Acquisition of Boat Holdings, LLC

May 30, 2018
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
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
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

<table>
<thead>
<tr>
<th></th>
<th>NET SALES</th>
<th>EBITDA</th>
<th>FREE CASH FLOW CONVERSION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>~$560M</td>
<td>~$75M</td>
<td>100%+</td>
</tr>
</tbody>
</table>

(13% of Sales)
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

Relative Market Growth – Recreational Power Boats

(Indexed to 2011, New Units Sold)

5-Year CAGR 2012 – 2016

↑ double digits %

↑ mid-single digits %

Pontoon Boats

Other Boats

Avalon® / Tahoe® Pontoons

Boat Holdings Leading the Pontoon Market

(FY 2017)

Bennington® / Godfrey Pontoon Boats®

26%

(Market Share)

Other (5)

Forest River Marine

Tracker®

Pontoon boats are one of the Largest and Fastest Growing Segments within Marine Industry
<table>
<thead>
<tr>
<th>% of 2017 Sales</th>
<th>Brands</th>
<th>Products / Market</th>
<th>Base Retail Selling Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>~70%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bennington</td>
<td>Q Series</td>
<td>$40,000 - $150,000</td>
</tr>
<tr>
<td></td>
<td>Bennington</td>
<td>R Series</td>
<td>$31,000 - $100,000</td>
</tr>
<tr>
<td></td>
<td>Bennington</td>
<td>G Series</td>
<td>$23,000 - $60,000</td>
</tr>
<tr>
<td></td>
<td>Bennington</td>
<td>S Series</td>
<td>$14,000 - $40,000</td>
</tr>
<tr>
<td>~30%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Godfrey</td>
<td>#3 Pontoon Brand</td>
<td>$20,000 - $110,000</td>
</tr>
<tr>
<td></td>
<td>Hurricane</td>
<td>#1 Deck Boat Brand</td>
<td>$20,000 - $90,000</td>
</tr>
<tr>
<td></td>
<td>Rinker</td>
<td>Sterndrive / Outboard Brand</td>
<td>$30,000 - $400,000</td>
</tr>
</tbody>
</table>

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
## ATTRACTION REVENUE AND EBITDA GROWTH

**Boat Holdings Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales* ($ in millions)</th>
<th>Bennington</th>
<th>Godfrey, Hurricane, Rinker</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$240</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$485</td>
<td></td>
<td>$50</td>
</tr>
<tr>
<td>2017</td>
<td>~$560</td>
<td>~$53</td>
<td>$3</td>
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</tbody>
</table>

**5-Yr CAGR = +22%**

(13% excl. acquisitions in 2015)

**Boat Holdings EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA* ($ in millions)</th>
<th>Bennington</th>
<th>Godfrey, Hurricane, Rinker</th>
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<tbody>
<tr>
<td>2013</td>
<td>$30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$40</td>
<td>$30</td>
<td>$10</td>
</tr>
<tr>
<td>2016</td>
<td>$60</td>
<td>~$53</td>
<td>~$5</td>
</tr>
<tr>
<td>2017</td>
<td>~$75</td>
<td>~$53</td>
<td>$5</td>
</tr>
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</table>

**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
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
Acquisition of Boat Holdings, LLC

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