POLARIS

Second Quarter 2024 Earnings Presentation

July 23, 2024

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 Company's ability to successfully implement its manufacturing operations strategy and supply chain initiatives; the Company's ability to successfully source necessary parts and materials on a timely basis; the ability of the Company to manufacture and deliver products to dealers to meet demand, including as a result of supply chain disruptions; the Company's ability to identify and meet optimal dealer inventory levels; the Company's ability to accurately forecast and sustain consumer demand; the Company's ability to mitigate increasing input costs through pricing or other measures; product offerings, promotional activities and pricing strategies by competitors that may make our products less attractive to consumers; the Company's ability to strategically invest in innovation and new products, including as compared to our competitors; economic conditions that impact consumer spending or consumer credit, including recessionary conditions and changes in interest rates; disruptions in manufacturing facilities; product recalls and/or warranty expenses; product rework costs; 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 on the Company's supply chain, manufacturing operations and consumer demand; commodity costs; freight and tariff costs (tariff relief or ability to mitigate tariffs); changes to international trade policies and agreements; uninsured product liability and class action claims (including claims seeking punitive damages) and other litigation expenses incurred due to the nature of the Company's business; uncertainty in the consumer retail and wholesale credit markets; performance of affiliate partners; changes in tax policy; relationships with dealers and suppliers; and the general global 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 except as otherwise may be required by law.

The data source for retail sales figures included in this presentation is registration information provided by Polaris dealers in North America and Europe compiled by the Company or Company estimates and other industry data sources. The Company relies on information that its dealers or other third parties supply concerning retail sales, and other retail sales data sources related to Polaris and the powersports industry, and this information is subject to change. Retail sales references to total Company retail sales includes only off-road vehicles (ORV), snowmobiles, On Road and Marine in North America and International unless otherwise noted.

This presentation contains certain non-GAAP financial measures, consisting of "adjusted" sales, gross profit, income before income taxes, net income attributed to Polaris Inc., diluted EPS attributed to Polaris Inc., EPS attributed to Polaris Inc., EBITDA, EBITDA Margin, and free cash flow as measures of our operating performance. Management believes these measures may be useful in performing meaningful comparisons of past and present operating results, and to understand the performance of its ongoing operations and how management views the business. Reconciliations of reported GAAP historic 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.

Second Quarter 2024 Overview

Total Company Results[1]

	Q2'24	Y/Y Change
Sales	$1,961M	⇩ 12%
Adjusted Gross Profit Margin	21.8%	⇩ 99 bps
Adjusted EBITDA Margin	10.1%	⇩ 188 bps
Adjusted EPS	$1.38	⇩ 43%

Second Quarter Drivers

- **North America retail down 8%**
- **Held share in ORV and Pontoons, lost share in Motorcycles**
- **Dealer inventory down ~4% sequentially**
- **Sales down due to lower retail leading to reduced shipments**
- **Margin pressures include:** lower volumes, net price and unfavorable plant absorption, somewhat offset by favorable logistics, materials and OpEx
- **Lowering full-year guidance to reflect current environment persisting and further actions to reduce dealer inventory**
- **Industry headwinds include:** Persistent inflation, higher for longer interest rates, weakening consumer confidence and dealers conservatively managing dealer inventory
- **PII Actions in response to industry headwinds:** Further reducing shipments, realizing operational efficiencies, actively managing OpEx

Biggest Drivers Impacting Adjusted EPS: Lower Volume and Net Price

[1] Please refer to the supporting schedules entitled "Non-GAAP Reconciliation" for reconciliations of adjusted or non-GAAP measures to the most directly comparable GAAP financial measures, which can be found in the appendix of this presentation and on our website at www.ir.polaris.com.

Our Clear Vision to Win: Global Leader in Powersports

Deliver for Our Customers

Advance Our #1 Powersports Market Share Position

Position Polaris for Long-Term Financial Growth

Strategy Remains Intact | Journey Will Take More Time

Progress on Strategy

EXECUTING

- **Aligned portfolio to focus on powersports**
- **Innovation and Customer Experience**
  - **Off Road**: Polaris XPEDITION, RANGER XD 1500, Full-size RANGER, RZR XP, RANGER XP Kinetic, 2-up Sportsman
  - **On Road**: Indian Scout, Indian Challenger Elite
  - **Marine**: Bennington S and SV Series, Hurricane Sundeck 2600
  - **PG&A:** Lock & Ride MAX
  - RIDE COMMAND+
  - Polaris Xchange
- **Agile and Efficient Operations**
  - Realizing costs savings in manufacturing, supply chain & OpEx
  - Developing lean model lines in Huntsville and Monterrey
  - Big focus on reducing variation at plants
- **Capital Allocation**
  - On track to buyback 10% of outstanding shares

HEADWINDS

- **Softer retail environment**
  - Inflation impacting share of wallet for discretionary purchases
  - Interest rates resulting in higher monthly payments
  - Elevated promotions across all three segments
- **Dealer inventory concerns**
  - OEMs and dealers paying higher flooring costs
  - Reducing shipments and negatively impacting absorption at plants
- **Profitability headwinds**
  - Foreign exchange headwinds
    - Canadian dollar, Euro and Peso
  - Interest Rates

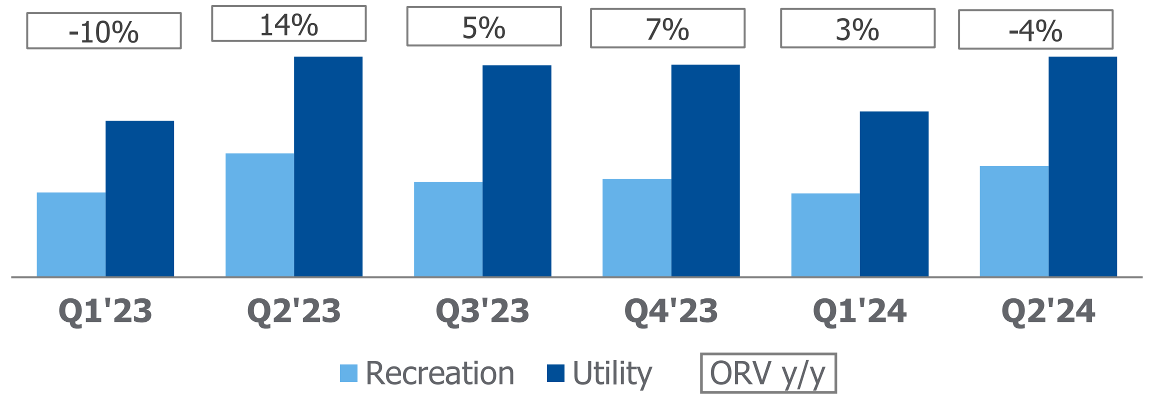
Continue to Execute at a High Level

Second Quarter North America Retail Trends and Sentiment

- **Retail Trends**
  - ORV Utility flat with continued strength in RANGER
  - ORV Recreation down for seven quarters in a row
  - On Road and Marine saw increased pressure, down 20%+
  - Promotions continue at elevated levels at or above 2019 levels as a percent of sales
- **Dealer Sentiment**
  - New products driving customer traffic in Off Road and On Road
  - Focused on inventory levels across all OEMs as softer retail and flooring costs negatively impact profitability
  - Survey points to Polaris as most profitable OEM
- **Dealer Inventory Backdrop**
  - Q2'24 Polaris dealer inventory is down 4% sequentially
    - ORV Recreation is down ~5%
    - Marine is down ~20%
  - Continued focus on reducing inventory, targeting dealer inventory down 15% to 20% by year-end

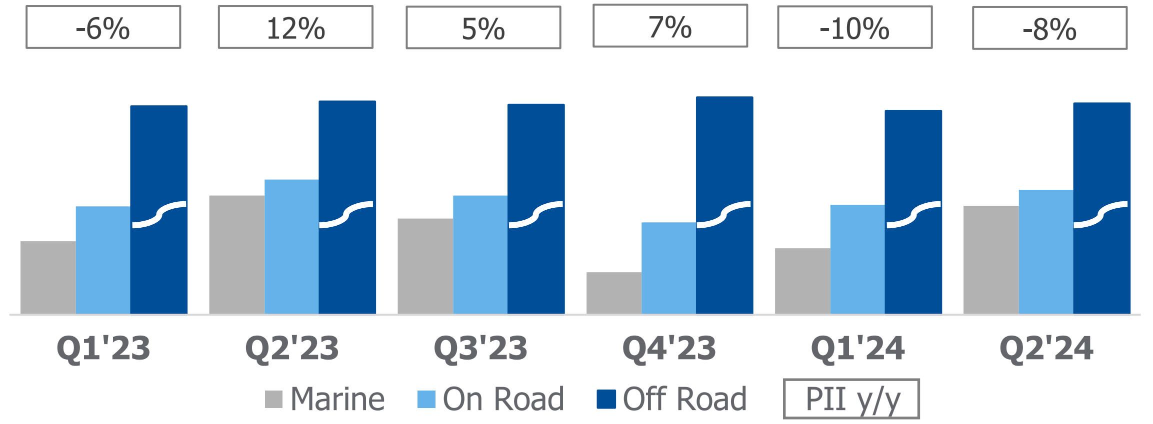
ORV Recreation and Utility Retail

In Units



Segment Retail Performance

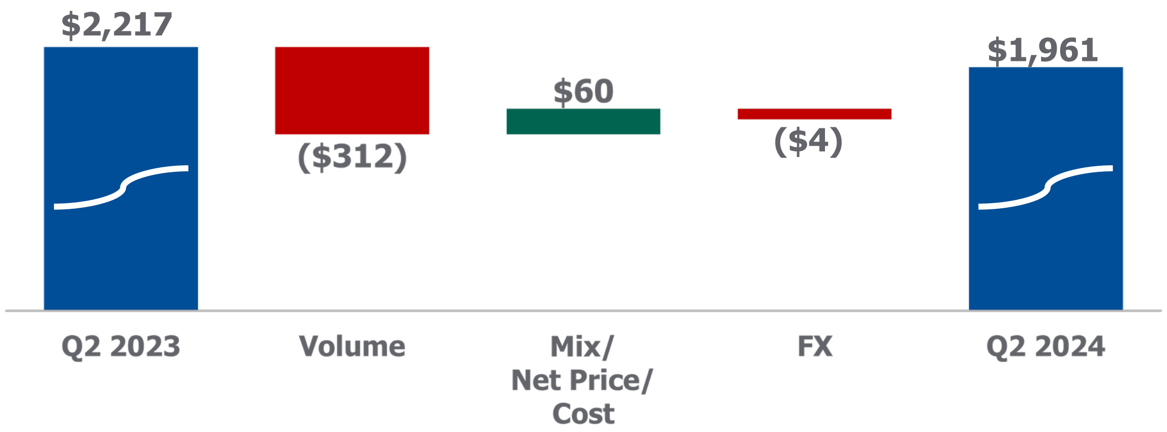
In Units



Target to Reduce Dealer Inventory 15% to 20% by Year-End

Q2 2024 Financial Results

Sales



Adjusted* EBITDA

Financial Highlights (Y/Y)

- **Quarterly sales of $2.0B, down 12%**
  - Lower volumes and net price
  - International sales down 15%
  - PG&A sales up 7%
- **Adjusted* EBITDA margin down 188 bps**
  - Negative plant absorption due to lower volumes
  - Unfavorable net price, warranty expense and finance interest
  - Partially offset by favorable operating costs
- **Adjusted* EPS of $1.38, down 43%**
- **Other items:**
  - Net interest expense of $35M
  - Effective tax rate of 19.9%
  - Average outstanding diluted shares ~57M
    - Down ~2% year-over-year

Challenging Results Due to Lower Volumes | Controlling OpEx

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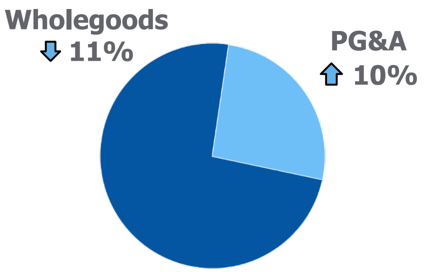
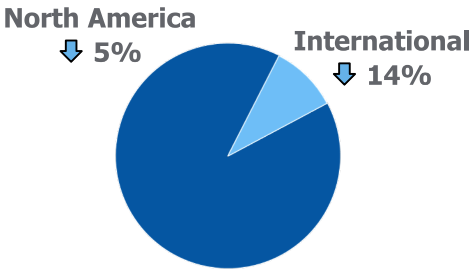
Off Road Q2 Summary

Q2 Results & Y/Y Change

Sales: $1,534M ⇩ 6%





Gross Profit Margin: 21.0% ⇩ 140 bps

Market Share (N.A.): ⇨ Off-Road Vehicles

PII Call-outs

- **N.A. ORV**
  - Retail down 4% y/y; Utility was flattish while Recreation remains soft
  - Sequentially, dealer inventory down 2%; RZR down 8%
- **ORV share flat year-over-year; Gained multiple points in SxS**
- **Elevated promotions led to negative net price**
- **Operational savings continue to be realized**
- **Margin pressured by negative absorption, net pricing, and finance interest**

Retail Sales

	North America		International[1]	
	POLARIS	INDUSTRY	POLARIS	INDUSTRY
ORV	⇩ 4%	⇩ MID-SINGLE DIGITS %	⇧ MID-SINGLE DIGITS %	⇧ HIGH-SINGLE DIGITS %
Utility	⇨ Flat			
Recreation	⇩ LOW-DOUBLE DIGITS %			
Snowmobiles	N/A (OFF-SEASON)			

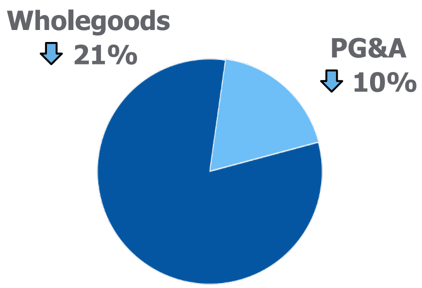
Headwinds Include Absorption, Net Pricing | Realized Operational Savings

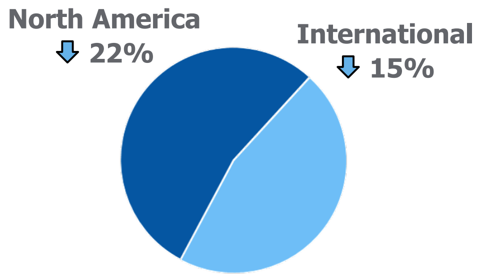
[1] *International retail data through May 2024 and based primarily on Europe*

On Road Q2 Summary

Q2 Results & Y/Y Change

Sales: $293M ⇩ 19%





Gross Profit Margin: 20.8% ⇩ 180 bps

Market Share (N.A.)**:** ⇩ Indian Motorcycle

PII Call-outs

- N.A. Indian Motorcycle retail was down ~20% year-over-year
- Indian Motorcycle lost modest share in N.A.
- Successful launch of new Indian Scout
- Slingshot sales pressured due to cautious consumer
- International motorcycle industry is down ~15%(1)
- Gross profit margin down due to negative mix and net price

Retail Sales

	North America		International(1)	
	POLARIS	INDUSTRY	POLARIS	INDUSTRY
Indian Motorcycle	⇩ LOW-TWENTIES %	⇩ MID-SINGLE DIGITS %	⇩ HIGH-SINGLE DIGITS %	⇩ LOW-DOUBLE DIGITS%

On Road Margin Pressure Due to Mix and Net Price

(1) *International retail data through May 2024 and based primarily on Europe*

Marine Q2 Summary

Q2 Results & Y/Y Change

Sales:	$134M	⇩ 40%
Gross Profit Margin:	20.3%	⇩ 542 bps
Market Share (N.A.):	⇩ Marine[1]	

PII Call-outs

- Held share in Pontoons
- Dealer inventory down ~20% sequentially and relative to 2019 levels
- Dealers continue to be cautious on adding new inventory
- Margins negatively impacted by lower volumes equating to negative absorption

Retail Sales[1]

	North America	
	POLARIS	INDUSTRY
Pontoons	⇩ HIGH-SINGLE DIGITS %	⇩ HIGH-SINGLE DIGITS %
Deck Boats	⇩ LOW-FORTIES %	⇩ HIGH-TWENTIES %

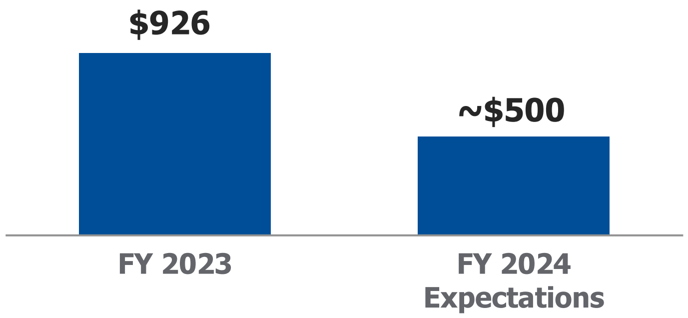
Additional Progress with Dealer Inventory While Holding Share in Pontoons

(1) *Retail and market share based on May 2024 SSI data, subject to change*

Financial Position

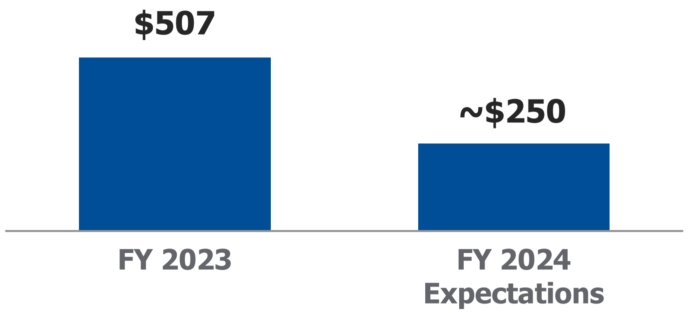
Operating Cash Flow

$ in millions



Adjusted* Free Cash Flow

$ in millions



2024 Capital Deployment Priorities

#1 Priority – Organic Investment

Lighter than expected capex spend in 2024

#2 Priority – Dividends

Dividend Aristocrat – 29 consecutive years of raising dividend

#3 Priority – Share Repurchase

Repurchased 1.6 million shares for $179 million in 2023

Repurchased 4.4 million shares for $505 million in 2022

~$1.1 billion remaining on share repurchase authorization

Key Financial Metrics

$ in millions

Cash	$323
Capex (YTD)	$139
Total Debt	$2,144
Dividends (YTD)	$74
Share Repurchases (YTD)	$82
Net Leverage Ratio	2.2x

Managing Working Capital and Capex to Help Offset Impact from Lower Volume

*Please refer to the supporting schedules entitled "Non-GAAP Reconciliation" for reconciliations of adjusted or non-GAAP measures to the most directly comparable GAAP financial measures, which can be found in the appendix of this presentation.

Full Year 2024 Guidance & Expectations

Total Company Sales

$ in Millions

Lowered

↓ 20% to ↓ 17%

$7.2B to $7.4B

Relative to 2023 at $8.9B

Segment Sales

Off Road	↓ HIGH-TEENS % *Lowered*
On Road	↓ MID-TEENS % *Lowered*
Marine	↓ HIGH-TWENTIES % *Lowered*

2024 2H Outlook Assumptions

- **Lowering guidance due to Q2 performance and lower 2H expectations**
  - Ship volume lower due to decision to help cut dealer inventory
  - Retail lower than original expectations
  - Negative plant absorption
- **Larger headwinds from promotions and finance interest**
- **Continue to make progress on operational savings, ~$50 million year-to-date savings**
- **Year-over-year FX headwind to adjusted EBITDA of ~$30M**

Adjusted* EPS

Lowered

↓ 62% to ↓ 56%

$3.50 to $4.00

Relative to 2023 at $9.16

Adjusted* Margins

% of Sales

Gross Profit Margin	EBITDA Margin
Lowered	*Lowered*
↓ 90 to 130 bps	↓ 185 to 210 bps
Relative to 2023 at 22.0%	*Relative to 2023 at 11.4%*

Key Metrics

Key Metric	Prior Quarter FY 2024 Expectations	Updated FY 2024 Expectations
Operating Expense	*Up 1% to 2%*	*Down ~6%*
Interest Expense	*~$130 million*	*~$135 million*
Tax Rate	*21.5% to 22.5%*	*Unchanged*
Diluted Shares	*58 million, flat y/y*	*Unchanged*
Depreciation	*Up ~15%*	*Unchanged*
Fin. Services Income	*Flat y/y*	*Up ~10% y/y*
Operating & Adj. FCF	*Flattish dollars*	*Lower dollars*
Capex	*~$325 million*	*~$275 million*

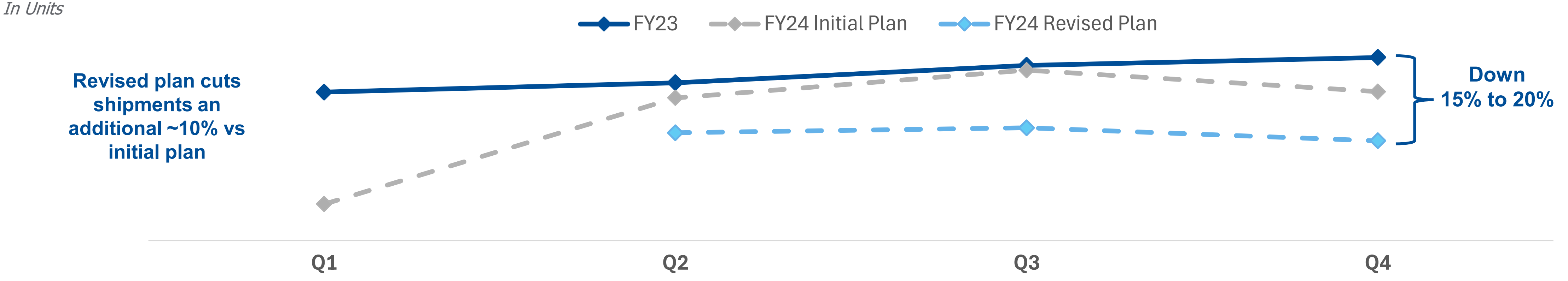
Lowering Guidance to Reflect Decision to Cut Production

*Please refer to the supporting schedules entitled "Non-GAAP Reconciliation" for reconciliations of adjusted or non-GAAP measures to the most directly comparable GAAP financial measures, and to the discussion regarding non-GAAP adjustments excluded from 2024 guidance, which can be found in the appendix of this presentation.

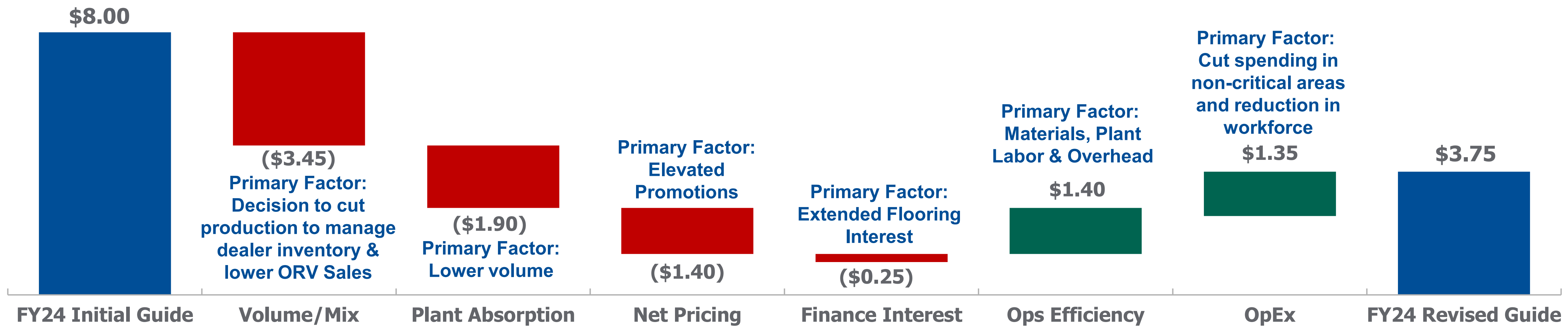
Note: Figures for all periods reflect continuing operations

Shipment and EPS Walks

Shipments



Mid-Point Adjusted EPS Walk vs Initial Guidance



Updated Guidance Affirms Our Decision to Work With Dealers | Ensuring Valuable Dealer Relationship

Closing Comments

- Second quarter earnings performance was challenged by volumes associated with lower retail and shipments
- Continued to launch new innovation: RZR XP, 2-Up Sportsman and Indian Scout Motorcycle
- Held share in ORV and Pontoon while On Road lost share
- Collaborating with dealers to help improve their profitability
- Focused on executing identified operational savings
- Remain committed to strategy however the journey is going to take longer
- Consistent capital deployment strategy





Powering Passion and Pioneering New Possibilities for All Those Who Play, Work and Think Outside


Q & A




POLARIS

Appendix

- Non-GAAP Reconciliations – Total Company
- Non-GAAP Reconciliations – Net Income to Adjusted EBITDA
- Non-GAAP Reconciliations – Segments / Cash Flow
- 2024 Guidance Adjustments

Non-GAAP Reconciliations – Total Company

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

	Three months ended June 30,		Six months ended June 30,		Full Year
	2024	2023	2024	2023	2023
Gross profit	**424.0**	**505.0**	**754.3**	**974.2**	**1,959.9**
Restructuring (3)	3.5	—	3.9	—	3.0
Adjusted gross profit	**427.5**	**505.0**	**758.2**	**974.2**	**1,962.9**
Income before income taxes	**85.9**	**172.7**	**93.6**	**317.9**	**620.4**
Distributions from other affiliates (1)	—	—	—	—	(1.4)
Acquisition-related costs (2)	0.4	—	0.7	—	1.3
Restructuring (3)	5.6	(0.2)	11.0	0.5	8.2
Intangible amortization (5)	4.4	4.5	8.9	8.9	17.7
Class action litigation expenses (6)	2.1	2.9	3.9	5.0	8.5
Adjusted income before income taxes	**98.4**	**179.9**	**118.1**	**332.3**	**654.7**
Net income attributable to Polaris Inc.	**68.7**	**134.3**	**72.5**	**247.7**	**502.8**
Distributions from other affiliates (1)	—	—	—	—	(1.4)
Acquisition-related costs (2)	0.3	—	0.6	—	1.0
Restructuring (3)	4.3	(0.2)	8.4	0.4	6.3
Intangible amortization (5)	3.4	3.3	6.8	6.7	13.5
Class action litigation expenses (6)	1.6	2.2	3.0	3.8	6.4
Adjusted net income attributable to Polaris Inc.(7)	**$ 78.3**	**$ 139.6**	**$ 91.3**	**$ 258.6**	**$ 528.6**
Diluted EPS attributable to Polaris Inc.	**$ 1.21**	**$ 2.32**	**$ 1.27**	**$ 4.28**	**$ 8.71**
Distributions from other affiliates (1)	—	—	—	—	(0.02)
Acquisition-related costs (2)	—	—	0.01	—	0.02
Restructuring (3)	0.08	—	0.15	—	0.11
Intangible amortization (4)	0.06	0.06	0.12	0.12	0.23
Class action litigation expenses (6)	0.03	0.04	0.05	0.07	0.11
Adjusted EPS attributable to Polaris Inc. (7)	**$ 1.38**	**$ 2.42**	**$ 1.60**	**$ 4.47**	**$ 9.16**

Adjustments:

(1) Represents distributions received related to an impaired investment held by the Company

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

(3) Represents adjustments for corporate restructuring

(4) Represents amortization expense for intangible assets acquired through business combinations and asset acquisitions

(5) Represents amortization expense for intangible assets acquired through business combinations

(6) Represents adjustments for certain class action litigation-related expenses

(7) The Company used its estimated statutory tax rate of 23.8% for the non-GAAP adjustments in 2024 and 2023, except for non-deductible items

Non-GAAP Reconciliations – Net Income to Adjusted EBITDA

Reconciliation of Net Income to Adjusted EBITDA
(In Millions, Unaudited)

	Three months ended June 30,		Six months ended June 30,		Full Year
	2024	2023	2024	2023	2023
Sales	**1,961.2**	**2,216.6**	**3,697.6**	**4,396.3**	**8,934.4**
Net income	**68.9**	**134.3**	**72.8**	**247.9**	**502.7**
Provision for income taxes	17.0	38.4	20.8	70.0	117.7
Interest expense	34.6	31.4	66.5	59.7	125.0
Depreciation	64.1	54.2	122.5	111.6	241.2
Intangible amortization (4)	5.4	4.5	9.9	8.9	17.7
Distributions from other affiliates (1)	—	—	—	—	(1.4)
Acquisition-related costs (2)	0.4	—	0.7	—	1.3
Restructuring (3)	5.6	(0.2)	11.0	0.5	8.2
Class action litigation expenses (5)	2.1	2.9	3.9	5.0	8.5
Adjusted EBITDA	**$ 198.1**	**$ 265.5**	**$ 308.1**	**$ 503.6**	**$ 1,020.9**
Adjusted EBITDA Margin	**10.1 %**	**12.0 %**	**8.3 %**	**11.5 %**	**11.4 %**

Adjustments:

(1) Represents distributions received related to an impaired investment held by the Company

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

(3) Represents adjustments for corporate restructuring

(4) Represents amortization expense for intangible assets acquired through business combinations and asset acquisitions

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

Non-GAAP Reconciliations – Segments / Cash Flow

Reconciliation of GAAP Segment Gross Profit to Non-GAAP Segment Gross Profit
(In Millions, Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Off Road segment gross profit	$ 322.2	$ 365.5	$ 555.2	$ 697.1
Restructuring (1)	3.2	—	3.2	—
Adjusted Off Road segment gross profit	325.4	365.5	558.4	697.1
On Road segment gross profit	61.1	81.8	121.5	151.0
No adjustment	—	—	—	—
Adjusted On Road segment gross profit	61.1	81.8	121.5	151.0
Marine segment gross profit	27.1	57.5	46.3	119.0
No adjustment	—	—	—	—
Adjusted Marine segment gross profit	27.1	57.5	46.3	119.0
Corporate segment gross profit	13.6	0.2	31.3	7.1
Restructuring (1)	0.3	—	0.7	—
Adjusted Corporate segment gross profit	13.9	0.2	32.0	7.1
Total gross profit	424.0	505.0	754.3	974.2
Total adjustments	3.5	—	3.9	—
Adjusted total gross profit	$ 427.5	$ 505.0	$ 758.2	$ 974.2

Adjustments:

(1) Represents adjustments for corporate restructuring

Reconciliation of GAAP Operating Cash Flow to Non-GAAP Adjusted Free Cash Flow
(In Millions, Unaudited)

	Six months ended June 30,		Full Year
	2024	2023	2023
Net cash provided by operating activities	**40.9**	**347.9**	**925.8**
Purchase of property and equipment	(139.3)	(206.2)	(412.6)
Distributions from (investment in) finance affiliate, net	26.5	12.7	(6.5)
Adjusted free cash flow	**$ (71.9)**	**$ 154.4**	**$ 506.7**

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, EBITDA, EBITDA margin, 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.

2024 Guidance Adjustments

2024 adjusted guidance excludes the pre-tax effect of restructuring costs of approximately $25 million, and approximately $20 million for class action litigation-related expenses. Intangible amortization of approximately $18 million related to all acquisitions has also been excluded.

The Company has not provided reconciliations of guidance for adjusted earnings 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 acquisition integration costs that are difficult to predict in advance in order to include in a GAAP estimate.