POLARIS

First Quarter 2020 Earnings Results

April 28, 2020



SAFE HARBOR & NON-GAAP MEASURES

Except for historical information contained herein, the matters set forth in this presentation, including management's expectations regarding the impact of the COVID-19 pandemic and the Company's ability to manage the economic environment resulting from the COVID-19 pandemic, 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 severity and duration of the COVID-19 pandemic and the resulting impact on the Company's business and the global economy; the Company's ability to successfully implement its manufacturing operations expansion and supply chain 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 (tariff relief or ability to mitigate tariffs); 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.

Beginning in the first quarter of 2020 certain costs, including incentive-based compensation and unallocated manufacturing costs, previously classified as "Corporate" in the Company's segment gross profit results were allocated to their respective operating segments results. The comparative 2019 reported and adjusted gross profit results for ORV/Snowmobiles, Motorcycles, Global Adjacent Markets, Aftermarket, Boats, and Corporate were reclassified for comparability. Reclassified historical reported and adjusted gross profit results can be found at ir.polaris.com/investors/financial-information .

Scott W. Wine
Chairman & CEO

First Quarter 2020 Earnings Results

April 28, 2020



POLARIS

Priorities Through the Crisis

Employee Safety

Polaris Viability

Dealer Health / Relationship

Shareholders and Stakeholders

Polaris is Committed to Being a
Customer Centric, Highly Efficient Growth Company

First Quarter 2020 Summary

COVID-19 crisis very fluid and dynamic – top of mind daily

Employee health and safety remains our first and foremost priority

Q1 performance in first 2½ months ahead of projections

Demand slowed last two weeks of March but less than anticipated

Taking steps to maintain adequate liquidity to remain flexible

Actively monitoring dealer health – RFM modulating shipments

Agility and responsiveness a must in current environment

Implementing recession playbook

Best Team in Powersports to Weather This Storm

COVID-19 Response Actions To-Date

Liquidity	Reduce working capital Postpone capital expenditures / tooling Expand line of credit
Operations	Accelerating Sunburst savings Organizational realignment Plant optimizations / shutdowns Alter delivery service levels to meet demand
Engineering	Reduce/delay program spend Evaluate key engineering programs
SG&A	Substantially reduce discretionary spending
Strategic	Wind-down select businesses (Rinker, Striper, Larson FX)

Actions Designed to Provide Flexibility to Withstand Crisis

Leading Through the Crisis: Employees/Communities

Employees

Social Distancing
Travel/Visitor Restrictions
Remote Interviews
Work from Home processes
Good Hygiene Practices

COVID-19 Site Resources
Site Contingency Plans
Cleaning, Quarantine Protocols

Employee Processes & Pay
Unemployment Assistance
Employee Illness Process
Employee Pay Continuation

Communication
Leader Communication
Employee Resources and Tools

Communities

Donations

Partnerships

COVID-19 Volunteer Assistance

GOGGLES FOR DOCS



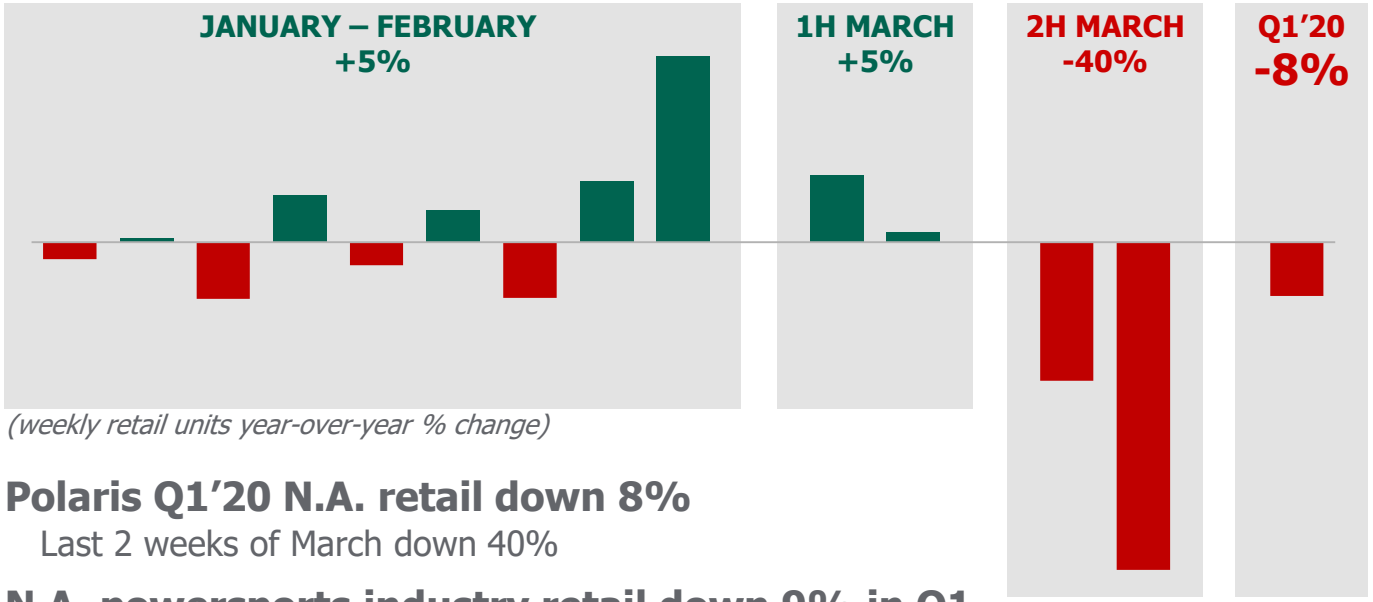
Klim

GEARED FOR GOOD

Supporting Employees and Communities Where We Operate

Q1 2020 North American Powersports Retail Sales

Q1'20 N.A. Powersports Retail[1]



(weekly retail units year-over-year % change)

Polaris Q1'20 N.A. retail down 8%
Last 2 weeks of March down 40%

N.A. powersports industry retail down 9% in Q1
ORVs about flat; motorcycles down mid-teens %; snowmobiles down nearly 30%

Boats SSI[3] industry up 0.4%
Polaris pontoon retail and share up for the quarter

April retail trending much better than expected
Positive 3+ weeks into the month

Q1'20 Polaris Retail Sales by Business



Off-Road Vehicles ↓ **high-single digits %**
Side-by-Sides ↓ high-single digits %
ATVs ↓ high-single digits %



Motorcycles ↑ **low-single digits %**
Indian ↑ low-single digits %
Slingshot ↓ high-single digits %



Snowmobiles ↓ **low-single digits %**
(season-end Mar'20)



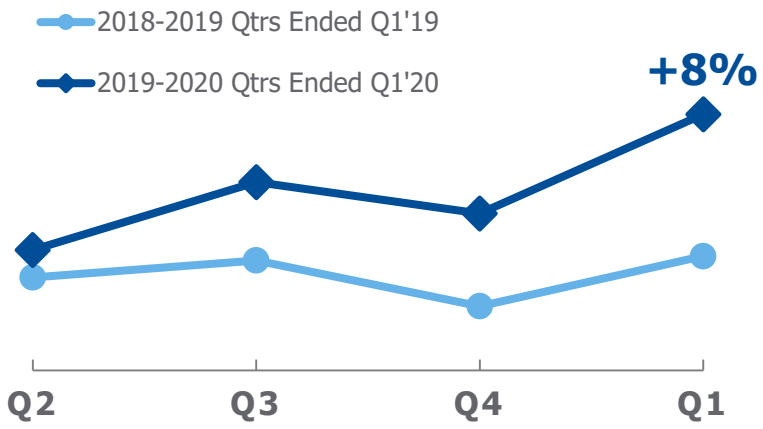
Boats[2] ↑ **low-single digits %**

[1] *Pontoons not included in Total Company retail sales or Powersports Industry*
[2] *Pontoons only.*
[3] *Preliminary SSI data, pontoons only, subject to change*

Strong Retail Momentum Going into Final Two Weeks of March

Leading Through the Crisis: Dealer Health

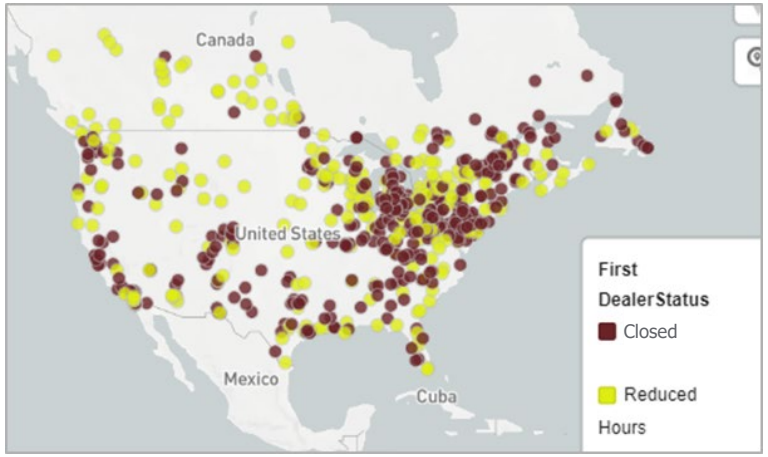
N.A. Dealer Inventory



Q1'20 N.A. Dealer Inventory up 8% due to lower demand

- ORV up 8%
- Motorcycles up 18% (new products)

Dealer Closures



>85% of dealers remain open

- Majority at regular business hours
- Government mandate primary reason for closures

Dealer Support Actions

Interest free flooring and interest payment coverage

Retail rewards adjustments to support cash flow

Polaris Acceptance deferment program to help cash flow

Marketing and social media support

Best practices and resources guide sharing

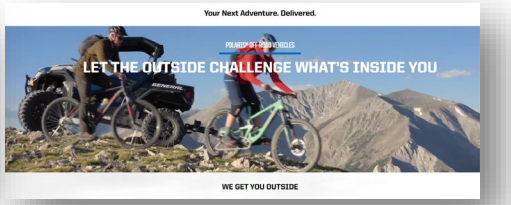
Enhanced dealer service support

Supporting Dealers Through the Crisis

Leading Through the Crisis: Customer Support

Website Enhancements





Improved Site Navigation and Content
COVID-19 Support
- Find a Dealer
- Customer Support (Call + Self Help)
- Information on Financing Support

Added Flexibility for Key Programs

SNOW CHECK



SnowCheck Extended to May 1
Dealers Taking Orders/Deposits via Phone
6 Month Deferred Payment or 0% Financing

Enable At-Home Shopping

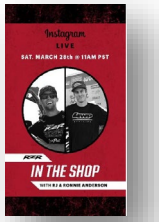


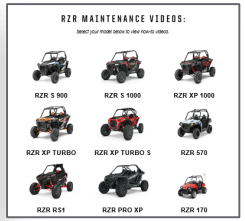
CLICK DELIVER RIDE
POLARIS

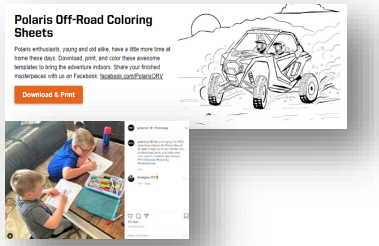
Click.Deliver.Ride.
- Complete Transaction from Home
- Vehicle Delivered to Customers

Virtual Boat Demos via Facetime/Skype
Talk to a Polaris Product Pro

Owner Engagement







Customer Resources
Activities and Entertainment
Owner Appreciation and Inspiration

Committed to Delivering Best-in-Class Customer Experience

Leading Through the Crisis: Operations/Cost Actions

Plant Operations / Cost Reductions

Plant Operations fall under CISA's essential operations definition

- Select plants are operational; demand/supplier availability driving current production levels
- Health & safety of employees remains top priority

Preserve liquidity while protecting key projects

- Employee furlough or 20% pay reduction
- Merit delays
- Hiring freeze
- Organizational realignment
- Wind-down select businesses (Rinker/Striper/Larson FX)
- Increase cash position through revolver draw down / new term loan



21 Global Manufacturing Locations

Prudent, Decisive Action to Mitigate Current Financial Impact

Mike Speetzen
EVP & CFO

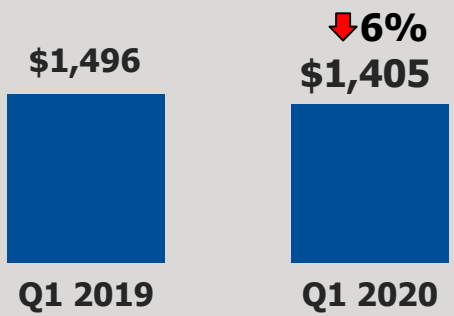
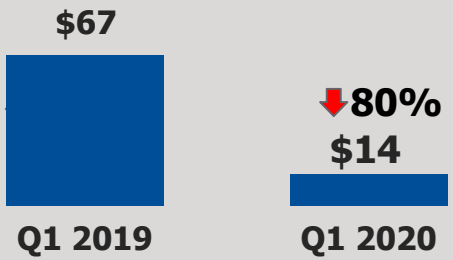
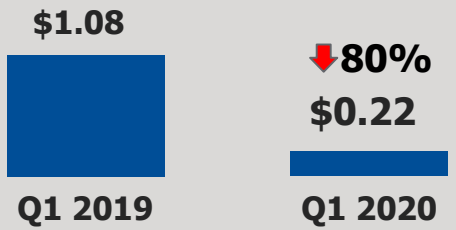
First Quarter 2020 Earnings Results

April 28, 2020



POLARIS

Q1 2020 Financial Results

	Sales	Net Income	Earnings Per Share
GAAP YoY % Chg.	*$ in billions* **$1.405 Billion** **⬇6% y/y**	*$ in millions* **($5) Million** **N/M**	**($0.09)** **N/M**
ADJUSTED* YoY % Chg.			

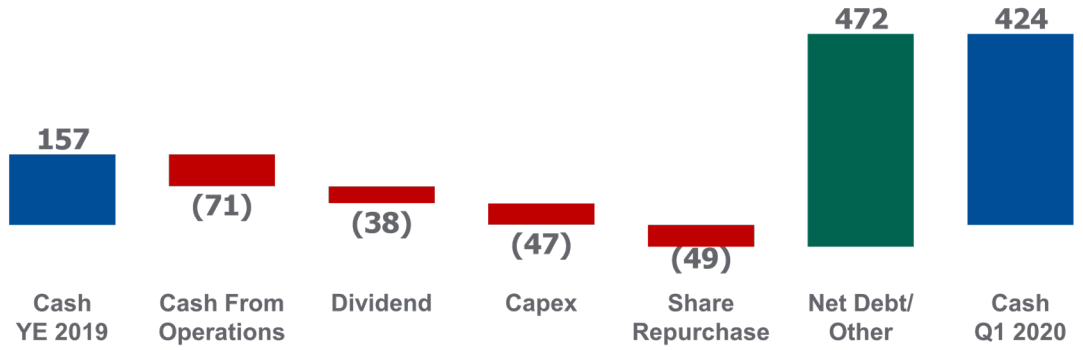
**See GAAP/Non-GAAP Reconciliation in Appendix*
N/M = not meaningful

Q1 Results Significantly Impacted by COVID-19 Crisis

Q1 2020 Financial Position & Liquidity Profile

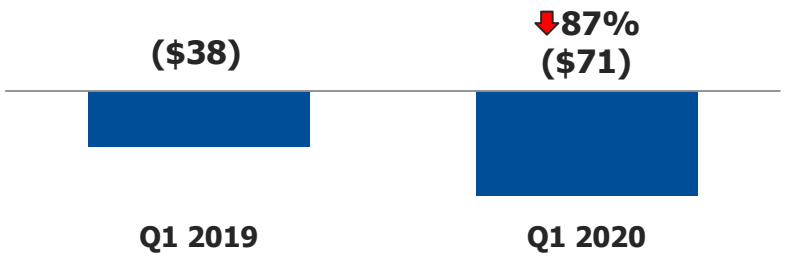
Capital Summary March 2020

$ in millions



Operating Cash Flow

$ in millions



Liquidity Profile

$ in millions

	March 2020	Variance to March 2019
Cash	$424	+180%
Debt /Capital Lease Obligations	$2,164	+3%
Shareholders' Equity	$1,002	+14%
Total Capital	$3,166	+6%
Credit Revolver – Capacity	$700	–
Credit Revolver Availability*	$138	-61%
Debt Interest Rate at March 31	2.84%	-95 bps
Factory Inventory	$1,235	+8%
Stock Buyback	$ 49	+700%
Dividend	$0.62	+2%
Debt to Total Capital	*68%*	*-3 pts*
*Leverage Ratio**	*~3.20x*	*+50 bps*

**On April 23, 2020 cash on hand was $475 million and credit available under its revolving line of credit was $250 million*

Bank Group

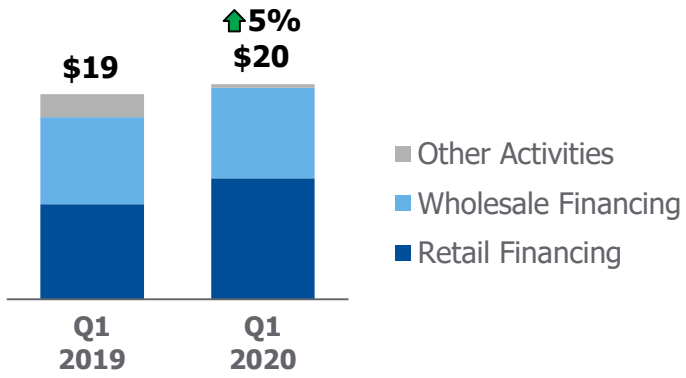
usbank · Bank of America · WELLS FARGO · MUFG · BMO · JPMorgan · BB&T · Fifth Third Bank · BANK OF THE WEST · PNC

Liquidity Profile Evolving, but Remains Solid

Financial Services Arrangements

Financial Services Income by Category

$ in millions



Q1 2020 total income up 5%

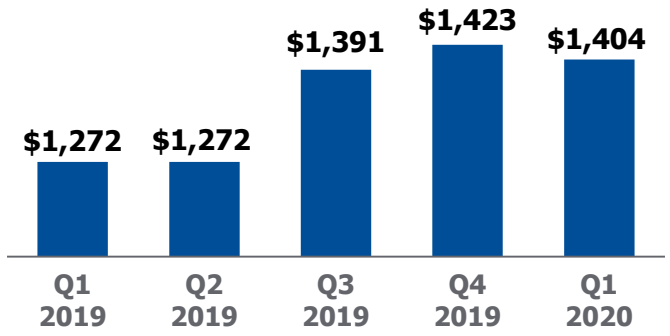
Retail credit income up 28%

Wholesale credit up 4%

Wholesale Credit

$ in millions

Receivable Balance – U.S. Dealers



Polaris Acceptance 50/50 joint venture with Wells Fargo

23-year joint venture (contract until 2027)

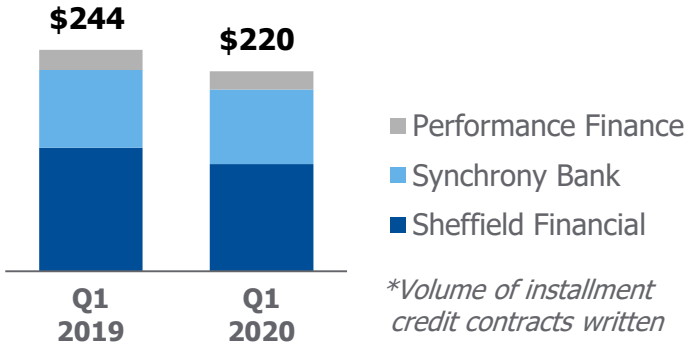
Up 10% from Q1 2019

Down 1% from Q4 2019

Losses remain well less than 1%

Retail Credit Contracts Written*

$ in millions



**Volume of installment credit contracts written*

Third party arrangements with:

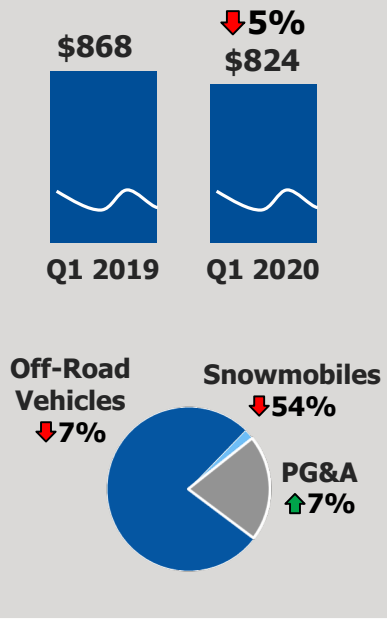
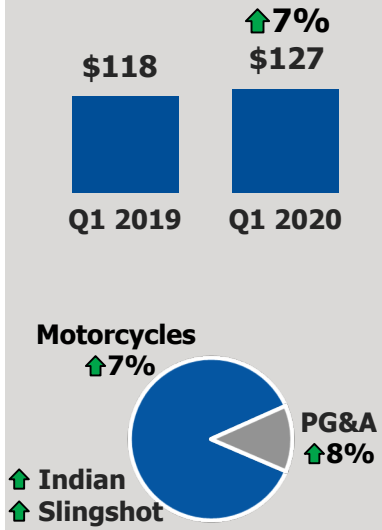
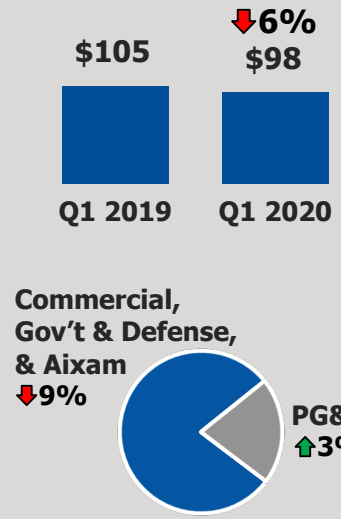
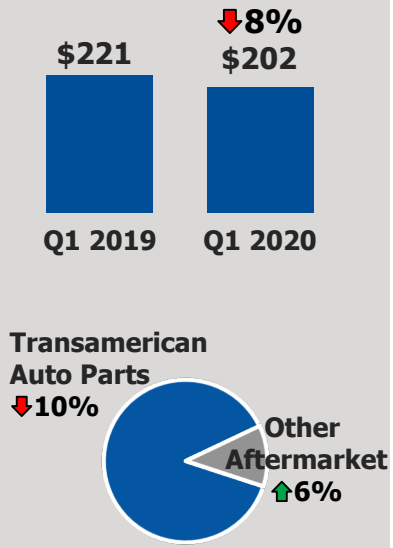
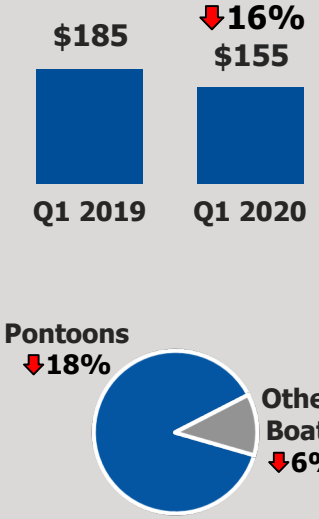
Performance Finance
Sheffield Financial
Synchrony Bank

No credit or funding risk to Polaris

Approval and penetration rates remain stable

Ample Dealer Funding and Retail Credit Available During Crisis

Q1 2020 Sales & Gross Profit Margins by Segment

Q1 2019 Sales ($M)	ORV/Snowmobiles	Motorcycles	Global Adjacent Markets	Aftermarket	Boats
					
Gross Profit Margins*	GAAP 24.5% -320 bps	GAAP -0.8% -388 bps Adj.* -0.3% -337 bps	GAAP 27.4% -82 bps	GAAP 22.9% -272 bps	GAAP 19.2% -34 bps

Reclassified 2019 Segment Gross Profit, see GAAP/Non-GAAP Reconciliation in Appendix

Scott W. Wine
Chairman & CEO

First Quarter 2020 Earnings Results

April 28, 2020

POLARIS



Closing Comments

First, keep our employees safe – social distancing, etc.

Support / win competitive battle for our dealers

Execute precautionary recession plan measures

Maintain strong balance sheet, liquidity and capital resources

Protect key product development programs

Accelerate strategic sourcing savings where practical

Continue to be a good corporate citizen

Confident the Foundation and Team in Place to Withstand Current Challenges

POLARIS

Q&A

First Quarter 2020 Earnings Results

April 28, 2020

Appendix

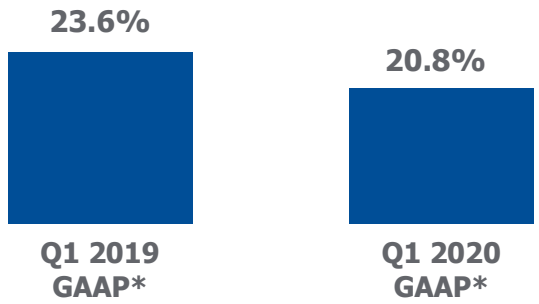
Q1 2020 Gross Profit Margin

Q1 2020 Supplemental Sales – International/PG&A

Q1 2020 Non-GAAP Reconciliations

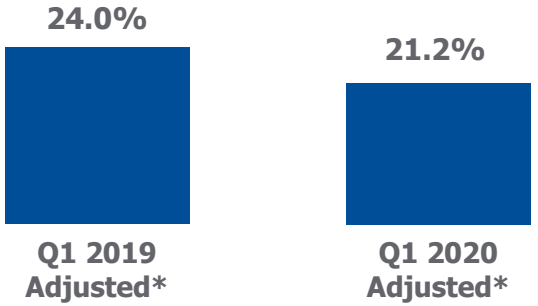
Gross Profit Margin – Q1 2020

Q1 2020 Gross Profit Margin – GAAP*



Segments	Q1 2019 GAAP*	Q1 2020 GAAP*
ORV/Snow	27.7%	24.5%
Motorcycles	3.1%	-0.8%
Adj. Markets	28.2%	27.4%
Aftermarket	25.6%	22.9%
Boats	19.6%	19.2%

Q1 2020 Gross Profit Margin – Adjusted*



Segments	Q1 2019 Adjusted*	Q1 2020 Adjusted*
ORV/Snow	27.7%	24.5%
Motorcycles	3.1%	-0.3%
Adj. Markets	28.2%	27.4%
Aftermarket	25.6%	22.9%
Boats	19.6%	19.2%

See Polaris website at ir.polaris.com/investors/financial-information for reclassified historical gross profit markets by quarter.

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

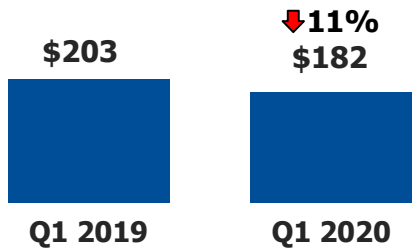
Continued Operational Improvements Generating Increased Gross Profit Margins

Q1 2020 Supplemental Sales – International & PG&A

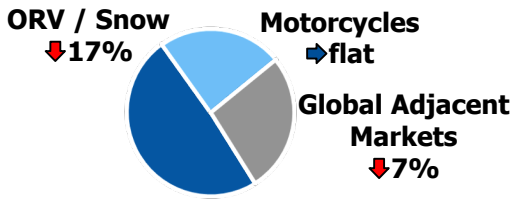
Q1 2020 International Sales

International

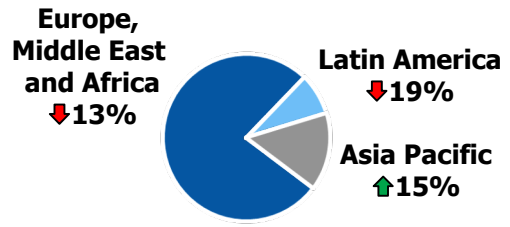
($ millions)



Sales by Segment



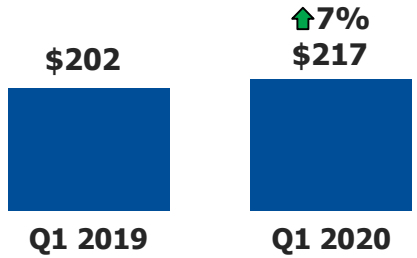
Sales by Region



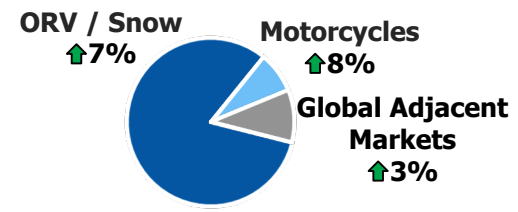
Q1 2020 PG&A Sales

PG&A

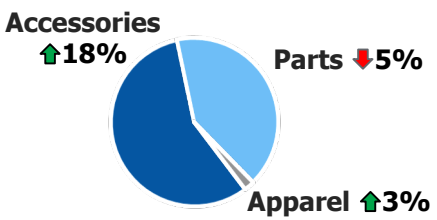
($ millions)



Sales by Segment



Sales by Product



Non-GAAP Reconciliations

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

(In Millions, Except Per Share Data; Unaudited)	Three months ended March 31, 2020	2019
Sales	**$ 1,405.2**	**$ 1,495.7**
No adjustments	—	—
Adjusted sales	**1,405.2**	**1,495.7**
Gross profit	**292.9**	**352.5**
Restructuring & realignment [2]	5.3	6.7
Adjusted gross profit	**298.2**	**359.2**
Income before taxes	**(11.6)**	**64.4**
Acquisition-related costs [1]	—	1.1
Restructuring & realignment [2]	11.8	6.7
Intangible amortization [3]	10.0	10.2
Class action litigation expenses [4]	3.2	6.4
Adjusted income before taxes	**13.4**	**88.8**
Net income attributable to Polaris Inc.	**(5.4)**	**48.4**
Acquisition-related costs [1]	—	0.9
Restructuring & realignment [2]	9.0	5.1
Intangible amortization [3]	7.5	7.7
Class action litigation expenses [4]	2.5	4.8
Adjusted net income attributable to Polaris Inc. [5]	**$ 13.6**	**$ 66.9**
Diluted EPS attributable to Polaris Inc.	**$ (0.09)**	**$ 0.78**
Acquisition-related costs [1]	—	0.02
Restructuring & realignment [2]	0.15	0.08
Intangible amortization [3]	0.12	0.12
Class action litigation expenses [4]	0.04	0.08
Adjusted EPS attributable to Polaris Inc. [5][6]	**$ 0.22**	**$ 1.08**

(In Millions, Unaudited)	Three months ended March 31, 2020	2019
SEGMENT GROSS PROFIT		
ORV/Snow segment gross profit	**201.7**	**240.1**
No adjustment	—	—
Adjusted ORV/Snow segment gross profit	**201.7**	**240.1**
Motorcycles segment gross profit	**(1.0)**	**3.7**
Restructuring & realignment [2]	0.7	—
Adjusted Motorcycles segment gross profit	**(0.3)**	**3.7**
Global Adjacent Markets (GAM) segment gross profit	**26.9**	**29.6**
No adjustment	—	—
Adjusted GAM segment gross profit	**26.9**	**29.6**
Aftermarket segment gross profit	**46.3**	**56.5**
No adjustment	—	—
Adjusted Aftermarket segment gross profit	**46.3**	**56.5**
Boats segment gross profit	**29.7**	**36.2**
No adjustment	—	—
Boats segment gross profit	**29.7**	**36.2**
Corporate segment gross profit	**(10.7)**	**(13.6)**
Restructuring & realignment [2]	4.6	6.7
Adjusted Corporate segment gross profit	**(6.1)**	**(6.9)**
Total gross profit	**292.9**	**352.5**
Total adjustments	5.3	6.7
Adjusted total gross profit	**298.2**	**359.2**

Key Definitions: This presentation contains certain GAAP financial measures which have been "adjusted" for certain revenues, expenses, gains and losses as described below (non-GAAP measures) and include "adjusted" 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. These measures, however, should not be construed as an alternative to any other measure of performance determined in accordance with GAAP.

Adjustments:

(1) Represents adjustments for integration and acquisition-related expenses and purchase accounting adjustments

(2) Represents adjustments for corporate restructuring, network realignment costs, and supply chain transformation

(3) Represents amortization expense for acquisition-related intangible assets

(4) Represents adjustments for class action litigation-related expenses

(5) The Company used its estimated statutory tax rate of 23.8% for the non-GAAP adjustments in 2020 and 2019, except for the non-deductible items

(6) For the first quarter of 2020, the Company used 61.9 million and 62.6 million weighted average shares outstanding to determine Diluted EPS attributable to Polaris Inc. and Adjusted EPS attributable to Polaris Inc., respectively. The difference is the result of the exclusion of additional outstanding stock options and certain shares issued under the Omnibus Plan from the Diluted EPS attributable to Polaris Inc. calculation because their effect would have been anti-dilutive as a result of the Company's net loss during the first quarter of 2020.



First Quarter 2020 Earnings Results

April 28, 2020