



POLARIS

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Chief Executive Officer

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POLARIS

Think Outside

GLOBAL LEADER IN POWERSPORTS

Powering passion and pioneering new possibilities for all those who play, work and THINK OUTSIDE



Best Customer Experience



Rider-Driven Innovation



Best Team, Best Culture



Inspirational Brands



Agile & Efficient Operations



Geared For Good

#1 MARKET SHARE IN POWERSPORTS

SALES GROWTH %: Mid-Single Digits

EBITDA %: Mid-to High-Teens

ROIC %: Mid-Twenties

EPS GROWTH %: Double Digits

2022-2026 Targets



#1 Powersports Market Share Leader

-  **#1** Off-Road Vehicles
-  **#1** Pontoons
-  **#2** Snowmobiles
-  **#2** Motorcycles

Industry-Leading Innovation

25+ New Products & ~500+ New Accessories in 2022 

Digital Innovation

Connected Vehicle/Rider, Adventures, Ride Ready, etc.

Strong Financial Position

2022 Adjusted* Results

SALES	EPS	ROIC
\$8.6B	\$10.40	25%
↑15%	↑15%	↑41 bps

Strategic Global Footprint

19 Manufacturing Locations Worldwide 

>400,000 Units Shipped in 2022 to **>100** Countries

2022 Disciplined Capital Allocation

- 1) **Organic Investments**
R&D Spend @ ~4 % of Revenue; \$300M+ in Capital Expenditures 
- 2) **27 Consecutive Years** of Increasing our **Dividend**
- 3) **\$505M** Share Repurchases

Committed Employees & Dealers

~16,200 Employees Worldwide 

>4,000 Powersports Dealers Worldwide

~2,500 Powersports Dealers in North America

Fortune 500 Company Focused on Sustained Long-Term Growth Through Innovation & Customer Centricity

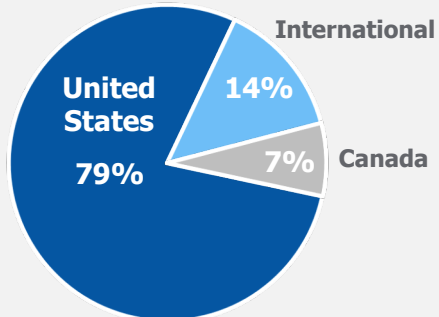
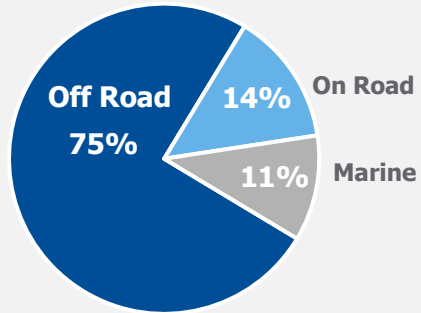
Business Segment Overview



2022 Total Company Sales

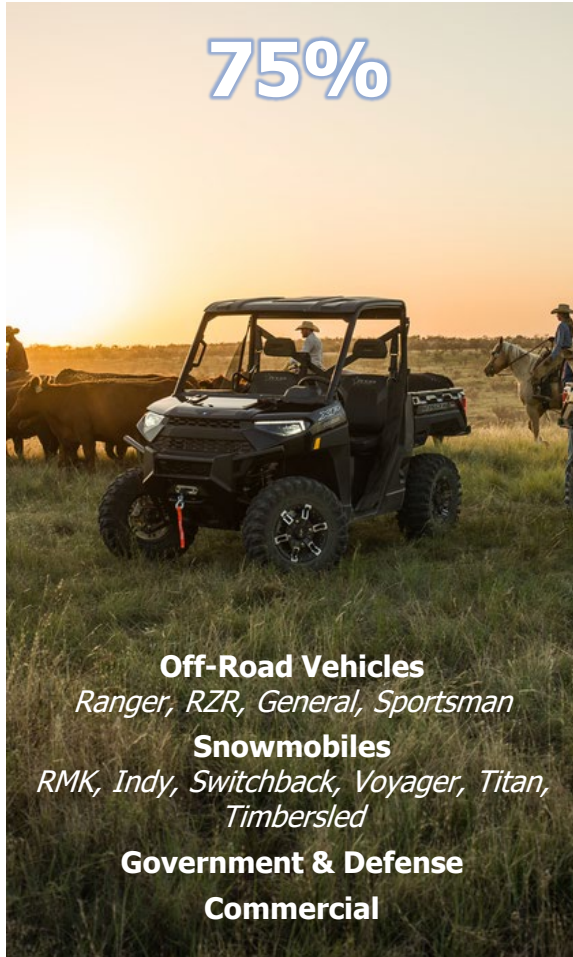
\$8.6B*

+15%
YOY Growth



OFF ROAD

75%



Off-Road Vehicles
Ranger, RZR, General, Sportsman

Snowmobiles
RMK, Indy, Switchback, Voyager, Titan, Timbersled

Government & Defense

Commercial

ON ROAD

14%



Indian Motorcycle

Slingshot

Aixam

Goupil

MARINE

11%



Bennington

Godfrey

Hurricane

Global Leader in Powersports



Solid, Stable Growth in Core Powersports

Significant Competitive Moat

Track Record of Winning Innovation

Improving EBITDA Margin Rate & Growing EBITDA Dollars

Strong Balance Sheet & Attractive ROIC

Disciplined Capital Deployment Strategy

Simple, Focused Strategy; Compelling Financial Outcomes



Geared For Good Vision



Driven by innovation, integrity, and accountability, we continually tune to be good stewards for the industry, our employees, riders, communities, and the outdoors.

ESG Framework



2021 Report Highlights

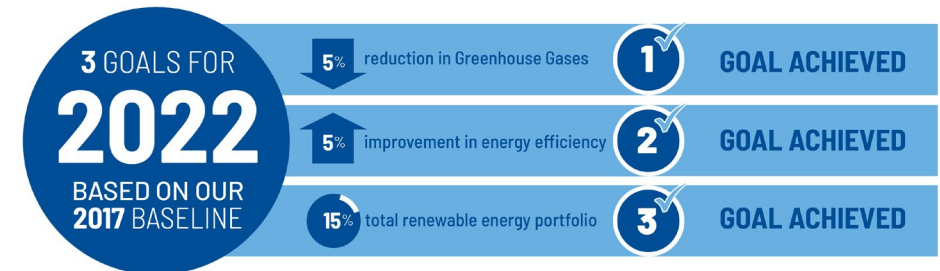
- **Achieved record low safety recordable incident rates across many facilities**
- **Began a 5-year, \$5 million partnership with the National Forest Foundation**
 - Will provide grants and project funding to support outdoor recreation and conservation work
- **Continued our R.I.D.E. Together initiative**
 - Progress to build a diverse, inclusive and welcoming work environment
- **Launched the RANGER XP Kinetic**
 - First electric vehicle from our Zero Motorcycles partnership
- **Expanded the scope of our employee engagement survey**
 - Revealed several key strengths and areas of opportunities

Recognition



2022 Report Preview

- **Materiality Assessment**
 - To further align efforts to our overarching business strategy, we completed our second-ever **materiality assessment**.
- **Environmental Goal Completion**
 - We are proud to announce that all three of our original environmental goals were achieved. Throughout 2022, a cross-functional team worked to establish and refine **new environmental goals** to operationalize our commitment to **Think Places** and **Think Production**



Report Launches May 2023

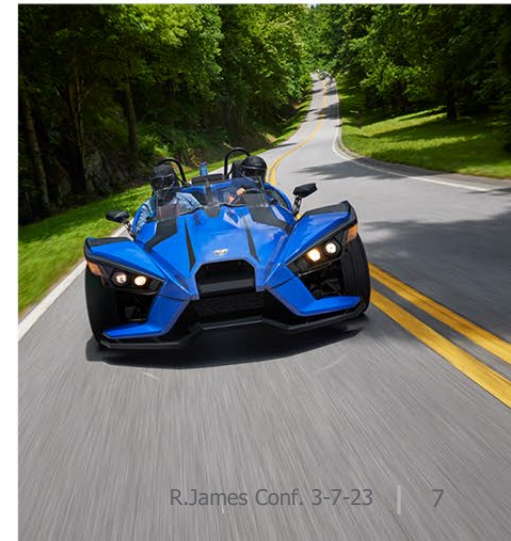
Making Strides in Our Geared For Good Journey



Q & A



POLARIS





- **Safe Harbor & Non-GAAP Measures**
- **GAAP/Non-GAAP Reconciliations**



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 source necessary parts and materials on a timely basis; the ability of the Company to manufacture and deliver products to dealers to meet demand; 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; the Company's ability to successfully implement its manufacturing operations strategy and supply chain initiatives; product offerings, promotional activities and pricing strategies by competitors that make our products less attractive to consumers; economic conditions that impact consumer spending, including recessionary conditions; the severity and duration of the COVID-19 pandemic and the resulting impact on the Company's business, supply chain, and the global economy; 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; commodity costs; freight and tariff costs (tariff relief or ability to mitigate tariffs); changes to international trade policies and agreements; uninsured product liability claims 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 overall 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.

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 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, EBITDA, net income per diluted share 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, to understand the performance of its ongoing operations and how management views the business. Reconciliations of reported GAAP historical 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.

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 December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Gross profit	573.0	401.7	1,959.5	1,750.9
Restructuring & realignment ⁽³⁾	—	1.9	0.2	7.9
Adjusted gross profit	573.0	403.6	1,959.7	1,758.8
Income from continuing operations before income taxes	246.7	104.2	761.4	628.7
Impairment charges ⁽¹⁾	—	7.7	(0.7)	7.7
Loss on sale of businesses ⁽²⁾	—	36.8	—	36.8
Restructuring & realignment ⁽³⁾	0.7	6.5	6.2	13.1
Intangible amortization ⁽⁴⁾	4.5	6.0	18.8	22.9
Class action litigation expenses ⁽⁵⁾	2.0	0.7	4.5	9.4
Adjusted Income from continuing operations before income taxes	253.9	161.9	790.2	718.6
Net income from continuing operations attributable to Polaris Inc.	196.6	91.1	602.9	496.2
Impairment charges ⁽¹⁾	—	7.7	(0.7)	7.7
Loss on sale of businesses ⁽²⁾	—	28.0	—	28.0
Restructuring & realignment ⁽³⁾	0.5	4.9	4.7	9.9
Intangible amortization ⁽⁴⁾	3.4	4.6	14.3	17.5
Class action litigation expenses ⁽⁵⁾	1.7	0.6	3.6	7.2
Adjusted net income from continuing operations attributable to Polaris Inc.⁽⁶⁾	\$ 202.2	\$ 136.9	\$ 624.8	\$ 566.5
Diluted EPS from continuing operations attributable to Polaris Inc.	\$ 3.36	\$ 1.47	\$ 10.04	\$ 7.92
Impairment charges ⁽¹⁾	—	0.12	(0.01)	0.12
Loss on sale of businesses ⁽²⁾	—	0.45	—	0.45
Restructuring & realignment ⁽³⁾	0.01	0.08	0.08	0.16
Intangible amortization ⁽⁴⁾	0.06	0.07	0.24	0.28
Class action litigation expenses ⁽⁵⁾	0.03	0.01	0.05	0.11
Adjusted EPS from continuing operations attributable to Polaris Inc.⁽⁶⁾	\$ 3.46	\$ 2.20	\$ 10.40	\$ 9.04

Adjustments:

(1) Represents impairment charges and subsequent distributions related to a strategic investment held by the Company

(2) Represents the loss associated with the Company's divestiture of the Global Electric Motorcar (GEM) and Taylor-Dunn businesses

(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 2022 and 2021, 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 December 31,		Twelve months ended December 31,	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Sales	2,404.1	1,992.6	8,589.0	7,439.2
Net Income from continuing operations	196.6	91.1	603.4	496.6
Provision for income taxes	50.1	13.1	158.0	132.1
Interest expense	24.9	11.2	71.7	44.2
Depreciation	58.4	52.2	214.0	193.4
Intangible amortization ⁽⁴⁾	4.5	6.0	18.8	22.9
Impairment charges ⁽¹⁾	—	7.7	(0.7)	7.7
Loss on sale of businesses ⁽²⁾	—	36.8	—	36.8
Restructuring & realignment ⁽³⁾	0.7	6.5	6.2	13.1
Class action litigation expenses ⁽⁵⁾	2.0	0.7	4.5	9.4
Adjusted EBITDA	\$ 337.2	\$ 225.3	\$ 1,075.9	\$ 956.2
Adjusted EBITDA Margin	14.0 %	11.3 %	12.5 %	12.9 %

Adjustments:

(1) Represents impairment charges and subsequent distributions related to a strategic investment held by the Company

(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

(5) Represents impairment charges related to an investment held by the Company

(6) Represents the loss associated with the Company's divestiture of the Global Electric Motorcar (GEM) and Taylor-Dunn businesses

Non-GAAP Reconciliations – Segments / Cash Flow



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

	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Off Road segment gross profit	\$ 461.3	\$ 308.9	\$ 1,523.4	\$ 1,329.8
No adjustment	—	—	—	—
Adjusted Off Road segment gross profit	461.3	308.9	1,523.4	1,329.8
On Road segment gross profit	51.6	31.5	206.3	160.7
No adjustment	—	—	—	—
Adjusted On Road segment gross profit	51.6	31.5	206.3	160.7
Marine segment gross profit	53.5	35.6	222.5	170.6
No adjustment	—	—	—	—
Adjusted Marine segment gross profit	53.5	35.6	222.5	170.6
Corporate segment gross profit	6.6	25.7	7.3	89.8
Restructuring & realignment ⁽¹⁾	—	1.9	0.2	7.9
Adjusted Corporate segment gross profit	6.6	27.6	7.5	97.7
Total gross profit	573.0	401.7	1,959.5	1,750.9
Total adjustments	—	1.9	0.2	7.9
Adjusted total gross profit	\$ 573.0	\$ 403.6	\$ 1,959.7	\$ 1,758.8

Adjustments:

⁽¹⁾ Represents adjustments for corporate restructuring, network realignment costs, and supply chain transformation

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

	Twelve months ended December 31,	
	2022	2021
Net cash provided by operating activities of continuing operations	534.5	286.8
Purchase of property and equipment	(306.6)	(282.8)
Investment in finance affiliate, net	(28.7)	17.8
Free cash flow	\$ 199.2	\$ 21.8

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" sales, gross profit, income before taxes, net income, EBITDA, 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.



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