

POLARIS

ANALYST / INVESTOR MEETING

July 29, 2019

Minneapolis, MN

POLARIS 65TH ANNIVERSARY 1954 2019

POLARIS

ANALYST / INVESTOR MEETING

RICHARD EDWARDS

Vice President – Investor Relations

July 29, 2019

SAFE HARBOR & NON-GAAP MEASURES

Except for historical information contained herein, the matters set forth in this presentation, including management's expectations regarding 2019 future sales, shipments, net income, and net income per share, future cash flows and capital requirements, operational initiatives, tariffs, currency fluctuations, interest rates, and commodity costs, 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; disruptions in manufacturing facilities; 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; freight and tariff costs; changes to international trade policies and agreements; uninsured product liability claims; uncertainty in the retail and wholesale credit markets; performance of affiliate partners; changes in tax policy; relationships with dealers and suppliers; and the general overall economic and political environment. 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 compiled by the Company or Company estimates and other industry data sources. The Company must rely on information that its dealers supply concerning retail sales, and other retail sales data sources related to Polaris and the powersports industry, and this information is subject to revision. Retail sales references to total Company retail sales includes only ORV, snowmobiles and motorcycles in North America unless otherwise noted.

This presentation contains certain non-GAAP financial measures, consisting of "adjusted" sales, gross profit, income before taxes, 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 reported GAAP measures to adjusted non-GAAP measures are included in the financial schedules contained in this presentation. These measures, however, should not be construed as an alternative to any other measure of performance determined in accordance with GAAP.

AGENDA – Analyst / Investor Meeting

Monday, July 29, 2019

7:30 AM – 10:00 AM

Central Time

Minneapolis, Minnesota

Webcast Link at: ir.polaris.com

WiFi
Select the network: Yellow Zone
Password: rubberduck

Please limit WiFi connection to one device per person; valid today only

Central Time	Topic	Presenter
7:30 – 7:35	Welcome / Opening Remarks	**Scott Wine** Chairman & CEO
7:35 – 7:50	Operations: Sourcing/Production	**Ken Pucel** EVP–Operations, Eng. & Lean
7:50 – 8:00	Customer Engagement	**Pam Kermisch** Chief Customer Engagement and Growth Officer
8:00 – 8:20	Motorcycles	**Steve Menneto** President–Motorcycles
8:20 – 8:35	International	**Mike Dougherty** President–International
8:35 – 8:50	PG&A / Aftermarket	**Steve Eastman** President–PG&A & Aftermarket
8:50 – 9:05	Transamerican Auto Parts	**Craig Scanlon** President–TAP
9:05 – 9:25	Boats / Adjacent Markets	**Bob Mack** SVP & President–Global Adjacent Markets & Boats
9:25 – 9:45	Off-Road Vehicles	**Chris Musso** President–Off-Road Vehicles
9:45 –10:00	Q&A – Webcast Ends	**Scott Wine, Mike Speetzen**
10:00 –10:20	***Break***	
10:20 –11:30	**ORV Product Walk-arounds**	
11:30 –11:45	**Board Bus to Demo Ride – Bus departs promptly at 11:45**	
11:45 – 3:30	**ORV Demo Rides & R&D Tour**	
12:30	**Bus to Airport** (for those not attending demo ride)	

Thank You for Joining Us!

POLARIS

ANALYST / INVESTOR MEETING



SCOTT W. WINE

Chairman & CEO

July 29, 2019



Think Outside

POLARIS

ANALYST / INVESTOR MEETING



KEN PUCEL

EVP – Global Ops, Engineering, & Lean

July 29, 2019

Polaris Operations Update

Winning as a Customer Centric, Highly Efficient Growth Company



<u>Polaris Operations Strategic Targets</u>:

Safety: Continued strong workplace safety

Quality: ~30% improvement of key metrics

Delivery: >95% for RFM and Factory Choice

Cost: $500 million Gross VIP Savings from Materials, Logistics, Manufacturing (2018-2022)

New Products: Focused on Safety, Quality, Launch Execution and Speed of Innovation

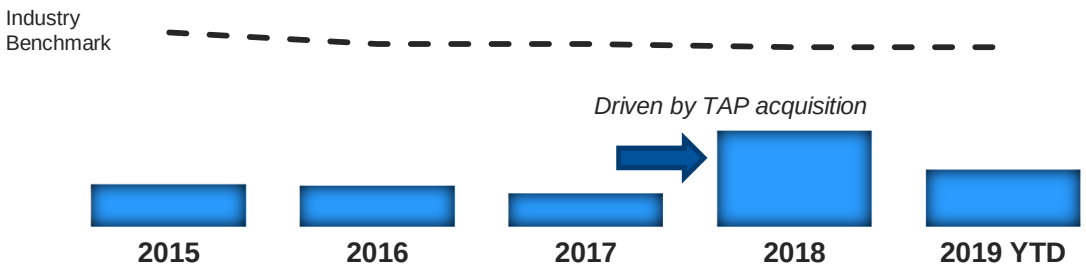
☑ ***On Track to Deliver or Exceed Expectations***

Polaris Operations Strategy Targets Best-in-Class Performance

Occupational Safety, Quality, Delivery Cost – 2019 Performance

OCCUPATIONAL SAFETY (TRIR)

Driving a Zero Incidents Culture

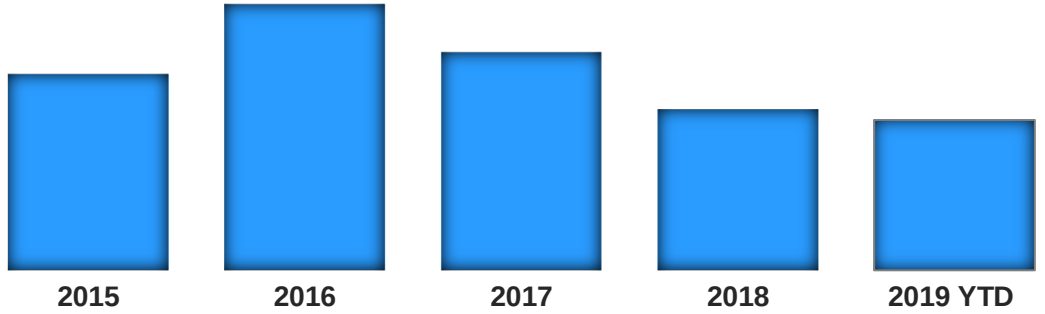


2018 & 2019 include TAP, Boats & WSI

**** Reference: US Bureau of Labor Statistics***

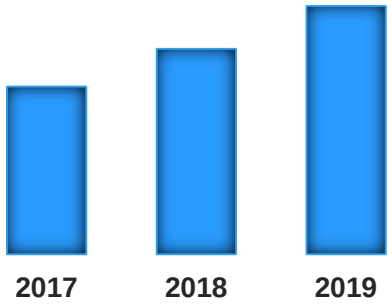
QUALITY (REWORK %)

Focused on Continually Improving Performance



DELIVERY

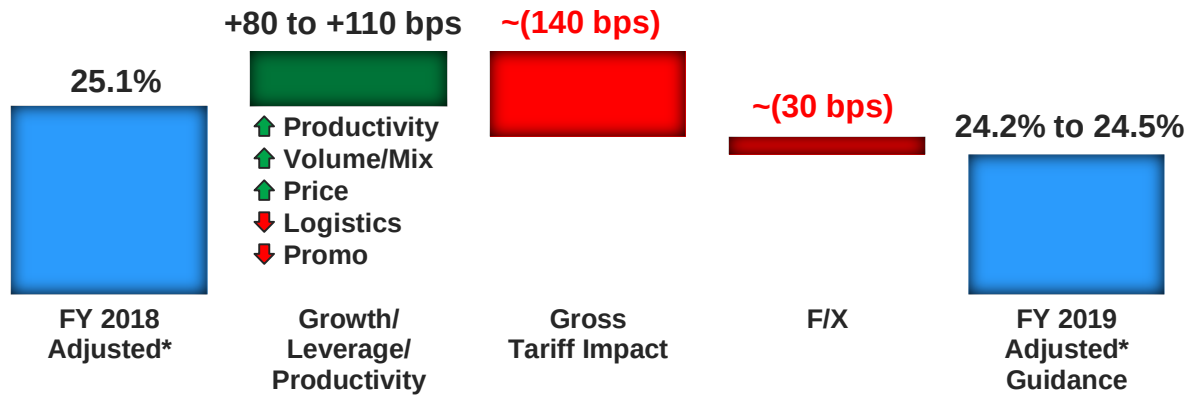
Delivery performance improved significantly



RFM performing well and maturing

ORV Factory Choice delivery levels meeting goals

FY 2019 ADJUSTED GROSS PROFIT MARGIN



**See previously disclosed GAAP/Non-GAAP Reconciliation*

Focused on the Fundamentals that Drive Safety, Delivery, Quality and Cost

Product Safety and Quality Progress

Polaris aims to continually improve product safety and quality by focusing on systems, products and execution.

Quality System Focus Areas



2019 Examples (vs. same time 2017)

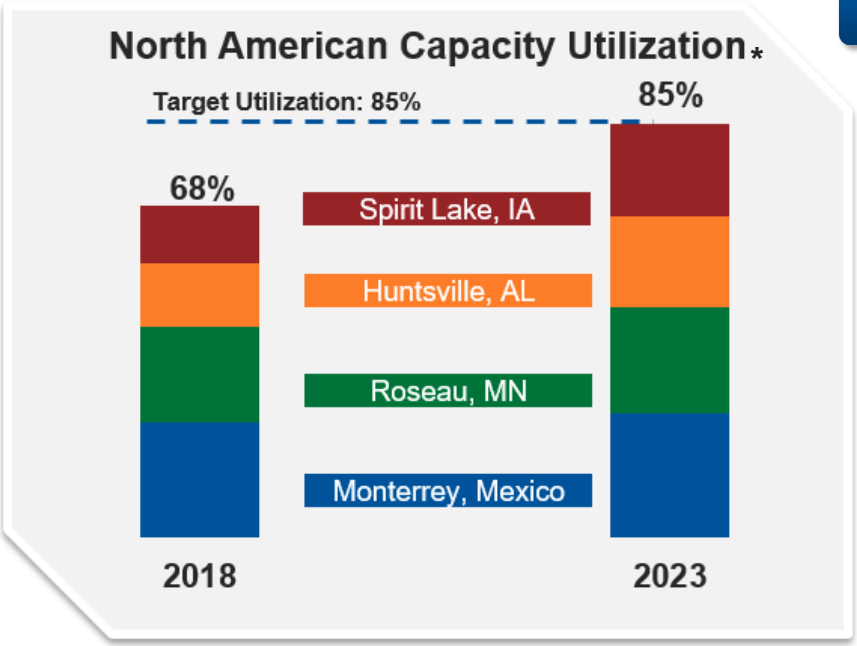
Warranty Claims / Unit	↓ 45%
Rework	↓ 30%
Supplier PPM	↓ 37%

Safety and Quality Continuously Improves

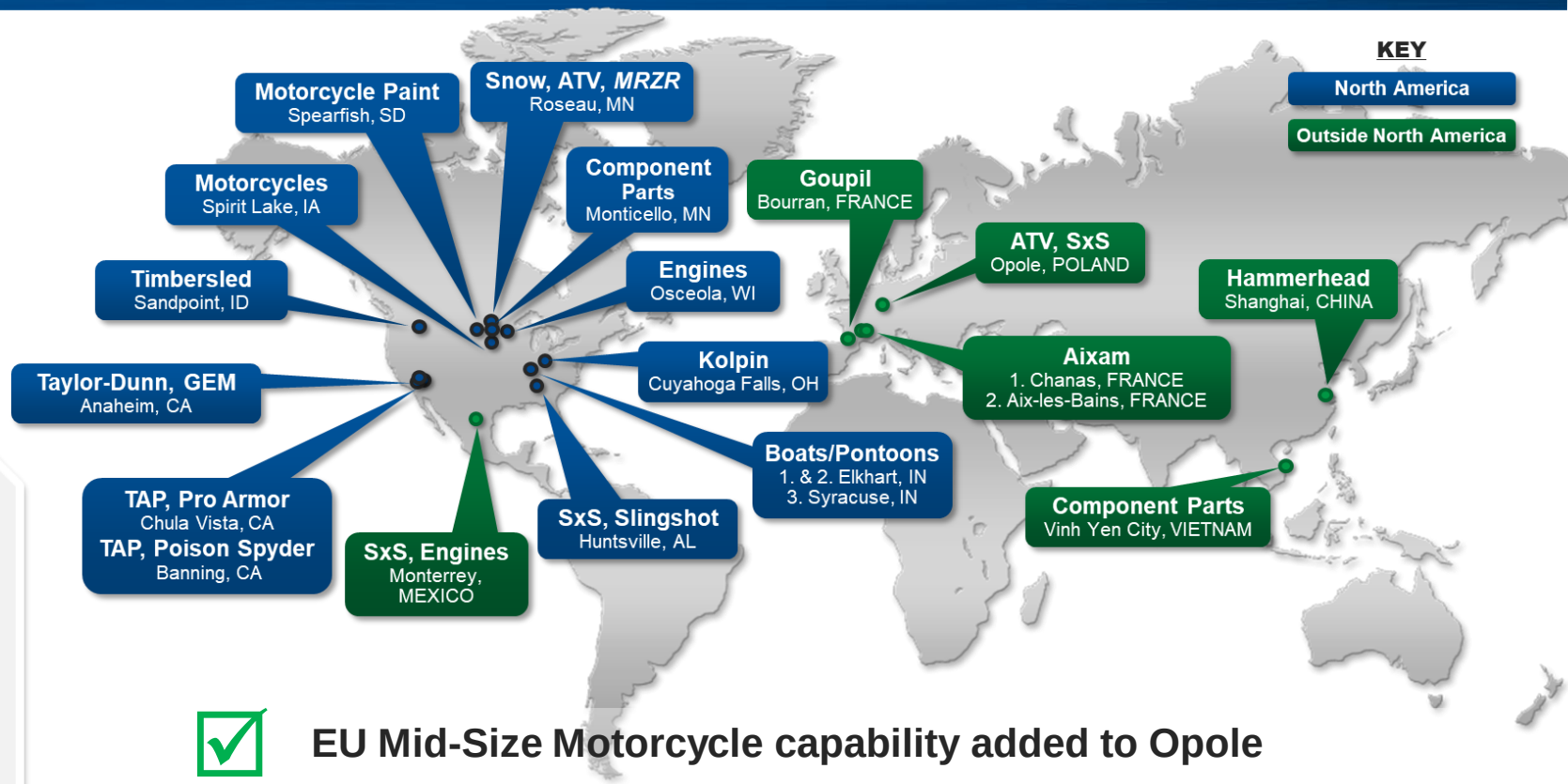
Polaris Manufacturing Capacity Utilization

Plant Network Optimization

- ☑ Factory Choice capabilities added across multiple plants
- ☑ Added WSI Crankcase machining capability



*Only includes vehicle assembly plants



- ☑ EU Mid-Size Motorcycle capability added to Opole
- ☑ Expansion of Paint system increases Monterrey capacity by 18%
- ☑ Vietnam Joint Venture provides ASEAN strategic sourcing and future manufacturing capability

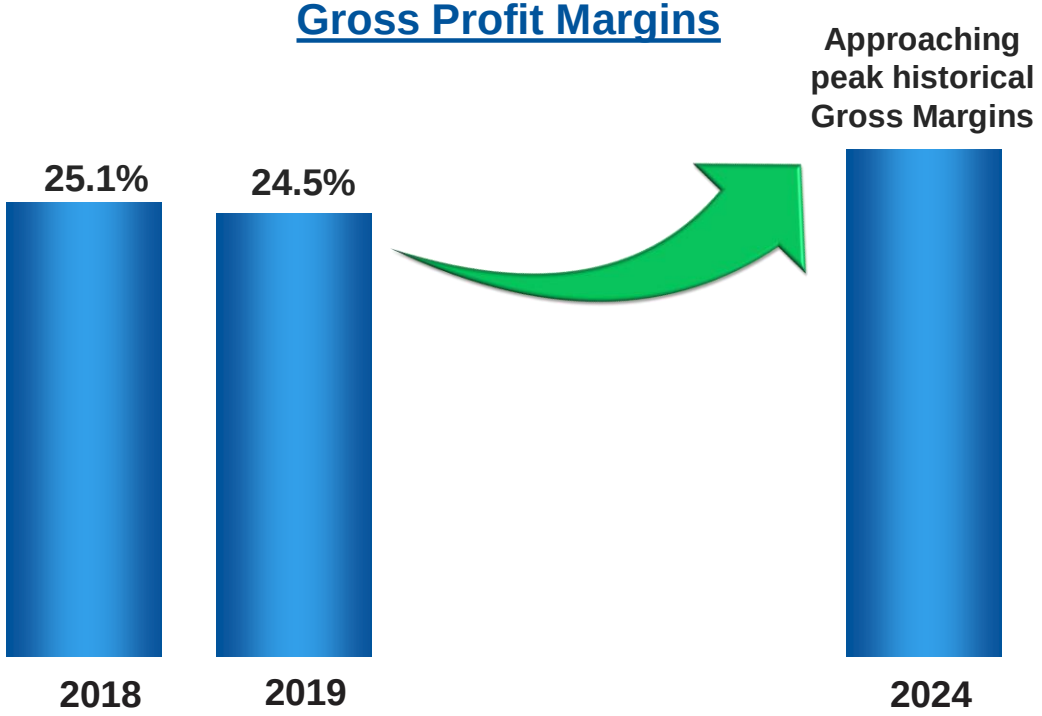
Polaris Manufacturing Network Positioned for Profitable Growth

VIP – Productivity

PERFORMANCE SUMMARY

POLARIS® VALUE IMPROVEMENT PROCESS VIP

Gross Profit Margins



2019 UPDATE

On Track to Achieve Gross Productivity Goals

- **2,770 Projects Completed in 2018 delivering $150M gross VIP. 2,600+ projects contributing to 2019.**
- **Materials: Wave 1 of Multi-Year Supply Chain Transformation Project on track to deliver Expected Savings**
- **Manufacturing: Continuing to execute Plant Network Optimization with operating and tariff mitigations. Executing Lean Productivity projects.**
- **Logistics route optimization, rate reduction and load density savings project**

Value Improvement Funds Investments while Delivering Productivity

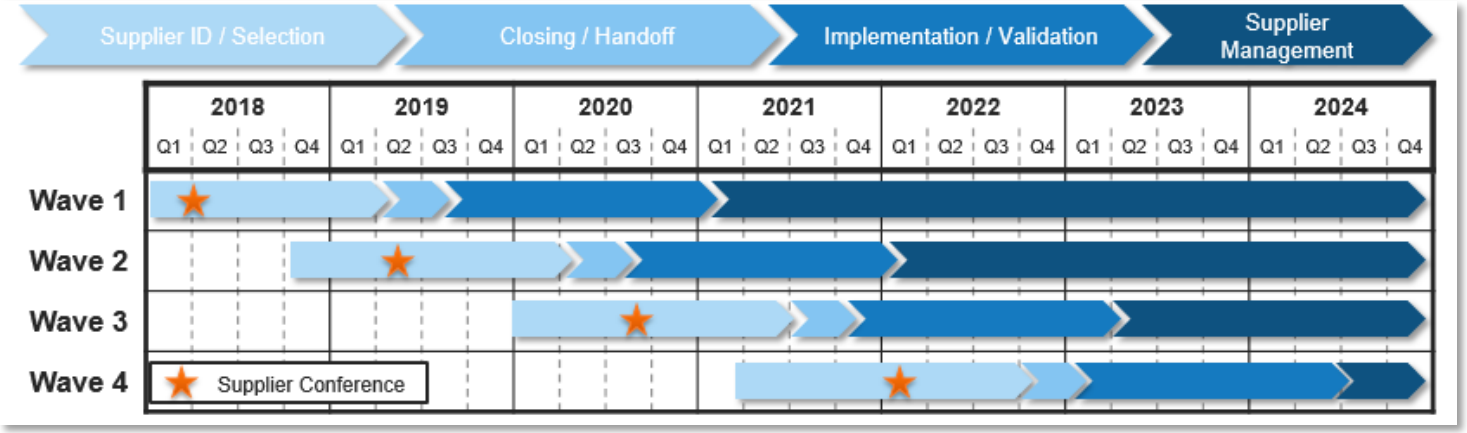
Supply Chain Transformation Program

Cost Savings Target

>$200 Million

Project Timing

Multi-Wave Multi-Year



Supplier Rationalization

30% Fewer



Improved Quality

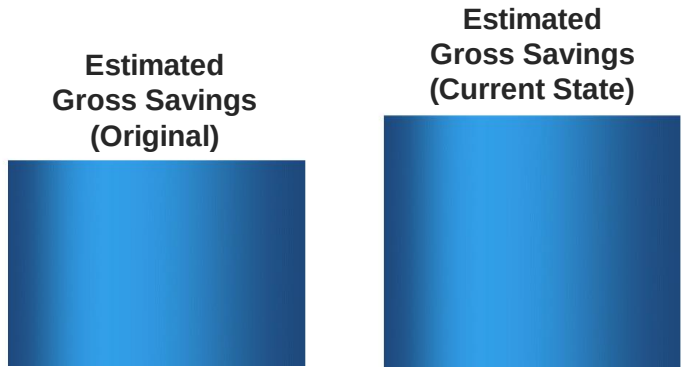
Reduced PPM Rejects

Wave 1 (of 4) Highlights

$1B Annual Spend

- ☑ Gross Savings identified exceeding expectations
- ☑ > 40% Supplier Reduction
- ☑ Quality improvements expected

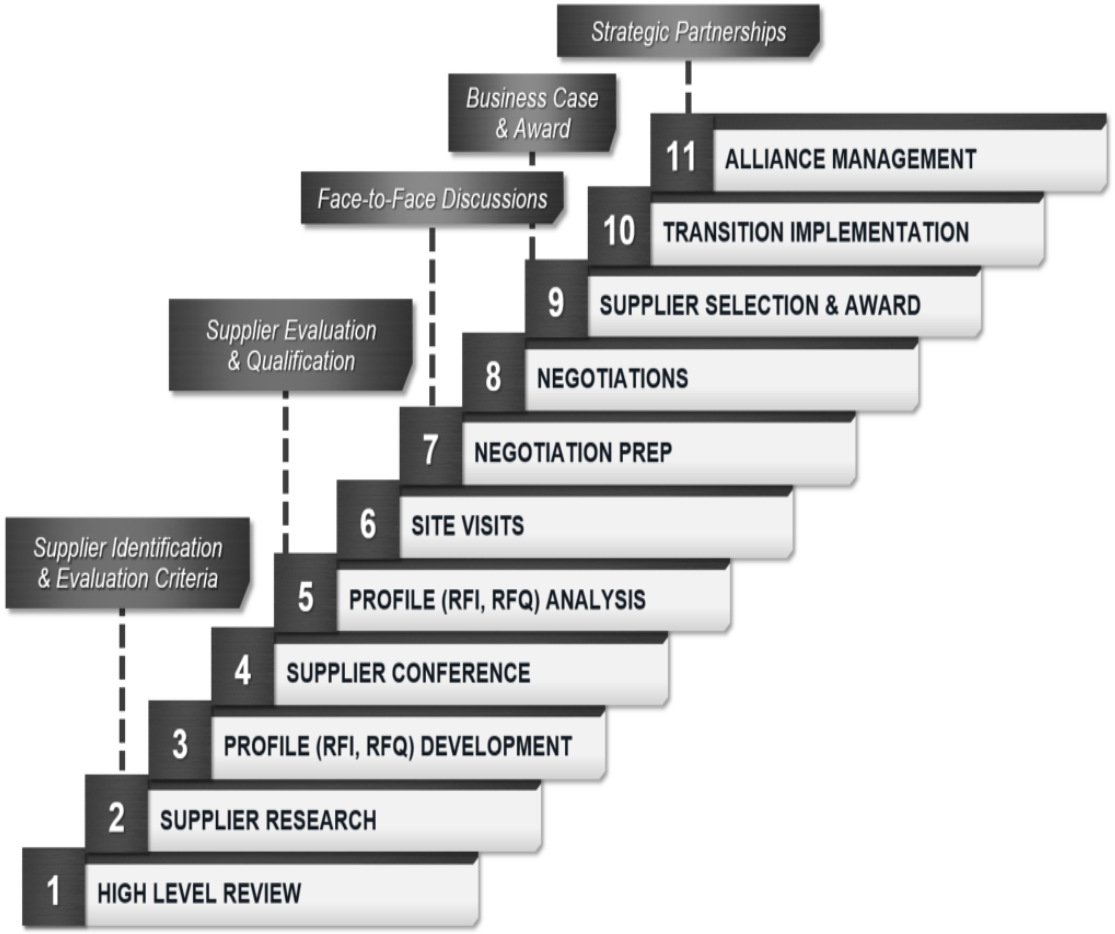
Wave 1 Run-Rate Gross Savings (Identified)



Supply Chain Transformation Program Wave 1 Tracking Ahead of Plan; Wave 2 Started

2019 Strategic Sourcing GDP

11-STEP PROCESS



64 VALUE DRIVERS

Total Cost Of Ownership
64 Negotiable Issues

1. On-time Delivery
2. Inventory Management
3. Lead Times
4. Pricing for New Products
5. Market Basket Pricing
6. Joint Marketing / Advertising
7. Quality (Specifications)
8. Technical Support
9. Training
10. Payment Terms
11. Ordering Options
12. Inbound Freight
13. IT Systems Linkage
14. Volume Requirements
15. Claims Resolution
16. Maintenance of Competitive Advantage
17. Nonperformance Remedies
18. Packaging
19. Continuous Supply Commitment
20. Buyback / Return Program
21. New Product Beta Testing Rights
22. Elimination or Reduction of Surcharges
23. Price Protection Period
24. Exchange Rates, Customs and Duty
25. Conflicts of Interest
26. Supplier Performance Measures
27. Transition Plans
28. Joint Investments (Capex)
29. Kaizen & Lean Initiatives
30. Tooling
31. Demurrage
32. Letters of Credit
33. Concurrent & Value Engineering
34. Field Support
35. Penalty Clauses
36. Routing Optimization
37. Computer Hardware and Software
38. Volume Rebates
39. Outbound Freight
40. Scheduling / Vendor Capacity
41. Warranties
42. Substitutes (Alt. Materials)
43. Force Majeure
44. Parts Program
45. Installation (First Pass Yield)
46. Title / Ownership Transfer
47. Cost Reduction Programs
48. Allocation During Shortages
49. Index Pricing / Hedging
50. Emergency Orders
51. Billing Procedures
52. Alliance Meetings
53. Incoming Inspection
54. Union Strike Contingencies
55. Length of Agreement
56. Loading Times and Schedules
57. Paperwork Reduction
58. Purchase Order Terms
59. Contract Cancellation
60. Licenses and Permits
61. Escalation Costs
62. Deviation Acceptance
63. Corrective Action Response
64. Pricing

Note: Gibson Model

Leveraging Rigorous Process to Realize Improved Total Cost of Ownership

Operations Strategy Highlights

Continue to deliver strong **Workplace Safety** performance

Continuously improve **Product Quality**

Drive **Cost Productivity** through Value Improvement Program and Supply Chain Transformation

Execute strong **On-Time Shipment Delivery** of RFM and Factory Choice

Effective execution of **New Product Launches** across all products



On Track to Deliver or Exceed Expectations

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QUESTIONS?

KEN PUCEL

EVP – Global Ops, Engineering, & Lean

July 29, 2019

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PAM KERMISCH

Chief Customer Engagement and Growth Officer

July 29, 2019

POLARIS

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

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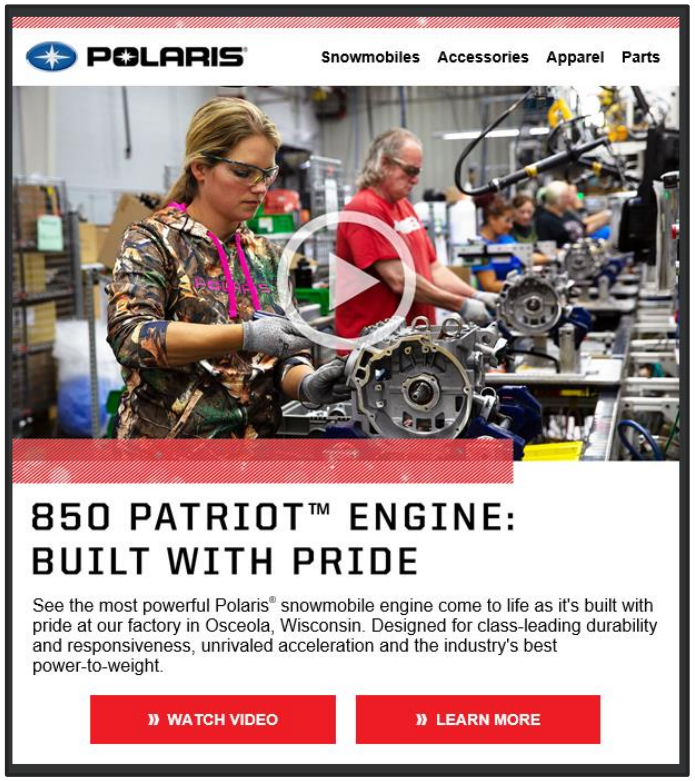
CUSTOMER CENTRIC

NEW OWNER COMMUNICATION

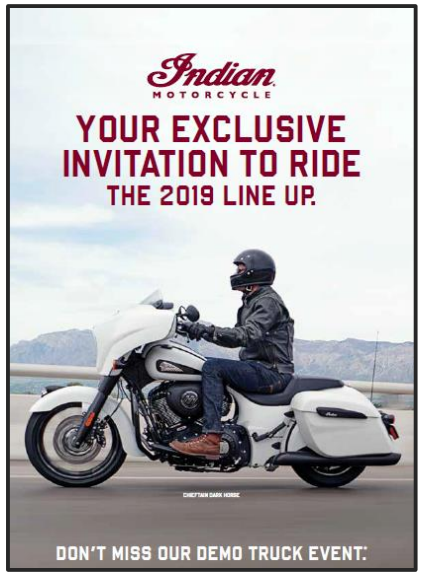


ACTIVE OWNER COMMUNICATION





LEAD COMMUNICATION

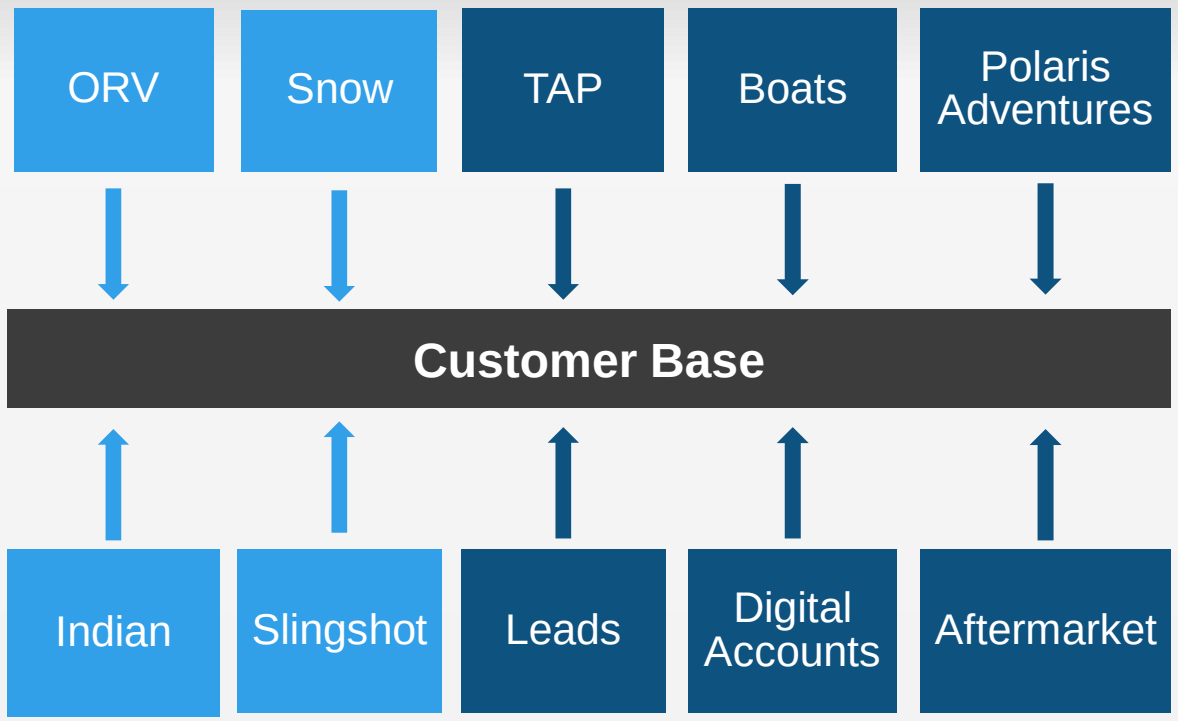




Understand Our Customers, Leverage Personalization to Deliver Relevance

CUSTOMER CENTRIC, HIGHLY EFFICIENT

CUSTOMER VISIBILITY ACROSS ENTIRE ORGANIZATION



INSIGHTS

90% Only Bought One Brand

5-year Average Spending on ORV

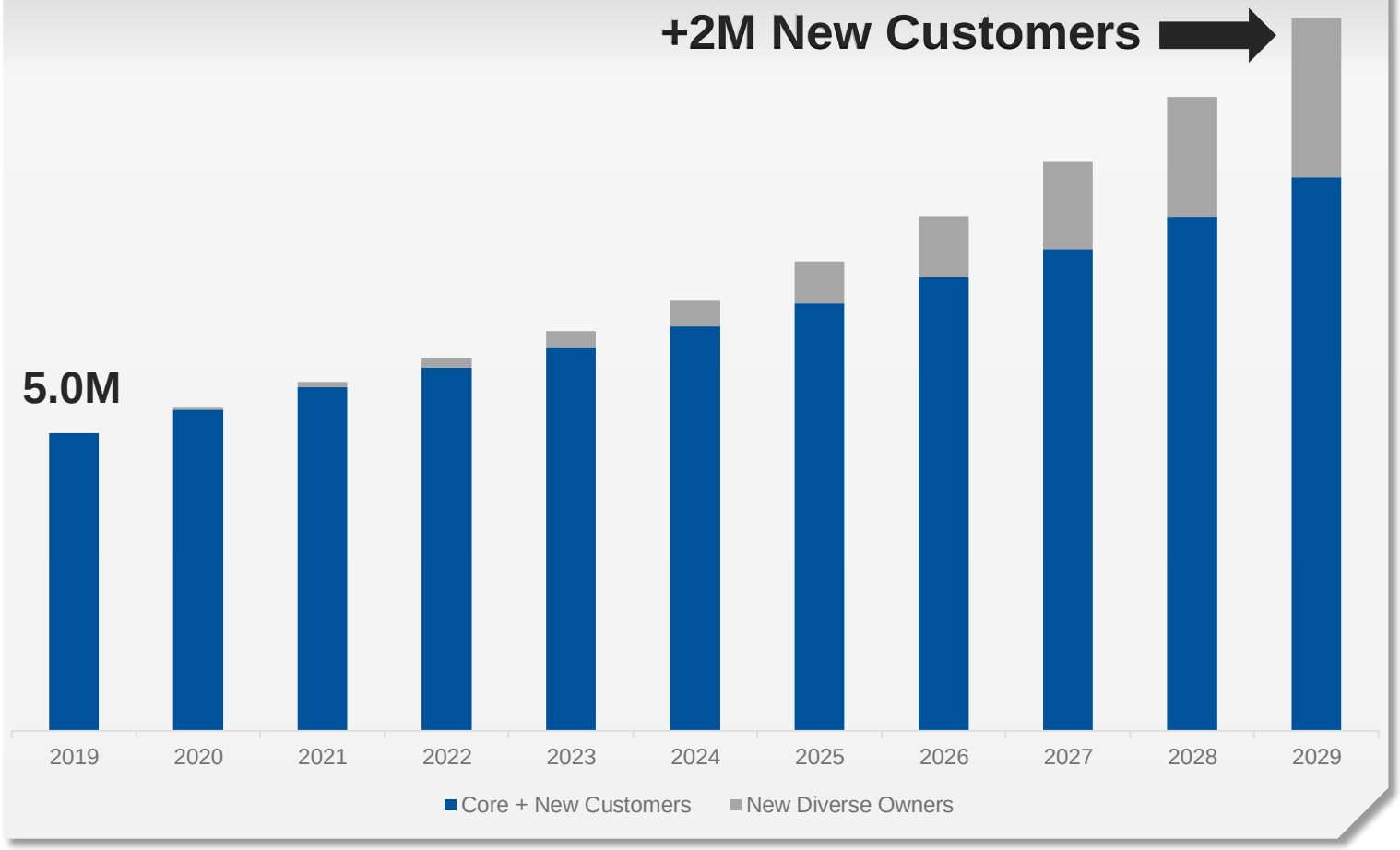
ORV + On-Road	**+100%**	vs. ORV only
ORV + TAP	**+75%**	vs. ORV only
ORV + Boat	**+60%**	vs. ORV only

The Enterprise View Provides New Insights and Real Benefit

CUSTOMER CENTRIC, HIGHLY EFFICIENT GROWTH COMPANY



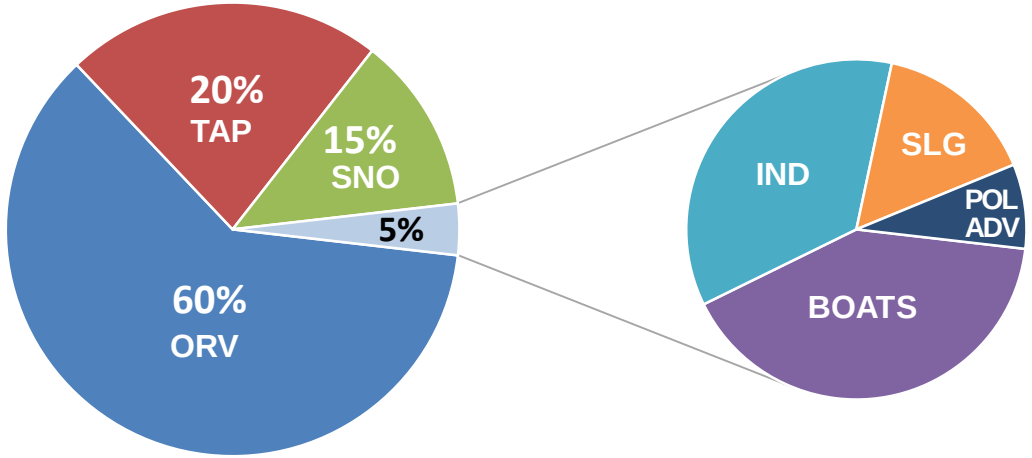
POLARIS CUSTOMER BASE



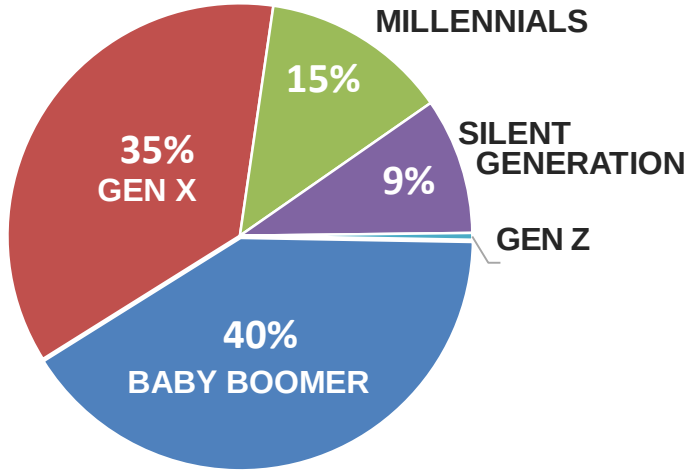
Lead Industry by Driving the Future of Powersports

CURRENT STATE – ALL POLARIS

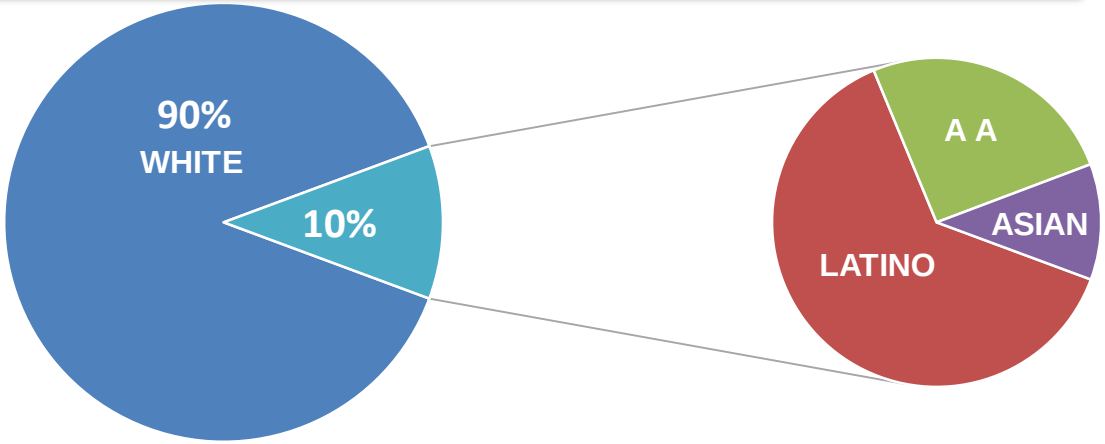
POLARIS (NA) OWNER BASE



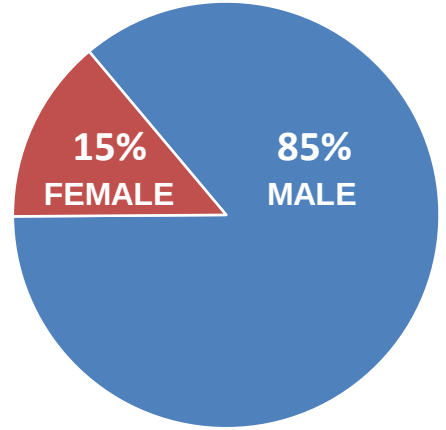
GENERATION



ETHNICITY



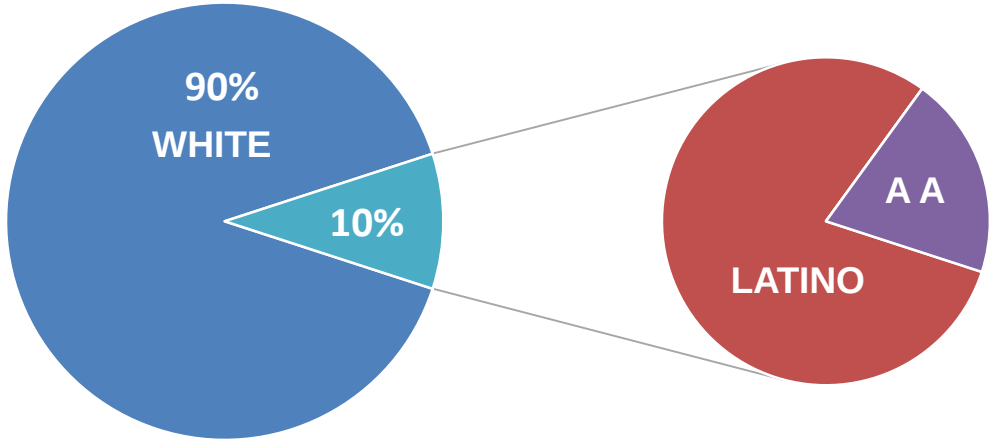
GENDER

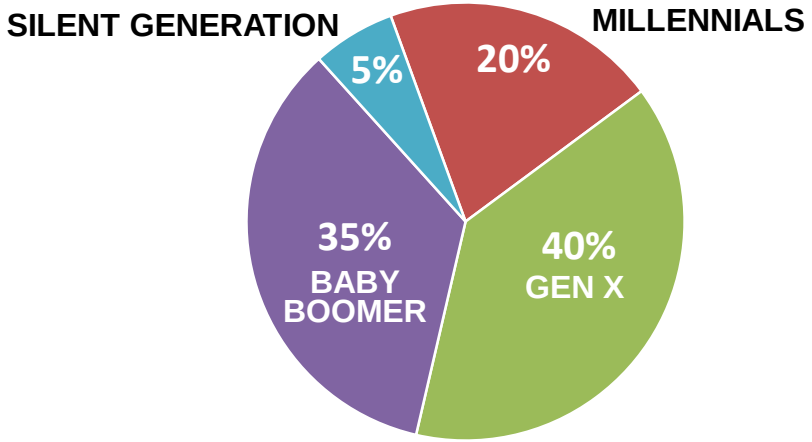


Diversity is an Opportunity to Grow Our Owner Base

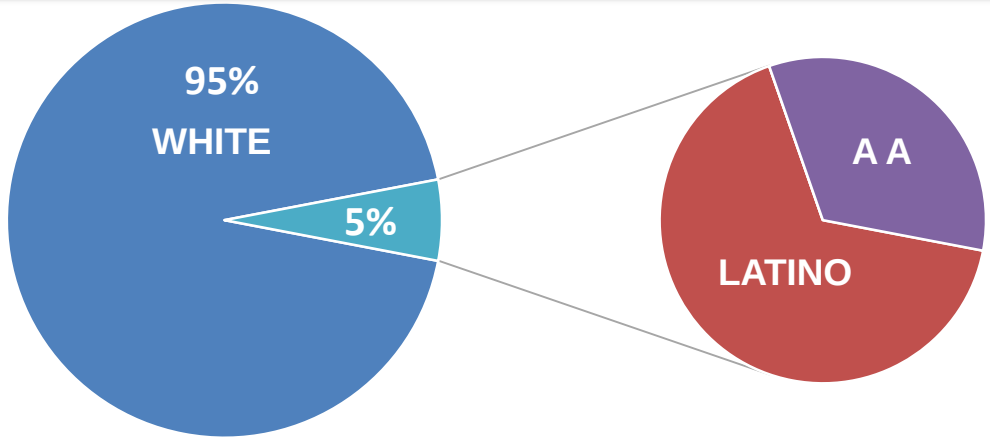
THE OPPORTUNITY - ORV

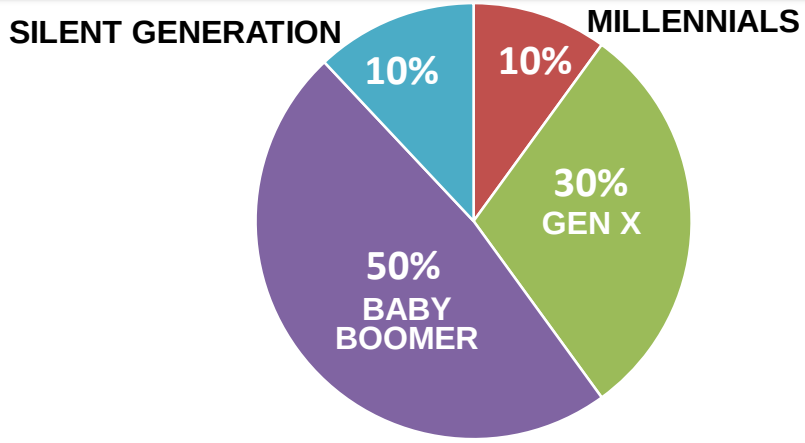
RZR (NA)





RANGER (NA)

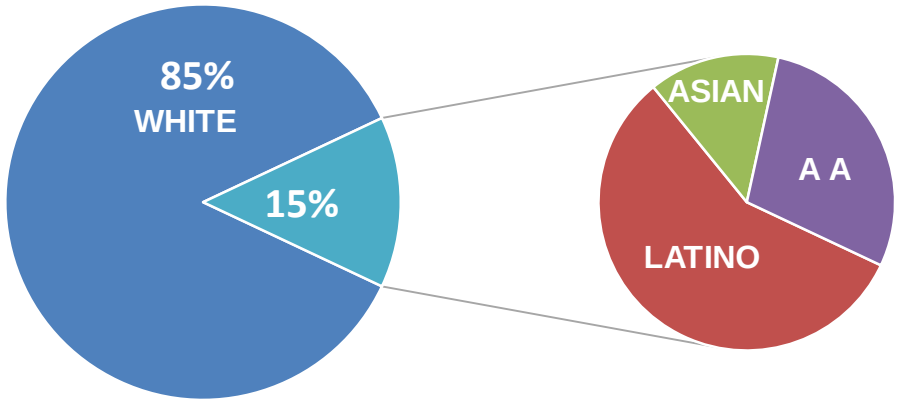


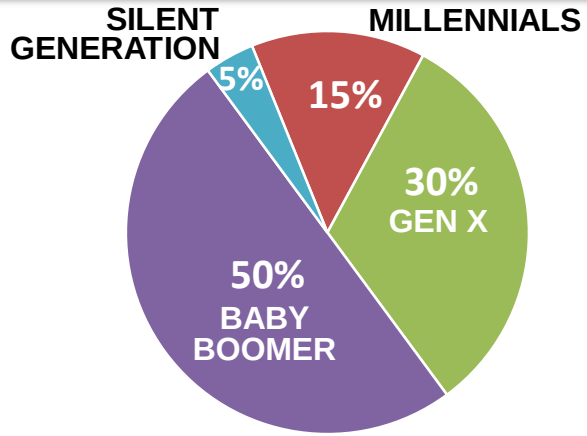


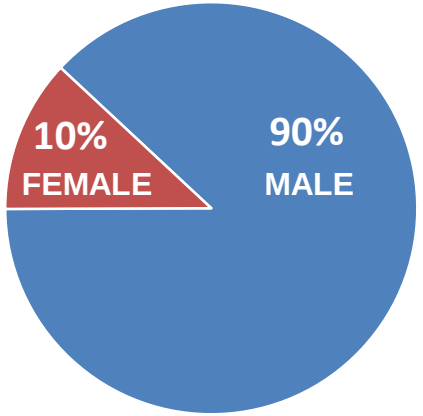
Our Largest Business Has Significant Growth Opportunity

THE OPPORTUNITY

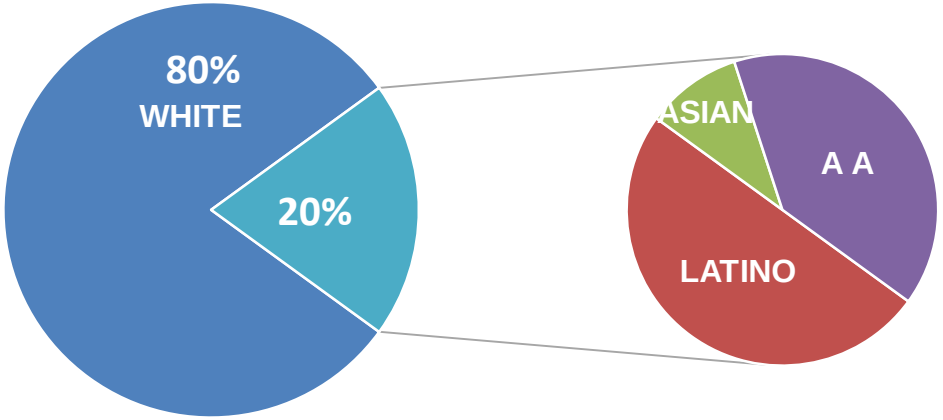
INDIAN MOTORCYCLE (NA)



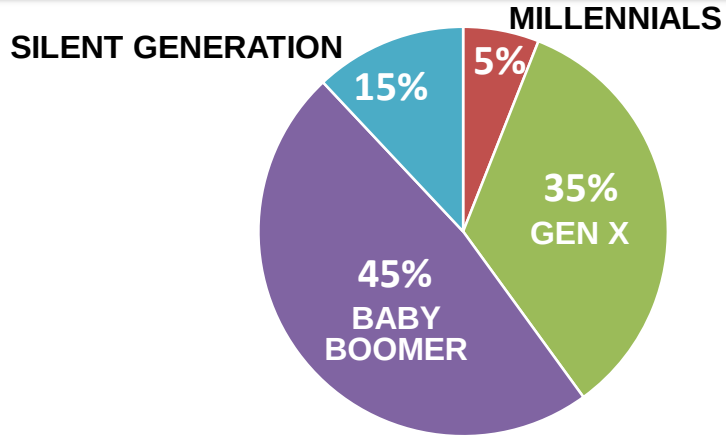




SLINGSHOT



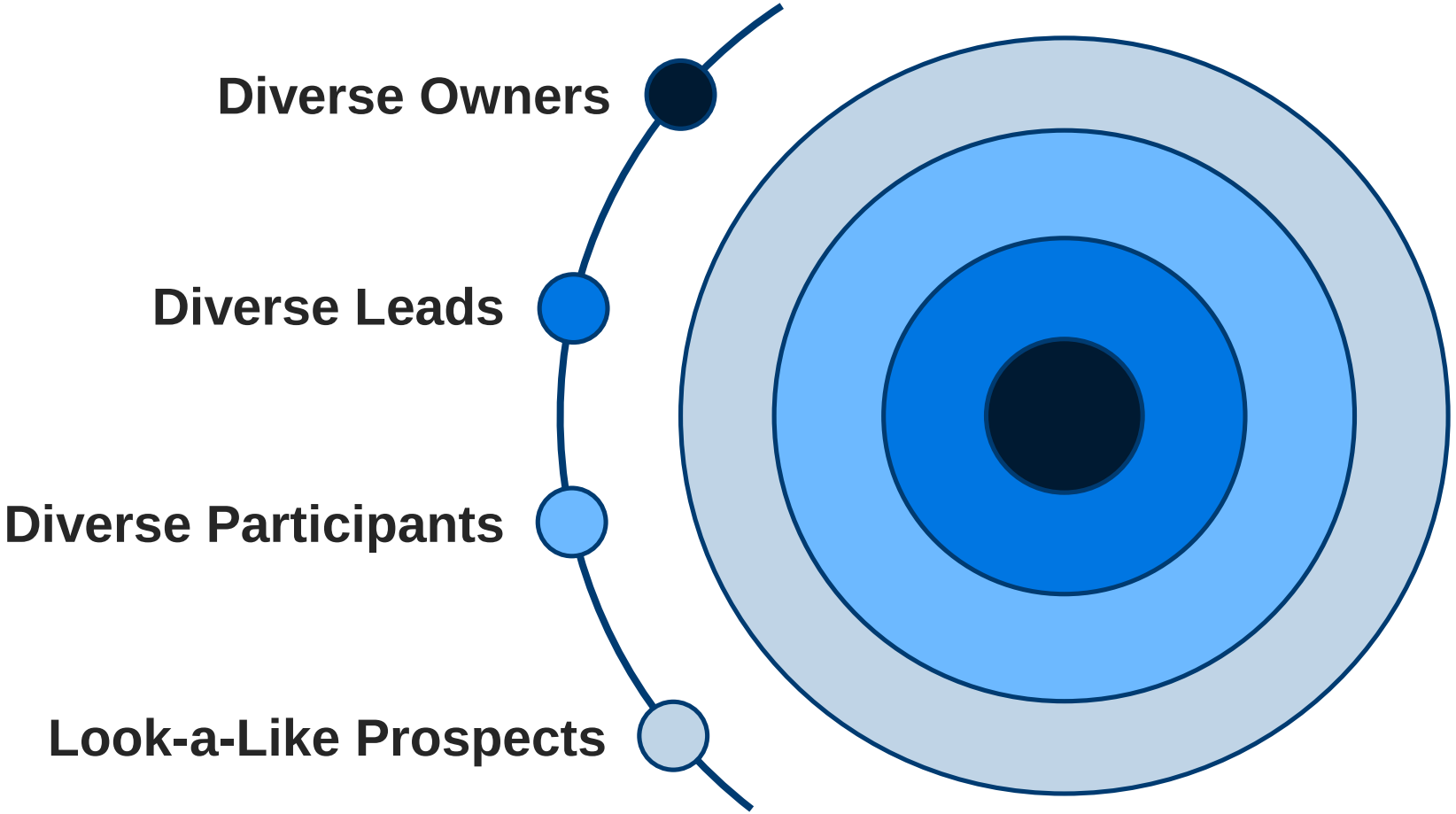
SNOW



Focus on the Best Opportunity for Each Business

GO TO MARKET APPROACH

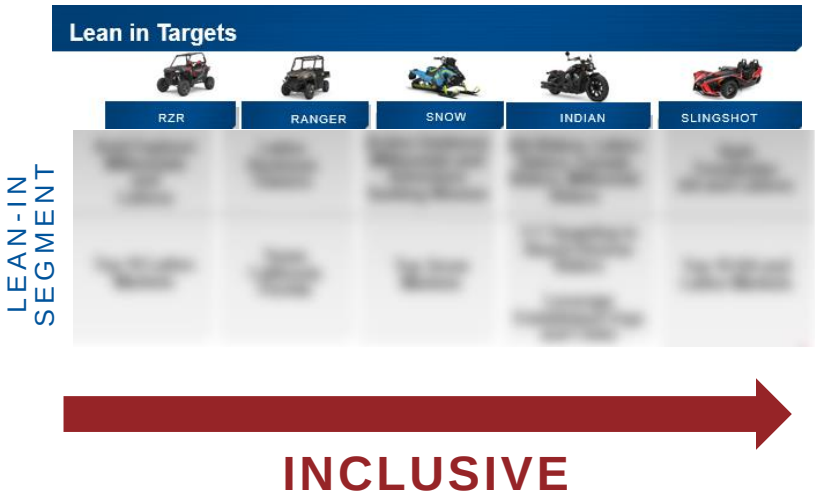




Focused Approach to Broaden Customer Base

BUILDING AWARENESS WITH THE RIGHT PEOPLE

RIGHT TARGETS FOR EACH BRAND



BE WHERE THEY ARE





STATE FAIR OF TEXAS

42d NATIONAL BIKERS ROUNDUP 2019
July 30th - Aug 4th

ESSENCE
THE ROOT
HIPLATINA
mitú
HYPEBEAST
BLAVITY
BET
UNIVISION
Latina
BALLER ALERT
REMEZCLA
PERO LIKE



NCAT Latino Farmer Conference

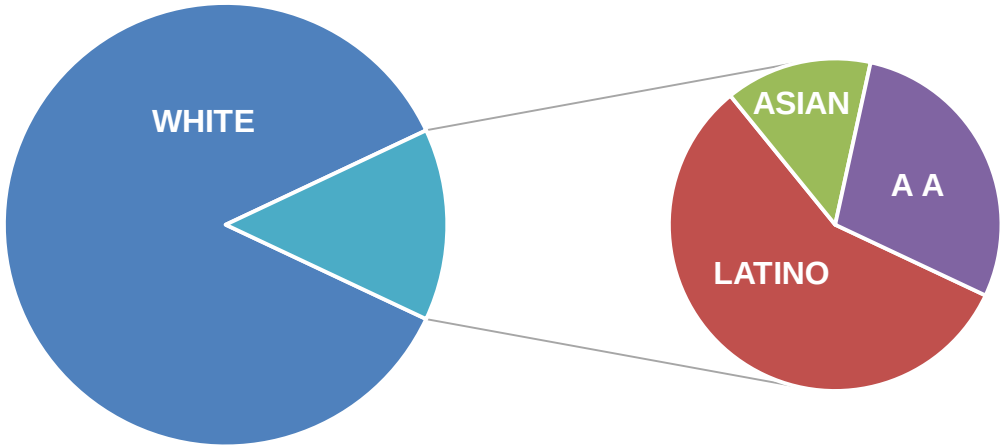
RELEVANT MESSAGING



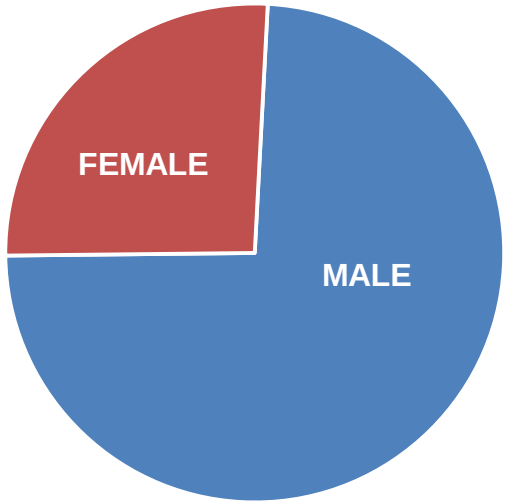
Familiar Play, With New Audiences

POLARIS ADVENTURES DELIVERS A NEW EXPERIENCE

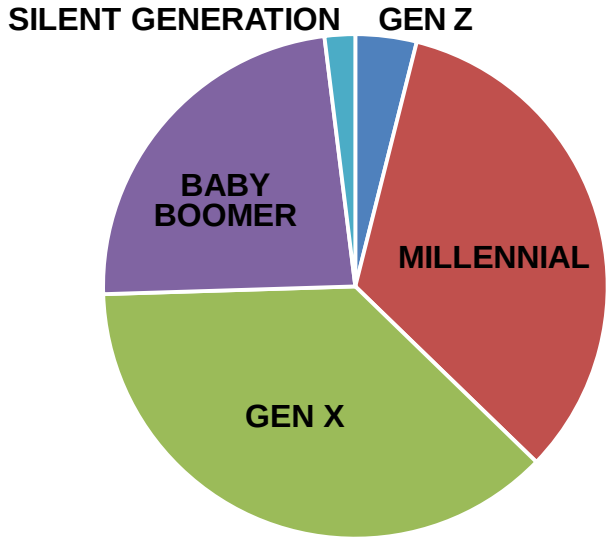
+25% MULTICULTURAL*



+85% WOMEN*



+150% MILLENNIALS*



Will Expand Reach to New Customers Through Proximity to Urban Locations

* Based on Polaris Adventures' customer mix vs. current Polaris ownership mix

Polaris Adventures is Bringing New Customers to Powersports

ENTERPRISE WIDE EFFORT

PRODUCT DEVELOPMENT

Solving Needs and Wants for New Targets

POLARIS®
ADVANCED TECHNOLOGY & VISIONEERING

PRODUCT RESEARCH

Engaging Different Customers for Feedback





MARKETING

Inclusion in Core Marketing Efforts



Recognize and Value New Targets in Business Plans

NEW POLARIS BRANDING

POLARIS

Think Outside











Expanding Beyond the Borders of Powersports

POLARIS

ANALYST / INVESTOR MEETING

QUESTIONS?

PAM KERMISCH

Chief Customer Engagement and Growth Officer

July 29, 2019

POLARIS

ANALYST / INVESTOR MEETING



STEVE MENNETO

President – Motorcycles

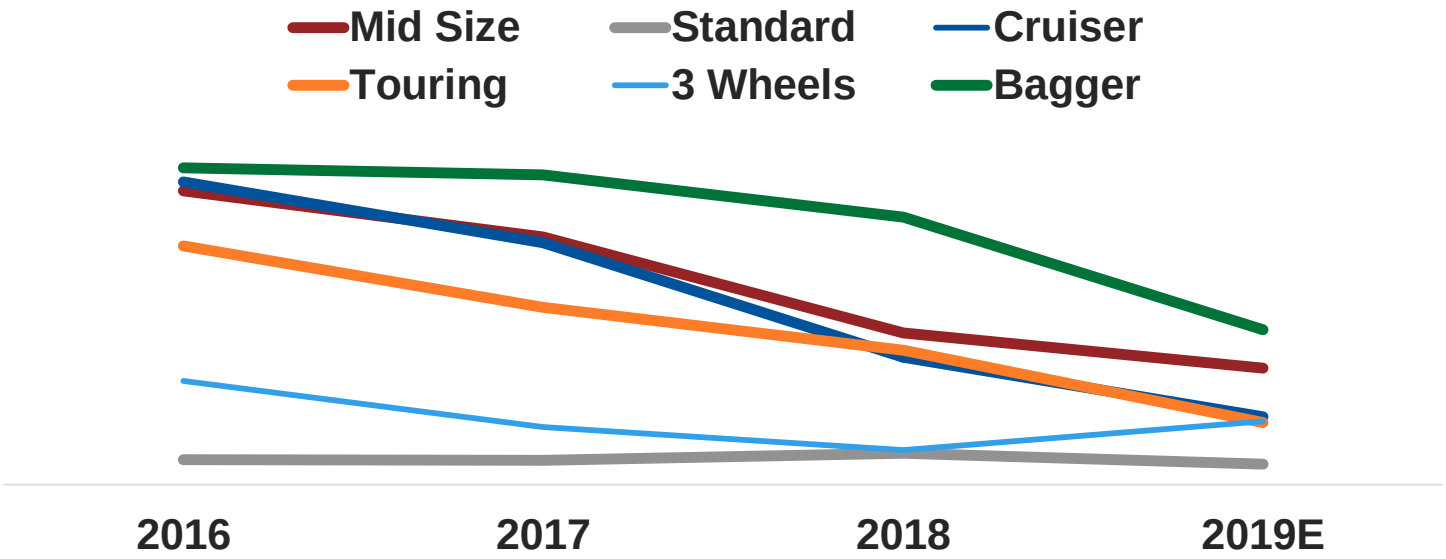
July 29, 2019

2019 N.A. 900+cc Industry

2019 N.A. Industry Retail YTD



Industry Retail Trends



YTD Trends:

2019 N.A. 900+ cc Industry down mid-single digits YTD

Mid – Size & Standard Industry down mid-single digits YTD

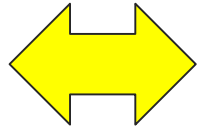
Cruiser & Touring Industry down double digits YTD

Bagger down low-single digits YTD

3 wheeled up significantly YTD (Ryker)

2019 YTD Industry Down in Most Segments

2019 N.A. 900+cc Competitive Summary

Rank	Manufacturer	Strategy	Share Trend
1	Harley	Increased Promotions, Aggressive Financing, New Low MSRP Models Focusing on Touring & Sportster Huge Installed Owner Base – Targeted Offers	
2	Indian	American Heritage, Edgier Models, Expanding Customer Base Introduction into Standard Segment (FTR) High Owner Satisfaction - #1 NPS (MIC)	
3	Metrics	Aggressive Promotions / Rebates, New Products in Lower cc Market Breadth of Distribution Bases	
4	Euros	Historical Brands, New Products Increased Promotions – Specifically Financing	

Indian Motorcycle Share Growth Every Year Since Launch

Slingshot Business

We didn't get it right, at first:

Brand – Launched as a "Performance" brand, only 10% of owners/prospects interested in performance, 90% interested in "Fun" lifestyle

Distribution – 50% of the 400 dealers are off road dealers, quality issues caused Slingshot to be treated as a short line in dealership

Product – Fit & Finish, lack of storage space, quality(36 recalls in 4 years)



Seeing in-person is the #1 Way People Learn About SS (owners driving by, events & displays)

Slingshot Consumer Feedback

Interviewed 1500 consumers that test drove a Slingshot but didn't buy

Price/Value Proposition

On-Board Storage Space

Purchased Different Large Ticket Item

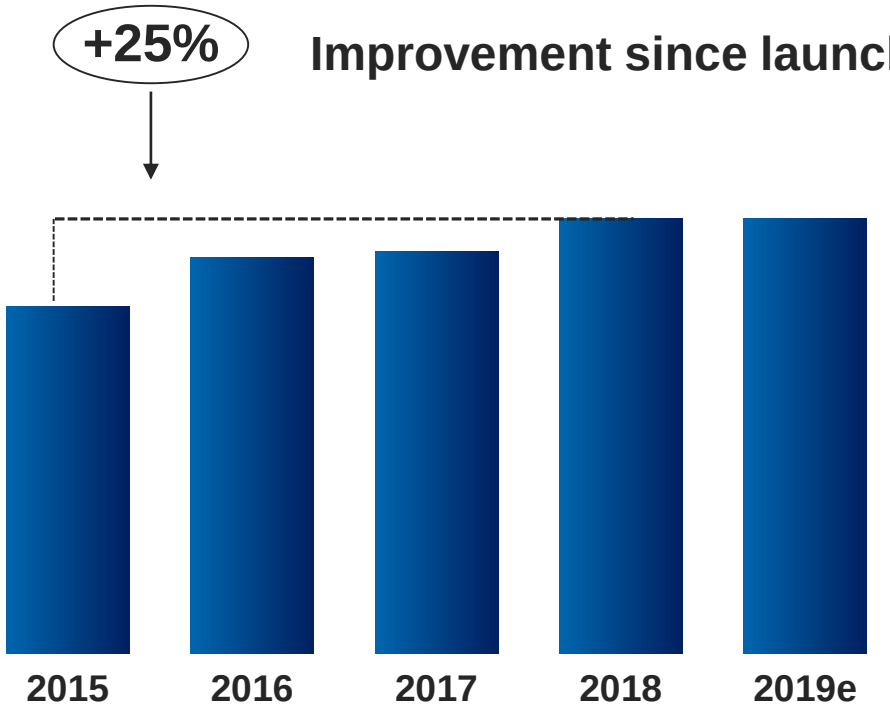




POLARIS ADVENTURES℠

Product Improvement All Captured in New Models

Slingshot NPS Scores





Customers that Own a Slingshot "Love It"

Slingshot Video



Slingshot Dealer Feedback

Brand	Product	Distribution	Experience

Understand the Customer – 2 distinct customers, different experiences with fun – both **love the attention**

Showcasing & Customization – People come to dealerships having seen one "in the wild" – Wheels, LED, Sound, Paint, Wraps **– Dealers answer this with the energy around Slingshot!**

Demo rides – **"Share the experience" –** critical to enable people to not just ride in one in a straight, boring line, but to experience all Sling has to offer – including how cool they look in it, how other people react. **Plan routes accordingly**



Passionate ambassadors, local demand creation – **Energized dealers sell Slingshots!** We need transformational change here, and only need **a series of pretty easy, small steps to make it happen**

Access (financing, rentals, adventures, new business models) – We need to explore new avenues for Slingshot experiences

Our Best Dealers Consistently Execute These 5 Strategies

Slingshot Role model, success story



34 • April 5, 2019 • Powersports Business | POWER 50 | www.PowersportsBusiness.com

Slingshot fading? Not so fast at this dealership

Alamo Cycle Plex partners with group to set record for Slingshot parade in Texas Hill Country

BY ABBY LARSON
STAFF REPORTER

What better way to generate excitement for a brand than attempting to break a world record?

Spring is right around the corner and Alamo Cycle Plex in San Antonio, Texas, is already planning ahead—and setting lofty goals for the new season. This April, the 2018 *Powersports Business* Power 50 dealership will partner with the Slingshot Roadsters, an event organization group comprised of Slingshot owners, during their third annual parade to get Slingshot owners together and out on the roads. The event, called Slingshots in the Texas Hill Country, takes place April 17-21 in Kerrville, Texas. The Slingshot Roadsters host multiple events annually across America to bring together Polaris Slingshot owners in organized rides.

After an attempt last year to break the Guinness World Record for the most "motorcycles" in a line, the Slingshot Roadsters are making the attempt again next month. This year's attempt will happen during two separate rides; one during the Texas Hill Country parade, and the other during the ride in Maggie Valley in North Carolina. Slingshot owners in either ride will compete for the coveted world record for the longest parade of Polaris Slingshots.

With every event that the Slingshot Roadsters put together across the country, they designate one dealership in the area to serve as the host dealership. Alamo Cycle Plex was named the host dealership for the upcoming event in Texas.

The Powersports Business Power 50 dealership has been hard at work driving interest to the burgeoning Slingshot market.

Word of mouth has been one strategy of many employed by Alamo Cycle Plex to drive interest to the Slingshot market.

Since putting more focus on the Slingshot displays, the dealership is expecting to sell anywhere between a 50-60 units during the calendar year.

est to the Slingshot demographic," he told *Powersports Business*. "Just a few weeks ago we held an event where we had about 25 units come out, so we're really creating a lot of

and the Slingshot market, it was only natural that the dealership showcases its interest in Slingshots on the show floor. "Up until recently, our showroom had two Slingshots that were

Plex are simple. "I'm planning to bring out a few vehicles for attendees to check out, and if they have any questions about buying new vehicles we'll be on site to help with that and

What did Dave do?

1) Moved from 2 Slingshots tucked in the corner, gathering dust to 6 slingshots as centerpieces, 2 set up with LED lights to catch the eye
2) Create energy around the units themselves with sales staff – Make them "Cool" to customers
3) Host Demos at local events
4) Started a Slingshot Owners Group (SOG)
5) Brings SOG to dealership 1x/ month (Hang out, go for a ride, then a group dinner)

And then….

Went from 1 sale every few months to 3-4 sales/ month!!

Accelerating Best Practices – On The Right Path to Success

Slingshot Lifestyle













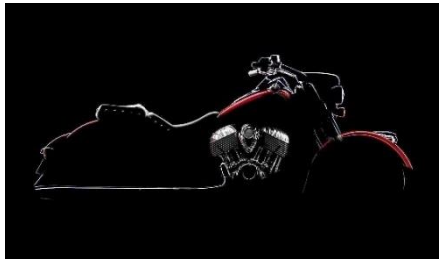
The Key Driver to Slingshot Future Success!

Indian Motorcycle History

2011: PII Purchases Brand



2013: Chief Platform Launch



2015: Roadmaster



2016: FTR 750 Reveal



2019: FTR 1200 Launch



2013: Thunder Stroke 111 Launch



2014: Scout Launch



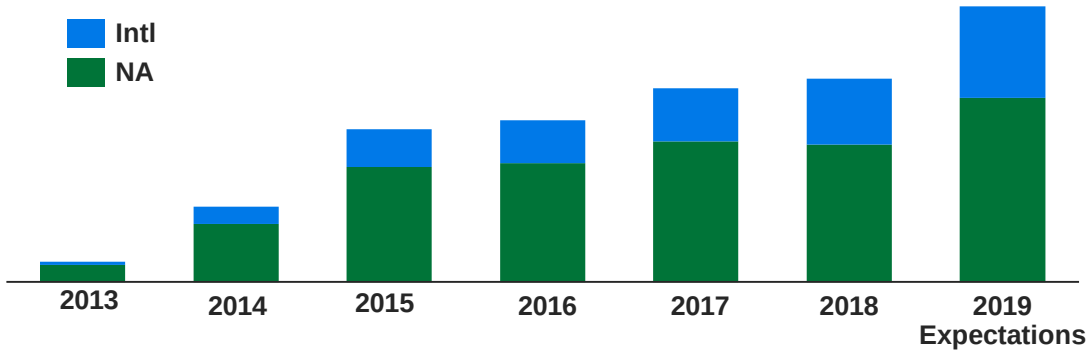
2017: Scout Bobber



2018: 2nd Straight AFT Championship



<u>At Launch:</u>
1 Platform
3 Models
< 5% Market Share

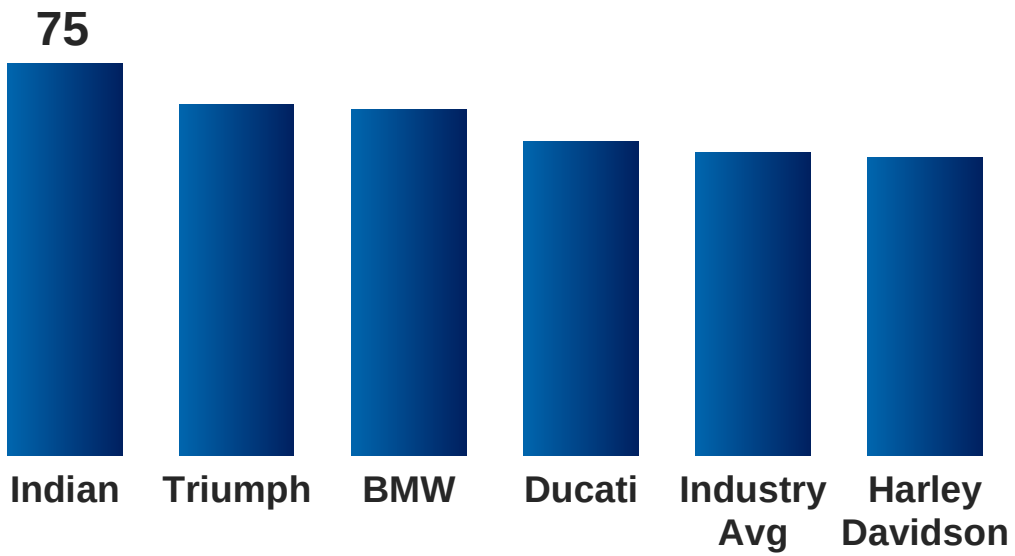


<u>Today:</u>
4 Platforms
24 Models
10% Market Share

Driving Global Growth – Brand, Product, Distribution

Indian Customer Experience Results

N.A. Brand Net Promoter Score (NPS) Standings





Customer Centric Strategy is Driving a Better Customer Experience

Indian Motorcycle Brand













Building Our Brand in Creative Ways

Indian Motorcycle Brand









2017 AFT Champions



2018 AFT Champions

Value beyond Winning Races

2017 AFT metrics:
- 89 M Impressions
- **$4.4M Ad Value**
- 322 digital/print placements

2018 AFT metrics:
- 102M Impressions
- **$5 M Ad Value**
- 309 digital/print placements

Racing Contributes Significantly to Indian Motorcycle Brand Equity

Indian Motorcycle Brand









Grand Opening July 23rd, 2019

Partnership with Jack Daniels to open an Indian apparel store

Rental Location

Located in Lynchburg, TN

Prominent Message:
“Bottles & Throttles Don’t Mix”

Expanding Our Brand Beyond Vehicles

Indian Scout – 100th Anniversary



1920 Scout



2020 Scout

Highest Market Share Segment for Indian Motorcycle Globally

Expanding our PGA Offerings









<u>Scout Accessories</u>:

Performance Exhaust

Saddle Bags

Scout Fairing

Accessories that Enhance the Style of Scout

Expanding our Motorcycle Dealer Network



Dealer Count	North America	International
Indian MOTORCYCLE	~200	~200
SLINGSHOT	~375	N/A

Developing The Right Distribution for Profitable Growth & the Desired Customer Experience

Motorcycle Operations



Spirit Lake, IA



Opole, Poland



Huntsville, AL

Stable, Consistent Quality

Better processes, Cost Down through Lean

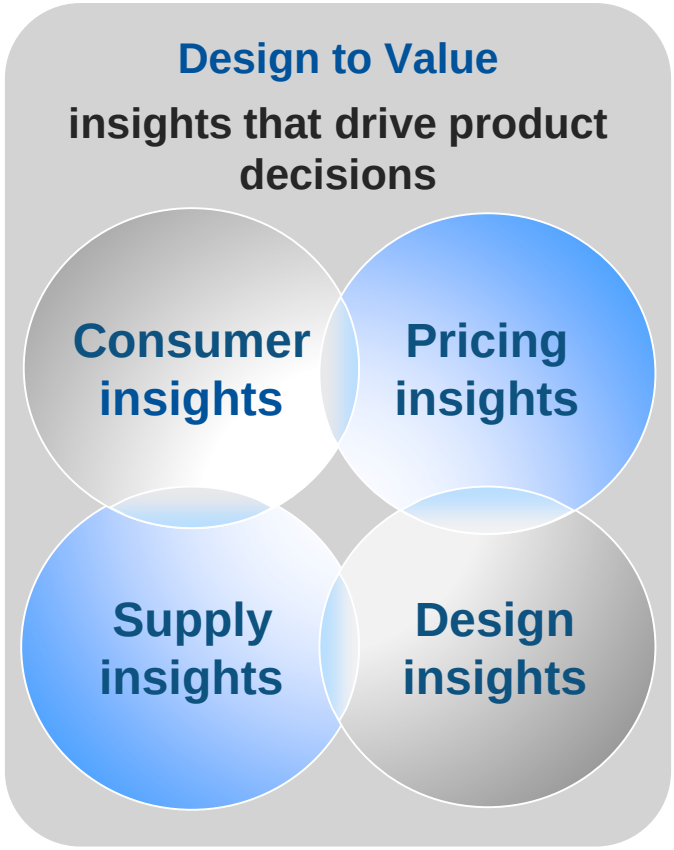
Global Footprint to Support Growth

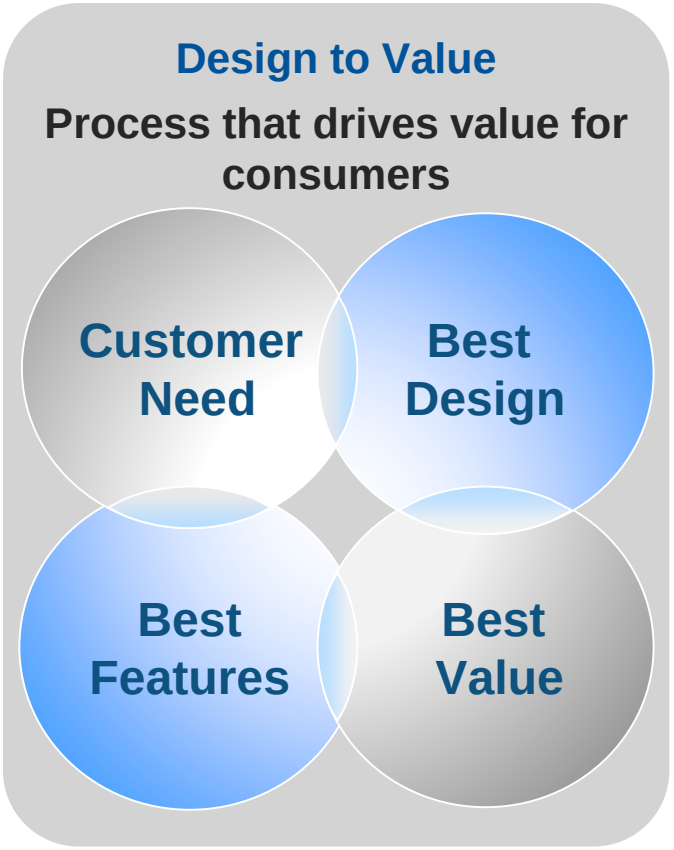
Improving Quality & Margins

Motorcycle Profitability

Profitability Drivers:

- **Aggressive Product Plan**
- **Robust PGA Business**
- **Leverage Growing Scale**
- ***Design to Value (DTV) Processes***
- **Integrate Suppliers in Margin Expansion**
- **Lean Tools & Standard Work**





Relentless Focus on Motorcycle Profitability

POLARIS

ANALYST / INVESTOR MEETING

QUESTIONS?

STEVE MENNETO

President – Motorcycles

July 29, 2019

POLARIS

ANALYST / INVESTOR MEETING



MIKE DOUGHERTY

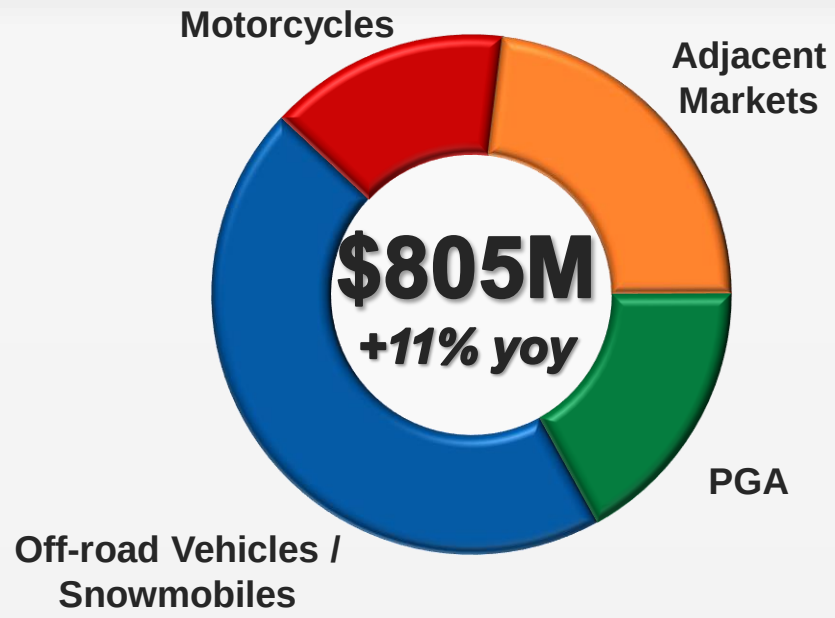
President – International

July 29, 2019

POLARIS INTERNATIONAL

1989	1st International Subsidiary
~3,000	Employees Outside USA
14	International Subsidiaries
6	Manufacturing Locations
2	Key Research & Development Centers
~1,400	Dealers Outside North America
>120	Countries – Polaris Products Sold
>60,000	Units Shipped in 2018

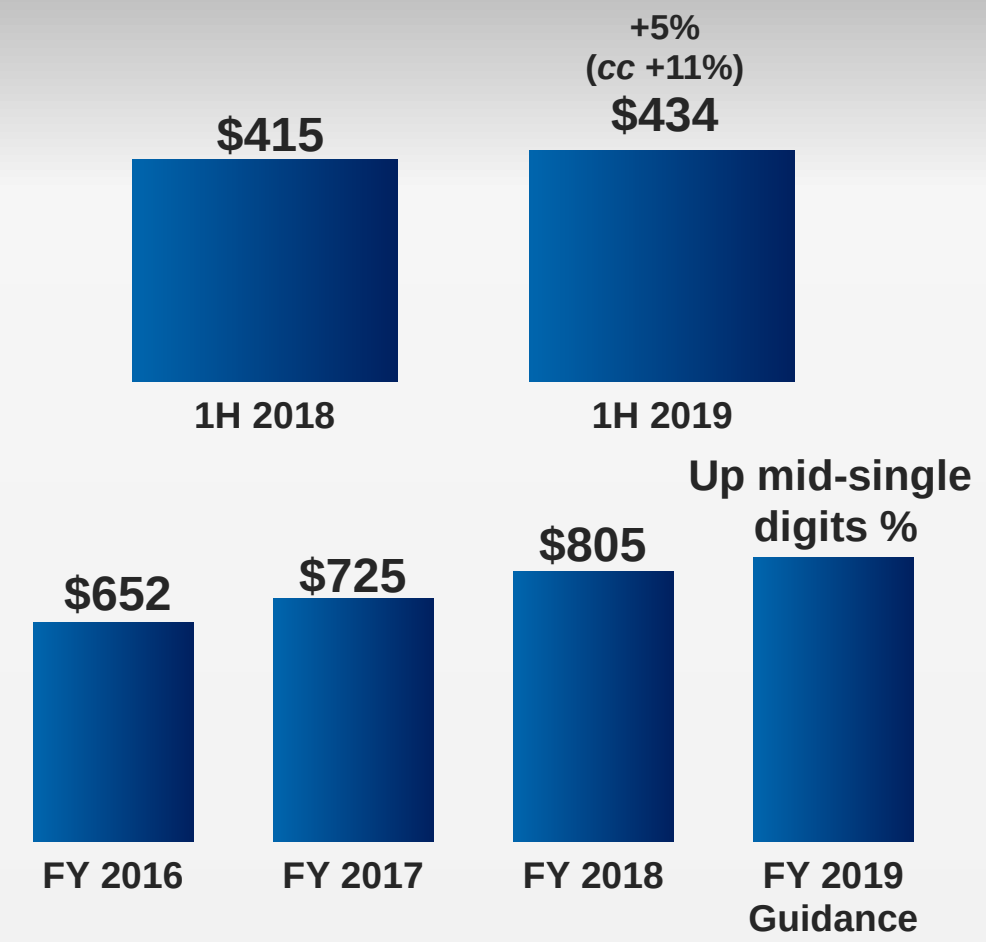
2018 SALES BY SEGMENT



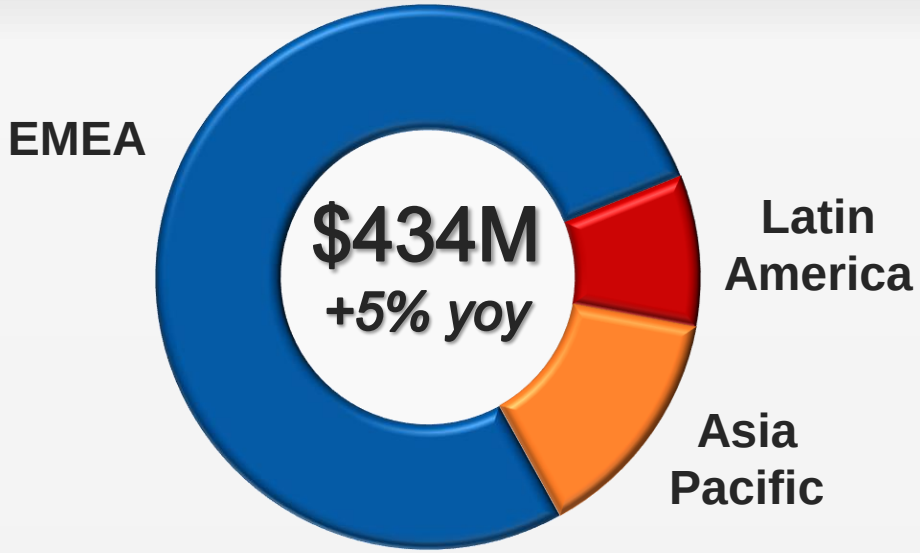
$800M+ Revenue in 2018

International Revenue Growth

INTERNATIONAL REVENUE ($M)



1H REVENUE BY REGION

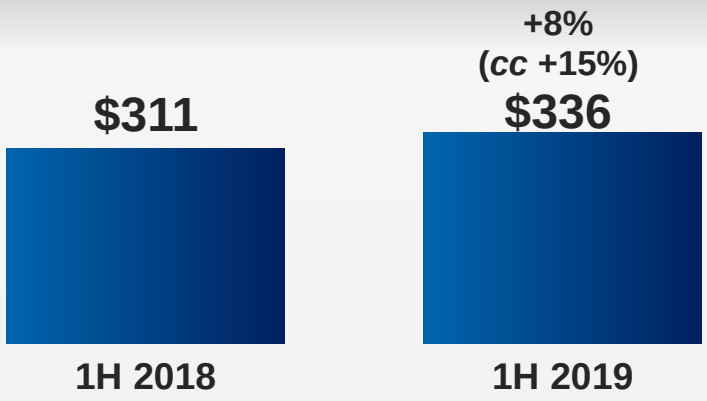


cc = constant currency

Building a $1B+ Business

EMEA YTD

REVENUE ($M)



KEY INITIATIVES

Continue to win and strengthen fundamentals

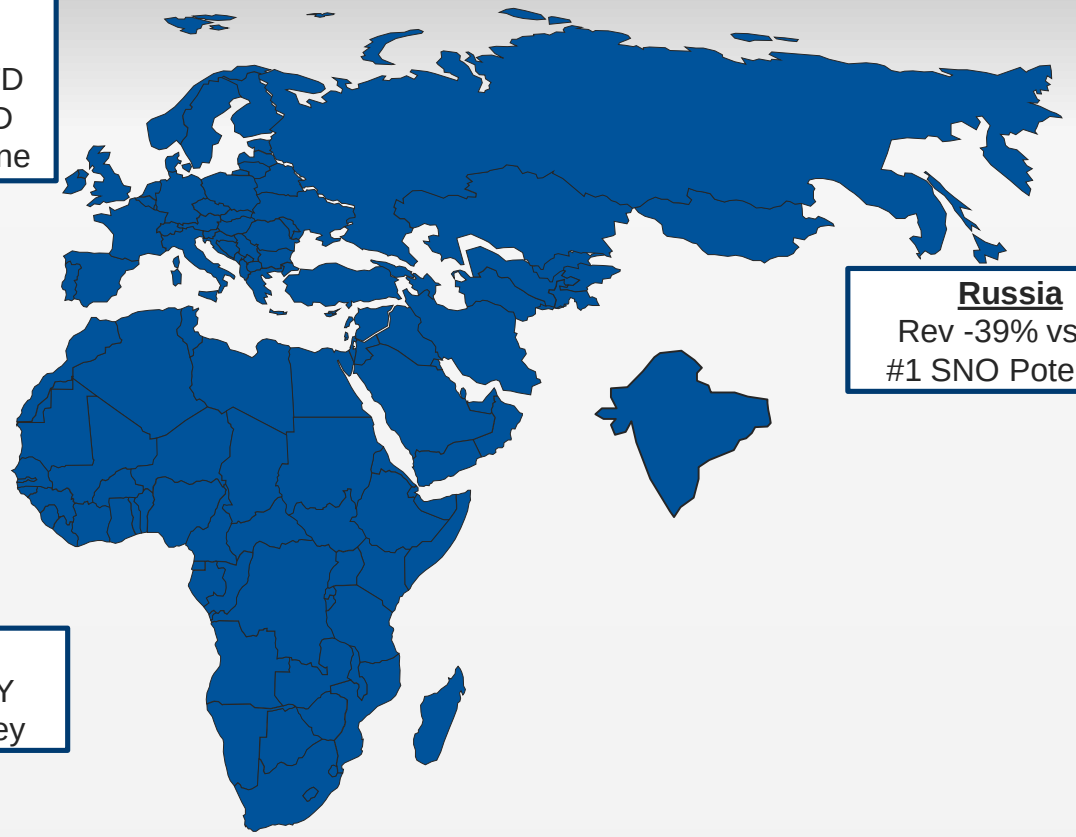
ORV Leadership & Profitability

Maximize Snow potential in Nordic & Russia

Indian Growth and Transformation

REGIONAL PERFORMANCE

EU
Indian +38% YTD
MC Market Down YTD
ORV Market Up YTD
MC Rev > ORV in June



Russia
Rev -39% vs LY
#1 SNO Potential

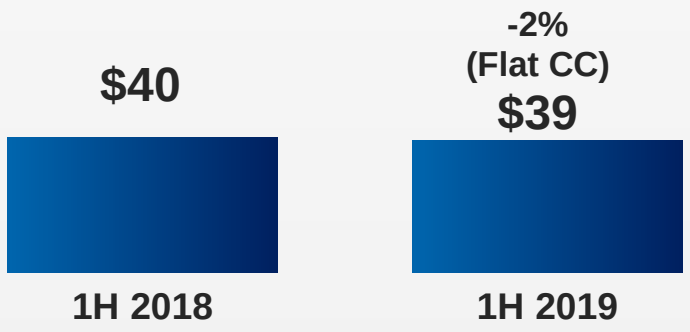
MEA
Rev +5% v LY
MY20 RZR Key

cc = constant currency

Growing the #1 Region Despite Tariff and FX Headwinds

LATIN AMERICA YTD

REVENUE



KEY INITIATIVES

Mexico gaining share despite headwinds

Brazil executing recovery plan

Leveraging Monterrey for Latin America

MY20 RZR & RGR key for Region

REGIONAL PERFORMANCE



Mexico
Rev 4% v LY
RZR +16% YTD
MY20 RZR Critical

Brazil
ORV Rev +18% v LY
Indian Exit Complete
Net Profit Improvement

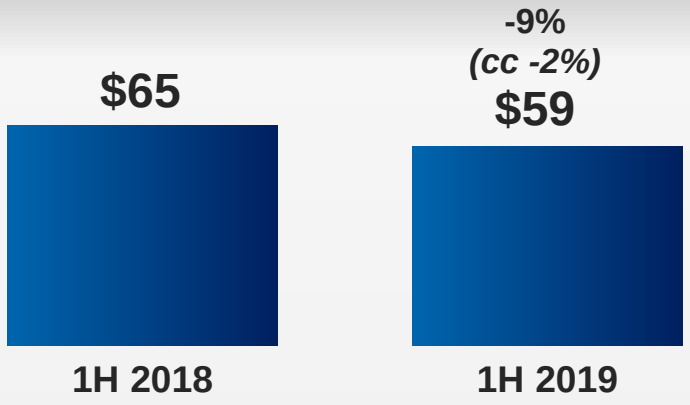
Distributors
Rev -26% vs LY
Argentina Challenges

cc = constant currency

Mexico + RZR Drives Regional Success

ASIA PACIFIC YTD

REVENUE



KEY INITIATIVES

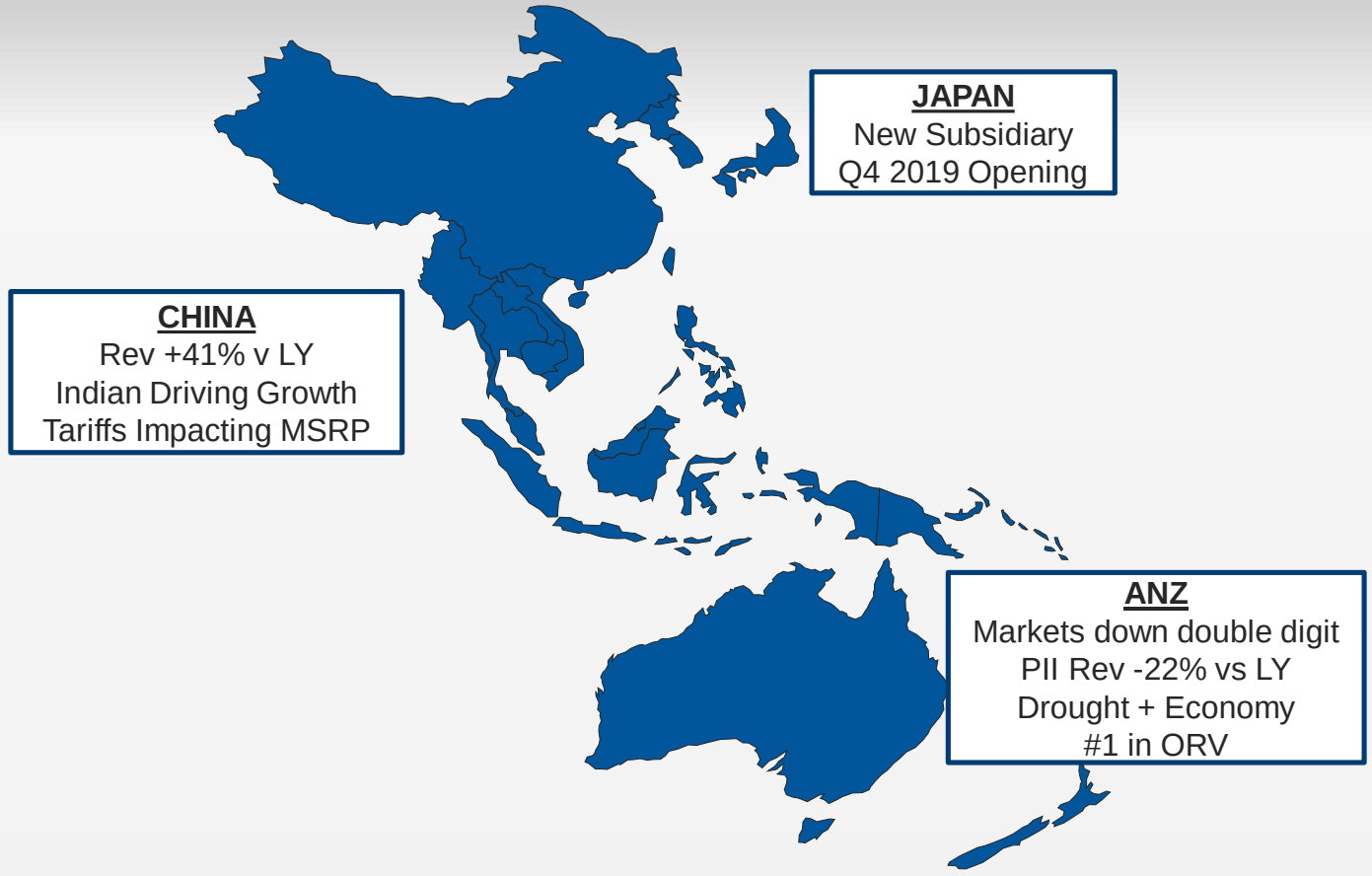
Australia gaining share despite headwinds

China driving Revenue and Profitability

New Japan Subsidiary key to MC growth

Vietnam JV operating above plan

REGIONAL PERFORMANCE



cc = constant currency

China Growth Offsetting Challenges in our Largest Market - Australia

International Long Range Plan

Build Powersports



RGR Drives ORV Growth

Win in Snow

Globalize Indian

Drive PGA Penetration

Pursue New Markets

Enable Global Growth

Utilize Infrastructure

Build Capabilities

Marquee Adventures

Profitable Growth



Focus on Key Markets

Build Premium Brands

Leverage Operations

Shared Service Model

$1B+ Revenue by 2022 and ~100,000 Units by 2024

POLARIS

ANALYST / INVESTOR MEETING

QUESTIONS?

MIKE DOUGHERTY

President – International

July 29, 2019

POLARIS

ANALYST / INVESTOR MEETING



STEVE EASTMAN

President – PG&A / Aftermarket

July 29, 2019

Overview

- Strong First Half Momentum
- Broad Growth in PG&A Dollars-Per-Unit Penetration
- Significant Second Half New Product Introductions
- Strategic Customer-Focused Investments in Distribution & Digital
- Leveraging Portfolio and Scale to Extend Competitive Advantages

Diversified OEM PG&A / Aftermarket Portfolio and Customer Access

OEM PG&A PRODUCT LINES

POLARIS · POLARIS ENGINEERED PARTS ACCESSORIES & APPAREL · SPORTSMAN · RZR · Indian MOTORCYCLE · SLINGSHOT · RANGER · GENERAL · TIMBERSLED

AFTERMARKET BRANDS

Klim · TRAIL TECH · KOLPIN OUTDOORS · PRO ARMOR · 4 · PRO COMP · SMITTYBILT · lg Rims · RUBICON EXPRESS · G2 AXLE & GEAR · TRAIL MASTER · POISON SPYDER

CHANNELS

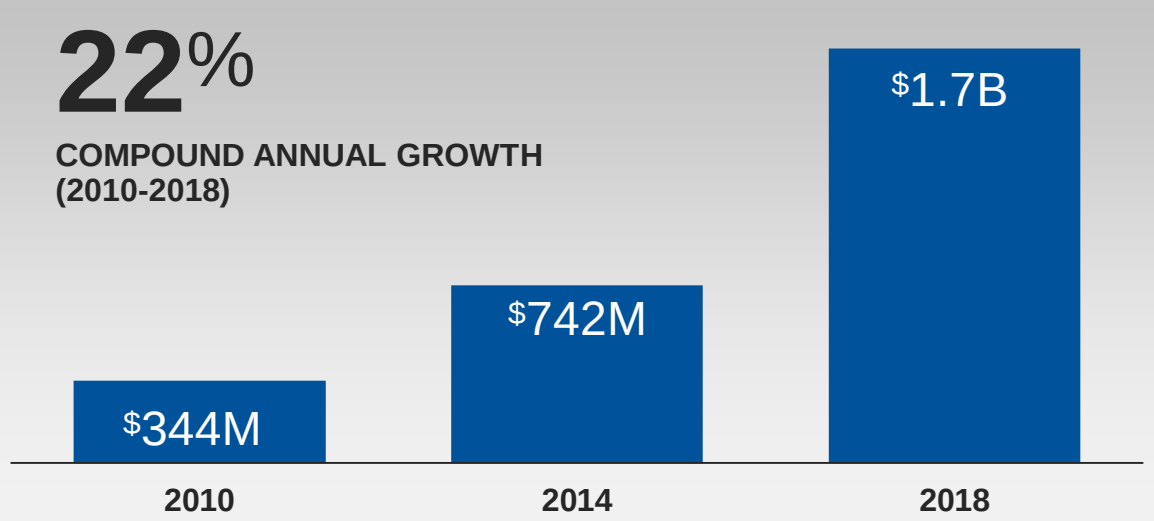
- Polaris Dealers
- Polaris E-com
- Other OEM Dealers
- Aftermarket E-com
- Big Box Retail
- Auto Parts Retail
- Large Warehouse Distributors
- 4Wheel Parts Retail
- Other 4X4 Retail

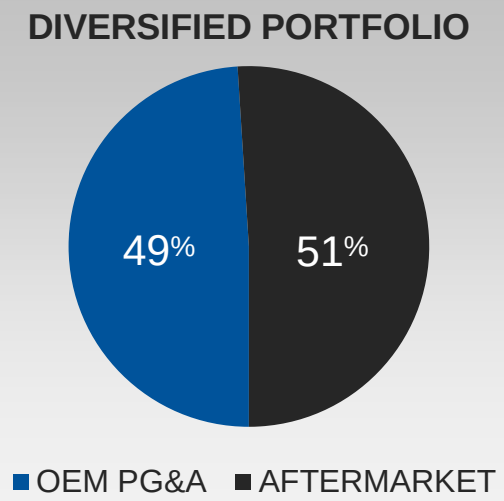
CUSTOMERS



PG&A / Aftermarket Growth

PG&A / AFTERMARKET GROWTH





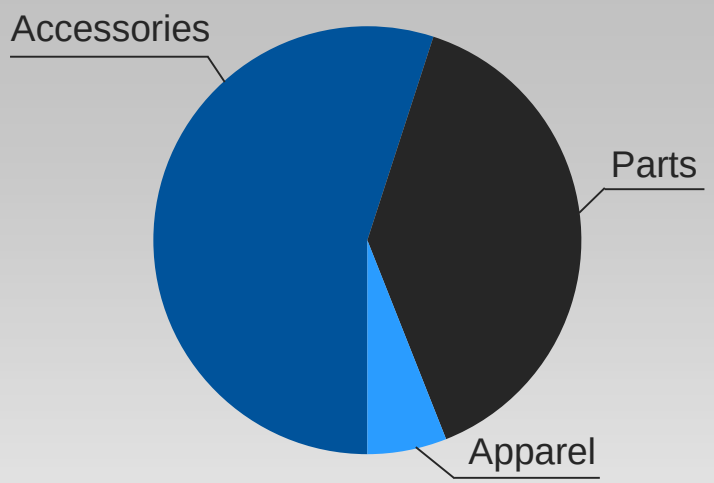
KEY ACQUISITIONS



Model Creates Sustainable Platform for Organic and Inorganic Growth

2019 First Half – Powersports PG&A Performance

Product Type Mix

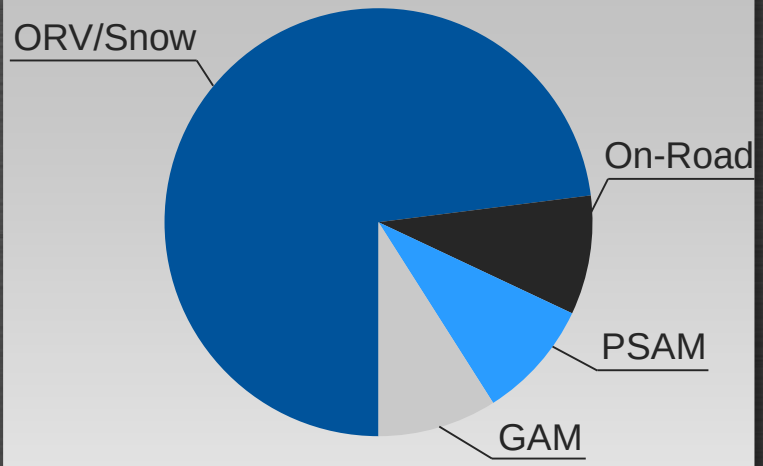


Accessories up mid-teens % ↑

Apparel up over 20% ↑

Parts flat ↔

Product Line Mix



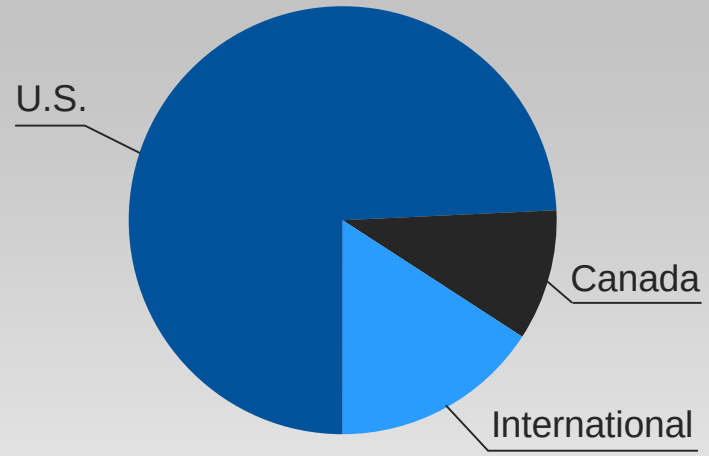
ORV/Snow up low-double digits % ↑

On-Road up low-single digit % ↑

GAM up mid-single digit % ↑

PS Aftermarket up high-teens % ↑

Geographic Mix



U.S. up low-double digits% ↑

Canada up mid-single digit % ↑

International flat ↔

Record Dollars-Per-Unit Across All Product Lines

Powersports PG&A Strategy

Brands & Product Leadership

WIN WITH PRODUCT INNOVATION AND QUALITY

ELEVATE BRANDS AND CONSUMER ADVOCACY

Backend Scale & Efficiency

Customer Access & Service

DRIVE PROFITABILITY & ROIC

MAKE IT EASY TO BUY

VISION:

Extend distinct, global competitive advantages through a customer-centric and highly integrated ecosystem of OEM + Aftermarket products, brands, channels, and delivery models

DELIVER COMPETITIVE & EFFICIENT CUSTOMER SERVICE

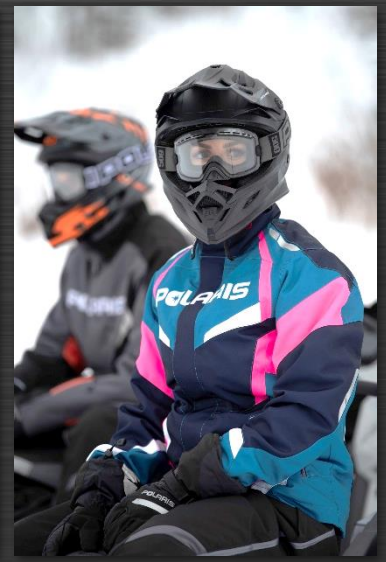
INCREASE PENETRATION & MARKET SHARE

Brands & Product Leadership – OEM Brands

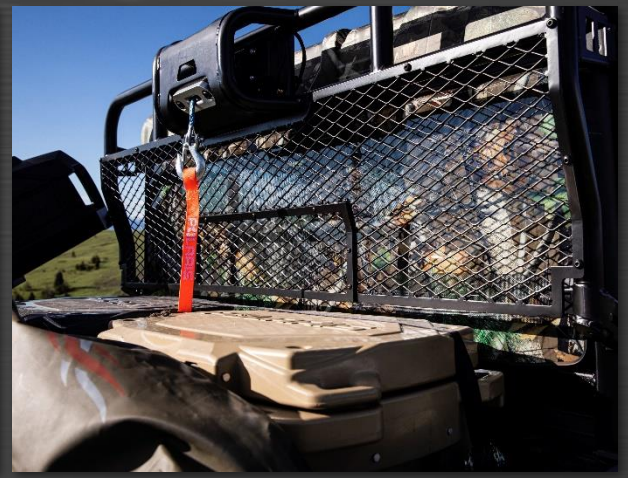














OVER 275 NEW ACCESSORIES PLUS APPAREL

Highest Levels of Product Innovation, Integration, and Quality

Brands & Product Leadership – Aftermarket Brands













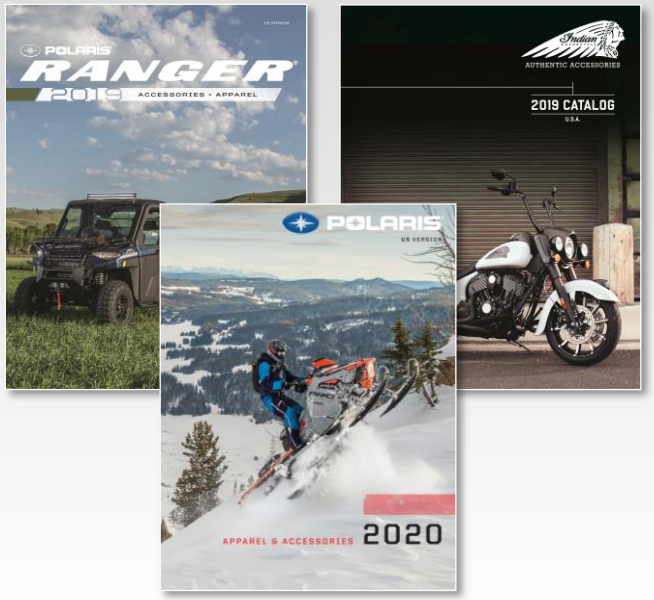
OVER 500 NEW AFTERMARKET PRODUCTS

Industry Leading Brands & Aftermarket Expertise

Customer Access & Service

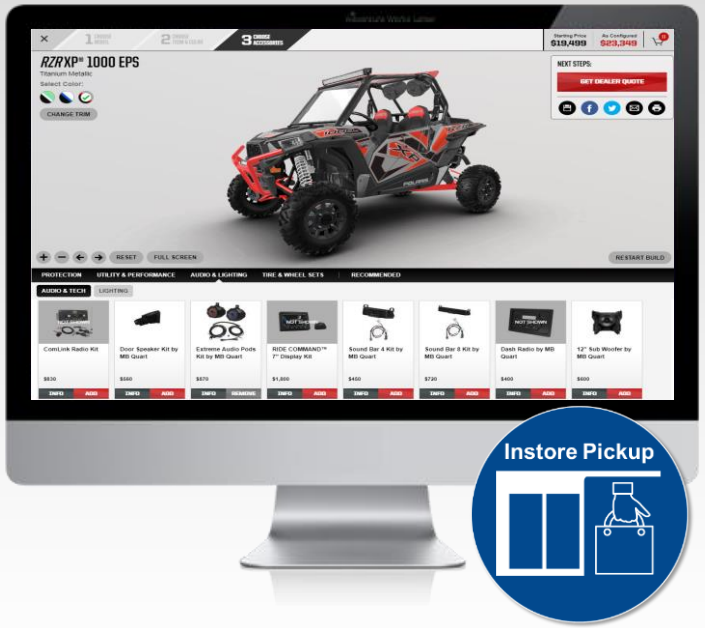
MAKE IT EASY TO BUY

MARKETING



Catalogs / Digital Marketing
Impactful Promotions

ONLINE



Rich Content / Buying Guides
E-commerce / Marketplaces
In-Store Pickup

RETAIL STORES



Merchandising / Packaging
Retail Execution

Win Throughout the Shopping Journey

Backend Scale & Efficiency

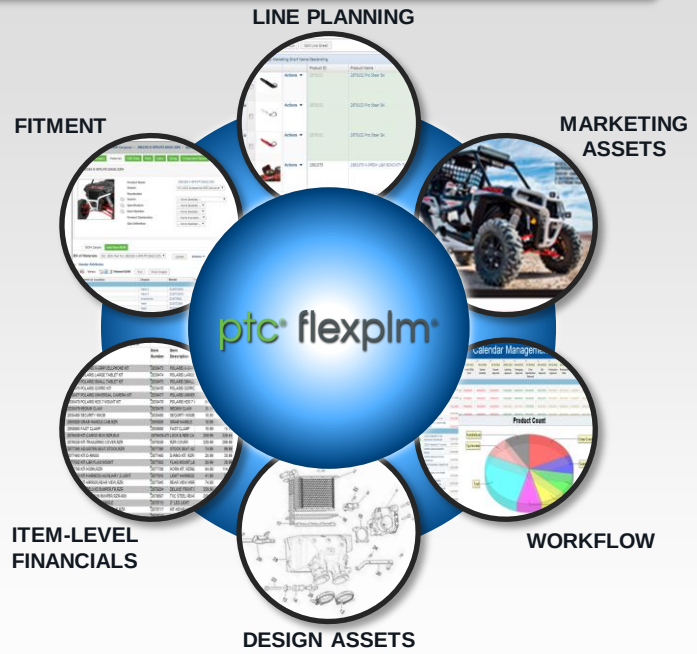
DRIVE PROFITABILITY & ROIC

CATEGORY MANAGEMENT



Insights / Analytics
Strategic Planning

PRODUCT LIFECYCLE MANAGEMENT



Workflow Management
Single Source of Truth

LEAN / VIP

POLARIS LEAN

POLARIS VALUE IMPROVEMENT PROCESS VIP

Eliminate Waste
Standard Work

Accelerate Cycles of Learning

Backend Scale & Efficiency

DELIVER COMPETITIVE & EFFICIENT CUSTOMER SERVICE



Accelerated Delivery Times

>25,000 Part Numbers

Goods-to-Person Automation

Shipments Began

JULY 15th

Customer-focused Strategic Investment

POLARIS

ANALYST / INVESTOR MEETING

QUESTIONS?

STEVE EASTMAN

President – PG&A / Aftermarket

July 29, 2019

POLARIS

ANALYST / INVESTOR MEETING



CRAIG SCANLON

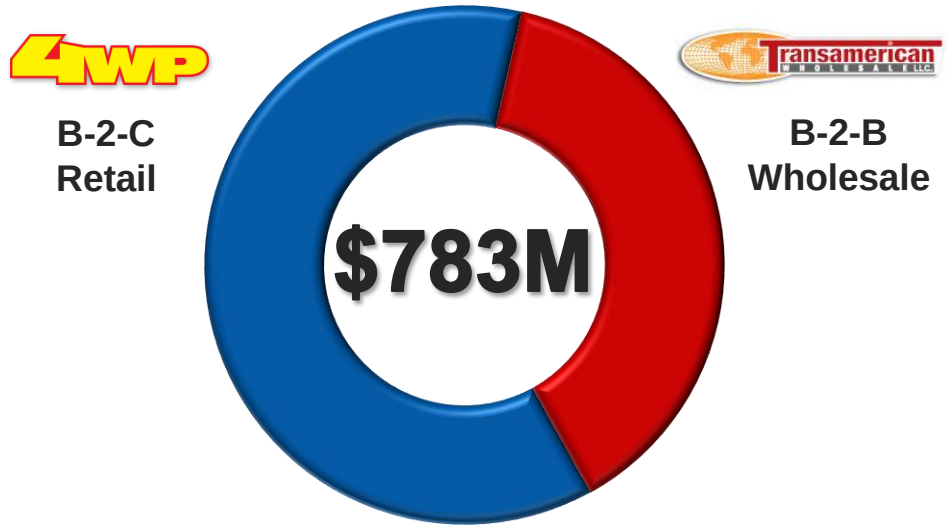
President – Transamerican Auto Parts

July 29, 2019

TRANSAMERICAN AUTO PARTS (TAP) AT-A-GLANCE

1961	Year TAP was Founded
~1,850	Employees
95	Retail Stores
8	Proprietary Brands
6	Distribution Centers
1	Manufacturing Facility
1	Engineering Facility
~100,000	SKUs Sold Annually

2018 SALES BY CHANNEL



TAP full year sales expectations improved in 2H 2019

Only Vertically Integrated, Multi-channel Truck and Jeep Aftermarket Retailer

STRATEGIC OVERVIEW

STRATEGY STATEMENT

TAP will be the industry leader of Jeep and truck accessories by leveraging its vertically integrated scale and omni-channel distribution to deliver turn-key service and expertise to off-road lifestyle enthusiasts. We will drive customer loyalty through our superior 4WP customer experience. We will design and develop leading brands and products through an obsessive customer focused approach.

LEVERAGE OMNI-CHANNEL SCALE WITHIN GO-TO-MARKET SELLING CHANNELS

RETAIL

Retail Stores

Expand Footprint



E-Comm

Fuel the Growth

DSI

Grow with Store Expansion

Eliminate Channel Conflict

WHOLESALE

Brick & Mortar

Grow Brick & Mortar

Click & Mortar

Move to Click & Mortar

National Accounts

Diversify Customer Base

WIN WITH PROPRIETARY BRANDS

4WP · PRO COMP · SMITTYBILT · POISON SPYDER · RUBICON EXPRESS · G2 AXLE & GEAR · TRAIL MASTER · LRG Rims

Stabilize, Build, Grow

COMPETITIVE LANDSCAPE

	COMMENTARY	DIFFERENTIATORS	SELECT COMPETITORS / PARTNERS
RETAIL STORES	Fragmented specialty retailers, strong general auto parts retailers	Expertise, Footprint expansion, Competitor acquisition	
DEALER UPFIT	Industry consolidating, brands and offerings strengthening	Sales footprint, Brand building, Dealer profitability/turns	
BRANDS	Leverage both TAP brands & 3rd party lines to provide customer with what they want	Customer-focused value proposition, Adequate voice	
E-COMM	Increasing customer access, reduced barriers to entry	Expertise, Differentiation, Pricing	
WHOLESALE	Direct-to-customer options reducing dependence on intermediary industry	Availability, Fulfillment, Pricing	

Broad Competitive Set; Core Differentiators: Expertise, Service Level, Price

ESTABLISHED FOUNDATION FOR PROFITABLE GROWTH

DEVELOP VISION & STRATEGY

1. Grow 4WP Omni-Channel
2. Expand our Product Portfolio
3. Strengthen our Brands

ALIGN THE ORGANIZATION

Established Omni-Channel Retail Org
Consolidated B2B Sales Orgs
Created Category Management Org
Centralized Marketing
Streamlined Manufacturing
Eliminated Waste in Engineering

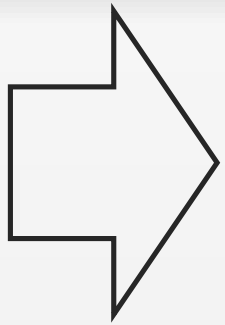
STRENGTHEN PROCESS & CAPABILITIES

Financial Planning & Analysis
Category Operations
Product Development
Store Operations
Pricing & Promotion
Grow Direct Wholesale Business

SHIFT THE CULTURE

From

Sales at All Costs



To

Profitable Growth

Taken Comprehensive Actions to Strengthen TAP

4WP GROWTH STRATEGY

DRIVE RETAIL SALES AND PROFITABILITY EXPANSION THROUGH NEW CAPABILITIES, ENHANCED EXECUTION, AND COMPREHENSIVE IMPROVEMENTS IN BUSINESS FUNDAMENTALS

TRANSFORMED OPERATING MODEL

ESTABLSIHED GO-TO-MARKET PLANNING

- Integrated marketing & promo process
- Established tracking & measurement



IMPROVED STORE OPERATIONS

- Refocused on fundamentals
- Extended data & KPI tracking



TRANSFORMED DSI BUSINESS

- Built leadership capability
- Created rep training
- Reached new markets

INITIATED E-COMM TURNAROUND

- Stabilized new platforms
- Bolstered operating capability
- Optimized traffic & conversion

DRIVING CONTINUOUS IMPROVEMENT

MARKET-SPECIFIC ASSORTMENT



Capturing product/market nuances

DYNAMIC STOCKING & MERCHANDISING



Optimal displays & quantities

TRAFFIC & STORE HOURS PLANNING



Customer-focused operations

CUSTOMER-CENTRIC KPIs

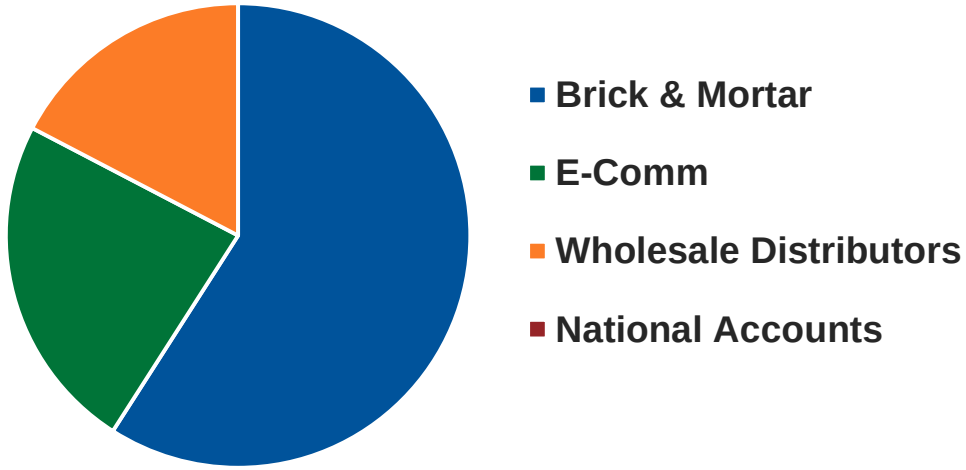


Managing customer experience

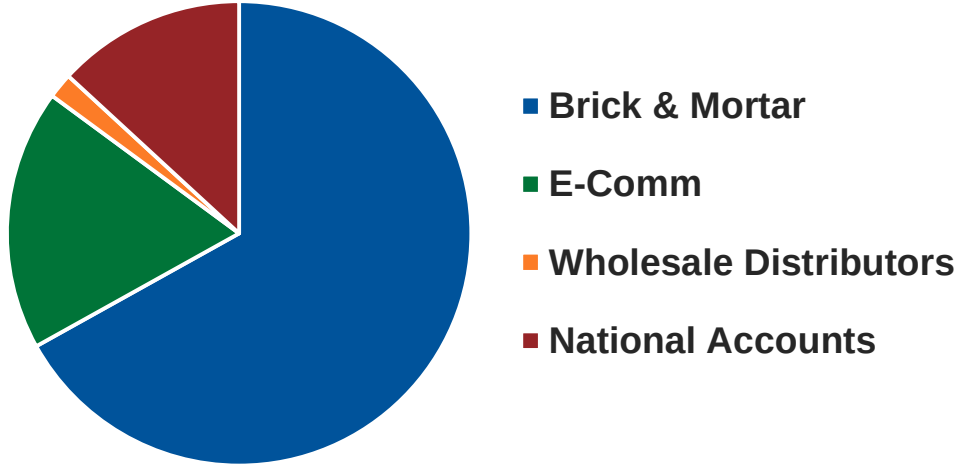
Transformed Our Fundamental Execution, Transforming Our Customer Experience

WHOLESALE TURNAROUND PLAN & INITIATIVES

2018 WHOLESALE MIX



TARGETED WHOLESALE MIX



BRICK & MORTAR

- Strategically partner with Brick & Mortar retailers
- Create sell-through with targeted promotions
- New customer prospecting
- Leverage infrastructure for growth

E-COMM / NATIONAL ACCOUNTS

- Develop direct National Accounts relationships to offset wholesale distributor declines
- Establish glidepath to manage out disruptors and less profitable customers
- Develop “Click & Mortar” customer base

PROCESS AND SALES PROGRESSION

- Evolve wholesale sales process
- Enhance ease of doing business → ordering and fulfillment
- New customer prospecting and call reporting

Evolving Wholesale Business Into Long-Term Sustainable Profitability

MARKETING STRATEGY

REACH MASSIVE ENTHUSIAST BASE WITH LIFESTYLE & BRANDS
IMPROVE CUSTOMER JOURNEY FROM TRAFFIC THROUGH LOYALTY

DRIVE LIFESTYLE AND BRAND

KNOW THE CUSTOMER

- Customer profiling
- Brand positioning

REACH NEW ENTHUSIASTS

- Lifestyle content platform
- Robust stable of partners

DEVELOP DOMINANT INFLUENCER TEAM



4WP OFFICIAL

EXPAND SOCIAL PRESENCE



4WP STUDIOS

OPTIMIZE RETAIL

MAKE THE JOURNEY EASY

- Map / institute customer journey
- Drive process / approach for go-to-market

EARN CUSTOMER LOYALTY

- 1:1 Personalization
- Purchase behavior modeling

GROW AND IMPROVE EVENTS

- 40%+ more Jeep & Truckfests
- Supporting local markets
- SEMA presence



PARTNER WITH VENDORS

- Leverage for promotions
- Drive traffic





Customer Centric Strategy to Drive the Business

LIFESTYLE AND BRAND EXAMPLE

BUILDING TEAM OF DOMINANT INFLUENCERS



1H-2019 EXPANDED SOCIAL PRESENCE

+221%
IMPRESSIONS

373M

21%
FOLLOWERS

1.5M

Ultra Effective and Ultra Efficient Use of Resources

WHAT LONG-TERM SUCCESS LOOKS LIKE

FOCUS ON THE CUSTOMER

GENERATE REVENUE & PROFIT

DRIVE RIGOROUS EXECUTION

HOW WE WILL WIN

- 4WP growth as platform for brands, wholesale, DSI and service
- New product development and brand clarity drive vitality and profitability
- Category management drives alignment, accountability, and new product development
- B2B Channel excellence provides insight and supply chain scale
- Through data and research, customer centricity drives unique buying experience and loyalty
- Organizational capability drives engagement, initiative and accountability

BALANCE OF YEAR 2019 FOCUS

- Sales growth expected to accelerate in 2H
- Overcome tariffs; sequential gross profit improvement
- Expand and grow 4WP retail stores, while driving DSI expansion
- Rapid e-comm channel growth through traffic and conversion
- Manage out wholesale disruptors while expanding brick & mortar around distribution centers
- Leverage investments, optimization, cost down and outsourcing

Improve on TAP's Leadership Position in the Jeep & Truck Accessory Aftermarket

POLARIS

ANALYST / INVESTOR MEETING

QUESTIONS?

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POLARIS

ANALYST / INVESTOR MEETING



BOB MACK

SVP & President – Global Adjacent Markets & Boats

July 29, 2019

Global Adjacent Markets

POLARIS
COMMERCIAL

POLARIS
GOVERNMENT & DEFENSE

AIXAM

POLARIS
ADVENTURES℠

Global Adjacent Markets

BRANDS

GEM

GOUPIL INDUSTRIE

TD

POLARIS

AIXAM

POLARIS ADVENTURES

PRODUCTS










CUSTOMERS

Rental Companies

Government & Military

Commercial / Industrial

Colleges & Universities

Resorts & Hospitality

Unlicensed European Drivers

Vacationers

Adventure Seekers

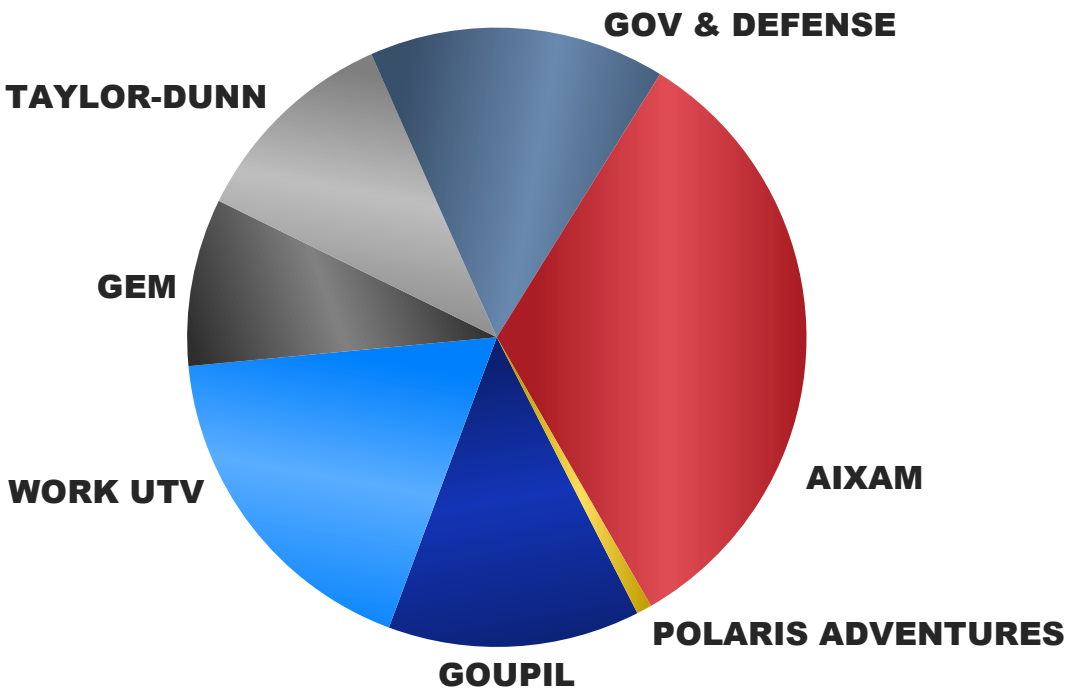
Overview – Global Adjacent Markets

- Good First Half Momentum
- Government, Work and GEM Showing Good Growth
- Launch of PRO XD Diesel Work Vehicle Well Received
- Polaris Anaheim Factory Performing Well (GEM / Taylor-Dunn)
- Focused Investments in Urban Mobility and Lithium Ion

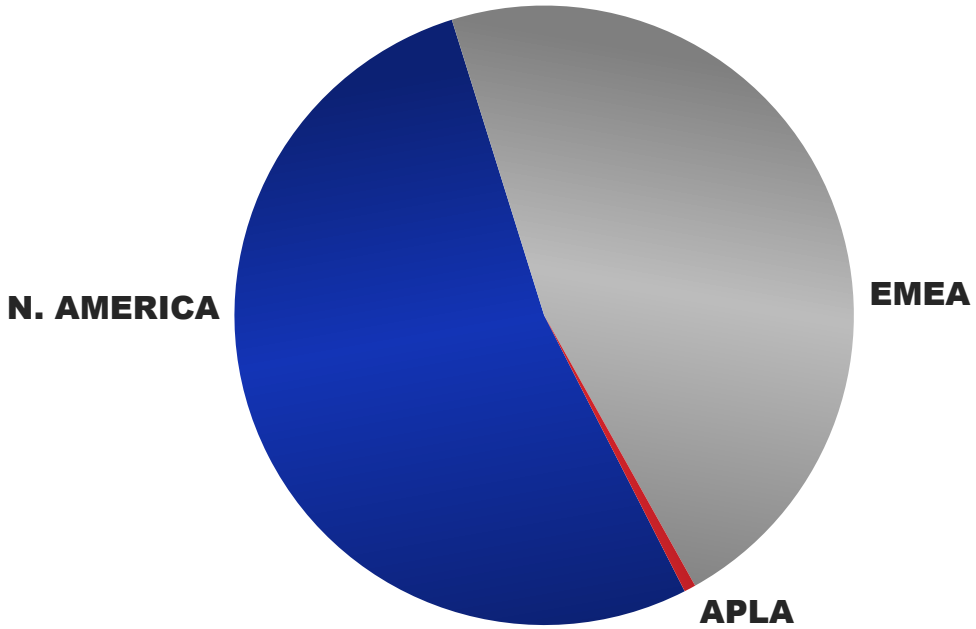
Driving Profitable Growth Across the Platforms

Global Adjacent Markets – Revenue Composition

REVENUE BY PRODUCT



REVENUE BY REGION



FY Sales Expected Up Mid-single Digits % for 2019

Overview – Global Adjacent Markets



- Urbanization
- Sustainability
- Electrification
- Autonomy
- Deployability
- Sharing Economy

Focused on Significant Growth Drivers

Urbanization, Sustainability and Electrification

GOUPIL INDUSTRIE

Zero emissions electric vehicles

Significant sales of Li-ion powered vehicles

Partnership with PiCNiC in the Netherlands



25% Growth Across the European Region in 2018

Electrification, Autonomy and Deployability

POLARIS
GOVERNMENT & DEFENSE

- MRZR-X optionally manned platform based on the MRZR
- SMET competition for future procurement with over 20 vehicles already delivered for testing
- Total SMET program targeted at over 2,000 vehicles



Focusing on Autonomy and Electrification to Improve Military Capabilities

Sharing Economy



CUSTOMER CENTRIC APPROACH

PLAN

BRAND AS TRUE NORTH

DEEP CUSTOMER INSIGHTS

PERSONALIZED JOURNEY

RZR LIVE WIDE OPEN

Product Development



PDP



Industrial Design



Product Design



Digital Activation

Websites



Email



Social



Brand Experience

TV & Print



Events

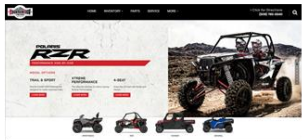


Welcome Kit



Dealer Experience

Dealer Web



Direct Mail



Dealer POP



DELIVER HOLISTIC END TO END CUSTOMER EXPERIENCE

CUSTOMER CENTRIC APPROACH

PLAN

BRAND AS TRUE NORTH

DEEP CUSTOMER INSIGHTS

PERSONALIZED JOURNEY

MAXIMIZING CUSTOMER DATA



WE WILL CONTINUE TO INVEST MILLIONS IN CUSTOMER INSIGHTS

CUSTOMER CENTRIC APPROACH

PLAN

BRAND AS TRUE NORTH

DEEP CUSTOMER INSIGHTS

PERSONALIZED JOURNEY

ENGAGE OUR OWNERS & LEADS

New Buyer Nurturing Program



Dealer Web



Digital & Web Personalization



PERSONALIZE OFFERS BASED ON BEHAVIOR



Lead Scoring



Web Activity



Financing



Warranty

TARGETED ACTIVATIONS TO DRIVE RETAIL RESULTS

INNOVATION: BREAKTHROUGH PRODUCTS







Factory Choice

POLARIS FACTORY CHOICE PACKAGES

Accessories







PRO XP- AN ENTIRELY NEW PLATFORM



2”
HIGHER REAR ROLL CENTER FOR QUICKER WEIGHT TRANSFER

ROLL CAGE
STONGEST EVER MADE

PERFECT DRIVING POSITION
LOWER SEATING POSITION

DYNAMIX 2.0

INDUSTRY 1ST
TELESCOPIC STEERING WHEEL

39%
STRONGER TRANSMISSION

35%
STRONGER AXLES

14.5”
GROUND CLEARANCE

20”/22”
USABLE SUSPENSION TRAVEL

ONE-PIECE CHASSIS
STONGEST EVER MADE

96”
WHEELBASE FOR SUPERIOR STABILITY

MOST AGILE

MOST COMFORTABLE

MOST VERSATILE

BEST FIT & FINISH

NEW TECHNOLOGY

FASTEST TRACK TIMES

RANGER 1000 - THE ULTIMATE COMBINATION OF PRICE & PERFORMANCE

55 LB-FT
PEAK TORQUE
AT 3600RPM

PROSTAR 1000 SOHC
POWERED TO WORK

23%
MORE
STORAGE

10%
MORE VOLUME

65%
LARGER
GLOVEBOX



2500 LB
TOWING
CAPACITY

8%
TIGHTER
TURNING

12”
GROUND
CLEARANCE

10”
SUSPENSION
TRAVEL

ONE-PIECE CHASSIS
OVER 25% SIFFER

13.5%
MORE FUEL
CAPACITY

ENGINEERED FOR WORK

DESIGNED FOR COMFORT

BUILT TO LAST

AVAILABLE FACTORY CHOICE

STEP UP TO THE 1000 FAMILY

CONTINUOUS ACCESSORY PUSH

PG&A

$/Unit

+48%

2016-2019

RANGER

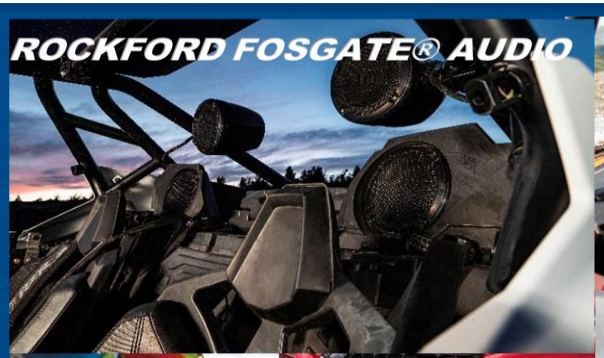






















RZR

BUILDING MOMENTUM IN SNOW

PRODUCT INNOVATION



Key MY'20 Product News

NEW **RMK Khaos**

NEW **RMK EVO**

NEW **Indy XC and XCR**

NEW **RIOT**

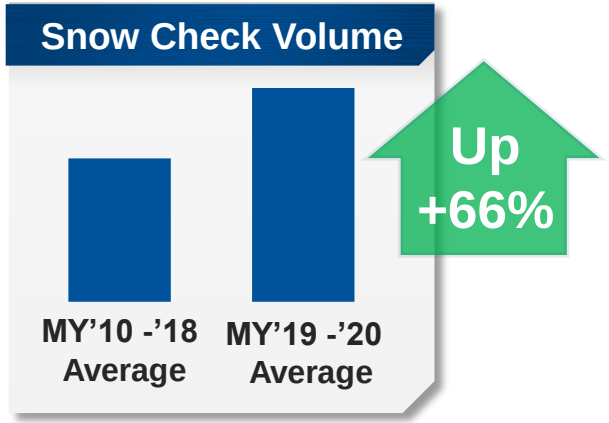
PERSONALIZATION



> 50% of Build is Customized

Snow Check (Pre-Season)

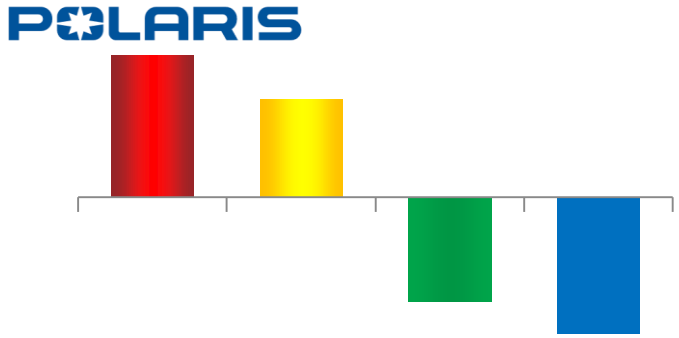
Factory Choice (In-Season)



SHARE GROWTH

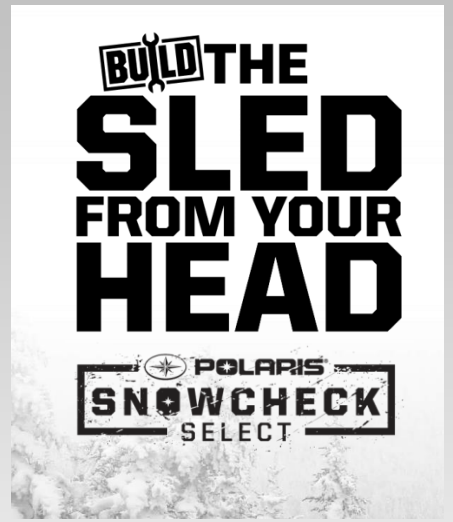
18/19 Season	Share
POLARIS	↑
Arctic Cat	↓
Ski-Doo	↓
Yamaha	↓

N.A. Share Growth Since 2010



INTERNATIONAL

SNOW CHECK



Industry's 1st Snow Check in Nordics & Russia

Growing Margin
Securing Pre-Season Sales
Driving Consumer Engagement

RANGER DIESEL



Designed & Built Exclusively for Harsh Ag

Australia
New Zealand
United Kingdom

LIMITED EDITIONS

#RZR MADE in Mexico



SPORTSMAN

Aurora Edition in Scandi



NEW PRODUCT

PRO CLASS

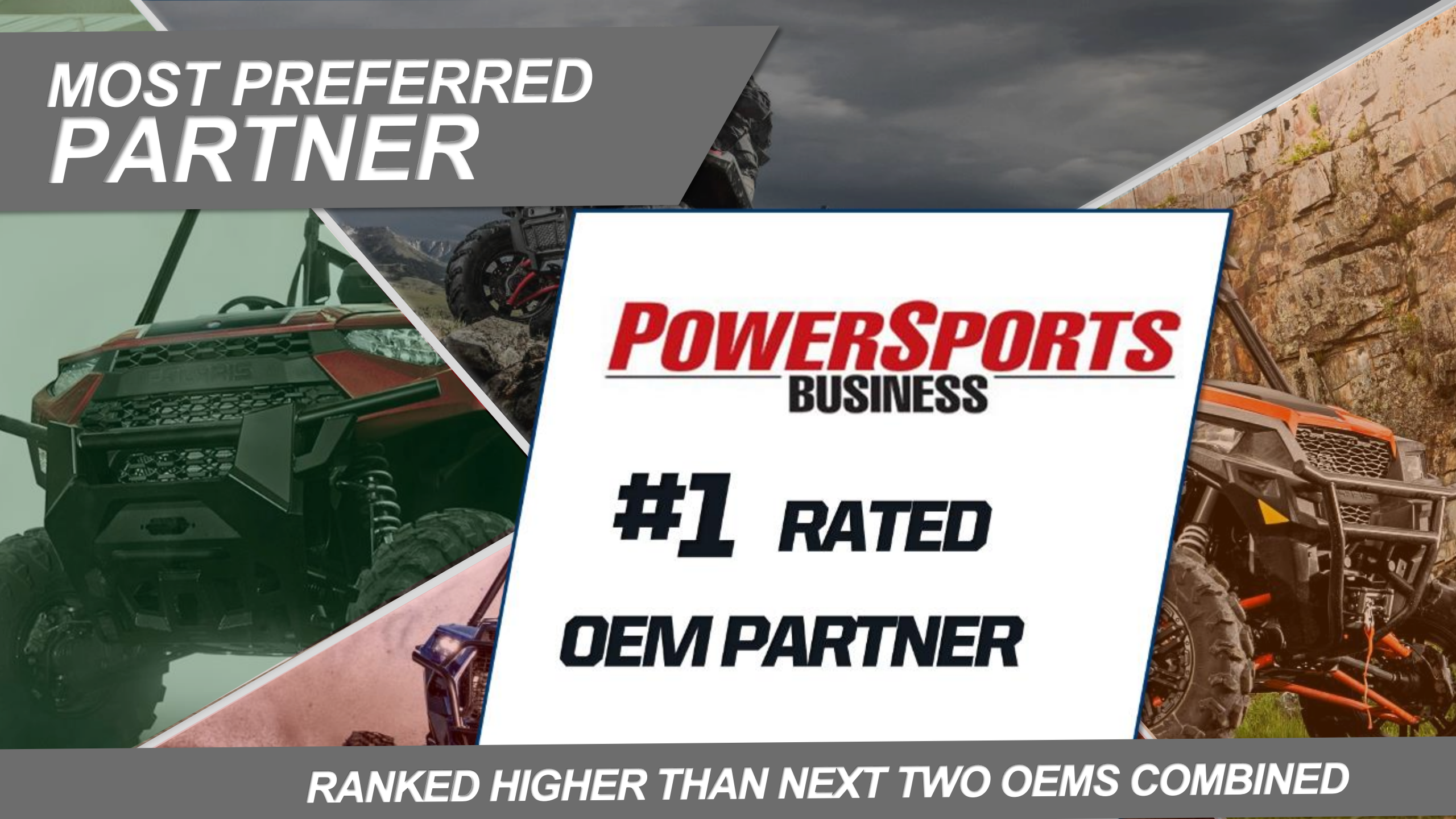


Positioned for Leadership in Recreational Markets

Latin America
Middle East
China

Fighting with Local Product & Leveraging NA Product Launches

MOST PREFERRED PARTNER



POWERSPORTS BUSINESS

#1 RATED OEM PARTNER

RANKED HIGHER THAN NEXT TWO OEMS COMBINED

The 4Ps of Dealer Profitability

PRODUCT

Innovation



Broadest, Most Integrated PG&A Line-up



FACTORY CHOICE

PERSONALIZATION

Targeted Activations

Private Offers



Lead Scoring



Dealer Web



PROGRAMS

NEW Dealer Certification Program

SILVER	GOLD	PLATINUM
Fundamentals, Proven Best Practices	"Premium" Dealer	"Dealer of the Future"

MAP Policy

NEW Policy Enhancements

NEW Adjusted Fines

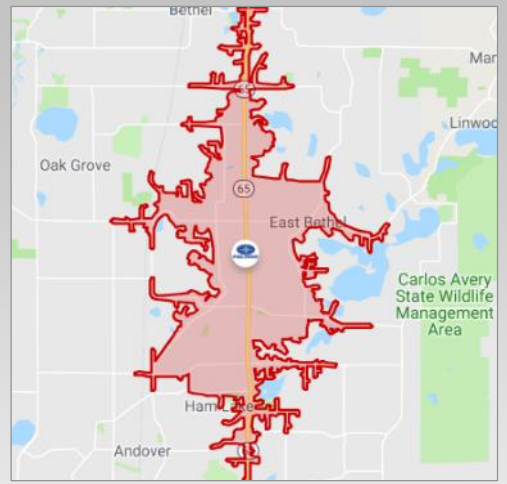
NEW Web Portal



LEVERAGE VALUE TO PREMIUM

Dealer Training

PRIMARY MARKET



Elevating Dealer Standards

Local Market Coverage in Certification Program

Select Allocation

Helping Dealers Earn More From All 5 Profit Centers

POLARIS ORV- A GREAT OPPORTUNITY

#1 IN POWERSPORTS

RANGER RZR SPORTSMAN GENERAL RMK

NEW PRODUCTS & PIPELINE

Beat All Competitors

LARGEST CUSTOMER BASE

Building Loyalty, Finding New Customers

BEST DEALER PARTNER

Enhancing Profitability

POLARIS

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QUESTIONS?

CHRIS MUSSO

President – Off-Road Vehicles

July 29, 2019

POLARIS

ANALYST / INVESTOR MEETING

Q & A

July 29, 2019



Think Outside