Fourth Quarter & Full Year 2015
Earnings Results

January 26, 2016
Safe Harbor

Except for historical information contained herein, the matters set forth in this document, including but not limited to management’s expectations regarding 2016 sales, shipments, margins, currencies, net income and cash flow, the opportunities for expansion and diversification of the Company’s business and the Company’s guidance on earnings per share 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 product offerings, promotional activities and pricing strategies by competitors; manufacturing operation expansion initiatives; acquisition integration costs; warranty expenses; foreign currency exchange rate fluctuations; environmental and product safety regulatory activity; effects of weather; commodity costs; uninsured product liability claims; uncertainty in the retail and wholesale credit markets; performance of affiliate partners; changes in tax policy and overall economic conditions, including inflation, consumer confidence and spending and relationships with dealers and suppliers. Investors are also directed to consider other risks and uncertainties discussed in our 2014 annual report and Form 10-K 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 compiled by the Company or Company estimates. The Company must rely on information that its dealers supply concerning retail sales, and other retail sales data sources and this information is subject to revision.
Lower Q4 sales, operating income and net income

- ORV/Snowmobile sales down 18%; Motorcycles up 33%; Global Adjacent Markets down 20%
- Oil/Ag and low snowfall pressured sales
- Sales in EMEA down 13%, mostly currency; Latin America up 26%; Asia Pacific up 3%

Earnings per share decreased 16% to $1.66

- Gross profit margin down 77 bps from negative currency and reduced shipments

N.A. dealer inventory levels up 5%, in line with expectations

- ORV down mid-single digits, below implied guidance

Difficult Retail Environment Impacted Results
Grew Full Year Sales 5%; Net income flat

All businesses gained market share in 2015

- International sales down 5% (up 10% excluding currency)
  - Constant Currency: EMEA +2%; Latin America +66%; Asia Pacific +21%;
- Pretax Income included ~$70 million of negative currency

Earnings per share up 2% to $6.75

- Repurchased 2.2 million shares for $294 million
- Net income margin down 49 bps from 2014

Grew Market Share in All Businesses Despite Tough Economic Headwinds
Polaris Strategic Objectives

**Vision & Strategy**

**VISION**
Fuel the passion of riders, workers and outdoor enthusiasts around the world by delivering innovative, high quality vehicles, products, services and experiences that enrich their lives.

**STRATEGY**

**Vision Statement**
Polaris will be a highly profitable, customer centric, $8B global enterprise by 2020. We will make the best off-road and on-road vehicles and products for recreation, transportation and work supporting consumer, commercial and military applications. Our winning advantage is our innovative culture, operational speed and flexibility, and passion to make quality products that deliver value to our customers.

**Strategic Objectives**

- Best in Powersports PLUS
  - 5-8% annual organic growth
- Growth Through Adjacencies
  - >$2B from acquisitions & new markets
- Global Market Leadership
  - >33% of Polaris revenue
- LEAN Enterprise is Competitive Advantage
  - Significant Quality, Delivery & Cost Improvement
- Strong Financial Performance
  - Sustainable, profitable growth
  - Net Income Margin >10%

**Guiding Principles**

- Best People, Best Team
- Safety & Ethics Always
- Customer Loyalty

**Performance Priorities**

- Growth
- Margin Expansion
- Product & Quality Leadership
- LEAN Enterprise

**GROW SALES**

- >$8 Billion by 2020
- 12% CAGR

**INCREASE NET INCOME**

- >10% of Sales by 2020
- 13% CAGR

2020 Strategic Objectives Remain Achievable

Q4 1-26-16
MATT HOMAN
President – Off-Road Vehicles
(January 2016)

13+ years with Polaris
Most recently President – Global Adjacent Markets
Formerly V.P. – ORV from 2008 to 2011

DAVID LONGREN
S.V.P. – Enterprise Cost
(January 2016)

13+ years with Polaris
Most recently President – Off-Road Vehicles

Leadership to Meet Demands of an Evolving Market
Bennett Morgan
President & COO

POLARIS INDUSTRIES INC.

Fourth Quarter & Full Year 2015
Earnings Results

January 26, 2016
Polaris N.A. retail ↓ 6% for Q4 and ↑ 5% FY 2015 vs. 2014
Gained powersports share in Q4 and 2015 – #1 share leader for 6 consecutive years

Polaris year-end 2015 N.A. dealer inventory ↑ 5% vs. 2014
ORV ↓ mid-single digits %, motorcycle ↑ over 50%, snowmobiles ↑ over 25%, Global Adjacent Markets ↓
ATV RFM working well – SxS transitions to RFM in 2H 2016
Off-Road Vehicles (ORV)

Every ORV product line grew retail sales in 2015

Polaris ORV Q4 2015 retail sales were down low-single digits

- SxS down mid-single digits %
- ATV and ACE® down low-single digits %

Oil region retail down 10% in 2015; down upper-teens % in Q4

ORV remains #1 and gaining market share

MY’16 products successful against aggressive competition

Recently entered rec/utility category with the new Polaris GENERAL™

Promotions and competitive pressures ongoing

Maintain #1 Market Share Position
Polaris Snowmobile Vehicle Sales

($ millions)

<table>
<thead>
<tr>
<th>Q4 2015 Actual</th>
<th>FY 2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>~Flat $322.8</td>
<td>$103.5</td>
</tr>
</tbody>
</table>

Summary

N.A. Industry season-to-date (STD) retail ↓ over 20% – poor snow conditions

Polaris N.A. retail ↓ STD mid-teens % - largest share gainer STD

N.A. Dealer inventory for Polaris and Industry ↑ about 25%

New MY’16 RMK® sleds with AXYS® chassis selling well

#1 STD in mountains

Early Q1 2016 snow conditions have improved
Motorcycles

Motorcycle Growth Continues; Product Availability Improving

“Modern American Muscle”

“Legendary”

“Building an Icon”

Polaris Motorcycle Vehicle Sales

($ millions)

<table>
<thead>
<tr>
<th>Q4 2015 Actual</th>
<th>FY 2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>+43% $147.9</td>
<td>+74% $607.9</td>
</tr>
</tbody>
</table>

Summary

Polaris N.A. motorcycle Q4 retail sales ↑ low-single digits %, tough comps

Indian® ↑; retail, share, and dealer expansion
Victory® ↓; low product availability
Mid to heavyweight Industry ↓ upper-single digits %
Slingshot® ↑ over difficult Q4’14 comps

Scout Sixty™ introduced, the 2nd mid-sized Indian®
Appealing entry price point at $8,999

Aggressive 1H 2016 investment planned for Slingshot®
Global Adjacent Markets (GAM)

Global Adjacent Markets Vehicle Sales
($ millions)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015 Actual</th>
<th>FY 2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Adjacent Markets Vehicle Sales</td>
<td>$67.0</td>
<td>$259.8</td>
</tr>
<tr>
<td>-21%</td>
<td>$67.0</td>
<td>-4% $259.8</td>
</tr>
</tbody>
</table>

Summary

Axiam® sales ↑ in Q4 and 2015
#1 - gained share for 2015
National Accounts sales ↑
Launched completely redesigned GEM®
Better ergonomics, lower costs, refreshed style
Military ↓ due to government spending delays

Growing Market Share & Continuous Quality Improvement
Parts, Garments & Accessories (PG&A)

FY 2015 Sales by Category

- Parts 39%
- Apparel 8%
- Accessories 53%

FY 2015 Sales by Geography & Segment

- U.S. +10%
- Canada -17%
- Int'l +1%
- ORV/Snow +30%
- Motorcycles +4%
- Adjacent Markets +3%

PG&A Sales – All Businesses

- FY 2015 Actual: $781.1 million (82% ORV/Snowmobiles, 11% Accessories, 7% Parts)
- Q4 2015 Actual: $196.5 million

Beginning in 2016, PG&A sales guidance is included within each reporting segment.

Favorable U.S. Results Offset by Canada & Int’l Due to Currency

Q4 1-26-16
International Sales

Total International Sales

($ millions)

-8% (cc +3%)
Q4 2015

-5% (cc +10%)
FY 2015

2015 Int’l Sales by Geography/Products
(Includes PG&A)

EMEA

-12% (cc +2%)
Q4 2015

$466
FY 2015 Reported

Latin America

+43% (cc +66%)

Q4 2015

$20
2015 Reported

Asia Pacific

-6% (cc +21%)
Q4 2015

$28
FY 2015 Reported

ORV/ Snow

Motorcycles

Global Adjacent Markets

Latin America

Asia Pacific

EMEA

Adjacent Markets

Asia

Pacific

Global

Latin

America

Adjacent
Markets

Asia

Pacific

EMEA

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific

Latin

America

Adjacent
Markets

Asia

Pacific
Motorcycle – Spirit Lake Paint Update

Spirit Lake Paint Facility Upgrades

Motorcycle Paint Capacity Meets Demand

Outsource
- Spearfish
- Spirit Lake

- Demand

1H 2015 2H 2015 1H 2016 2H 2016

2016 Capacity Actions

- Upgrades to Spirit Lake Paint Systems
- Spearfish and outsourcing to optimize mix
- Organizational upgrades in Spirit Lake
- Capacity planning and MES upgrades
- Slingshot MY’17 moving to Huntsville

Spearfish Paint Facility On-Line

Paint Capacity Recovered and Ramping for 2016
Huntsville Enables Lean and Facilitates Growth

- Retail Flow Management: Improved Service Levels to Dealers
- Gross Profit Improvement
- Slingshot in Huntsville: Enables Slingshot & Motorcycles growth
- Closer to our Customers
- Advanced Technologies
- Required Surge Capacity: Reduced complexity in Plant network
- Accelerates Lean Progress

Huntsville Important Strategic Enabler in Plant Network

Q4 1-26-16
Mike Speetzen
E.V.P. Finance & CFO

POLARIS INDUSTRIES INC.

Fourth Quarter & Full Year 2015
Earnings Results

January 26, 2016
## 2016 Full Year Guidance

### Total Company Sales
- **2015 Actual**: $4,719
- **Guidance**: 2% to 3%
  - **Constant Currency**: Flat to 5%

### Gross Profit Margin
- **2015 Actual**: 28.4%
- **Guidance**: 90 to 140 bps
  - **Constant Currency**: Flat to 50 bps

### Earnings Per Share (diluted)
- **2015 Actual**: $6.75
- **Guidance**: 8% to 1%
  - **Constant Currency**: Flat to 9%
    - **$6.75 to $7.35**

### Assumptions
- Maintain/grow market share
- Dealer inventory about flat

### Segment Expectations
- **ORV/Snowmobiles**: Flat to mid-single digits %
- **Motorcycles**: High-teens %
- **Global Adjacent Markets**: Mid-single digits %

### Other 2016 Expectations
- **Operating expenses**: Slight improvement as a % of sales
- **Income from financial services**: In-line with total company sales
- **Income taxes**: Approx. 35% of pre-tax income
- **International sales**: Low to mid-single digits %
- **PG&A sales**: Grow faster than overall company

### Notes
- F/X = minus ~90 bps
- Huntsville start-up Q2’16
- Commodities positive
- F/X = minus ~55¢ per share
- Share count down 1% to 2% (2.9M share repurchase authorization remaining)
- Net income $ down 1% to 10%

---

**2016 Guidance Range Wider Signaling Currency/End-Markets Risk**
2016 Sales Guidance by Reporting Segments

**ORV / Snowmobiles**
- Flat to down mid-single digits%
- 2015 (Reclassified) $3,708.9
- 2016 Guidance $698.3

**Motorcycles**
- Indian
- Victory
- Slingshot
- +67%
- 2015 (Reclassified) $3,708.9
- 2016 Guidance $698.3

**Global Adjacent Markets**
- Work & Transportation
- Defense
- -3%
- 2015 (Reclassified) $312.1
- 2016 Guidance

**Remain Optimistic for Modest Sales Growth & Market Share Gains**

Q4 1-26-16
## 2016 Gross Profit Margin Guidance

### By Component

<table>
<thead>
<tr>
<th>Component</th>
<th>Q4 2015 Actual</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior period</td>
<td>28.8%</td>
<td>29.4%</td>
<td>28.4%</td>
</tr>
<tr>
<td>Production volume/capacity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product cost reduction efforts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency rates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher selling prices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product mix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorcycle Production Constraints</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New plant start-up costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation/Tooling amortization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales promotional costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current period</td>
<td>28.1%</td>
<td>28.4%</td>
<td>27.0% to 27.5%</td>
</tr>
<tr>
<td><strong>Change</strong></td>
<td><strong>-77 bps</strong></td>
<td><strong>-108 bps</strong></td>
<td><strong>Down 90 to 140 bps</strong></td>
</tr>
</tbody>
</table>

### By Reporting Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2015 Actual</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORV/Snowmobiles</td>
<td>30.5%</td>
<td>32.1%</td>
<td></td>
</tr>
<tr>
<td>Motorcycles</td>
<td>14.8%</td>
<td>13.9%</td>
<td></td>
</tr>
<tr>
<td>Global Adjacent Markets</td>
<td>27.5%</td>
<td>27.0%</td>
<td></td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>28.1%</td>
<td>28.4%</td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**
- **↑** Improvement to gross profit margin %
- **↓** Headwind to gross profit margin %
- **neutral** Neutral to gross profit margin %
Foreign Currency Exposures for Polaris

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Dollar (CAD)</td>
<td>Long</td>
<td>30%</td>
<td>$82</td>
<td>$0.77 to 1 CAD</td>
<td>Negative</td>
</tr>
<tr>
<td>Australian Dollar (AUD)</td>
<td>Long</td>
<td>60%</td>
<td>$20</td>
<td>$0.71 to 1 AUD</td>
<td>Negative</td>
</tr>
<tr>
<td>Euro (EUR)</td>
<td>Long</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>Negative</td>
</tr>
<tr>
<td>Japanese Yen (JPY)</td>
<td>Short</td>
<td>40%</td>
<td>$10</td>
<td>120 Yen to $1</td>
<td>Positive</td>
</tr>
<tr>
<td>Mexican Peso (MXN)</td>
<td>Short</td>
<td>80%</td>
<td>$33</td>
<td>16 Peso to $1</td>
<td>Positive</td>
</tr>
</tbody>
</table>

*Assumes exchange rates remain at approximately the rate at the end of 2015 and exchange rates remain unchanged at both upper and lower ends of guidance range.

Open 2016 F/X Hedging Contracts as of December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pretax Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F/X Impacts vs. Prior Year ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Actual Q4 2015</th>
<th>Actual FY 2015</th>
<th>FY 2016 Expectations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>($35)</td>
<td>($160)</td>
<td>($80)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>($13)</td>
<td>($70)</td>
<td>($80)</td>
</tr>
<tr>
<td>Pretax Income</td>
<td>($12)</td>
<td>($70)</td>
<td>($55)</td>
</tr>
</tbody>
</table>

*Assumes exchange rates remain at approximately the rate at the end of 2015 and exchange rates remain unchanged at both upper and lower ends of guidance range.
Polaris Financial Position

Cash Drivers

($ millions)

| Cash YE 2014 | $138 |
| Operating Activities | $440 |
| Dividends | $139 |
| Capex | $249 |
| Net Borrowings | $246 |
| Share Repurchase | $294 |
| Other | $13 |
| Cash Q3 2015 | $155 |

Capital Summary Dec. 2015

($ millions)

| Cash | $155.3 +13% |
| Debt /Capital Lease Obligations | $463.3 (105%) |
| Shareholders’ Equity | $981.5 14% |
| Total Capital | $1,444.8 33% |
| Debt to Total Capital | 32% (11%) |

Operating Cash Flow

($ millions)

| FY 2014 | $529 |
| FY 2015 | -17% $440 |
| FY 2016 Expectations | Up Significantly |
| FY 2014 | 38% |
| FY 2015 | 32% |

ROIC*

| FY 2014 | 38% |
| FY 2015 | 32% |

2015 Summary

Operating cash flow ↓ 17%; factory inventory +144M vs. 2014

Increased share repurchases given current stock price

2016 Expectations

Cap Ex expected to be slightly higher than 2015
Reflects Huntsville, Spirit Lake Investments

Cash Flow ↑ significantly due to ↓ factory inventory

*Defined as trailing 12 months net income divided by average total assets, minus average current liabilities

Strong Balance Sheet and Cash Flow Generation
Income from Financial Services

Full Year income from financial services increased 12%

Higher retail credit income

Extended Polaris Acceptance JV agreement through 2022 – similar terms

GE sale to Wells Fargo expected to close in March

Extended Sheffield and Synchrony agreements to December 2020

Ample Financing Availability at Favorable Rates
2016 Business Outlook

Anticipate weak US GDP and weakening global markets
Oil/gas and ag/farm economies not improving

Powersports markets flat; remain competitive
Polaris expected to maintain/grow share

Dollar remains strong, currencies again a major headwind
International focus on profitability; expand through M&A/partners

Lean / Value Improvement Projects (VIP) gaining traction
Inventory and lead time reductions major focus

Continuing to fund significant R&D and growth investments
Products, technologies, and services

Positioned to Win in a Tough Market... and Beyond
Thank you

Questions?