



NEWS RELEASE

Polaris Announces Sale of Transamerican Auto Parts to Clearlake Capital-Backed Wheel Pros

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Advances strategy to re-focus on core powersports business

MINNEAPOLIS--(BUSINESS WIRE)-- Polaris Inc. (NYSE: PII), the global leader in powersports, announced today it has entered into a definitive agreement to sell its Transamerican Auto Parts (TAP) business to Wheel Pros, a designer, manufacturer and distributor of proprietary branded aftermarket vehicle enhancements for light trucks, SUVs, passenger cars and ATVs/UTVs backed by Clearlake Capital Group, L.P. (together with its affiliates, "Clearlake") and in partnership with management. The transaction includes TAP's full portfolio of operations, including all brands, product lines, manufacturing operations, distribution facilities, more than 100 4 Wheel Parts retail locations, and more than 1,700 TAP employees.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20220616005849/en/>

"We have a clear vision to be the global leader in powersports," said Polaris CEO Mike Speetzen. "Our decision to divest TAP better positions us to capitalize on growing consumer interest and demand for our powersports offerings, while enabling Polaris to focus our time, people and resources on our core On-road, Off-road and Marine businesses, along with the parts, garments and accessories brands that support those customers. In addition, it supports our long-term financial targets and is expected to have a positive impact on EBITDA margin. TAP remains a leading omni-channel player in the Jeep and truck aftermarket space, and we appreciate the contributions the team has made to Polaris."

The transaction is estimated to drive \$135 million of additional cash inflows for Polaris in the second half of 2022. This includes the purchase price from the buyer and realization of cash tax benefits related to the sale, minus

estimated transaction fees. The sale price, net of cash, debt, and other costs is estimated at \$50 million. In 2021, Polaris' Aftermarket segment generated \$930 million in revenue, of which the TAP business accounted for nearly \$760 million. The transaction is expected to close early in the third quarter, subject to customary closing conditions.

In connection with entering into a definitive agreement to sell TAP, the TAP business has met the accounting criteria to be classified as assets held for sale and discontinued operations. In connection with the transaction, Polaris expects to record an impairment charge, net of tax, of approximately \$140 million.

Baird acted as financial advisor and Jones Day acted as legal counsel to Polaris in connection with the transaction.

About Polaris

As the global leader in powersports, Polaris Inc. (NYSE: PII) pioneers product breakthroughs and enriching experiences and services that have invited people to discover the joy of being outdoors since our founding in 1954. With annual 2021 sales of \$8.2 billion, Polaris' high-quality product line-up includes the Polaris RANGER®, RZR® and Polaris GENERAL™ side-by-side off-road vehicles; Sportsman® all-terrain off-road vehicles; military and commercial off-road vehicles; snowmobiles; Indian Motorcycle® mid-size and heavyweight motorcycles; Slingshot® moto-roadsters; Aixam quadricycles; Goupil electric vehicles; and pontoon and deck boats, including industry-leading Bennington pontoons. Polaris enhances the riding experience with parts, garments, and accessories. Proudly headquartered in Minnesota, Polaris serves more than 100 countries across the globe. www.polaris.com

Except for historical information contained herein, the matters set forth in this presentation and discussed in the corresponding earnings call are "forward-looking statements" intended to qualify for the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as we or our management "believes," "should," "anticipates," "expects," "estimates" or words of similar import. Similarly, statements that describe our future plans or trends, objectives or goals, such as future sales, shipments, inventory levels, consumer demand, net income, net income per share, future cash flows and capital requirements, operational initiatives, pricing actions, 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 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; 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; 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.

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