



POLARIS[®]

POLARIS INDUSTRIES INC.

Acquisition of Boat Holdings, LLC

May 30, 2018

DRIVEN

FORWARD LOOKING STATEMENTS AND IMPORTANT DISCLOSURES

Except for historical information contained herein, the matters set forth in this presentation, including management's expectations regarding the effective purchase price, financing of the purchase price, timing of closing, synergies and other benefits of the acquisition, and future performance of Boat Holdings, LLC and the combined companies 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 factors such as the proposed transaction may not be completed, or completed within the expected timeframe; costs relating to the proposed transaction may be greater than expected; the possibility that a governmental entity may prohibit, delay or refuse to grant a necessary regulatory approval in connection with the proposed transaction; anticipated tax benefits may not be achieved by the Company; problems may arise in integrating the businesses of the two companies and the integration may not be successful; the combined companies may be unable to achieve the anticipated synergies or those benefits may take longer to realize than expected; the businesses of one or both companies may suffer as a result of uncertainties surrounding the proposed transaction including disruption of relationships with customers, employees or suppliers; increased competition and its effect on pricing; the combined companies may not perform as expected following the closing; and other risks beyond the control of either party. 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.



Transaction Overview

Scott W. Wine

Chairman and Chief Executive Officer



TRANSACTION OVERVIEW

Acquiring Boat Holdings, LLC (“Boat Holdings”); expect Q3’18 close

#1 manufacturer of pontoon boats

~\$560 million in sales (FY 2017)

\$805 million purchase price; ~9.5 EBITDA, net of NPV of estimated future tax benefits

Immediately accretive to EPS in 2018

Strong, experienced leadership team with profitable growth focus

Boat Holdings to continue as distinct business

Strategically aligned with Powersports leadership

Profitable Addition to Polaris’ Powersports Portfolio

STRATEGIC RATIONALE

Leadership

Extends Powersports Plus leadership position with #1 manufacturer of pontoon boats
~500 dealers primarily in the U.S. and Canada; long-standing, strong relationships

Growth Engine

Broadens and diversifies Polaris' range of powersports offerings
Pontoon market is one of the largest and fastest growing segment within the marine industry
Boat Holdings has outpaced segment growth over the past 6 years

Innovation

Revolutionizing the industry; shares Polaris' commitment to safety and quality
Unique manufacturing model enables fast, adaptable production and efficient distribution
Experienced and capable leadership team will join Polaris' team

Attractive Returns

Compelling return profile
Solid cash generation and flexible cost structure

Underscores Polaris' Strategy to be the "Best in Powersports Plus"



Business Overview

Bob Mack

Senior Vice President, Corporate Development & Strategy
President, Global Adjacent Markets

BUSINESS OVERVIEW

Summary

#1 seller of pontoon boats in the U.S.

Portfolio of iconic brands

Bennington, Godfrey, Hurricane and Rinker

Extensive and loyal dealer network

~500 active dealers

Headquartered in Elkhart, Indiana

~1,100 Employees

2017 Results

NET SALES

~\$560M

EBITDA

~\$75M
(13% of Sales)

FREE CASH FLOW
CONVERSION

100%+



Market Leader in Growing Pontoon Industry

ATTRACTIVE MARKET DYNAMICS

Powerboats Market is an \$8+ billion opportunity

Pontoon boats are a large and growing segment

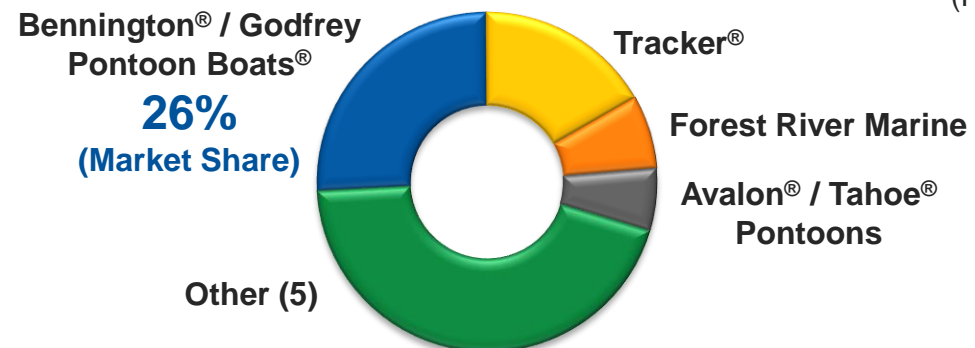
Boat Holdings 6-year retail sales CAGR = 8%

Outpaced recreational boat segment and taking share

Growth expected to continue in the sector

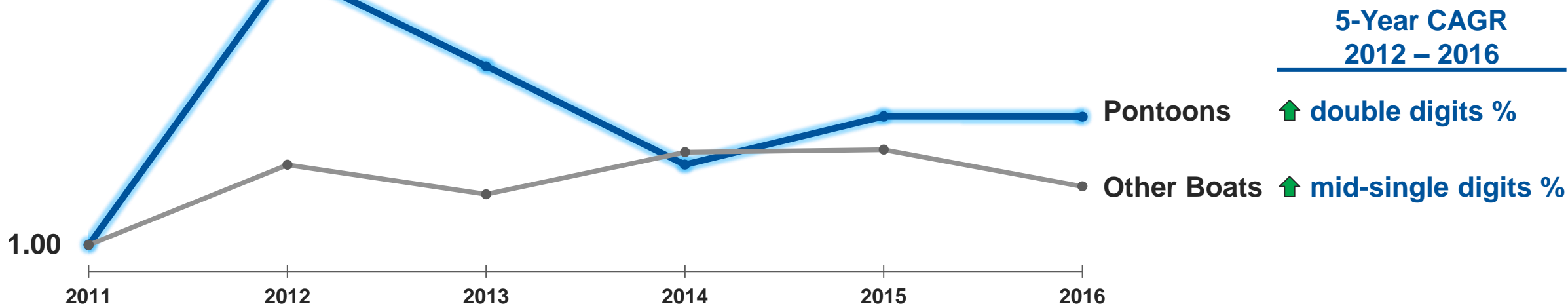
Boat Holdings Leading the Pontoon Market

(FY 2017)



Relative Market Growth – Recreational Power Boats

(Indexed to 2011, New Units Sold)



Pontoons are one of the Largest and Fastest Growing Segments within Marine Industry

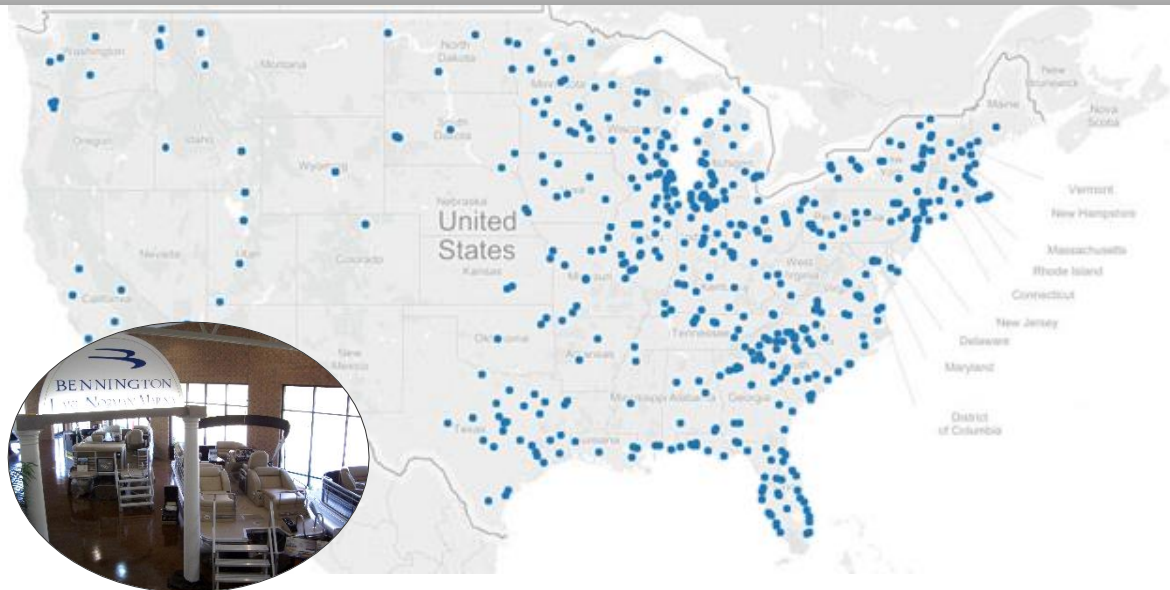
COMPETITIVE ADVANTAGE: PRODUCT LINE-UP

% of 2017 Sales	Brands	Products / Market	Base Retail Selling Price	
~70%	 BENNINGTON	Q Series Refined Luxury	\$40,000 - \$150,000	
	 BENNINGTON	R Series Luxury & Performance	\$31,000 - \$100,000	
	 BENNINGTON	G Series Mid-Class Luxury	\$23,000 - \$60,000	
	 BENNINGTON	S Series Fish & Cruise	\$14,000 - \$40,000	
~30%	 GODFREY	#3 Pontoon Brand	\$20,000 - \$110,000	
		#1 Deck Boat Brand	\$20,000 - \$90,000	
	 RINKER	Sterndrive / Outboard Brand	\$30,000 - \$400,000	

Most Complete Line-up of Pontoons in Industry

COMPETITIVE ADVANTAGE: DEALER NETWORK / LEAN MFG

Expansive Dealer Network



Dealer network is healthiest in the industry

- ✓ ~500 dealers in N.A.
- ✓ Strong financially
- ✓ Consistently best customer service

Lean Manufacturing

Stable, year-round assembly

Three manufacturing campuses

Two in Elkhart, Indiana; one in Syracuse, Indiana

Operates build-to-order manufacturing process

Maintains lowest inventory levels in the industry

100% outsourced shipping and logistics

Supports low capex and flexible cost structure



Strong Competitive Advantage Both Front & Back End of Business



Financial Overview

Mike Speetzen

Executive Vice President – Finance
Chief Financial Officer

FINANCIAL SUMMARY

Purchase Price

\$805 million: \$725 million paid at closing, \$100 million paid over 12 years (NPV = \$80 million)
EV/EBITDA multiple ~9.5x 2017 EBITDA (net of NPV of estimated future tax benefits)

Value Creation

Expected to be immediately accretive to EPS in 2018, excluding purchase acctg./acquisition costs
Strong cash flow generation; 100%+ free cash flow / net income
Earns above WACC returns within 2-3 years

Taxes

~\$100 million of NPV estimated tax benefit drive additional after tax cash flow accretion

Funding

Funded through bank debt and private placement debt financing
Polaris' proforma leverage at ~2.5 EBITDA at purchase date

Boat Holdings Integration

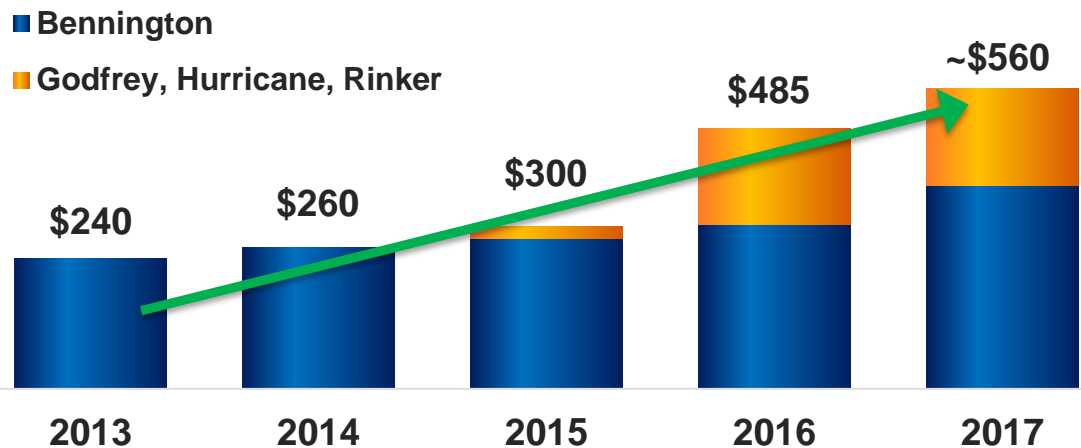
Boat Holdings to continue as distinct business
Polaris will maintain Boat Holdings headquarters and manufacturing facilities in Elkhart, Indiana
Currently evaluating segment reporting requirements given SEC segmentation rules

ATTRACTIVE REVENUE AND EBITDA GROWTH

Boat Holdings Sales*

(\$ in millions)

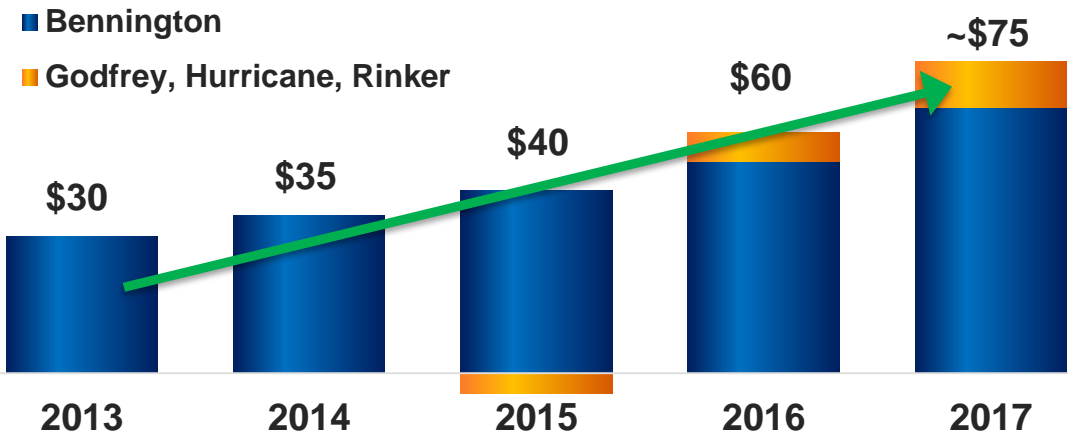
5-Yr CAGR = +22%
(13% excl. acquisitions in 2015)



Boat Holdings EBITDA*

(\$ in millions)

5-Yr CAGR = +23%
(20% excl. acquisitions in 2015)



Attractive Growth Trajectory

Boat Holdings has a strong track record of revenue & EBITDA growth

13% EBITDA as a % of Sales in 2017

Strong cash flow generation – among the highest in the boat industry

*Boat Holdings acquired the Godfrey, Hurricane and Rinker brands in 2015

Good Returns & Solid Platform for Future Growth



Summary

Scott W. Wine

Chairman and Chief Executive Officer

CLOSING COMMENTS

Strategically important “Share Play”

#1 Share player in fast-growing pontoon segment with great products, brands and distribution

Increases share offerings and growth opportunities in outdoor recreation market

Expands “share of wallet” opportunity with our customers, 30% of whom own a boat

Consistent with our strategic objective of growing Powersports Plus

Innovator revolutionizing the industry

Strong enthusiast consumer base

Similar culture driven by the Powersports lifestyle

Compelling return profile

Immediately accretive to EPS in 2018, excluding purchase acctg./acquisition costs

Compelling Transaction that Broadens and Diversifies Range of Powersports Offerings



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Q&A