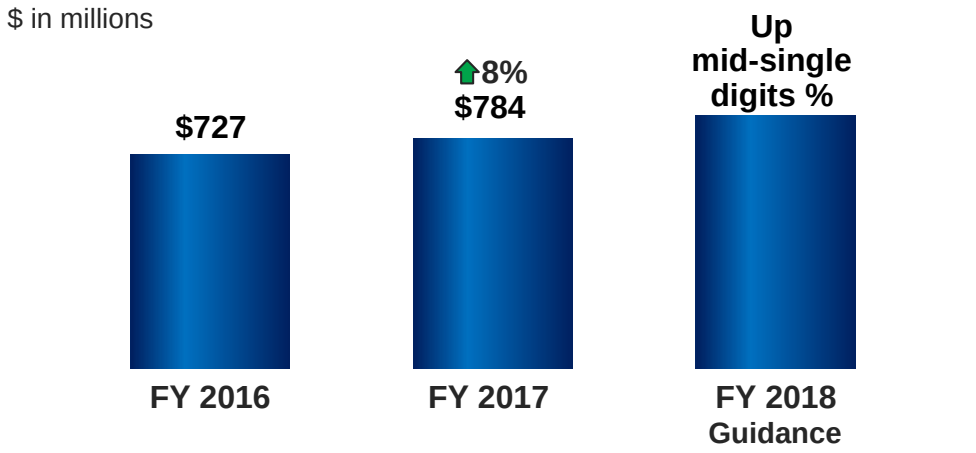
POLARIS ENGINEERED PARTS ACCESSORIES & APPAREL

RANGER
GENERAL
SPORTSMAN
RZR
ACE
Indian MOTORCYCLE
SLINGSHOT
POLARIS
TIMBERSLED

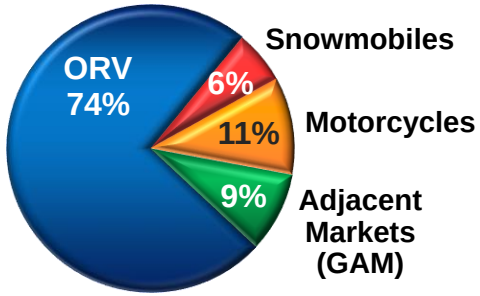


Core PG&A Sales

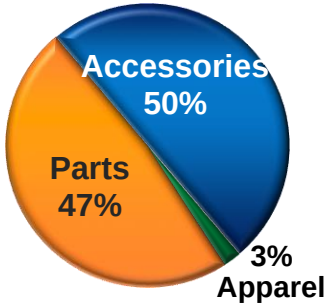
$ in millions



2017 Sales by Segment



2017 Sales by Category



Key Strategies

Build on Growth Foundation

E-commerce Acceleration

Improved New Product Readiness

PG&A is Integral in Providing Industry-Leading Customer Experience

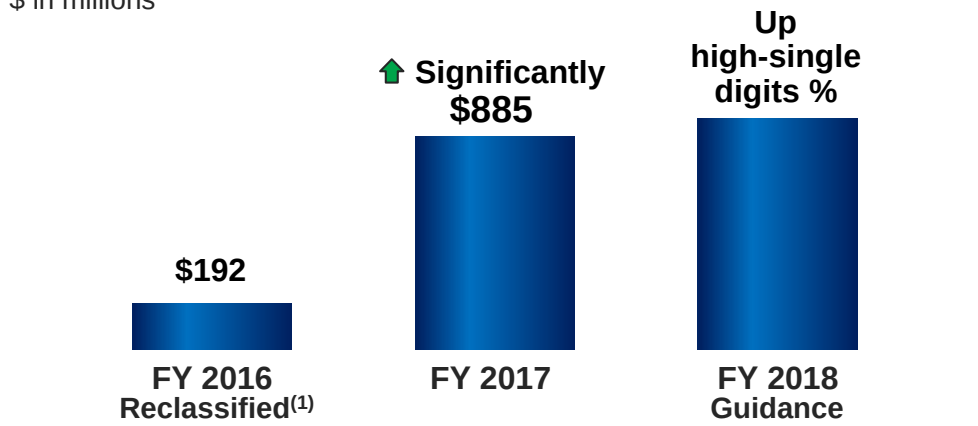
AFTERMARKET





Aftermarket Segment Sales

$ in millions



Transamerican Auto Parts

4 WHEEL PARTS · G2 AXLE & GEAR · RUBICON EXPRESS · POISON SPYDER · SMITTYBILT · TRAIL MASTER · lg Rims · PRO COMP

Other Aftermarket Brands

Klim · KOLPIN OUTDOORS · PRO ARMOR · 509 · TRAIL TECH

Key Strategies

Brand and Product Leadership

Sales / Channel Optimization

Supply Chain Excellence

TAP Providing Access to the $10+ Billion Jeep & Truck Accessories Market

(1) 2016 sales, for comparison purposes, have been reclassified to account for the new Aftermarket segment which included aftermarket brands previously reported in their respective segments

INTERNATIONAL



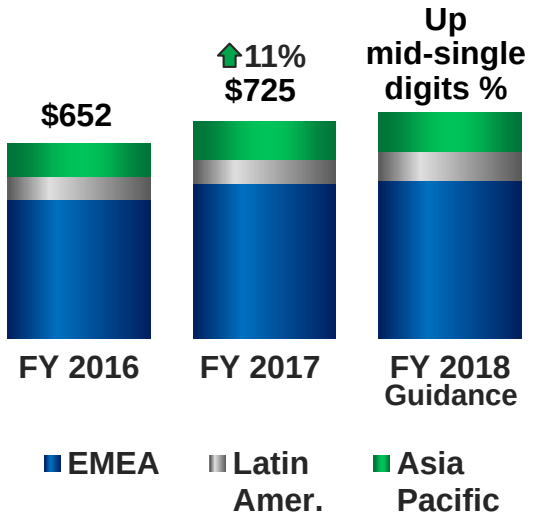






International Sales

$ in millions; includes related PG&A Sales





Key Strategies

Grow ORV / Motorcycles

Maximize Snow

Leverage Local Manufacturing

Solid Execution in All Markets

2018 FOCUS AREAS

SAFETY & QUALITY

Increased investments: safety, quality, advanced technology

R&D expense up ~40% over 2 years (2017–2018E)



DEALER & CUSTOMER EXCELLENCE

Improved order visibility and product availability

Industry-leading buying and owning experience



PRODUCTIVITY POWERHOUSE

Improved profitability – motorcycles / PG&A / Aftermarket

Product cost / Productivity: Sourcing, Plants, Op Expense

POLARIS® VALUE IMPROVEMENT PROCESS VIP

Driving Customer Satisfaction & Profitability Through Improved Productivity

MULTI-YEAR STRATEGIC SOURCING TRANSFORMATION

COST SAVINGS TARGET

>$200 Million
(annual gross savings)

SIGNIFICANT SUPPLIER RATIONALIZATION



IMPROVED QUALITY

<150
PPM REJECTS



Partnering with an experienced global sourcing consulting firm

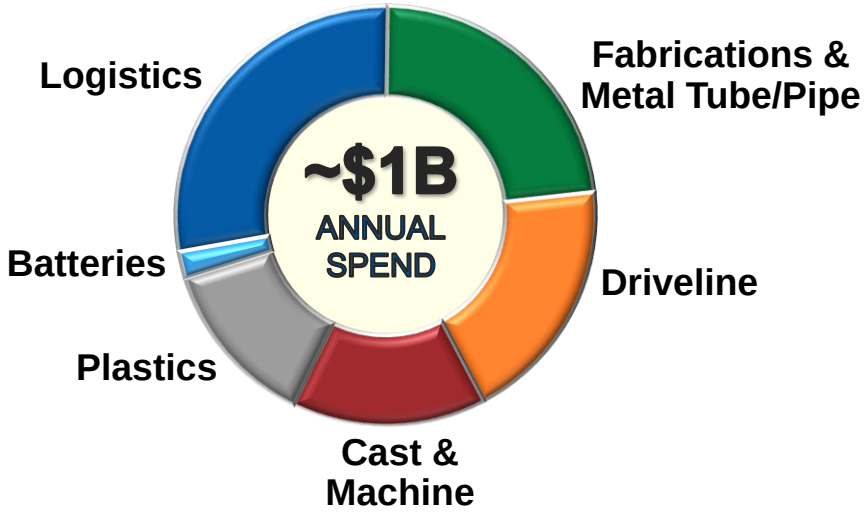
Fully resourced for success – over 60 people re-allocated to project

Proven 11 gate sourcing process; 4 Waves over strategic period

Wave 1: Global Preferred Supplier Conference – March 2018

- Over 1,500 attendees confirmed

Wave 1 Categories for Strategic Supplier Alliances



Enables Improved Productivity, Quality, Innovation and Delivery

SUMMARY

New product launches accelerating; 8 in past six months

ORV – Playing Offense

Indian – winning in the market and on the track

PG&A + TAP + Aftermarket = $1.7B – sizable foundation for growth

International – leveraging momentum

Safety, Quality, Dealer/Consumer Excellence Improved

A Customer-centric Highly Efficient Growth Company

SAFE HARBOR & NON-GAAP MEASURES

Except for historical information contained herein, the matters set forth in this presentation, including management's expectations regarding 2018 future sales, shipments, net income, and net income per share, operational initiatives and impact of tax reform are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those forward-looking statements. Potential risks and uncertainties include such factors as the Company's ability to successfully implement its manufacturing operations expansion initiatives, product offerings, promotional activities and pricing strategies by competitors; economic conditions that impact consumer spending; acquisition integration costs; product recalls, warranty expenses; impact of changes in Polaris stock price on incentive compensation plan costs; foreign currency exchange rate fluctuations; environmental and product safety regulatory activity; effects of weather; commodity costs; uninsured product liability claims; uncertainty in the retail and wholesale credit markets; performance of affiliate partners; changes in tax policy and overall economic conditions, including inflation, consumer confidence and spending and relationships with dealers and suppliers. Investors are also directed to consider other risks and uncertainties discussed in documents filed by the Company with the Securities and Exchange Commission. The Company does not undertake any duty to any person to provide updates to its forward-looking statements. The data source for retail sales figures included in this presentation is registration information provided by Polaris dealers in North America and compiled by the Company or Company estimates. The Company must rely on information that its dealers supply concerning retail sales, and other retail sales data sources and this information is subject to revision.

This presentation contains certain non-GAAP financial measures, consisting of "Adjusted" sales (total and organic), gross profit, operating expenses, net income and net income per diluted share as measures of our operating performance. Management believes these measures may be useful in performing meaningful comparisons of past and present operating results, to understand the performance of its ongoing operations and how management views the business. Reconciliations of Adjusted non-GAAP measures to reported GAAP measures are included on slides 4 and 5 in this presentation. These measures, however, should not be construed as an alternative to any other measure of performance determined in accordance with GAAP.

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Raymond James Investor Conference

March 6, 2018

QUESTIONS?

DRIVEN

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March 6, 2018

APPENDIX

DRIVEN

APPENDIX: NON-GAAP RECONCILIATIONS

Reconciliation of GAAP "Reported" Results to Non-GAAP "Adjusted" Results

(In Thousands, except per share data; Unaudited)

	Three months ended December 31,		Years ended December 31,	
	2017	2016	2017	2016
Sales	**$ 1,431,049**	**$ 1,217,789**	**$ 5,428,477**	**$ 4,516,629**
Victory wind down [1]	(2,364)	—	(1,857)	—
Restructuring & realignment [3]	1,048	—	1,048	—
Adjusted sales	**1,429,733**	**1,217,789**	**5,427,668**	**4,516,629**
Gross profit	**367,812**	**312,772**	**1,324,651**	**1,105,623**
Victory wind down [1]	2,874	—	57,844	—
TAP [2]	—	8,803	12,950	8,803
Restructuring & realignment [3]	2,463	—	12,980	—
Adjusted gross profit	**373,149**	**321,575**	**1,408,425**	**1,114,426**
Income before taxes	**117,977**	**85,459**	**318,791**	**313,251**
Victory wind down [1]	164	—	77,398	—
TAP [2]	3,463	21,454	26,921	21,454
Restructuring & realignment [3]	11,598	—	22,116	—
Adjusted income before taxes	**133,202**	**106,913**	**445,226**	**334,705**
Net income	**31,475**	**62,581**	**$ 172,492**	**212,948**
Victory wind down [1]	(1,012)	—	52,366	—
TAP [2]	2,177	13,515	16,923	13,515
Restructuring & realignment [3]	7,291	—	13,902	—
Tax reform [4]	55,398	—	55,398	—
Adjusted net income [5]	**$ 95,329**	**$ 76,096**	**$ 311,081**	**$ 226,463**
Diluted EPS	**$ 0.49**	**$ 0.97**	**$ 2.69**	**$ 3.27**
Victory wind down [1]	(0.02)	—	0.82	—
TAP [2]	0.03	0.21	0.26	0.21
Restructuring & realignment [3]	0.11	—	0.22	—
Tax reform [4]	0.86	—	0.86	—
Adjusted EPS [5]	**$ 1.47**	**$ 1.18**	**$ 4.85**	**$ 3.48**

Key Definitions: Throughout this presentation, the word "Adjusted" is used to refer to GAAP results excluding: TAP inventory step-up purchase accounting, TAP integration expenses, impacts associated with the Victory Motorcycles® wind down, restructuring and realignment costs, and impacts of the tax reform.

Adjustments:

[1] Represents adjustments for the wind down of Victory Motorcycles, including wholegoods, accessories and apparel

[2] Represents adjustments for TAP integration expenses

[3] Represents adjustments for corporate restructuring and network realignment costs

[4] Represents an adjustment for impacts of a charge in its income tax provision due to the remeasurement of its deferred income tax positions at the new corporate income tax rate of 23.8 percent (from 37.1 percent)

[5] The Company used its estimated statutory tax rate of 37.1% for the non-GAAP adjustments, except for the non-deductible items and the tax reform related changes noted in Item 4

2016 Reclassified Results: 2016 sales and gross profit results for ORV/Snowmobiles, Motorcycles and Aftermarket are reclassified for the new Aftermarket reporting segment.

APPENDIX: NON-GAAP RECONCILIATIONS - SEGMENTS

Non-GAAP Reconciliation of Segment Results (In Thousands; Unaudited)

	Three months ended December 31,		Years ended December 31,	
	2017	2016	2017	2016
SEGMENT SALES				
ORV/Snow segment sales	$ 993,750	$ 880,905	$ 3,570,753	$ 3,283,890
Restructuring & realignment [3]	1,048	—	1,048	—
Adjusted ORV/Snow segment sales	**994,798**	**880,905**	**3,571,801**	**3,283,890**
Motorcycles segment sales	**102,723**	**104,331**	**576,068**	**699,171**
Victory wind down [1]	(2,364)	—	(1,857)	—
Adjusted Motorcycles segment sales	**100,359**	**104,331**	**574,211**	**699,171**
Global Adjacent Markets (GAM) segment sales	**116,612**	**98,384**	**396,764**	**341,937**
No adjustment	—	—	—	—
Adjusted GAM segment sales	**116,612**	**98,384**	**396,764**	**341,937**
Aftermarket segment sales	**217,964**	**134,169**	**884,892**	**191,631**
No adjustment	—	—	—	—
Adjusted Aftermarket sales	**217,964**	**134,169**	**884,892**	**191,631**
Total sales	**1,431,049**	**1,217,789**	**5,428,477**	**4,516,629**
Total adjustments	**(1,316)**	**—**	**(809)**	**—**
Adjusted total sales	**$ 1,429,733**	**$ 1,217,789**	**$ 5,427,668**	**$ 4,516,629**

	Three months ended December 31,		Years ended December 31,	
	2017	2016	2017	2016
SEGMENT GROSS PROFIT				
ORV/Snow segment gross profit	**278,544**	**251,521**	**1,054,557**	**907,597**
Restructuring & realignment [3]	1,048	—	1,048	—
Adjusted ORV/Snow segment gross profit	**279,592**	**251,521**	**1,055,605**	**907,597**
Motorcycles segment gross profit	**5,108**	**1,063**	**16,697**	**87,538**
Victory wind down [1]	2,874	—	57,844	—
Adjusted Motorcycles segment gross profit	**7,982**	**1,063**	**74,541**	**87,538**
Global Adjacent Markets (GAM) segment gross profit	**29,623**	**28,986**	**94,920**	**95,149**
Restructuring & realignment [3]	415	—	10,932	—
Adjusted GAM segment gross profit	**30,038**	**28,986**	**105,852**	**95,149**
Aftermarket segment gross profit	**60,777**	**28,017**	**225,498**	**46,289**
TAP [2]	—	8,803	12,950	8,803
Adjusted Aftermarket segment gross profit	**60,777**	**36,820**	**238,448**	**55,092**
Corporate segment gross profit	**(6,240)**	**3,185**	**(67,021)**	**(30,950)**
Restructuring & realignment [4]	1,000	—	1,000	—
Adjusted Corporate segment gross profit	**(5,240)**	**3,185**	**(66,021)**	**(30,950)**
Total gross profit	**367,812**	**312,772**	**1,324,651**	**1,105,623**
Total adjustments	5,337	8,803	83,774	8,803
Adjusted total gross profit	**373,149**	**321,575**	**1,408,425**	**1,114,426**

Adjustments:

[1] Represents adjustments for the wind down of Victory Motorcycles, including wholegoods, accessories and apparel

[2] Represents adjustments for TAP integration expenses

[3] Represents adjustments for corporate restructuring and network realignment costs

[4] Represents adjustments for costs related to supply chain transformation.

2016 Reclassified Results: 2016 sales and gross profit results for ORV/Snowmobiles, Motorcycles and Aftermarket are reclassified for the new Aftermarket reporting segment.

APPENDIX: 2018 GUIDANCE DISCLOSURES

2018 guidance excludes the pre-tax effect of acquisition integration costs of approx. $10 million, supply chain transformation costs of approx. $10 million to $20 million and the remaining impacts associated with the Victory wind down which is estimated to be in the range of $5 million to $10 million. 2018 Adjusted sales guidance excludes any Victory wholegood, accessories and apparel sales and corresponding promotional costs as the Company is in the process of exiting the brand. The Company has not provided reconciliations of guidance for Adjusted diluted net income per share, in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. The Company is unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include costs associated with the Victory wind down that are difficult to predict in advance in order to include in a GAAP estimate.

Product Quality Update: As previously disclosed, Polaris is working with regulators to resolve ongoing product issues. The Company expects to resolve, in the near term, a late reporting penalty with the CPSC related to previously announced recalls. An estimated amount for the pending penalty has been previously accrued for in Polaris' prior year financial statements.