POLARIS

Mike Speetzen
Interim CEO

Raymond James Institutional Investor Conference

March 3, 2021



Polaris At-a-Glance

1954 Year Polaris was Founded

~15,000 Employees Worldwide

20 Global Manufacturing Locations

5 Research & Development Centers

~3,600 Powersports Dealers Worldwide

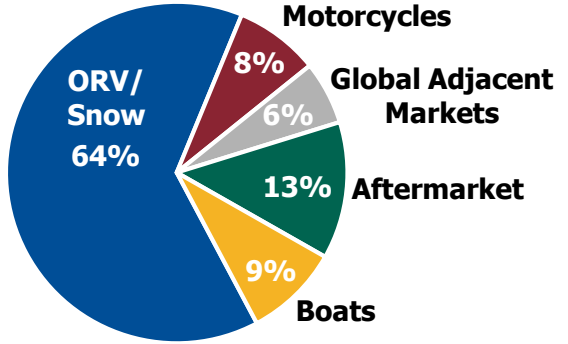
>400,000 Units Shipped Worldwide in 2020

>120 Countries – Polaris Products Sold

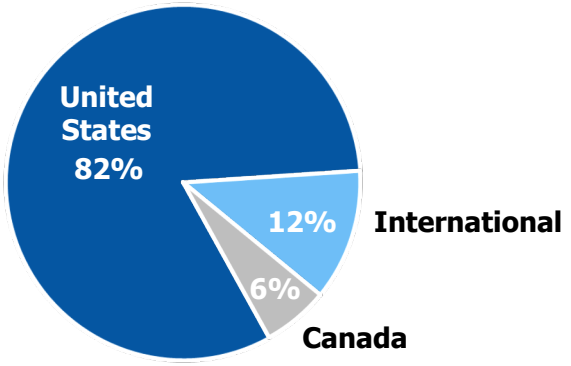
2020 Sales by Segment

$7.03B

+4% YOY Growth



2020 Sales by Geography



A Leading Global Powersports Company

2020 – The Year of Adjustments & Learnings

Employee Health & Safety

New protocols - remote work

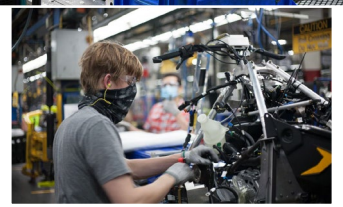
Technology investments

Building adjustments

Communication

COVID-19 site resources





Dealer Closures & Uncertain Operations

Click.Deliver.Ride.

Virtual Boat walkarounds

Website investments

4WP curbside pick-up

Financial support

CLICK
DELIVER
RIDE



Increased Interest in the Outdoors

~700,000
New customers to Polaris

~270,000 (↑95%)
Polaris Adventures Rides completed in 2020

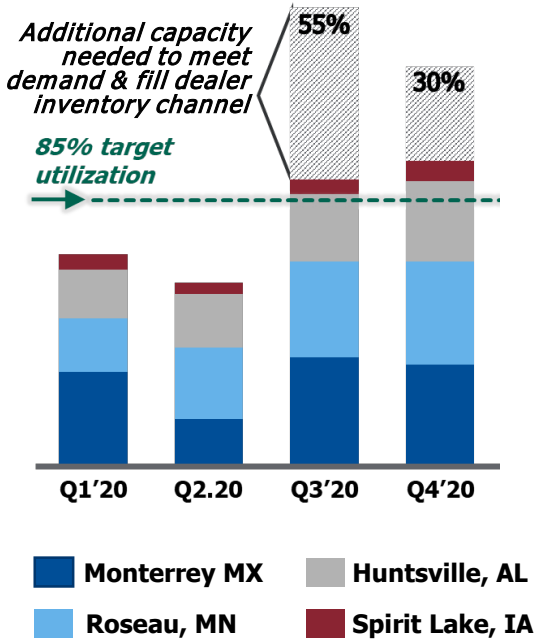
~7 million
installed customer base



Supply Chain Issues/ Inventory Challenges

Dealer inventory at historic low's

Plants producing above targeted levels



Successfully Navigated Through a Very Turbulent Environment

2020 Financial Results

Total Company Sales & EPS

GAAP

SALES

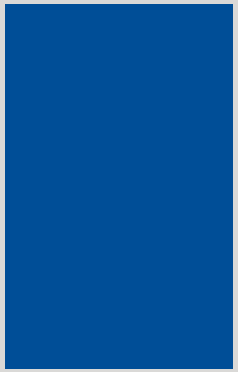
$7.028B ↑4%

EPS

$1.99 ↓62%

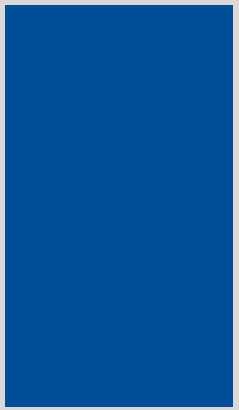
ADJUSTED*

↑4%
$7.025B



Full Year 2020

↑22%
$7.74



Full Year 2020

*See GAAP/Non-GAAP Reconciliation in Appendix

2020 Sales by Segment

ORV / Snowmobiles





$4.53B / ↑8%

Motorcycles



$582M / ~Flat

Global Adjacent Markets



$425M / ↓8%

Aftermarket



$885M / ↓2%

Boats



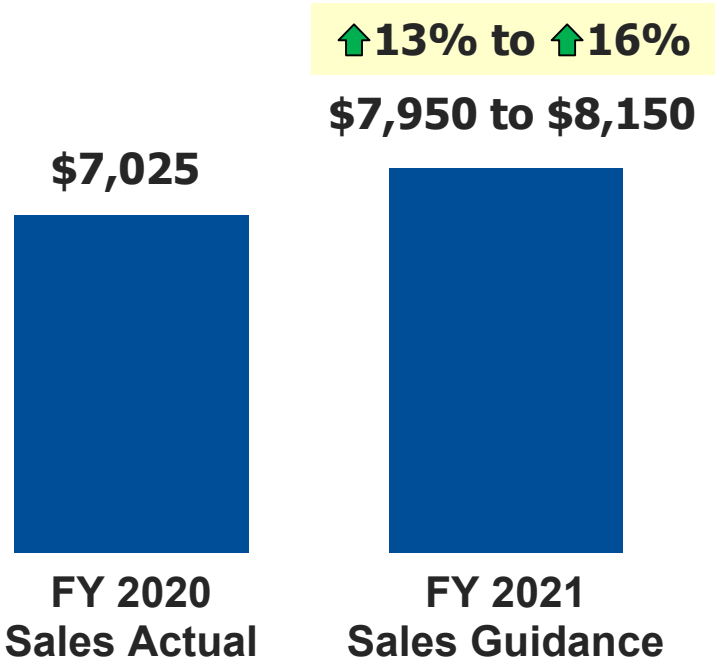
$603M / ↓3%

Sales & Earnings Finished at Record Levels in 2020

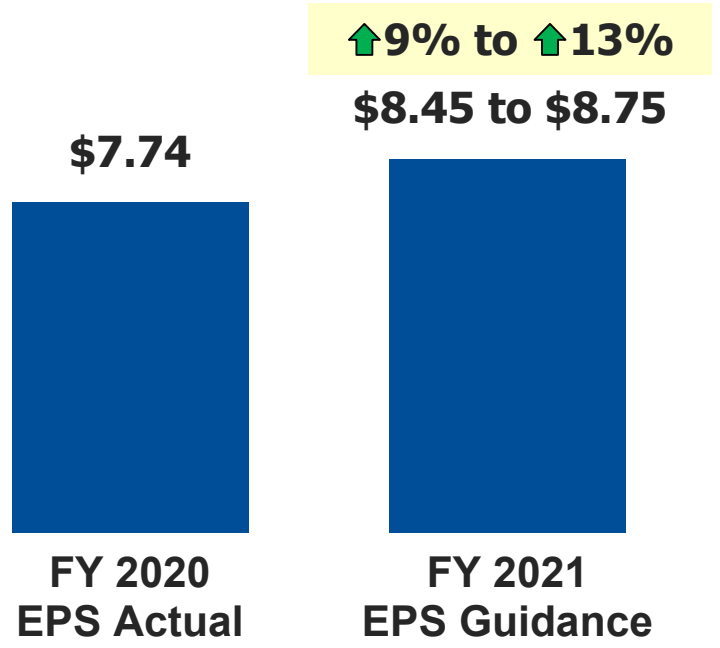
Full Year 2021 Sales & EPS Guidance*

Total Company Adjusted* Sales Guidance

$ in millions



Adjusted* Earnings Per Share Guidance



**See GAAP/Non-GAAP Reconciliation in Appendix; see Appendix for discussion regarding non-GAAP adjustments excluded from 2021 guidance*

Record Sales & Adjusted* EPS Expected in 2021

2021 Business Outlook & Priorities

Economic outlook remains tenuous

Political landscape clearer; prepared to mitigate/manage changes, if warranted

Powersports Industry robust demand continues, but muted compared to unprecedented 2020

Supply-chain constraints expected to moderate throughout the year

Strategic sourcing initiative on track to accelerate saving

Quality, digital offering and electrification key focus areas

Supply Chain Initiatives

IMPROVED QUALITY

PPM at RECORD 64

Reduced PPM REJECTS

COST SAVINGS

>$200 Million

SUPPLIER RATIONALIZATION

Actuals to date: 35%

30%+ FEWER SUPPLIERS

Digital & Connected

RIDEREADY SERVICE BUILT FOR YOU

POLARIS ADVENTURES SELECT

CONNECTED RIDER

POLARIS ADVENTURES

Electrification



Foundation in Place to Deliver Another Record Year of Sales and Earnings

POLARIS

Mike Speetzen
Interim CEO

Q&A

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Appendix

Safe Harbor & Non-GAAP Measures

2020 Non-GAAP Reconciliations

2020 Non-GAAP Reconciliations – Segments

2021 Guidance Adjustments



Safe Harbor & Non-GAAP Measures

Except for historical information contained herein, the matters set forth in this presentation, 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, supply chain, and the global economy; the Company's ability to successfully implement its manufacturing operations expansion and supply chain initiatives; the Company's ability to successfully source necessary parts and materials and the ability of the Company to manufacture and deliver products to dealers to meet increasing demand and to bring dealer inventory levels back to optimal levels; the continuation of the increasing consumer demand for the Company's products; product offerings, promotional activities and pricing strategies by competitors; economic conditions that impact consumer spending; disruptions in manufacturing facilities; acquisition integration costs; product recalls and/or 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, social 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.

Non-GAAP Reconciliations

Reconciliation of GAAP "Reported" Results to Non-GAAP "Adjusted" Results
(In Millions, Except Per Share Data; Unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
Sales	**$ 2,156.3**	**$ 1,735.9**	**$ 7,027.9**	**$ 6,782.5**
Restructuring & realignment [3]	—	—	(2.9)	—
Adjusted sales	**2,156.3**	**1,735.9**	**7,025.0**	**6,782.5**
Gross profit	**550.0**	**423.4**	**1,710.2**	**1,648.8**
Restructuring & realignment [3]	2.1	4.6	24.6	22.7
Adjusted gross profit	**552.1**	**428.0**	**1,734.8**	**1,671.5**
Income before taxes	**248.2**	**120.9**	**141.4**	**407.8**
Impairment charges [1]	—	—	379.2	—
Acquisition-related costs [2]	—	2.4	—	7.8
Restructuring & realignment [3]	2.4	5.1	39.9	23.1
Intangible amortization [4]	8.7	10.2	36.1	41.1
Class action litigation expenses [5]	4.8	3.3	17.1	20.0
Adjusted income before taxes	**264.1**	**141.9**	**613.7**	**499.8**
Net income attributable to Polaris Inc.	**198.8**	**99.0**	**124.8**	**324.0**
Impairment charges [1]	—	—	289.0	—
Acquisition-related costs [2]	—	1.9	—	5.9
Restructuring & realignment [3]	1.9	3.8	30.4	17.6
Intangible amortization [4]	6.6	7.7	27.5	31.0
Class action litigation expenses [5]	3.6	2.5	12.9	15.2
Adjusted net income attributable to Polaris Inc. [6]	**$ 210.9**	**$ 114.9**	**$ 484.6**	**$ 393.7**
Diluted EPS attributable to Polaris Inc.	**$ 3.15**	**$ 1.58**	**$ 1.99**	**$ 5.20**
Impairment charges [1]	—	—	4.61	—
Acquisition-related costs [2]	—	0.03	—	0.10
Restructuring & realignment [3]	0.02	0.06	0.49	0.28
Intangible amortization [4]	0.11	0.12	0.44	0.50
Class action litigation expenses [5]	0.06	0.04	0.21	0.24
Adjusted EPS attributable to Polaris Inc. [6]	**$ 3.34**	**$ 1.83**	**$ 7.74**	**$ 6.32**

Key Definitions: This presentation contains certain GAAP financial measures which have been "adjusted" for certain revenues, expenses, gains and losses as described below and include “adjusted" gross profit, income before taxes, net income and net income per diluted share (non-GAAP measures) 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 impairment charges related to goodwill and other intangible assets associated with the Company's Aftermarket segment

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

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

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

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

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

Non-GAAP Reconciliations – Segments

(In Millions, Unaudited)	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
SEGMENT SALES				
ORV/Snow segment sales	$ 1,467.9	$ 1,139.9	$ 4,533.3	$ 4,209.1
No adjustment	—	—	—	—
Adjusted ORV/Snow segment sales	1,467.9	1,139.9	4,533.3	4,209.1
Motorcycles segment sales	146.9	119.5	581.7	584.1
No adjustment	—	—	—	—
Adjusted Motorcycles segment sales	146.9	119.5	581.7	584.1
Global Adjacent Markets (GAM) segment sales	141.8	120.4	424.6	461.3
No adjustment	—	—	—	—
Adjusted GAM segment sales	141.8	120.4	424.6	461.3
Aftermarket segment sales	238.1	221.1	884.9	906.7
No adjustment	—	—	—	—
Adjusted Aftermarket sales	238.1	221.1	884.9	906.7
Boats segment sales	161.6	135.0	603.4	621.3
Restructuring & realignment [1]	—	—	(2.9)	—
Adjusted Boats sales	161.6	135.0	600.5	621.3
Total sales	2,156.3	1,735.9	7,027.9	6,782.5
Total adjustments	—	—	(2.9)	—
Adjusted total sales	$ 2,156.3	$ 1,735.9	$ 7,025.0	$ 6,782.5

(In Millions, Unaudited)	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
SEGMENT GROSS PROFIT				
ORV/Snow segment gross profit	$ 387.2	$ 299.4	$ 1,218.4	$ 1,145.5
No adjustment	—	—	—	—
Adjusted ORV/Snow segment gross profit	387.2	299.4	1,218.4	1,145.5
Motorcycles segment gross profit	1.1	(5.3)	20.0	30.0
Restructuring & realignment [1]	—	(0.5)	0.7	(0.5)
Adjusted Motorcycles segment gross profit	1.1	(5.8)	20.7	29.5
Global Adjacent Markets (GAM) segment gross profit	41.2	34.8	116.4	128.8
No adjustment	—	—	—	—
Adjusted GAM segment gross profit	41.2	34.8	116.4	128.8
Aftermarket segment gross profit	65.2	49.2	222.8	222.7
No adjustment	—	—	—	—
Adjusted Aftermarket segment gross profit	65.2	49.2	222.8	222.7
Boats segment gross profit	34.8	25.6	116.4	124.6
Restructuring & realignment [1]	0.3	—	11.8	—
Boats segment gross profit	35.1	25.6	128.2	124.6
Corporate segment gross profit	20.5	19.7	16.2	(2.8)
Restructuring & realignment [1]	1.8	5.1	12.1	23.2
Adjusted Corporate segment gross profit	22.3	24.8	28.3	20.4
Total gross profit	550.0	423.4	1,710.2	1,648.8
Total adjustments	2.1	4.6	24.6	22.7
Adjusted total gross profit	$ 552.1	$ 428.0	$ 1,734.8	$ 1,671.5

Adjustments:

[1] Represents adjustments for corporate restructuring, network realignment costs, and supply chain transformation

2021 GUIDANCE ADJUSTMENTS

2021 guidance excludes the pre-tax effect of supply chain transformation, restructuring and network realignment costs of approximately $5 million to $10 million, and approximately $5 million to $10 million for class action litigation-related expenses. Intangible amortization of approximately $35 million related to all acquisitions has also been excluded. 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 restructuring and realignment costs and acquisition integration costs that are difficult to predict in advance in order to include in a GAAP estimate.